

LED in a Border town: The Case of Outapi, Namibia

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Local Economic Development in a Border town: The Case of Outapi, Namibia

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DECLARATION

I declare that the dissertation hereby submitted for the qualification of Master's Degree of Development Studies at the University of the Free State is my own independent work and that I have not previously submitted the same work for a qualification at/in another university/faculty. I herewith cede copyright of the study to the University of the Free State.

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July 2022

DEDICATION

This thesis is dedicated to my late mentor and my former Primary School Principal Comrade Efraim Kalumbu, who succumbed to Covid-19. I further dedicate this work to my two daughters, Tuyeni-Kumwe and Ace-Magano. I dedicate this piece of work to all the youth of Namibia who strives to promote sustainable development in Namibia and beyond.

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List of Abbreviations

AfDB	African Development Bank
ALAN	Association of Local Authority in Namibia
CITES	Convention on International Trade on Endangered Species of Wild Fauna and Flora
IFM	International Monetary Fund
KIA	Kachin Independence Army
KIO	Kachin Independence Organization
LED	Local Economic Development
LEDA	Local Economic Development Agency
LEP	Local Economic Partnership
MoHISS	Ministry of Home Affairs, Immigration Safety and Security
MURD	Ministry of Urban and Rural Development
NAFTA	North America Free Trade Agreement
NamRA	Namibia Revenue Authority
NCCI	Namibia Chamber of Commerce and Industry
NGOs	Non-Governmental Organization
OMAS	Office, Ministry Agency
PACA	Participatory Assessment Competitive Advantage
PPD	Public-Private Dialogue
PPP	Public Private Partnership
USA	United States of America
VTC	Vocational Training Center

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Figure 1: Outapi, a town which strives to improve its local economy through LED.

CHAPTER 1

INTRODUCTION

1.1 Background

A border town is a town close to the boundary between two countries, states, or regions. In the eighteenth century, several border towns emerged, for example, a regional border town George Town in the United States (Zhao *et al.*, 2019). Another border town that has seen the agglomeration of economic activities is Hong Kong which borders markets in China (Baird & Cansong, 2017). In these border towns, there are common characteristics of economic growth heavily influenced by local economic development (Naijman & Shepherd, 2015). The growth of local economies in these border towns was influenced by various factors, among others, the presence of skilled traders involved in economic activities that resulted in some border towns experiencing growth in their local economies (Baird & Cansong, 2017). However, not all border towns experience growth in their local economies. Some border towns are declining in terms of their local economic growth due to various reasons and challenges. On the other hand, border towns that grew their local economies and turned them into border markets also face various challenges.

Local economic development (LED) is a driving tool behind local growth in border markets because it can bring together all LED-implementing stakeholders. LED stakeholders play a very important role in the success of local economic development in their respective border towns. The role of various stakeholders assists in assessing the towns' competitiveness. Stakeholders, since some of them are residents of the border town, can apply their trading skills, suggest various agglomeration of economic activities, and provide a conducive trading environment through a cordial host-guest relationship (Walther, 2014). Generally, in addition to the role of LED stakeholders, sound administrative governance ensures the flourishing of trade activities in border towns (Dobler, 2009).

The implementation of LED in some border towns experiences challenges. These challenges, among others, include a sudden decline in economic activities in border towns (border market) (He *et al.*, 2020). In some cases, the sudden decline of economic activities in border towns is associated with the lack of local trading skills (He *et al.*, 2020). In some cases, the lack of local economic performance is exacerbated by the lack of economic multipliers, which increases local economies' inability to offer different opportunities. However, a diversified economy needs trading

skills and innovation of the traders to capitalize on those economic multipliers or else the local economy is doomed to fail. Poor competitiveness and the lack of business innovations in border towns also contribute to the decline of local economies (Mwinga *et al.*, 2018). In some cases, the externalities like geopolitics and double standards can lead to a sudden decline in economic activities in border towns (Baird & Cansong, 2017). This myriad of challenges causes the collapse of some border markets, while they inhibit many border towns from growing their local economies and transforming themselves into competitive border markets.

In this context, the border town Outapi is close to Namibia and Angola's border. There are many different economic activities usually taking place in a border town. This includes local economic development, which promotes economic growth in a border town like local vendors, traders from across the border, daily shopping of day visitors from Angola, government administration services, health services, education services, construction, and wholesale retailers. These services in the context of Outapi are provided to two groups of people; the first group is the residents who reside in Outapi, while the second group is the visitors who usually come to the border town from Angola for different reasons. There is daily interaction between the nationals of the two countries in Outapi in the form of trade, service provision etc.

When the concept of LED was introduced in Namibia, Outapi was one of the border towns that took the challenge to implement the unknown LED concept (Heideman, 2011). The town's decision to implement LED was preceded by the development of the LED Strategic plan, which serves as a framework for how LED must be implemented (DECOSA, 2012).

Based on its geographic location, the daily interaction of the residents and the cross- border day visitors from neighbouring Angola, and the town's initiative to implement LED, Outapi border town is the ideal town where this research could be conducted. The next section provides an overview of the study area.

1.2 The research area

The research was undertaken in the Outapi border town, Namibia and comprised the local economic development (LED) in Outapi. The study's main aim was to investigate to what extent the implementation of the LED plan contributes to the local economic growth of the border town and to explore other LED options that can be used to transform Outapi into a border market. Outapi was proclaimed a town in 1997 (MRLGHRD, 2011). The town

(Outapi) is the administrative capital of the Omusati region and is 90 km west of Oshakati, while on the northern side, it is about 12 km from the border of Angola. Although the town's official population is 6,437 per the 2011 population census, the current population is estimated to be 16,000 (Mwinga *et al.*, 2018).

The town is governed by a council comprised of seven elected local councillors. The majority of the seats in the Council belong to the ruling Swapo Party, which holds five seats (ECN, 2021), while the other two seats belong to other parties. Since its proclamation as a town, significant developments have been funded by private investors and the central government. Most government ministries and departments are decentralized, and many Offices, Ministries, and Agencies (O/M/As) are present in Outapi. The town experiences high cross-border trade, especially from the nationals from Southern Angola. The town was one of the earliest towns which took the opportunity to develop its Local Economic Development Strategic plan in 2012 when the concept was introduced in 2009. Since then, it was expected that there would be LED implementation in the town, hence the research to investigate the implementation.

1.3 Problem statement

The proper implementation of LED contributes to the growth of local economies in border towns, which can be traced back to the eighteenth century (Dobler, 2009). It is believed that if LED is correctly implemented, it can contribute towards the growth of local economies in border towns, as was witnessed in George Town in Penang (Heideman, 2011; Zhao *et al.*, 2019). Although there were successes in some early border towns, the performance of local economies remains a challenge for some of the border towns. Binns & Nel (1999) argue that the problems created by the poor performance of local economies contribute to the collapse of the provision of social services and infrastructure in general. Such a collapse can also occur in the border towns if their economies perform poorly. The root causes for local economies' poor performance vary; some are area specific. Its origin can be due to a lack of local capacities, skills, and abilities, poor policy implementation, and poor political support (Hoabes, 2013).

However, in some cases, poor local economic performance in border towns is caused by imposed structural adjustment packages of the International Monetary Fund (IMF), African Development Bank (AfDB) and the World Bank (Binns & Nel, 1999). Even small achievements in local economic

development are declining, putting communities back into poverty (Binns & Nel, 1999). The response from international communities and non-governmental organisations (NGOs) is usually insufficient to address all the local challenges. As the challenges related to poor economic performance in the border towns and beyond continue, communities are somewhat forced to find solutions to the challenges. One such solution is to consider options offered by the LED approach because it offers integrated development through inward investment, mobilization of local resources, and skills to ensure sustainable development for a local area (Rogerson, 2014).

In Namibia, the concept of LED is new and only started to pick up momentum around 2009 (Heideman, 2011). The LED White Paper Policy provides the local authorities in Namibia the power to implement the policy. The central government oversees the implementation of the LED policy through the Ministry of Urban and Rural Development (MURD) (GRN, 2020). A specialized agent known as the Local Economic Development Agency (LEDA) has been established to assist the ministry in implementing LED. Although LED was not specifically mentioned in some of the existing laws before the development and adoption of the LED White Paper (2011), laws like the Namibian Constitution, the Local Authority Act (No 23 of 1992), the Decentralization Policy (1997), the Decentralization Enabling Act, (No 33 of 2000) and the Regional Council Act (No.22 of 1992) promote local economic development in Namibia (Hoabes, 2013). In the context of the above information, it can thus be argued that the concept can be easily implemented in Namibia using these existing laws.

Outapi border town is one of the towns that developed its LED strategic plan in 2012 ((DECOSA, 2012). However, a closer observation would conclude that the local economy of Outapi is poorly diversified. Hence it is not as competitive as the surrounding towns' economies like Oshakati, Oshikango, Okahao, and Ruacana (Mwinga *et al.*, 2018). Its infrastructure does not promote local economic growth and cross-border trade. Essential infrastructure like tertiary institutions, taxi ranks, logistic warehouses, and dry ports for containers are important for local economic growth, but the infrastructure is either not available in the town or is poorly developed (Mwinga *et al.*, 2018).

The emigration of youth and skilled labourers is increasing among the town's residents; the youth leave the town to search for employment or tertiary education in neighbouring towns (DECOSA, 2012). Lash (1996) argues that new knowledge-based economies favour local areas that possess highly skilled, motivated, and knowledge-based skilled workers. Furthermore, educational institutions promote network-based innovation systems that can be shared and transferred to enhance local competitiveness, in which youth are the major participants (Raco, 1999). Thus,

youth emigration poses direct and indirect challenges to the local economic development of the border town. Despite an annual estimated 300,000-day visitors from neighbouring Angola that visit Outapi, cross-border trade remains low, depriving the town of revenue (Mwinga *et al.*, 2018). Although Outapi developed its LED strategic plan (DECOSA, 2012), it is not clear how the implementation of the LED strategic plan contributed to the growth of the local economy of the border town. The LED implementation's success or failure in Outapi is unclear and needs to be considered or investigated.

1.4 Research aims and objectives

The study's main aim was to investigate to which extent the implementation of the LED strategic plan contributes to the local economic growth of Outapi and to explore the options that can be used to transform the border town into a border market.

Thus, the realization of the study aim was linked to the following study objectives which are:

- To understand the concept of local economic development in border towns on an international level.
- To examine the policy and practice of local economic development in Namibia, especially in border towns.
- To synthesize the extent to which the implementation (by various stakeholders) of the LED strategic plan contributes to the local economic growth of the Outapi border town.
- To explore other LED options that can be used to transform Outapi town into a border market.

1.5 Research questions

This study has answered the following research questions:

- What competitive geographic location does Outapi border town have that can be used to transform Outapi into a thriving border market?
- To what extent does the implementation of LED contribute to the local economic growth in Outapi?
- How are the structural and non-structural mechanisms aligned to ensure successful LED implementation in Outapi?

- What is the level of participation among stakeholders concerning the implementation of LED in Outapi?
- How can LED options be used to transform Outapi border town into a border market?

1.6 Research limitations

This study was limited to the Outapi border town and only covered the stakeholders known to contribute to LED in Outapi border town. The following respondents were involved in this study: Outapi Town Council, the Business community (grocery and kapana (meat), petroleum and property developer), the farming community (poultry, livestock), the community leader, and the regional councillor for the constituency. During the field work, some intended respondents were not able to participate in the research due to a variety of reasons. Customs officials could not participate because the Ministry of Finance was restructured at the time of the research and a new institution responsible for customs, known as Namibia Revenue Authority (NamRA), was created.

The police officials under the Ministry of Home Affairs Immigration Safety and Security were also unable to participate in the research because of security concerns and because clearance from the Inspector General was not obtained. Due to the prescribed submission date of the dissertation as per the academic requirements to enable assessment of the work, time constraints were another limitation; thus, the field work for this study was only carried out for three weeks. Another limitation was the restricted availability of LED literature on Namibia case studies. Therefore different LED literature, including LED in general, was used to construct arguments throughout this research.

1.7 Definition of main concepts

1.7.1 Border town

A border town is defined as a town close to the boundary between two countries, states, or regions, while local economic development (LED) is defined as a locally inclusive, participatory development process, in the context of a border town, through partnership arrangements between local private and public stakeholders which enables the collaborative design and implementation of LED strategies to promote local development and competitive advantage (ILO, 2007).

1.7.2 Local Economic Development

According to Zaaijer & Sara (1993), LED is the process in which the local government or a community manages the available local resources, which involves partnerships with the private sector to stimulate economic activities and employment creation in the local area.

Binns & Nel (1999) define Local Economic Development as the process involving different stakeholders, especially the local governments and community-based organizations, which work towards stimulating the local economy through employment creation to uplift a particular local community using existing human, natural, and institutional resources. Trousdale (2003) defines LED as the process involving public participation in which critical stakeholders like the business fraternity, civil society, and other nongovernmental stakeholders collaborate to create conducive conditions for employment opportunities for the local community to ensure improved quality of life. The UN-Habitat (2005) defines LED as a participatory process where local people from all economic sectors work together to stimulate local economic activities that strengthen local capacity by creating a resilient and sustainable economy.

Thus, concluding from these various definitions, LED can be defined as a participatory process that involves different stakeholders who have a common interest in working together through the mobilization and utilization of their local resources to promote local economic activities and economic growth, which in return create employment opportunities, improved quality of life, and strengthen the local capacity for a resilient and sustainable economy for the benefit of the local communities.

1.8 Structure and presentation

This dissertation is presented in the form of five chapters. The first chapter (this chapter) is the introduction to the study. The second chapter is the literature review, the third chapter is the research methodology, the fourth chapter is the data presentation, and the conclusion is given in chapter five. In brief, these chapters have different contents, as outlined below.

Chapter one: This chapter introduces the study by providing the research report's content. It presents the research questions as well the research objectives.

Chapter two: It discusses the overview of local economic development from the perspective of international experiences, the African experience, and the national experience (Namibian), and

finally, it shares the experience of the case study of Outapi border town as the implementer of local economic development.

Chapter three presents the details of how the research was conducted and presents and describes the different research tools used to collect the data. In addition, the chapter outlines how the data were collected in the focal area, Outapi border town.

Chapter four: This chapter presents the data analysis and the interpretation of the data.

Chapter five: The conclusions and recommendations based on the research findings are given in this chapter.

1.9 Conclusion

In this chapter, the study was introduced. It provided the general background and overview of the research area from a literature point of view. It presented common definitions of concepts in the research. Generally, there is not a common definition of the two concepts, “border town” and “local economic development (LED)”. However, there are some similarities in various definitions defined by different authors. For example, a border town's definition includes a town's proximity to a country, province, state, or region. While in the definition of LED, the emphasis in various definitions points to local knowledge, resources, and the creation of local economic activities with the involvement of stakeholders. LED plays a certain role in the local economy if correctly applied.

The border is one place where the local economy is key either to its growth or economic collapse. Furthermore, the chapter presented the research aims and objectives and highlighted the major research questions to which this research project strives to find answers.

The next chapter presents the literature review or the overview of the local economic development in the border towns. The chapter further introduces the definitions of key concepts: ' local economic development' (LED) and 'border town'. The chapter proceeds to present how local economic development influences the development of early border towns, especially in the global North. Notable LED initiatives in Africa and an overview of the LED concept in the study area, Outapi border town, are also presented in the next chapter.

CHAPTER 2

OVERVIEW OF LOCAL ECONOMIC DEVELOPMENT (LED) IN BORDER TOWNS

2.1 Introduction

The previous chapter presented the background of the LED concept and how the study is to be carried out. It further presented various definitions of LED and a combined definition of LED was developed: LED can be defined as a participatory process which involves different stakeholders that have a common interest in working together through the mobilization and utilization of their local resources to promote local economic activities and economic growth, which in return create employment opportunities, improved quality of life, and strengthen the local capacity for a resilient and sustainable economy for the benefit of the local communities. This definition was adopted and used throughout this study.

Thus, this chapter discusses LED in the context of border towns. First, it presents literature evidence about the general concept of LED from the perspective of border towns since the eighteenth century. It discusses the success and shortcomings in cultural trade, cross-border relations, local growth, and geopolitics, eliciting trade and national security. This chapter presents the terms 'local economic development (LED)' and 'border town'. Throughout this report, the concept is then referred to as 'LED in a border town'. Like other authors of LED literature, the researcher recognizes the gap due to a lack of agreement on the definition of LED. Without intensifying the current debates between LED scholars and LED practitioners in terms of the definition, the concept is defined from the point of view of different scholars.

2.2 LED conceptual framework

A border town is a town close to the boundary between two countries, states, or regions. On the other hand, local economic development (LED) is defined as a locally inclusive, participatory development process, in the context of a border town, through partnership arrangements between local private and public stakeholders, which enables the collaborative design and implementation of LED strategies to promote local development and competitive advantage (ILO, 2007).

According to Zaaier & Sara (1993), LED is the process where the local government or a community manage their available local resources, which involves entering into partnerships with

the private sector to stimulate economic activities and employment creation in the local area. Binns & Nel (1999) define LED as a process involving different stakeholders, especially the local governments and community-based organizations, who work towards stimulating the local economy through employment creation to uplift a particular local community, using existing human, natural, and institutional resources. Trousdale (2003) defines LED as the process involving public participation in which critical stakeholders, like the business fraternity, civil society, and other nongovernmental stakeholders, collaborate to create conducive conditions to create employment opportunities for the local community to ensure improved quality of life.

The UN-Habitat (2005) defines local economic development as a participatory process where local people from all different economic sectors work together to stimulate local economic activities, strengthening local capacity by creating a resilient and sustainable economy. According to Nel (2008), LED is endeavours, innovations, and the entrepreneurship of local stakeholders who works towards a sustainable economy and an improved social life for the local area. He continues that LED stimulates local (endogenous) skills to retain growth within a specific community. At the local level, decentralization provides power to local institutions. The decentralization gives the local authorities power to decide their local development priorities, which could provide a good opportunity for inclusion in the local plans (Nel, 2008).

Thus, based on these various definitions, LED can be defined as a participatory process that involves different stakeholders who have a common interest in working together through the mobilization and utilization of their local resources to promote local economic activities and economic growth, which in return create employment opportunities, improved quality of life and strengthen the local capacity for a resilient and sustainable economy for the benefit of the local communities. Although it appears that there is consensus among scholars and LED practitioners that LED aims to create employment by creating conducive environments, other aims of LED are to tackle market failures, remove bureaucratic obstacles for local businesses, and strengthen the local competitiveness of the local businesses (Rogerson, 2014, Meyer, 2014).

Border towns have specific and various local resources that influence their local economies; therefore, the concept of LED can be used to generate a suitable economic environment and employment creation for the benefit of local communities. The link between local economic development to border towns is complex because each has its geographic location, economic characteristics, and local resources. Overall, the LED process has no 'one size fits all'. In the present border towns, local economic activities are characterized by service provision, production of products (finished and unfinished products), supply of materials and raw materials, labour,

markets, taxes, tax rebates, and governing policies (Cox & Mair, 2017). In the context of local economic development, border towns, like most other cities, strive to expand the white-collar industry, which is characterized by high-technology manufacturing industries, consumption services, and a competitive and resilient local economy, while in some cases, they strive to be regional centres (Cox & Mair, 2017). Such endeavours can only be realised through a well-coordinated local economy that prioritizes local growth and development.

Thus, the growth of the local economies in border towns is promoted by various economic activities like industrial development, trade, urban construction, agriculture, and commerce (Zhao *et al.*, 2019). This growth can be achieved through the participation of local public and private stakeholders, including traders from different countries, where possible. Rogerson (2014) argues that LED does not offer a once-off solution to various challenges but rather an integrated approach that must mobilize local resources, employ innovative ideas, develop infrastructure, and strengthen local institutions. The above list of activities is not thorough and does not guarantee the success of local economic development in a border town. Furthermore, ILO (2006) argues that LED can be better implemented by forming LED forums.

The forums can bring together stakeholders of different backgrounds with different experiences that can contribute to local economic development (ILO, 2006). However, the effective implementation of LED plans is important for growth and economic transformation. To achieve the growth and transformation of the local economy, the trading activities in the border towns require the involvement of periphery states, a qualified pool of labourers, and interaction among the traders (Walther, 2014). Furthermore, Walther (2014), as well as Zhang & Kwong (2017), state that the assessment of skilled traders in border towns is valuable to enable the border town to assess its strengths and weaknesses, while a further assessment of the aspects of geopolitics and neo-liberalism could give a broader picture once included in the LED implementation plan. The assessment must underpin the review of the contribution of the various stakeholders towards the successful implementation of LED in a border town.

2.3 The global concept of border towns and LED

This section presents an overview of LED in border towns, how the local economic development in the early border towns was structured and shared experiences of how traders interact with each other. It also presents LED challenges and how the new border towns have aligned themselves to promote growth in their local economies.

2.3.1 LED and early towns

From 1786, George Town resembled a regional border town where many economic trading activities were taking place between traders from different countries (Zhao *et al.*, 2019). The emergence of George Town as a border town was influenced by various factors like economic activities, its geographical location, and its transformation from an ordinary town into a border market (Zhao *et al.*, 2019). That transformation was also influenced and accelerated by George Town's neutral environment as a trading point and the presence of traders from Europe, Asia, and the Americas. These traders from different countries contributed towards the development and growth of the town through their participation in the local economic activities of the town, like urban construction, agriculture, commerce, and general trading (Zhao *et al.*, 2019). These different local economic activities encouraged broader participation of various stakeholders, which promoted the border town's local economic development (Dobler, 2009). However, it is worth noting that local economic development is influenced by socio-politics and socio-economic environments (Walther, 2014).

2.3.2 Local interaction and participation in LED

In border towns' social interaction, whether in the form of cross-border interaction or among communities, is high. In some cases, when economies are booming and there are many opportunities, it attracts people from different parts of the world. Such opportunities also attract migrants and vulnerable people to border towns (Loong, 2019). However, when the economic situation is no longer in a decent state or declining, the emigration of people from a particular border town is experienced, forcing the traders to search for more attractive opportunities. This emigration usually contributes to the collapse of local economies in border towns (Loong, 2019). Cox & Mair (2017) argue that deindustrialization creates unemployment, and the new regrowth will replace highly-paid jobs with low-paying jobs. Other economic slowdown factors include increased taxes due to reduced population, emigration, and insufficient subsidies to provide services (Cox & Mair, 2017). Both the migration and emigration of people have advantages and disadvantages for the people themselves and the border towns. In some cases, the emigration of people disrupts social networks, especially in the context of local dependence on communities (Cox & Mair, 2017). For example, people are dependent on certain everyday social matters like the attendance of children in a particular school, the relationship between neighbours, and church attendance; these aspects are negatively affected by emigration. In some cases, the interaction of people in the border towns, either from another region or state, influences the local economy in a particular manner.

Hoabes (2013) argues that the interaction of different stakeholders will allow local authorities to develop local partnerships to increase local investment. In the context of LED investment which involves local resources, it can allow the local leveraging of economic activities. The local milieu also influences the local economic development in border towns due to the high intensity of trans-boundary communication and the exchange of goods and products (Burkner, 2002).

2.3.3 LED and immigration

Many Myanmar citizens migrated to Mae Sot, a border town in Thailand, in search of better employment opportunities (Loong, 2019). These migrants have, in some contexts, been beneficial to the Mae Sot border town because they serve as a source of cheap labour for the local economic growth, but on the other hand, they pose challenges to the town in terms of documentation, provision of basic services, and residential areas. In border towns, when migrants are not closely monitored and controlled, it may lead to more migrants entering a particular town, increasing several incidences of illegal immigration. In some cases, the migrants do not have valid identity documents to authorize them to live and work in a specific border town, while access to basic services is challenging (Walther, 2014). The LED in border towns contributes not only to the local economic opportunities of a border town but also shapes the social life of communities living in border towns and their peripheries.

2.3.4 LED and trade relations in border towns

Burkner (2002) argues that the local economy of a border town can be influenced by economic activities in the adjacent town, region, or state. Such activities can be regarded as pull factors, in which case immigration can be on the increase or push factors leading to emigration. During an economic boom, immigration can boost the local economy. However, when an economic slowdown is experienced in a border town, emigration is likely to occur. Emigration negatively affects trade relations in the border town, especially if the economy is performing poorly. Therefore, a border town with balanced local economic growth can positively benefit from trade agreements and can benefit from cross-border trade. However, in some cases, negative aspects like illegal trade, smuggling of goods through the border, cross-border crime etc., which involve the border town's community, can also occur. Cross-border trade, in most cases, is usually a challenge to control and can potentially harm trade relations.

In some countries, for example, in the case of the United States and Mexico, trade relations, especially in towns along the border of the two countries' border posts, are transient points mainly for goods (Walther, 2014). The trade agreement between the United States and Mexico, the North

America Free Trade Agreement (NAFTA), promotes trade in terms of the export and import of goods between the two countries while the entry of people is strictly controlled (Walther, 2014). This strict control of human entry, especially from the US's side, is meant to control illegal immigrants who are desperate to cross the border in search of better opportunities in the US. The border-crossing illegal immigrants is a hot topic between the two states. The response to this problem from Washington is to tighten the country's border to prohibit the entry of illegal immigrants, criminals, terrorists, and drug cartels into the US (Walther, 2014). Therefore, border towns deal with complexities of social matters, economic growth, state security, and the control of illegal activities between states or regions like drug sales.

Many border towns are challenged to maintain sustainable development, especially when an unexpected economic boom starts or when an abrupt economic slowdown is experienced. These challenges include non-availability or inadequate trading facilities, increasing population management, basic services provision, and effective administration of local economies to ensure a sustainable income. Sudden local economic growth in a border town needs skilled people to transform economic opportunities into sustainable border markets (Walther, 2014). In some cases, the influx of expert traders in border towns poses a serious threat to socio-cultural relations among trading communities in the border scape, especially when there is tension between the locals and non-local traders (Zhang & Kwong, 2017).

While the personal interrelations can be managed, border towns face challenges beyond their control, like neoliberalism, which can influence local growth or a sudden economic collapse (Baird & Cansong, 2017). The neoliberalism concept can potentially expose border towns to terrorism and foreign power interference in the affairs of sovereign states (Baird & Cansong, 2017). Sometimes foreign interference in border towns is indirectly promoted by community-based organizations and non-governmental organizations, especially when there are many vulnerable communities (Loong, 2019). For example, the Thai-Myanmar migrant social network provides registration of immigrants and documentation in Mae Sot (Loong, 2019). These are examples of how neoliberals could complicate social relations between communities and the state if it is not well managed (Loong, 2019).

2.4 Border towns and social-cultural relationship

Economic activities like trade and manufacturing mainly drive the growth and the emergence of border markets (Walther, 2014). The trading activities in border towns require the involvement of

periphery states, a qualified pool of labourers, and interaction among the traders (Walther, 2014). The language of communication, religion and food are some aspects that define a culture. When people of different cultures interact daily, culture is influenced either way. In a communication in border towns, there might be more than one spoken language; when two or more different languages are used to communicate, it either diverges or converges with the interlocutor (Llamas *et al.*, 2009). The convergence in communication is unavoidable, especially in business trade, because it forces traders of different languages to understand each other. However, there could be incidents of divergence as a reaction from locals who might resist the loss of their cultural identities (Llamas *et al.*, 2009).

On the positive side, social-cultural relationships in border towns have shaped societies along many border scopes. When there is a good social-cultural relationship among communities of the border towns, the communities benefit from learning new languages and cultural diversities. Kulkarni-Joshi (2015) argues that multilingualism among communities of border towns is a powerful tool for diverse communication while indirectly reducing ethnicity and tribalism. Despite learning and sharing different languages, social interaction of communities promotes religious tolerance in some border towns like Muslim, Hinduism, and Christianity (Kulkarni-Joshi, 2015). For example, in Kupwar, a border town in India, different communities co-exist harmoniously, and their cultural values are no longer predominantly defined by their language or religion (Kulkarni-Joshi, 2015). This co-existence promotes the social cohesion of communities and reduces the usual religious tension among various religious groups.

2.4.1 LED and resources competition in border towns

If fewer job opportunities and resources are available compared to the demand of people aspiring for the same opportunities, it will lead to resource competition. The competition frontline of recent economic players has been changing, affecting border towns too. Unlike the traditional local limitation in trade, the new concept of globalization has intensified the battle for competitiveness (Raco, 1999). Technology and political systems are direct drivers that influence the competitiveness of the local economies. Inevitably, border towns will also be influenced by the competition, either from other border towns, non-border towns, or global competition. Hence, the concept of globalization has created a borderless world in the context of trade between countries and towns.

Local economic development actors need a clear understanding of their local economy to align themselves and adapt to the changing circumstances to make the border town competitive (Raco, 1999). Competition and utilization of resources are complex, and in some cases, it is influenced

by the socio-politic milieu (Raco, 1999). The complexities and challenges linked to competitiveness need to be unpacked to understand how they can be mediated to achieve balanced local economic development in a local area. Local economic development initiatives like tax abatements and downtown renewal are some challenges that create unfair competition instead of promoting cohesion among local businesses (Cox & Mair, 2017). Raco (1999) states that innovation, geographical location, and accumulation can positively influence local economic development. These systems can only contribute to local and external competitiveness through a network-based innovation system where technology transfer through educational and social institutions is accessible to locals.

Many types of competition can take place in a border town. Some are associated with job opportunities, scramble for living spaces, and access to social services and facilities. This will lead to overcrowding in living spaces and increase the demand for commodities and services, affecting price fluctuations (Walther, 2014). In the case of the US-Mexico trade relations, socio-economic hardship factors in Mexico were responsible for a day-to-day hassle and created desperation among many Mexicans to attempt to enter the US (Walther, 2014) illegally. In response to the high illegal migration of Mexicans into the US, the US authority decided to fortify its border by constructing border walls to curb Mexican immigrants from entering the US (Walther, 2014). These border restrictions in the border region and towns greatly impact border towns' cultural, social, and local economies.

In Boten, a city in Laos that borders China, the Chinese communities from mainland China support the local economic growth through the patronage of day visitors who usually shop in that border town (Gao *et al.*, 2019). However, the Chinese from mainland China's cultural conduct concern the residents of Boten (Gao *et al.*, 2019). Overcrowding of people in the shopping malls, blockage of pathways, and spitting in public are some of the undesirable conducts from the Chinese in that border town and it causes great unhappiness among the residents of Boten who were no longer willing to continue living there (Gao *et al.*, 2019). The emigration of people, especially from a border town, negatively impacts the local economy in terms of loss of tax, local skills, disruption of business networks etc.

A border town's social and cultural transformation and scope can potentially disrupt the local economy's growth. It can cause interpersonal conflicts among communities, as in Boten when the Sheung Shui community expressed unhappiness about the Cantonese language being gradually replaced by the Mandarin language (Zhang & Kwong, 2017). This hatred and social scuffle among communities in border towns can discourage investments and may have far-reaching social and

economic impacts. Furthermore, social distress among communities in border towns is exacerbated by cultural diversities among traders. Cultural diversities must be carefully managed to ensure that certain cultures do not erode the local culture of a specific area, while tolerance among traders can promote local growth, especially in border towns where cultural diversity is high.

The sudden influx of immigrants and traders in a border town puts additional pressure on the capacity of available resources, which otherwise were designed to sustain a limited number of people. The pressure can be associated with the non-availability of planned plots for commercial and residential purposes. In some cases, the non-availability of plots forces immigrants and traders to construct unauthorized slums, both for residential and trading purposes (He *et al.*, 2020, Loong, 2019). Slums are usually built in unplanned areas; some might not be safe for communities and even hazardous to public health. Unplanned areas have challenges that can directly or indirectly affect the border towns' physical, economic, and social environment. Some border towns have poor sanitation and environmental health, especially for people living in slums and informal settlements (Baird & Cansong, 2017).

In some border towns, cross-border or spill-over activities pose serious concerns. The 'cross-border vice' poses serious challenges along many border towns. This is generally associated with issues like 'vice-tourism', which usually involves casinos, prostitution, illegal sale of drugs, and trade deals in protected wildlife and its products (Loong, 2019). The 'cross-border vice' issues are usually handled differently in countries. For example, China's position on 'vice-tourism' has been controversial and can be regarded as a perspective with double standards. Beijing seems determined to regulate all forms of gambling and prostitution (Gao *et al.*, 2019), but the same regime seems unconcerned about the illegal trade of protected wildlife (Loong, 2019). The Chinese's investment in illegal wildlife markets in Tachilek and Mong La on the Thailand-China borders is clear evidence of the Chinese's double standards (Zhao *et al.*, 2019).

The social life in border towns is further shaped by communities' collective efforts to fight daily social challenges. Communities' collective efforts usually result in developmental projects that uplift the community's livelihoods. An example is the development of community schools and forming of community-based organizations in Mae Sot (Loong, 2019). Other collective functions performed under the social systems of some border towns include the registration of births for legally unregistered migrants and the provision of healthcare. This gives the migrants access to medical health care and identification and recognition where governments cannot provide such services to migrants (Baird & Cansong, 2017).

Despite the positive initiatives from the community, some cross-border socio-cultural influences hurt communities in border towns. The cross-border cultural influences are usually imported to border towns and eventually spill over on either side. For example, in Mongla city in Thailand, an increase in prostitution among the communities changed the social environment while its physical environment also changed, with gambling casinos dominating the area (Gao *et al.*, 2019). However, only some states are concerned about the social communities' attitudes. In the case of China, prostitution and gambling among the Chinese communities who live in border towns seem unacceptable conduct from the government's point of view. However, the promotion and marketing of protected wildlife products, which creates a criminal culture in border towns, seems to receive some degree of tolerance from Beijing. In some border towns, cross-border poaching and organized cross-border crimes in wildlife trade to satisfy the illegal trade of protected wildlife species, especially in the Asian border markets, have created mistrust among neighbouring states and impaired diplomatic relations (Gao *et al.*, 2019)

The inconsistency in dealing with bad conduct that erodes social cohesion, or those that promote cross-border criminal activities and put a certain state in international disrepute, poses social, political, economic, and diplomatic challenges.

2.5 Border towns as economic hubs

Different economic activities take place within border towns. These economic activities are influenced or made possible by the institutional characteristics of different production systems (Johnson, 2017). Border towns' geography (also locations) influence how the border town can channel certain economic activities. The border towns' diversity presents different opportunities to the various local economic stakeholders. The diversity promotes the interaction of different sectors to trade with opposite border countries and states where possible (Johnson, 2017). Trade in border towns is driven by a society that attracts creative people who bring technical change to the economy. According to Chen (2007), border towns facilitate economic activities because they link countries, regions, and states by smoothing the flow of goods between production nodes. As many traders congregate, it creates an economic dynamic and the coexistence of varied stakeholders (Zhao *et al.*, 2019). This coexistence of different traders promotes accelerated development in the border towns through private investment in housing infrastructure, accounting, consulting, manufacturing, and imports and exports, among many others (Chen, 2007, Zhao *et al.*, 2019). Social activities like clearing the land for business and other urban utilities contribute to economic growth and commercial activities (Zhao *et al.*, 2019). However, extensive economic

activity sometimes has negative effects since it tends to increase the price of land, which could inhibit economic growth.

Early border towns inspired development with a specific focus on trade, while modern border towns continued to inspire economic development. The Pearl River Delta (Hong Kong) trade relationship with the Yangtze River Delta in Shanghai is a good example of border towns that established themselves as economic hubs (Chen, 2007). The agglomeration of commercial and economic activities promoted local infrastructure development in Hong Kong. However, although the idea of agglomeration contributed to the accelerated development of infrastructure in Hong Kong, the development of border towns along the US-Mexico border is slow (Walther, 2014). The focus on infrastructure development in the case of the US-Mexico is directed to the border defence systems to fight the illegal entry of migrants into the US (Walther, 2014). However, the agglomeration of commercial activities is not a 'one size fits all' solution because if it is accelerated in an uncoordinated manner and at a faster pace, it might have undesired consequences, especially when local economies decline. The uncontrolled agglomeration will lead to inefficient infrastructure utilisation, while border towns may be left to realign their operations when investors withdraw from the non-profitable markets.

The collapse of local economies of border towns was witnessed during the colonial era when Slanga, a town in Ghana, and Kong, in Cote de Ivorie, ceased to serve as regional trade centres, which necessitated the realignment of economic activities (Walther, 2014).

2.6 Border towns as a space to settle geopolitics

Today, geopolitics is related to strategic relations, and it covers the aspects of international relations but is more oriented towards the location, resources, and accessibility. Geopolitics defines the changing relations between geopolitical and geo-economic relations in globalization. Geopolitics is influenced by different stakeholders, including non-state political actors, social movements, global environmental change, civil organizations, and terrorist networks. The growth and decline of local economies in border towns are partly influenced by the geopolitics of the neighbouring regions, consuming nations, and neighbouring states (Baird & Cansong, 2017).

Geopolitics influence the demand and consumption of certain goods, services, and commodities. High demand for certain goods or services in a particular border town increases the price of these goods or services and promotes a subsequent flow of goods through the borders between countries and regions. The geopolitics within different regions and countries play an important

role in the flourishing or decline of trade in border towns. In 1786, George Town (an early border town) benefited from geopolitics because the town was politically accepted as a central trading point or town where global traders converged (Zhao *et al.*, 2019). However, when tension between the nations arose, Japan bombed George Town on 11 December 1941, and the economic activities were seriously disrupted (Zhao *et al.*, 2019).

Geopolitics concerning the local economic growth of border towns tends to influence investment decisions by investors. Some investors tend to align their business decisions with the foreign policy of their respective countries. This trend is common among Western investors. For example, Western donors have been providing financial support to NGOs and Community Based Organizations in Mae Sot of Thailand when it was necessary to cripple the stance of Myanmar junta against neo-liberalism (Loong, 2019). However, when Myanmar decided to re-organize its economy, the geopolitics changed in favour of Myanmar (Burma) and as a result, the same Western donors pulled out of Mae Sot and withheld their funding support which was earmarked for NGOs and CBOs in Mae Sot. This left the Mae Sot community in limbo despite the social challenges those communities still experienced (Loong, 2019). Furthermore, investors in border towns are mostly sceptical of sudden changes and geopolitics that might jeopardize their investments. The risks posed by sudden changes and geopolitics make investors cautious about investing, negatively impacting the local economic development in border towns.

Geopolitics has influenced and increased business activities in Hong Kong after the opening of China's mainland for business in 1980 (He *et al.*, 2020). The accelerated development was observed in the manufacturing activities in Hong Kong because most of the major manufacturing companies moved to the bank of Pearl River to easily access mainland China (Zhao *et al.*, 2019). However, when the geopolitics between specific regions and countries change from good to bad, the local economies are usually negatively affected. Poor geopolitics between regions and countries suppresses economic activities and growth if it involves economic sanctions and isolations. The poor agglomeration of economic activities usually manifests this and the increased burden of maintenance of underutilized local infrastructure as the economy begins to decline (He *et al.*, 2020).

Of further interest regarding geopolitics is China's variegated geopolitical influence, particularly with its neighbouring border towns, particularly Thailand and Myanmar, where the geopolitics of Beijing has been inconsistent and is more pro-China. For example, Beijing has been capitalizing on a private trade agreement through the Kachin Independence Organization (KIO), which is linked to a radical ethnic militia, the Kachin Independence Army (KIA), in Myanmar (Baird &

Cansong, 2017). Later in 2011, the Chinese central government ordered the shutdown of casinos of Chinese interests in Laiza, preventing the flow of Chinese gamblers (Baird & Cansong, 2017). This intervention affected the normal trade -in Laiza and caused some hardship for the Kachin communities near that border town. As a result, some cross-border corruption and illegal deals through track roads were observed (Baird & Cansong, 2017).

The geopolitics along border towns have both negative and positive effects. A positive effect of geopolitics can be equated with a good relationship between regions or states. For example, a positive effect of geopolitics promotes free trade between countries' import and export of resources without restrictions or sanctions. However, geopolitics can be regarded as negative when the relations between a particular state or a region and another state or the international community are not good. The effect of negative geopolitics can be associated with poor relations, poor cooperation, and in some cases, can lead to isolation and sanctions because it can be used to exert pressure to alter the desired outcome or attitude for the benefit of communities; this could be detrimental to development when geopolitics is favourable between different countries, especially with consuming and powerful nations, the trade in border towns flourishes, while the opposite is also true.

2.7 Border towns as a haven for illicit trade and threat to state security

The influx of people and the movement of goods between borders sometimes pose serious threats to the stability of the states. Porous borders sometimes are used as a point of filtration by radical groups, criminals, terrorists, drug cartels, tourist vice-seekers, illegal traders in prohibited goods and products, prostitution and so on, to enter targeted states to propagate and conduct illicit deals (Naijman & Shepherd, 2015). In the case of the US, to avoid activities like these along its borders, the border protection team is usually on the lookout for illegal migrants from Mexico, especially those who want to escape the daily hardships and violence experienced in Mexico (Walther, 2014). These challenges resulted in the US-Mexico border being one of the tightest borders, where resources are directed to develop border protection and defence systems. The development of trade infrastructure, which enhances trading activities between the two countries, becomes secondary to border protection (Walther, 2014).

In Myanmar, the illegal trade of wildlife and products of protected wildlife species is conducted in border towns (Naijman & Shepherd, 2015). Cross-border trade, which involves illegal products, can compromise policy compliance and the sovereignty of states. For example, the continuous

support by the Chinese communities of markets and restaurants that trade illegal wildlife products is contrary to Myanmar's position in trading products of protected wildlife species. Thus cross-border trade in border towns, if not carefully managed, may lead to counter-accusations and trade wars between states. Despite legislation prohibiting the sale of protected wildlife in Thailand, China (at the time) had no restrictive legislation against the sale of protected wildlife species, and it remained a prime consumer of such products (Naijman & Shepherd, 2015). The continuous demand, consumption, and utilization of protected wildlife products for various purposes in China, will not only sustain such markets but also undermines conservation efforts and the spirit of the Convention on International Trade on Endangered Species of Wild Fauna and Flora (CITES).

Regarding security, insurgents could use border towns and borderlands as their areas of operation through illicit trade of various means to fund their operations. The trade of jade gems and timber between China and the Kechin Independence Organization (KIO) in Myanmar can be viewed as promoting KIA's insurgency, which seeks to separate the Kechin region from the rest of Myanmar (Baird & Cansong, 2017). Despite the possibility of illicit activities associated with border towns, its local economy has the potential to be transformed and turned into strong border markets. The following section discusses how LED could play a transformational role in the local economies of border towns.

2.8 LED as a transformational tool for border towns

The concept of LED in border towns remains an evolving matter across the globe while it is gaining momentum in developing countries. The concept of local economic development is understood to be a process by which the public, businesses, communities, non-governmental sectors, partners, key stakeholders, and other key stakeholders in an area are working collectively to create better conditions for local economic growth (Rogerson, 1996; Rodriguez-Pose & Tijmastra, 2005).

The transformational aspect of LED is associated with the generation of employment and the process of decentralization (Tijmastra & Kamara, 2005). Although the aspects of decentralization and the generation of employment feature a successful LED, employment creation itself is a result of LED but not a part of the actual LED stage-by-stage development (Marais, 2010). LED facilitates inward investment, sectorial strategies, and business extension and expansion (Marais, 2010). In the context of a border town, this inward growth can be understood to include the local economic growth of border towns.

Transformational aspects of LED are pointed out by Marais (2010) as four waves of LED evolution and characterized by infrastructure development, a continuation of manufacturing and growth, improving the business environment and soft infrastructure development. The fourth LED wave is a combination of initiatives that drive LED through consideration of various LED aspects that dominated the previous three waves. However, in all these LED waves, human and technological development have been at the centre of LED initiatives. In the history of the USA, LED transformation was observed from the 1970s to the 1980s. That period is known for LED popularity when pressure existed to advance local development through international competition, industrial restructuring, and citizens' resistance to tax increases (Levy, 1992). These challenges pushed the USA federal states and municipalities in many parts of the USA nation into a local economic development competition (Levy, 1992). However, the peculiarity of such competition was locally based on specific counties, states, and municipalities. As the competition among those local institutions advanced, many locals developed coping strategies to remain competitive and relevant in their local economic development (Levy, 1992). The adopted strategies, among others, included coping and attractive incentives which promote transformation. Transformation incentives influenced and contributed to accelerated local growth while at the same time affected physical changes through the establishment of multilateral companies, educational institutions which were offered tax abatements, absorption of training costs, site-preparation expenditures, land at no or reduced cost, structures at a reduced cost, provision of both on-site and off-site infrastructure at no or reduced cost etc., to stimulate local economic growth (Levy, 1992).

In addition to the USA, China, the United Kingdom, Bosnia and Herzegovina, Kosovo, Bulgaria, and Latvia are some countries where LED is encouraged to revive the economies of key cities in those countries (Swinburn & Murphy, 2006).

As the LED concept expanded to developing countries, it retained a rubric of the local focus (Swinburn & Murphy, 2006). This local focus has increased competition between local institutions to bring about development in their specific areas. As such, LED remained a local priority in many border towns. In developing countries, LED remains and continues to focus on the respective countries' provinces, regions, local authorities, municipalities, and towns (Heideman, 2011). Regardless of the level of LED implementation, LED creates competitiveness and local transformation by enhancing local growth (Levy, 1992, Niekerk & Venter, 2017).

The current consideration in implementing LED, especially in developing countries, is anchored on four pillars: building a diverse economy, developing learning and skills, inclusive economy, and economic governance (Niekerk & Venter, 2017). These four dimensions are not only

important for a successful LED at a global level, but it remains critical at the local level for LED implementation. However, to ensure effective functionality and transformation through LED, the interaction and linkages of different economic sectors are key and need to be well understood to advance development at a local level in border towns (Swinburn *et al.*, 2006).

Other important transformational expectations of LED at the local level include connecting local communities to existing and alternative economic opportunities and maximising and unlocking economic potential. These objectives call for improved LED, inclusive economic growth, and good governance. Despite these objectives, ILO (2006) emphasized the 'flexibility' aspect of implementing LED locally. Flexibility can be consistently applied throughout the LED implementation process, regardless of whether LED follows a stage-by-stage progression or not. Flexibility accommodates a real-world business environment and geopolitical considerations (Baird & Cansong, 2017) while considering current and unpredictable real conditions and circumstances (ILO, 2006).

The concept of LED continues to be globalized (ILO, 2006), and LED innovation is expected to meet the following objectives in the context of transformation (Swinburn & Murphy, 2006): improvements of strategic infrastructure, investment in key local economic activity clusters (hardware, software, social ware, innovation, and technology), and building stronger public/private networks (Swinburn & Murphy, 2006). It can further be argued that LED can only achieve its transformation capabilities based on the successful implementation of LED by considering local and international dynamics like the attraction of skilled traders and the management of geopolitics and socio-cultural relationships among traders (Dobler, 2009). Furthermore, if existing ideal conditions change from good to bad, such a change may decrease the success of LED in a particular area or even bring it to a complete halt (Gao *et al.*, 2019, Loong, 2019). Therefore, flexibility is a 'therapy' to transformation and could cushion local challenges, especially if it considers both *ex-ante* and entrepreneurial features and dimensions (ILO, 2006, Zhao *et al.*, 2019). The local LED stakeholders must be conscious of political, social, institutional, or business circumstances (Baird & Cansong, 2017, ILO, 2006, He *et al.*, 2020). Unexpected challenges like the dispute between China and the US over export and import tariffs, economic sanctions, and the outbreak of the Corona virus are some of the circumstances that impact the LED transformation, either positively or negatively, hence the need for great flexibility.

As LED becomes a globalized concept, its implementation needs flexibility consideration at a local level, both vertical and horizontal, to enable stakeholders to seize timely opportunities and adapt and align their strategic plans in response to the changing conditions (ILO, 2006). The working

LED can create competitiveness and local transformation through enhancing local growth, as witnessed in some developed countries where LED plays a critical role in transforming local economies.

In some developed countries, the transformational aspects of LED were characterized by improved infrastructure development, competitive manufacturing and growth, improvement in the business environment, and human and technological development. This transformation was evident in some developed countries where LED has been practised for many years. However, LED has been a new concept in some parts of the world, for example, in some African countries. While this section presents the transformational aspects of LED concerning developed countries, the next section discusses how LED features in the African context.

2.9 LED concept in Africa

According to Swinburn & Murphy (2006), modern local economic development can be traced back to 1960, especially in the global North. Later, the modern LED concept spread to other parts of the world, including Sub-Saharan Africa (Rodriquez-Pose & Tijmastra, 2005). Unlike in developed nations in the global North and some developing regions in Asia, the investigation of the success of LED in border towns in Africa is not been extensively covered by literature. The prominent feature associated with the spread of LED in Africa is adapting various countries' bottom-up approaches to development (Khumalo, 2018). In addition to the bottom-up approach, the diffusion of LED ideas from the global North to Africa can be witnessed through different systems like marketing, local taxes, the attraction of foreign direct investments, and the provision of cheap labour (Swinburn & Murphy, 2005). Although the diffusion of LED into Africa only took place during the third wave of LED, it seems that the components of the LED's first, second and third waves feature in the contemporary LED in many African countries that adopt LED. The third wave of LED focuses on shifting from a big multinational company's traditional development approach to other development strategies (Brandshaw & Blakely, 1999). This approach creates the context of economic growth through Public Private Partnership (PPP) by capitalising and leveraging capital and human resources to enable competitiveness at global level (Brandshaw & Blakely, 1999). However, the notion of the third wave does not replace the other local economic growth initiatives but rather promotes the views that regional economic growth can no longer rely on the success of a few large successful companies, but rather believes that growth is achieved through complex industrial networks which compete beyond their local boundaries (Brandshaw & Blakely, 1999).

On the contrary, some views related to LED in Africa argue that LED existed in Africa many years ago, but the concept was never specifically referred to as LED (Walther, 2014). Africa has some local concepts which can be assimilated into LED (Walther, 2014). LED and border towns in Africa existed many years ago, although border towns were only seen in the context of trading centres along the trading routes (Walther, 2014). Hence, there is a lack of information about border towns in Africa; Salanga was a prominent trading centre in Ghana, while another trading centre was Kong in Cote d'Ivoire (Walther, 2014). The local economic development in these two regional trading centres flourished until the era of colonialism when an economic collapse was experienced because the trading landscape was changed due to several colonial and neoliberal realignments, which replaced the traditional trade in those regional trade centres (Walther, 2014).

During colonialism in Africa, the colonisers redesigned the planning approach to a broad development (Walther, 2014). On the contrary, the development planning during the 1970s and 1980s was dominated by a top-down approach ((Rogerson & Nel, 2016). This top-down approach somehow compromised and delayed the adaption of the LED novice to be implemented in some of the African border towns. In recent years, the LED concept was well understood and accepted as one of the genuine and best models to replace a top-down approach in some African countries (Rogerson & Nel, 2016).

Africa has been using various concepts with characteristics like LED, especially the emergency of regional trading centres in some African countries. However, LED in Africa has played a major role in the change towards development approaches, mainly dominated by the top-down approach instead of a bottom-up approach. Although some African countries can be associated with LED, the concept is still considered new, especially in Sub-Saharan Africa. Given this brief background of LED in general, the following sections discuss specific examples of LED in some African countries. One such country where the concept of LED is reviewed is South Africa.

2.9.1 LED in South Africa

In the Global South, democratic South Africa is one of the notable pioneers of LED in Africa (Rogerson & Nel, 2016). In 1996, South Africa, under its Constitution (No. 108 of 1996) in Chapter 7, made LED an obligatory agenda for the local authorities, hence the development of the LED White Paper in 1998 (Heideman, 2011). The adoption of LED in a democratic South Africa was meant to spearhead the reform of local authorities as a transition from apartheid to democracy (Rogerson & Nel, 2016). As momentum was gained on the LED concept, the South African central government established an LED fund (1998-2002) (Marais, 2010). Other policies that made an immense contribution to the implementation of LED in South Africa include Constitution (1996),

White Paper on Local Government (1998), Local Government: Municipal Systems Act (2000), a policy paper on Integrated Development Planning (2000), LED Guidelines to Institutional Arrangements (2000), Draft LED Policy (2002), Policy Guidelines for implementing LED in South Africa (2005) and the National Framework for Local Economic Development (LED) in South Africa (2006-2011) (GTZ, 2008).

This framework prioritized four areas as pillars for LED success. These areas are (a) good governance in governing and service delivery institutions, (b) spatial planning for the competitiveness of Districts and Metros, (c) support to the business sector and infrastructure development, and (d) sustainable community investment programs (GTZ, 2008). These sectors did not only contribute to the success of LED but were driven using local skills.

LED's guided implementation targeted sectors believed to contribute significantly to the economy (Rogerson, 2004). The selection of specific sectors was to ensure local participation, skills existence and enhancement and to stimulate local growth in those specific sectors. Generally, there have been various stakeholders in implementing LED in South Africa. However, the LED stakeholders that have been at the forefront of the LED concept in South Africa are non-governmental organizations. Among others are LED forums, Municipal LED units, Donor Agencies and later Development Agencies (Xuza, 2007). To commence the LED implementation, financing was one of the critical considerations. Thus the government's DPLG launched the LED fund from which municipalities could apply a maximum of R1.5 million for LED projects (GTZ, 2008). The fund targeted poverty alleviation and job creation projects (GTZ, 2008). Other models of LED projects were funded through non-governmental organizations, especially in pilot areas (Nel, 2008).

The implementation of the LED concept in South Africa was piloted on a small scale. Its implementation under the Gijima projects targeted local authorities and companies like Kandla Oils, KZN Furniture, and Illovo Sugar Ltd. (Marais, 2010). Other targeted areas where LED was promoted include the development of industrial parks. There were also targeted interventions for developing industrial complexities in the former homelands and self-governing states (Xuza, 2007). Although a top-down approach was used for the LED planning, it was intentionally designed to erase the apartheid planning approach and trigger local economic activities in specific areas (Xuza, 2007). The LED implementation approach differs from the development approach of the 1970s and 1980s (Reaganomics and Thatcherism), which do not favour the development of poor regions (Nel, 2008). The South African LED plan targeted poor areas, for example, the Amathole and other poor municipalities (Xuza, 2007). The LED implementation in South Africa

was primarily to create a new hearth of industry and reform economically depressed areas (Nel, 2008). Among many African countries, South Africa is accredited for introducing LED news under the co-funding of non-governmental organizations (Xuza, 2007). In addition to LED news publication, it stimulated research and various scholars to publish on LED (Xuza, 2007). To date, the contributions of Marais (2010), Van Rooyen (2013), Rogerson (2008), Nel (2016) and many others are self-evident in the body literature (Xuza, 2007).

The LED implementation had positive and negative results (Marais, 2010). Some negative aspects include the coordination and cooperation of the programs among stakeholders (Xuza, 2007). Although the mobilization for LED initiatives has been broad and inclusive of all possible LED projects, the actual funding has not been consistent because some funding organizations applied for selective funding by only availing funds for certain projects (Xuza, 2007). This selective funding left some organizations unable to implement the implementation due to a lack of administration funds fully. Hence the sustainability of the LED projects was compromised.

The implementation and success of these first-generation LED projects were marred by the lack of involvement/engagement of relevant key LED stakeholders (Rogerson & Nel, 2016). For example, LED implementation by municipalities posed some challenges because municipalities don't operate as a business concept (Xuza, 2007). The LED component that attracts businesses also requires special skills or a special purpose vehicle (SPV), which is not a core mandate of municipalities. The decentralization process in a democratic South Africa was believed to accelerate LED implementation. Some national governmental responsibilities, like drafting business plans, and designing business brochures, were decentralized to promote local businesses (Xuza, 2007). The decentralization of these activities produced Khula and Ntsika, which traditionally carried out those activities, later known as SEDA. However, the concept did not yield the anticipated results as only a few Local Business Service Centres (LBSC) were operational in 2000 (Xuza, 2007).

Apart from the exclusion of some stakeholders, there were some misunderstandings between the national government and the local authorities on how LED should be implemented in South Africa (Rogerson & Nel, 2016). The major contention related to the implementation was whether LED should be implemented as a pro-poor or a pro-market project (Rogerson & Nel, 2016). This uncertainty regarding the LED implementation is due to a lack of understanding of the LED concept and power squabble among LED implementers. Extensive skills in LED combined with a political will can play a pivotal role in the success of LED.

On a positive note, the lessons from South Africa's failed implementation of LED provided room for self-introspection both from the public and the government. Hence, the experienced impediments were also acknowledged by the deputy minister responsible for LED at the Central government level (Rogerson & Nel, 2016). Thus, acknowledging challenges by the government as a stakeholder in the LED implementation has opened a window for the review of LED in South Africa and possibly beyond.

South Africa's LED initiative has commenced earlier than other countries, especially in Southern Africa. South Africa had both a positive and a negative experience in implementing LED. Other countries like Namibia are trailing behind South Africa as far as LED is concerned. Whether or not a country like Namibia capitalized on the South African LED experience. The next section discusses LED in Namibia.

2.9.2 LED in Namibia

Unlike in neighbouring South Africa, LED was only formally introduced in Namibia for the first time in 2009 through an EU-Swedish International Development Agency-funded P3 pilot project that was being led in South Africa, Botswana, and Namibia (Heideman, 2011). The LED concept has since received some consideration from the central government (Ministry of Urban and Rural Development), development partners and local authorities (Heideman, 2011). However, compared to other countries, there is little available literature on LED in Namibia. Although the concept is new in Namibia, various LED stakeholders are determined to drive the LED process in some local authorities. This section thus presents the general situation of LED in Namibia in the policy framework and the general implementation context.

2.9.2.1 LED Policy framework

The introduction of the LED concept in Namibia in 2009 prompted the government of the Republic of Namibia to draft an LED White Paper Policy in 2011 (MURD, 2011). However, before the development of the LED White Paper Policy, other laws that promoted local development existed. These laws, among others, are the Namibian Constitution which provides for establishing Regional and Local Governments under Chapter 12 (GRN, 1990). In addition to the Constitution, the Local Authority Act (No 23 of 1992) provides for the local authorities' establishment and function. The Local Authority Act establishes different local authority councils: municipalities, town councils, and village councils. The Decentralization Policy of Namibia (1997) is another enabling document which preceded the LED White Paper.

The Decentralization Policy provides for (a) decentralization - when the central government relocates different structures to all sub-national levels, (b) delegation - where central government delegates some of its functions to the local level, and c) devolution - where the central government gives full responsibility of its functions to the local authorities. The Ministry of Urban and Rural Development is responsible for the Decentralization Policy's implementation (GRN, 2020). Three years after the Decentralization policy was developed, Parliament approved the Decentralization Enabling Act (No 33 of 2000). Except for the LED White Paper, none of those mentioned above legislation and policies specifically mention LED; however, the legislation coined the L-E-P (“L” Locality, “E” Economic and “P” Partnership). Thus, policies and legislation emphasize local development in specific locations, namely the regions and local authorities, while the concept of sustainable development is succinctly highlighted (Van Rooyen (2013). These legislations all provide powers to the local authorities to promote local economic development and sustainable development.

2.9.2.2 Implementation

The implementation of LED is complex and needs the participation of different stakeholders. Although the government of the Republic of Namibia has various policies and legislation which promote LE, the active involvement of the central government can no longer be overemphasized. Raco (1999) states that structural institutions, apprentices, technology, and dedicated financial support are some of the programs the central or local government could promote to support LED initiatives. Furthermore, Nel (2001) argues that the central government must catalyze local growth by coordinating different stakeholders, including community organizations in a specific area. The role of government in terms of the implementation of LED has been visible in policy development. Political strides that support LED implementation have also been seen. Several local authorities in the country supported by the central government and development partners were notably accepted to embrace the LED novice (Heideman, 2011). In Namibia, the mention of LED and several initiatives were prominently observed nationwide from 2009 onwards in different local authorities (Heideman, 2011; DECOSA, 2012; MURD, 2011).

Further initiatives that capitalized on the implementation of LED were Public Private Dialogues (PPDs) on LED, dedicated LED workshops with Regional Councils, Association for Local Authorities and Local Authorities (GRN, 2020). Thus, the introduction of LED was regarded as a new dimension that deals with local economic development as an alternative to decentralization and local government’s development agenda. This dimension, therefore, resulted in several workshops in which several towns participated. After the workshops, several towns developed

their own Local Economic Development Strategic Plans (Economist, 2013). The LED strategic plan was successfully developed in Keetmanshoop, Outapi, Oshakati, and Okahao in 2012. It can be argued that the strategic plans were meant to embrace LED as a tool which promotes local economic growth in local authorities. The accelerated implementation of LED in Namibia would have significantly contributed to local growth.

The sensitization regarding the LED in Namibia under the P3 project commenced with the Association of Local Authorities in Namibia (ALAN), which is partly spearheading the development dialogues in various local authorities (Heideman, 2011). The P3 project in Namibia was not piloted in any border town but was concentrated in the coastal towns of Walvisbay and Arandis (GRN, 2020, Heideman, 2011). Since the P3 piloting in Namibia in 2009, the discussions related to LED gained momentum and probably prompted the government of the Republic of Namibia to develop a White Paper Policy on Local Economic Development in July 2011 (MURD, 2011). The White Paper Policy (2011) outlines specific objectives related to LED, which include maximising human welfare and providing sound economic, social, and environmental bases. The paper further embedded the sustainability of LED to consider both the present and future generations while emphasising the adaption to changing conditions in the local areas (MURD, 2011).

The facilitation of the implementation of LED for both the Regional Councils and Local Authorities is placed under the auspices of the Local Economic Development Agency (LEDA), housed in the Ministry of Urban and Rural Development (MURD, 2011). Following the lessons learned during the P3 pilot project in 2012, Oshakati, Okahao, and Outapi employed the services of independent consultants to develop LED plans for their respective towns. The LED strategic plans for the three towns were eventually finalized in 2012 and commissioned for implementation (GRN, 2020). The LED plans for Outapi and Okahao were developed by DECOSA, while for Oshakati, the plan was developed by a different consultant. Strikingly, in the LED plans of the three towns, there was a collection of existing information within the respective towns. Unlike the development process of LED plans as followed by China, Bulgaria, Kosovo, and even South Africa, where LED was only implemented in some of their key cities. However, the LED plans for these Namibian towns, including Outapi, lack strategic actions.

2.10 Conclusion

The LED concept originated in some developed countries, especially in the global North. The LED concept is about using local resources and the participation of local stakeholders using local

resources and skills to create opportunities for local economic development. Although the concept was used many decades ago, there is not a single definition of LED, especially among scholars. However, some consensus is that LED deals with local resources and stakeholders to create better opportunities for the local economy and community. The concept has been in use over many decades across the global North. The economy of many early border towns, which served as border markets, was built on the principle of LED. Local resources in the local sectors like agriculture, commerce, and construction are some of the sectors that promote local economic development.

Local interaction between various traders in the border town dominated the role of LED towards economic development. Many towns' economic growth attracted skilled traders searching for better opportunities. However, in some cases, the immigration in border towns where economies flourish usually outpace the supply of services, like residential plots, sanitation, clean water etc. Fast immigration compromises sustainable development, poses challenges to security issues, and can potentially increase illegal activities and other social complexities.

The attraction of various communities in border towns where LED promotes economic growth presents a rare opportunity for cultural exchange and learning more about different cultures and languages. It can be concluded that LED in the global North has influenced competitiveness between states, regions, and towns. However, only isolated cases can be related to LED in the African context. Although it is believed that LED has been used in various African states, there is no available evidence to substantiate such claims. South Africa remains the only country in Southern Africa where the LED concept is supported by policy initiatives, while other African countries trail South Africa as far as LED is concerned.

Based on this overview, the next chapter focuses on the study area, Outapi border town. This chapter provides an overview of the area and describes the research method used in the study area. Other aspects discussed in the chapter include data collection and data analysis to give the reader a clear picture of the information related to the study area.

3.2 Population

Outapi border town has a small population estimated at around 16,000 inhabitants (Mwinga *et al.*, 2018). However, according to the official census of 2011, the population of Outapi is 6,437. Apart from its inhabitants, the town receives around 300,000-day visitors annually from Angola who travel for shopping or to obtain other services. The town has a competitive advantage given the combined population of its population and that of day visitors from Angola. However, the research population for the study was only comprised of respondents from the following institutions, which are based in the border town: Outapi Town Council, the business community, Local Community Leader, and Government Official (Constituency Councillor).

Although the Ministry of Finance Officials (Customs officials) and Ministry of Home Affairs, Immigration, Safety and Security (MoHISS), and the Department of Namibian Police were planned to be part of the research during the design, they were not interviewed although letters of the request were served to their respective ministries. The police under the MoHISS indicated that police officers could only participate in research after clearance from the Namibian Police Inspector General. The said clearance was never received before the field work for the data collection commenced, and it still has not been received. Customs under the Ministry of Finance could also not participate because, during the interviews, the Ministry of Finance was busy outsourcing Customs by creating a new institution known as the Namibia Revenue Authority (NamRA). Table 1 presents a summary of the population interviewed during this study.

Table 2: List of respondents interviewed

Stakeholder	Person Interviewed	Relevancy of Participation
Outapi town council	The Local Economic Development (LED) manager and a senior official	The LED manager deals daily with matters related to LED activities in Outapi border town. Furthermore, the town council is the main driver for the LED initiatives.
Omusati regional council	Outapi constituency regional councillor	The constituency counsellor is responsible for developing projects in the constituency, including

		government-sponsored development projects in the Outapi border town.
Local farming community	Horticulture and poultry farmer, Livestock speculator (cattle seller)	The local farmers produce food for consumption by residents in the town. In addition, they engage in cross-border business activities with the Angolan business community.
Local business community	Local Kapana (Meat) and other household needs vendor, Building materials and supply, Petroleum, Property development and retailer	This category of business people is involved in selling cooked food and other daily household needs. Sometimes, they buy bulk goods from Angolan vendors for resale. Other businesses are involved in property development, the supply of building materials, and bulk supply retailers.
Local community leader	Youth leader	The youth provide labour in projects. Youth are adaptable to technological change, but on the other hand, they have special needs in local economies.

3.2.1 Approach - qualitative

The concept of LED involves the interaction of different stakeholders that strive to utilize local resources, create employment opportunities, and promote skill transfer through interactions with various stakeholders. This interaction is not always clearly visible and is not easy to describe without a deeper understanding (Van Rooyen, 2013). The concept of local economic development in the border town was investigated using structured interviews. The interviews focused on determining how LED was implemented by stakeholders like government institutions, business communities, and community leaders. The main approach of qualitative research provides a meaning and a detailed explanation of how various stakeholders interact in implementing LED (Verschuren & Doorewaard, 1999). This research was investigative and strived to answer the research questions. Open-ended semi-structured interviews were used, which provided the

respondents with the opportunity to express their understanding, views, observations, and challenges on the concept. The border town Outapi was used as a case study to investigate the concept of LED. The study used a purposive sampling method where a small number of critical stakeholders were selected for the interview.

3.2.2 Design case study

This research was carried out in Outapi border town. Outapi was selected as an ideal candidate for a case study because of its location and proximity to the border of Namibia and Angola. This border town is seen as one of the fastest-growing towns in the country and is the administrative capital of the Omusati region. Generally, there are various economic activities in Outapi Border town, formal retailers and other informal activities like street vending and other informal open markets. Some of these economic activities involve interaction between the locals and the Angolan nationals who visit the Outapi border town. There is a sharing of customs and norms among some Angolan and Namibian nationals who live along the borders regarding their daily needs etc. This interaction presents a rare opportunity, making the border town ideal for a case study. The economic activities in the border town present similarities that can be used as the objects of investigation and can be applied to a phenomenon like LED (Ragin & Becker, 1992).

Based on the qualitative research approach, it is imperative to select a case study that can be investigated through interviews (Verschuren & Doorewaard, 1999). Based on the shared cultural norms and customs, social relationships, and philosophy of life of the Angolan-Namibian communities living near the border town, a case study accompanied by the available literature will provide a profound understanding of this research (Verschuren & Doorewaard, 1999). Because of the type of research, a case study can be a true representation of the social relationship within the study environment (Welman *et al.*, 2005). Case studies are useful when it is necessary to experience or to be close to real-life situations when testing the views on a particular theme (Flyvbjerg, 2006).

Although a case study can be useful in qualitative research, there can be general misunderstandings regarding the case study. Among others, the approach is seen as biased towards verification and usually contains the researcher's pre-conceived notion (Flyvbjerg, 2006). The issue of bias is a matter that social scientists must deal with. Charles Darwin developed an approach of documenting new publications, observations, and thoughts that oppose the general results recorded immediately, as they are likely to escape the researcher's memory compared to the 'favourite' observations or thoughts. Once this approach is consistently applied, it can minimize the element of bias in a case study. Secondly, regarding the learning process, a

predictive theory in social science does not and probably cannot exist. Social science has not succeeded in producing general, context-independent theory and has thus nothing else to offer than concrete, context-dependent knowledge. And the case study is especially well suited to produce this knowledge.

3.3 Sampling procedure

The study used purposive sampling because it targets the selected population it seeks to investigate and understand. Purposive sampling was selected as a suitable method from the researcher's point of view. Purposive sampling, in this case, targeted the population of various stakeholders who were believed to contribute and respond to the study (Fouche *et al.*, 2022). It was inevitable to include stakeholders like the local business communities, local leaders, youth leaders, and government institutions. These institutions deal with economic activities in the town on a day-to-day basis. There is a direct interaction between most stakeholders, the local people and those beyond the borders regarding service provision. Although this sampling procedure can be regarded as judgmental or convenient (Fouche *et al.*, 2022), due care was taken to ensure that the targeted participants were those relevant to the study without any bias from the researcher. Kumar (2005) argues that selecting respondents alone is not enough and that purposive sampling must consider whether the selected respondents are likely to provide answers. The targeted population and the selected interviewees were thus expected to contribute to the case study because of their specific experiences and direct or indirect involvement in local economic development.

3.4 Methods and data collection

This study used data which were collected in the Outapi border town. The data were collected from various local economic development stakeholders (see Table 1). The data collection method used was semi-structured interviews, requiring the researcher to have a detailed overview of the literature, allowing for the preparation of open-ended questions (Fouche *et al.*, 2022). This data collection method allows for follow-up questions where clarity is needed. Balance and flexibility have been maintained throughout the interview process to avoid losing the focus of the research (Fouche *et al.*, 2022). The semi-structured interview method provides ample time to obtain detailed information because the targeted population of participants are usually small. Although semi-structured interviews are lengthy, sufficient time was allocated to ensure that each

respondent has sufficient time to respond to the directed questions (Fouche *et al.*, 2022). Interview schedules were prepared and a slot of one (1) hour was assigned to each respondent. The stakeholders comprised the business community, local community leaders, government officials, and regional councillors. The respondents who participated in this study are engaged in government service provision, building materials retail, horticulture and poultry production, livestock marketing, petroleum and property, municipal services, and local government. The interview questions were open-ended to allow broad expression from the respondents and, thus, accommodate flexibility. The interviews were conducted face-to-face with each respondent and the responses from each respondent were recorded verbatim by the researcher immediately recording the responses in writing.

3.4.1 Conducting interviews

A total of eight (8) respondents were interviewed. The breakdown is as follows: one Outapi town council LED manager (Omusati regional council) (1), one constituency councillor for Outapi constituency (1), one poultry and horticulture farmer (1), one cattle seller (1), one building materials supplier (1), one petroleum, property developer and retailer (1), one local products vendor (1), and one local community leader (1). The letters of authorization to conduct the interview were sent on 21 June 2021 after the Ethical clearance was received from the University of the Free State. In July 2021, appointments for face-to-face interviews were made with stakeholders from different institutions. The interviews followed the Covid-19 protocols guided by the university and mostly complied with strict country protocols. It is worth mentioning that the field work was carried out when Namibia was at the peak of Covid-19. Except for the LED manager for Outapi town council, all respondents were interviewed after working hours. The interviews took place in the conference hall of the Outapi town Hotel. Before the commencement of the interview, each respondent was given a consent form to sign, as required by the University of the Free State. All respondents consent to having their responses recorded and used in this dissertation (see Annexure A).

The field work for the data collection was conducted in July 2021. The tool used for data collection was interview schedules, and the interviews were conducted in English. The study collected qualitative data to assess the understanding of the study population, among others, about: the understanding of LED, their role as stakeholders in LED, the contribution of Angola nationals on LED in Outapi border town, and the socio-economic status of Angolan nationals who support businesses in the town. Furthermore, the stakeholders were asked to advise on how to improve LED in the border town.

3.5 Document analysis

In addition to the data collected through a semi-structured interview, document analysis was used by reading the documents related to local economic development in border towns as written by other authors. Document analysis involves the examination and reading of documents and the organization of information into related categories which are related to the study (Bowen, 2009). Document analysis has some flaws due to various limitations, like the difficulty of retrieving documents and the different purposes they were developed, which may not directly answer all research questions (Bowen, 2009). The evaluation considers this and sifts the information for the relevant information. In addition, the document's authenticity, accuracy, credibility, and representativeness were consistently observed (Bowen, 2009). Some of the documents analyzed during this study are LED White Paper for Namibia, the Local Economic Development Strategy for Outapi Town, the Namibian Constitution, the Decentralization policy, and the Local Authority Act.

3.6 Data analysis

The qualitative data collected from each respondent through interview schedules were transcribed verbatim. The data were then prepared for further analysis using computer software. The NVIVO version 12 (SQR) software was used to analyze the data. The software assisted in coding the data and to group data under related themes. The themes are identified by identifying and grouping ideas under one topic. The grouping is achieved by identifying similar ideas or responses and the frequency of their similarities (Fouche *et al.*, 2022). This considers the skill of identifying the pattern within the data to notice the emerging themes (Bowen, 2009). Different nodes or main ideas are linked to the corresponding themes as the different themes are identified. Data characteristics guided the coding and category construction to align the themes to the phenomenon (Bowen, 2009). The nodes coded under respective themes are then transcribed to develop a storyline about the data (Fouche *et al.*, 2022). The ideas under each theme are written down and summarized around each specific theme. The construction of definitions is critical, considering the dynamic relationship between the themes (Fouche *et al.*, 2022). The thematic analysis was carried out with specific consideration of its contribution to the research questions (Flick, 2014). The epistemological orientation of the themes was then used to determine and classify the themes and subsequent interpretations (Flick, 2014). The research questions guided

the data coding. However, in some cases, data were coded based on the responses to various questions. The major themes were identified and coded as they emerged. The coding was done considering ideas predominantly mentioned by many of the respondents. In the analysis process, texts were attached to the different nodes for the themes on which dominant ideas were expressed to emphasise the dominance of a certain idea. The identified themes corresponding to the study objectives were used to compare and explain different ideas.

3.7 Ethical considerations

This study was cleared by the University of the Free State's ethical clearance committee. Among others, the ethical clearance committee took into consideration the following:

3.7.1 Content of interview schedule

The interview content was assessed to ensure that the intended questions were not harmful to the respondents.

3.7.2 Voluntary participation in the research

The participation of the respondents in the research was voluntary. The research objectives that the ethical committee cleared were also explained to the respondents. One major objective was that the research was being undertaken for academic purposes. Furthermore, it was explained to respondents that there would be no gifts or valuable items to be given because of participating in the research. The ECC requires that each respondent who participated in the research sign a consent form confirming their participation was voluntary. The forms also contain a clause allowing the respondent to withdraw from the research without fear or punishment.

3.7.3 Anonymity of respondents

The responses obtained from the participants must be anonymous to avoid possible discrimination against the respondents. This requirement was also clearly explained to the respondents before participating in the study. It was further explained that responses would not be linked to a name and that generalization was used throughout the report.

3.7.3 Data storage

The ECC requires that data be stored in a format where respondents are not linked to the responses. Furthermore, the data were only allowed to be stored for the approved research, which would later be destroyed.

3.7.4 Loss of time

The respondents were expected to be informed that their participation in the study would require their time. This was important because the respondents needed to sit in a face-to-face interview and respond to the questions. This aspect was clarified to the respondents.

3.8 Conclusion

The research was carried out in Outapi border town. The town is situated close to the border of Namibia and Angola and is one of the fastest-growing towns in Namibia. The daily interaction between the locals and clients from neighbouring Angola made the selection of this town ideal. Various participants (respondents) selected through a purposive sampling method participated in the study. The data were collected through semi-structured interviews complimented by the analysis of documents. The study considered the ethical considerations per the university's guidelines. The data analysis was carried out using document evaluation, while primary data was evaluated through computer-assisted software. Different scholars, including Marais (2009), Rogerson (2007), and Van Rooyen (2013), emphasized that local participation is important for LED to succeed.

The next chapter discusses the detailed analysis to confirm how LED is implemented in the border town. It presents the results of the research, the insights into how LED is understood, which policies govern LED, the level of participation in LED, the creation of local opportunities etc.

CHAPTER 4

DATA ANALYSIS

4.1 Introduction

Except for South Africa, LED is new to many towns in Sub-Saharan African countries (Nel, 2001, Rodriquez-Pose & Tijmastra, 2005, Rogerson, 2005). This is also the case in Namibia. Although the LED concept started to gain momentum after the LED White Paper (2011) was developed, only a few towns in Namibia embraced LED (Heideman, 2011). In 2012, some towns in Namibia contracted the Development Consultancy for Southern Africa (DECOSA) to develop their Local Economic Development Strategic Plan (DECOSA, 2012).

The growth of the local economy of a town depends on the economic activities carried out by the local businesses. However, in the case of border towns, the income from neighbouring nationals contributes to the local economic development. The local economic activities of Outapi border town are dominated by poultry farming, livestock marketing, government services, municipal services, property development, retail, and construction. This chapter investigates the local economy of Outapi border town by assessin the results of the fieldwork results.

4.2 Understanding of LED

There are several definitions of LED. The understanding of Understanding LED is important for stakeholders to confine to the LED expectations. Generally, the LED concept is associated with the participatory process which involves differentinvolving stakeholders who have a common interest of in working together through mobilization and utilization ofo mobilise and utilise their local resources to promote local economic activities and economic growth. Local economic development growth, in return, creates employment opportunities, improved quality of life, and strengthen the local capacity for resilience against internal and external shocks and to ensures the quality of life, strengthens the local capacity for resilience against internal and external shocks, and ensures a sustainable economy for the benefit of the local communities. Although there is a general understanding of LED, it is of importance that the concept is understood by the stakeholdersthe stakeholders must understand the concept. Stakeholders such aslike local government and local organizations are some of the stakeholders that need to understand the LED concept due to the specific roles they play in the implementation ofstakeholders that need to

understand the LED concept due to the specific roles they play in implementing LED (Khumalo, 2018).

However, when LED is defined from the stakeholders' perspective, it is understood as a process that involves the local government and local organizations with the purpose to stimulate to stimulate local economic activities through the utilization and maintenance of employment in the different sectors, for the benefit of the local community using available local human resources, natural capital, and institutional resources (Khumalo, 2018). According to Rogerson & Rogerson (2010), participation and consultation, the focus on locality, deployment of local resources, identifying competitive advantage, and local ownership and management are some of the features that define features that define LED. Van Rooyen (2013) argue that if the 'L-E-P' model is aligned and contextualized, it can contribute to the local development. Premised on these arguments of Rogerson and Rogerson (2010) and Van Rooyen (2013), the understanding of LED must indicate some of those features.

This study found that most respondents, local government offices and community leaders and business community reasonably understand what LED is. The respondents were asked to define LED according to how they understood it. Some respondents understood that LED is linked to local production. LED is further associated with the local upliftment of people in the immediate vicinity. As such, one respondent defines LED as follows;

"It is more of what we are producing within our area which generates income, creates job opportunities and the projects which contribute to the uplift of the people around the town".

The respondents understood what LED is and were able to associate it to local productivity, and how it plays a role in the livelihood of local communities.

Another respondent from the business sector defines LED as;

"Local economy development of Outapi is dependent on the government employees. It depends on our neighbours (customers) from Angola, agriculture, especially during the rain because people used to come and sell their produce in the town during the rainy season. Small-scale agriculture along the Ruacana Water channel contributes to the local economy. In my view, that is where the town's economy is holding on these legs or based on".

There is an extensive understanding of what LED is within government institutions. A respondent from Outapi Town Council defines LED that:

“LED is related to a strategy illustrated at the local level by the local community. It can be either at a village, town, municipality or regional level. It can be in urban or in rural areas. Therefore LED is a process whereby local Actors within a specific urban or rural area work collectively with the public, business sector and non-governmental sectors to create better conditions for economic growth, employment creation and wealth for the community to enhance the quality of life for all in the community. LED includes economic, infrastructure, health, and town planning development”.

A local government leader provided a broader but extensive understanding of LED. He said,

“My understanding of Local Economic Development starts with investing locally. Different categories of local businesses, like vendors, need to be provided with infrastructure especially those operating in informal market like Open Markets or “Omatala”. LED needs to have an element of protection of local markets. For example, business activities like brick manufacturing development of brick-making machines and toilets are some of the activities which could be restricted to the local businesses. Investors do not need to venture into these small businesses”.

From these definitions, there are a few commonalities, where the respondents understand that the LED is a local process involving different stakeholders and creating opportunities for a specific local community. Their understanding also associates LED with employment creation and promotion of the local economy. Yet there is little mentioning the involvement of the local community. There is a lack of contextualization LED in terms of understanding as a collective process because there was no specific mention of community participation. In addition, the responses did not reflect on issues of competitive advantage and the utilization of local resources in the definition of LED by the respondents. However, there is a broader and clear understanding of LED at the local authority of the border town. Despite this better understanding, they did not bring out the element of utilising local resources.

4.3 LED policy framework

The general policy framework for LED in Namibia is discussed under chapter 2 of this research. However there are specific institutions and policies which deal with the implementation of LED across towns and municipalities.

In addition, structural institutions are important for resource management, information sharing, bargaining, and reducing uncertainties surrounding the implementation of LED (Matlala & Motsepe, 2015). LED is supported by the Ministry of Urban and Rural Development (MURD), which oversees LED activities. The ministry developed the LED White Paper, which promotes LED countrywide (GRN, 2020). The initiation process for LED commenced with the central

government through its acceptance of the LED P3 pilot project in Walvisbay and Arandis in 2009 (Heideman, 2011). The commencement of the pilot project prompted the government to ensure the development of a working framework to guide the implementation of LED (MRLGHRD, 2011).

Accepting the LED P3 pilot project in Namibia marked a new page for LED in the country. The political will for the implementation of LED and the inclusion of South Africa as a pilot country. Several LED awareness workshops were conducted nationwide with the Association of Local Authorities in Namibia (ALAN) and Regional Councils and Local Authorities (MURD, 2011). The awareness workshops provided the necessary information to the relevant institutions about LED. Furthermore, the MURD established a Local Economic Development Agency (LEDA) under the support of GIZ to implement LED by the local authorities. Other initiatives related to sensitization include Public Private Dialogues (PPDs) with different local authorities country-wide (Survey-Warehouse, 2013). The PPDs witnessed the participation of various stakeholders at all levels and strived to have inclusive planning and promote the bottom-up approach. In addition, the Local Economic Development Agency (LEDA) was established within the same ministry. The function of LEDA is to coordinate local and regional authorities in implementing LED activities and programs.

4.4 LED strategic plan

Outapi's LED plan observed that the Participatory Assessment for Competitive Advantage (PACA) for the town was carried out during the development of the LED strategic plan. During the PACA, it was observed that local communities' representation and involvement in the mapping stage were minimal or missing (DECOSA, 2012). The non-participation and exclusion of stakeholders can lead to the same pitfalls as those experienced in South Africa during its implementation of the Gijima LED program (Marais, 2010).

Community, business and local authority participation are important in any LED development. Furthermore, during the draft of Outapi's LED plan, the stakeholder mapping was not clear for Outapi. For example, the PACA included higher educational institutions, of which non are situated within the Outapi district. Other problems included general inconsistencies where at some point the plan is referred to as the Town LED plan while in some cases it is referred Regional LED plan. The plan is seemingly a combination of Outapi town and Omusati Regional Council's LED strategic plan, as the plan keeps referring to the broader economic conditions of the Omusati region in some cases, while in other instances, it refers to the town.

Another observation is a lack of coherence and dedication to improving local economic sectors, which was identified during stakeholder consultations. It also has no action plans. Some steps in developing an LED plan, like a local economy assessment, strategy development, action plan, and strategy implementation and monitoring, are omitted (ILO, 2006). There is no evidence in the literature which explains this anomaly. It remains unclear why Outapi's LED plan was developed in such a way, and it can only be assumed that, since Outapi is a capital city of the Omusati region, there might have been confusion or a lack of consensus during the cascading of the LED strategic actions to the local authority level. In its current form, the plan is a regional LED plan.

The LED plan for the Outapi border town includes a competitiveness assessment. Furthermore, the plan noted the inflow of many tourists entering Namibia from Angola. The number of tourists is estimated at 300 000 per year (DECOSA, 2012). However, the LED plan did not indicate how Outapi border town intends to capitalize on this market advantage.

There are also implementation problems. In its current format, Outapi's LED strategic plan is unsuitable for sustainable implementation. This is observed when some businesses identified as critical for the town's development were later removed from the priority list due to perceived existing capacities outside Outapi (DECOSA, 2012). For example, business activities like poultry farming, cold storage, bonded warehouses, recycling and drilling of boreholes, among many others, were removed from the priority list due to the perception that sufficient capacity existed elsewhere (DECOSA, 2012). The exclusion of this business community which could provide critical services undermines the spirit of LED. It promotes capital leakages from the town, but most of all, it promotes the town's dependency on the central government to provide financial resources and human capital to drive LED capital projects. The lack of the town's capacity to develop infrastructure can retard local economic growth (Rogerson & Nel, 2016).

More attention should have been given to the role of skilled traders (Walther, 2014) and assessing the strength and weaknesses of Outapi as a border town (Zhang & Kwong, 2017). It is also perplexing how rigid the plan was. A well-crafted plan cannot only anticipate success, but it must also have built-in flexibility to cater for realities like the sudden decline of a local economy.

4.4.1 Sensitization and consensus building

The sensitisation process regarding LED in Outapi was spearheaded through a GIZ-sponsored program, the Public Private Dialogues (Survey-Warehouse, 2013). During this stage, it was expected that a wider group of local stakeholders would be provided with information about the performance of the local economy (ILO, 2006). However, it is unclear how a consensus was

reached. For example, during the LED meeting of 8 May 2012, when a planning matrix was developed, only 11 representatives from the business community and two staff members from the town council were present (DECOSA, 2012). This low turnout could be linked to poor stakeholder engagement. That poor turnout was too low and could have compromised the outcome of the meeting and the ownership of the LED strategic plan as far as the wider community is concerned.

4.4.2 Designing of LED strategy

The Development Consultancy for Southern Africa carried out the development of Outapi's LED plan. The LED strategic plan has carefully delineated the town's competitors. The SWOT analysis undertaken during the development of the town's LED strategic plan has identified specific shortcomings of the town against its competitors. Yet, very little attention was given to how to bridge some of the shortcomings in the town's LED strategic plan. For example, the following gaps are observed in the plan.

First, there was exclusion and reservation of critical business activities to other towns. The LED strategic plan has excluded business activities critical for local economic development. The exclusion exposes the town to financial leaks; a strategy could have been developed with specific interventions for plugging the leaks to minimize the financial outflow from the town and to strengthen the town's competitiveness (Heideman, 2011).

Secondly, there is evidence that the plan was designed based on misleading information: This study found controversy, particularly on the conclusion reached during the LED stakeholders' meeting held in 2012, which concluded, for example, that the national demand for poultry products will be satisfied by a large new poultry farm (DECOSA, 2012). On the contrary, imported poultry products into Namibia amounted to 30,000 tons in 2011 and 26,000 tons in 2012, respectively. Landani (2019) further revealed that during that same time, the country, apart from South Africa, also imported poultry products from USA, Brazil, and Argentina. Such imports had a significant financial value. For example, in 2017, the projected value of imported poultry amounted to US\$ 27,9 million (USDA, 2018). This non-coherent analysis may lead to underestimations and possible oversights in developing the LED strategy.

Thirdly, there was a lack of diversification and flexibility in the LED plan: The LED strategy did not consider the aspects of diversification and flexibility, as acknowledged by the LED strategic plan (DECOSA, 2012). According to DECOSA's (2012) observation, "*One reason why the business sector in Outapi is sparsely developed and not diversified is due to the lack of business ideas*".

Premised on this observation, diversified economies have the potential to be sustainable and resilient to external economic shocks. The town's LED strategy should have considered the impetus of diversification and flexibility. DECOSA consultants (2012) revealed a low turnout from the business community during the Participatory Appraisal of Competitive Advantage. This low turnout can be seen as a lack of Social Capital (ILO, 2006) which can be interpreted to demonstrate a lack of understanding, capacity, and trust among stakeholders who are supposed to be implementers. Hence, a leading LED team in Outapi town needs to reconsider and work on the social capital aspect to ensure the open participation of all LED stakeholders. The component of time, when the LED is expected to yield results, seems not to be well understood, especially in the Namibian context.

ILO (2006) revealed that the development of LED in the Chinese context put emphasis on the aspect of time. The time aspect in the context of LED development can influence the LED results between take-off and when visible results can be expected. In fact experience showed that results can only be visible when the implementation period is longer than a period of one (1) year after the LED Plan was developed (ILO, 2006). GIZ commissioned the Survey Warehouse to assess the impact of Public Private Dialogues (PPDs) on businesses and LED for the towns where LED strategies were developed (Survey-Warehouse, 2013). Although some activities related to the implementation of LED, no immediate results could be shared; it can only be argued that a misconception in timing existed as to how long it will take from the inception of the LED strategy before tangible results could be seen. It can be further argued that the commissioning of the assessment survey was too ambitious and probably ill-conceived due to a possible lack of understanding of the LED concept within GIZ itself.

4.4.3 Outapi border town's LED

In the case of the Outapi border town, a LED office was established. The office is headed by the LED manager and supported by three junior staff members. Some by-laws promote the participation of the local people in developmental projects within the local areas. These by-laws reserve a certain percentage of work under local capital projects for the participation of the locals in the LED of a local area. There is involvement, especially of the traditional authority, which allocates land to expand the town's boundary. Such involvement indicates how the traditional authorities in the surrounding areas are informed of the development.

The local community leaders and government officials confirmed that before new projects are implemented, there is usually a consultation or a dialogue between the traditional authority and

the local people. One of the respondents, a government leader, outlined the consultation between the town council and the community as follows:

“When I served in Outapi Town Council I introduced the concept of dividing the town into wards. These wards are Onhimbu, OkaekOngwe, OukwawaNanyanga, Outapi Proper and Okakwa kaNakale for effective management and consultation with communities. Each ward is led by an elected Local Councillor. The wards serve as structure through which the Local Authority consults the community on developmental issues of the town. Through these structures, local communities provide their shopping lists ranked in order of importance for consideration by the local authority”.

According to Herzberg & Wright (2005), communication is necessary for private sector investment because it creates a common understanding between the government and the business community. According to the respondents, these consultation processes, as indicated above, are done through an organized structure known as Wards. Every elected local councillor in the border town is allocated a Ward. However, each of these Wards is led by a chairperson elected by the community of that specific Ward every two years. The chairpersons are responsible for communicating the community’s priorities, like projects and complaints, to a Ward leader, a designated elected local councillor. The Ward councillor will then table such priorities to the town council’s management committee. This regular political contact with the communities is noted.

Neither the respondents from the community nor the government officials have indicated any form of regular consultation with the business community. One respondent acknowledged being invited to a business meeting without specifying that it was an LED meeting. In his own words he said,

“Yes, there have been meetings, which I did not attend. These meetings however were not called as consultative meetings. According to information from my fellow business people, I am informed that the discussions in those meetings were related to economic development of the region and how services could be brought closer to the the local people. There were also discussions concerning the export of locally produced good/products.

Another business respondent complained the none involvement of the business sector in LED development. In his words he said, *“The Local Authority never involved us in the LED development, but only involved the Traditional Authority which is outside the town council”.*

Another business respondent acknowledged participation in the local economic development meetings but indicated that the frequency had been reduced from two meetings per year due to Covid-19. In his own words, he said, *“Not that much. The situation is worsened by Covid-19, but it is less than two times a year, but it was two times a year if it is a lot”.* Another respondent

complained about a total exclusion in consultation related to LED. He responded, *“It is not happening. The Local Authority does not invite us.”*

As per the responses above, it has been confirmed by the business respondents that the frequency of consultation on LED is low or poor in the border town. Nel & Rogerson (2007) said that the partnership with the business community creates economic growth. There seems to be a gap in regular consultation between the local leadership and the business community. This omission or lack of interaction can undermine the expectations of LED due to passive or non-participation of the business sector. Although there is a sufficient policy framework which promotes LED in Outapi border town, there are some challenges. The local business community feels that there is an imbalance between local businesses and foreign businesses. The lack of protection for local businesses is a great concern for the local business community. One business respondent said that if he was to advise the town council, this is what he would say:

“I will advise them to communicate with the business community so that they hear their needs. On the other side, the Local Authority could also inform the business community of its expectation of them. I would advise the Local Authority to balance the ratio of foreigners doing business in the town versus the local business community by determining what is needed. For example, foreigners could be encouraged to engage in agriculture but not to replicate businesses which the local people conduct”.

Apart from the business respondents who are concerned about foreign business operations, similar concerns were expressed by one community leader. He said,

“LED needs to have an element of protection of local markets. For example, business activities like manufacturing of brick-making machines and toilets are some of the activities which could be restricted to the local businesses. Investors do not need to venture into these small businesses.”

As evidence shows from these responses, the business community suggests that there must be a category of businesses that are purely reserved for the local businesses/local community, e.g., brick-making, tailoring, light manufacturing, small construction, transport, logistics etc.

The respondents from the business community identified the border as the major challenge that inhibits the growth of the local economy. For example, the current policy framework limits the quantities of goods that Angolan nationals are allowed to import from Namibia. The business community feels there is a need for the border post authority to relax the imposition of the policy, both on the Namibian and the Angolan sides.



Figure 3: A typical small local business for livestock and meat marketing.

The livestock trading respondents said that the border officials on the Angolan side were not willing to allow entry of the livestock from Namibia into Angola. In his response, a livestock trader emphasized the need for a border permit as follows,

“What we need is a Border Permit, then our market will be easy to have our cattle cross the border. I may have a customer, but if he or she has no a border permit, the business deal is aborted”.

The respondents expressed the need to upgrade the Okapalelona crossing point to a border post. In his own words, he said,

“We need the permit. We also need Customs from both sides to make it easier to cross goods. Our town is just 12 Km from the border, instead of the animals to cross at Mahanene or Ruacana Border Posts where Customs is available”.

Rogerson (2014) argues that a 'one size fits all' approach must be avoided to achieve local economic development. Therefore, it is imperative for the grassroots, in consultation with the central government, to capitalize on innovation, whether in the form of infrastructure development, SME promotion, or strengthening local institutions to promote territorial competitiveness.

4.5 Cross-border trade and bilateral cooperation

Infrastructure development is very important at the centre of local economic development. The responsibility of developing the necessary infrastructure is bestowed upon the local government in consultation with the central government (MURD, 2011). According to Rai (2020), the provision of essential infrastructure facilitates business development, retention, and attraction to people. In addition, local economic development can only be realized once the area can identify its economic strengths, opportunities, weaknesses, and threats. The respondents in the border town have identified some challenges related to poor infrastructure development in Namibia (Outapi and the surrounding) and on the Angolan side, which hampers the local economic development of the border town. Some identified challenges can only be resolved through sector policies or bilateral cooperation between the two states. However, the local area takes the lead in initiating a dialogue to have the challenges addressed.

Many of the respondents in the border town feel that they can't capitalize on full trade opportunities, especially those on Southern Angola's side. One respondent puts it this way:

"We could only take advantage of the two governments (Angolan and Namibian) working together so that the Southern Angola people can cross the border without difficulty or limitation in the number of goods they buy and the same for the Namibian business community to invest in Southern Angola freely".

The major setbacks the respondents have highlighted are the lack of road infrastructure and the non-upgrading of the Okapalelona crossing point. The respondents said that the current road networks on the Namibian and Angolan sides are not well developed. One respondent said to be able to have smooth business operations between the border town and the Angolan side. The roads must be upgraded. This is how he expressed the challenges related to doing business between the two sides:

"The road network between Outapi and the Kapalelona Crossing point (border post) is impeding the movement of the people because the gravel road is not good. There is a need for consultation of government to government (G2G) to extend the roads on both sides to make it easier for people

to reach Outapi. Okapalelona crossing point needs to be upgraded to a Border Post. It can attract and promote the business trade with Kunene Province (Angola)”.



Figure 4: The 12 Km gravel road connecting Okapalelona Crossing Point and Outapi border town at the Namibia-Angolan borders.

For example, on the Namibian side, the 12 km road that connects Outapi border town and Okapalelona crossing point remain a gravel road instead of a preferred upgraded bitumen road. On the Angolan side, the travelling conditions are reported to be even worse because there is only a track road which links the Okapalelona crossing point to some of the villages and settlements of Southern Angola. Although many people use the Okapalelona crossing point to enter and leave Namibia, the crossing point is yet to be upgraded to a border post. The respondents proposed the two governments (Angolan and Namibian) develop proper road infrastructures on both sides. The business community proposed an Outapi-Xangongo corridor to

promote the movement of people and goods via Okapalelona. Some business respondents indicated their willingness to be competitive even beyond the border of Namibia. According to them, such competitiveness can only be achieved if the two governments (Angolan and Namibian) have a bilateral cross-border agreement which allows the Southern Angola people to cross the border without hindrances or limitations, and the same for the Namibian business community to invest in Southern Angola freely. Once again, as stated above, the respondents, in their own words, said,

“We could take advantage of the two governments (Angolan and Namibian) to work together so that the Southern Angola people can cross the border without difficulty or limitation and the same for the Namibian business community to invest in Southern Angola freely”.

A further proposal was made to upgrade the Okapalelona crossing point to a border post to improve business on both the Namibian and the Angolan sides.

4.6 Resources and LED implementation

The alignment of local human and natural resources for the local economic development is important (Meyer, 2014). In addition, skills, and capacity play an important role in the implementation of implementing LED (Swinburn & Murphy, 2005). The local capacity of both the people and the businesses ensures that the continuous demands of the local markets are met (Swinburn & Murphy, 2005). However, Rodriguez-Pose & Tijmstra (2005) argued that the implementation of LED cannot achieve its objectives if policies are not well implementing LED cannot achieve its objectives if policies are poorly designed or wrongly implemented. Thus, resource availability, adequate capacity, and skills without dedicated policies and an implementation plan, cannot guarantee the successful implementation of LED. .

In some cases, the challenges of LED implementation are big and complex and beyond the capacity of local areas (Rodriquez-Pose & Tijmastra, 2005). Premised on the above arguments, LED implementation needs careful local policy consideration. According to the Outapi town council, the mandate to implement the LED is derived from the LED policy. Therefore, the border town has established a structural unit coordinating the LED initiatives.

The border town has an LED unit under its organisational structure. The LED manager heads the established unit. The section/unit is small, with only three staff members. The border town developed its LED strategic plan in 2012 with the assistance of the Development Consultancy of Southern Africa 2012 (DECOSA, 2012). The development process of the LED strategic plan was supported by LEDA under the Ministry of Urban and Rural Development as provided for in the

LED White Paper policy (DECOSA, 2012) because the border town is classified under the town councils, which are fully supported by the central government (Hobbes, 2013). Thus, according to the Outapi local authority, the budgetary provision for the LED implementation is made in close cooperation with the Ministry of Urban and Rural Development. The local authority was, however, concerned about the low or no budgetary allocation earmarked for LED projects.

“The main challenge to implementing LED is financing. It is thus important to acquire funds to implement LED projects. And to address this challenge, Outapi Town Council needs to mobilize funds for LED initiative projects from various stakeholders. Furthermore, there is a need for the central government to allocate a yearly budget to promote the usage of local resources like cultural tourism and local products”.

Although an insufficient budget can undisputedly inhibit the direct implementation of LED projects in the town, understanding the LED concept in terms of responsibilities seems to present contradictory expectations between the central government and the local authority.



Figure 5: Urban agriculture promoted by Outapi Town as part of the LED project.

The expectations concerning the LED plan must be clearly outlined to indicate the responsibilities to allocate resources to specific activities. Nel & Rogerson (2007) emphasize that the role of the central government in the LED process is to assist in creating favourable conditions for local development to materialize. If the responsibilities of different stakeholders towards LED are not clearly understood, misunderstandings could lead to unsustainability with the possible derailment of what LED is intended to achieve (Nel & Rogerson, 2007). Despite the lack of understanding regarding responsibilities, an enabling environment, in terms of political support, policy, and institutional structures, are in place to support the LED implementation in the border town.

Apart from the existing structures in the town council, the LED forum seems nonexistent or dormant. In terms of consultations, the respondents from the business community confirmed to have received invitations for consultation from the town council. Furthermore, the respondents confirmed the bi-annual consultations between the local authority and the business community, but the business community could not confirm if such consultations were LED-related or LED forum meetings. There were no specific ongoing LED initiatives or projects at the time of the study. Furthermore, there is not a clear action plan regarding the LED implementation. The implementation of the LED plan was said to be hampered by different factors.

According to the respondents, insufficient budget allocation was the major challenge which impeded the implementation of LED in the border town. The small budget allocation is reported to impact the implementation of capital projects negatively. Government stakeholders and local leaders mostly expressed these views. Although some respondents complained about an insufficient budget allocation, no specific projects were mentioned as pending because of a lack of funds. On the contrary, as expected, the business community respondents did not identify the budget allocation as a problem but were not happy with the policy design as well as policy implementation. The business stakeholders identified shortcomings in the policy regarding protecting local businesses against foreign businesses. They argued that the current policy does not categorize the types of business activities foreigners can conduct to avoid duplication of businesses at the expense of the locals.

The business community in the livestock sector were concerned about the lack of custom officials at the crossing points and border posts. They said livestock certificates were only issued in other towns, hurting the local livestock business community. Furthermore, the business community, especially the livestock traders, indicated the need for human resources, specifically customs officials, to be placed at the Okapalelona crossing point for an easy way of doing business.

Strikingly, although the issue of local capacity was identified as an area which needs involvement from the central government, none of the respondents emphasized the need for training and non-training institutions to increase the local capacity and skills to implement LED.

In terms of LED development projects, all respondents acknowledged that there had been local developments in the border town. The respondents highlighted some local projects like the development of Small and Medium Enterprises (SME), parks, the Olufuko Festival Center, and the development of open markets as trading points for the locals as some of the important achievements of LED in the border town, but it is observed that the border town is lacking behind in terms of some types of infrastructure. The resources aimed at LED initiatives must be used to achieve integrated development. Infrastructure like transport systems, street trading, agricultural projects and shows, and urban land reform can contribute to integrated development and create economic multipliers (Nel, 2001). The border town could explore some of these opportunities in collaboration with the private sector to achieve good LED results.

4.7 LED forum

According to OECD (2004), an LED forum is a network composed of different LED stakeholders, including local development practitioners, entrepreneurs, and social innovators who often interact with challenging assumptions and learn from each other to find practical solutions for their specific local area/s. On the other hand, the Department of Cooperative Governance and Traditional Affairs (COGTA) defines a LED forum as a platform in which different stakeholders participate to share information and experience and coordinate resources while striving to find practical solutions to their local challenges.

The LED forum plays an important role as the network for interaction and sharing experiences among stakeholders. It serves as a link between local government organizations and communities. However, according to the respondents, there was no acknowledgement or indication of the existence of a LED forum in Outapi. The available information did not reveal the establishment of the LED forum in Outapi. The forum is critical for continuous consensus building and serves as a platform where the business community and individuals can express and contribute to the LED's development and implementation (ILO, 2006).

Furthermore, the LED forum can bring together stakeholders of different backgrounds and experiences, contributing to local economic development (ILO, 2006). This essential function that the forum could have performed could have left the town to take the lead. However, experience

shows that when a specific sector feels excluded, it simply cannot participate towards the discourse (Marais, 2010).

The strategy did not indicate that the community consultative meetings were part of the extension of the LED forum. The ILO (2006) stressed the importance of LED forums, especially during the process of LED strategy development. The Outapi LED strategic plan, as developed in 2012, mention the LED forum, but the fact that it is not mentioned indicates that there is no LED forum in the Outapi border town. Thus, it is concluded that there is a gap in understanding from the local authority and stakeholders about the importance of an LED forum and its functions. The absence of a functioning forum is a great concern.

4.8 Contribution of businesses to LED local development

Meyer (2014) argues that LED is 'everybody's business, which must include all levels of stakeholders from central government to a local community because it cannot succeed if others are left out. Thus, the business community's role is important in LED implementation.

All respondents who participated in the interview agreed that local economic development brings development to the town through business development. The respondents could link the local economic development and its contribution to revenue, employment creation, food security, and a reduction in crime rates. The respondents confirm that businesses supply and satisfy the demands of the local people as well as those of the non-locals. The establishment and availability of different businesses in the border town promote local spending of the communities. The availability of different businesses makes it easy for the community to access different goods and services within the border town without travelling to other towns.

The business respondents claimed that they are the drivers of the local economy through employment creation, paying property rates and taxes, providing services to the community and promoting local investment through their private investment. Most of the business respondent stakeholders were concerned that there was a lack of consultation between the local authority and the business community. Hence, they said they feel that their contribution and innovative ideas were always excluded in the development initiatives in the border town. The business respondents reported that they play a big role in developing other businesses, especially Small and Medium Enterprises (SMEs), by providing mentorship and incubation. Other contributions of the business community are in the form of corporate social responsibility by funding local yearly events like the Olufuko Festival and Omagongo Festival. Although many business respondents

felt excluded, some said they regard themselves as advisors in business-related matters between the local business community and other nationals.

However, it has been reported that some services are lacking in the border town. The absence of essential services compromises the competitiveness of the border town. A competitive town has a strong local economy compared to noncompetitive towns.

4.9 Competitiveness

Local economic development is supposed to assess and identify the local area's competitiveness and new and existing markets by reducing obstacles to business expansion or establishment (Oduro-Ofori, 2011). Competitiveness involves what Oduro-Ofori (2011) refer to as inward investments in a local area. Inward investment in the local area involves attracting businesses from outside the local area through marketing to the outside world to create awareness of the local area (Oduro-Ofori, 2011). Effective competition needs good coordination through institutional arrangements that deal with hardware, software and the organization's e-information system, which controls technological components known as 'orgware' (Rodriquez-Pose, 2001). The local economic development areas create a competitive environment by developing hard infrastructure, upgrading human capacity skills, and attracting inward investment (Oduro-Ofori, 2011). For this to happen, Meyer (2014) emphasizes that 'local champions' and 'local drivers' must work together to devise mechanisms to harness and maximize local resources to create momentum in the local economy.

The respondents identified the geographical location of Outapi as the single biggest competitive advantage. The accessibility of Outapi's border by many people, especially those from southern Angola, is another advantage in favour of the border town. Some respondents identified a lack of development in southern Angola as a competitive advantage for Outapi. The lack of development in some parts of that country, especially those close to the Namibian-Angolan border, forces some Angolan citizens to source services in the nearest towns in Namibia. Furthermore, the respondents said some business opportunities are not fully exploited, especially in southern Angola. Hence they regard it as an opportunity to establish business branches in that country. Local attraction areas and heritage sites also provide a competitive opportunity in the Outapi border town. The respondents of the business community said that once they can meet the demands of both the local and border nationals, it can increase the competitiveness of their business in the border town. Although the border town has these competitive advantages, many respondents highlighted some challenges that reduce the border town's competitiveness. Some of the challenges mentioned are the lack of a large conference facility, infrastructures like tarred

road networks connecting the town to the border post, poor budget allocations, and a lack of marketing.

The respondents also identified the language barrier as one of the challenges that hamper competitiveness in the border town. The communication barrier is caused by the poor knowledge of the Portuguese language from the Namibian side, while poor knowledge of English on the Angolan side is also a problem. However, the local authority indicated that the border town is not marketing to the outside world due to a lack of funds. It was observed that apart from the local authority that identified human capacity development as an important contributor to competitiveness, other stakeholders did not mention human capacity development as an important aspect of competitiveness. Furthermore, there was no mention of natural capital, like the availability of land for investment, uninterrupted water supply and so on, as a competitive advantage for the border town. The unique characteristics are beneficial not only to the local community but have the potential to attract outside investors to take advantage through portfolio investments. Local communities must use such unique characteristics or competitive advantages to their benefit.

4.10 LED local opportunities

All respondents said that Outapi border town's geographical location presents special opportunities for individual businesses and local economic development. The business community respondents indicate they will take opportunities by stocking their businesses with goods the border nationals need. One business respondent said the following when asked how he intends to capitalize on the buying power of the border town:

“It is only by increasing or creating the manufacturing locally that we can meet their demands on a cheaper basis. For example, clothing items, agricultural produce, value addition of local products, and increased salt mining for the Angolan market.”

Furthermore, the respondents from the business sector indicate that they intend to open business branches in the Cunene Province of Angola. The sustainable circulation of money in the local economy was identified as a local opportunity for the border town due to the buying power of the border nationals. Some respondents suggest that more local projects, like agriculture, salt mining, dry ports, and logistics, must be identified to attract the border nationals. By establishing new local projects, the circulation of money in the local economy will increase while creating more diverse economic activities. Despite several positive initiatives regarding the LED implementation in the border town, several challenges impede the smooth implementation of LED.

4.11 Challenges

According to the community leaders, the town is experiencing some challenges. The respondents identified insufficient land as a major challenge because it inhibits the town's expansion. Although the town was recently established, the sewerage was reported to be in a state of disrepair and poses sanitary challenges to the growing town. The waste dumping site was identified as another area which poses challenges. Some respondents said that the dumping site is fenced, but it is kept open or not closed, exacerbated by a lack of access control at the site.

In some cases, children were observed playing in the refuse, while in some cases, livestock used to feed there. This situation poses serious challenges to public health as well as the management of the dumping site. Some respondents said that livestock used to be observed within the town. The presence of livestock is a serious challenge and can cause a public hazard to the residents and the traffic.

Illegal street vendors from border nationals (Angola) and locals used to sell their produce at undesignated sites. The removal of the vendors needs effort from the town's management. In some cases, using force to remove vendors leads to a standoff and confrontation between security officers and the vendors. Sometimes, the vendors used to sell their products in front of formal businesses, and some business owners were unhappy.

Unemployment is reported to be a serious challenge by some of the respondents. As a result, some unemployed people commit theft, drug abuse, and other petty crimes. The community leader, one of the respondents, is concerned about the nonexistence of free trade between Angola and Namibia. This challenge hampers local economic growth in Namibia because Angolans were limited in the number of items they could import from Namibia into Angola. The non-existence of an Angolan consulate in the border town hampers the free movement of the border nationals.

In most cases, the border nationals who enter the country through the Okapalelona border crosspoint must travel long distances to Oshakati to extend their visit or obtain work permits. Although many people are moving between the two countries, either from Namibia to Angola or from Angola to Namibia, the Angolan Kwanza is not accepted as a legal currency in Namibia. The local business communities believe that they contribute to the growth of the local economy through employment creation, payment of local taxes like rates and taxes, and provision of services while they are not protected against foreign competition.

4.12 Conclusion

Like other towns in Namibia, the LED concept was regarded as new in the Outapi border town. Some major stakeholders theoretically understand the concept, but a lack of understanding of how LED and local resources are linked seems to exist. The central government supports the implementation of LED through a policy framework and a budget allocation. However, it seems like there is a misunderstanding from the local authority's side regarding the specific roles/expectations of the central government in implementing LED. This misunderstanding is about the aspect of budget allocation from the central government for LED projects. LED is supposed to be a locally driven initiative, using existing local resources, capacities, and competitive advantages of the local area to benefit the local community. Despite the town's competitive advantages, like its geographical location, reliable water availability, abundant land, and local skills, some of these advantages were not capitalized to improve the town's LED performance or transform it into a border market.

The non-establishment of the LED forum is one policy aspect that is not fully capitalized on. The absence of the forum inhibits the regular collaboration of LED stakeholders. In some cases, the Policy aspects impede local stakeholders' capability to unlock LED's full potential. Another serious challenge is the limited number of items (goods) to be imported, especially from Namibia into Angola. Poor infrastructure development in the town and the connecting road network is a concern and are seen to compromise the investment and local economic growth in the town.

CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

5.1 General findings on the LED development process in Outapi border town

As argued by the different authors on LED (Nel, 2001, Rodriguez-Pose & Tijmastra, 2005, Rogerson, 2005), except for South Africa, the LED concept is new to many towns in Sub-Saharan African countries. This argument holds for the case of Outapi border town, where the LED concept was indeed new. Although the LED concept only started to pick momentum in 2011 in Namibia after the LED White Paper (2011) was developed, Outapi border town was one of the few towns that immediately attempted to embrace the LED initiative (Heideman, 2011).

In 2012, Outapi contracted the Development Consultancy for Southern Africa (DECOSA) to develop its Local Economic Development strategic plan and DECOSA finalized the LED strategic plan for Outapi on 29 June 2012. This chapter presents the conclusion of the LED initiatives in Outapi. It presents the overall conclusion of how LED has been understood, promoted, and implemented and how it possibly contributed to the economic transformation of the Outapi border town. Although several processes are involved in the implementation of LED, among others, this chapter presents a conclusion related to LED initiation, institutional mapping, forum establishment, diversification, and flexibility.

5.1.1 Initiation

The initiation process of the LED commenced with the central government through its acceptance of the LED P3 pilot project, which was conducted in Walvisbay and Arandis in 2009 (Heideman, 2011). Accepting the LED P3 pilot project in Namibia marked a new page for LED in the country. As a follow-up on the pilot project, the Government of the Republic of Namibia adopted LED through an LED White Paper Policy in 2011 (MURD, 2011). The political will for implementing LED and including South Africa as a pilot country was beneficial because a country like Namibia could learn from South Africa because of its previous LED experience. Several LED awareness workshops were conducted nationwide with the Association of Local Authorities in Namibia (ALAN), Regional Councils and Local Authorities (MURD, 2011). The awareness workshops provided the necessary information to the relevant institutions about LED.

Furthermore, the Ministry of Urban and Rural Development (MURD) established a Local Economic Development Agency (LEDA) under the support of GIZ to implement LED by the local

authorities. Other initiatives related to the sensitization include Public Private Dialogues (PPDs) with different local authorities country-wide in which Outapi town participated (Survey-Warehouse, 2013). The PPDs witnessed the participation of various stakeholders at all levels, which strives to have inclusive planning, promote the bottom-to-top approach and successful anticipation implementation.

5.1.2 Institutional mapping

The process of LED development requires specialized expertise and a comprehensive understanding of aspects of local economic development. One such process is identifying stakeholders participating in LED, also called institutional mapping. The mapping process identifies LED stakeholders and local resources that could be exploited for implementing LED. Hence the process usually culminates into an LED strategic plan that outlines specific steps and deliverables to achieve a successful LED. Outapi's LED plan shows that the Participatory Assessment for Competitive Advantage (PACA) for the town was carried out during the development stage of the LED strategic plan. During the PACA, it was observed that local communities' representation and involvement in the mapping stage were minimal or missing (DECOSA, 2012). The non-participation and/or exclusion of any one of the stakeholders of the LED create bias and the possible exclusion of critical LED stakeholders from participating in the implementation process (Marais, 2010). The non-participation of important stakeholders can undermine the process, while in some cases, it could lead to confrontation when a certain sector feels left out (Nel, 2008).

In LED, community participation is equally important, just as the participation of the business fraternity or local authority. Furthermore, the mapping process during the draft of Outapi's LED plan was not narrowed down to make it a clear-cut strategic plan for Outapi. For example, the PACA included high educational institutions not situated within the Outapi district. Notably, the general consistency of the plan is lacking. The plan seems to be a mixture of both Outapi town and Omusati regional council's LED because the plan keeps referring to the broader economic conditions of the Omusati region in some cases, while in other instances, it refers to Outapi town itself. No evidence in the literature explains this anomaly. It remains unclear why Outapi's LED plan was developed in such a manner. It can only be assumed that since Outapi is the capital city of the Omusati region, there might have been confusion or a lack of consensus during the cascading of the LED strategic actions to the local authority level because, in its current form, the plan can be viewed as a regional LED plan.

It is observed that the LED plan for Outapi includes a competitiveness assessment of the town. However, little attention was given to the following generic LED aspects; the town recognizes the tourists (day visitors) from Angola, which amounts to around 300,000 people per year (DECOSA, 2012), but the LED plan did not indicate how the Outapi border town intends to capitalize on this market advantage. In its current format, the Outapi LED strategic plan is not considering its sustainable implementation. This is observed when some businesses identified as critical for the town's development were later removed from the list due to the perception of existing capacities outside Outapi (DECOSA, 2012). For example, business activities like poultry farming, cold storage, bonded warehouse, recycling and drilling of boreholes, among others, were removed from the priority list due to the perception that sufficient capacity existed elsewhere (DECOSA, 2012). This exclusion of businesses that could have provided critical services undermines the spirit of LED, it promotes the flow of money out of the town, but most of all, it promotes the town's dependency for services and capacities on the neighbouring towns, which may retard the local economic growth (Rogerson & Nel, 2016).

The assessment for skilled traders (Walther, 2014) could have been valuable to enable the border town to assess its strengths and weaknesses, while a further assessment on the aspects of geopolitics and neo-liberalism could have given a broader picture if it was included in the plan (Zhang & Kwong, 2017). It is also perplexing how a rigid LED plan could have been implemented. An ideal LED plan would have considered the positive and negative aspects of a sudden boom, agglomeration of economic activities, immigration, overcrowding, illegal activities, and regional and political stability (Baird & Cansong, 2017, Dobler, 2009, Naijman & Shepherd, 2015). A well-crafted plan cannot only anticipate successes, but it must have built-in flexibility to cater for realities like a sudden decline of a local economy etc.

5.1.3 Sensitization and consensus building

The sensitisation process regarding LED was spearheaded through a GIZ-sponsored public-private Dialogues program where Outapi town participated (Survey-Warehouse, 2013). It was expected that a wider group of local stakeholders would be provided with information about the performance of the local economy to enable them to take ownership of the LED process (ILO, 2006). It is, however, not clear how consensus was reached, and it can only be concluded that this stage has been combined with other initial steps. Furthermore, it is concluded that the aims of the sensitization process have not been achieved. For example, during the LED meeting of 8 May 2012, when a planning matrix was developed, only 11 representatives from the business community and two staff members from the town council were present (DECOSA, 2012). Such

low turnout can be linked to poor stakeholders' sensitization. The total representation was not only too low but also non-representative of other stakeholders because only two types of stakeholders were present. That poor turnout was too low and could have compromised the outcome of the meeting and the ownership of the LED strategic plan, as far as the wider community is concerned.

5.1.4 Establishment of LED forum

The available information did not reveal the establishment of the LED forum in Outapi. The forum is critical for the continuous building of consensus, and it serves as a platform where the business community and individuals can express themselves and give their input on the development and implementation of the LED (ILO, 2006). Furthermore, the LED forum can bring together stakeholders of different backgrounds and experiences, contributing to local economic development (ILO, 2006). It seems like this essential function the forum could have performed was left for the town to establish. However, experience has shown that when a specific sector feels excluded, it simply cannot participate towards the discourse (Marais, 2010).

5.1.5 Designing of LED strategy

The Development Consultancy carried out the development of Outapi's LED for Southern Africa in 2012. It was observed that the LED strategic plan has carefully delineated the town's competitors. The SWOT analysis undertaken during the town's LED strategic plan development identified its shortcomings against its competitors. However, this study detected that no strategic interventions were developed to bridge some of the identified shortcomings in the town's LED strategic plan. As discussed in the previous sections, the plan observed the following gaps.

Exclusion and reservation of critical business activities to other towns: The LED strategic plan has excluded business activities that were identified as critical for the local economic development. The exclusion exposes the town to financial leaks; a strategy could have been developed for plugging the money leaks (Heideman, 2011) to minimize the financial outflow from the town and to strengthen the town's competitiveness.

Design based on misleading information: This study detected some elements of inconsistencies and disputed some information, which could point to controversy. This study found controversy, particularly in conclusion reached during the LED stakeholders' meeting in 2012, which concluded that the national demand for poultry products would be satisfied by a large new poultry farm (DECOSA, 2012). However, it was found in this study that 30,000 tons of poultry products were imported into Namibia in 2011 and 26,000 tons in 2012, respectively. Landani (2019) further

revealed that during that same time, the country, apart from South Africa, also imported poultry products from the USA, Brazil, and Argentina of significant financial value. For example, in 2017, the projected value of imported poultry amounted to US\$ 27,9 million (USDA, 2018). This non-coherent analysis may lead to underestimations and possible oversights in developing the LED strategy.

5.1.6 Lack of diversification and flexibility in the LED plan

Finally, the development of Outapi's LED strategy did not consider the aspects of diversification and flexibility. This observation was also acknowledged by the LED strategic plan (DECOSA, 2012). DECOSA (2012) argued that one reason why the business sector in Outapi is only slightly developed and diversified is due to the lack of business ideas. Premised on this observation, diversified economies have the potential to be sustainable and resilient against external economic shocks, and the town's LED strategy should have considered the impetus of diversification and flexibility. The DECOSA consultant (2012) revealed a low turnout from the business community during the Participatory Appraisal of Competitive Advantage. This low turnout can be interpreted as a lack of social capital (ILO, 2006), demonstrating a lack of understanding, capacity, and trust among stakeholders who are supposed to be implementers. Hence, a leading LED team in Outapi town needs to reconsider and work on the social capital aspect to ensure the open participation of all LED stakeholders.

The expected time when the LED should yield results doesn't seem well understood, especially in the Namibian context. The LED results are visible after a long period because the process involves aspects that cannot be resolved locally (ILO, 2006). ILO (2006) revealed that the Chinese consider the time between the LED take-off and when the LED is expected to yield visible results about one year after the LED Strategic Plan was developed. GIZ commissioned the Survey Warehouse to assess the impact of Public Private Dialogues (PPDs) on the businesses and LED for the towns where LED strategies were developed. Although some activities related to the implementation of LED were visible here and there in assessed towns, no immediate results could have been shared because the implementation has been completed very recently. It can only be argued that a misconception in timing existed regarding how long it would take from LED take-off before tangible results would be seen. It can be further argued that the commissioning of the assessment survey was too ambitious and probably ill-conceived due to a possible lack of understanding of the LED concept within GIZ itself.

5.2 Main findings

This research project had four main aims, namely: to understand the concept of local economic development (LED) in border towns on an international level, to examine policy and practice of local economic development in Namibia, especially in border towns, to investigate to which extent the implementation (by various stakeholders) of the LED plan contributes to the local economic growth in Outapi border town, and to explore other LED options that can be used to transform Outapi town into a border market. The study used the Outapi border town as a case study.

5.2,1 LED understanding among stakeholders

There seems to be a common understanding of local economic development (LED) among the various stakeholders (respondents) as covered by this study. The respondents were able to define LED from the perspective of the involvement of the locals and employment creation for the local communities. However, in their definitions, the respondents did not link-local resources as an integral part of LED because none of the stakeholders mentioned using local resources in their definition of LED. Furthermore, there seems to be a misunderstanding regarding the roles and responsibilities of the different stakeholders in implementing LED. The current understanding from the side of the local authority seems to suggest that the central government must be responsible for the budget of LED projects on behalf of the local authority. This understanding contradicts the notion that the LED process is a bottom-to-top approach. This misunderstanding can negatively influence the implementation of LED because stakeholders are not aware of their responsibilities, so they may not prioritize the local resources for LED implementation.

5.2.2 Legal framework

The legal framework consists of policies and laws. In the context of LED, these policies outline how LED can be implemented.

The legal framework that guides the implementation of LED in the country, including the Outapi border town, is in place. Although there is still room for improvement in the legal framework, it can be concluded that the framework is well developed and capable of catering for implementing LED. Several provisions from a policy and legislative point of view provide for the implementation of LED in the country (Heideman, 2011). Among others, the legislations that promote LED in Namibia are The Namibian Constitution (1990), the Regional Council's Act (Act No 22, 1992), the

Local Authority Act (Act No 23,1992), the Decentralization Enabling Act (2000), the National Policy Guideline on Public Private Partnership (2010), the Position Paper on Local Government Reform, the Civic Organization Partnership Policy (2005), the Enterprise Development Program of the MTI (2006), and the White Paper on LED (2011) (MRLGHRD, 2011). The implementation of LED has been spearheaded by the Ministry of Regional Local Government Housing and Rural Development (MRLGHRD), now known as the Ministry of Urban and Rural Development.

The Ministry of Urban and Rural Development established a unit known as the Local Economic Development Agency (LEDA), which supports LED activities country-wide. In the case of Outapi Local Authority, there is a dedicated office that deals with LED activities known as the LED section. However, it seems like there are some loopholes in some of the policies. Protecting local businesses is a serious concern for the business community because foreign businesses operate in areas that are perceived not to constitute investment per se. The involvement of foreign businesses, for example, in brick making, light welding and manufacturing, light construction work, and small retail, is seen as killing the local businesses.

5.2.3 LED implementation and local participation

LED implementation deals with the deliberate execution of specific activities to achieve about local economic development of a specific place. Local participation is a direct involvement of local stakeholders in the implementation of LED activities.

According to the LED White paper (2011), it is expected that LED will be implemented in Namibia at the regional government level. Apart from the central government, the regional government is the second highest government level, composed of local authorities like municipalities, town councils, and village councils. Unlike in the South African case, Namibia's LED focuses on the regional and local authority levels (MRLGHRD, 2011). As outlined in the LED White Paper Policy, the LED design and set-up must be based on the principle of grassroots or a bottom-top approach starting from the lowest level linked to the local people and their immediate areas. The bottom-top approach can identify local priorities with the idea of transforming such ideas into local projects. Such orientation considers the local ideas of stakeholders (MRLGHRD, 2011).

Concerning the local stakeholder's participation in the implementation of LED, it is unclear what their participation is or if their active participation was not established. Despite community consultation meetings which were reported to be held twice a year between the local authority and communities, no specific LED meetings were reported. The community consultation meetings were completely different from the LED forum meetings because their composition and

participants were general compared to the LED forum meetings. The fact that there is little or no participation seems to be the major cause of misunderstanding among communities regarding their responsibilities in the LED implementation. The nonexistence or dormancy of the LED forum can have serious implications for the implementation of LED in the border town. Some of the implications include the refraining of participation of local communities (local stakeholders) in the LED process of their local area. The local LED plan may not incorporate local inputs due to poor or no participation. There could be a possibility that the LED initiatives lack local ownership, which may lead to their failure in the specific border town.

Although the border town has a LED office within its establishment, there is the insufficient local capacity because only four staff members are employed in the LED section. It is also unclear whether the LED staff members have relevant experience in LED development. The small number of staff members in the LED section is expected to work together with all stakeholders in the border town. Due to the size of the population, it might not be possible for these few staff members to cover the entire community. LED capacity development among the stakeholders and officials of the border town seems to be unavailable or not prioritized. Capacity and skills development combined with good policy implementation can ensure the successful implementation of LED. Apart from a vocational training centre (VTC), no other critical and non-training institutions provide local skills and capacity development for LED implementation.

5.2.4 Cross-border trade and bilateral corporation

Cross-border trade involves the buying and the selling of goods from either side of the borders of the two countries, while bilateral cooperation involves commitments and agreements between the two countries which outline specific areas where the two states cooperate for the benefit of the specific states and their people.

There is cross-border trade between the Outapi border town and border country nationals. Different trades take place in terms of goods and services, either exported or imported from either side, and there is a consistent movement of people from Angola to Namibia and vice versa. The trade between the border town and the cross-border nationals involves different economic activities like health services, education, shopping, livestock buying and selling, poultry, household groceries, and many other products from both the Angolan and Namibian sides. The border town does not have sufficient marketing space to accommodate the border nationals. The nonexistence of these facilities forces the border nationals to sell their products in the streets and

at undesignated places. In some cases, the border nationals sell their products in open markets locally, known as 'omatala', without paying the required rental fees.

The attitude of the border nationals and some locals that sell their products in undesignated areas has implications in terms of public health, which in most cases forces the local authority to remove the border nationals from the streets. The removal of border national 'street vendors' has been a serious issue which caused challenges and misunderstandings between the town's leadership and the street vendors. Although there are low selling points (marketing places) in Outapi, there seem to be no initiatives to take advantage of the border nationals to develop designated marketing places to grow its local economy.

There seems to be no free trade between the two countries because the goods imported into Angola from Namibia are limited. This limitation hampers the border nationals from buying their goods in larger quantities than they need.

The linking road from the border town to the border crossing point is poorly developed on the Namibian and Angolan sides. The existing roads are a gravel road on the Namibian side and a track road on the Angolan side. These poorly developed road networks inhibit the movement of people and goods into and out of the border town. Poorly developed roads do not promote investments, either locally or internationally.

5.2.5 Local economic growth

Local economic growth is the expansion of the local economy in terms of its sustainability, employment creation, economic multipliers, and resilience to both internal and external shocks.

Outapi has been experiencing some local developments in its economy. However, it appears like LED efforts do not drive the development. A large part of the development is in retail shops that are not locally owned. Most of the shops are either of South African origin or Asian origin. There are only a few local economic activities, like agriculture (horticulture), meat processing and selling, and retail of local products in open markets. These activities do not dominate the local economy of the border town. The few local economic activity initiatives conducted by the local community are not developed well enough to create economic LED multipliers. The Olufuko and the Omagongo festivals are the two events that take place yearly in Outapi. These events attract many people from different regions and towns who usually spend a few days in the town. Other local economic growth areas include livestock speculation and poultry farming, which is at a very small scale. Local economic growth of the town is thus taking place, but the non-locals dominate the development.

The geographical location of the Outapi border town presents it with a unique opportunity to be one of the strategically located border towns in the region. It is easily accessible to people from other towns because of the linkage of the good road network in Namibia, which makes it an ideal place for investment. Outapi does not have a big population, but it benefits from the day visitors from the border country. A large number of day visitors, estimated to be around 300,000 people per year, contributes to the local economic development of Outapi due to their buying power. Due to buying power in the border town, many retail shops have opened. The retail shops normally satisfy the demand of both the local people and the border nationals. The border town's economy heavily relies on retail shops and houses for revenue generation through rates and taxes.

Although the border town is strategically located, there is no infrastructure to entice investment in the town. However, the border town can only be competitive once the challenges, like marketing the town to the outside world, eliminating the language barrier, involvement of all LED local players, and identifying business opportunities on the Angolan side, have been eliminated.

5.2.6 LED contribution to local opportunities

LED contribution to local opportunities is the capability and the extent to which the local economy creates favorable conditions which encourage the participation of local communities in their local economy.

The local stakeholders see the LED as an approach that promotes local opportunities and has the potential to impact the growth of the local economy positively. Thus, establishing more local projects that produce goods and services that attract border nationals was seen as an approach that promotes money circulation in the local economy.

5.3 Recommendations

This section presents recommendations about how the implementation of LED could be improved in the Outapi border town. The recommendations are focused on the policy, cross-border trade and cooperation, resources and LED implementation, LED forum, competitiveness, and LED local opportunities. These recommendations are based on the gaps identified based on the data analyzed.

5.3.1 Recommendation concerning policy framework for the promotion of LED

Although a White paper policy is widely known to promote LED in the country, there is a need to continue the policy development and review to align it to contemporary issues related to LED. One review could be a consideration for the protection of local businesses to promote LED implementation. The protection of local businesses promotes local spending, enhances local skills, increases opportunities for job creation for the local people, increases local competitiveness, and reduces money leaks. The policy review process that adopts the bottom-to-top approach is appropriate as it can include the views and aspirations of the public.

The process of policy reviews must not only be inclusive but agreed inputs must be circulated to all stakeholders for comments before such policies are finalized through the cabinet and the national assembly. Once policies are reviewed with the broader participation of various stakeholders, they are likely to be understood and hence greater implementation achievements will be seen. It is evident that at some point during the consultation process for the development of the Outapi border town's strategic plan, only officials from the local authority were present and participated in the development process (DECOSA, 2012). As a result, some stakeholders were unaware of the town's LED strategic plan. The border town must always include the relevant stakeholders for their input and support.

5.3.2 Recommendation concerning cross-border trade and cooperation between Namibia and Angola

The current limitation on the number of goods imported into Angola from Namibia hurts the growth of the local economy of the border town. Poor infrastructure development, especially the roads, and the classification of the nearest entry point as a mere crossing border negatively impact the border town. It is recommended that Outapi's leadership approach the regional and central governments with a request to initiate the bilateral discussion on cross-border trade to enter into special trade agreements which allow the free flow of goods from both sides. Furthermore, the two countries could agree to co-fund trade corridors by developing road infrastructure that can enable the free haulage and the mobility of people and goods.

5.3.3 Recommendations related to the contribution of local businesses towards LED

The local businesses contribute to the revenue base of Outapi; they also provide local employment and promote private investment. Currently, the business sector is not adequately consulted regarding LED. As previously recommended, all LED initiatives in the border town must consider including the business sector at all LED stages, planning, implementation, and review.

The local authority must design a tailor-made package of incentives that targets the local businesses, create a strong link with the business sector through research and development, increase regular communication with the business sector through activation of the LED forum where the local business sector must be fully represented, and consider easing regulations related to business establishment in favour of local businesses. The local authority could consider assisting in promoting the establishment and strengthening of institutions that provide capacity and training to local businesses, introducing capacity development programs for local businesses to provide information related to local opportunities, and using local resources and networking with local resources from the outside business community.

Resources and LED implementation: LED in the border town currently don't have specific programs that are being implemented. The local authority could resuscitate LED by developing local projects and engaging the central government for funds and institutional support. The management of the border town (local authority) needs to identify capacity gaps within Outapi and develop capacity-building programs for all stakeholders.

LED forum: Currently, there is no active LED forum in the border town. It is recommended to reactivate the LED forum to encourage local participation and to gauge inputs from all the local stakeholders. The border town must further consider clearly distinguishing between an LED forum meeting and community consultative meetings. Such a distinction could be achieved through clear meeting schedules of LED meetings with a list of stakeholder participants and LED agenda items for discussion.

5.3.4 Competitiveness of Outapi border town against neighboring and other towns

The LED strategic plan for the Outapi border town is designed as a general LED strategic plan for the region (Omusati) where Outapi is situated. The current LED strategic plan does not promote the town's competitiveness because it refers to some unimportant services to be introduced. After all, they are available or sourced from other towns like Oshakati and Windhoek. Thus, the LED strategic plan for Outapi is recommended to be reviewed and re-aligned to the town level. The realignment can reduce the plan's current generalization, which can help to identify all areas of money outflow out of the local economy. The LED strategic plan review could be done through the reassessment of local opportunities, identification of areas which need and local business potentials that are not yet tapped. The border town could consider developing a dedicated competitive program within its LED strategic plan to monitor the implementation progress. Van Rooyen (2013) said that Public Private Dialogue (PPD) could enhance the understanding of local authorities; by engaging with local businesses, they stand a chance of

increasing their revenue base. It is thus recommended that Outapi develop a wider collaboration network to create a competitive business environment and increase its revenue base through its local businesses.

Outapi border town is not aware of the types of business activities that are taking place, especially in Southern Angola. This lack of awareness is reducing the competitive advantage of the town as it may duplicate services already available in Southern Angola, where a bigger clientele base. It is recommended that the town considers capacitating its research and development section to be able to carry out research and participate in foreign trade expos. Furthermore, it is recommended that the border town considers identifying dedicated local programs the LED process could target. It is suggested that the town develops its attractive sites, encourage urban agriculture investment, develop taxi ranks, and promote leisure activities to create employment and local growth. The border town could consider other local economic development stimuli like tax rebates for local business initiatives, long-term payment for land used for local business, provision of micro loans to small retailers and review the town's vision.

Local opportunities: Currently, the community's participation in local economic activities is limited. To encourage local participation, it is recommended that the border town consider investing in infrastructure that promotes local participation, like open markets, designated selling places for street vendors, ablution facilities etc. In the case of local resources, the border town is advised to list all available local resources and their use or role in the local economy.

5.10 Future research

There have been many lessons learned from this study. However, it is important to point out some gaps in the research for future investigations. In this section, the limitations experienced during this study are shared, while areas for future research are identified.

The data collection process of this study was limited to only three weeks. The data collection was carried out amid strict Covid-19 restrictions. A longer period to collect data would have been beneficial because it would have given the researcher the necessary time to gather comprehensive information about LED. It was impossible to interview police officers because the authorization needed from the inspector general was not obtained. A longer data collection time would have allowed the researcher to pursue an appointment with the inspector general to explain the motive of the research. An interview with the police officers would have provided a good observation to understand how LED is implemented in the town.

The study did not collect the views of ordinary people in the town to assess their understanding of LED. This gap needs to be considered in future research because awareness usually prompts people to demand good implementation and service delivery which benefit them as communities. A good example is the Stutterheim local economic development communities' uprisings (Nel, 2008).

Another aspect not covered in this study was the observation of the trade between the locals of the border town and the border nationals. This observation was impossible because there was no movement of day visitors from Angola into Namibia because of the border closure due to the Covid-19 restrictions. Subsequently, it was impossible to observe the border crossing by the border nationals to verify the types of goods they buy and the quantities allowed to be imported into Angola.

5.11 Conclusion

This research study was aimed to answer several questions related to the LED of Outapi. How can the geographic location of Outapi be used to transform Outapi into a thriving border market? Outapi town is strategically located at the Namibia-Angolan border. The town serves as a gateway for most of the visitors either from Namibia into Angola or vice-versa. However, the road infrastructure that links the town especially to the Okapalelona crossing point needs to be upgraded to contribute to easy traveling and access, and subsequently enhance the Okapalelona crossing point needs to be upgraded to contribute to easy traveling and access, enhancing the town's competitiveness. The number of day visitors from Angola who do business in Outapi is estimated to be 300,000 per annum. The town could capitalize on the buying powers of these visitors' buying powers, which could realize through local coordination of the business community and other service providers to ensure that their needs are catered for.

The research aimed to determine to what extent the implementation of LED contributes to the local economic growth in Outapi town. Although there is some local growth some local growth was observed in the town, there was no evidence suggesting that the growth is being driven by the implementation of LED in the town. Despite structural provisions put in place, the participation of the local business community in the LED is not visible. This seems to be exacerbated by the lack of a LED forum which is supposed to be an interactive medium and a link between the town's management and the LED stakeholders. In addition, the LED implementation is hampered by the

lack of funding from the central government and the lack of innovation by the town's political management to fully implement the LED initiative implement the LED initiative fully.

The structural and non-structural mechanisms should align to ensure the successful implementation of LED in the Outapi border town; this was another aspect that was questioned during this study. Given the town's size, the structural mechanisms for the implementation of implementing LED are in place. A fully functional LED section exists in the town's structure h. However, there is a need to consider the expansion of the LED section to ensure that there is sufficient capacity for implementation.

The level of participation among stakeholders with respect to concerning the implementation of LED is a critical facet that this study has assessed. The level of participation of different LED stakeholders leaves much to be desired. The business community feel left out as there is no regular consultation between the town council and the business sectors as far as LED is concerned.

What LED options are available that can LED options be used to transform Outapi border town into a border market? Based on the data analysis, there are several challenges that several challenges impede the implementation of LED in the town. These challenges are cross-cutting from a policy perspective, consultation, bilateral issues, and the lack of innovation, awareness, and funding among others. A deeper analysis of each specific challenge is essential in order to develop a strategic intervention which to develop a strategic intervention that could transform the town into a border market.

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ANNEXURE A: INTERVIEW SCHEDULE

Interview Schedule

Questions for Business Community

- 1) What kind of business/ farming are you involved in?
- 2) Do you think it is a disadvantage or advantage for your business/ farm that this town is located near the border?
- 3) What is your understanding of Local Economic Development?
- 4) What role does the business/ farming fraternity of the border town play in LED?
- 5) How frequently does the business / farming community meet to discuss the progress and implementation of LED in the border town?
- 6) Do border country nationals contribute to the growth of your business/ farm?
- 7) When do you see most business from border country nationals?
- 8) From your observation, what is the socio-economic background of border country nationals supporting your business?
- 9) What in your view, are the businesses / farms in the border town providing to satisfy the needs of the border country nationals?
- 10) How do you intend to capitalize on the buying power of the border country Nationals?
- 11) If you were to advise the Border Town Local Authority, what can be done to promote LED in the border town?
- 12) Taking into consideration the locality of the border town, what do you think the government should do to support/promote your business/farm?

Interview Schedule

Questions for Community Leaders

- 1) What is your general perception of development in the *border town*?
- 2) What is your understanding of LED?
- 3) How does community engagements/participation take place before LED projects are introduced in the border town?
- 4) How are the communities in Outapi benefitting from LED projects?
- 5) What measures should be taken to ensure optimal implementation of LED in the *border town*? How do you feel about LED strategies that are aimed at attracting *border country* nationals?
- 6) What are the negative aspects on *border town*?

Interview Schedule

Questions for Government Institutions

<ol style="list-style-type: none"> 1) What is your understanding of LED? 2) What are the government policies and programs in place which promote LED in the <i>border town</i>? 3) Who are the critical stakeholders in the implementation of LED in the <i>border town</i>? 4) What are the advantages of <i>border town</i> being located near a border? 5) Do you think <i>border town</i>'s locality has had a positive or negative influence on its LED? 6) What do you think should be the role of government in promoting LED? 7) What aspects do you consider favorable for economic development in the <i>border town</i>? 8) What can you regard as an outstanding achievement/s of LED in the <i>border town</i>? 9) Is the <i>border country</i> currency (eg. Angolan Kwanza) accepted in <i>border town</i> to purchase goods? 10) Which sectors/industries attract the most business from <i>border country</i> nationals? 11) How well can the <i>border town</i> satisfy the business needs of the <i>border country nationals</i>? 12) How are these industries marketed to other country nationals? 13) What aspects/features differentiates businesses in <i>the border town</i> to those found in the main town of the bordering country? 14) What are the challenges experienced in implementing LED in the <i>border town</i>? 15) In your view, what can be done to address the challenges in the <i>border town</i>? 	
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