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Masters in Development Studies

RESEARCH DISSERTATION:

REVIEWING LOCAL ECONOMIC DEVELOPMENT (LED) PROJECTS: THE CASE OF MOGALE CITY LOCAL MUNICIPALITY (MCLM).

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SUBMISSION DATE: 05 FEBRUARY 2018
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DECLARATION

I, Ngaka Joseph Machete, student number 2013121435, declare that the mini-dissertation hereby submitted to the University of Free State, for the Masters of Development Studies, is my work, from design to execution, and that all material contained herein has been duly acknowledged. This work has not previously submitted before for assessment for any degree or examination at any other university.

................................................................. ........................................
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ACKNOWLEDGEMENTS

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ABSTRACT

Local Economic Development (LED) literature has shown that a focus on local economic development at a local government level is one of the best ways to address the triple challenges of poverty, inequality and unemployment. The responsibility of coordinating LED initiatives in order to address these challenges is, in accord with the Constitution of the Republic of South Africa (1996), the responsibility of municipalities.

This study highlights the changes that LED projects had on the communities in Mogale City Local Municipality (MCLM), West Rand District Municipality (WRDM), in the Gauteng Province. According to the qualitative approach, a questionnaire was used to collect data from respondents. Research findings mostly confirm what other researchers have already stated, such as the role-played by the educational level of beneficiaries in the successes of LED projects. A key finding of this research is that not all project beneficiaries had high school educational qualifications: only one person, the manager of the Food gardening project, had a grade 10 qualification. Another significant finding reveals that both projects did not keep accounting records and did not use the services of an independent auditor to audit their projects.

The main aim of the study was to review the LED projects of MCLM in order to establish whether they were being implemented in an effective and efficient manner.

Most members in these projects were women, with only one man in the Food Security Project assisting with the hard-core labour (digging of trenches) and two men in the Expanded Public Works Programme (EPWP) project. The EPWP project had been in place for one year, but was on the verge of collapse because members were not being paid a stipend, in contrast to their Food Security counterparts. The researcher as a lack of patience and perseverance interpreted members’ lack of commitment to the EPWP project. Members of the Food Security project, in contrast, stuck to their project despite the fact that it was not yielding results. They did not see the project as a get-rich-quick scheme and worked tirelessly, in the hope that in time the municipality would pay them stipends of market value.
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MCLM’s LED strategy is a good example of what national policy envisages, since it was drafted in consultation with the community as a key stakeholder and focuses on real community issues.

The study draws upon academic journals and literature that examine the origin of LED projects’ implementation at local municipal level worldwide and provides a historical perspective on LED projects and initiatives internationally. The study also provides a South African LED perspective of the pre and post-apartheid era.

The researcher suggests that further in-depth research be conducted on factors that lead to LED projects collapsing instead of sustaining themselves, as well as LED projects’ capacity to create employment and be financially and economically viable.
LIST OF ABBREVIATIONS

ANC - African National Congress

ASGI-SA - Accelerated Shared Growth Initiative in South Africa

CDPs – Community Development Programmes

DBSA - Development Bank of Southern Africa

DM – District Municipality

DPLG - Department of Local Government

FIFA - Federation Internationale de Football Association

IDP - Integrated Development Plan

ILO – International Labour Organisation

LED - Local Economic Development

LEP – Locality Economic Partnership

LIDP– Lusaka Integrated Development Plan

LM – Local Municipality

MCLM – Mogale City Local Municipality

NDP – National Development Plan

NFLED – National Framework for Local Economic Development
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NGOs – Non-Governmental Organisations

RDP - Reconstruction and Development Programme

SA – South Africa

SADC – Southern African Development Community

SEDA – Small Enterprise Development Agency

SMME - Small, medium and micro enterprises

STATSSA – Statistics South Africa

UNDP - United Nations Development Programme

WRDM – West Rand District Municipality
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1. CHAPTER 1 – INTRODUCTION

1.1. Background

Blakely and Leigh (2010) state that local economic development (LED) processes are aimed at economic growth, sustainable job creation, improved citizen's quality of life, and increased wealth and income, all of which will lead to personal fulfilment for local community members. Implementation of LED projects is dependent on the appetite of local government (municipalities) to change the quality of life of its community members and develop their wellbeing. As a consequence, communities blame local government for not providing enough support to help the communities remain sustainable.

Bins and Nell (2002) illustrate how many development strategies that have been successful in Western countries have failed in providing meaningful local economic development and poverty reduction in Africa merely because they were directly imported without consideration of the different dynamics faced by Africa as part of a developing world. This has prompted fundamental questioning of the application of Western development concepts and methodologies and their application in African development processes such as LED.

Koma (2012: 60), however, proposes that “local economic development programmes provide for areas in poverty stricken communities to stimulate economic activity and broaden economic opportunity and improve the quality of lives through education, job training, social services and community development”. The South African government, through the Department of Provincial and Local Government (DPLG) (2006) and the National Framework for Local Economic Development (NFLED), seeks to provide a programmatic approach of addressing LED projects’ challenges and providing strategic guidance. The South African government has dedicated itself to improving the quality of life of all its citizens, through focusing on residents in poor and developing local municipal areas, and fully supports the LED initiatives through the DPLG which is, in fact, the custodian of LED in South Africa.
Through the DPLG’s support, as well as backing by other national and provincial government departments, municipalities such as Mogale City are empowered to create sustainable local economies and thereby attract investment and bring economic benefits to their local residents. Local communities with broader skills and capacity will as a result be better positioned to turn their local resources into economic development opportunities, as emphasized by the Mogale City Local Municipality’s (MCLM) LED strategy (2010). The MCLM LED strategy (2010) aims to reduce unemployment, improve economic development, resolve investment challenges and maximize on Mogale City’s competitive advantage.

1.2. Study Area and Rationale

Context of the study area

According to the MCLM Integrated Development Plan (IDP) (2014), MCLM is one of four constituent local municipalities of the West Rand District Municipality (WRDM) situated in the western area of the Gauteng Province. Statistics South Africa (StatsSA) (2011) indicates that MCLM has the largest population (362 422) of the four local municipalities.

According to the MCLM LED strategy (2010), of the 362 422 population of MCLM, 22% (31 610) are unemployed, compared to 25% in both the West Rand DM and nationally, which poses serious concern. Additionally, 87 075, almost triple the unemployed number of the population, are not economically active which adds further to the burden of poverty.

The high figures of unemployment might be influenced by poor educational levels as illustrated by figure 1.1 below:
Figure 1.1 indicates that 4.0% of the MCLM population has tertiary education, compared to 3.2% of the WRDM, and 22% of the population have completed high school, compared to 20.2% of the district. Of particular concern is that, 7.6% of the population does not have any schooling at all.

Improved education of the MCLM population would mean less unemployment, as people would have improved workplace skills. The 4% tertiary qualified graduates must be increased, in order to increase the skills of the job market pool.

Statistics South Africa (2011) further illustrates that there are more people who are economically vulnerable in MCLM than there were in 1996. The 2010 Federation Internationale de Football Association (FIFA) World Cup investment led to National, Gauteng provincial and Mogale City’s economic improvement and resulted in a 2% to 3% MCLM growth, manifesting a positive impact on the livelihoods of the MCLM community.
MCLM is one of the four local municipalities of WRDM and is situated in the western side of the Gauteng province. MCLM consists of more than ten residential areas as illustrated by figure 1.1 below.

Figure 1.2: Locational map: Mogale City Local Municipality.

![Mogale City Local Municipality Map](image)

Source: MCLM LED strategy (2010)

Figure 1.2 above indicates the demarcation of MCLM, which is made up of Kagiso and Rietvallei 1, 2 and 3; Azaadville; Krugersdorp; Munsieville; Muldersdrift; Tarlton; Sterkfontein; Magaliesburg and Hekpoort.

1.3. Problem Statement

MCLM LED strategy (2010) indicates that its purpose is to gather economic information and explore available economic opportunities and options in order to broaden the economic base of the municipality. If drafted successfully, the LED strategy addresses the creation of work opportunities through the implementation of LED projects and business development initiatives.
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Therefore, as indicated by Swinburn, Goga and Murphy (2006), an active review of the municipality’s LED strategy and project implementation equips the community to better understand the municipality’s economic base, as well as gain the understanding of the opportunities and obstacles to local economic growth and investment. Communities are empowered to expand their local economic base by devising and undertaking strategic programmes and projects which reduce poverty and facilitate local economic development initiatives.

Moyo (2007) indicates that the biggest challenge in the implementation of LED projects in South Africa is the limited or lack of knowledge and understanding of LED concepts, theories and approaches by participants, especially in the local government sphere, which results in the failure of LED initiatives or interventions. According to Rogerson (2004), another challenge in LED planning in South Africa is that it is dominated by market-led activities aimed at achieving economic growth which is sustainable in the communities. Over reliance on the market hampers LED, as economic growth is not based only on market growth. It is therefore critical not to rely solely on market-led activities, since multi-pronged approaches to LED initiatives, such as a pro-growth approach, have proved to be more effective. This is evident in other municipalities, in which LED activities were planned to support local economic competitiveness and the growth of the small, medium and micro-enterprise (SMME) without broadly considering the root causes of growth challenges.

It is critical that MCLM LED strategy provides a foundation for economic development by assessing current municipal dynamics, such as the socio-economic challenges of unemployment, poverty and lack of education, and so ensures that the interventions address the challenges. LED strategy must thus inform policy regarding how the municipality can plan to address the challenges faced and how it can harness resources so as to effectively and efficiently implement the LED implementation plan.

Rogerson (2004) suggests that most LED planning in South Africa demonstrates a strong pro-growth bias, due to national government prioritising LED as a vehicle to address
national unemployment and poverty problems, even though LED is implemented at the municipal level.

1.4. Research Questions

In addressing the problem, one has to look at the following formulated questions:

- Does the LED strategy of MCLM clearly define an LED project roadmap which provides the roles and responsibilities of how LED will be implemented?
- How are LED projects in the MCLM LED strategy going to be implemented?
- Does MCLM ensure the compliance and management of LED strategy; and
- What lessons can be learned?

1.4.1 Aim

This research dissertation aims to review what national policy envisages LED to be, by evaluating the LED projects of MCLM, in order to establish whether they are being implemented in an effective and efficient manner as outlined in the MCLM’s LED strategy. It would be interesting to establish what the challenges experienced in implementing LED projects are and what lessons could be learned from these.

1.4.2 Objectives

The objectives to reach this aim are as follows:

i. To organise the international literature on LED.
ii. To collate LED policy in South Africa.
iii. To evaluate the status of LED projects in the MCLM.
iv. To probe whether projects initiated by the LED strategy of the MCLM have been implemented successfully or not.
v. To make recommendations on how implementation of LED projects can be improved.
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By means of the research questions, aims and objectives above, the study analyses how South Africa, as part of the global community, can learn from the international world regarding the best approaches to use and improve on LED implementation. Government must employ various platforms to educate people regarding LED projects, strategies and initiatives – what they are, and how they must be implemented to contribute to the economy of the country and provide for the socio-economic needs of the communities which the local municipalities serve.

1.5. Conclusion

Chapter 2 below focuses on international approaches to local economic development which could assist South African Local Government (Municipalities) in improving LED initiatives and learning from the global community.
2. CHAPTER 2 - INTERNATIONAL APPROACHES TO LOCAL ECONOMIC DEVELOPMENT (LED)

2.1. Introduction

As outlined in the research dissertation aims above, this chapter aims to establish whether the LED projects are being planned and implemented in an effective and efficient manner in line with international approaches. It would be interesting to establish what the challenges experienced in implementing LED projects nationally compared to international approaches and what lessons could be learned from these.

The following chapter draws on academic literature already written on LED. The literature review considers the meaning and understanding of LED through its definitions, the theory behind LED concepts and its implementation challenges. The review considers the international context of LED, the South African context including LED policy analysis, LED strategies of local municipalities and the challenges of implementing LED projects in South African local municipalities. The findings, challenges or arguments, proposals and or recommendations are all aligned to the South African environment, based on what was done in various areas of the country.

While the South African government is trying to ensure the successful implementation of LED, challenges such as confusion on what LED exactly is, as well as its limited capacity still face the country. The definitions of LED below provide the detail to clear confusion and ensure that people understand the meaning of LED.

2.2. Definitions

2.2.1 Development

According to Ocheni and Nwankwo (2012), the word “development” which forms part of Local Economic “Development” means different things to different people. Botes, Moses and Kusambiza (2015) state that, while economists may view development as representing economic growth, sociologists think of development as the degree to which people targeted in development initiatives actually take part in such initiatives. For the purposes of this study, development is viewed as a multi-disciplinary concept that implies an event or a
process which aims at bringing about improvements in socio-economic systems. In other words, non-exhaustive examples of development include economic development, territorial development, human development, and sustainable development.

Takeuchi (2000) asserts that development implies the aggregation of intended actions to bring about change. Takeuchi (2000) further highlights development as a practice of setting a goal to improve the life of people and transforming the community by means of political intervention. On the other hand, development, according to Takeuchi (2000), indicates that the development notion includes economic growth.

2.2.2 Local Economic Development (LED)

The World Bank (1998) sets out the aims of LED as building the economic base of a locality through collaboration between the business sector and Non-Governmental Organisations (NGOs) which represent the community members. Such collaborative efforts aim at creating improved, sustainable living standards and create better conditions for economic growth and job creation. The World Bank (1998) further proposes collaboration between government, business and community as a critical factor in LED.

Blakely and Leigh (2010) highlight the improvement of standard of living as an approach in which the quality of lives of the community members are improved through local area economic development initiatives which result in the creation of sustainable job opportunities with living wages. Job opportunities created must be sustainable and provide full time work that moves people out of poverty and strives to increase their minimum living standards over a period of time.

Blakely and Leigh (2010) further indicate that the economic capacities of LED in the previous era were referred to as physical industries that depended on exports markets to create jobs and increase the local economic base. A new era definition of LED, however, describes business and the economic base as multiple competitive industrial sectors, with regional and local links of economic networks within a locality, to enhance growth and income.
In conclusion, Nel, Taylor, Hill and Atkinson (2011) indicate that investors are also influenced by such insights and understandings of the local area’s competitive economic outlook. The local competitive advantage component of LED is supported by Nel et al (2011), in that economic capacities or hardships of a locality result from its intrinsic economic characteristics, socio-political changes, perceptions and interpretations. This results in decisions to invest if the local economic outlook seems competitive and positive, or not to invest if the local economic outlook is negative.

Based on the various LED definitions above and the conclusions drawn, LED can therefore be referred to as an approach in which community, business and government collaborate as key partners in creating a sustainable economic base for a locality, improve the quality of life through decent job creation, education and health, and create sustainable economic opportunities for the community.

Common in all the LED definitions above is the notion of ‘different local stakeholders working together’. The LED Research Gaps main report (2007), also indicates that LED definitions also highlight the issue of ‘Partnership and Stakeholder participation’ as a fundamental component of LED. But the challenge is that all definitions do not indicate how much cooperation must occur for LED implementation to be successful, and/or the conditions required for such cooperation to be effective. The assumption is therefore that when different local stakeholders work together within their local sphere and effectively manage their local resources with local authorities, LED will be effective. What is missing, however, is the fundamental aspect of good governance by local authorities in ensuring effective and efficient allocation of resources to all stakeholders, hence also ensuring that maximum results are achieved with minimum effort.

With LED clearly defined above, the theories and approach of how LED will be implemented thus becomes critical, as the success of LED projects’ implementation and the review of LED strategies depends solely on the approach employed as informed by various theories and experiences.
2.3. LED Theories

LED activities initially concentrated on place marketing and investment attraction, often linked to incentive systems such as tax breaks, recruitment of cheap labor, grants and subsidies for hard infrastructure (World Bank, 2003). Unemployed community members formed groups to market or sell specific economic activities in a specific locality or area where they lived and exchanged what they were producing with what other groups were producing in different activities.

Koma (2012) states that LED is not a new or innovative concept. The theory behind Local Economic Development (LED) practices can be traced back to the 1960s (Swinburne, 2006). Local economic development passed through developmental stages. This is illustrated by means of three historical stages. Firstly, from 1960 to 1980 in which the focus of LED was on agricultural investments, both locally and internationally. This was followed by the multi-sectoral investment attraction stage from 1980 to 1990. The third stage, 1990 to the millennium years, focused on the shift from individual to collective conducive business. These transitions place current LED initiatives into the third phase, in which partnerships in service delivery are critical for socio-economic development.

Rowe (2009) provides a different perspective, proposing that economic development, including local economic development, does not have a scientific theory to test success and/or failure of the LED initiatives. Economic development initiatives depend on or borrow from planning, economics, geography theories etc., which limit the effectiveness and efficiency of economic development. The lack of an economic development theoretical base results in practitioners and students focusing on how LED should be done, and what it actually does. This results in economic development returning to being a communicative action exercise, mere storytelling and a facilitative process which all lead to its ultimate failure.

LED developments result in the need for local governments to develop strategy aimed at the following: providing a conducive, competitive and attractive local business environment; supporting and encouraging networks and collaborations; encouraging the development of
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business and investment clusters; and supporting the improvement of the quality of lives. It becomes clear that the success of communities depends largely on their ability to adapt to a changing and increasingly competitive environment locally, nationally and internationally (Koma, 2012).

LED Research Gaps’ main report (2007), highlights international literature as not focusing on LED policy concerns, but rather on conceptual and theoretic issues – hence LED practices lack policy or framework that guides or gives direction to LED implementation.

Bond (2003) indicates that LED discipline finds itself in the middle of conflicting debates over whether traditional types of local strategies to economic development are working or not. The debates further question whether traditional strategies are generating 'pro-poor' economic development or are creating even more ‘uneven development’. The latter refers to a notion where the rich remain richer and the poor become poorer through a systematic, structured approach to capital accumulation. The ‘pro-poor’ approach was previously associated with ‘dependency’ theory to economic development. The ‘pro-poor’ approach also provides more understanding of the triple challenges of unemployment, poverty and inequality.

Malizia and Fesser (1999) in Blakely and Leigh (2010) highlight some of the theories that indicate the historical emergence of LED. The theories include the economic base theory, a growth theory that considers increasing the rate of growth in a specific economic base by analyzing the economic output of a locality and the employment rate. The staple theory is a development theory that looks into economic growth led by exports. The theories highlighted by Malizia and Fesser (1999) in Blakely and Leigh (2010), further include the neo-classical theory, which is a growth theory that looks into increasing the rate of economic growth per capita, and the interregional trade theory, another growth theory which regards economic growth as leading to greater consumer welfare.

Blakely and Leigh (2010) propose that existing local economic development theories must evolve in order to reflect changing economic structures and must remain relevant to local economic development initiatives. Such evolution is reflected through growth, economic
development and the neo-classical growth theories which are the main drivers of local economic development and which reflect the positive changing economic structures in a locality.

2.3.1. Growth theories

Blakely and Leigh (2010) indicate that growth theories outline the expansion of the economy of a locality, its economic base, its economy of scale and the mobility of capital in and out – all indicating how much government spends on a locality and how much the locality spends and invests. Blakely and Leigh (2010) further emphasise that this theory includes, among others, the neoclassical growth theory, the interregional trade theory, the growth pole, and the economic base theory.

2.3.2. Economic Development theories

Economic development theories mainly look at capacity, the socio-economic, political and technological aspects of a locality such as a local area’s resources (i.e. iron ore, coal, gold), entrepreneurial climate, transport, communication, international economic situation and national and state funding (Blakely and Leigh, 2010). Economic development theories consider the long term processes of how the local economy is structured and how it evolves over time. These theories include entrepreneurship theory and staple theory.

2.3.3. Neo-Classical Growth theories

According to Barberia and Biderman (2010), neo-classical growth theory envisages the convergence between richer and poorer areas, whereas endogenous growth theory provides justification for regional policy development. These regional policies can be effective vehicles for changing economic meltdown to an improved economic upscaling, but implementation depends on the localities.

Blakely and Leigh (2010) suggest that the challenge is that resources are often under utilised by local communities, due to lack of capacity to effectively explore and maximize the locality’s competitive advantage. It is thus critical to invest in the capacity of local
communities, rather than to focus solely on physical infrastructure. Such an investment is sustainable to the extent that the infrastructure developed is used by the local communities, and if it is not so used, then the development will fail.

As already mentioned, LED is not a new concept, as it has been practiced internationally through ‘place marketing’ and ‘boosterism’ initiatives, in particular. The following section will take a more in-depth look at examples of LED throughout the world, focusing on the New Generation of LED, Globalisation, the Western Approach to LED (considering France and Great Britain), Development from Outside, Development from Within, the Market approach to LED, Enterprise Development, and Locality Development, before looking into LED in South Africa.

2.4. The International Context of LED

LED is an internationally acclaimed approach defined by the ILO (2008) in Rogerson and Rogerson (2010) as a process in which the community endeavors to develop partnership with business and government in their locality to enable them to jointly design and develop the economic development strategies of the said locality. The International Labour Organization ILO (2008) in Rogerson and Rogerson (2010) further highlights partnership developed by the community as a critical component of LED.

According to Blakely and Leigh (2010), improving the standards of living of community members is an important factor in LED. This can be realised through the implementation of new generations of LED, understanding the global and western approaches to LED, learning from other countries such as France and England, understanding the top down approaches to LED, introducing innovative LED approaches of development from outside, and development from within as articulated below.

2.4.1. New Generations of LED

Helmsing (2003) states that in order to ensure local communities are economically developed, the community economic development, enterprise development and locality development categories of LED must be well entrenched in the local economy development agenda. These categories are derived from the LED definition that it is a process in which
community and civil society, local authorities and private sector partners work together to address the triple challenges of poverty, unemployment and inequality.

The community economic development category of LED, as described by Helmsing (2003), is the type of economic development which can be implemented in both urban and rural areas of a local authority, but requires that the characteristics of areas are diversified to suit the urban or rural area.

Enterprise development, on the other hand, involves developmental initiatives targeted at an enterprise within a locality. The category of LED, as highlighted by Helmsing (2003), is the locality development dimension, which encompasses the total development of a locality from planning, management of socio-economic challenges and physical environment to the resources of the locality.

Helmsing and Egziabher (2005) view LED as a process in which partnerships between local governments, NGOs, community-based groups and the private sector are established to manage existing resources, to create jobs and stimulate the economy of a well-defined territory or locality.

The process can also be achieved through globalisation which, according to Swinburne (2006), offers opportunities to local businesses to competitively develop new markets internationally and offers international markets opportunities to open and operate new businesses locally, thereby increasing the local area competitive appetite. Globalisation, as illustrated by Swinburne (2006), increases LED local investments both nationally and internationally, resulting in more economic opportunities and competition for local businesses. Critically, Amin and Thrift (1994) highlight globalisation as not meaning the giving up of local or regional development approaches, as global players need local space from which to act. Regarding local accumulation of firms and social embedding, local knowledge in the form of institutions remains very important for local economic development and growth. “Institutional thickness” of an area becomes of fundamental importance because of its attractiveness and becomes instrumental in facing and responding to the new challenges which accompany globalization (Amin, 1999). ILO (2008)
suggests that globalisation is characterised by markets becoming more persuasive, which simultaneously affects countries worldwide. As a result, development strategies have to pay more attention to specific regions, particularly countries where markets are positively responding to local economic development persuasions (ILO, 2008).

2.4.2. Globalisation

Globalisation, as expressed by Held et al (1999) in Yeung (2000), describes the complicated way in which power relations can create a new spatial organization and social relations. The elements in power relations are highly contested and determine the main players within a developmental area, such as who are the social, public and private actors within a locality. There are, however, debates on globalisation which cause controversy due to their different ideologies.

Mishra (1999) and Baker (2000) propose that marginalization and socio-economic exclusion occur as a result of globalisation. Social exclusion is worse than economic deprivation. This results in downward pressures on local communities through increased higher levels of poverty, changing labor market conditions and increasing inequality in wages. By contrast, Midgey (1997), argues that globalisation is a process of global integration in which diverse people, economics, cultures and political processes are increasingly subjected to international influences and in which people are made aware of the role of these influences in their everyday lives. Mishra (1999) contends that globalisation is concerned with the flow of capital.

The 1997/8 Asian economic crisis, as illustrated by Held et al (1999) in Yeung (2000), resulted in the conflicting and questioned nature of development of both public and private business communities in East and Southeast Asia. As much as this seemed negative, some observers contend that globalisation has changed the nature of business in Southeast Asia communities. According to Held et al (1999) in Yeung (2000), the extensive and intense impact of global power relations is assessed to determine the possibilities of conducting business networks across continents and across regions, as well as leverage on their relations.
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Mishra (1999) concludes that this means that the globalisation debate is ultimately not about efficiency of markets or importance of global technology, but is rather about an inequality of power which most global stakeholders and players are not able to tolerate – an inequality greater than the world has experienced since the end of World War II (WW II) (1945).

Held, McGrew, Goldblatt and Perraton (1999) in Yeung (2000) describe globalisation as a process which looks into how people are spatially organized and how their social relations are expressed within the global transformation journey.

The International Labour Organization (2008) in Rogerson and Rogerson (2010), however, proposes that globalisation has significantly changed the rules of the game on how the global economies are managed. Connecting international businesses to multi-national and national businesses and linking them to regional and local economies, with the purpose of creating a single global economy, is a complex process which cannot be managed by multiple or single individuals. Thus globalisation is not only a process of linking international business to regional and local businesses, but a specialised process that requires a technologically advanced, highly skilled, positive socio-political environment which allows the processes to unfold on their own.

The ILO (2008) suggests that, because the world looks more and more the same everywhere with western approaches being tried and tested in other continents and vice-versa, people have a stronger need to emphasize their differences as the unifying forces of globalisation have led to a stronger sense of territorial identity.

The westernised view of LED proposes that a joint developed local economic strategy which considers local community resources enables stakeholders to have a developmental plan which will create decent jobs with sustainable economic activities and an enabling economic development environment.
2.4.3. Western Approach

Rodriguez-Pose (2009) in Van Rooyen (2013), points out that Europe can be regarded as the “cradle of LED approaches”. This is because, despite major global economic changes in the European and/or international and/or African and/or regional markets – all which affect South Africa – LED theories and their global evolution into new approaches remains western bound and are seen and referred to as Western ideologies. The evolution of and interest in LED as indicated by Blakely and Leigh (2010) and Clarke and Gaile (1998) in van Rooyen (2013) were initially practiced in Western Europe and North America before other parts of the world.

During the 1980s, LED developments moved to public-private partnerships and inward investment in order to generate employment and jobs through capacity building. LED grew from business retention strategies and the growth of existing business (Swinburne, Goga, and Murphy, 2006).

The focus moved on to the development of soft infrastructure, for improvement in the quality of life of communities (Swinburne, 2006). With the advance of globalisation and growing decentralisation, the 1990s saw a diffusion of LED ideas and practices from the global North to the South (Nel and Rogerson, 2005).

Ruecker and Trah (2007) point out that these LED notions and practices now follow an approach in which individual business support and sectoral development approaches are improved by “making the entire business and community environment more conducive to economic development” and the improvement of the general quality of life of citizens, as supported by Tassonyi (2005). The emphasis is now on providing a competitive local business environment to broaden the benefit of the development within local groups.

Local development, as defined by the LED Research Gaps main report (2007), is a specific form of regional development in which ‘local’ factors such as the local firms, local financial institutions and local entrepreneurs form part of the regional development and economic growth, within a mixed market context. ‘Local’ factors in this context does not mean physical
attributes of a region, such as its mineral resources and competitive advantage, but refers to the socio-cultural and behavioral attributes of the local population, which indicate their willingness to own the development agenda. However, it is critical to point out that, even though the local community or population can be willing to participate in their own development, actions of the local authorities can influence development and must never be ignored.

Cahill (2008) indicates that, in order to ensure that community development interventions are sustainable, the issue of power has to be recognized as crucial. But even more critical is the way in which power relations are managed when engaging in community development interventions within local government, as these have remained relatively under-theorised in development literature. Power relations in government, as observed by Cahill (2008), are still located centrally, as observed by many practitioners who continue to view power relations as entrenched in resources and in particular institutions and not in the local government sphere. Cahill (2008) illustrates the fact that power still relies on those who have resources, indicating that the processes of community empowerment should start with the reallocation of these resources to marginalized groups within the communities. This will result in community members actively participating in development interventions which will result in a sustainable livelihood (Cahill, 2008).

If power relations are not well managed in such development approaches, Cahill (2008) warns that they can discourage the potential for participants to actively engage in such development initiatives and lead to a sense of dependency on formal development interventions initiated by key stakeholders.

According to Swinburne et al (2006), the understanding and implementation of LED strategy differs from one institution to another and between developing and developed countries. LED strategies are often developed without consideration of municipal dynamics, resulting in cutting and pasting the approach of one municipal strategy to a different one.

The successful implementation of LED projects illustrates the positive impact of LED initiatives on the livelihoods of beneficiaries with regard to the set indicators – such as
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improved standards of living, increased income, improved skills acquisition and the ability to afford basic family demands – used to determine the effectiveness of initiatives undertaken by various government or private entities (Nel, 2001).

a) France

After World War II (1945), two historical and socio-political issues influenced local development in France, as illustrated by Demaziere and Wilson (1996): namely the two principles for the organization of industrial work processes after World War II (1945) referred to as spread of Tylorism and the historically centralized political system. Economic restructuring and decentralisation of the state apparatus in France transitioned into a flexible production system which fed into the public and private sector businesses in the 1980s, allowing for specialisation at a local level. Thus, local economic development in France started with the laws of decentralisation in 1982, followed by the formation of regions, while sub-regions and municipalities were given reliable economic capabilities.

b) Great Britain (England)

Demaziere and Wilson (1996) present LED theories as being firstly designed in Great Britain in the 1960s, as Community Development Programmes (CDPs) to address the socio-economic challenges resulting from high population concentrations in Great Britain’s inner cities, poverty and unemployment. Initially, these socio-economic challenges were attributed to inhabitants’ lack of skills, the presence of immigrants, unemployment and so forth. Findings in the 1970s and 1980s revealed that these socio-economic challenges could not be solved by social action, but rather through action aimed at structural economic causes of decline.

c) ‘Top-Down’ Approach

The globally accepted ‘top-down’ approach to LED, according to Demaziere and Wilson (1996), led to many national and regional economies restructuring their policies to solve the challenges experienced by their localities.
Globalisation resulted in structured and purposeful decentralisation of business activities, as well as marginalization of many areas, from the topography of the new production systems to the rise of regional and local independence. This further encouraged localities to stand on their own in tackling problems of local development and underdevelopment. Communities felt they could not trust the international and national partners and ‘top-down’ approach methods were fiercely rejected or blocked on the ground/local level.

However, Birkholzer (2005) points out that there are other approaches than the ‘top-down’ approach which ensure a better choice of approach for a specific municipality: ‘development from above’, which is the same as the ‘top-down’ approach, ‘development from outside’, ‘wait and see’, and ‘development from within’.

Birkholzer (2005) further states that the top-down approach in the implementation of LED, in which the government or the state is the main actor, is the first scenario called “development from above”. In this instance, national government, through its policies and legislation, works top-down to provincial and local government on how LED must be implemented. The “development from above” scenario requires that local actors, which include the communities, private businesses and enterprises and the local municipalities, wait for national and provincial government decisions, as well as resources. This is mainly because they believe that the national government is either mainly responsible for all kinds of development or has the only power to do so, resulting in failure of LED programmes. This often results in a high degree of dependency and subjective action.

2.4.4. Development from outside

Birkholzer (2005) continues to illustrate the other approaches. The “development from outside” approach, which is the second one, often follows the failure of the first one. External “investors” are needed to bring in the necessary resources, especially money, to invest in the local economy.

Similarly, the first scenario in “development from outside”, local actors also believe they cannot do it on their own and rely on outside help for resources. This is a common situation
found in the “undeveloped or developing” world, as highlighted by Birkholzer (2005), where communities or people are made to feel that they cannot do anything on their own and desperately look for outside investors.

This results in appalling competition between communities, provinces, regions and countries, in which only the outside investor benefits from the unavoidable dumping process of low wages. The winners, as rightfully indicated by Birkholzer (2005), and as is the case in any other competition, become the rich few and in some instances the corrupt officials, while the majority of local community members end up being losers. Often, the investor’s objectives are not the same as the the community’s and investors are not willing to sacrifice their end goal.

2.4.5. Development from within

And finally, Birkholzer (2005) indicates that a fourth scenario is the ‘development from within’ approach which, as compared with the first three, is dominated by local actors. The first approach is dominated by the government or state, the second approach by outside investment and third approach by passivity, but in this approach, which makes it the best of the four, the local actors, the community themselves, play the critical role. This is real Local Economic Development, as LED can only be realised when people start to realize that neither the government nor the market economy serve their needs or solve their problems if they are not willing or unable to take a lead.

Triegaardt (n.d.) indicates that the bottom-up, rising prominence of local and community decision making in the developing world has paved the way for the development of local economic development in the global economy. Local development is globally understood to mean a specific form of regional development in which ‘local’ factors such as local businesses, entrepreneurs and so forth, constitute the main basis of economic growth and development within a specific locality, as explained by the LED Research Gaps main report (2007).
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The LED Research Gaps main report (2007) further suggests that the ‘local’ factors referred to are the socio-cultural and behavioral attributes of the local population, in relation to the growth and development of their locality, and not physical or geographical attributes.

According to the various approaches and views raised above, Swinburne et al (2006) conclude that the relative advantage of a locality, in terms of economic development and growth, is determined by the local conditions and includes their ability to attract and retain investment.

In addition, Birkholzer (2005) highlights the third approach, “Wait and See”, as being sometimes referred to as the quasi natural process of selection. Differently from the first two, in the “wait and see” scenario, the local actors remain more or less passive waiting for things to happen.

When the LED programme reaches this stage, most people leave it – a process often referred to as ‘migration’. Although it becomes more and more difficult to find places to ‘migrate’ to, because of socio-political environments, this becomes the most popular option because the chances of succeeding in the locality are smaller and more hopeless.

Local authorities are being given significant new powers to encourage them to focus on economic development. This reflects the drive for growth combined with an attempt to increase social responsibility, decrease worklessness and increase local entrepreneurship.

Local economic development is a critical challenge for much of sub-Saharan Africa, particularly South Africa. One reason for the disappointments surrounding more than 15 years of LED planning relates to the “disconnect” between business development and LED planning. This issue is now acknowledged, as national government has launched a series of initiatives to develop connections between enterprise development, on the one hand, and local economic development, on the other.

The discussion points to four themes, namely the improved market confidence of the private sector in local government; the capacity to identify opportunities for and to exploit competitive advantage; the need to build a business environment friendly to private sector
investment; and the intensification of enterprise support at local level for the development of small businesses.

According to Swinburn, Goga and Murphy (2006), successful private enterprise and productive public-private partnerships create wealth in local communities. Private enterprise, however, requires a positive business enabling environment to deliver prosperity. Municipal government has an essential role in creating a favorable environment for business development and success. By its nature, local economic development is a partnership between the business sector, community interests and municipal government.

Across international experience, the range of LED initiatives and responses in cities can take a combination of many forms. Different authors apply different terminology to describe the variety of forms of LED interventions. Nevertheless, there exists a spectrum of LED interventions ranging from those which are seen as market-led or pro-growth on the one hand, to those which are market-critical or pro-poor on the other hand. The market-led approach of business development aims “to enable local economies to adjust more successfully to macro-economic reforms” (Scott and Pawson, 1999) and emphasises the goals of promoting individual self-reliance, entrepreneurship, expansion of the market, competitiveness, reduction of unemployment and sustainable growth.

2.5. Market Oriented Approach

According to Nel and Rogerson (2005), a market oriented or pro-growth policy could be equated to creating an enabling environment for economic development. In an article titled ‘Obsession with poverty is where development is going wrong’, Omojo (2017) states that, “because poverty almost always shows itself as a lack of resources in poor communities – food, safe water, sanitation, education, healthcare – it’s reasonable to theorise that poverty is a resource problem”. So, based on that assumption, resources which it is assumed poor communities lack are often pushed towards them and development strategies seen as best for economic development for the said communities are often implemented, with the conclusion that the challenges have been resolved. Such interventions only assist in poverty alleviation and not economic development of the said poor communities and do not
create the sustained growth which leads to prosperity – because we are solving the wrong problem.

In planning for development in one of the most unequal societies in the world, the South African government is placing considerable emphasis on what it terms ‘developmental local government’, namely increasing the role of government agencies in promoting growth and development. The government argues that ‘the central responsibility of municipalities is to work together with local communities to find sustainable ways to meet their needs and improve the quality of their lives’ (RSA, 1998).

Rogerson (2011) maintains that national governments are able to provide considerable support for small enterprise development programmes which can animate local economies. However, the policy focus, as stressed by Todtling (2011), should be directed to the developmental challenges and growth potentials of incumbent small firms, new firm formation and a strong focus on entrepreneurship.

Five major categories of LED intervention are differentiated by Clarke and Gaile (1998): (1) locational (general tax incentives, enterprise zones, industrial parks), (2) pro-globalisation (sister cities programmes, export promotion, foreign trade zones, attracting international direct investment), (3) general entrepreneurial (venture capital provision, targeted tax incentives), (4) entrepreneurial mercantile (business incubators, equity participation, local development corporations) and (5) human capital (employment training, human capital initiatives). Notably absent from this North American derived schema of LED interventions is any category of poverty-focused LED interventions.

Across urban areas, the World Bank (2002) interprets the role of such LED initiatives as important dimensions of so-called “city development strategies”. The notion of city development strategies represents one of the prime foundations of the World Bank’s new global urban and local government strategy (World Bank, 2000). The approach involves the building of broad coalitions of local stakeholders and development partners, both national and international, to work together in order to design a strategy for a particular urban area that reflects a broadly shared understanding of the locality’s socio-economic
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structure, constraints and prospects and a shared or holistic vision of goals, priorities and requirements (World Bank, 2002).

It is suggested that city development strategy in combination with LED contribute to sustainable cities by assisting local governments to pursue good practices in building environments that are livable, competitive, well-governed or managed and bankable, in terms of being financially sound (World Bank, 2000).

According to the World Bank’s urban and local government strategy, the sustainable development of communities or localities is based on the “concept that economic vitality, social equity, environmental quality and sustainable urban finance are goals collectively integral” for the creation of sustainable cities. The attainment of all four of these goals is viewed as contingent upon “responsible and successful local economic development action” (World Bank, 2001).

The World Bank (2002) suggests the following ten issues as representative of the most important and frequent sets of LED interventions: (1) ensuring that local investment climate is functional for local enterprises, (2) supporting small and medium sized enterprises, (3) encouraging new enterprises, (4) attracting inward investment, (5) investing in physical (hard) infrastructure by improving the built environment (roads, sewerage, airports) for businesses, (6) investing in soft infrastructure including human resource development, institutional support and regulatory issues, (7) supporting the growth of business clusters, (8) targeting particular geographical areas for regeneration or growth (i.e. area or spatial targeting), (9) supporting survivalist, primarily informal sector enterprise, and (10) targeting certain disadvantaged groups.

According to Rogerson and Rogerson (2011), for local authorities, the enhancement of local competitiveness must go beyond ‘getting the basics right’ and instead involve the identification and exploitation of competitive-ness. Lawson (2009) in Rogerson and Rogerson (2011) indicates that the core purpose of LED in South Africa is to improve the competitive advantages of the local business environment in order to enable more
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businesses to succeed and, in so doing, contribute towards poverty reduction. Enterprise
development becomes the pillar of the development of an economic base of a locality.

2.6. Enterprise Development

According to Helmsing (2003), it is debatable that LED does not develop the economic
base of a locality. In responding to the debates and challenges in developing the local
economic base, LED must look into activities outside the locality that exports their products
and services. Helmsing (2003) indicates that these activities should involve agricultural,
manufacturing and physical activities including mining resources.

In developing a local economic base, Helmsing (2003) further maintains that local
enterprises must be clustered or be made to specialize in order to grow the local economy.
Firstly, Helmsing (2003) indicates that small and medium sized enterprises must find it
advantageous to develop specialisation within themselves to promote effective and efficient
competitiveness within their locality. Secondly, Helmsing (2003) adds that local
entrepreneurs should jointly create support structures through institutions that will support
their businesses. Lastly, local entrepreneurs, according to Helmsing (2003), must
collectively lobby support from government and the private sector, including the community
and civil society, to ensure growth and sustainability.

Expansion, restructuring and/or creation of the economic base are the core components of
LED, as indicated by Helmsing (2003). The specialised or clustered enterprises created
can then expand or restructure, giving birth to new enterprises and growing the economic
base of a locality.

Helmsing (2003) maintains that, provided a locality can ensure that the three components
of enterprise development are implemented, the challenge of LED not developing an
economic base will be resolved, as LED will be driving the local economic growth.
2.7. Locality Development

Locality development, according to Helmsing (2003), relates to how the local area is managed. When a locality develops, infrastructure must be developed to cater for growth and development and resources must be managed to benefit local businesses and the locality. Helmsing (2003) proposes that this enables a locality to improve basic economic conditions, economic activities will eventually become competitive and the locality will develop and expand.

For this to happen, Helmsing (2003) suggests that collaboration or partnership between local government and the private sector must be strengthened to stimulate economic growth and locality development. This means that the development of a locality must be managed. According to Helmsing (2003), management of the development of a locality includes building and refurbishing physical infrastructure, as well as stimulating socio-economic investment to generate a balanced development of the locality. If well managed, locality development will eventually result in the improved quality of life of local communities and economic competitiveness of the locality.

The choice of an approach to implementing LED programmes or projects depends on the socio-economic, political, cultural and readiness of the environment at the time. Scott and Pawson (1997) corroborate this, suggesting that, over time, political dynamics will intensify, leading to disagreements on how to maintain economic viability within local authorities which have global economic competitiveness, and to addressing the growing systematic challenges of unemployment, poverty and unemployment.

As illustrated by the international literature and approaches above, most LED programmes fail or have so little impact on the communities they serve. Swinburne (2006) proposes that, in order for a local authority or a community to succeed in its endeavour to implement successful LED programmes, it must be able to adapt to the ever changing global environment and market dynamics.
In an attempt to answer why local authorities LED programmes fail or have so little impact on the communities they serve, Swinburne (2006) suggests that most communities are increasingly using strategically planned LED to strengthen their local economic base and improve the investment environment, which will result in productive and competitive local businesses and communities. Competitive communities, as explained by Swinburne (2006), mean that local people’s quality of life is improved, that there are new economic opportunities created by growth, that there are employment opportunities with living wages and that the level of poverty is below acceptable standards.

Dewar (1998) proposes that there are also technocratic perspectives of economic development and alternative views on the political economy of economic development programmes. Economic development programmes, according to Dewar (1998), are not designed and implemented in such a way as to achieve their desired goals in the face of political interference caused by officials who implement and manage programmes to solicit political support for the programmes’ survival (Dewar, 1998). This results in officials being dependent on, or ‘owned’, by politicians which in turn impacts on their ability to deliver on their mandates and resolve the socio-economic challenges – all resulting in the failure of the LED programmes. Dewar (1998) points out that, in order to achieve specific goals, officials choose either to impress the politicians or the LED programme funders and that this always leaves no room for community members.

Since most LED programmes depend on government or private sector funding, Dewar (1998) points out that funding is a valuable vehicle for stimulating local government economic development and for assessing the socio-economic and political conditions of a local authority. Funding of LED projects also assists a local authority to respond to the community’s triple challenges of unemployment, poverty and inequality.

Despite funding being critical to the stimulation of economic growth at local government level, Dewar (1998) points out two frameworks which indicate why local economic development programmes’ funding has had so little impact on local economies and why
most LED projects fail. Firstly, Dewar (1998) highlights the ‘technocratic’ perspective framework, which indicates that the disappointing results of LED programme are due to lack of inadequate analysis carried out in the localities where LED programmes are being implemented.

The political economy perspective is the second framework illustrated by Dewar (1998). This proposes that officials in a local authority implement LED programmes as per the political office bearers’ mandates, without looking into the relevance and sustainability of the programmes. Officials pursue the political mandates of the politicians they serve and are often biased in terms of deciding in which geographical areas within a locality the LED projects will be implemented. Choice of areas of LED project implementation is prioritised more often according to political support and mandates, rather than according to economic development appetite – thus again leading to failure of the LED projects.

According to Dewar (1998), the ‘technocratic’ perspective to economic development, on the other hand, indicates that implementation of LED programmes by local authorities is more successful if the LED programme officials who design and implement the programmes have knowledge, skills and expertise relating to the LED programmes and use appropriate analysis to make informed decisions. Stockey and Zeckhauser (1978) in Dewar (1998) confirm this, suggesting that the techniques and policy analysis used to implement LED programmes would yield best results if we could improve our ability to predict and learn from the results of alternative policies and strategies which have been used in other programmes or areas.

As opposed to how LED evolved throughout the World and in Africa, in South Africa (SA), LED was used as a vehicle to address the imbalances and injustices of apartheid policies. Ihonvbere (1996) and Makinda (1996) in Sihlongonyane (2003) report that many regional cities and towns in the Southern African Development Community (SADC) have not yet politically transformed, enabled economic development and empowered their communities to the extent that South Africa has, which provides South Africa (SA) with an advantage regarding economic development and transformation.
Helmsing (2001), in LED Research Gaps main report (2007), maintains that LED implementation challenges have multiplied, whilst uncertainties about outcomes have increased. In order to resolve LED implementation challenges, Helmsing (2001) in LED Research Gaps main report (2007), proposes that governance must be the main driver of change. Inter-firm governance will not result in effective LED implementation; rather, the focus must be on localized economic governance which must be provided by local authorities in partnership with all stakeholders at local government level, including the private sector and NGOs.

2.9. Conclusion
The World Bank (1998) suggests that the basic principle of LED is to improve the quality of life of local communities and their economic future prospects through such collaboration with key stakeholders. Meyer-Stemmer (2003) corroborates this by emphasizing that the creation of sustainable economic opportunities to improve lives of community members is a critical part of LED. Meyer-Stemmer (2003) further substantiates the linkage between LED and the improvement of quality of lives of the community, in that LED is deemed successful if the local area can create sustainable economic opportunities in its locality and generate income to improve the lives of the community members living in it. Meyer-Stamer (2003) adds that this means that the locality is able to effectively and efficiently maximize its local competitive advantage as its core differentiation component.

Malefane (2009) points out that, despite the legislative and financial support provided by the South African government to local government in terms of LED initiatives, there is no record or proof of efficient and effective implementation which can be used as a good practice benchmark by other government institutions which face implementation challenges. This is in accord with a belief that South Africa is good at developing best policies and strategies, but is poor in implementing them. The analysis of the legislative frameworks in chapter 3 below outline South Africa’s understanding of LED and how the legislative imperatives support its implementation.
3. CHAPTER 3 - SOUTH AFRICAN CONTEXT OF LED

3.1. Introduction

Some of the objectives of the study are to organise the international literature on LED, and collate LED policy in South Africa to highlight the potential of local economic development processes in post-apartheid economic restructuring. The emergence of LED in South Africa, as illustrated by Nel (2001) and Rogerson (1996, 2002) in Sihlongonyane (2003), has been linked to the 1994 democratic dispensation. Economic transformation emerged as a transitional highlight of the post-apartheid economic restructuring and resulted in an awareness of the potential of local economic development processes in South Africa.

3.2. Pre and Post-Apartheid Local Economic Development

In responding to the research dissertation aims of reviewing what national policy envisages LED to be, the White Paper on Spatial Planning and Land Use Management (2001) notes that development in the period before 1994 was defined and based on race which disadvantaged the majority of people in terms of service provision and with regard to the long term effects and consequences of the apartheid legacy.

The White Paper (2001) further indicates that planning in the past was characterised by extreme inequalities. Development in post-apartheid South Africa should thus be based on sustainability and equality, in order to address the inequitable legacy inherited from decades of planning in the interests of a racial minority.

Skinner (1999) points out that South Africa faces many development challenges, in particular the poverty, inequality and unemployment dilemmas which are the legacies of apartheid. The UNDP Human Development Report (2003) notes that the socio-economic situation (poverty, unemployment and inequality levels) resulting from the inequalities of apartheid resulted in highly biased wealth distribution, inequality in earnings, low income growth and environmental degradation in South Africa and that the situation is not improving satisfactorily.
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Post-apartheid economic restructuring led to economic transformation initiatives such as LED. Malefane (2009) points out that the objective of post-apartheid economic restructuring by means of LED was to address the imbalances and injustices of apartheid policies, and to expedite equitable socio-economic growth. According to Malefane (2009), this was to be achieved by using LED as a means through which poverty reduction, unemployment and the improvement of education, health care, and economic growth would be realised. Malefane (2009) adds that the current government system assigns responsibility for LED implementation to the local government sphere, but also points out that this results in limiting the effective and efficient implementation of LED.

Helmsing (2003) further highlights that management of the development of a locality involves participatory LED planning, physical planning and development controls, urban planning and design, infrastructure and socio-economic investment.

Steytler, Titus, Carrim and Mkhalipi (2002) assert that municipalities are seen as an indispensable part of South Africa’s system of government since they have to ensure that their policies and programmes are coordinated and aligned to those of national and provincial spheres of government. Steytler et al (2002) maintain that Local Economic Development challenges in South Africa should be carefully analysed in relation to the multiplicity of challenges and experiences drawn from the South African past experiments to align existing policies and to restructure the economies of municipalities.

Nqapela and Fakir (2017) point out that informal economic development in South African townships has failed, as economic development initiatives in the townships are still worlds apart from the formal economic development initiatives. Collapse of informal economic development in South African townships, as indicated by Nqapela and Fakir (2017), is due to the failure of township informal economic bids to unleash economic potential largely because the motives, networks, and practices of the informal economy have been ignored.

Malefane (2009) points out that the factors leading to failure of municipalities to implement LED projects can also be attributed to lack of local government internal control systems,
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which include the absence of monitoring, evaluation and reporting systems and which would have helped municipalities to resolve this challenge. This, according to Malefane (2009), results in municipalities not reporting any progress or challenges experienced in the implementation of LED. As a result of the pressures placed on local authorities to grow the economy of the locality, create jobs and eradicate poverty, Bond (2003) points out that municipal economies globally have slowed down in growth. This was also the result of local municipalities' entrepreneurism adoption, which was an aspect of their local economic development strategies and policies to foster growth and development. Bond (2003) further suggests that, due to the intensifying of competition for investment, municipalities adopted ambitious plans to develop their local economies which resulted in the ‘smokestack-chasing’ approach. This is an unrealistic approach to economic development of a locality, as explained by Bond (2003), based on an ambitious plan to resolve all challenges at the same time without looking into the resources of an institution.

It is for this reason that local economic development in South Africa must start to unleash the economic potential of both the formal and informal markets. According to Swinburn (2006), LED is a spin-off of the businesses and resources movement between locations for competitive advantage which occurred in the 1970s and which led to municipal governments changing their LED policy approach in response. Municipal governments had to review their economic outlooks and capacitate their communities to understand their local economic opportunities and challenges.

Van Rooyen (2013) asserts that, in the 1980s, the third generation of regional theories and policies was put in place in an effort to use comparative advantages for the local economies. Finally, in an effort to promote the regional economic base by means of diversifying, innovation and the institutional features that stimulate local economic development, the fourth generation of regional theories and policies was introduced. Van Rooyen (2013) adds that this policy shift led to a new approach to LED in which, instead of focusing only on resources and capacity of communities, LED initiatives focused more on partnerships (P) with other actors. LED initiatives should be locally based, looking into the economic factors of localities, and implemented in partnership (P) with government
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and business (Van Rooyen, 2013). Van Rooyen (2013) argues that LED is not a form of economic re-distribution, but takes place in a relationship of partners, both government and business, and involves community members through community based organizations and non-governmental organizations.

Van Rooyen (2013) concludes that the new approach to LED can be seen as a three pronged approach which focuses on Locality (L), which includes issues from a specific geographic area, Economic (E), which involves economies of a specific locality, and Partnerships (P), which involve socio-political factors within a specified locality – she refers to these as L-E-P. Thus, if one actor such as government attempts to promote LED on its own through local entrepreneurship development or implementation of LED initiatives in a local area, that cannot be referred to as LED, as there is no element of partnership.

Therefore, emphasis must not only be on either capacity (c) of the local community or on resources (r), as both are important aspects for a sustainable local economic development. The community with less capacity must put more emphasis on its development and the community with fewer resources must put an extra effort to utilise those resources effectively.

Meyer-Stamer (2002) maintains that it is not clear whether municipalities are supposed to be the driver of the LED process, or the facilitator or active observer of a process which is driven by the local business sector.

Other authors, such as Meyer-Stamer (2003), argue that starting LED initiatives is not an easy task. More often, it involves overcoming political, organizational and societal fragmentations. LED is most importantly developmental, requiring that persons with a background in business management, skills development and urban planning have to collaborate so as to achieve common successes regarding LED (Meyer-Stamer, 2003). This is corroborated by Harcourt (1997) in the TGSL Report (2003), who argues that to deal with poverty, inequality and growth, there is a need to clearly highlight on the LED
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plan what the initiative aims to achieve and how it will be executed to address the challenges.

This is in line with South African government strategy on LED, which includes government’s initiatives, serves as a blueprint of LED projects and must be collectively decided upon by the community, local municipality, NGOs and the private sector. This will empower communities through the creation of co-operatives as a way of promoting, resuscitating and mobilizing economic activities in a particular local municipality (TGSL Report, 2003).

Nel and Rogerson (2005) state that despite the fact that some areas have been actively engaged in the pursuit of LED for nearly a decade, very few are able to provide a realistic appraisal of their achievements and impact to date. Stringent financial accounting processes and the small number of assessments of social and economic impacts of LED interventions remain a challenge (Nel and Rogerson, 2005).

Contrary to the UNDP Human Development report (2003), Davids (2005) argues that in addressing apartheid injustices of the past, the SA government adopted a people-centered approach as described by Theron (2005). Theron (2005) indicates that a people-centered approach is a shifting of interventions towards the public and away from objects, delivery and production. Theron (2005) further states that the approach aims at enhancing the public’s skills and capacity by encouraging participation in development processes.

Nel and Rogerson (2005), on the other hand, maintain that the ability to impact meaningfully on poverty and encourage economic growth is dependent on resources allocated to LED. Currently there are disparities between various municipalities on resources allocated to LED, in some instances with very limited funding which is too small to be able to bring about economic transformation on any meaningful scale.

Xuza (2007) rightfully maintains that in most LED projects, the benefits of project initiatives are sometimes difficult to trace, and that this indicates a challenge for LED programme design at a local government or municipal level. For example, a municipal
agriculture programme tends to support project initiatives that are agricultural in nature and is not focused on agriculture development. This means, in its LED programme design, the municipality does not proactively aim to increase agricultural production or labor, but provides support to projects such as goat farming, maize production, and poultry farming and so on, which are not aligned to the municipal LED programme design. Xuza (2007) further emphasises that the only way to address this challenge is to adopt a bottom-up LED approach which starts to look into the competitiveness of the local economic area. This would also be informed by a well-investigated local economic development strategy developed by all key stakeholders, including the community, which is aimed at creating responsive LED programmes at municipal level.

Human, Marais and Botes (2008) argue that there is still confusion between LED and poverty alleviation, with officials having different opinions regarding what LED actually is. Some view LED as entailing community poverty alleviation projects, while others believe that the focus of LED should fall mainly on economic sustainability, resulting in one-sided poverty alleviation efforts.

Malefane and Mashakoe (2008) maintain that, despite provisions laid down for Local Government (Municipal Systems Act, 2000), South African municipalities continue to operate without authority and assessment of their progress regarding LED implementation.

The challenge, as attested by Malefane (2009), is that LED is not effectively and efficiently implemented at local government or municipal level due to capacity constraints and lack of resources. This may be attributed to the inequalities of the apartheid system, poor planning, lack of resources and other external factors.

According to Malefane (2009), the inequalities of the past created by the legacies of the apartheid system resulted in African communities being poor, illiterate, unemployed and being excluded from their original economic means of subsistence and family systems. This has resulted in the current widening of the rich-poor economic gap, which needs to be acknowledged as an ongoing challenge by the South African democratic government.
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Marais and Botes (2006) are of the view that in trying to address the multiple challenges of poverty, unemployment, inequality, illiteracy etc., LED evolved as a programme to address financial sustainable support systems or programmes of local authorities. To address these multiple challenges experienced by local authorities, LED programmes were designed on a project basis, as part of the local economic development strategy of the local authority. This would be further segmented into poverty alleviation initiatives which would immediately address poverty issues; short-term jobs through construction projects and long-term jobs, which would immediately address unemployment issues; and through the creation of business opportunities which would address inequality issues and empower communities through the development of business infrastructure (Marais and Botes, 2006).

Therefore, South African LED legislative framework was developed to address the injustices of the past created by apartheid; guide and enforce the LED transformation agenda in creative sustainable economic development; and improve the quality of lives of community members at the local government level where local economic development was happening.

Nel (2011) concludes that LED must be approached through two dimensions. The first is characterised by formal empowerment through official structures and processes of local governments and through direct engagement at that local government level. The other dimension is the local community groups’ efforts, capacity and desires to improve their quality of lives and the local economic conditions of their locality.

As part of the broader South African Government planning to achieve the LED vision of inclusive local economies, challenges experienced in implementing LED initiatives throughout the South African local government sphere must first be addressed. Rogerson (2010) indicates that thirteen challenges to guide the successful implementation of LED, especially in municipal areas such as MCLM, have been identified and must be robustly addressed. These include, amongst others: South African government master plan; the National Development Plan (NDP) (2013) and clarity on the meaning of LED; capacity
and skills for implementing LED; close cooperation and collaboration between LED stakeholders; and the financing of LED initiatives.

3.3. South African Government Planning

Pike, Rodriguez-Pose and Tomaney (2007) rightfully regard as a myth the belief that, in order to have economic development, the community must accept growth. Growth must be differentiated from development. Growth means to become bigger than your current level, whereas development means to become better than your current level – which is realised through an increase in quality of life. Meyer-Stamer (2003) points out that it is critical to effectively and efficiently plan for LED initiatives in South Africa because of the uncertainties as to how to implement LED programmes.

The National Development Plan (NDP) (2013) indicates that, while a coherent and flexible approach to differentiation should help to mitigate some of the effects of uneven capacity, a range of other factors will have to be simultaneously attended to for our local government system to become more effective and efficient. These include shortage of skills, undue political influence in the recruitment of senior managers, absence of a positive and focused role for provinces in building municipal capacity, intergovernmental collaboration problems, and lack of capacity to sustain service delivery through own revenue in the context of high levels of poverty, inequality and unemployment.

The NDP (2013) envisages that by 2030 South Africa will be a state that is capable of playing a developmental and transformative role. In broad terms, such a state intervenes to support and guide development in such a way that benefits accrue across society, with particular emphasis on the poor, through local municipalities which are the ‘coal-face’ of service delivery. The NDP chapter on a capable and developmental state envisages that by 2030 we will have a developmental state which is accountable, focused on citizens’ priorities, and capable of delivering high-quality services consistently and sustainably through cooperative governance and participatory democracy. The NDP, however, cautions that such a developmental state cannot materialise by decree, nor can it be legislated or waved into existence by declarations. It has to be consciously built and
sustained. The Medium Term Strategic Framework (MTSF) Outcome 9: Responsive, Accountable, Effective and Efficient Developmental Local Government System forms the framework for achieving this NDP objective.

3.4. Legislative Framework on LED in South Africa

As illustrated by the aim and objectives of this study, the South African government legislative framework has charged local governments with a developmental mandate. Amongst other responsibilities, local governments are expected to stimulate economic growth and ensure local economic development.

Key powers have been devolved to local governments to lead Local Economic Development (LED) initiatives according to the Constitution of the Republic of South Africa, (Act 108 of 1996) and the Municipal Systems Act, (Act No. 32 of 2000), both of which affirm the importance of LED initiatives towards sustainable development.

The policy provisions for LED implementation in South Africa as outlined below provide legislative support to LED implementation.


Local government as a sphere of government is established by the Constitution of the Republic of South Africa, which further confirms its autonomy. It sets out the objectives, powers, and functions, developmental duties, and categories of municipalities. In addition, it sets out the election, membership, length of terms, and functions of municipal councils. Chapter 7 (c) of the Constitution of the Republic of South Africa, mandates local government to pursue and promote social and economic development.

Section 151, section 152, and section 153 as stipulated in the Constitution (1996) provide for a responsive, accountable, effective, and efficient local government system. This clearly states that LED initiatives which are implemented at local government level become the responsibility of the municipality to ensure that they are successfully implemented and that they benefit the local community. The objectives of local
government, as clearly spelled out in section 152 (c) of the Constitution, is to promote socio-economic development of local areas where they govern.

Section 153 (a) of the Constitution (1996), on the other hand, illustrates the importance of institutional arrangements by adding that the local government structure must be constituted in an effective and efficient manner to ensure it manages its municipal administration. To ensure that the locality’s socio-economic issues are promoted, which will be evident through the improved quality of life of its community, municipality’s or locality’s budgeting and planning processes must be effectively and efficiently managed in order to provide its local communities with quality basic services.

Section 153 (a) of the Constitution of the Republic of South Africa, further states that municipalities need to manage their administration and planning processes to prioritise their basic needs for the communities to benefit from LED initiatives. The core functionality of local government as per the Constitution is to make provisions for sustainable services, promote social and economic development, provide a democratic and an accountable government, promote a safe and healthy environment, and involve communities in matters of local government and development.

3.4.2. Local Government White Paper, 1998

The Local Government White Paper (1998), introduced the concept of a developmental local government. Phago (2004) states that municipal LED in South Africa has not been fruitful or effectively functional. Therefore, LED should be used as a strategic tool to mobilise resources and build capacities and skills, but be guided by legislative provisions. The Local Government White Paper (1998) introduced the concept of “developmental local government” and reflected on the local government commitment to work with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs.
3.4.3. Municipal Structures Act No 117, 1998

The Municipal Structures Act, 117 of 1998 preamble critically illustrates that “there is fundamental agreement in our country (South Africa) on a vision of democratic and developmental local government, in which municipalities fulfil their constitutional obligations to ensure sustainable, effective and efficient municipal services, promote social and economic development, encourage a safe and healthy environment by working with communities in creating environments and human settlements in which all people can lead uplifted and dignified lives”.

Sections 44 and 56 of the Municipal Structures Act, 117 of 1998 deal with the powers and functions of the Executive Mayor and Executive Committees, respectively. The Executives, in consultation with community representatives, are responsible for determining the communities’ needs, prioritising those needs according to municipal resources, and recommending strategies, sustainable projects and programmes and effective services to address those needs (RSA, 1998).

Participatory local democracy and local development are critical components of this Act, with Chapter 4 placing more emphasis on consulting communities, as part of engendering and enhancing participatory democracy in the local government sphere.

The Act, MSA 117 of 1998 points out that the best method to meet these community needs is through the creation of partnerships. It highlights partnership as a best method to deliver the necessary projects, programmes and services to the community.

3.4.4. Municipal Systems Act, No 32 of 2000

According to Malefane (2007), the Municipal Systems Act No 32 of 2000 (MSA, 2000) laid down systems in Local Government within which South African municipalities must operate, but, despite this system, municipalities continue to operate without assessing their capacities and planning their LED implementation initiatives. Section 4(2) of the Municipal Systems Act (RSA, 2000) indicates that the municipality has political and
administrative powers to use the resources of the municipality in the best interests of the local community it serves.

The Act governs the way municipalities go about performing their primary mandate of service delivery. The Act establishes a framework for municipal planning and performance management, as well as systems for municipalities to report on their performance. It also sets out frameworks to govern service tariffs, as well as credit control and debt collection. The Act also details why and when the provincial government is allowed to place a municipality under administration. Malefane (2007) further highlights that by assessing their authority and progress on LED initiatives, municipalities must review their organisational structure’s contribution towards their strategic intent. This is also outlined by the Stimulating and Developing Sustainable Local Economies Framework (Department of Provincial and Local Government (DPLG), 2006) which states that municipalities, through the identification of their strengths and weaknesses, must align their organisational objectives to achieve efficient and effective delivery of services.

3.4.5. Broad-Based Black Economic Empowerment, Act No. 53 of 2003

Section 9 (2) of the Constitution of the Republic of South Africa (1996) condemns any form of inequality, including the economic inequalities experienced in South Africa. To prioritise economic growth and empower previously disadvantaged individuals, especially black people, government introduced Broad Based Black Economic Empowerment (BBBEE) (2003) as a vehicle for economic transformation, to ensure economic growth, to create employment, to reduce poverty and to attract new investment for economic growth.

The Broad Based Black Economic Empowerment (BBBEE) (Act No. 53 of 2003) is a national economic empowerment priority which affects all sectors of the economy, including the economic development of communities at the local government level, and should therefore inform or be aligned to the LED strategy of a locality. The BBBEE (2003) indicates that economic growth that is not informed by broader government priority imperatives and which happens in the absence of creative social and economic policies such as BBBEE (2003) is unlikely to transform the economic base of a locality.
In providing more focused accelerated BBBEE (2003), government introduced the Accelerated Shared Growth Initiative in South Africa (ASGISA) (2005) to provide marginalised previously disadvantaged local communities with effective and efficient basic services to boost economic growth and fight poverty (Friedman, 2006, and Mafela, 2006) and achieve integrated outcomes in different municipalities.

3.4.6. Municipal Finance Management, Act 56 of 2003

This legislation aims to secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government and to establish treasury norms and standards for the local sphere of government. Seduma (2011) points out that the National Treasury is tasked with assisting municipalities in improving infrastructure investment and intergovernmental cooperation based on good local governance to create a conducive local environment for business, trade and investment.

Van Rooyen (2013) points out that Section 168 of the Municipal Finance Management Act (Act No 56 of 2003) (MFMA) (RSA, 2003) regulations for Private Public Partnerships (PPPs) was issued with the primary aim of ensuring that the PPP contract, as highlighted by Van Rooyen (2013), was to provide high quality services by the municipalities which would result in a nett benefit to the municipality in terms of value for money to the taxpayer. However, the Government Digest (2001) in Van Rooen (2013) indicates that the failure to produce clear guidelines regarding the creation of PPPs by the MFMA (RSA, 2003) regulations inhibits the creation of an atmosphere conducive to the co-operation of private sector interests.

3.4.7. Accelerated and Shared Growth Initiative of South Africa (ASGISA), 2005

Mafela (2006) and Friedman (2006) indicate that ASGISA (2005) is the South African premier growth plan which aims at improving economic growth and development through integrated accelerated interventions. This premier plan was aimed at building effective and efficient services to boost economic growth through government’s set economic growth target of 5% GDP growth per annum in the first ten years from 2004 to 2014. For
the plan to be achieved, implementation and management of job creation and poverty reduction interventions were set as the basis for ASGISA.

ASGISA (2005) further priorities the effectiveness and efficiency of government, skills and capacity, corruption and red tape, partnership, business relations and improved business conditions as its focal points. Partnership, skills and capacity prioritised by ASGISA as focal points are the basis for LED as outlined by the National LED Framework (2006). LED is defined as the process in which a partnership between public, business and the non-governmental sector is critical, in terms of being effective and efficient, and which creates better conditions for the economic growth and employment creation which build the economic capacity of a local area and improve the quality of lives of the community.

3.4.8. Stimulating and Developing Sustainable Local Economies Framework, 2006

The Stimulating and Developing Sustainable Local Economies Framework (Department of Provincial and Local Government (DPLG), 2006) regulates municipalities in their implementation of LED initiatives in South Africa. Collaborative efforts between the three spheres of government (national, provincial and local government) are identified by this framework as the enabling factors for effective, efficient and responsive implementation of government economic policies at local government level. This means that local government should be well capacitated and supported by both national and provincial government in order to enable it to implement LED initiatives effectively and efficiently. This would result in municipalities contributing to national economic growth and economic development through their unique LED initiatives and contributions.

3.4.9. Municipal Systems Amendment Act No. 7 of 2011

This Act was aimed at professionalising local government by:

- Ensuring that professional qualifications and experience are the criteria governing the appointment of senior managers in local government;
- Stating that senior political party office bearers, at any level of the party structure, may not be appointed to top municipal jobs (the municipal manager and other senior
managers who report directly to her/him); however, this provision does not apply to managers who had already been appointed when the Act took effect; and

- Declaring that staff members dismissed for misconduct may only be employed in any municipality after a period, prescribed by the minister, has lapsed. In the case of misconduct related to financial duties, re-employment in any municipality is unlawful for ten years.

3.5. Conclusion
Nel (2001) emphasises that South African legislation provides a clear endorsement and support for local municipalities to engage in LED. The legislative prescripts highlighted above, such as the Constitution of the Republic of South Africa (Act 108 of 1996), Local Government White Paper of 1998, Municipal Structures Act, 117 of 1998, Municipal Systems Act, 32 of 2000, are institutional mandates created by the South African Government to plan and implement LED.

Vosloo (1985) in Seduma (2011) points out that South Africa has adopted a developmental approach to LED in order to promote community based initiatives and the harnessing of local resources. LED involves co-operation of all stakeholders and the public and private sectors, as well as the community, are involved in various developmental initiatives to address various political and socio-economic issues (DPLG, 2001).

Therefore, it is important, as stated by Simon (2003), to have a broader understanding of the South African emphasis on LED, and not only to look into the socio-political and economic transformation aspect. Awareness of the global situation and the emphasis on South Africa as a global partner is critical, as this provides a more comprehensive understanding of the country’s socio-economic challenges and local economic development initiatives.

Research design and the methodology used in data collection is outlined in chapter 4 below. The chapter describes the research roadmap, highlighting the research approach, the research design, LED officials identified for one-on-one interviews, the overall targeted projects identified for the series of focused group interviews, the data collection methods employed and a short summary of the analysis of the data collected. A detailed analysis of the information collected is outlined in the form of a research report.
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4. CHAPTER 4 – RESEARCH METHODOLOGY

4.1. Introduction

The fieldwork for this study was completed in 2017. The purpose of this chapter is to outline the research strategy, the research method, the research approach, and the methods of data collection that were followed in the process of carrying out the study. The chapter also outlines the selection of the sample, the research process, and the type of data analysis undertaken. The ethical principles, as well as measures that were followed to ensure the trustworthiness of the study, are also presented in this chapter.

The investigation centered on the review of LED projects in Mogale City Local Municipality, where various LED projects were implemented and a number of beneficiaries were employed. The aim of the study was to review the LED projects of Mogale City Local Municipality in order to establish whether they were being implemented in an effective and efficient manner as outlined in the Mogale City's LED strategy and what national policy envisages LED to be. It was interesting to identify the challenges experienced in implementing LED projects and to establish the lessons that could be learned.

4.2. Research Design

Mouton (2001) indicates that research methodology is the strategy of inquiry which influences the way in which the researcher collects data, including underlying philosophical assumptions to research design and data collection. Mouton (2001) further outlines research methodology as a roadmap which outlines the tools, methods, techniques, and procedures used in conducting the research design. This is corroborated by De Vos and Fouché (2002) who consider research design as a blueprint or data collection plan used to investigate the research question in the most economical manner. Bynard and Hanekom (1997) add that research methodology is a method of data collection and processing within the framework of the research process.

According to Babbie and Mouton (2001), research design is a framework and guideline of the way a particular researcher would plan to implement the research process. This is
further reiterated by De Vos and Fouché (1998) that research design is an overall plan put in place to conduct a research study.

Mouton (1998) points out that the rationale for having a research design is to plan and structure a research project in such a way that the eventual validity of the research findings is maximized by either minimising or, where possible, eliminating potential error.

The aim of this study is to determine whether the LED projects of MCLM were being implemented in an effective and efficient manner as outlined in the Mogale City’s LED strategy, as well as to establish whether the MCLM LED strategy needed to be reviewed.

This study employed the qualitative research design using one-on-one interviews and focus group interviews. This design was more appropriate for the study because it sought to answer whether LED projects in MCLM were being implemented in an effective and efficient manner as outlined in the Mogale City’s LED strategy.

**4.3. Advantages and Disadvantages of the Qualitative Research Method**

This serves to determine qualitative research’s main advantage and also presents its basic differences from quantitative research.
Table 4.3.1: Features of Qualitative and Quantitative Research

<table>
<thead>
<tr>
<th>Qualitative research</th>
<th>Quantitative Research</th>
</tr>
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<tbody>
<tr>
<td>The aim is a complete, detailed description.</td>
<td>The aim is to classify features, count them, and construct statistical models in an attempt to explain what is observed.</td>
</tr>
<tr>
<td>Researcher may only know roughly in advance what he/she is looking for.</td>
<td>Researcher knows clearly in advance what he/she is looking for.</td>
</tr>
<tr>
<td>Recommended during earlier phases of research projects.</td>
<td>Recommended during latter phases of research projects.</td>
</tr>
<tr>
<td>The design unfolds as the study unfolds.</td>
<td>All aspects of the study are carefully designed before data is collected.</td>
</tr>
<tr>
<td>Researcher is the data gathering instrument.</td>
<td>Researcher uses tools, such as questionnaires or equipment to collect numerical data.</td>
</tr>
<tr>
<td>Data is in the form of words, pictures or objects.</td>
<td>Data is in the form of numbers and statistics.</td>
</tr>
<tr>
<td>Subjective – individuals’ interpretation of events is important, e.g., uses participant observation, in-depth interviews etc.</td>
<td>Objective: seeks precise measurement &amp; analysis of target concepts, e.g., uses surveys, questionnaires etc.</td>
</tr>
<tr>
<td>Qualitative data is more ‘rich’, time consuming, and less able to be generalized.</td>
<td>Quantitative data is more efficient, able to test hypotheses, but may miss contextual detail.</td>
</tr>
<tr>
<td>Researcher tends to become subjectively immersed in the subject matter.</td>
<td>Researcher tends to remain objectively separated from the subject matter.</td>
</tr>
</tbody>
</table>

4.4. Qualitative Research

The researcher employed the qualitative research method in this study to understand the socio-cultural, socio-economic opinions and perceptions, attitudes and feelings of the LED participants regarding the sustainability of LED projects in Mogale City LM.

The qualitative research approach employed in this study allows for a concentrated and exhaustive study of the situation. Qualitative research, as illustrated by Schurink (2003) helps researchers understand people and the social and cultural contexts within which they live. Hence it is an accepted methodology in all social sciences and applied fields of practice.

According to Mouton and Marais (1990), the qualitative research approach is the approach that does not use statistics, but the researcher can, for example, make use of case studies where findings are interpreted and contextualised within the social, cultural and historical background of those cases. This is corroborated by Bryman and Bell (2007) who point out that in qualitative research, words instead of numbers are used to collect data and analyse it.

McKay (1990) further asserts that the qualitative research method is used to collect data of issues that are difficult to measure and or count. This is supported by Wimmer and Dominick (1983) who emphasise qualitative research as a method used to analyse a phenomenon without specifically measuring its variables.

The main reason why qualitative approach was employed for this study is that it is based on the qualities of human behaviour, and the investigation hoped to analyse the theoretical issues around the successes and challenges in implementing LED projects in Mogale City LM. This is supported by Rudenstan and Newton (1992) who suggest that qualitative research is useful in understanding the human phenomena which give meaning to events. Understanding of the human analogy of giving meaning to events allows for a better appreciation of the challenges and successes involved in implementing LED projects and
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may result in better recommendations regarding how to improve the implementation and sustainability of LED projects in future local municipalities.

The main quality of the qualitative approach, as highlighted by Meriam (1988), is that the researcher is primarily involved in data collection and analysis. However, according to Langos (2014), the effectiveness of qualitative research is heavily reliant on the researcher’s skills and abilities. Langos (2014) further asserts that the outcomes of qualitative research may not be seen as reliable, as they mostly come from the researcher’s personal judgments and interpretations. Bell (2005) in Langos (2014) maintains that the fact that qualitative research is more appropriate for small samples makes it risky for the results to be interpreted as reflecting the opinions of a wider population. As illustrated by Langos (2014), the main characteristic of qualitative research is that its outcomes are not measurable and quantifiable, although it is mostly appropriate for small samples.

Qualitative research, as reiterated by (Collis and Hussey, 2003) in (Langos, 2014), offers a complete description and analysis of a research subject, without limiting the scope of the research and the nature of participant’s responses. This serves as qualitative research’s main advantage, which also constitutes its basic difference from quantitative research.

This study sought to understand the status of LED projects’ implementation in Mogale City LM, the challenges involved and possible recommendations for the implementation of future LED programmes.

A qualitative approach, which is based on the qualities of human behaviour, was relevant and appropriate because the researcher hoped to understand and analyse the status of the LED projects implementation in Mogale City LM, and its challenges and recommendations for future LED programmes implementation. Rudenstan and Newton (1992) in Seanego (2013) regard qualitative research as useful in research which aims to understand human phenomena that give meaning to events.
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The study also aimed to gauge the understanding which people have regarding LED projects’ implementation in Mogale City LM, what the municipality LED initiatives and efforts mean to them and the experiences they have about LED projects and their implementation.

The results and recommendations of this investigation may be of assistance in the effective implementation and sustainability of LED projects in MCLM in the future, as well as in South African municipalities in general.

The research problem evaluated in this research proposal relates to contributions and challenges experienced in the implementation of LED projects in South Africa, specifically in the local municipal sphere. Mogale City LM was the local municipality which was focused on.

The research methodology intends to answer questions regarding whether the Mogale City LM LED strategy defines the LED projects sufficiently, and looks into the municipal structure and responsibilities of officials implementing LED and LED projects’ beneficiaries to determine the reasons for the failures and/or successes of LED projects.

4.5. Research Approach

The research approach was the inductive approach which, according to Mouton (2001), focuses on specific observations and then moves to broader generalisations and theories. In the inductive approach, researchers begin with a specific observation, which is used to produce generalised theories and conclusions drawn from the research.

The reasons for using the inductive approach were that it takes into account the context where the research is being implemented, as well as that it is most appropriate for small samples that produce qualitative data.

However, it is important that the researcher is aware of weaknesses of this approach. The main weakness of the inductive approach, as indicated by Denzin and Lincoln (2005), is that it involves a degree of uncertainty and produces generalised theories and conclusions based only on a small number of observations. Because of this, the reliability of research results could be questioned.
4.6. Data Collection Methods and Tools

Data collection methods are critical components of the data collection strategy as they address the research problem and answer the research questions. In order to gain in-depth information through the data collected for the MCLM LED strategy and projects implemented, two primary data collection methods were utilised. These methods included: one-on-one interviews with LED officials and focus group interviews with LED beneficiaries. There are advantages of using these different data collection techniques. Using both one-on-one interviews with the LED officials and focus group interviews with the LED beneficiaries allowed the researcher to collect a larger quantity of trustworthy data that the research study could use to ensure that the results and findings are corroborated (Johnson and Turner, 2003). The use of various data collection methods is asserted by Maree (2007), as this process enhances the reliability of the research study since multiple methods of data collection and analysis have been employed and results can be corroborated.

In seeking answers to the objectives of this research study, descriptive and explanatory information is sought through one-on-one interviews and focus group interviews to determine the effective implementation and impact of LED projects through:

- Assessment of the current social setting of the LED projects and their beneficiaries;
- Determining the relationship of the LED projects and the values held by the beneficiaries involved in the LED projects;
- Determining and assessing the impact of LED projects on beneficiaries in their day to day lives at the time when data was collected;
- The guarantee of the researcher that LED project beneficiaries are involved and participated in the identified LED projects in the study; and
- Development of the themes of the out of field observations when analysing the collected data.

4.6.1. Semi structured One-on-One Interviews

Wagner, Kawulich and Garner (2012) rightfully point out that much of the data used in qualitative studies is generated from interviews. An interview is a valuable source of
information, provided that it is used correctly. The aim is to obtain rich, descriptive data that will help to see the world through the eyes of the participant.

Qualitative research uses semi-structured interviews and detailed observation processes to gain deeper insight into the views of the subject (Welman, Kruger and Mitchell, 2010). For this study, semi-structured one-on-one interviews were conducted with the respondents because they had first-hand knowledge of LED projects in Mogale City LM and could therefore provide reliable information. Investigations in this study, took the form of semi-structured interviews so that the researcher could explore the ideas, views, beliefs and attitudes about an event or phenomenon with MCLM LED research subjects (Maree, 2008 in Van Rooyen, 2013). According to Rubin and Rubin (1995) in Van Rooyen (2013), qualitative interviewing is characterised by “continuous, flexible, and iterative conversation rather than conversation prepared in advance and locked in stone”.

The interview schedule (See Annexure A) illustrates the general plan which the interviewer had to guide the conversation in a general direction. The schedule guides the person/people being interviewed to respond creatively to questions posed while the researcher guides the discussion (Babbie and Mouton, 2001).

In order for the person(s) being interviewed to trust the process, Wagner et al (2012) indicates that the person being interviewed must see the topic as important and must trust the researcher as an interviewer. This will result in the person(s) being interviewed providing information that is unique, and which the interviewer would not be able to collect in any other way.

The following guidelines, as indicated by Brink (2006), are critical in ensuring that the relevant data or information is collected:

- Make sure that the person you are interviewing is the holder of the information that you require.
- Develop rapport with interviewees and win their trust.
- Ensure that the person being interviewed is informed about the purpose of the interview and what information you want to gather from him/her.
- Make sure that the person to be interviewed has given you his/her informed consent to be interviewed – he/she must be given the opportunity to refuse.
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- Do not impose your ideas on the interviewee — you are there to listen to the participant. The interviews were conducted in an area which ensured privacy. A tape recorder was used during the interview sessions. Semi-structured one-on-one interviews were used with the aim of evaluating the LED projects of MCLM to establish whether they are being implemented in an effective and efficient manner as outlined in the MCLM’s LED strategy. During the semi-structured one-on-one interviews, a central question was posed in a way that the participants could give detailed descriptions about the case that was being studied. According to Brink (2006), a central question, which is a broad opening statement, is asked to initiate the discussion. The central question was “Is the LED strategy addressing the creation of work opportunities through the implementation of LED projects?”

Probing questions were used to get clarity about unclear issues in the initial response during the semi-structured interview sessions and during the focus group interviews (Brink, 2006). Probing questions were based on the interview guide (Annexure A) which was compiled prior to the interview sessions. Data saturation was reached during the semi-structured interviews as well as the focus group interviews.

The semi structured one-one interview guide was divided into three sections:

Section A: Closed-ended questions were used to obtain biographical data from respondents. They included items such as age, gender, marital status, number of dependents, race, citizenship and level of education.

Section B: Closed-ended questions were used to assess the socio-economic status of the beneficiaries. They included items such as employment at the LED projects, monthly income, whether LED project implementation was a need for the MCLM residents, beneficiaries’ role in the LED projects, employment duration, types of projects beneficiaries participated in, number of family members employed in the LED projects, and improvement in the quality of lives of the beneficiaries as a result of LED projects. In some cases, participants had to choose between yes or no responses.

Section C: This section included a central question and probing questions were used to determine LED project planning and management in MCLM. They included regular review of the LED strategy and project implementation plan, alignment of the LED strategy to the MCLM IDP, inclusion if the LED projects were in the approved IDP, budgeting for the LED
projects, whether LED projects addressed job creation, whether LED projects were implemented in an effective and efficient manner, how communities were benefiting from the LED projects, government support of the LED initiatives, types of LED projects, and whether the LED projects were sustainable or not.

Paraphrasing was done by restating the participants’ descriptions in simple and fewer words, without adding new ideas to the message. This was done particularly at the end of each semi-structured interview session and focus group interview session.

Tracking was done to show interest and encourage the participants to elaborate more by following the content and the meaning of their verbal and non-verbal conversation. Using silence was a means to allow both participants and interviewer time to think, to motivate the participants to talk more and share their knowledge about the LED projects of MCLM and to establish whether they were being implemented in an effective and efficient manner as outlined in the MCLM’s LED strategy. This was to allow the researcher to make a decision about what could be added to what had already been said (Henning, Van Rensburg and Smit, 2007).

Probing assisted in stimulating the participants to provide additional information in order to clarify what should be described in full and to clarify answers (Babbie and Mouton, 2009). The respondents described what they knew by expressing their perceptions, views and feelings with regard to evaluation of the LED projects in MCLM and whether LED projects are being implemented in an effective and efficient manner as outlined in the MCLM’s LED strategy. This method allowed the researcher the opportunity to seek further clarification of information from respondents, an opportunity which was absent in other methods.

The researcher was directly involved in the process of data collection of the Mogale City LM LED projects analysis and the research narrative report produced as an outcome of the research study.
Figure 4.6.1 (a) Semi-structured interview for Mogale City Local Municipality LED Officials

Extract of Annexure A: Some sample questions that were included in the semi-structured interview for Mogale City LED officials.

(A detailed interview questionnaire is presented in Appendixes A)
4.6.2. Focus Group Interviews

De Vos (1999) states that focus group interviews are interviews conducted with a group of people. They are a means of gaining better understanding about how people in a group feel or think about an issue. De Vos (1999) adds that focus group interviews are carefully planned discussions designed to obtain perceptions on a defined area of interest in a permissive, non-threatening environment.

According to Muchira (2013), focus group interviews are useful for exploring and authenticating data obtained from interviews and questionnaires. Focus group interviews are also critical in facilitating the collection of knowledge of several people.

Johnson and Turner (2003) assert that one of the advantages of focus group interviews is that, during group discussions, participants are able to build on each other’s ideas and comments to provide rich information usually not obtainable in individual interviews.

Johnson and Turner (2003) add that focus group discussions also allow probing; are important for exploring ideas; facilitate quick turnaround of information; and allow most focus group interview content to be recorded. Focus group discussions allow the researcher to obtain in-depth information about what people think about certain issues. De Vos (1999) holds the view that the purpose of using focus groups is to promote self-disclosure among participants.

Focus group interviews were used in this study to obtain a range of ideas on the evaluation of LED projects of MCLM and to establish whether they were being implemented in an effective and efficient manner as outlined in the MCLM’s LED strategy. Focus group interviews allowed the respondents to explain their thoughts and to put these thoughts into a context which relates to their personal experiences. In addition, they provided informative insights into what people felt as they performed certain tasks and how they arrived at these conclusions.

According to Brink (2006), the researcher uses focus group interviews as a method of collecting data from the participants because it has the following advantages:

1. It is a less expensive way of getting information;
2. The researcher can clarify aspects of questions;
3. It gives participants an opportunity to discuss their opinions or experiences collectively;
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(4) It can replace self-reporting questionnaires; and
(5) It can be used through telephonic conferencing.

The focus group research study participants included in the MCLM beneficiaries of two LED projects were the Vukona Food Security Project and the Expanded Public Works Programme (EPWP).

There were two focus groups established: the first consisting of five participants from the Vukona Food Security Project and the second group consisting of three beneficiaries from the EPWP project. The groups were composed mainly of women. There was one man in the Food Security Project assisting with the hard core labour (digging of trenches) and there were two men in the Expanded Public Works Programme (EPWP) project.

The environment was conducive to comfortable and free expression of ideas and opinions by the participants, thus allowing the researcher to obtain useful information.

After establishing the focus groups, principles of developing questions for focus groups, as mentioned by De Vos (2003), were considered to ensure that clear and thoughtful questions were the foundation of high-quality focus research.

The questions developed were clear and the wording direct, forthright, comfortable and simple. De Vos (2003) adds that clear questions should be short, one-dimensional, and free from jargon.

The researcher used the interview guide during the semi-structured interviews, and open-ended questions as broad opening statements were asked at the beginning to initiate the discussion (Brink, 2006).

The central question was an open-ended question, which was phrased in a neutral and positive manner. All participants were asked the same introductory question to encourage all of them to talk at an early stage in the interview. A wide range of techniques were used to link questions, in order to move the discussion along. Probing or follow-up questions were used in most instances to explore in detail the individuals’ responses to the introductory questions. There was an avoidance of loaded questions, leading questions and double-barrel questions. Open-ended questions were mostly preferred, because they allowed participants as much freedom as possible to answer. In some cases, participants had to choose between yes or no responses.
The focus group interview guide was divided into three sections:

Section A: Closed-ended questions were used to obtain biographical data from respondents. These included items such as age, gender, marital status, number of dependents, race, citizenship and level of education.

Section B: Closed-ended questions were also used to assess the socio-economic status of the beneficiaries. These included items such as employment at the LED projects, monthly income, whether LED projects implementation was a need for the MCLM residents, beneficiary role in the LED projects, employment duration, types of project beneficiaries participated in, number of family members employed in the LED projects, and improvement in the quality of lives of the beneficiaries as a result of LED projects. In some cases, participants had to choose between yes or no responses.

Section C: This section included a central question and probing questions were used to determine LED project planning and management in MCLM. They included the role played by beneficiaries when the LED projects were initiated, how they knew about the LED projects, why they wanted to work in the LED projects, their observation in terms of allocation of work to each beneficiary in the LED projects, their observation in terms of quality of LED projects, challenges experienced within the MCLM in terms of LED projects, whether they benefited from the LED projects, whether they planned to continue as beneficiaries of LED projects and why, and whether they would recommend other people to participate in the LED projects and why.

However, a potential limitation of focus group discussions is that group interviews may not facilitate the collection of sensitive information and the responses may be biased if the group thinks the facilitator has the power to influence the allocation of resources to that community. To mitigate this challenge, informal interviews were conducted outside the group meetings to solicit the information received and also to get the input of people who did not express themselves during group discussions.

The research was conducted in a natural environment from focus group discussions with the participants of LED projects in Mogale City Local Municipality. The collected data from individuals and focus groups was used as units of analysis to be analysed in order to arrive at a particular conclusion (Creswell, 1998). The captured data was very rich in descriptive
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details concerning the participant’s attitudes, feelings and their economic status and environments before and after being part of the municipal LED projects (Swann and Pratt, 2003).

Figure 4.6.2 (b) Semi-structured interview for Mogale City Local Municipality beneficiaries

Extract of Annexure B: Some sample questions that were included in the focus group questionnaire for Mogale City LED Project beneficiaries.

(A detailed interview questionnaire is presented in Appendixes B)
4.7. Sampling Design

Sampling design is a method of selecting a suitable sample to be used for the research study to ensure that characteristics of the entire research study population are determined. The sampling process components, as depicted in the diagram below (Figure 4.6(a), include the research study population in which a focus group methodology for Mogale City LM LED beneficiaries working within the LED projects was employed.

![Population and Sampling design diagram](image)

Figure 4.7(a) Population and Sampling design diagram

A purposive sampling method was used to develop the sample of this research study. Purposive sampling method refers to a sample in which the researcher deliberately obtains units of analysis in such a manner that the sample obtained may be regarded as being representative of the population being studied (De Vos et al, 2005). The purposive sampling method used belongs to the category of non-probability sampling techniques, in which sampled members are selected on the basis of their knowledge, relationships and expertise regarding a research subject (Freedman et al, 2007). In selecting Mogale City LM LED research subjects, the sample members who were selected had a special relationship with LED initiatives, projects and strategies, sufficient and relevant work experience in the field of LED, active involvement in several LED policy and strategy development, as well as proven research background and understanding of raw data concerning LED.
The sample for this study was six Mogale City officials, two municipal LED support agency (Small Enterprise Development Agency - SEDA) officials, five LED project beneficiaries, and three EPWP beneficiaries working on LED projects. The researcher used non-probability sampling through purposive sampling for this study. The advantage of this method is that it allows the researcher to choose people with expertise or people who are knowledgeable about the issue being studied, and they are then included as a sample for the study.

Purposive sampling was used to include the participants. Six MCLM LED officials, two SEDA officials, five LED project beneficiaries, and three EPWP beneficiaries took part in the study. Eight officials were included in the one-to-one semi-structured interviews and the two focus group interviews consisted of five and three participants in each group respectively. A total number of sixteen participants were interviewed until data saturation was reached. The six MCLM LED officials and two SEDA officials did not participate in the focus group interviews.

Purposive sampling was done by choosing the sample that had elements which were of interest to the study (De Vos et al, 1998). The use of non-probability purposive sampling was appropriate because only participants with the potential to provide relevant data for the study were included.

The researcher used the purposive sampling method because it allowed him to use his skills and prior knowledge to choose the respondents (Bailey, 1982). Additionally, with the purposive sampling there was a better chance of a greater response rate and greater cooperation from the respondents, which may have resulted in greater accuracy.

4.8. Research Process

Meetings were held during June and September 2017 with the management of Mogale City LM in order to seek approval for their participation in the research. After explaining the nature and scope of the study, the researcher asked the research subjects to participate in the research. All of the research subjects were willing to participate in the research and the interviews were conducted during September 2017.
The interviews and discussions took place at the Mogale City LM offices and at the LED project sites and lasted approximately 20 to 25 minutes each. Interviews were recorded and, where necessary, notes were taken in order to help the researcher analyse the gathered data. The respondents were free to express their views in their own language during the interview which made it easier for them to express themselves. This resulted in the conversations flowing smoothly and pleasantly.

4.9. Data Analysis

According to Moore and McCabe (2005), data gathered during one on one interviews and focus group discussions is categorised according to themes and sub-themes to enable the content to be comparable. Content analysis was used to analyse the data which was gathered during the study. However, Krippendorff and Bock (2008) point out that human error is an important factor in content analysis, as there is the risk that researchers misinterpret the data gathered. In this way, false and unreliable conclusions may be generated.

According to Burns and Groove (1997), data analysis is conducted with the aim of reducing, organising and giving meaning to data. The data for this study was analysed in an effort to detect consistent co-variables.

The researcher identified reasons provided by participants for the evaluation of LED projects of MCLM and established whether they were being implemented in an effective and efficient manner as outlined in the MCLM’s LED strategy. The researcher also assessed the consistency of the participants' responses, and drew inferences from the findings. The process involved a systematic organisation of the interview transcripts, field notes, observation notes and other accumulated materials so that they were able to answer the research questions.
4.10. Ethical Considerations

At all times, the researcher conducted himself in a manner which ensured the production of credible research. Ethical considerations were established by having voluntary and informed consent from the respondents and by conducting the research study with integrity. Furthermore, the study adhered to the principles of confidentiality. Participants recorded their written permission to participate in the research through the completion of a signed Consent and Briefing Letter, as the research was not focusing on vulnerable groups. It is critical to note that the MCLM management and beneficiaries approved and fully participated in the research project voluntarily and without being persuaded to participate.

Participants were reassured that their participation in the research was voluntary and that they were free to withdraw from it at any point and for any reason. Participants were fully informed regarding the objectives of the study. They were reassured that their answers were treated as confidential and used only for academic purposes and only for the purposes of the particular research. Participants were not harmed or abused, either physically or psychologically, during the process of the research. On the contrary, the researcher attempted to create and maintain a climate of comfort.

4.11. Research Limitations

During the research, the following shortcomings were identified:

- Some of the LED and EPWP project beneficiary respondents could not read or write. This affected the plan to have each respondent filling in the interview schedule. Through focus groups, the researcher used the same questions in the schedule to conduct discussions and record answers by the respondents.
- The size of the sample was relatively small - six Mogale City LED officials, two SEDA officials, five Vukona Food Security project beneficiaries and three EPWP beneficiaries working on LED projects.
- The fact that qualitative research does not allow measurement of the examined problems.
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- The analysis of the role of the Mogale City LM in the review of the LED strategy and project implementation plan may have been influenced by factors which were not mentioned in the project.
- In some cases, participants may have rejected speaking against their organisations.

4.12. Conclusion

A qualitative data collection method was used and the natural environmental setting of the respondents was used to accurately report on the outcomes arrived at. The research was conducted over a period of two months due to the spread of the projects sampled for the interview being scattered across Mogale City LM.

The World Bank (2003) recommends that poverty alleviation initiatives through LED should be integrated to provide poor communities with the necessary basic services such as water, electricity, education, health care, roads and sewerage. Active participation of beneficiary communities in LED initiatives, as rightly highlighted by the World Bank (2003), need to be identified to provide meaningful economic growth. This means that for LED to be successful, it needs to be participatory in nature. Community participation has to be ensured to ascertain that the intended beneficiaries are empowered to take decisions with regards to their own destiny.
5. CHAPTER 5 - RESEARCH FINDINGS, ANALYSIS AND INTERPRETATION

5.1. Introduction

This chapter presents the findings of the research which was conducted on the evaluation of the LED projects of MCLM and establishing whether they were being implemented in an effective and efficient manner as outlined in the MCLM’s LED strategy. The findings are presented below, accompanied by a literature review to develop and contextualize the findings within the existing literature. The objective of discussion of the findings is to provide a line of reasoning or evidence which shows the necessity of recommending strategies to be used to assist beneficiaries of LED projects in MCLM.

The sample for the study comprised of six MCLM LED officials, two SEDA officials, five Food Security project beneficiaries, and three EPWP beneficiaries. The eight officials were included in one-to-one semi-structured interviews and two focus group interviews, with five and three participants in each group respectively. A total number of sixteen participants were interviewed until data saturation was reached. The six MCLM LED officials and two SEDA officials did not participate in the focus group interviews. The criteria used to identify the municipal LED officials were their experience and their number of years working with LED projects.

A qualitative research design was employed and the study relied extensively on semi-structured interviews, focus group interviews, documentation, observations and visual evidence. Great care was taken during the data collection to ensure that there was no deviation from the aim of the research which was to review what national policy envisages LED to be by evaluating the LED projects of MCLM to establish whether they were being implemented in an effective and efficient manner as outlined in the MCLM’s LED strategy.

The presentation of the results in this chapter has been grouped into two categories:
Category one relates to information that was collected from beneficiaries of LED projects in MCLM through one-to-one interviews and information collected from focus group interviews on the sustainability of LED projects; and

Category two relates to information obtained from officials in the MCLM and SEDA who were responsible for LED through one-to-one interviews.

The researcher took photographs of places identified as LED locations to enable readers to have a clear picture of what the places look like.

5.2. Profile of respondents

The following shows the characteristics of the respondents:

- Beneficiaries of LED projects;
- MCLM LED officials;
- and SEDA officials

Individuals and focus groups were profiled in terms of age, gender, level of education, employment status, marital status, number of dependents, race, and citizenship. These variables were critical in facilitating the collection and classification of facts about the background of the people in the area of study.

5.2.1 Beneficiaries of LED projects

a) Age of beneficiaries

The category with highest number of respondents was in the age bracket 21-30 years (96%). This shows that there is high rate of youth unemployment and, as a result of this, youth end up being employed in community projects to maintain their families. The group 31-40 years (2%) suggests that in this category some of the project members’ children were already starting to be independent. The age bracket 41-50 years (2%) is the third largest category of respondents who worked in projects, probably as these are people who had discontinued their studies at elementary level.
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b) Gender of beneficiaries

The largest proportion (98%) of beneficiaries was females. It also indicates that more women than men were unemployed, with men recording only 2%.

c) Race of beneficiaries

The above variables were probed because the researcher wanted to ascertain which racial group had the highest number of beneficiaries of LED projects. The findings of the research revealed that all (100%) beneficiaries who worked in LED projects were black South Africans.

d) Citizenship of beneficiaries

The beneficiaries in this study were all residents of MCLM and residing in various wards of the municipality. The findings of the research also revealed that all (100%) beneficiaries who worked in LED projects were South African.

e) Marital status of beneficiaries

The aim of probing the marital status of the beneficiaries was to determine who was responsible for the raising of children, including their general maintenance.

The majority of beneficiaries (78%) cohabiting was not married, which is an indication that most people in the projects in MCLM were not married. The single and widowed were only 22% each. Those divorced constituted 0%, while those cohabiting were 78%, which indicates that the community of MCLM does not consider cohabiting as a taboo, as it seems to be morally acceptable. Unemployment and poverty might be another reason why people opt for cohabiting instead of marriage, as they might not be able to afford lobola. The fact that 78% of the beneficiaries were either cohabiting or married indicates that a large number of the project members needed to work for their families in order to fight the scourges of poverty and hunger. The widowed and single members, both at 22%, also needed to provide food and clothing and to pay school fees for their families.
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f) Level of education

The majority of the respondents (58%) had educational qualifications between Grade 0 and Grade 5, which means that most beneficiaries' writing ability was very basic and that they did not have qualifications and skills for better employment opportunities. This shows that most people in MCLM did not have the opportunity to study beyond primary level. The low educational qualification of project members made it difficult for them to have sufficient skills, capacity and capability to be effective and efficient in their projects. Even the project members who studied between Grade 6 and Grade 12 had not received proper training on how to be productive and had never been exposed to LED projects before.

There could have been a different situation if they had received training. Only one person had a diploma in teaching, which is not relevant to LED projects and their sustainability. A lack of proper, appropriate and relevant support contributed to the poor performance of these projects. That is why they have less job opportunities, which makes it difficult to root out poverty in the area.

g) Employment status of beneficiaries

Figure five shows that 96% of beneficiaries of all the LED projects in MCLM were unemployed and depended on social grants. Only 4% were employed. This shows that the project participants were experiencing the effect of poverty. The employment status of the project beneficiaries shows that these people needed to work on something; hence they agreed to be part of these projects. There was one member who was employed as an educator and was only available for the projects after hours, during weekends and school holidays. It is difficult to understand how these beneficiaries survived. It forced us to conclude that they were willing to do any kind of work given to them because unemployment was a very real problem.

h) Beneficiaries with dependents

There were no project beneficiaries who had more than 5 children. The beneficiaries with 4-5 children constituted 10%. Those who had 3-4 children were 12%. The beneficiaries
who had 2-3 children made up 30%, while those with 0-2 children made up 48%. It can be concluded from these statistics that these beneficiaries believed that they would benefit from the projects and perhaps improve their socio-economic status. The fact that the beneficiaries had dependents or children is perhaps one of the important reasons why they started the projects.

5.2.2 MCLM LED officials

There were two in-depth interviews that were conducted. This type of research method was chosen in order to provide the research with a subjective view of the municipality. The first interview was conducted with the LED manager from within the municipality. The reason for this was that the interview gave insight on how the municipal structures operate in the way that they deal with LED. It would also give insight on how the municipality works together with stakeholders outside of their structure, how those relationships are formed and sustained and how each gets to benefit. Lastly, it would also provide a practical view of how exactly LED is translated in space, how it is facilitated and implemented by local government in this area.

Essentially, the first interviewee provided a subjective view of how the municipality is dealing with LED in terms of policy and how this relates to poverty alleviation in the area and other anti-poverty policies.

The second interview was conducted with a LED Project manager, Senior Manager in the Office of the Municipal Manager, Senior Manager responsible for Planning, a Public Liaison Officer, and within the municipality. The interviewees were interviewed in order to also provide a subjective but practical view of how the municipality is undertaking LED and how this is useful for job creation and poverty alleviation. The second view was more focused on the implementation side of LED. This has been measured against the view of the first interviewee, which has provided insight into the kind of LED strategies and projects in the area and how they are conceptualised in policy and implemented. These interviews have been crucial for the research in terms of getting a practical and theoretical view of the realisation of LED strategies and programmes and how they aim to benefit the
communities. In order to interrogate the LED strategies, mapping of the area was important to know the spatial opportunities and constraints that exist.

5.2.3 SEDA officials

The third session of interviews were with two SEDA officials which were more focused on the technical support provided by SEDA to projects beneficiaries. The technical support by SEDA officials included providing training beneficiaries on project management, financial management and linking the beneficiaries to the market. This was measured against the view of the first two sets of municipal official's interviews, which has provided insight into the kind of LED technical support provided by SEDA to projects beneficiaries and to the LED officials within the municipality and how the technical support is conceptualised and implemented.

These interviews have also been crucial for the research in terms of getting a technical view of the realisation of LED strategies and programmes and how they aim to benefit the communities.

5.3. Description of LED projects

5.3.1 Vukona Food Security Project

Vukona, from Vukona Food Security Project, is a Xitsonga word which means “presence”. The Vukona Food Security Project was therefore aimed at making its presence felt in the fight against poverty and unemployment in MCLM.

The project started in 2016 with twenty workers, the majority of whom were women. The project entails growing vegetables such as spinach, cabbage, onions, tomatoes, carrots and potatoes. The aim of the programme is to the build vibrant, equitable and sustainable communities who are able to grow and produce food for their own subsistence and in the long term, for market purposes. Community members plough vegetables and dry crops and harvest them for the purpose of selling them to needy communities.
The project is dependent on community water, the supply of which was sometimes a problem because often when the pump broke down it took a long period for it to be fixed. MCLM is not a dry area, so gardening is not a challenge for the community. Vegetables such as spinach, cabbage, tomato, carrots, beetroot, pumpkin, onions, and lettuce can survive in this area as there is sufficient water to nurture them.

Initially, the project members were asked to raise money for the start of this project. They each contributed fifty rand to start the project. With this start-up amount they bought wheelbarrows, garden forks, garden spades, rakes, pickaxes, and various vegetable seeds. This project performed better than the other projects such as the EPWP and brick making projects because the local community members were buying these vegetables.

Unfortunately, the project members were not paid on a monthly basis and sometimes only after three months, despite their products being sold to the community. The problem in this respect was that there was no account number, no treasurer and no signatories. The funds that were generated from this project were not properly managed, and it appears that there was very little transparency and openness in the way the project was run, especially regarding financial matters.

The Vukona Food Security Project was located in the same yard as the EPWP Project. Initially, the same people who worked on the Vukona Food Security Project also worked on the EPWP Project. In this project, project members were digging trenches and cleaning municipal parks and roads. They used the same wheelbarrows, garden forks, garden spades, and rakes that they had bought for the food security project.

5.3.2 Expanded Public Works Programme (EPWP) Project

The EPWP has its origins in the Growth and Development Summit (GDS) of 2003. EPWP provides poverty and income relief through temporary work for the unemployed through socially useful activities.

The programme is a key government initiative, which contributes to Governments Policy Priorities in terms of decent work and sustainable livelihoods, education, health, rural
development, food security, land reform and the fight against crime and corruption. EPWP subscribes to outcome four which states “Decent employment through inclusive economic growth.”

The key characteristics of EPWP projects are listed below:

- They employ large numbers of local, low skilled, unemployed persons who are willing to work, defined as the EPWP target group.
- They are highly labor intensive: a large percentage of the overall project costs are paid out in wages to the EPWP target group.
- They provide a service to, or develop an asset for, the community
- Projects and programmes should not result in the displacement of existing workers or in the downgrading of existing workers’ employment conditions.

The EPWP Project did not survive its initial year, mostly because the project members did not have resources such as machinery, watering equipment, garden tools etc. The project had one person who had some knowledge about EPWP work activities, but it was not possible to train others because there were not enough resources to complete the training. The Municipal EPWP unit did not provide practical or tangible support to the beneficiaries. This project performed poorly as the project members were paid late, sometimes having to wait for a few months.

5.4. Research Findings

5.4.1 Key research findings

The research was intended to investigate the underlying reasons for the failure of the sustainability of LED projects in MCLM and the measures taken by the South African government to address the problem of non-sustainability of LED projects. Strategically planned LED may be a solution to the South African local government LED challenges as it may provide an approach that is more flexible and effective to enhance economic growth and reduce poverty simultaneously. What normally results in LED being
ineffective is the context of the LED strategies or projects. LED projects and strategies are often adopted from around the world that do not fit the profile of South Africa and regardless of that those projects and strategies are implemented here.

Furthermore, there is a disjuncture between policies and practice. LED plans are sometimes unrealistic and cannot be translated into practice because they are not sensitive to an area’s specific challenges and the capabilities of the municipalities in terms of implementation. In order to achieve its objectives, this investigation determined the government’s perception of sustainability so that it could recommend strategic interventions which the government could implement to solve the problems around sustainability.

5.4.2 The effectiveness and efficiency of LED project implementation

The provision of LED projects to needy communities is generally not adequate. The government focuses mainly on the number of projects in its attempt to eradicate poverty, inequalities and indignity. It should, however, focus on the quality of projects, not the number that is implemented. The government compromises quality, and this leaves us with the conclusion that government is failing to adhere to national norms and standards as prescribed in LED legislation such as the Constitution of the Republic of South Africa Act 108 of 1996, the Local Government Municipal Structures Act 117 of 1998, and the Local Government: Municipal Systems Act 32 of 2000.

5.4.3 Factors contributing to failure in the sustainability of projects

a) Leadership and governance

There is evidence that none of the project participants who were interviewed occupied leadership and governance positions within the projects. All members in the projects were doing similar and routine duties, irrespective of whether they were managers or just members. The role of the managers seemed to be very limited. They appeared to be uncertain about what their responsibilities were. Although the projects had project
managers, there were no individuals assigned to oversee the day-to-day running of the projects.

b) Education of members

In the case of the Vukona Food security project, food security development was not enhanced through active participation of farmers at their level of development. It is usually necessary to educate small-scale farmers and create awareness in them in order to assist them overcome the low agricultural productivity that results from poor techniques, negative or retrogressive attitudes, and ignorance. Non-formal education, which could have been acquired by members of the Vukona Project, constitutes a powerful instrument of the democratisation process because it promotes farming through the extension of skills and transmits farming technologies to farmers irrespective of their low literacy levels. In addition, with better planning, more participation of the rural farmers, adequate allocation and utilisation of resources, coupled with support from government, non-formal education is capable of contributing to the achievement of good and sound economic goals.

c) Skills of members

Lack of knowledge, skills and ethics are among the human factors that were obvious indications of poor monitoring and evaluation from the government. The government spent money on project managers who were supposed to be on site monitoring progress and quality, as well as recommending strategies for project management. Yet, they did not accomplish these tasks. Project beneficiaries, especially in the Vukona and EPWP projects, were remunerated by the municipality through stipends.

5.4.4 Applying LED principles

- The findings of this study were that all the projects in MCLM, namely the Vukona Food Security and the EPWP Projects did not live up to the expectations of the key principles underlying LED strategy in South Africa. These key principles are job creation and poverty alleviation. The projects did not create employment for the
community and poverty was not alleviated. The people who had started the projects still experienced poverty and hardship.

- The principle of targeting previously disadvantaged people and marginalized communities in rural areas was not met. The people of MCLM were previously disadvantaged and marginalized and were living in a rural area, but the strategy, approach and manner in which the LED projects were initiated and executed failed them. Terms and conditions were dictated to them by those who believed that they had the knowledge to eradicate poverty in rural areas through LED projects.

- Community involvement and local leadership were not met. The community members and their local leadership had little involvement in the initiation of projects, did not make decisions about how to start the projects and did not feel that they owned these projects.

- Use of local resources and skills was not met. This would imply that the community should be regarded as the people who have a wealth of knowledge, skills, abilities and competencies to start the projects, work in them, make profit from them, sustain them and improve their livelihoods. It is evident from the study that the community members were not seen as people who were resourceful and skillful.

By and large, it was found that the local community did not benefit from these projects, although the project beneficiaries received financial benefit from the stipends paid by the municipality.

According to Mtapuri and Thabethe (2010), there are eight important principles of community development:

1) Human orientation – which means that people are more important than their physical needs.

2) Participation – Meaning that every person who is part of the community must be able to participate. This includes people who are on the margins, such as women and children, the poor, the elderly and those with disabilities.
3) Empowerment – This is about community members gaining access to power. For example, a project that does not share power with the people cannot claim to be about empowerment.

4) Ownership – The community members feel important when they participate in the project and feel that the project belongs to them.

5) Release – Meaning that community development should aim to release people from poverty in the long term, and not only bring temporary relief.

6) Learning – This means that the community members should be able to learn from the community development projects in their area.

7) Adaptability – The projects are supposed to be suitable for the local community.

8) Simplicity – which means that the LED projects are not supposed to be difficult to understand. They must be something the community understands and enjoys doing.

The study found that all the above principles were either not considered or not recognized.

5.4.5 Performance of the projects

The criteria that were used to measure the performance of the projects were profitability, sustainability, participation of members in projects, skills of members and education of members.

Many people expected to see positive results from the Vukona Food Security Project. During the inception of the project, community members were asked to raise money for the start-up of the project. They each contributed fifty to one hundred rand to start the project which, in the researcher’s opinion, is exorbitant for an unemployed person. They then bought wheelbarrows, garden forks, garden spades, rakes, pickaxes, and various vegetable seeds. The project members planted and grew vegetables such as spinach, cabbage, potatoes, onions, carrots, tomatoes and beetroots. This project performed better than the Sewing Project because the local community members were buying the vegetables. However, the project members were not paid regularly, despite their products having been sold to the community. A fundamental problem regarding this project was that it had no account number, no treasurer and no signatories. The funds that were generated
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from this project were not properly managed and it appears that there was very little transparency in the way it was run, especially in respect of financial matters.

The EPWP Project was located in the same yard as the Vukona Food Security Project. The same people who worked in the EPWP Project also worked in the Vukona Food Security Project. In the EPWP Project, members were involved in environmental management through the cleaning of parks, storm water containers, municipal buildings, and cleaning surrounding school yards. They used the same wheelbarrows, garden forks, garden spades and rakes that they had bought for the food security project.

5.4.6 Reasons for establishing the projects

The study revealed that there were common reasons for the establishment of the food security and poverty reduction projects. The poor socio-economic situation and unemployment were found to be the most common reasons for the establishment of the projects. Community members for whom these projects were established were approached and by government officials to come together and urged to start projects aimed at creating jobs for themselves. This resulted in the establishment of the Vukona Food Security and EPWP. Funding was provided by several of the municipalities. EPWP is mainly funded through the Department of Public Works and funds are transferred to local municipalities participating in the programme.

5.4.7 Factors contributing to the failure of projects

a) Financial management

With regards to both the EPWP and the Vukona Food Security projects, the study found that there were no proper methods in place to keep record of financial transactions. There was no record of income or expenditure, the project did not have a bank account and there were no signatories for the withdrawal of money from the bank. In the Farming and Bricklaying projects, the same applied. There was no record keeping of products.

All of the projects did not have financial managers who could have been responsible for the preparation of monthly income statements. There were no treasurers appointed or
elected in any of the projects. There was no independent auditor who was invited at the end of every financial year to audit the projects’ financial statements.

\textit{b) Decision-making process}

The research revealed that none of the projects had formal processes in place for the application of any decision making processes. None of the projects had democratically elected committees which, if elected, could have been responsible for making major decisions in consultation with other members from the projects. There were no board members elected with appropriate power and courage who could be responsible for decision-making, after deliberations and consultation with the rest of the project members. This dilemma was expressed by one of the Vukona Food Security project beneficiaries: “We sometimes just decide what to do as we don’t have anyone to advise us on how to work”.

\textit{c) Education and Skills of beneficiaries}

The research revealed that none of the project participants received training from any institution. The participants had to learn by experience as they ploughed the fields over the years for the Vukona Food Security Project or cleaned the streets for the labor intensive EPWP project. The project members believed that capacity building was an important aspect of the projects, as it played a significant role in the sustenance of any project. They believed that a person who had been capacitated knew exactly what to do and what to expect to ensure that the project ran smoothly and was sustained.

The research has revealed that the project beneficiaries faced a lack of training in areas that were vital to the effective running of the LED projects and to their sustainability. The researcher holds the view that this could be one of the reasons why most of the interviewed participants could not do well in a competitive market, even if they had access to such a market.

Vocational training predominantly aims at training people in certain skills, which is a prerequisite for the production phase of a project. However, running a Small Medium Micro
Enterprise (SMME) in a financially viable way demands advanced business skills. Apparently, vocational training does not provide this core business competitiveness (Marais et al, 2002). The municipality is utilising SEDA to assist with project funding proposals in order to ensure that projects receive funding in future and can be sustainable.

These challenges are expressed in the words of participants:

- “We did not have training in farming and only relied on our indigenous knowledge in ploughing. But planting spinach, carrot, cabbage, potatoes and tomatoes is a bit challenging because these things need manure and we cannot buy it.” (Vukona Food Security project member)
- “We did not have training in EPWP, but relied on one person who is experienced in EPWP.” (EPWP Project member)
- “We did not have training in cleaning storm water drainage and parks, but learned everyday as we were cleaning public spaces. Sometimes community members complain about the quality of our cleaning of the parks work and that we take time to clean other areas.” (EPWP project Supervisor)

5.4.8 Indicators of a successful project

The researcher used the following indicators to determine the sustainability of the projects studied:

- The number of years in which the project had been existing;
- The production capacity of the project;
- The consistency with which the beneficiaries earned their salaries;
- The number of people involved in the project; and
- The state of the project’s infrastructure.

The research revealed that the following factors posed great threats to the sustainability of LED projects in MCLM:

- Illiteracy amongst beneficiaries;
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- Lack of a business plan;
- Lack of transportation;
- Lack of transparency and openness among the project members;
- Lack of skills and capacity.
- Low educational levels of project members.

5.4.9 The role of the community members in LED Projects

The research revealed that beneficiaries considered the community’s support or acceptance of the projects as the main determinant of the sustainability of the projects. The researcher interviewed the managers and their response was that projects were less likely to survive without community members buying their products. The projects received some support from the community, because people were buying bricks for building houses and vegetables for survival and nutritional purposes.

One of the most interesting findings in relation to the role of community members was the perception of project members regarding other members who had particular skills or knowledge about the project. All the project members that were interviewed indicated that community members who had certain knowledge should be involved. They preferred to get advice from them on how to expand and make their projects more profitable. One other finding was that the project beneficiaries did not have the skills, knowledge and understanding they needed to manage their projects independently, and therefore they relied on external agents for assistance.

5.4.10 Monitoring and evaluation

Various factors lead to poor sustainability of LED projects. Some are simple while others are complex and some are within the control of the management of the project, while others are the result of external threats. Some of the factors can be (and indeed ought to be) taken care of at the design stage of a project, whereas others can be tracked and corrected during implementation, through monitoring. It is therefore important that the factors that
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affect sustainability are well articulated and incorporated at the design stage. Later, the same factors can be followed up through monitoring (Khan, 2000).

Monitoring and evaluation of projects was noted during interviews as another factor that some project members believed was crucial to projects’ sustainability. The respondents pointed out the importance of regular monitoring and evaluation of the projects. They emphasized that the monitoring and evaluation of these projects would have enhanced their sustainability in various ways. If projects had been monitored and evaluated, everybody who was attached to them would have been equipped with first-hand information on how the projects were doing, the challenges they were facing and the successes they were enjoying.

5.4.11 The role of the government

The sustainability of LED projects can only be achieved when the projects continue to operate fully and are still profitable even after government has stopped funding them. The participants in this study indicated that support from government and other stakeholders was vital in ensuring that there was continuous operation of the projects. The research found that post-project support services, such as monitoring and evaluation, by government officials were necessary for the beneficiaries of the projects. This is important because project beneficiaries can have knowledge, skills, abilities and techniques on how to deal with marketing, bookkeeping and financial management.

By their nature, income-generating projects seek to be enterprises, but because of the way they are often set up, they tend to attract beneficiaries who are themselves not entrepreneurial (Public Service Commission, 2007). This makes it necessary for the government to be actively involved during the first few months of a project’s life to teach the project members the skills, techniques and abilities they need to operate projects professionally and not as welfare ventures.
5.4.12 Interpretation of the findings

The findings presented in this chapter have shown that LED projects are a real need for the people of MCLM. The recommendations made in various sections of this chapter and in the chapter to follow, if considered in future, would benefit the local community. These recommendations emphasize that the quality of projects should be improved and that projects should be sustained for the betterment of the community’s livelihood.

The officials who were interviewed agreed that an improvement in the quality of projects requires the following measures to be put in place:

- The national norms and standards, policies, procedures and regulations guiding LED projects should be strictly adhered to.
- There should be a continuous training of officials in order to keep them up to speed with the changing environment and advancing technology.
- Officials should be held accountable for any deviation from the prescribed procedures and legislation.

The government did not follow and adhere to prescribed policies, procedures, norms and standards, as well as legislation. The government did not appoint competent and knowledgeable people who were sensitive to the needs of the local community, considering that this was a rural community. The government did not appoint advisors, guides and advocates for the projects. This failure, or ignorance, led to the lack of sustainability of the projects. The officials responsible did not monitor and evaluate the performance of the projects. This raised a concern that there was an element of incompetence which may have led to corruption and bribery among the officials responsible for the monitoring and evaluation of the projects. However, this suspicion was not raised during interview sessions, despite interviewees indicating their frustration about how the projects were run.

5.5. Conclusion

There overwhelming evidence why Local Economic Development is seen to be viable solution for economic development in a developing country such as South Africa. For many
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years’ communities and portions of the population of South Africa has been oppressed by the apartheid government, pre-1994. The LED practice is one which enables communities to be in a position of power, whereby they are able to participate and influence developmental processes and plans that will determine their social and economic prospects. LED allows for localities to define their own needs as national priorities have the tendency of differing from local priorities. It allows for the localities to implore their local practices, traditions and customs and this will prompt enthusiasm and commitment to making LED strategies work.

With this being said local objectives can be realised through LED if collective consensus is reached and structural frameworks are provided for implementation. LED encourages partnerships with stakeholders, private sector, public sector, Organisations and institutions. This practice relies upon the collective collaboration of a range of sectors from community Organisations, government and private institutions. This means that in doing so LED presents a platform whereby a wide range of opinions can be offered. This however means that with the many different stakeholders and opinions that are represented there needs to be a level of consensus building and democratic principles that are applied within the sphere of decision making. LED creates opportunities for previously unheard parts of the population and sectors to express themselves. What then remains from this is how local communities can improve their environments and better equip themselves in order to be able to carry out LED strategies effectively.

It was clear from the findings that the provision of local economic development was necessary for MCLM community members. The obvious disappointment was poor project planning, poor project management, lack of capacitated or informed project members, and lack of technical and technological skills. Inappropriate monitoring and evaluation and ignorance of the prescribed norms and standards, policies, procedures, regulations and legislations were also factors that contributed to the lack of sustainability of LED projects in MCLM.
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The problems of poor project planning, poor management, lack of technical skills and poor monitoring and evaluation have also been documented by other researchers, which again indicates that South Africa has good policies with good intentions, but that they are not being well adhered to. The government has a duty to put strict measures in place to ensure adherence to implementation and monitoring systems, so that the intentions of policies are accurately met. In the case of LED projects in MCLM, the study found that the expectations of project members, with regard to their various roles and responsibilities, were not clarified from the beginning.
6. CHAPTER 6: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

6.1. Introduction

This chapter summarizes the research findings and the conclusions arrived at by the researcher. It outlines attempts by the researcher to investigate the need to review MCLM LED strategy, and what national policy envisages LED to be, through evaluating the LED projects of the MCLM to establish whether they were being implemented in an effective and efficient manner as outlined in the MCLM’s LED strategy. It also wished to establish what the challenges experienced in implementing LED projects were and what lessons could be learned.

6.2. Summary

The objective of the study was to evaluate whether the LED strategy of MCLM clearly defined a LED project roadmap which provides the roles and responsibilities of how LED will be implemented generally and how the LED projects in the MCLM LED strategy were implemented. The research analysis revealed that the interviewed community LED projects created a combined figure of 10 job opportunities for community members. The jobs created did address in some way the acknowledged joblessness challenges highlighted in MCLM.

The respondents made it clear that, as part of poverty alleviation, they expected the projects to bring sustained income and more employment opportunities for members. However, the findings revealed that the majority of LED project members interviewed did not have a guaranteed income, leading members to be discouraged over the long term and to desert the projects.

The research questions for this study were: (1) Does the LED strategy of MCLM clearly define the LED project roadmap which provides the roles and responsibilities of how LED will be implemented? (2) How are the LED projects in the MCLM LED strategy going to be
implemented? (3) Does MCLM ensure the compliance and management of the LED strategy? and (4) What lessons can be learned?

The indicators used to measure the effectiveness of LED projects were the durability of the projects, production capacity of the projects, whether or not beneficiaries have consistently earned salaries throughout the project life cycle, the number of people involved in the project, and the state of the project’s infrastructure.

According to Thaw and Randel (1998:1), “the development project is concerned with improving the living conditions of people. Living conditions are not viewed in a narrow way – they include the ecological, economic, social and cultural context within which people live. The benefits of the intervention should continue even after the project is complete”. This chapter provides a summary of the research findings and conclusions on the sustainability of LED projects in MCLM in the Gauteng Province.

### 6.3. Recommendations

The following recommendations are based on findings in the literature presentations and the actual research findings.

#### 6.3.1. Customized training of LED project members

Community projects should be exposed to a series of customized training programmes that suit the respondents’ educational levels and the type of business ventured into, with the aim of improving current levels of performance.

#### 6.3.2. Aligned government support to government needs

Government support to community projects should be linked to government’s needs for the supply of products and services. This will reduce the risk of government sponsoring projects that are not producing products and services that are congruent to sector department needs.
6.3.3. Community LED projects as businesses

Until community projects are seen as business ventures, the dependent mentality associated with community projects as lesser entities to businesses will continue to exist. Community projects should therefore be run as businesses, rather than as projects which are always expecting to be continuously entitled to funding by sponsors. Currently, members expect to be the recipients of financial support from sponsors, rather than refining the quality of their products to appeal and attract more clients.

6.3.4. Monitoring and evaluation of sponsored community projects

Municipalities need to assist in the monitoring of state funded projects and integrate updated reports into public participation programmes so that the projects can be held accountable for the utilisation of public funds and resources.

6.3.5. Project locations

The location of the interviewed LED projects indicates that the projects sampled are located in a 15km radius outside Krugersdorp town, the economic hub of the area, and have the potential to access advanced business infrastructure and facilities such as banks, sewerage services, water, telecommunications, safety and security services, hospitals, and schools.

6.4. Issues that emerged from the study

The majorities of the projects interviewed were not initiated by the municipality and members claimed to be not receiving any direct support from the municipality.

Other public and private sector organizations have instead played pivotal roles in the establishment, support and monitoring of the projects. Government needs to establish strategic partnerships with the private sector to maximize and leverage the positive impact of the private sector on LED.
6.5. Areas for future research

The research conducted did not include the interviewing of family members of the respondents to get detailed reports on the real situation of the benefiting households. It is recommended that future research should investigate the impact of LED on households of the respondents. Future research could also look into the alignment of supported LED projects to the municipal IDP Ward priority lists, as well as government needs for the production of relevant products and services.

6.6. Conclusion

In one of the interviews conducted with an official from the municipality it was mentioned that the LED projects that have been undertaken by the municipality are not monitored or evaluated on their outcomes. If this was to proceed one would have no way of knowing what aspects of the projects are working, which aspects are not working and where there is room for improvement. This suggests that there needs to be a level of accountability and responsibility from not only the government but from the various stakeholders that are affected by the projects. Ownership of LED projects and programmes needs to be taken so that monitoring can take place and results can be measured.

The failure of most LED projects can be avoided by simply focusing on the sectors with the most development potential and pairing them up with sectors with less development potential then ensuring a balanced stimulation of growth between the two categories of sectors. There needs to be assurance that the necessary funding and support has been obtained before a decision is made to implement a particular project. The research has revealed that even the sponsoring departments have no clear guidelines on what projects are to be given priority when funding is determined. The funding processes by sector departments need to be based on key national priorities set by the government, so that all funded projects are held responsible and are encouraged to provide quality products and services.
The research has also revealed that the profit margins of some projects are so thin that the entities are not financially viable. This is due to the disparity of the type of market targeted by the projects. In most cases, as has been seen in the discussion, the target market comprises low income bracket individuals, who have social and family pressures to meet certain basic needs such as water, electricity, education, and health. There is a need to create a strong market and a demand for the products produced. Once this is done, the projects will thrive and communities will show the growth that the government expects from them.

The government needs to ensure that economic development is occurring across all projects in order to eliminate the ones that are falling behind in time and avoiding collateral damage and resources being wasted. Clear government guidelines on LED initiatives and the necessary legislative framework on what government support LED projects qualify for are necessary.
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