AN EXPLORATION OF THE LED PROGRAMME ON THE BLUE CRANE ROUTE MUNICIPALITY WITH SPECIFIC REFERENCE TO COOKHOUSE.

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BY

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Executive Summary

There is a growing consensus globally about the significance of developing local and regional economies in order to create sustainable livelihood for local communities. The policy discourse in South Africa and elsewhere as well as the immense body of literature on local economic development bears testimony to this reality (Nel 1994, Tomlinson 1994, Rogerson 2003, World Bank 2002). The Constitution of the Republic of South Africa (Act 108 of 1996) and the Local Government: Municipal Systems Act (Act 36 of 2000) enshrine the role of municipalities in enhancing the economic growth and development, and harnessing the social wellbeing of the communities ‘through creation of employment opportunities and redistribution of resources’. Importantly, this legislative framework must be accompanied by, on the one hand proper structures and political will, and on the other hand provision of resources and institutional capacity for realization of the long term objectives of Local Economic Development (LED). In order to be successfully mainstreamed and implemented the LED must be embodied within the legally prescribed Integrated Development Plans. In addition, the LED strategy must be incorporated within the Provincial Growth and Development Strategies (PGDS).

In this research an exploration of the Local Economic Development Programme on the Blue Crane Route Municipality with specific reference to Cookhouse was investigated. The primary aim of this study was to establish the views of the residents regarding their perceptions of the LED and its effects in terms of addressing current poverty related problems and their view on the proposed wind farm project, to investigate the proposed implementation process of LED project, specifically at Cookhouse. The second objective of this research was to present empirical data from both a questionnaire completed by 18 respondents and two interviews, that helps amplify and verify the impact of LED at BCRM. The question answered was whether the proposed wind farm will make an impact on the lives of the ordinary people at Cookhouse. The final objective of this research to identify the shortcomings in the LED development process in the BCRM and to make recommendations on feasible actions that could be employed to alleviate poverty.
The findings of the research suggest that the proposed project should be evaluated taking the themes of social, environmental and economic aspects of sustainable development into account. Also, the findings of the research have noted that community members are not aware of what opportunities this project will bring to the community of Cookhouse. It should be noted that when this project was identified, the community was never consulted and now it's very difficult at this stage to reject the project since there are employment opportunities. Therefore local authorities are constitutionally obliged to create space for community participation, which warrants accessibility and availability of information to local communities to enable to participate effectively.
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CHAPTER 1

1. INTRODUCTION AND CONTEXT

INTRODUCTION

The LED phenomenon has gained prominence in South Africa as a vehicle to promote economic growth and sustainable development in the Municipalities (Nel 2006, Tomlinson 1994). This is the strategy aimed at combating poverty, unemployment and underdevelopment amongst other things. With promulgation of various policies to provide direction and institutional mechanisms to foster economic development in municipal areas including Blue Crane Route Municipality (BCRM), the prevailing conditions beg the question as to what is the actual impact of the LED in BCRM?

Local Economic Development is essentially a process in which local governments and community based groups manage their existing resources and enter into partnership arrangements with the private sector or with each other, to create new jobs and stimulate economic activity in an economic area (Zaaijer & Sara, 1993, p 129). Chapter 7 section 153 (a) of the RSA Constitution makes it mandatory for municipalities to develop and promote local economies in a sustainable fashion. The Constitution further mandate local government to address socio-economic challenges by, among others, to participate in government programmes. This means that Municipalities should consider the entire range of government policies, strategies and guidelines when they identify appropriate strategies to tackle poverty alleviation, business development and job creation in their areas of jurisdiction.

1.1 RATIONALE

The South African local authorities have to play a very crucial role in the South African economy; they must become engines of development. The LED supports broad national macro-economic and provincial development strategies. In turn, municipalities must be supported by national and provincial government in their quest to improve LED, section 154:1 of The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996).

This study will focus on a proposed wind energy initiative at Cookhouse in the Blue Crane Route Municipality in the western portion of the Eastern Cape Province.
Cookhouse has been identified as one of the areas that have the high wind speed for wind farm development. According to a global wind company called Windlab, from the wind tests done, the air movement is very good in the corridor from East London area to the Graaf Reinett region. The corridor essentially links the coast with the hinterland and due to the normal temperature differentials it is conducive for wind movement. Apparently even if one cannot feel the wind at ground level, the air movement is considerable at the level at which the turbines operate. (www.windlab.com)

According to the (National Development Plan, Vision 2030:128) and The New Growth Path (NGP), one of the government priorities is to create employment through the green economy agenda. A target to generate 20 000MWh of renewable energy by 2030 has been set by government. The green economy agenda will be leveraged to promote deep industrialisation, energy efficiency and employment. The BCRM LED strategy and IDP has taken cognisance of this and has incorporated green energy as one of the main drivers on job creation and economic development.

The Framework of the NGP is aimed at enhancing growth, employment creation equity. It should also be noted that infrastructure development is the main driver for job creation. The NGP identifies investments in five key areas which are energy, transport, communication, water and housing. Under these key investment areas especially on energy, the green economy will focus on expansions and construction and technologies for solar, wind and bio-fuels and this key investment area is supported by draft energy policy on Integrated Resource Plan. Clean manufacturing and environmental services are projected to create 300 000 jobs over the next decade.

1.1.1.1 THE STUDY AREA AND BACKGROUND

Cookhouse is a small town in Eastern Cape Province, South Africa. Located some 170km north of Port Elizabeth and 24km east of Somerset East, on the west bank of the Great Fish River, which formed the eastern boundary of the Cape Colony until 1819. It is said to take its name from a small stone house used for shelter and cooking by troops camping on the bank of this river. Another explanation links the name to the hot climate as experienced by the troops stationed there (www.sahistory.org.za). It is an important railway junction.
BCRM is the Municipality that has been established in terms of the Demarcation Act of 2000 and incorporates the previous municipalities of Somerset East, Cookhouse and Pearston. According to the Municipality LED strategy, the BCRM covers an area of approximately 9914 square kilometers and is geographical the largest municipality in the Cacadu District (See Annexure D).

1.2 HYPOTHESIS

The following hypothesis will be tested: Green energy has the potential to create employment at Cookhouse.

1.3 RESEARCH PROBLEM

A high number of people at Cookhouse face serious economic challenges, and one of those challenges is lack of employment opportunities, and this is one of the primary contributing causes of poverty. Many of the people are undereducated and unemployed. Berg-Schlosser and Kersting (2003) are of the view that the growth of the people’s vulnerability increases the spread of poverty in their societies. Therefore this research seeks to critically explore the impact of LED in the BCRM with specific reference to the proposed wind energy initiative at Cookhouse as a key case study.

1.3.1. The Research question

This research will seek to explore the LED in the BCRM and what impact has it made to improve the lives of the poor. Therefore the key research questions are as follows.

- Has the LED implementation adhered to the set objectives as per the National LED Framework?
- Has it positively impacted towards the socio-economic needs of the communities the municipality serves?
- What could have been the challenges encountered when implementing the LED programme?
- Has there been community involvement in the project identification?
1.4 RESEARCH AIMS AND OBJECTIVES

✓ To identify the areas where the LED projects are being implemented and socio-economic status of the people in the area.

✓ To investigate the implementation process of LED projects, specifically at Cookhouse.

✓ To establish the views of the residents regarding their perceptions of the LED and its effects in terms of addressing current poverty related problems and their views on the proposed wind farm project.

✓ To gauge the success and socio-economic impact of the LED projects by assessing tangible indicators, e.g. jobs provided and community participation based on community and municipal interviews;

✓ To identify the shortcomings in the LED development process in the BCRM and to make recommendations on feasible actions that could be employed to alleviate poverty.

1.5 SCOPE AND SCALE OF THE RESEARCH
1.5.1 Socio-Economic Conditions in the Blue Crane Route Municipality

BCRM has three urban centres namely, Cookhouse which is located on the R10 and Somerset East and Pearston which are located along R63 towards the west. The administrative centre is Somerset East.

The Council of the Blue Crane Route Municipality consists of 11 councillors. Out of the 11 councillors, there are seven ward councillors and five proportional representation councillors. The Municipal Manager is the head of Administration. The diagram below reflects the structure of the BCRM.
The LED officer, is reporting directly to the Municipal Manager and is also responsible for the IDP function in the municipality. There is one LED official, who has to divide his time between IDP and LED responsibilities.

In 2004 the Blue Crane Development Agency (BCDA) was established with the aim to facilitate a sustainable level of local economic development and generate employment, through the identification and development of numerous projects focused on tourism, agriculture and business development in the Blue Crane Route area.

The socio-economic conditions in the BCRM are of a serious concern, and these conditions are mostly affected by the high unemployment rate in the province, especially young people. According to the recent report from the Eastern Cape Socio-economic Consultative Council (ECSECC): Economic Update as from March 2012, it has been stated that in South Africa (SA), the youth unemployment rate stands at 35.9%. The figures are even higher for the Eastern Cape. In 2011 more than 60% of youths between 15 and 19 years and more than 50% of youths between 20 and 24 years in the EC were unemployed. The BCRM IDP 2012-2017, states that people and business within the BCRM face a unique set of challenges to economic growth and development due to structural economic profile of the Municipality. The profile is characterised by the following; small population, low population density, concentration of employment in agriculture, disinvestment in rural areas,
the dominance of one urban centre. Over 39% of the BCRM are employed in the formal economy and the unemployment rate was at 34.4% (BCRM IDP, 2012-2017), this percentage has increased due to global recession. The remaining 42% in the entire BCRM population which is not economically active.

Table 1: Labour statistics from the 2007 Community Survey

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Number of Individuals</th>
<th>Unemployed</th>
<th>Not economically active</th>
<th>Unspecified Institutions</th>
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<tr>
<td>Blue Crane Route</td>
<td>6,288 (39%)</td>
<td>2,446 (15%)</td>
<td>6,735 (42%)</td>
<td>168 (1%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>386 (2%)</td>
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An estimated 26% of individuals are dependent on some form of social grant which is in line with the district average of 27% but fell below the provincial average of 37%. With the BCRM the Child support grant (11%) and Old age pensions (8%) account for the largest portion of individuals receiving social grants.

Table 2: Employment per Sector: BCRM 2001
It is evident that the agricultural sector, while an important employer in BCRM, only contributes just over 10% to GGP. The contribution of transport and communication increased rapidly and was the largest contributor in the BCRM, sitting above 25% (BCRM IDP 2012-2017). Employment has increased in the community services sector, which reflects employment mainly in the government sector and in particular health and education.

1.6 LITERATURE REVIEW

Local Economic Development is one of the five (5) key performance areas (KPA) for Local Government in the (LED National Framework, 2006 – 2011:10). The approach to LED is based on joint government efforts reflected in the policy shift approved by Cabinet – district and metropolitan Integrated Development Plans (IDPs) are to become local expressions reflecting the synergised inputs of all three spheres of government. In this regard, LED is not just about what municipalities do, but more critically what the rest of government does together with municipalities.

In terms of section 152 (1) (c) of The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), local authorities are responsible for “social and economic development”. Therefore, their developmental role is examined as a second possible option to catapulting the local authorities out of their current inertia and lethargy. The majority of South African local authorities can no longer evade the fact that they are required to become instruments of change and development, they must strive to raise the overall standard of living of all their inhabitants (White Paper on Local Government: General: 1998). " This means that they should not only concentrate on the provision of essential services, but should devote much of their energy to the upliftment of local communities” (De Beer and Swanepoel, 1997: 100 - 1).

The New Growth Path is government vision to place jobs and decent work at the centre of economic policy. It sets a target of five million new jobs to be created by 2020. It sets out the key jobs drivers and the priority sectors that will focus on over the next few years. It is based on strong and sustained, inclusive economic growth and the rebuilding of the productive sectors of the economy.
Infrastructure development in particular is a foundation for more jobs and addressing rural under-development. This vision calls for joint commitments by all South Africans investors and workers, government and civil society to realize the common goals. Government has set clear targets for national, provincial and local governments to make employment a central focus of their activities. The NGP vision of creating green jobs can be linked with the BCRM initiative to address poverty and create employment through the proposed wind farm.

The National evaluation policy framework (2011), seeks to address the use of evaluation to promote improved impact of government, and at the same time increasing transparency and accountability in how some of its interventions are working. Evaluation is a branch of applied research that attempts to identify cause-effect relationships within a specific context. Monitoring involves the continuous collecting, analysing and reporting of data in a way that supports effective management. Monitoring aims to provide managers with regular (and real-time) feedback on progress in implementation and results and early indicators of problems that need to be corrected. It usually reports on actual performance against what was planned or expected (National Evaluation Policy Framework 2011, p 4). Although the term “monitoring and evaluation” tends to get run together as if it is only one thing, monitoring and evaluation are, in fact, two distinct sets of organisational activities, related but not identical. A review of the literature will be undertaken in Chapter 2.

1.7 RESEARCH METHODOLOGY

The study will use both qualitative and quantitative research methods. According to Neuman (1991:151) qualitative and quantitative research differ in many ways, but they complement each other, as well.

In order to answer the research questions, information will be collected both from secondary sources and by means of primary research. Data will be collected from residents by conducting surveys, making use of questionnaires. Structured interviews will also be conducted with municipality officials and councillors in order to understand the situation better. Interviews will be conducted with representatives of the private sector partners in order to understand the impact of the proposed Wind Energy Farm project. Further details of the research methodology will be found in Chapter 3.
1.8 RESEARCH OUTLINE

The research is reported in five chapters:

- **Chapter One**: provides a general background/introduction to the research, such as the problem statement, the rationale of the study, the research questions, aims and objectives of the study, overview of the research methodology and research outline.

- **Chapter Two**: Literature Review will examine the policy context for LED, Municipal roles and responsibilities as well as government policy on economic growth and employment creation, which recently included the potential of green energy to create employment opportunities.

- **Chapter Three**: outlines the research methodology followed and describes the tools and techniques used for collecting data, as well as methods of data analysis and interpretation.

- **Chapter Four**: deals with data analysis and interpretation, as well as the findings of structured interviews and survey questionnaires collected from the community, chairpersons of the ward committees (councillors), senior municipal officials and private sector developers.

- **Chapter Five**: draws the conclusions and make recommendations.
CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

In recent years regional and local economies have had to face increasing challenges. On the one hand, the process of globalisation altered the economic status quo rapidly in the last decade presenting both new economic opportunities and risks for cities, regions and nations. On the other hand, the recent economic and financial crisis has caused unprecedented levels of unemployment all over the world. In addition there is growing concern today about different environmental challenges, such as global warming, degradation of natural resources and the impact on the quality of life for present and future generations. In this context the transition towards a greener, low-carbon sustainable economy is ever more urgent. At the same time, such a transition provides enormous opportunities for the creation of green jobs for local economies and enterprises across key economic sectors such as renewable energy, building and construction, transportation, basic industries, agriculture and forestry. To discover these opportunities there is a need for forward-thinking policies and strategies at the national and local level to facilitate and guide the process of greening businesses and economies.

“By mobilizing the resources of urban communities, government and the private sector we can make our cities centres of opportunity for all South Africans, and competitive within the world economy. The success of this will depend in the initiative taken by urban residents to build their local authorities and promote local economic development” (Mandela; RSA, 1995, p.5, quoted in Nel, 2000). This chapter reviews the literature relevant to the LED, the use of green energy in South Africa and its potential impact on green jobs creation. Also the researcher will look on the functions and role of the Municipality in terms of LED, government policy on economic growth and employment creation and draw conclusion on the literature review.
2.2 BACKGROUND

South Africa is characterised by inequitable growth and development, a high degree of poverty, increasing demands and limited resources and the challenge of integration. In order to fight poverty the South African government has introduced mechanisms and plans to alleviate poverty and to monitor and evaluate the impact of their policies and programmes on the reduction of poverty. In its quest to eradicate and alleviate poverty, the government has prioritized poverty alleviation and job creation on its development agenda.

Since 1994, the South African government has provided regulations, policies and laws for integrated and coherent socio-economic progress primarily based on and stemming from the Reconstruction and Development Programme (RDP) (ANC, 1994). These efforts were initiated to effectively address the challenges of poverty and inequality. The basic principles of the RDP, according to the White paper (1998) are those of integration and sustainability, a people driven process, peace and security, nation building, meeting basic needs and building infrastructure. The intention of the RDP was to act as a mechanism that would bring about a people centred society. The progress of the RPD was to be measured by the extent to which it succeeded in securing social development, prosperity and liberty in the lives of the people. This progress, in turn, would be evident through people meeting their basic needs and through the building of infrastructure (Marais, 1998).

A third of all South African households are living in poverty. In many respects, the Local Government White paper sets the poverty alleviation agenda for municipal governments. There are several dimensions of poverty beyond inadequate income or consumption. There is general recognition that the causes of poverty are equally varied. As a result the range of policy options available in the fight against poverty has widened. Issues of good governance, protection of the environment, effective integration within the global economy, empowerment and sustainable livelihoods now feature prominently on the poverty reduction agenda (African Development Bank, 2004). This is also the case with measures to reduce vulnerability and inequality. In the case of South Africa, the Eastern Cape Province is seen as one of South Africa’s poorest provinces with a relatively high unemployment rate and a relatively larger rural population than other provinces in the country (Irin News, 2004). Unemployment is perhaps the single biggest problem.
In terms of the Eastern Cape Sustainable Energy Strategy, currently Eastern Cape has 73 renewable electricity applications on the pipeline at various stages. One of the key goals of the strategy is to create green jobs and skills development (McMaster, A. Eastern Cape Sustainable Energy Strategy. 2012).

2.3 WHAT IS LED

Local economic development (LED) is seen as one of the most important ways of decreasing poverty. LED must aim to create jobs by making the local economy grow. This means that more businesses and factories should be started in the municipal area. As part of the IDP, key stakeholders in a municipality must come together to reach agreement and take decisions to make the economy grow and create income opportunities for more people, especially the poor.

National government makes policy and provides funds, research and other support for local economic development. Municipalities decide on LED strategies and the process of arriving at a LED strategy must be part of the Integrated Development Planning (IDP) process.

The LED strategies should be based on the overall vision outlined in the IDP and should take into account the result of the analysis done to identify problems and prioritise development projects. It should also look at things like integrating residential and work areas, building development corridors between areas and supporting the economy with good public transport. National and Provincial government provides support for municipalities in developing local economic strategies.

The Department of Provincial and Local Government has identified the following as key principles underlying LED:

- Poverty and unemployment are the main challenges facing South Africa. LED strategies must prioritise job creation and poverty alleviation
- LED must target previously disadvantaged people, marginalised communities and geographical regions, black economic empowerment enterprises and SMMEs to allow them to participate fully in the economic life of the country
• There is no single approach to LED. Each locality may develop an approach that is best suited to its local context
• LED promotes local ownership, community involvement, local leadership and joint decision making
• LED involves local, national, and international partnerships between communities, businesses and government to solve problems, create joint business ventures and build local areas
• LED uses local resources and skills and maximizes opportunities for development
• LED involves the integration of diverse economic initiatives in an all-inclusive approach to local development
• LED relies on flexible approaches to respond to changing circumstances at local, national and international level (http://www.etu.org.za/toolbox/docs/government/led.html (10/03/2012 - 21h40).

Local Economic Development (LED) is an approach towards economic development which allows and encourages local people to work together to achieve sustainable economic growth and development thereby bringing economic benefits and improved quality of life for all residents in a local municipal area.

As a programme, LED is intended to maximise the economic potential of all municipal localities throughout the country and, to enhance the resilience of the macro-economic growth through increased local economic growth, employment creation and development initiatives within the context of sustainable development. The “local” in economic development points to the fact that the political jurisdiction at a local level is often the most appropriate place for economic intervention as it carries alongside the accountability and legitimacy of a democratically elected body.

The DPLG LED Programmes provides support in the following areas:

• Development and review of national policy, strategy and guidelines on LED;
• Providing direct and hands-on support to provincial and local government;
• Management of the Local Economic Development Fund;
• Management and Technical Support to Nodal Economic Development Planning;
• Facilitating coordinating and monitoring of donor programmes, and
• Assisting on LED capacity building processes.

Through these interventions, resources, local role-players and interest groups are mobilized for the sake of achieving economic growth and creating jobs to reduce poverty.

Integrated Development Plan (IDP) is a process by which municipalities prepare a five year strategic plans that are reviewed annually in consultation with communities and stakeholders. These plans adopt an implementation approach and seek to promote integration by balancing social, economic and ecological pillars of sustainability without compromising the institutional capacity required in the implementation and coordinating of actions across sectors and spheres of government.

2.4 ORIGINS OF THE LOCAL ECONOMIC DEVELOPMENT

In tracing the origins of LED, it is imperative to begin by defining the concept in relation to its conception and application internationally and South Africa. In building the international body of knowledge several bodies have contributed to the conception of LED (World Bank, 2000; International Labour Organisation, 2005 & UN-Habitat 2005). The World Bank (2000) observes that “LED is a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation”. Further the World Bank for its part concludes that, “In essence LED is about communities continually upgrading their business environments to improve their competitiveness, retain jobs, and improve incomes”. The International Labour Organization (2005) understands LED as “......more than just economic growth. It is promoting participation and local dialogue, connecting people and their resources for better employment and a higher quality of life for both men and women”. It is noteworthy that there is a difference of emphasis between the two international organizations which have contributed to the shaping of LED globally through advice, workshops and other support interventions. The difference of emphasis lies in the concepts such as business growth, investor confidence and competitiveness on one hand and public participation and improvement of quality of life on the other hand.
UN-Habitat (2005) defines LED along the same lines as ILO to the effect that: LED is a participatory process in which local people from all sectors work together to stimulate local commercial activity, resulting in a resilient and sustainable economy. It is a way to create decent jobs and improve the quality of life for everyone, including the poor and marginalized. A more elaborate definition comes from Folser (1991 quoted in Abrahams, 2003:188) which states that: LED refers to the process of creating wealth through the organised mobilization of human, physical, financial and natural resources in a locality.

The aim of LED ultimately is to produce higher standards of living, improve quality of life, alleviate poverty, create more and decent jobs, advance skills and build capacity for sustained development in the future. The process of LED is understood as a way in which partnerships between local governments, community groups, state institutions and the private sector are established to manage existing resources to create jobs and to stimulate the economy of a locality. The Department of Cooperative Governance and Traditional Affairs sees LED as an outcome stemming from local initiative and driven by stakeholders (CoGTA, 2000). Blakely (1994) defines LED as: The process in which local governments or community-based organizations engage to stimulate or maintain business activity and/or employments. The principal goal of LED is to stimulate local employment opportunities in sectors that improve the community, using existing human, natural, and institutional resources. The common denominator in these definitions is the significant role of local government and local actors in developing sustainable local economic growth. In terms of the history of LED the World Bank provides a brief account of the evolution of LED according to three waves namely; 1960’s to early 1980’s, 1980’s to mid 1990’s and late 1990’s onwards. The World Bank concludes that LED is in its Third Wave. The table attached as annexure A1, provides a summary of the stages of LED evolution however, the World Bank observes that there are some overlaps in the stages outlined.

2.5 POLICY CONTEXT OF LOCAL ECONOMIC DEVELOPMENT

The White Paper on Local Government (1998) introduced the concept of „developmental local government“ which is defined as "local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of their lives". The policy document makes it
quite clear that local government is not responsible for creating jobs. Instead, it will be responsible for ensuring that overall economic and social conditions of the locality are conducive to the creation of employment opportunities. Therefore, local government is charged with creating an enabling environment. Although credence is given to other stakeholders such as the private sector, NGOs and others, local government is at the centre of the LED development planning debates in contemporary South Africa (Rogerson, 2006; Nel, 2001).

The statutory principles for developmental local government are contained in the legislation of the Municipal Systems Act of 2000. A key component of the Act is the issue of Integrated Development Planning of which LED is regarded as a core aspect. The Integrated Development Plan (IDP) is conceptualised as a tool to assist municipalities to achieve their development mandates (DPLG, 2000).

The Constitution (1996) places great responsibility on municipalities to facilitate LED. However, the schedule in the Constitution that identifies the functions of municipalities does not include LED. Therefore, it can be interpreted that LED is an un-funded mandate for municipalities (DPLG, 2006). Given the Constitutional imperatives of municipalities facilitating LED, and the contrast of the schedule which includes the function of municipalities which does not mention LED, it can be argued that municipalities have a facilitating role in providing an enabling environment for investment through the provision of infrastructure and quality services, rather than programmes for job creation.

Accelerated Shared Growth Initiative- South Africa (ASGISA), introduced in 2004, a national shared growth initiative, has as its core objective to halve poverty and unemployment by 2014 (Deputy President, 2006). It is clear that ASGISA is focusing its attention on women and youth, particularly on women with an emphasis on human resource training; access to finance; fast tracking women out of the second economy; ensuring participation in agriculture and creative industries; improving access to basic services; and increasing their participation in expanded public works programmes.
The vision that forms the core of Department of Provincial and Local Government’s (DPLG) Policy Guidelines for Implementing Local Economic Development in South Africa is of „creating robust and inclusive local economies that exploit local opportunities, address local needs and contribute to national development objectives such as economic growth and poverty eradication” (DPLG, 2005: 10).

2.6 MUNICIPAL ROLES AND RESPONSIBILITIES

Local government has a range of powers and functions at its disposal. Definitive municipal powers are defined in the 1996 Constitution, in Part B of Schedules four and five: The powers listed in Schedule four, over which national and provincial government have concurrent legislative competence, include: air pollution; building regulations; child care facilities; electricity and gas reticulation; fire fighting services; local tourism; municipal airports; municipal planning; municipal health services; municipal public transport; municipal public works (only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under the Constitution or any other law); pontoons, ferries, jetties, piers and harbours (excluding the regulation of international and national shipping and matters related thereto); stormwater management systems in built-up areas; trading regulations; water and sanitation services (limited to potable (drinkable) water supply systems and domestic waste water and sewage disposal systems).

National and provincial governments have the right to legislate on these powers and functions, and the executive authority to ensure that municipalities perform these functions adequately.

The powers listed in Schedule five, over which provincial government has exclusive legislative competence, include: beaches and amusement facilities; billboards and the display of advertisements in public places; cemeteries, funeral parlours and crematoria; cleansing; control of public nuisances; control of undertakings that sell liquor to the public; facilities for the accommodation, care and burial of animals; fencing and fences; licensing of dogs; licensing and control of undertakings that sell food to the public; local amenities; local sports facilities; markets; municipal abattoirs; municipal parks and recreation; municipal
roads; noise pollution; pounds; public places; refuse removal; refuse dumps and solid waste disposal; street trading; street lighting and traffic and parking.

Other local government powers are defined in national and provincial legislation. For example, the Local Government Transition Act (Second Amendment Act) gives local government powers for integrated development planning.

In addition, municipalities have potential powers and functions that may be devolved or delegated to them from provincial and national government. These national and provincial powers and functions are listed in Part A of Schedules 4 and 5 of the 1996 Constitution. The Constitution provides for the delegation of powers and functions to local government by agreement, if municipalities have the necessary capacity and are regarded as the most effective site from which these powers may be exercised. Again local government's exercise of these powers and functions is subject to national and provincial oversight.

Local government's core function needs to be understood as part of the functioning of the state and its three sphere government system as a whole. The constitutional definition of local government's powers and functions in relation to provincial and national government, is, however, ambiguous in some respects, and requires further clarification. This situation is further complicated by the fact that most powers and functions have several components, not all of which are best performed by the same sphere of government. The Constitution makes these distinctions to some extent (for example, between trade and trading regulations) but grey areas remain.

2.7 GOVERNMENT POLICY ON ECONOMIC GROWTH AND EMPLOYMENT CREATION

"It is my pleasure and honour to highlight the key elements of our programme of action. The creation of decent work will be at the centre of our economic policies and will influence our investment attraction and job creation initiatives. In line with our undertakings, we have to forge ahead to promote a more inclusive economy." (Jacob Zuma; RSA, 2009, p.1, quoted in New Growth Path framework, 2010)
The Government has introduced New Growth Path (NGP) to provide bold, imaginative and effective strategies to create the millions of new jobs that South Africa needs. The NGP has laid out a dynamic vision of how we can collectively achieve a more developed, democratic, cohesive and equitable economy and society over the medium term, in the context of sustained growth. The strategy sets out critical markers for employment creation and growth and identifies where viable changes in the structure and character of production can generate a more inclusive and greener economy over the medium to long run. To that end, it combines macroeconomic and microeconomic interventions. The South African economy has not created sufficient employment opportunities for many of the people over the past three decades. Creating more and better jobs must lie at the heart of any strategy to fight poverty, reduce inequalities and address rural underdevelopment. That is why Government has come up with the NGP, to fight poverty, create employment and stimulate the economy.

The New Growth Path responds to the severe economic downturn from late 2008 as well as accelerating technological change. Nationally, it results from the insufficient job growth and the need to accelerate employment creation, income growth and a decline in poverty.

The New Growth Path responds to emerging opportunities and risks while building on policies advanced since the achievement of democracy in 1994. The Reconstruction and Development Programme advocated greater equity as the basis for long-term development and growth. AsgiSA renewed government’s commitment to addressing joblessness and poverty and identified infrastructure needs, skills shortages and unnecessary regulatory burdens as core constraints on growth. In addition, in the face of the global crisis in 2008/9, government, organised business, labour and community groups forged a response to minimise the impact on the economy and on working people. That constructive and collaborative approach to meeting the challenges facing South Africa informs our strategies going forward.

In terms of the NGP, Government is targeting for the creation of five million jobs by 2020. This target can be reached if focus can be on areas that have the potential for creating employment on a large scale – what is term as “jobs drivers” - and securing strong and
sustainable growth in the next decade. Most of the projected new jobs will come from the private sector. The jobs drivers that have been identified in terms of the NGP are:

1. Substantial public investment in infrastructure both to create employment directly, in construction, operation and maintenance as well as the production of inputs, and indirectly by improving efficiency across the economy.

2. Targeting more labour-absorbing activities across the main economic sectors – the agricultural and mining value chains, manufacturing and services.

3. Taking advantage of new opportunities in the knowledge and green economies.

4. Leveraging social capital in the social economy and the public services.

5. Fostering rural development and regional integration.

2.8 EMPLOYMENT POTENTIAL FOR GREEN JOBS IN THE ECONOMY OF SOUTH AFRICA

Wind power is one of the most mature new renewable technologies, is currently in use throughout the world, and is still growing very rapidly, particularly in developing countries such as China and India. Within a very short time, the Chinese wind programme has accelerated to a point where 13,800 MW of new wind power was being installed in 2009, doubling its existing wind power capacity for the seventh year running. Already in 2008, 40 Chinese companies were involved in manufacturing 56% of the equipment (Global Wind Energy Council, 2008), and since then China has continued its emergence as a global manufacturer of wind turbines. An additional 30,000 MW was expected to be installed globally in 2009, based on a 23% increase in the first quarter of 2009 (World Wind Energy Association, 2009). There is also a trend towards larger-scale installations – currently, wind farms of over 1,000 MW are being planned in a number of locations.

The term “green job” is used to refer to jobs which are sustained by economic activities that are more environmentally sustainable than the conventional alternative and which also offer working conditions that meet accepted standards of decent work (Jarvis et al; 2011).

Green jobs reduce the environmental impact of enterprises and economic sectors, ultimately to levels that are sustainable. Specifically, but not exclusively, this includes jobs
that help to protect ecosystems and biodiversity; reduce energy, materials, and water consumption through high-efficiency strategies; de-carbonize the economy; and minimize or altogether avoid generation of all forms of waste and pollution (http://www.ilo.org/integration/greenjobs/index.htm).

The promotion of Green Jobs is central in the move towards a greener economy. Climate change and the excessive use of scarce resources are calling for pro-active policies to avert the worse and create pathways to sustainable development. But much needed innovative strategies can only succeed with the full engagement of enterprises and workers. The potential of green jobs exists at all levels of economic development, in different sectors and types of enterprises, in rural and urban areas. National frameworks for changing existing jobs and creating new ones are as important as local implementation strategies (www.greenjobs.itcilo.org).

Wind power development opens up employment opportunities in a variety of fields. It requires meteorologists and surveyors to select and rate appropriate sites, structural engineers to design the turbines and supervise their assembly, metalworkers to supply the rotors, and mechanics and computer operators to monitor the system and keep it in good working order. The manufacture of rotor blades and other components requires skilled labour input to ensure quality (Renner, 2000).

Prior work by Banks and Schäffler (D: EA&DP 2007, p 30) found that, with publicly available information of only moderate quality, it is difficult to derive an accurate estimate of the wind resource potential. Nevertheless, a mapping exercise overlaying wind resources, power lines, roads and taking into account recommendations of a provincial report on land use requirements, estimated that there is sufficient available land in areas with medium to high wind resource potential to conservatively justify installation of 3 100 MW in on-shore locations in the Western Cape. Furthermore, the study estimates more than 1 500 MW potential for offshore development in the longer term. There are also significant wind resources in the Northern Cape, Eastern Cape and parts of Kwazulu Natal. One national study assumed that 1 percent of the land area in the highest five wind class zones could be allocated to wind farms, giving a land area of up to 4 100 km2 and a resource potential of
about 50 GW, yielding 106 TWh at capacity factors between 24 and 37 percent. Note that farming activities can continue on land utilized for wind turbines. In ‘Driving Investment, Generating Jobs’ (Passey, 2003), local non-manufacturing employment in the wind industry is shown as including road-works, foundation laying, electrical transformer installation, crane works, cabling, project infrastructure and fencing. Local and regional professional services include civil, mechanical, environmental and electrical engineering, and legal and financial services.

The current total installed wind capacity Department of Energy (DOE, 2003b) in South Africa is 26 MW, with an estimated annual production of 32 GWh/annum. This figure comprises grid-connected, rural mini-grid, off-grid and borehole windmills and represents a combination of both grid-connected wind turbines as well as the energy equivalent of the mechanical pumping performed by the windmills. There are reportedly 22670 windmills currently in operation in South Africa, comprising 86% of this 32 GWh/annum. The total wind energy available close to the land surface of South Africa has been estimated at 30 GW (Diab, cited in EDRC 2003).

At a 30% capacity factor, this translates into an average 78,840 GWh/annum. The assessment performed by Diab, together with a study undertaken by Eskom, has subsequently been evaluated in a report commissioned by the DME (DME, 2003a). This study concluded that the Diab assessment is conservative, and that greater potential exists than indicated. This is due primarily to the inadequacies in the wind atlas developments, which are based on data from meteorological sites. Dedicated wind monitoring for power generation is required in order to assess a given site’s potential power production, the important factor being the height at which the wind data is measured. The DME estimates the theoretical potential for harnessing wind power in South Africa to be around 26,000 GWh/annum (DME, 2003d), which is equivalent to around 10 GW installed capacity.
2.9 CONCLUSION

Apart from many employment and economic benefits a growing renewable-energy sector presents to the country, immense benefits can be unlocked for South Africans, and our environment, if we are able to lessen our dependence on high-carbon, finite and often unreliable electricity sources and step boldly into a new era of greener, cleaner and entirely sustainable energy.
CHAPTER 3
RESEARCH METHODOLOGY

“Knowledge is, after all, constructed through how we investigate and examine the world” (Kitchin and Tate, 2000:6).

3. INTRODUCTION

Research is the systematic inquiry or investigation into a subject in order to discover or revise facts, theories and applications. Methodology is the system of methods followed by a particular discipline. Thus the research methodology is the way we conduct research (http://elook.org/dictionary/methodology.htm). The Oxford Advanced Learners Dictionary (1995:996) defines research as “careful study or investigation in order to discover new facts or information.” Webster’s Dictionary of the English Language defines research as “a studious inquiry or examination, especially a critical and exhaustive investigation or experimentation having for its aim the discovery of new facts and their correct interpretation, the revision of accepted conclusions, theories, or laws in the light of newly discovered facts or the practical application of such conclusions, theories, or laws” (Leedy, 1989:173).

This chapter serves to provide a detailed overview of the design of the research methodology and shows how all the key aspects of the study were designed and applied in order to address the central aims and objectives of the thesis. Essentially, this chapter expands on the research process regarding the research aims, the underlying theoretical propositions and the methodology to be used in the collection and analysis of data and the presentation of the findings.

The purpose of this chapter is to outline the following aspects: research approach/design, the tools and techniques used for collecting data, methods of data analysis used in the study, as well as ethical considerations. In Chapter One, the following key questions were asked:

Has the LED implementation in Blue Crane Route Municipality adhered to the set objectives as per the National LED Framework?
Has it positively impacted towards the socio-economic needs of the communities the municipality serves?

What could have been the challenges encountered when implementing the LED programme?

Has there been community involvement in the project identification?

The abovementioned questions form an integral part of the research methodology. In this chapter, possible answers to the above questions will be proposed on the basis of the results of a case study of Cookhouse in the BCRM.

3.1 RESEARCH DESIGN

Research design can be thought of as a logic or master plan of a research that throws a light on how a study will be conducted. It shows all the major parts of the research study – the sample or groups, measures, treatment or programs work together in an attempt to address the research questions. Research design is similar to an architectural outline. The research design can be seen as the actualisation of logic in a set of procedures that optimise the validity of a data for a given research problem. According to Mouton (1996, p 175) the research design serves to “plan, structure and execute” the research to maximise the validity of the findings. It gives directions for the underlying philosophical assumptions to research design, and data collection. A research design is a plan that indicates how the researcher intends to investigate the research problem (Denzin and Lincoln, 2003). Its function is to ensure that evidence is obtained which will be instrumental in answering the research question as unambiguously and accurately as possible (De Vaus, 2001).

What follows below is an explanation of the research design used in this study. For the purposes of this study, a mixed methods research approach is employed. This means that the study follows both the qualitative and quantitative approaches.

3.2 THE APPROACH

Qualitative research methods are typical of social research (Mason, 2002). Comparatively quantitative research methods are typically associated with scientific research, specifically the natural sciences. This research utilises a combination of qualitative and quantitative research methods. “The goal of mixed methods research is not to replace either of these approaches but rather to draw from the strengths and minimize the weaknesses of both in
single research studies and across studies” (Johnson and Onwuegbuzie, 2004: 14). This approach enables the discovery and interpretation of opinions and political and emotional findings in relation to hard facts. It will allow a variety of perspectives, debates and previously un-considered ideas to be uncovered and evaluated relative to hard facts.

This will be appropriate for the current study as it explores the impact of LED at the BCRM. The qualitative approaches used in this research will be preliminary interviews and semi-structured interviews with a number of key informants involved with, or interested in, local economic development. The quantitative approaches to be used will be statistical analysis of economic and demographic data and surveys of resident communities.

3.2.1 QUALITATIVE RESEARCH

Qualitative research is especially effective in obtaining culturally specific information about the values, opinions, behaviours, and social contexts of particular populations.

Henning (2004) states that the qualitative researcher wants to discover how human interactions take place, and why these interactions happen in the manner in which they do in certain situations. She further argues that the researcher examines the qualities, characteristics, or properties of a phenomenon in order to grasp, comprehend and explain their world. Leedy and Ormond (2005) argue that the qualitative researcher seeks an in-depth understanding of phenomena as they occur naturally and that no attempt is made to manipulate the situation.

This study is of such a nature that one cannot conduct experiments, especially when one needs to find meaning in people’s experiences. To obtain an in-depth understanding of the experiences of people, one needs to adopt a qualitative approach to research, which will assist the researcher to report on the findings. The intention is to understand the views of participants on a specific phenomenon, and, as such, the phenomenon can be understood from the perspective of the participants (Creswell and Plano Clark, 2007).
3.2.2 QUANTITATIVE RESEARCH

Cresswell (2003) states that a quantitative approach is one in which the investigator primarily uses strategies of inquiry, such as experiments and surveys, and collects data on predetermined instruments that yield statistical data. The quantitative approach requires the researcher to be distant and independent from that which is being researched, as any involvement of the researcher in what is being observed could render false results. In this vein the researcher has to be objective when selecting the data collection methods and when analysing the data collected during the research process.

3.2.3 INDUCTIVE APPROACH

There are various ways of drawing a conclusion from a research inquiry; these are mainly done via induction and deduction. Gray (2004) defines inductive approach as “the development of theory or inferences from observed empirical reality”. Deductive approach on the other hand is a process of creating knowledge from the inferences from the theory. Through objective testing or verifying of a theory, rather than developing it, the researcher advances theory, collects data to test it and reflect on the confirmation or rejection of the theory by results (Creswell, 2003). Thomas (2003) pointed out that the inductive approach is a systematic procedure for analysis of qualitative data, where that analysis is guided by specific objectives.

In this study the inductive approach will be utilised as an exploratory-descriptive and interpretive tool. The researcher will collect data and analysis it in terms of a relevant theory in order to ascertain whether the status quo conforms the theory or not.

3.3 METHOD OF DATA COLLECTION

Data present a collection of facts assembled for a particular purpose (Denzin, 2000). Maree (2007) states that data can be obtained by making use of a questionnaire; by personal interviewing; observation of events as they happen; abstraction, where the sources of information are documents; and postal questionnaires if the targeted geographical area or number of respondents is large.
For the purpose of this research, the data collection tools/techniques and instruments that were used are the following:

### 3.3.1 QUESTIONNAIRE

A questionnaire is a data collection tool in which written questions are presented which are to be answered by the respondents in written form (Carman 2004). Babbie and Mouton (2001) mention the fact that although the term questionnaire suggests a collection of questions, a typical questionnaire will probably contain as many statements as questions, especially if the researcher is interested in determining the extent to which respondents hold a particular perspective.

In this study the main reason for using a questionnaire was to ascertain the residents’ perspectives on the implementation of LED projects in the BCRM. Careful consideration will be given to the structure and design of the questionnaire to ensure that accurate and desired information is obtained. The questionnaire incorporates the issues of participant anonymity and confidentiality.

According to Maree (2007), in scientific research, personal beliefs and conditions should not be used to favour certain desired outcomes, as this constitutes bias. Personal perceptions should never influence research outcomes. Questions should therefore be constructed in such a manner that they do not intentionally or unintentionally lead to bias. Respondents should be given enough room to exercise their own judgement. Failure to accomplish this may lead to distorted data and results.

In the present study confidentiality will be assured and the questionnaire will not be angled so as to influence any particular response. All the above mentioned requirements will therefore be taken into account.

Fraser and Lawley (2000) suggest that researchers should use fewer open-ended questions, because they are more time consuming to complete and difficult to analyze. The questionnaires, for the purpose of this study, will be designed to have fully structured closed statements or questions, with no use being made of open-ended statements. The
advantages of closed statements or questions are that the results of the investigation become available fairly quickly, that respondents understand the meaning of the statements better, responses can be compared better with one another, and answers are easy to code and analyse.

3.3.2 DESIGN OF SURVEY QUESTIONNAIRE

To better achieve the results for the assumption highlighted in Chapter One, a questionnaire will be developed, comprising all the relevant indicators identified through the literature review. The questionnaire was finalized in conjunction with the supervisor to ensure that the aspects covered in the questionnaire are sufficient to provide the desired results.

The questionnaires - which in this case concern the people in the community, municipal officials and wind farm investors - will be designed to fit the research aims as outlined in Chapter One. The questionnaire (Annexure B) was compiled in such a way that the following information could be obtained:

- Biographical details (name, age, gender, marital status, race and educational qualifications).
- Socio-economic status (Employment status and source of energy).
- Their knowledge on the proposed energy project and what are the expectations about this project.

Questionnaire to the wind energy developers (Annexure C) will focus on the following:

- Project details
- Employment opportunities, project benefits and skills required by the project
- Consultation process
- Company corporate social responsibility programme

Questionnaire to the municipal officials (Annexure A) will focus on the following:

- Municipal LED, whether does the green energy form part of their strategy
- Do they believe that this wind energy project is an appropriate way of creating employment and address poverty

The researcher will take full responsibility for conducting the survey.
3.4 INTERVIEWS

Allison et al (1996) claim that an interview is a good way to gain insight into the meanings, interpretations, values and experiences of the interviewee and his or her world. Gubrium and Holstein (1999) also declare that interviews are dynamic conversations where meanings are “cooperatively built up” by both interviewees and interviewers, conveyed by the interviewees as well as received, interpreted and recorded by the interviewers. Individual face-to-face structured interviews will be conducted in this study.

For the purpose of this investigation, the interview questions will be determined in the same sequence in advance. The aim of the interviews is to obtain information from the councillors, municipal LED officials, wind energy project officials and community members with regard to the impact of LED in the Municipality and the potential impact of the proposed project in terms of green employment creation.

3.5 SAMPLING

The empirical survey required a representative sample of people living in the BCRM, but the focus will be on Cookhouse. A sample is a subset of the population that is drawn to be representative of the whole population in a research project because it reflects characteristics of the entire population (Du Plooy, 2001). In this study, the participants will be selected by the researcher, because they are considered to be sufficiently informed and knowledgeable to provide meaningful information (Creswell and Plano Clark, 2007). In other words, the participants will be handpicked, which implies that purposive sampling is employed (Creswell and Plano Clark, 2007).

The intention of sampling in quantitative research is to select individuals who are representative of a population, to ensure that the results can be generalised to a population and that inferences can easily be drawn (Creswell and Plano Clark, 2007). A random sample is a sample where every member of the population stands the same chance of being included in the sample (Howell, 2004).

A systematic sample will be drawn from one area where LED project will be taking place. The researcher will chose 20 people as the sample from Cookhouse. Non-residents and
visitors to the area will be excluded from the survey. The focus is on any member of the family present who is able to read and state logically the views of the family with regard to their understanding of green energy and their expectations on the proposed wind farm.

3.6 METHOD OF DATA ANALYSIS

3.6.1 QUALITATIVE DATA ANALYSIS

Creswell describes how coding involves the process of the grouping together of evidence and labelling ideas that are similar, so that they eventually provide the researcher with wider perspectives (Creswell, 2003). The results of the questionnaire and interviews constituted the research data in this study. The data will be analysed by using “a thematic analysis, which consists of a description [and discussion] of the main ideas” (Du Plooy, 2001). The research questions mentioned in Chapter One constituted the main themes of the research data in this study. The researcher listed the sub-themes by summarising the participants’ answers to the survey questionnaire relating to each main theme. Subsequently the researcher will identify the data relevant to each sub-theme. Afterwards the researcher catalogued all the data and fit it under each sub-theme. Finally, all the sub-themes will put together to summarise the participants’ comprehensive perceptions. The same method will be applied to the interview answers.

3.6.2 QUANTITATIVE DATA ANALYSIS

Quantitative data analysis refers to the technique that researchers use to convert data to a numerical form and analyse them statistically (Babbie, 2007). To analyse the data, a spreadsheet will be used by the researcher. As part of the initial analysis, tables will be drawn up showing an overview of the responses in all three sections. These tables were drawn up as a means of visualizing the results. The intention of this analysis was to produce biographical graphs that summarised the biographical information in section A of the questionnaire. Biographical frequencies, item frequencies, as well as cross-tabulation tables will also be produce, to make the interpretation easy and comprehensible.
3.7  VALIDITY

Brynard (2008) refers to validity as the potential design or instrument to achieve or measure what it is supposed to achieve or measure. According to Houghton-Smith (2008), validity is concern with the “what” of data collection procedures and measures. He has also developed the following criteria to measure validity;

- Content validity: it deals with correctness and appropriateness of the questions.
- Criterion-related validity: involves the testing whether or not an instrument selected for data collection, measures what it is expected to measure and whether or not it can be compared to another instrument which is known to be valid.
- Face validity: is concerned with the way an instrument appears to the participants.
- External validity: refers to the applicability to similar problems of the conclusion drawn from the research, provided that the sample is representative and the study is a simulation of the real world and real life situations. All these issues will be considered when drafting a questionnaire. All the above issues have been considered when the researcher was drafting questionnaire.

3.8  ETHICAL CONSIDERATION

It must be assessed that the benefits of the research outweigh any potential costs, as Snook (2005: 73) notes that the “point of research is to improve the situation for human beings”. There are five main ethical issues that frequently arise in social research. These relate to informed consent: honesty; confidentiality; avoiding deceit; and being faithful when undertaking analysis and reporting (Snook, 2005). In terms of gaining informed consent from participants, interview participants will be provided with an information sheet, they must sign a consent form and had the opportunity to withdraw at any stage. The researcher must be honest in expressing his intentions and the expected outcomes of the project.
3.9 QUESTIONNAIRE AND INTERVIEWS SURVEYS

These questionnaires will be able to provide the researcher with the answers to the research questions that I require in achieving the aim and the objective of the research. In this study respondents will be assured that whatever information is collected from them through the survey questionnaire would be kept confidential. The researcher will informed the municipal officials, community members and developers that the information collected from them would be used for academic purposes and not for any other purposes. The researcher designed interview questions and questionnaires in a neutral way so that no personal opinions, thoughts and sentiments were required. Furthermore, the interview questions were put in such a way as to respect the participants’ privacy.
CHAPTER 4
DATA ANALYSIS AND INTERPRETATION

A CASE STUDY: THE WIND ENERGY PROJECT AND SOCIO – ECONOMIC IMPACT ON LOCAL ECONOMIC DEVELOPMENT (LED) PROGRAMME AT BLUE CRANE ROUTE MUNICIPALITY (BCRM)

4. INTRODUCTION

The study has been conducted in analysing the socio-economic impact on Local Economic Development (LED) at Blue Crane Route Municipality (BCRM). In conducting the study, it has been decided that in attaining the desired outcome, it would be ideal to choose one (1) LED project and do an in-depth research in evaluating the potential impact of socio-economic impact of the project. The project identified is the proposed wind energy farm at Cookhouse.

The available literature indicates that Municipalities are significant agents of socio-economic and sustainable development. They are the key players in the improvement of the standard of living in the community, with assistance from other spheres of government, private sectors and non-governmental organisations. Local government has to promote the growth of the local economy, increase the job opportunities within its jurisdictional area, and utilise local resources wisely so as to improve the quality of life for all its inhabitants (White Paper on Local Government: Executive Summary: 1998).

Allan and Skinner (1991:185) states that the ultimate success, or otherwise, of research is likely to rest on how well qualitative data is analysed. They further define data analysis as a task which aims at categorising the varied data which has been obtained, so that links which explains events that are the focus of the research can be made between them. Labovitz and Hagedorn (1981:83) state that in order for data to make sense, it has to be organised and interpreted. This chapter will therefore analyse and interpret the data collected.

Interviews were held with the municipality officials, project beneficiaries and project developers. Questionnaires were drawn up and completed by the project beneficiaries,
municipality officials and project developers with the aim of obtaining the true reflection of the socio-economic impact the LED programme will bring in the Municipality’s jurisdiction area. During the interview sessions, follow up questions were often posed and at times interviewees provided information which they thought was crucial for noting. This information has not been on the list of questions which were drawn up prior to the interviews. Attached are the questionnaires (Annexure “A” “B” “C”).

4.1 RESEARCH SAMPLE

A sample of 1.4% of stakeholders has been consulted for this research. Thirty one (31) questionnaires were distributed to the stakeholders, the municipal officials and developers between the month of July and August 2012. In addition, out of this sample, 80% were interviewed. That includes two representatives from the BCRM LED Unit, one representative from the BCDA and 27 stakeholders. Also one representative from wind energy developer was interviewed in order to clarify questions that arose from the literature review. These interviews were transcribed by the researcher for critical analysis. This data further enables one to understand viewpoints from the various community members and the municipality with regard to the potential impact of the proposed wind energy farm at the BCRM.

4.2. SECTION A: BIBLIOGRAPHICAL INFORMATION ON THE BCRM COMMUNITY (COOKHOUSE).

4.2.1. Gender Profile

Out of 18 completed questionnaires, 73% of the respondents were males while the other 27% were female. As shown in Figure 1 below, it is an indication that more males were available during the administration of the questionnaire.
4.2.2. Age Profile

With regard to the age, 47% of the respondents were between the age of 31 and 40 years, while 33% were between 18 and 30 years and 7% were above 60 years. This can also be interpreted to mean that responses given were not dominated by old or young people, but a combination of age groups.

4.2.3 Race Profile

This race profile of the sample is roughly similar to the overall race profile of Cookhouse. With regard to race profile as shown in figure 2 below, 70% of the respondents were black, 18% were coloured and 12% was white, and they are all permanent residents of
Cookhouse. Children under the age of 18 years of age were not interviewed in this research.

Figure 2: Race Profile

4.2.4 Education level

In terms of education level in the community of Cookhouse, the researcher has also noted that 22% had secondary levels of education, while 67% have only primary education. This indicates that there might have previously been a general lack of funds as these residents have a poor background and were possibly affected by other socio-economic factors. A proportion of 11% had managed to acquire tertiary qualifications.

Figure 3: Education level Profile
4.3 SECTION B: SOCIO-ECONOMIC INFORMATION

4.3.1 Employment Status of Cookhouse community

![Employment Status](image)

Figure 4: Employment status Profile

This is the employment status of Cookhouse, on this profile, municipal and officials and wind energy developers were excluded. The above Figure indicates that out of 18 respondents, a large proportion were unemployed. This could be as a result of their poor education level as reflected in Figure 4.3, or the absence of employment opportunities in and around Cookhouse.

4.3.2 Type of energy used by the Cookhouse residents.

![Energy type](image)

Figure 5: Energy Profile
The above Figure indicates that out of 18 respondents, a large proportion is using electricity, with only a very few using paraffin. Therefore with regard to the proposed wind energy, the hope of this community is elevated. Most of the respondents believe that this project will create more opportunities and lower the electricity prices.

4.4 SECTION C: KNOWLEDGE OF THE PROPOSED WIND ENERGY FARM

The findings regarding each statement of the questionnaire (Statements C1 to C6), as reflected in section C, are explained in the following paragraphs. From the 27 respondents, 18 questionnaires were correctly completed. The analysis will be based out of those 18 respondents.

Statement C1

*Are you aware of the proposed wind energy project?*

The graph in Figure 6, below reflects that all the respondents agreed with the statement and are aware of the proposed wind energy farm. The reason they are aware of this project is because they are always looking for employment opportunities or any spinoffs that may arise from any new project, in this case from the proposed wind farm.

![Figure 6: Awareness of the proposed wind farm](image-url)
Statement C2

What do you know about the proposed wind farm?

The responses revealed that even though the respondents know about the proposed wind farm project, they are not aware on how the wind energy will work. This implies therefore that more workshop and consultation need to be done to broaden the scope of understanding on how this proposed project will operate.

Statement C3

Was consultation done with community members?

In terms of the legislation, the general public is required to be consulted by any project developer to ensure that they are aware of what is planned and that they are given an opportunity to comment. Figure 7, below, represents the response to question C - 3 of the questionnaire, which deals with the consultation process. In terms of their perception in relation to the proposed project, most of them see this project as a good idea since it will open more business opportunities for the community and create more jobs.

Statement C4 and C5

What is the perception of community members on the proposed wind energy farm and what are the expectation in terms job creation?

The graph in Figure 6 reflects that sixteen (16) of the respondents have a strong belief that this proposed project will create more jobs and uplift the standard of living, while two (2) of the respondents believe that the proposed project will develop the economy of the community. Therefore this implies that there is a great deal of expectation raised from this project.
Figure 6: Perception

Statement C6

What are the expectations in terms of electricity pricing?

Figure 8: Electricity Pricing

The graph in Figure 8 reflects that 15 of the respondents have a strong belief that the proposed project will lower electricity pricing for the community, while 3 believe that there won’t be any changes in electricity pricing. Therefore this implies that there needs to be more educational and an information session about the project so that people know exactly what this project brings to the community.
4.5 ANALYSIS OF INTERVIEWS WITH THE MUNICIPAL OFFICIALS

In this section the interviews with the LED Officer, Blue Crane Development Agency and Special Programmes Office is analysed and interpreted. The analysis of the interview is based on the interpretation of the responses from the interviewees. In most cases research participants gave similar answers to a particular question, in which case the researcher selected certain sampling answers in order to avoid repetition. The findings are categorised and presented in a narrative format.

Category 1, 3 & 4

*What is the Municipality strategy in terms of green energy, is it in line with New Growth Path and how does it fit into the BCRM LED strategy?*

It can be assured that the municipality does have green energy strategy, and its aim is to support government clean green energy initiatives. The proposed wind energy project fits exceptionally with the BCRM LED strategy; this is done through the creation of employment, the support of SMME, social and economic development of the community.

Category 2

*Can you briefly describe the project?*

It’s a proposed wind energy project, where there will be a construction of three hundred (300) turbines. These turbines will generate electricity, which will be connected to the ESKOM power line. More than four hundred (400) jobs will be created by this project. Therefore this means that the municipal officials and the agency are well vested with knowledge about the proposed wind energy project.

Category 5

*What are the benefits of the proposed project in terms of job creation, poverty alleviation, energy diversification and skills development?*
According to the response from BCRM and the BCDA it is clear that more jobs will be created, these jobs will be created during the construction phase and maintenance of the wind farm. In terms of poverty alleviation, a Trust will be formed by the community and this Trust will hold 2.5% equity from the proposed wind farm. The Trust will use community development programmes to deliver real change in the community with specific focus on healthcare, education and job creation. The municipality has enormous plans in terms of energy diversification, more projects for solar power, hydropower energy are on the pipeline and this will diversify the energy of the BCRM.

**Category 6, 7 & 8**

*Was the consultation done with the community, and if so, what method of consultation and was the response from the community?*

BCRM and BCDA confirmed that consultation was done with the community and public meetings were held with all the stakeholders. According to the BCRM, the response from the community was very positive. Therefore this means hopes are very high since this community has an 80% unemployment rate.

**Category 9 & 10**

*What are the aims of having this wind project at Cookhouse and will this project meet the envisaged objectives?*

This project will create jobs. There is also a problem of electricity load shedding in the BCRM, therefore the proposed wind energy project will play a extremely important role in that regard. This proposed wind farm project will minimise negative environmental impact and assist in skills development.
4.6 ANALYSIS OF THE QUESTIONNAIRE FROM THE WIND ENERGY DEVELOPERS

In this section the questionnaire from Wind Energy Developers (Cennergi) is analysed and interpreted. The analysis of the questionnaire is based on the interpretation of the responses from the respondent. The findings are presented in a narrative format.

C 1
The questionnaire was filled by Ms Noxolo Mbana, who is the Manager for Sustainability and Economic Development for Cennergi.

C 2 & 3
What does the wind energy entail, and what is the life span of the project?

According to the Wind Energy Developers (Cennergi), this will be a twenty (20) years wind energy project. About sixty six (66) turbines will be installed at the proposed site between Cookhouse and Bedford. The construction phase of the site will be eighteen months (18).

C 4
How many permanent and temporary jobs will be created through the project?

Five hundred and fifty (550) temporary jobs will be created. Six (6) permanent jobs will be created in the operational phase and nine (9) permanent jobs for maintenance of the project. Therefore general workers and artisan will be required only in the construction phase of the project. This means that this project will not create sustainable jobs as anticipated by the community.

C 5 & 6
What are the benefits is the wind energy project likely to bring to the inhabitants of Cookhouse, and what skills will be required by this project?
A small increase in the economic growth during construction phase which will take eighteen months. Artisans and general labourers will be required in the construction phase. In the operational phase technical and management skills will be required.

**C 7**

*Does the company have any corporate social responsibility programme for the community of Cookhouse? If yes, what has the company done for this community?*

Yes, the company does have a corporate responsibility programme. Currently the company is still in stakeholder engagement phase. There are two schools that have been identified and a once-off initiative for an amount of twenty thousand has been set aside to fund these two primary schools with library and sport material.

**C 8**

*What activities has the company planned for the community to alleviate poverty?*

There are planned projects in education skills development, small business support and empowerment. This can be seen as an excellent idea since education plays a very vital role in poverty alleviation.

**C 9**

*How many community structures involved in the proposed project thus far and at what level?*

Most community structures at Cookhouse are involved and mass meeting are held to update community about the proposed project.
4.7 CONCLUSION

It has been identified through the research conducted that the BCRM LED program will have a positive impact on the communities it serves, especially on the socio-economic development of the area. However, more consultation needs to be done to inform community members about the benefits of this project.

I believe that the issues raised in the analysis should be addressed with caution, to ensure that the community understands the temporary nature of the construction phase, the high skills levels required for the very few permanent jobs, and also whether the wind energy is likely to significantly lower electricity costs for the Cookhouse community.
CHAPTER 5: RECOMMENDATIONS AND CONCLUSION

5. INTRODUCTION

This chapter will present the conclusions based on the findings discussed in Chapter Four, in line with the aims of this study. A summary of the findings will be provided and recommendations regarding the proposed wind energy project and the socio-economic impact on the Local Economic Development (LED) at the Blue Crane Route Municipality (BCRM). The researcher was conducting a study on the potential impact of the proposed wind farm near the town of Cookhouse in the BCRM area in the Eastern Cape. A questionnaire survey was conducted among the affected Cookhouse community and interviews with municipal officials and wind farm developers in order to find answers to the questions that were posed.

The significance of the study was outlined in Chapter One, as well as the key research questions. Key research questions pertaining to the study are:

- Has the LED implementation adhered to the set objectives as per the National LED Framework?
- Has it positively impacted towards the socio-economic needs of the communities the municipality serves?
- What could have been the challenges encountered when implementing the LED programme?
- Has there been community involvement in the project identification?

The set aims and objectives of this study were:

- To identify the areas where the LED projects are being implemented and socio-economic status of the people in the area.
- To investigate the implementation process of LED projects, specifically at Cookhouse.
To establish the views of the residents regarding their perceptions of the LED and its effects in terms of addressing current poverty related problems and their view on the proposed wind farm project.

To gauge the success and socio-economic impact of the LED projects by assessing tangible indicators, e.g. jobs provided and community participation based on community and municipal interviews;

To identify the shortcomings in the LED development process in the BCRM and to make recommendations on feasible actions that could be employed to alleviate poverty.

5.1. MAIN FINDINGS

The purpose of this chapter is to present findings emerging from particular areas of focus in this study. It is extremely crucial to record the research findings and draw certain lessons to provide information for progressive realization of the broader goals of LED in the BCRM.

The findings of the research suggest that the project should be evaluated taking the themes of social, environment and economic aspects of sustainable development into account. One of the important criteria of a sustainable development project is that it must contribute positively to the society, through contributing to social equity and poverty alleviation. Questions which should be asked when assessing the project are what number of employment opportunities will be created; what types of jobs will be created and the potential groups of people who will be employed (Brent et al, 2005: 635). It is also important that public participation is emphasised to ensure that the public is informed and is involved in the project. When the environmental criteria is taken into consideration, there is a need to concentrate on the impact the proposed project will have on human health, water availability and loss of biodiversity (Brent et al, 2005: 636). What economic benefits at local and national level will be created from the project also need to be understood as this has links towards achieving other goals relating to employment and poverty eradication in terms of improving economic conditions of the society, and contributing to national economic growth (Brent et al, 2005: 637).
The findings of the research also have noted that community members are not aware of what opportunities this project brings to the community. They have high expectation about the proposed project, since their main focus is on finding jobs. There is a lot expected from this proposed project by the community members, also there is a great misunderstanding from the municipality and community about the spinoff of this project and number of jobs to be created by this project. From what has been received from the developers, there are very few permanent jobs to be created by the proposed project. The researcher hypothesis is NO, this project will not create sustainable jobs as anticipated by the community of Cookhouse, only five hundred and fifty temporary jobs will be created during the construction phase and very few permanent jobs, most of which demand a significant level of skills, which the Cookhouse residents may not possess. The overall education levels is too low to improve their skills quite quickly to enable to enable them to successfully apply for permanent jobs. The result is that a number of local people are likely to find temporary jobs. Most of the permanent jobs are likely to be taken by people from outside, unless the company is prepared to train the locals to take up those positions. It should be noted green energy has the potential of creating jobs in South Africa, but in big cities, not in small cities like Cookhouse since most of the jobs are coming from the manufacturing sector.

It should be noted also that when this project was identified, the community was never consulted and it’s very difficult at this stage to reject the proposed project since there are employment opportunities.

When there is a proposed project, what comes to mind is that impact that the project have in that particular community. In this case the proposed wind energy project at BCRM, will not have any positive economic impact on the community of Cookhouse. This can be seen from the number of permanent jobs to be created by this project as indicated in the previous chapter.

Constitutionally, local authorities are obliged to create space for community participation, which warrants accessibility and availability of information to local communities to enable them to participate effectively. As Ismail et al (1999:110) argues, “Thus, suitable structures and positive support must be provided to encourage individuals and groups to participate in the decision-making processes if and when they wish to do so, and also to sustain their involvement beyond the initial process of voting”. The paramount reason for participatory
governance in the form of community participation not only in voting but in formulation and implementation of government programmes is to ensure that local priorities are given prominence in order for government to respond effectively, efficiently and economically. The focus and emphasis on local priorities must be discernible in the plans and budget processes in order to ensure a reasonable expectation or opportunity for implementation and monitoring thereof.

5.2 RECOMMENDATIONS

In the light of the findings derived from the study, the researcher makes the following recommendations:

5.2.1 There is a need to improve community consultation

Based on the fieldwork conducted, it has been noted that there are different expectation from different role players. Community members have high hopes that this proposed project will create permanent jobs for the local residents; the municipality as well has a strong view in terms of job creation and economic development of the area. But the wind energy developers have a total different view in terms of job creation by this project. According to the developers, more jobs will be created in the construction phase, which will be the first eighteen months of the project. This project will only create six permanent jobs for operation and six for maintenance of the project.

It is recommended that the BCRM and Cennergi must focus its efforts on enhancing community consultation in the matters that affect the community directly. Besides the fact that this is a constitutional and legislative requirement, it is also one of the important principles of good corporate governance. Based on the fieldwork conducted, it is clear that community members don’t know what opportunities exist in the proposed wind farm. This is going to create conflict in the long run since there are different expectations from the Cennergi and community members.
5.2.2 Skills development

It is important to note that the relatively poorly educated and trained Cookhouse residents are unable to successfully apply for the sort of technical and administrative long-term jobs that may be offered by the wind farm and similar new initiatives. In terms of education level in the community of Cookhouse, the researcher has also noted that 22% had secondary levels of education, while 67% have only primary education. A proportion of 11% had managed to acquire tertiary qualifications. The project will require artisan, technical and management skills, which most community members don’t have.

There is a need to open a skills training centre that will provide capacity building for the unemployed, and mostly poor, illiterate people in the municipality. This is necessary since the majority of poor people do not have formal qualifications or basic education to secure jobs or to create their own. Their capacities must be developed in order for them to be self-reliant. Since government is focus on rural development, there will be more opportunities for rural communities, therefore up skilling the poor should the main priority at the BCRM so that when project of any kind comes people will be employable. It is, of course, very difficult for a municipality to facilitate the training for all the potential jobs that may come to the town and municipal area, but clearly the emphasis should be on literacy, numeracy and technical skills.

5.2.3 Grow the Agricultural Sector

The proposed wind farm may employ high number of people in the construction phase, but very few sustainable jobs during operational phase. This would mean that the municipality should consider alternatives, particularly, in the instance, for the Cookhouse residents. Cookhouse is located near the river and Golden valley agricultural area. BCRM and BCDA has proposed aloe and strawberry farming projects, it is not clear where these projects will be located at Cookhouse, but the most important thing about these projects, is that poor people from Cookhouse will benefit and more jobs will be created.

BCRM has a strong comparative advantage in the agricultural sector and the land is suitable for agriculture. The sector contributes 11% to the total value of GGP in Blue Crane
Route and 30% to employment in the municipality. The Municipality must grow the agricultural sector in order to create more jobs. Subsequently, this will provide food security for the area and encourage exports for their product. In return the Municipalities economic growth will receive a boost, decrease in poverty levels and creation of more job opportunities. More families could benefit from this initiative. Healthy communities will be created as there will be more food for all and reduce the risk of getting malnutrition related decease and ease the dependency burden on government and the health services.

5.2.4 Awareness campaigns for communities

It is necessary for the Municipality to promote community empowerment through education and awareness campaigns that will raise the levels of knowledge within communities concerning their rights with respect to socio-economic development projects. This process will also ensure that there are no projects that are imposed on people. Getting a by-in from the people before a project is implemented is crucial as it creates a sense of responsibility and community ownership for the project. Community participation and involvement, right from the conceptualisation and in continuous monitoring and evaluation of socio-economic development projects is key to ensure local ownership, relevance to the community and motivation of local people.

5.2.5 SMME Strategy

The wind farm development is a private sector initiative which will in the end not create permanent jobs. But there are other options. The government has a policy to promote small enterprises and this should a strategy of each local municipality, which is probably the case in the BCRM. According to BCRM LED strategy, SMME support is critical for economic development. It is important to create an environment conducive to enterprise development to encourage sustainable business development and job creation.

Development of Micro-enterprises is recognized as a tool for combating poverty in many parts of the world. Micro-enterprises creation can offer new opportunities for self-employment and is sometimes the only possibility for those who, due to macroeconomic
changes, find it impossible to enter the labour market. The aim of this professional program is to widen awareness for support systems for small scale entrepreneurs as a tool for regional and local development. It also helps to define the needs of the community in relation to the establishment of a Small Business Development Centre, including the setting up of municipal economic units. To cultivate entrepreneurship, the environment must be fertile for cultivating new businesses. The environment must foster innovation, creativity and risk taking and have a source of capital.

5.2.6 Encourage creation of tourism projects

The tourism industry is amongst the sectors that generate income to ease poverty levels and create more job opportunities. Establishment of tourism project might assist in the reduction of poverty. A strategy for assistance and revitalization of tourism projects should be developed. The strategy should also ensure that full support is provided to ensure sustainability of the projects and avoid projects failures which might later require more funding for revitalisation should they fail.

5.2.7 Establishment of the LED Unit

After almost 15 years into the new democracy and ten years after the publication of the Local Government White Paper, most of the municipal councillors and officials appear to have a sound comprehension of the socio-economic roles and responsibilities of local authorities as contained in the Constitution as well as the concept of developmental local government. BCRM is expected to create an enabling environment in which business may establish and thrive and all this can only be achieved once the BCRM established LED Unit. The BCRM LED Unit will acts as a co-ordinator, facilitator, networker and trainer in order to ensure that the local socio-economic environment is rendered operational to facilitate the creation and the development of local economic activities, which is one of the roles that the LED Guidelines have identified for municipalities. Therefore BCRM needs to ensure that they attract staff, and particularly those with the required knowledge, experience and skills to implement the LED mandate.
5.3 CONCLUSION

The enhancement of people’s lives through the LED programme is aligned with the objectives of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), section 152 (1) (c), which stipulates that the local government should promote social and economic development of the people it serves. The Local Government Municipal Systems Act, 2000 (Act 32 of 2000) preamble also puts an emphasis on the improvement of people’s lives and further encourages the municipalities to move towards social and economic upliftment of communities and the provision of basic services to all communities.

The Act further encourages the people to participate in decisions involving their socio-economic development. The people should know their needs and must be involved in the planning process of the LED. The LED concept is an approach that allows and encourages local people to work together to achieve sustainable economic growth and development and therefore bring economic benefits and improved quality of life. The needs of the people are constantly changing and such changes should be factored into the municipalities LED plan and hence the participation of the people in decision making and planning processes.
6. REFERENCES


13. Blue Crane Route Development Agency.


**INTERNET SOURCES**


## ANNEXURE A

**NMMU letterhead/crest**  
**Department of Development Studies**  
**Research module (MA)**

**TITLE (that refers to BCR (LED BCRM / Cookhouse wind farm)**

**SURVEY QUESTIONNAIRE COMMUNITY**

### SECTION A: Bibliographical Information

Please mark the applicable block with X

**Name:** ________________________________

**Age:** ________________________________

**Gender**

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<thead>
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<th></th>
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<th>Male</th>
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**Marital Status**

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**Race**

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<th>White</th>
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**Highest qualification**

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<th>Secondary</th>
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### SECTION B: Socio-economic information

**How long have you been living in Cookhouse?**

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>1 year or less</th>
<th>2-5 years</th>
<th>6-10 years</th>
<th>11-19 years</th>
<th>20+ years</th>
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**Employment status**

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<th>Self Employed</th>
<th>Employed Permanently</th>
<th>Contract/ Temporary</th>
<th>Casual Employment</th>
</tr>
</thead>
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**What kind of energy are you using at the moment?**

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<thead>
<tr>
<th>Energy Type</th>
<th>Wood</th>
<th>Electricity</th>
<th>Paraffin</th>
<th>Coal</th>
<th>Other: Specify</th>
</tr>
</thead>
</table>
SECTION C: Knowledge of the proposed wind energy farm?

1. Are you aware of this proposed wind farm at Cookhouse?
   Yes  No

2. If yes, what do you know about it?
   ~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~
   ~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~
   ~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~
   ~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~
   ~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~

3. Have you been consulted by the project developers?
   ~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~
   ~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~
   ~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~
   ~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~
   ~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~

4. What is your perception about the proposed wind farm?
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   ~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~
   ~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~
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   ~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~

5. What are your expectations in terms of job creation?
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   ~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~
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   ~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~
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6. What are your expectations in terms of electricity pricing?
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   ~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~
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Thank you
ANNEXURE B

NMMU letterhead/crest
Department of Development Studies
Research module (MA)

TITLE (that refers to BCR (LED BCRM / Cookhouse wind farm)

Questionnaire for Municipal officials

<table>
<thead>
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<th>Municipal line department</th>
<th>Job title</th>
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<tbody>
<tr>
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<table>
<thead>
<tr>
<th>Extent of LED involvement (tick)*</th>
<th>High</th>
<th>Medium</th>
<th>Low</th>
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<tbody>
<tr>
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</tbody>
</table>

1. What is the Municipality strategy in terms of green energy?
   _____________________________________________________________________________
   _____________________________________________________________________________
   _____________________________________________________________________________

2. Can you briefly describe the project details?
   _____________________________________________________________________________
   _____________________________________________________________________________
   _____________________________________________________________________________
   _____________________________________________________________________________

3. Does the Municipality have the green job policy which is in line with the New Growth Path?
   _____________________________________________________________________________
   _____________________________________________________________________________
   _____________________________________________________________________________
   _____________________________________________________________________________

4. How does the proposed wind energy farm fit into the LED strategy?
   _____________________________________________________________________________
   _____________________________________________________________________________
   _____________________________________________________________________________

5. What are the benefits of the proposed wind energy farm in terms of
   a. Job creation?
      _____________________________________________________________________________
      _____________________________________________________________________________
      _____________________________________________________________________________
   b. Poverty Alleviation?
      _____________________________________________________________________________
      _____________________________________________________________________________
c. Energy diversification?

6. Was the consultation done with the Community with regards to the proposed wind farm project?

7. What method of consultation did you use?

8. What was the response of the community?

9. What are the aims of having the wind energy project at Cookhouse?

10. Do you think this proposed project will meet the objectives envisaged?
TITLE (that refers to BCR (LED BCRM / Cookhouse wind farm))

QUESTIONNAIRE FOR WIND ENERGY PROJECT DEVELOPERS

1. Name:_____________________________________________________________
   (a) Job Title:_________________________________________________________
   (b) Name of Company:_________________________________________________

2. What does this wind energy project entail?
   _________________________________________________________________
   _________________________________________________________________
   _________________________________________________________________

3. What is the life span of the project?
   _________________________________________________________________
   _________________________________________________________________
   _________________________________________________________________

4. How many permanent and temporary jobs will be created through this project?

<table>
<thead>
<tr>
<th>Permanent Jobs</th>
<th>Temporary Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>Operational</td>
</tr>
<tr>
<td>Maintenance</td>
<td>Construction</td>
</tr>
<tr>
<td></td>
<td>Operational</td>
</tr>
<tr>
<td></td>
<td>Maintenance</td>
</tr>
</tbody>
</table>

5. What benefits is the Wind energy project likely to bring to the inhabitants of Cookhouse?
   _________________________________________________________________
   _________________________________________________________________

6. What kind of skills that will be required by the project from the construction phase?
   _________________________________________________________________
   _________________________________________________________________
   _________________________________________________________________

7. What kind of skills will be required by the project from the operation phase?
   _________________________________________________________________
   _________________________________________________________________
   _________________________________________________________________

8. Does the company have any Corporate Social Responsibility programme for the Community of Cookhouse?
If yes what has the company done for the community?

_____________________________________________________________________________________
_____________________________________________________________________________________
_____________________________________________________________________________________

9. What activities has the company planned for the community alleviate poverty?

_____________________________________________________________________________________
_____________________________________________________________________________________

10. How were the community structures involved in the project thus far, and at what level?

_____________________________________________________________________________________
_____________________________________________________________________________________
_____________________________________________________________________________________


Yes ☐ No ☐
Three waves of LED

<table>
<thead>
<tr>
<th>Wave</th>
<th>Focus</th>
<th>Tools</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>First: 1960s to early 1980s</strong></td>
<td>During the first wave the focus was on the attraction of:</td>
<td>To achieve this cities used:</td>
</tr>
<tr>
<td></td>
<td>• mobile manufacturing investment, attracting outside investment, especially the attraction of foreign direct investment</td>
<td>• massive grants</td>
</tr>
<tr>
<td></td>
<td>• hard infrastructure investments</td>
<td>• subsidized loans usually aimed at inward investing manufacturers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• tax breaks</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• subsidized hard infrastructure investment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• expensive &quot;low road&quot; industrial recruitment techniques</td>
</tr>
<tr>
<td><strong>Second: 1980s to mid 1990s</strong></td>
<td>During the second wave the focus moved towards:</td>
<td>To achieve this cities provided:</td>
</tr>
<tr>
<td></td>
<td>• the retention and growing of existing local businesses</td>
<td>• direct payments to individual businesses</td>
</tr>
<tr>
<td></td>
<td>• still with an emphasis on inward investment attraction, but usually this was becoming more targeted to specific sectors or from certain geographic areas</td>
<td>• business incubators/workspace</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• advice and training for small and medium-sized firms</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• technical support</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• business start-up support</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• some hard and soft infrastructure investment</td>
</tr>
<tr>
<td><strong>Third: Late 1990s onwards</strong></td>
<td>The focus then shifted from</td>
<td>To achieve this cities are:</td>
</tr>
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</tbody>
</table>
individual direct firm financial transfers to making the entire business environment more conducive to business. During this third (and current) wave of LED, more focus is placed on:

- soft infrastructure investments
- public/private partnerships
- networking and the leveraging of private sector investments for the public good
- highly targeted inward investment attraction to add to the competitive advantages of local areas

- developing a holistic strategy aimed at growing local firms
- providing a competitive local investment climate
- supporting and encouraging networking and collaboration
- Encouraging the development of business clusters.
- encouraging workforce development and education
- closely targeting inward investment to support cluster growth
- supporting quality of life improvements
