

**Local economic development (LED) in a border town: The
case of Ladybrand, Eastern Free State**

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DECLARATION

I, **Mary Malehlohonolo Masiloane**, declare that the thesis “**Local Economic Development (LED) in a border town: The case of Ladybrand, Eastern Free State,**” hereby submitted for the qualification of **Master’s in 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 another institution of higher education.

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Mary Masiloane

Name

29 November 2021

Date

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ABSTRACT

This study examines the economic advantages of Ladybrand's being a border town. Development disparities exist between regions in the periphery and those in more centralised areas. These regional disparities are because development initiatives focus primarily on urban areas, to the detriment of outlying regions like border towns. The lack of attention to border areas results in high unemployment rates and the exodus of skilled labour to larger economic centres. Ladybrand has experienced deterioration and underdevelopment. Problems in the town include a lack of services, depreciating physical infrastructure, a high unemployment rate, and a lack of growth ideas. Mantsopa Local Municipality, under which Ladybrand falls, has introduced LED initiatives in the past, but they have not yielded any economic development in the town. Additionally, the proximity of Ladybrand to Lesotho as a possible economic advantage is not mentioned in the municipality's Integrated Development Plan. Therefore, the study sought to determine the LED initiatives currently employed in Ladybrand and discover the economic benefits of the town's proximity to the Lesotho border.

The researcher employed a qualitative research approach to better understand the phenomena under investigation. Data were collected through semi-structured interviews and purposive sampling used as the sampling design. The study found that the respondents regard Ladybrand's proximity to Lesotho's border as an advantage because Lesotho nationals contribute to the growth of businesses in Ladybrand. However, this support has decreased over the years, especially in the retail sector. This is mainly due to the building of malls in Maseru and the COVID-19 pandemic. The study also found that the local municipality has no current LED initiatives to tackle the high unemployment rate in Ladybrand. The study recommends cross-national collaboration between South Africa and Lesotho to boost LED in Ladybrand. The local municipality needs to focus on strengthening the tourism sector to attract visitors to the town. Service delivery and infrastructure in Ladybrand also need to improve to attract business investment to the town. Lastly, with the municipality's help, the business fraternity needs to introduce marketing strategies to attract Lesotho nationals.

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LIST OF ABBREVIATIONS

ASEAN	Association of Southeast Asian Nations
CDE	Centre for Development and Enterprise
COGTA	Department of Cooperative Governance and Traditional Affairs
EAC	East African Community
EU	European Union
HLED	High-Level Economic Dialogue
IDP	Integrated Development Plan
IUDF	Integrated Urban Development Framework
LED	Local Economic Development
NAFTA	North American Free Trade Agreement
OECD	Organisation for Economic Cooperation and Development
SWAC	Sahel and West Africa Club
USA	United States of America
UN	United Nations
ZMM-GT	Zambia-Malawi-Mozambique Growth-Triangle

CHAPTER 1: SETTING THE SCENE

1.1 Introduction and background

The South African government faces the challenge of tackling geographically uneven patterns of development. The country's economy has deep-rooted inequalities, with many underdeveloped regions. There are development disparities between the country's core regions, like the big metropolitan areas and the underdeveloped peripheral areas or distressed areas (Lawrance & Rogerson, 2019:144). Many peripherally located border towns fall into this category of distressed regions.

Border towns are centres situated near an international border, but the precise definition has been contested. Buursink (2001) believes that border towns often depend on the borders for their existence. That means that they are not just towns or settlements located near a border but came into being because of the border. Nugent and Asiwaju (1996) state that border areas represent areas of engagement and endless cooperation, through which activities and commodities can easily pass.

Border towns experience unique struggles linked to border problems and the often peripheral location within a country (Prokkola, 2019). In South Africa, these localities are generally underdeveloped and overlooked. John (2012) states that the lack of attention to the border towns has resulted in a high unemployment rate. Those towns are experiencing an exodus of human capital as there are little to no economic development opportunities.

Local municipalities and communities must address many obstacles and build on opportunities through what the Constitution refers to as local economic development (LED). LED is a process in which the community and local government promote or support business endeavours and employment. Municipalities can use it to advance economic and social development. The International Labour Organisation (ILO, 2006) states that local economies must promote and boost regional competitiveness and comparative advantages to participate globally. Local role players must develop ways to make the most of home-grown resources and expertise to benefit everyone within

a particular geographical area (Meyer, 2014). According to Nel (2000), the government's role is to support, facilitate, fund, and transfer control of LED initiatives.

In South Africa, the 2018-2028 LED Framework sets out an expanded vision for LED which recognises what needs to be done in order to move towards a more successful form of LED, and its function in regional and national development in South Africa (Department of Cooperative Governance and Traditional Affairs (COGTA), 2020). The Framework contains a vision for LED that is innovative, competitive, sustainable, provides for inclusive local economies that maximise local opportunities, address local needs, and contribute to national development objectives (SACN, 2019).

LED is also considered as a way to advance sustainable development. In its 2030 agenda, the United Nations (UN) focuses on matters of sustainable development. The UN 2015 report indicates that countries are faced with the challenge of sustainable development in several respects. For example, countless individuals worldwide live below the poverty line and are not enjoying a quality of life. The distribution of wealth in many countries is along gender, race, and class lines. As a consequence, joblessness has become a key concern (Khan et al., 2019). Venter (2019) further states that it is the task of LED professionals to promote development sustainably in order to promote and uphold the sustainability agenda. Therefore, governments are tasked with fostering development initiatives that promote sustainable development, aid in poverty alleviation, and create jobs.

This study will look at how a border town's location influences its LED initiatives to promote sustainable development and how its location can play a role in regional integration. The focus of this study is Ladybrand. The terms "border town," "borderland," and "border region" will be used interchangeably in this study.

1.2 Problem statement

Wood and Siziba (2014) state that the best feature of a border town's location is its capability to use various economic constructs on either side of the border to its advantage. Economic theory requires an equilibrium between labour and capital on opposite sides of the border. When there are political obstacles like strict border controls and other regulations, economic differences can occur. These differences might entail a state with advanced technology next to one with low wages. In such a case, both countries' productive capacity would mutually benefit each country trying to thrive independently. Using these variances requires collaboration between the cities on both sides of the border. This level of cooperation can be seen in Switzerland, where daily commuters from France and Italy have work permits to cross the border based on the Free Movement of Persons Agreement between Switzerland and the EU.

Border towns are also crucial because they provide a different atmosphere for non-locals. Szytniewski and Spierings (2017) state that when people pass through a country's border, they often anticipate a different space. They envisage finding different physical surroundings and encountering other areas. They also look forward to various commodities and prices, which primarily motivate people to go to regions across the border. For this reason, more focus ought to be put on the development of border localities. The economic benefits that could be experienced with being a border town are not always realised, however. This is the case with the border town of Ladybrand.

According to a Centre for Development Support (CDS) research paper (2004:24), there has been a widespread deterioration in development in many of the Free State's towns, including Ladybrand. This comprises a decline of the service and physical infrastructure, a departure of established businesses, little local employment opportunities, the poor state of municipal finance, and the absence of clear growth ideas.

The Mantsopa Local Municipality, under which Ladybrand falls, has an unemployment rate of 29.2%, with youth unemployment reaching 38.2%. Almost 73% of families make less than R38 200 per annum, and only 8.2% of households' annual income

exceeds R153 800 (Solidarity Research Institute, 2015:37). The high unemployment rate is a significant problem.

Mantsopa has introduced some LED initiatives, but Marais et al. (2005) state that no actual skills development occurs in the municipality. The residents end up running projects, but most of them are not familiar with business processes and financial management. Most of the municipality's money is wasted on remuneration rather than on expanding the business of the municipality by procuring stock or upgrading infrastructure. The current LED strategy does not consider the value of being a border town.

1.3 Aim and objectives

The present research investigates the economic advantages of the border town status of Ladybrand. More specifically, the study investigates whether the town's government officials responsible for LED, together with business people, have considered Ladybrand's proximity to Lesotho's border when implementing LED programmes.

The dissertation has the following objectives to accomplish the aim stated above:

- to provide an international perspective on border town LED;
- to determine LED initiatives in South African small towns;
- to evaluate the LED strategies implemented in Ladybrand and how they build on or ignore its location as a border town;
- to recommend best practices that will enable the success of LED initiatives in a border town.

1.4 Key terms

The following terms form part of the study and need to be defined:

Border: the demarcation of two sovereign states, imposed by physical features like oceans, land boundaries, or governments (Starr, 2006).

Cross-border cooperation: the partnership or alliance between neighbouring regions across borders.

Development initiatives: the plans and actions taken towards developing and improving the lives of the local community.

Lesotho: a small and mountainous country surrounded by South Africa. It is situated on the eastern side of the Free State Province.

Local economic development: an approach towards economic development at the local level that requires the partnership of the local community, business fraternity, and government (Rogerson, 2016).

Mantsopa Local Municipality: a local municipality in Thabo Mofutsanyana District of the Free State Province (South African Government, 2021).

Six-month concession: a special permit issued by the South African government to allow Lesotho nationals to stay legally in South Africa for six months. People in possession of this permit need not queue for their passports to be stamped at the border (Sechaba Consultants and Associates, 2002).

Tourism: the acts of people going to and staying in localities other than their traditional environment for business, leisure, and other reasons (IGI Global, 2021).

1.5 Research methodology

Research methodology is a research plan that explains the epistemological and ontological principles for conducting a study. It is the principles, procedures, and practices that govern the research (Schulze, 2003). The research methodology used in this study is outlined below.

1.5.1 The study area

The movement of people and goods across borders between Lesotho and South Africa is common, and border towns have played a part in South Africa's relationship with its neighbour for more than a century. According to Statistics South Africa (2006), border crossings between South Africa and Lesotho are some of the busiest in the region (Viljoen & Wentzel, 2007). Most Lesotho nationals go to South Africa to buy supplies and do other personal things. According to the South African government's

annual statistics, many Lesotho residents go to South Africa for commercial reasons and, therefore, stimulate the economies of border towns like Ladybrand.

Ladybrand is a small town in the eastern Free State in Mantsopa Local Municipality, which falls under the greater Thabo Mofutsanyana District Municipality. The other towns found in Mantsopa are Hobhouse, Tweespruit, Thaba-Phatswa, and Excelsior. The municipality is bordered by Lesotho in the east, Naledi Local Municipality in the south, Mangaung Local Municipality in the west, and Masilonyana and Setsoto in the north. The town is easily reached via the N8 and R26 roads, which pass through the region.

Ladybrand is located 15 km from Maseru, the capital city of Lesotho, and is ideally located to discover and travel to Lesotho. The region has a wealth of historical and cultural heritage and is home to about 300 Bushman rock art locations. Other attractive things found in this region comprise fossilised dinosaur footprints; Iron Age settlements; Rose Cottage Cave, where early humans lived for at least 110 000 years; battle sites; and many other attractions like outdoor sports facilities, bird watching, art and crafts, and accommodation facilities with conference venues (Thabo Mofutsanyana District Municipality, 2020).



Figure 1.1: Location of Ladybrand (Colman, 2010)

Ladybrand is regarded as the most advanced of all the towns in Mantsopa Local Municipality. The Ladybrand municipal region incorporates Mauersnek, Manyatseng, and the nearby municipal commonages. The town is home to 34% of the total population of Mantsopa and is a service centre to the mostly agriculture-focused nearby rural areas and Lesotho (Mantsopa Local Municipality, 2019).

LED is one of the key priority areas identified in the 2019–2020 Integrated Development Plan (IDP) of Mantsopa. Its intended outcome is to improve local trade and investment turnover and create decent employment. The IDP states that Mantsopa has made provision for R2 million specifically for LED initiatives, and this amount will increase cumulatively over three years.

1.5.2 Research approach

This study used a qualitative research approach because of the evaluative and explorative nature of the study. Unlike mixed-methods and quantitative research approaches, qualitative studies allow the researcher to understand phenomena by

interacting with or observing the study participants. Thus, qualitative researchers are interested in explaining or exploring phenomena as they take place in a natural setting (Boru, 2018).

Morse (2003:833) points out that a qualitative method of study is used when not much is known about a topic or situation, the context of the research is poorly understood, the phenomenon being investigated is not quantifiable, the description of the problem is not well defined, or the researcher believes that the phenomenon needs to be re-examined.

1.5.3 Research design

This study adopted the case study design as it focuses on the border town of Ladybrand and seeks to determine the effectiveness of its LED initiatives based on its locality.

According to Bhattacharjee (2012), case study research is a comprehensive research about a problem in one or more real-life settings (cases) over a prolonged period. The collection of data can be done by conducting interviews, observing participants, and assessing documentation. The strength of this research design method is that it can uncover a wide variety of cultural, political, and social factors that relate to a phenomenon of interest that may not be known ahead of time.

Researchers employ case studies to investigate multifaceted trends and events in a natural setting to understand them better. Using case studies in research implies that a holistic understanding of a phenomenon can be achieved. In addition, the defined steps followed while employing a case study approach allows the researcher to take a broad and complex topic or phenomenon and confine or reduce it to manageable research questions (Heale & Twycross, 2018).

In short, case study research is suitable when a “why” or “how” question is probed about the current array of events over which the researcher has little or no control (Rowley, 2002). In this study, the question asked is how a border town’s locality influences its LED.

There are positive and negative aspects related to case study design. Some of the positive elements are that: (1) it does a great job at assisting the researcher in understanding complex issues through comprehensive contextual analysis of events or circumstances; (2) a variety of methodologies and sources can be applied by the researcher to investigate a research problem; and (3) the design can give detailed explanations and depictions of particular and uncommon cases.

The limitations of a case study design are that: (1) one case or a small number of cases present little basis for generalising the findings to a broader population; (2) the researcher's extensive exposure to the case may prejudice their understanding and analysis of the outcomes; (3) the design does not enable the measurement of cause-and-effect relationships; and (4) the case may not represent or be typical of the greater issue being studied (Sacred Heart University, 2020). Rowley (2002) states that case studies have traditionally lacked rigour and impartiality compared with other social research methods. Regardless of the criticisms, however, case studies are broadly used to present an understanding that different approaches may not realise.

Empirical research is a form of research that uses evidence that can be verified to reach research outcomes. Simply put, the nature of research depends exclusively on evidence obtained via scientific data collection methods or through observation. In an empirical research study, the research questions are formed based on the core of the research, that is, the principal matter the study aims to resolve.

A further limitation of case studies is that they can be time-consuming. Another notable disadvantage is that it may be challenging to access some areas or neighbourhoods throughout the data collection procedure, influencing the validity of the research (Formplus, 2020).

1.5.4 Data collection strategy

Qualitative research involves any method of collecting data that produces an account of events or non-numerical information. It tries to establish the insider's interpretation of their social functions without, at the stage when data collection takes place, making any value judgments (Carter & Henderson, 2005). This study used semi-structured interviews with open-ended questions as a data collection method.

1.5.4.1 *Semi-structured interviews*

There are three primary forms of research interviews: structured, unstructured, and semi-structured interviews. Unstructured interviews do not exhibit any predetermined concepts or notions and are undertaken with minimal structure. Such interviews usually start with an opening question and then proceed based mainly upon the initial reply. Conversely, structured interviews are, essentially, verbally administered questionnaires. A list of pre-set questions is asked with hardly any variation, and there are no follow-up questions to replies that necessitate additional explanation or expansion (Gill et al., 2008).

Gill et al. (2008) further state that semi-structured interviews comprise several main questions that help the researcher outline or define the matters or topics to be investigated and permit the researcher or respondent to deviate from understanding an idea or response in more detail. This approach's flexible nature, especially when compared to structured interviews, makes it possible to expose or elaborate on information vital to participants.

The researcher uses an interview guide that comprises a standardised group of topics or questions in a semi-structured interview. Nonetheless, the researcher is permitted to probe and digress based on the exchanges throughout the interview. Semi-structured interviews are most convenient for gaining insight into social movement mobilisation from the perspective of movement actors or spectators. They offer more extensive information, the chance to uncover the respondent's encounter and understanding of reality, and access to people's views, memories, and judgments from their own perspective rather than that of the researcher, but at the expense of a decreased ability to systematically compare interview responses (Blee & Taylor, 2002).

All semi-structured interviews require the researcher's active and visible engagement to create an authentic dialogue with respondents. Researchers use several approaches to encourage respondents to give comprehensive answers that will result in rich qualitative data. Firstly, the researcher needs to structure an interview guide that considers the research's main goals and the demographic and social characteristics of the interview sample. The questions and language level should be

customised to the sample to encourage rapport between the researcher and respondent. Perhaps most importantly, it is necessary at the outset of an interview to clearly explain the purpose of the discussion, the topics the researcher is interested in, and the depth of responses the researcher seeks (Blee & Taylor, 2002).

Bryman (2016) states that the interview is ordinarily audio-recorded and written down as notes whenever possible in qualitative research. Because the person conducting the interview needs to concentrate on what is being said, it is best if they are not preoccupied or have their attention diverted by writing down notes on what is said.

In the present study, the researcher interviewed key informants in Ladybrand and Maseru Bridge to collect the required data. Blee and Taylor (2002) state that in key informant interviews, the researcher questions well-placed informants, usually over a long period, to obtain clear and descriptive data that might be challenging and time-consuming to uncover through more structured data-gathering techniques like surveys or through performing numerous semi-structured individual interviews.

McKenna and Main (2013) believe that it is essential that key informants should meet the following criteria: hold official positions in the study area, possess relevant knowledge and information about the study, be prepared to share this knowledge, be impartial or can reflect upon their own partiality, and communicate well.

1.5.5 Sampling design

The study employed purposive sampling as the sampling design. Onwuegbuzie and Leech (2007) state that if the purpose of the study is to understand a phenomenon, occurrences, or individuals and not generalise to a population, the researcher purposefully selects persons, groups, and settings that maximise comprehension of the phenomena.

Purposive sampling is a form of non-probability sampling. The goal of the researcher is not to randomly sample or select study participants. Purposive sampling aims to select participants or cases in a planned and tactical manner to ensure that the people sampled are appropriate to the research questions presented (Bryman, 2016).

Thus, this study's sample consists of the LED manager and councillors from Mantsopa Local Municipality. A customs official situated at Maseru Bridge was also interviewed. In addition, community leaders and business people who have participated in LED initiatives introduced by Mantsopa Local Municipality were interviewed until data saturation was reached. The business people were identified based on the latest IDP of the municipality.

Table 1.1 below indicates the demographic information of the research respondents. This information is vital for understanding the framework in which the research took place. The respondents comprised the LED manager, a border official, four business owners, and community leaders.

Table 1.1: Demographic information of research participants

STATUS	SAMPLE		
	MALE	FEMALE	TOTAL
LED manager	0	1	1
Border official	1	0	1
Business owners	1	3	4
Community leaders			
<i>Councillors</i>	4	2	6
<i>Hospital manager</i>	1		1
<i>School principal</i>		1	1
TOTAL	8	6	14

Because the purpose of qualitative research is not necessarily to forecast or project, the sample size is more about saturation than representation. This means that enough

interviews need to be conducted and viewpoints obtained to find a complete insight into the phenomenon (Hodges, 2011). Bryman (2016) believes that one of the problems experienced with qualitative research is determining from the onset the number of people to be interviewed if theoretical factors influence selection. It is impossible to determine, for instance, the number of people who need to be interviewed before theoretical saturation has been reached. Additionally, as the study proceeds, the researcher might need to interview people who were not initially anticipated.

1.6 Data analysis

Data analysis in qualitative research is described as the procedure of logically exploring and organising the interview texts, observation transcripts, or other non-textual data the researcher has collected to understand a phenomenon better. Qualitative data are usually analysed by way of coding or categorising the data. It includes making sense of large volumes of data by decreasing the amount of raw information, recognising meaningful patterns, obtaining meaning from data, and then creating a logical chain of evidence (Nowell et al., 2017).

1.6.1 Thematic analysis

The form of analysis employed in this study is thematic analysis because the study seeks to uncover themes in the collected data to draw conclusions. Thematic analysis is a qualitative research technique used across different epistemologies and research questions. It is concerned with recognising, scrutinising, organising, labelling, and reporting themes obtained within a data set (Nowell et al., 2017).

Braun and Clarke (2006) state that thematic analysis allows the researcher to grasp and find logic in mutual or shared meanings and experiences. This method finds commonalities in how a subject is spoken or written about and makes sense of those commonalities. There are several methods of performing thematic analysis, but coding was used for the purpose and nature of this study. According to Bryman (2016), coding involves studying or assessing texts and/or field notes and allocating labels to parts that appear to have possible theoretical importance or that seem to be particularly relevant within the everyday realities of the people being studied.

Coding is frequently criticised for likely losing the context of what is being said. The social scene can be lost by taking pieces of text out of the setting or context within which they originated. Another critique of coding is that it can fragment data, which means that the narrative flow of what people say can be lost (Bryman, 2016).

1.7 Ethics

In all kinds of research, ethical issues emerge. The research process produces a tension between the study's goal to generalise findings for the benefit of others and the rights of participants to maintain privacy. Ethics relates to doing good and preventing harm. Harm can be avoided or lessened by applying suitable ethical values. Therefore, the protection of people or participants in any research study is essential (Orb et al., 2001).

Before interviewing respondents, researchers need to obtain permission to study human subjects from the ethics review board(s) with which they are associated (Roulston & Choi: 2018). Therefore, the researcher obtained ethical clearance from the University of the Free State's Ethics Committee before data collection. South Africa considers itself a country where equality, human dignity, and human rights development are valued, upheld, and safeguarded under the South African Constitution (South Africa, 1996). Section 12(2) of the Bill of Rights stipulates that all people are protected from bodily and psychological harm and states that individuals have the right to protection and control over their body, and thus not to take part in scientific or medical experiments without their consent (Van Zijl et al., 2004).

Informed consent necessitates that potential research participants be given information about the study they are invited to participate in. The information must be appropriately detailed and accessible for them to decide whether to participate in the research. It also requires the respondents to consent to involvement freely and refuse to participate without adverse consequences. Such issues are critical in research involving people or communities commonly characterised as "vulnerable" because of their likelihood of being coerced, exploited, or harmed by individuals who have the power to do so (Crow et al., 2007).

1.8 Limitations

This study has several limitations. Firstly, the COVID-19 pandemic made it difficult for the researcher to conduct face-to-face interviews because of regulations such as social distancing and restrictions on travel during the pandemic. Therefore, the researcher opted to conduct telephonic interviews. This made it difficult to secure interviews as some participants did not honour the appointments or reply to messages and emails. In essence, the researcher had intended to interview more respondents.

Secondly, the research design is a single case study focusing on the border town of Ladybrand. Therefore, the results or outcomes of the study cannot be generalised to similar regions.

Thirdly, the data collection strategy employed in the research increases the risk of subjectivity on the respondents' part.

Lastly, the study's sample size may be considered small. This is because it would not have been feasible to include all the LED enterprises in Ladybrand due to time constraints and limited resources. It would thus be difficult to identify significant relationships from the data or to generalise the findings. However, the sample size is appropriate for this study as the data obtained from it will answer the research question.

1.9 Outline of the study

This study consists of five chapters and is outlined as follows:

Chapter 1: Setting the scene. This chapter introduces and gave a background to the study. It outlines the problem statement and research methodology employed in the study.

Chapter 2: The international perspective on border towns. This chapter delineates the characteristics of international border towns and highlights the strategies implemented to develop the localities.

Chapter 3: South African small towns. This chapter discusses the economic drivers in small South African towns. It highlights some of the success factors for small-town development.

Chapter 4: Research findings and analysis. The research findings and analysis chapter analyses the study findings, following the data analysis process.

Chapter 5: Conclusion and recommendations. In the concluding chapter, the researcher summarises the study and identifies the main findings. Additionally, the chapter makes recommendations and identifies a future research topic.

CHAPTER 2: THE INTERNATIONAL PERSPECTIVE ON BORDER TOWNS

2.1 Introduction

Border towns vary in size and can include smaller towns or settlements and huge metropolises. Border town or city research has become essential for several reasons. Firstly, whereas international borderlines are, at one level, concepts of map-making and international law, their actual expressions are clearer in the tensions and paradoxes seen in border towns. The contrast of daily realities in these settlements has rendered them especially intriguing for researchers (Nugent, 2012:557). Secondly, border towns offer insight into the geographies of power and wealth. The most studied border regions are those where the disparities between one country and the next manifest themselves in contrasting physical aspects and differential levels of state presence on opposite sides of the line. Thirdly, border towns often function as social laboratories in which international protocols are given practical effect (or not) through the application of novel technologies of border management (Nugent, 2012:558).

According to Kolosov and Morachevskaya (2020:4), several specific and common features characterise border towns. These features can be viewed from different perspectives. From a political perspective, border towns are highly reliant on the decisions of central authorities, which makes it difficult for the local authorities to come up with innovative ways to advance their areas. In terms of demography, border towns are characterised by a lower population, sparse settlement, and very little migration. From a socio-economic perspective, they have a low level of economic growth, a comparatively high proportion of the primary sector in the economy, and low household income and consumption.

The growth and advancement of these areas depend on several (political) relations within a broader context, such as the vertical inter-government relationship within the country (from local to provincial and national spheres of government), the relationship between the neighbouring countries, and the economic relationship between the border region and the central region (Van Geenhuizen & Rietveld, 2002:64).

Therefore, border towns can be highly dynamic economic areas. They are uniquely positioned to provide economic opportunities that might not be found in more central regions of a country. Border towns have become fascinating to researchers as they provide insight into the economic disparities between neighbouring countries. However, their peripheral localities make it difficult for economic innovation to occur as central authorities make most decisions. Their growth and development depend on the country's internal political relationship and between the neighbouring states.

This chapter aims to provide insight into some of the measures taken in international border towns to encourage LED. The chapter focuses on border towns in North America, Europe, Asia, and Africa and identifies differences and similarities between the measures taken.

2.2 LED in international border towns

Timothy (2016) states that crossing international borders has received considerable research interest. One of the contributing reasons has been the role of disputed borders or cases where precise borderlines were inadequate or not clear. Today, however, most international borderlines have been demarcated. According to Skäremo (2016), most border regions plan for regional integration, where policies emphasise cross-border partnerships. These comprise mutual infrastructural developments, reinforced regional identity and marketing, enhanced regional economy, and catalysts for innovation and knowledge transfer.

The historical or conventional role of borders as barriers is decreasing. Decreasing border barriers is apparent in the liberalisation of international relations, like forming multi-national fiscal cooperations and trade alliances. The agreements include the North American Free Trade Agreement (NAFTA), the European Union (EU), and the Association of Southeast Asian Nations (ASEAN). There is a realisation that sustainable development can only be attained through cooperation between neighbours because natural and cultural resources overlap political lines. Shopping is one of the most attractive activities in border regions, usually prompted by a cheaper and broader variety of goods, lower taxes, and different operating hours in neighbouring countries (Timothy, 1998:4).

The following section discusses border towns in North America, Europe, Asia, and Africa.

2.2.1 North America

Nugent (2012:560) states that the relationship between border towns and cities along the USA-Canada and USA-Mexico borders is significantly different for a combination of historical and structural reasons. Whereas the USA-Canada border was negotiated between Canada's British rulers and their American counterparts, the USA-Mexico border resulted from a war between Mexico and the USA. The war led to the cession of a vast expanse of Mexican territory in 1848. This land seizure forced many ordinary Mexicans southwards, thereby reconfiguring settlements in proximity to the redefined boundary.

Furthermore, while there has been relative economic parity between Canada and the USA, people in northern Mexico are poorer than those in the USA. Therefore, the relationship between Canadian and American border regions has often been characterised by outright competition and limited cross-border activities. Border populations had had little reason to frequent each other's towns, despite a period in the 1990s when it was cheaper for Canadians to shop in the USA. A great deal of trade and tourism occurs, but this is not limited to the border (Nugent, 2012:560).

Wood and Siziba (2014) state that Mexican regions near the USA border have seen growth in recent years. The areas include the Mexican states of Baja-California, Chihuahua, Coahuila, and others. The Mexicans have lined the border with *maquiladoras* (factories that operate without paying certain duties and taxes), typically operated by overseas companies pursuing the USA market. These factories have over 1.2 million people in their employ and contribute about 45% of Mexico's exports to the USA. The *maquiladoras* have contributed extensively to the industrialisation of Mexico and have supported the border regions. Mexico is one of the first countries to introduce free trade zones in the region by establishing the *Perimetros Libres* (free zones) in Ensenada, Tijuana. This suggests that goods imported or exported through the area are exempted from any taxes.

However, there are also benefits for cities in the USA. According to Canas et al. (2006:1), Mexican customers contribute to expenditure in the USA cities and towns on

or near the border. The connection between San Diego (USA) and Tijuana (Mexico) has, for a long time, shown the economic disparities between the citizens of the two countries. Still, the extent to which the former's prosperity depends on Mexicans to bring in business was highlighted in 1976 when the Mexican peso's devaluation had a severe impact on businesses in San Diego (Puente, 1996:253). According to Gerber and Patrick (2001:4), studies conducted found that profits dropped 80% to 90% in several stores, and some border towns suffered a huge decline in sales taxes: Laredo decreased by 45.47%, McAllen and Brownsville both fell by 36%, and El Paso decreased by 8.2%. In addition, the visitor industry in San Diego was affected by the decrease in border crossings caused by the devaluation of the peso.

The NAFTA agreement, which came into effect in 1994, has increased the number of businesses based in southern California selling services and goods to Baja California consumers. Based on the California Trade and Commerce Agency, California exports increased nearly 129% or \$8.4 billion in the first six years of NAFTA. In 2000, Mexico imports from California sustained roughly 179 000 jobs. Otay Mesa's (San Diego) harbour accounted for more than \$17.2 billion in two-way trade between Mexico and the USA, resulting in the third busiest commercial port of entry along the USA-Mexico border after Laredo and El Paso (Kada & Kiy, 2004:2).

The US-Mexico High-Level Economic Dialogue (HLED) has also played an essential role in regional integration. According to the International Trade Administration (2016), the HLED expands strategic economic and commercial priorities to advance joint economic growth, global competitiveness, and job creation. The HLED meets yearly to facilitate discussions, and mutual initiatives organised around three pillars, which are: (a) encouraging connectivity and competitiveness; (b) promoting economic development, productivity, and innovation; and (c) uniting for regional and international leadership. The pillars have been chosen to synchronise mutual interests and priorities impacting the development and competitiveness of the USA and Mexican economies.

HLED has accelerated bilateral development on trade, regional transport, energy co-operation, education exchange, etc. Mexico has also assumed economic reform by implementing constitutional and other legislative amendments to strengthen competition policy, education, energy markets, and investments. All these factors create an opportunity for border region development (Lee & Wilson, 2015).

2.2.2 Europe

After the fall of communism, many of the border regions in Central Europe underwent boundary shifts. The shifts resulted in forced migrations, which caused changes in the ethnic, linguistic, and cultural composition of areas.

Within these new national boundaries, border towns were subjected to intensive re-nationalisation campaigns. Historically, the local authorities at border areas put in place restrictive measures that limited contact between people from different countries. The result was the further marginalisation of already peripheral areas, restricting them economically, politically, and socially (Janczak, 2013:55–56).

A common understanding of cross-border co-operation within the European Union (EU) is the idea that borders have negative consequences for border regions and their inhabitants. These are both economic and social. Border regions have difficulties attracting investments, jobs, and people with higher education. At the social level, borders divide people and hinder them from coming together because of visa regimes, a lack of cross-border transportation, a lack of border crossings, or expensive communication (Klatt & Herrmann, 2011:241).

Nelles and Walther (2011) state that for the past few years, the EU has encouraged the integration of economies by introducing a free labour market that promotes the movement of money and assets by pushing for a fiscal union. Consequently, barriers within the EU borders have substantially reduced as of the late 1970s. The EU's integration has been mostly favourable for cross-border urban localities like Basel, Luxembourg, Geneva, or the Oresund region, which form part of globalised financial systems. New opportunities have arisen after the EU's de-bordering of internal borders in these regions, changing such areas from deprived places to possibly flourishing border areas because of their peripheral location.

Europe has instituted several cross-border co-operation endeavours over the past couple of decades. Cross-border co-operation has sped up the development of deprived areas. It is a method for cities and towns to use their competitive advantages of being positioned on two countries' frontiers (Kurowska-Pysz et al., 2018:1). Cross-border co-operation is understood as direct co-operation between regional authorities and private actors on different issues across an international border without the nation-

state's interference and its foreign policy institutions. The most common form of this kind of cross-border co-operation in Europe is the so-called Euroregion (Klatt & Herrmann, 2011:239). Otocan (2010:5) states that Euroregions promote shared interests across the border and co-operate for the common good of the border populations. They overcome historical barriers by removing disparities between regions on both sides of the border, positively impacting the areas' cultural, social, economic, and infrastructure levels, and preparing and implementing specific projects promoting the area.

An encouraging aspect of cross-border co-operation is the legal instruments, which have two primary sources: the European Union and the Council of Europe. The Council of Europe mainly offers three sets of instruments: recommendations, political declarations, and conventions, all of them disseminated and/or adopted by the Committee of Ministers (Slusarciuc, 2015:143). According to Naankiel and Iortyer (2014:3), the overall aim of the instruments is to promote unity among member states to achieve economic and social progress and promote human rights and fundamental freedoms. The EU instruments are different but complementary to those of the Council of Europe and widen the legal frame of cross-border co-operation. The EU focuses on cross-border co-operation's technical and financial support, both inside the EU borders and between the EU and its neighbours. Therefore, funds and programs are available, like the Cohesion and Regional Policy, European Neighbourhood Policy, and Pre-Accession Policy (Slusarciuc, 2015:143).

According to Slusarciuc (2015:145), the Slovenian-Croatian border region has an exciting dynamic. The two countries have a history of cross-border and open border co-operation, since they were part of the former Yugoslavia. A change occurred in the region when both countries became part of the EU. Once the governments introduced border regulations, officials realised that Croatia's exports to Slovenia declined when the border between the two countries was not open. Despite the long and peaceful tradition along the border, these changes affected their economic relationship (Pavlovich-Kochi & Stiperski, 2006). As Kolosov and Morachevskya (2020:4) maintain, the opening of borders offers an essential opportunity for the neighbouring regions to strengthen their position within the globalised economic networks thanks to

the exploitation of economic, cultural, and social differences as spaces of hybridisation and resources

Szytniewski and Spierings (2017:295) say that cross-border co-operation and the free movement of people have also resulted in the change of regions next to borders into tourist destinations. One such place is a Polish border town named Slubice. Slubice has a bazaar (a market where people sell various goods) next to Frankfurt-Order town (Germany). After the Berlin wall fell and the consequent reintegration of West and East Germany in 1990, the Polish marketplace became famous for the Germans' shopping. The increase in visitors aided the economic development of the town and created many jobs.

This rise in cross-border shopping experienced a minor decline after changes in border policies, like customs protocols and document requirements. Most of the German tourists who frequent the bazaar do not go to other areas of Slubice. The town itself is seen as less attractive. The bazaar, however, is particularly appealing due to its supposed contrasts with shopping places in Germany.

The first stalls of the bazaar emerged on the streets of Slubice in 1990. Still, the municipality soon decided to move the traders out of the city centre to an open field approximately two kilometres from the Frankfurt-Order/Slubice bridge. This field is the current location of the bazaar, which now has 1 200 permanent stalls selling clothing, footwear, fresh food, cigarettes, and alcohol. The Polish market vendors interact and trade in German, and customers can pay with euros even though the zloty is Poland's official currency (Szytniewski & Spierings, 2017:298–300).

Tourism has also had a particularly significant impact on the economic development of the Finnish border town of Lappeenranta, which is next to the border with Russia. Tourism across borders in the Russian-Finnish border region has a complicated history because of tensions between the two countries. The borders were progressively opened following the Soviet Union's downfall, increasing leisure excursions from Russia to Finland and vice versa (Prokkola, 2019:1595).

It is possible to access Lappeenranta from Russia through multiple border crossings, which have enabled the rapid increase in the movement of people. Research has shown that the local government in the Lappeenranta region regards Lappeenranta

and St. Petersburg's closeness as a benefit to the regional economy. However, the Finnish-Russian border is very sensitive. For example, the hostilities between Russia and the EU following the Crimea dilemma stopped regional co-operation because it blocked the scheduled EU-co-funded cross-border co-operation. Therefore, the border towns' economic development in this area depends on broader political decision-making and international relations (Prokkola, 2019:1595).

According to Ramsey et al. (2019:6), the reasons for cross-border shopping trips are many and wide-ranging. They include, for example, currency exchange rates, taxation, and per capita income. These factors can make a region popular for commodities like petrol or diesel, as is the case with the border town of Konstanz in Germany, which shares a border with Switzerland. For many years, Switzerland has been a comparatively expensive country for Germans to visit. With the increase of the Swiss Franc against the Euro beginning in 2015, this situation has intensified, resulting in significant advantages for the German retail economy and a comparatively difficult position for the Swiss retail economy along the border with Germany. Currently, 40% of German retailers' turnover close to the Swiss border comprises Swiss clients, with the Swiss Franc revaluation serving as an economic stimulus package for them (Ramsey et al., 2019:4).

As already mentioned, taxation can become a significant contributing factor to cross-border shopping. Tax competition, in particular, has long been both a barrier and an attraction that fosters cross-border shopping. In their study of Denmark and Sweden, Asplund et al. (2007) found that Denmark's reduction in taxes on alcohol resulted in increased purchases by Swedish shoppers in Copenhagen and Helsingør. They further found that the side effect was a loss of tax revenue to the Swedish government. Cross-border shopping means that turnover is moved from domestic shops to shops in the neighbouring country. The Øresund Committee, founded in the region between Sweden and Denmark, has focused on developing and promoting the Øresund image internationally and locally, utilising the bridge linking the two countries as a marketing tool (Nelles & Walther, 2011).

Vaishar et al. (2013), however, have a different take on border towns in Europe in general. The authors believe that small bordering regions are among eastern and central Europe's most challenging and tricky areas. Their isolation from main cities

typically goes together with marginality, visible in the high levels of poverty, unwillingness to invest, and lack of progress. Furthermore, a significant part of eastern Europe is faced with a post-war population exchange, whose after-effects are still evident to this day.

Likewise, Kolosov and Morachevskaya (2020:14) state that border location does not directly influence a region's development. Surveys and interviews in various settlements close to the Russia-Belarus border show that even an open border does not help the border area achieve its position's benefits. In many regions, very few economic actors could interact or network with potential partners on the opposite side of the boundary. There is nothing that encourages co-operation. Nevertheless, in every studied region, a segment of the local population recognises the benefits of buying certain goods, receiving medical services, or education in the neighbouring country.

2.2.3 Asia

According to Hu and Konrad (2018:152), a feature of Asian border regions is that authorities recognise the border's potential to consolidate and enhance power, influence, and, ultimately, wealth in their area. All spheres of government, especially at the local level, work together to achieve economic growth. An example of this was when Chinese President Hu Jintao urged Yunnan province to take advantage of its geographical proximity to south and southeast Asian countries to strengthen transnational economic co-operation and consolidate its power. Yunnan Province shares a border with Vietnam, Laos, and Myanmar. The president proposed that Yunnan undergo a repositioning from a peripheral province in southwest China to a strategic bridgehead that would consolidate China's transnational economic ties with south and southeast Asia. Yunnan's new position would epitomise the new trend in China's regional development – cross-border co-operation. This spatial repositioning of cross-border regions has produced various opportunities for the Chinese province to engineer subnational spaces for economic growth and consolidate the regional economy's re-centring on China (Arrighi, 2007:350).

Furthermore, China and Laos jointly constructed and developed the Mohan-Boten economic co-operation zone. Located in the southernmost point of Yunnan Province

and bordering the Laos Boten economic zone, the border town of Mohan is China's only state-level crossing leading to Laos (Wenhui, 2018).

The vision is to turn the zone into a comprehensive and integrated city characterised by four functions: international commerce and finance; duty-free logistics; culture, education, and healthcare; and tourism and vacation. The zone also offers financial incentives like (1) the exemption of import duties for all goods and materials used, sold, and served in the zone; (2) tax reduction or exemption; and (3) tariff-free exports to third countries (Chen, 2019:67).

The border essentially becomes a resource, and without the border, neither trade nor the creation of wealth would be advanced. In southeast Asia, Singapore exemplifies this. In border areas remote from urban and populated areas, agriculture and forestry, among other forms of production, tourism, and gambling, have been stimulated by the border effect. Currently, all along the extensive border between China and its newly acclaimed southeast Asian partners, massive infrastructure developments leading to and crossing the border are enhancing accessibility, creating new linkages, drawing in people, and accelerating change (Hu & Konrad, 2018:152).

Timothy (2016) states that the most exciting region in Asia concerning cross-border development is the southeast and includes countries like Thailand, Myanmar, Singapore, Vietnam, Cambodia, and Indonesia. Several environmentally similar countries, separated by geometric boundaries, have generated a creatively harmonious landscape made for partnerships across borders. This socio-economic and geographical distribution resulted in the formation of unique and distinctive "growth triangles" related to re-territorialisation and border regions' advancement. These triangulations are indicated by wide-ranging economic cross-border collaboration regarding financial resources, land, and labour. It has helped bolster regional uniqueness and encourage sustainable and economic regional development.

An example is Mae Sot and Myawaddy, which run economic activities together and whose economies are highly likely to be co-dependent and ultimately joined. The Myawaddy (Myanmar) and Mae Sot (Thailand) border-crossings are very important for the two countries' relationship. Their respective governments have established Special Economic Zones (SEZs) to promote the border towns' local businesses and

stimulate further integration. Like tax and customs exemptions, SEZs stimuli have increased the economic interrelationship between Myawaddy and Mae Sot by drawing in investments and forming business prospects across borders. However, the towns do not have the necessary infrastructure, financing, and policy support to fully integrate and support the optimal development of industry forces (Hubert & Masato, 2019:20).

Thailand continues to be an interesting case study in the Asian region. Upon recognising the growth differences with its neighbours, Thailand has focused strategies on supplying manufacturing centres to its border regions to compete in the southeast Asia region. Thailand is now capable of not only bridging disparities in wealth in and out of the country, but it has been able to build bonds with its neighbours by way of co-production. This will help the states mutually benefit from economic development while managing the large numbers of illegal immigrants seeking employment abroad (Krainara, 2008:2).

Another study was conducted that investigated the aspects that affect the economic growth of the bordering towns in Thailand by focusing on the border towns of Nongkhai (near Laos) and Sadao (near Malaysia). The Thai government funds the development of the bordering town of Nongkhai under its development plan, whereas the market determines Sadao's economic growth. Therefore, the study aimed to contrast the success of border town development sponsored by the state with one that comes from the market. The researchers found that a border town's development motivated by profit performs better than one solely funded by the state. Furthermore, border towns that do not have government funding play a crucial part in encouraging the cross-border tourism industry (Anuar & Harun, 2018:123).

Lastly, in Thailand is the example of the border towns of Mukdahan (Thailand) and Savannakhet (Lao PDR). These are two urban regions on opposite sides of the Mekong River. Because of their localities and ethnic connections, the two areas are leading examples of huge economic integration prospects through greater investment and trade flows. Trade is essential to the two cities' economies, which signals the presence of cross-border value chains (Hubert & Masato, 2019:24).

2.2.4 Africa

According to Soi and Nugent (2017), the past couple of years have seen an increase in literature on African border regions. As this literature has become more prominent in several disciplines, it has become more distinctive, adding more knowledge to studies of trade networks, migration flows, bureaucracy, border (in)security, etc. Many researchers have been curious about African border towns. Whether the studies' point of interest is the border spaces or the physical location, border towns occupy a crucial position. Yet, the border towns have uncertainties. Often, they are associated with high levels of poverty and hopelessness, where those who do not have options are left in despair (Soi & Nugent, 2017:535–536).

In terms of LED's potential for regional integration, Isik (2016) states that regional integration, especially on the African continent, can play an essential part in expanding economies and moving them away from depending on the export of raw materials. Countries can develop their economies by, for example, transporting energy and food, thereby creating more jobs for the youth and alleviating poverty.

Tanzania, Kenya, and Uganda are three East African countries that are poor and rely on the agricultural sector for economic growth. In 2001 the three countries signed a Free Trade Agreement (FTA), signalling the establishment of the East African Community (EAC). The treaty came with essential changes in the regions' trade policies. Tanzania, Kenya, and Uganda immediately began to jointly abolish a series of trade-restrictive measures (Eberhard-Ruiz & Moradi, 2019:259–260).

According to Eberhard-Ruiz and Moradi (2019), in the first four years following the EAC establishment, towns in border regions grew bigger than those in interior territories by 2.8 percentage points, compared to their pre-EAC development rates. This indicates that the founding of the EAC had a positive impact on the border towns' economic activities. It also demonstrates that regional integration is necessary to avoid the isolation of border regions.

The impact of the integration on the development of border towns like Busia (Kenya) and Busia (Uganda) has had a positive effect, equal to 5% of GDP between 2001 and 2013. Nonetheless, this economic growth was insufficient to have a lasting impact on

towns' relative contribution to total economic activity in the region (Eberhard-Ruiz & Moradi, 2019:259–261).

The border town of Goma is at the Democratic Republic of Congo's border with Rwanda. According to Vlassenroot and Buscher (2009:4), one crucial element in Goma's growing urban development was the city's border locality. The city is in the middle of the Great Lakes Region and is essential for trading in the zone. Though Goma has traditionally been crucial for trading and migration that linked communities from eastern and central Africa, the city's economic significance mostly originates from the colonial period. Economic pursuits were, however, not limited to those created by the colonialists. Before colonialism, minor local economic dealings were already taking place through cross-border channels that connected Goma with businesses in Rwanda and Uganda. After liberation, these channels became important and became the backbone of the local economy. Traders, transporters, and students use the border between Gisenyi (Rwanda) and Goma. Many Goma residents go across the border into Rwanda daily to sell agricultural products in Rwandan markets (Vlassenroot & Buscher, 2009:5).

The port infrastructure in Lomé (a city in Togo whose outskirts are adjacent to a border) provides services to neighbouring Ghana and Sahelian countries. Other towns also serve as platforms for cross-border trade. For instance, on the border between Niger and Nigeria, Gaya, Jibia, and Dan Issa serve as collection points for local agricultural products and trade hubs to flow merchandise from global markets. Legislative differences, import bans, and changes in the exchange rates between various countries contribute to these urban centres' often rapid development (Organisation for Economic Cooperation and Development (OECD) & Sahel and West Africa Club (SWAC), 2019:11).

Walther (2014) states that marketplaces on either side of the Nigeria-Niger border have also thrived because of the import and export of a range of services and agricultural products. The limited regulation of customs and duties that enforced export and import bans on many staple foods and manufactured products added to more re-exports from the global markets that formally arrived in Benin, passing through Niger and entering Nigerian markets illegally.

However, border towns lack the infrastructure needed to develop local innovation centers and regional commercial hubs. This double constraint is expressed locally by urban development that is mainly spontaneous and by a lack of markets, storage facilities, urban roads, and medical, social, and educational facilities. Border towns also suffer from congestion and a lack of upkeep on the road and rail infrastructure, connecting them to the rest of the nation and neighbouring countries. The lack of productive, socio-educational, and business investment typical of border regions considerably reduces the potential for agglomeration economies created by urban concentration. It also amplifies the negative effects of distance at the national level and imposes considerable regional trade constraints (OECD/SWAC, 2019:8).

According to Soi and Nugent (2017:542), in southern Africa, good road networks have helped give traditional border regions an improvement. An example of road and rail networks' transformative potential is on the border between Zambia and Namibia. The Zambezi River's bridging has increased traffic from the Zambian Copperbelt down Walvis Bay's transport passage, thus creating economic development in Katima Mulilo (Namibia) and in Sesheke (Zambia), which are on opposite sides of the river.

Similarly, the Zambia-Malawi-Mozambique Growth Triangle (ZMM-GT) is an area that incorporates the Zambezi Valley in Mozambique and other small areas of Zambia and Malawi that share a border with Mozambique. It is a cross-border growth plan created by imitating some approaches of the Asian Growth Areas, which seek to encourage regional integration and the acceleration of growth in a region. The Growth Area approach is centred on taking advantage of differences in border regions' capabilities and promoting economic development in these often forgotten areas (Soderbaum & Taylor, 2008:92).

Soderbaum and Taylor (2008:99) further state that the private sector was put forward as the main actor in ZMM-GT, thus being positioned as a bottom-up initiative that will deepen on-the-ground integration and development. However, the World Bank's Financial Advisory and Intermediary Services Act mission visited the region and observed that although there was indeed support from the private sector, this mainly came from weaker industries in the border regions. The most significant contributors to the economic development of ZMM-GT would appear to be informal traders who

trade in food and other consumer goods; extensive infrastructure collaborations, including transport, communications, and energy; and the agricultural sector.

As Covarrubias (2018:353) states, a vital element that could generate economic development and competitiveness in African border regions is the coming together of social capital and social innovation. Each of these concepts, on its own, is not sufficient to promote growth in border regions. Social capital's key elements of trust, networks and a shared vision are often not enough to develop joint economic development, innovation, and competitiveness strategies in cross-border regions. There is a need to integrate social innovations into the existing social capital formulas, particularly in cross-border environments, and socially innovative cross-border co-operation mechanisms must exist to stimulate co-operation.

Social innovation, in this sense, relates to tools and practices designed to innovate the way complex cross-border relationships work and, at the same time, promote their interactions. A bi-national centre for fostering social and economic development, a cross-border network of socially responsible businesses, and a shared cross-border tax policy are examples of social innovations at the cross-border level (Covarrubias, 2018:354).

Below is a comparative table contrasting the regions mentioned above:

Table 2.1: Comparison of border region economic development

Region	Border region situation	Planning approach	Benefits
North America	<ul style="list-style-type: none"> ✓ USA-Mexico border: economic disparities between border regions ✓ USA-Canada: economic parity and competition between border regions 	<ul style="list-style-type: none"> ✓ Placement of <i>maquiladoras</i> next to the USA-Mexico border ✓ Mexican introduction of free trade zones ✓ Introduction of American Free Trade Agreement (NAFTA) ✓ Introduction of US-Mexico High-Level Dialogue 	<ul style="list-style-type: none"> ✓ <i>Maquiladoras</i> employ over 1.2 million people, contribute 45% of Mexico's exports to the USA, and support border regions ✓ Mexicans contribute to expenditure in USA cities ✓ Increase in USA businesses selling services to Baja Californians ✓ Improved regional integration and bilateral development ✓ Advancement of economic priorities that prioritise mutual economic growth
Europe	<ul style="list-style-type: none"> ✓ Boundary shifts after the fall of communism ✓ Forced migration at border regions ✓ Border towns subjected to re-nationalisation ✓ Restrictive measures that limited the contact between people ✓ Marginalisation of peripheral areas 	<ul style="list-style-type: none"> ✓ Introduction of free labour market ✓ Cross-border co-operation: Euroregions ✓ The Council of Europe and EU facilitating cross-border activities ✓ Opening of internal EU borders ✓ Cross-border tourism ✓ Reducing taxes on certain goods 	<ul style="list-style-type: none"> ✓ Acceleration in the development of border regions ✓ Promotion of shared interests ✓ Free movement of goods and people ✓ Cross-border shopping

Asia	<ul style="list-style-type: none"> ✓ Limited transnational co-operation on the continent 	<ul style="list-style-type: none"> ✓ Transnational economic co-operation ✓ Infrastructure development ✓ Cross-border co-operation and introduction of SEZs ✓ Moving manufacturing centres to border regions ✓ Tax reduction and tariff-free exports to third countries 	<ul style="list-style-type: none"> ✓ Increase in production ✓ Enhancement of accessibility and creation of linkages in the region ✓ Promotion of local businesses ✓ Promotion of agriculture and forestry ✓ Formation of growth triangles ✓ Building of bonds with neighbours and bridging of disparities
Africa	<ul style="list-style-type: none"> ✓ Extreme insecurities in border regions ✓ High levels of poverty ✓ Economy reliant on agriculture ✓ Lack of infrastructure ✓ Congestion and lack of upkeep 	<ul style="list-style-type: none"> ✓ Introduction of Free Trade Agreement (FTA) ✓ Establishment of East African Community (EAC) ✓ Cross-border co-operation ✓ Introduction of Zambia-Malawi-Mozambique Growth Triangle (ZMM-GT) 	<ul style="list-style-type: none"> ✓ Abolishment of trade-restrictive measures ✓ Growth in border regions ✓ Residents crossing border daily to sell goods ✓ Regional growth and accelerated growth

2.3 Conclusion

Border town research has become essential for several reasons in the past few years. These regions provide insight into the geographies of power and wealth and the effectiveness of international border protocols. Border towns are also usually more economically disadvantaged compared to areas more centrally located in a country. They have high levels of poverty and low household income, and most rely on the agricultural sector for economic growth. Evidence has shown that strict border controls and regulations have made it difficult for these regions to advance and take advantage of their proximity to an international border.

However, many regions across the world have introduced local-specific economic development approaches targeted at border areas. For example, the introduction of the free trade zones and the American Free Trade Agreement (NAFTA) in North America has helped the USA and Mexico benefit from more significant export of goods and increased revenue for local businesses. Similar development approaches in other parts of the world have yielded positive results for the border regions and continue to enhance regional integration and mutual development between countries. The common development approach implemented by all the areas mentioned above is cross-border co-operation and the working together of neighbouring countries to attain mutual economic growth in border regions.

The economic benefit of decreasing border restrictions include higher employment rates and economic development in border regions. States have been able to accelerate bilateral development and regional integration through the free flow of people, goods, and assets. This has increased the competitive advantage of border regions and promoted shared interests across the border for the common good of border populations. The following chapter will look at the characteristics of small towns in South Africa and the actions implemented to promote economic development in these regions.

CHAPTER 3: SOUTH AFRICAN SMALL TOWNS

3.1 Introduction

Small towns are essential objects of study, both for theoretical and empirical reasons. Bell and Jayne (2009:683) state, “What is lost due to the bias towards large cities is a full picture of urban form and function: the urban world is not made up of a handful of global metropolises, but characterised by heterogeneity. Studying small towns enables us to see the full extent of this.” Thus, there is no need to contrast small towns with big metropolises. On the contrary, small towns need to be researched because they are places of economic activity, urbanity, and social transformation. This research needs to understand their role in urbanisation, rural-urban linkages, and the global economy (Zerah & Denis, 2017:2).

Donaldson and Vermeulen (2012:163) state that globally, many small towns are experiencing economic decline. Several small towns have declining local economies, worsening employment opportunities, failing businesses, and, in some cases, dwindling populations. As a result, small towns must seek alternative strategies to keep their economies going as traditional functions can no longer maintain economic growth.

In South Africa, the government has instituted several measures to support the development of small towns. According to Rogerson (2014), these measures include the introduction of the IDPs and the Reconstruction and Development Programme. The policies encourage localities to enhance economic inclusivity, ensure the investment of local resources, maximise local opportunities, and increase an area’s competitive advantage to address local challenges such as unemployment. Additionally, the South African government has introduced the Integrated Urban Development Framework (IUDF). The IUDF is a policy framework recognising the South African urban system and how these areas can become more inclusive, resource-efficient, and suitable places to live (COGTA), 2016).

This chapter outlines the main characteristics of small South African towns. It discusses the measures that have been implemented in small towns to advance economic development, and some of the challenges small towns face.

3.2 Features of South African small towns

The classification of settlements is important for understanding urban processes and essential in policy formulation and monitoring processes. However, classifying South Africa's settlement structure is complex. Donaldson (2018:6) mentions four typology systems of small towns. The first is the Centre for Development and Enterprise (CDE) (1996) classification, which includes former homeland towns, countryside towns, and larger towns. Former homeland towns act as welfare distribution centres, whereas countryside towns act as service centres or as homes for displaced workers. Larger centres have a comparative advantage in productive farming areas. The second is Murphy's (2002) classification, which includes peri-metropolitan settings, population settings, interprovincial transport route settings, and remote idyllic settings. Peri-metropolitan settings are urban places outside of a metropolitan region but within commuting distance. These areas have an elevated level of non-agricultural activities, and people have reasonably high incomes. The areas can be accessed easily through the national highways and offer a safer living environment and a sense of rurality. The third classification is Atkinson's (2008), which encompasses function, economic performance, and the historic economic legacy of an area. Historic economic legacy refers to the former homelands of South Africa, characterised by traditional land occupancy and mainly commercial agriculture. Larger commercial towns seem to absorb the economic energy from the surrounding small towns. Lastly, there is the South African Treasury (2011) classification linked to a municipality's status. For example, there are metropolitan authorities, B1 municipalities (secondary cities), B2 municipalities (large towns), and B3 municipalities (small towns).

The South African government's Urban Development Framework (1997) classifies regions with fewer than 100 000 inhabitants as small towns (Reynolds & Antrobus, 2012). According to the Centre for Development and Enterprise (CDE) (1996), there are roughly 500 small towns in South Africa.

According to Wessels (2012:2), a town is the physical, technical, and social expression of its population's dominant economic and cultural processes over time. The most obvious distinction in the characteristics of small towns in South Africa is the distinction between former "homeland" towns and "white" towns (Dewar, 1994). The former homeland towns are characterised by underdevelopment and remain welfare and

administrative centres that serve surrounding rural areas. The former white towns enjoy the benefits of new economic opportunities like tourism. Still, the majority have been economically static due to the outward migration of the skilled population and the increase in unskilled people (Nel, 2005). Nel et al. (2011:407) state that the white population has stagnated numerically, while the black and coloured population has grown considerably.

Wessels (2012:2) adds that small towns in South Africa are affected by the following issues: spatial disintegration, low density, inadequate land use management, poor municipal management or service delivery, environmental degradation, contentious relationships between administrative and political levels, and centralisation of power around mayors (Wessels, 2012:2). According to the IUDF, South Africa's towns have high inefficiency and use scarce resources wastefully (COGTA, 2016:3). Decades of apartheid policies with their socio-spatial legacies have damaged the nation, and many small towns are declining for countless reasons. These reasons include (a) the collapse of small-town economies (mainly due to the exhaustion of mineral resources and reduced labour needs); (b) the demise of rail transport (due to deteriorating rail infrastructure and lack of maintenance); (c) a shift from agriculture to other economic endeavours (due to the mechanisation of farming, land abandonment, and a shift to new rural activities); and (d) a change in trading patterns (due to globalisation). In addition, improved road access has enabled access to more distant regional centres, displacing smaller service centres (Gibb & Nel, 2007; Hoogendoorn & Nel, 2012; Nel, 2005). Nel (2005) adds that the growth of tourism towns causes the economic decline in small towns and the loss of local government functions in some small towns after the integrated local government system came into effect in the year 2000 (see also Donaldson & Marais, 2012).

3.3 Economic drivers in South African small towns

According to Atkinson (2008:5), fostering and advancing economic development in small towns is difficult. Large population size and infrastructural resources ensure that urban areas can maintain economic momentum. In contrast, small towns are different, with diverse economic sources (e.g., mining, agriculture, or tourism) and very different economic fortunes (ranging from deteriorating, static, or improving circumstances).

Increased attention has been given to identifying and analysing the role and position of new economic actors and processes transforming the economic objective of small towns (Hoogendoorn & Visser, 2016:98). Because traditional functions cannot sustain economic growth in small towns, they are required to seek alternative strategies to keep their economies progressing (Gibb & Nel, 2007).

Below are examples of the economic drivers in small South African towns.

3.3.1 Tourism

Tourism has played an essential role in the economic development of many small towns in South Africa. Tourism has become one of the fastest-growing and largest economic sectors globally. Moreover, tourism creates jobs and economic renewal of regions faced with stagnation. Many small towns have realised tourism's potential in driving socio-economic development (Kontsiwe & Visser, 2019:1335). Several small-town tourism projects use a "place-based approach", highlighting cultural and nature-based tourism that draws on local skills (Donaldson & Vermeulen, 2012:163).

Davidson and Maitland (1997) have suggested that an area can successfully emerge as a tourism destination if three factors are present. Firstly, places need to create a total tourism product that will attract visitors. This product is a combination of resources and services. Secondly, a place's success in tourism must be linked to the area's development, such as establishing a local training institution to provide skills for employment in tourism. Thirdly, tourism must be planned and managed through partnerships with the private and public sectors (Donaldson, 2018:7).

Marais (2004; 2012) has researched the role of tourism on the development of Clarens, a small town in the eastern Free State. Clarens has several tourist attractions, like its beautiful natural setting, arts and craft shops, hiking trails, places with historical significance, river rafting, and many others. The town also hosts several organised events. These include private exhibitions, marathons, flea markets, and the marketing of Clarens as a conference centre. In addition, many infrastructure developments have taken place in the town centre, including in the local township of Kgubetswana. By the end of 1999, Kgubetswana was the only black township in the Free State with complete waterborne sewerage, signalling the tourism industry's benefits in addressing poor living environments (Marais, 2004:429). Marais (2004) has also

pointed out that the private sector was responsible for introducing the successful development in Clarens. The public sector only joined in the development endeavours later (Van Niekerk & Marais, 2008:370).

Another small town that benefited from tourism-led development initiatives is Aliwal North in the Eastern Cape. A resort developed following the discovery of hot springs that apparently had the potential to heal people. As the resort became more popular and demands from tourists increased, other services developed. The local authorities in Aliwal North used policy and policy documents to target tourism to drive local economic development. Tourism-led approaches in Aliwal North were considered because of the town's various attractive tourism services and products that boost the tourism product portfolio and the town's status as the gateway to the Eastern Cape from the northern provinces. Tourism attractions include nature reserves, leisure facilities, restaurants, festivals, and others. Nevertheless, a lack of marketing and financial capital, poor tourism management, and poor stakeholder relationships adversely affected tourism development (Kontsiwe & Visser, 2019:1335–1339).

Throughout South Africa's small towns and rural areas, a tourism-led approach is one way to utilise unused or underutilised local resources and attract outside expenditure as traditional economic functions are no longer viable. However, it is crucial to note that the tourism space in South Africa is highly polarised, especially around the country's most well-off provinces and large metropolitan regions (Rogerson, 2016:1–4). Though the national government is aware of this imbalance in the tourism economy in certain areas, its policy actions have not produced the required results to deal with the polarisation of tourism development impacts. Often the successful initiatives have been secured by mainly private-sector-driven tourism-led development initiatives (Rogerson, 2016).

3.3.2 Book towns

The concept of book towns is a unique tourism brand that offers a viable tourism-led strategy for sustainable growth in small towns. The International Organization of Book Towns defines a book town as:

a small, preferably rural town or village, in which second-hand and antiquarian books are available to everyone and is one of the most successful new tourism

developments, and offers an exemplary model of sustainable rural development and tourism. Furthermore, the bookshops often have artisanal enterprises, such as paper production, calligraphy, printing, book design, bookbinding, etc. (cited by Donaldson, 2018:55).

Seaton's (1996; 1999) research on small towns in Europe found that book towns provide a sustainable development route. This is because they use existing resources to achieve new economic growth, are less dependent on the weather or seasons, and attract educated tourists in upper-income and higher occupational groups (Donaldson, 2018:56).

In the Northern Cape town of Richmond, the concept of a "book town" was used to attract tourists. According to Donaldson (2018:57), Richmond was proclaimed Africa's first and only book town in 2007. It was declared as such by the initiators, but the International Organization of Book Towns has not declared it as such. Donaldson and Vermeulen (2012:164) state that the initiative in Richmond has led to a huge increase in the number of bookshops in the town, the hosting of book festivals, and new investments in the town.

3.3.3 Regional Development Agencies

Other regions in the country have established Regional Development Agencies to achieve economic development. The German International Development Agency emphasises the critical role of agencies in the LED arena. It views local and regional economic development as:

an ongoing process by which key stakeholders and institutions from all spheres of society, the public and private sector as well as civil society, work jointly to create a unique advantage for the locality and its firms, tackles failures, removes bureaucratic obstacles for local businesses and strengthen the competitiveness of local firms. (Ruecker & Trah, 2007:15)

An example of such a development agency is Aspire, founded in 2005 by the Amathole District Municipality in the Eastern Cape. Strategic small towns in the province form part of distinct developmental corridors, and each one has its specific capabilities and needs. The development interventions introduced by Aspire to promote the corridors have greatly benefited the area's small towns. Aspire regards small towns as critical

to their development approach and a vital mechanism to promote regional development. Despite the severe economic decline that many small towns have experienced and the profound development challenges in these towns, Aspire believes there are some opportunities (McKibbin et al., 2012:391).

Aspire's programmes are categorised into four clusters: (1) corridor investments, (2) growth point or node development, (3) advancing markets, and (4) town-centre development. Town-centre improvement programmes upgrade important town centres essential to the town's ability to be competitive. Development plans in the towns include initiatives like marketing the town, developing business partnerships, upgrading infrastructure, and securing investments. Town development programmes have taken place in Alice, Stutterheim, Butterworth, Hamburg, and others (Amathole District Municipality, 2018).

3.3.4 Festivals

Festivals are regarded as strategic instruments for developing and promoting visitor activity in an area. The principal purpose of festival tourism is to attract tourists, especially to remote areas outside the daily urban system and during off-peak seasons. Festivals also act as image-makers, catalysts for developing new infrastructure; stimulate attractions such as museums, venues, and spaces; and promote place marketing (Gertz, 2014 cited by Donaldson, 2018:149). Popular festivals that have promoted tourism include the Biltong Festival in Somerset East, the Rose Festival in Addo, and the Arts Festival in Grahamstown (Hoogendoorn & Nel, 2012:30). Van Rooy and Marais (2012:186) mention that the introduction of the Apollo Film Festival in Victoria West attracted tourists from all over South Africa. The festival provided substantial economic benefits to the town's local economy, especially in the beginning years.

3.3.5 Mining towns

There is a strong relationship between mining and the economic standing of a town. According to Gardiner (2017:1), South Africa is a country whose economic prosperity is closely related to the extraction of resources and the export of raw materials. The leading drivers of the economy have been the primary production sectors, i.e. mining, energy, agriculture, fishing, and forestry. Mining's direct contribution to South Africa's

GDP is approximately 6% to 7%. Indirectly, its contribution is estimated at around 20%, and roughly one-third of market capitalisation on the Johannesburg Stock Exchange (Marais et al., 2018). In more developed nations of the world, the primary production sectors have not been as prominent in economic growth as the service sectors, which are the primary drivers of the economy. In South Africa, however, the resource sector remains one of the primary sources of employment and wealth. Therefore, the mining industry is an essential part of economic development in the country.

However, Marais and Atkinson (2006) state that mining closures have been prominent in South Africa for twenty years. These closures are because of diminishing resources, more international competition, and mining competitiveness. Haney and Shkaratan (2003) state that the most apparent effect of mine closure on a community is job losses. Lack of employment is one of the harshest and lasting consequences of mine closure. Businesses that directly serve mineworkers (like spaza shops and hawkers) shut down because the loss of income eradicates the consumer base and decreases the community's purchasing power (Thompson, 2003 cited by Marais et al. 2005:9).

Koffiefontein, a small town in the southwest Free State, is one town that has experienced the closure of a diamond mine in the area. The town plays the role of a rural service centre and depends on the mine for economic activity. The mine operated and closed several times for many years, affecting the population number in the town. This is because many people would vacate the town when the mine closed. The majority of businesses surveyed in the town indicated that they were entirely dependent on the mine or mine employees for an income (Marais & Atkinson, 2006:2). According to Pelser et al. (2012:50), the fluctuations in the mining industry have played a big part in the economic adaptations of Koffiefontein. Data gathered in the town showed the local population's vulnerability to socio-economic impacts triggered by mine closure.

Another small town that witnessed an economic decline due to mine closure is Pilgrims' Rest, located in eastern Mpumalanga. The majority of the local community was dependent on the gold mine for employment. Therefore, when the mine closed in 2015, this negatively affected the local community. The majority of the working population remained unemployed and could no longer contribute to the economy of the mine. Also, there was an overall lack of skills outside mining, making it difficult for

the former mine workers to secure employment elsewhere (Siyongwana & Shabalala, 2019:370–374).

The environmental damage caused by mining also hinders economic diversification. Communities have to live with the lack of and poor quality of water and dust issues (Smith & Underwood, 2000; McGuire, 2003; Kemp, 2010). The establishment of appropriate skills and business partnership programmes outside of mining is commonly proposed to address the expected reality of mine downscaling. Joint partnerships and planning are essential for the development of mining communities (Marais et al., 2018:7). According to Marais et al. (2018:28), the change of government administrations in the past two decades has resulted in reduced investment in new mining towns, which has also had negative local economic implications for existing mines.

3.3.6 Renewable energy towns

Climate change is affecting many regions globally. If left unchanged, its future negative impacts will likely be immense and cost much more than preventing it (International Renewable Energy Agency, 2019). South Africa is among 185 countries worldwide that have ratified the Paris Agreement to tackle climate change and allow present and future generations opportunities to thrive. Under the guidance of the National Planning Commission, the private and public sectors are coming together to come up with ways to transition to a low-carbon, climate-resilient economy and society in South Africa (Department of Environment, Forestry and Fisheries et al., 2020).

In the last few decades, South Africa has been overwhelmed by a shortage of electricity supply. As a result, billions of rand have been allocated for investment in coal-burning power stations. However, there is still growing environmental and financial concern regarding the use of coal in the supply of electricity. Thus, there has been renewed interest in the use of renewable energy resources (Donaldson et al., 2012:129). The country's Integrated Resource Plan (IRP) shows a move in the right direction with a decrease in the reliance on coal-fired plants and an increase in renewable energy generation capacity (Caetano & Thurlow, 2015:9).

The introduction of renewable energy has provided job opportunities in many small towns in South Africa. According to the Wlokas (2015:3), The Renewable Energy

Independent Power Producer Procurement Programme obliges private sector renewable energy projects to engage with local community development around the project sites. The government awards projects with preferred bidder status partially based on promises by companies to contribute towards economic development. Awarded projects are required to spend a certain amount of their generated revenue on socio-economic development and business development and share ownership in the project company with local communities. Additionally, projects add value to the local economy through targeted procurement from local businesses. As a result, job opportunities have been created in small towns around South Africa, such as the Northern Cape towns of De Aar, Louriesfontein, and Poffadder (Wlokas, 2015:24–25).

De Aar Solar Power employed 370 local workers at the peak of its construction. The construction created 520 jobs, 73% of which were filled by workers from the local community. Furthermore, additional indirect jobs have been created for local manufacturers and suppliers during the project's lifespan (Globeleq, 2021).

In the Western Cape, a non-profit organisation, GreenCape, has been established to facilitate the development of the renewable industry. This includes developing renewable energy manufacturing in the small town of Atlantis, which has supplied locally manufactured wind towers to South Africa's Renewable Energy Independent Power Producers Procurement Programme. Thus far, a wind tower manufacturing plant has been established and has created 220 direct jobs. An additional renewable energy company that manufactures wind tower parts is also located in Atlantis, creating a further 80 jobs. Additionally, skills development in the area has been prioritised to ensure that local skills meet the demands of the renewable energy industry in Atlantis. As a result, the local FET College reintroduced welding and photovoltaic installation training into the curriculum (McDaid, 2015).

3.4 South African border towns

Rogerson and Nel (2016:126) state that the foundation of geographically unequal development in South Africa ought to be understood in terms of development that is focused on capitalism and the political economy. Regions located at the periphery became reserves for cheap labour encouraged by segregation policies of the colonial era and, in the end, boosted by apartheid planning. What is important to note is that

these regions worked for producing migrant labour, thus eroding the economic base of rural communities.

According to Azmi et al. (2015), shopping in regions close to the border in South Africa has turned out to be a frequent occurrence. Shopping across borders appeals typically to the local people and domestic travelers. These consumers are usually willing to go beyond their usual environment for the intention of buying items. Financial and vacation activities have been the two persuading reasons that interest people in traveling to the border town and buy goods. Besides buying items, additional tourism activities at border areas typically comprise enclaves and international parks, gambling, and alcohol tourism. Tourism events that are able to create the local economy are those that inspire tourists to sleepover, spend their money on several things like food and drinks, recreation, entertainment, unwinding and traveling by using local transportation, and a range of other local services (Azmi et al. ,2015).

Although Southern Africa has large cities adjacent to borders, particularly Maputo and Gaborone – border areas are mostly rural, confronted with many challenges that also confront rural populations. Border towns in countries with economic disparities are confronted with either an exodus of skills or have to deal with immigration from people looking to escape hardship in their countries. While South Africa is advantaged in a significant way from skilled labour from neighbouring countries, mainly from Zimbabwe, immigrants in border towns are usually young, have no skills, and have little support structures (Wood and Siziba, 2014:2).

A lot of Zimbabwean immigrants cross the border into South Africa via the Beitbridge border. Beitbridge Town –where the bridge is located- is located only 17km away from the town of Musina in South Africa. Beitbridge's closeness to South Africa puts it a beneficial location to benefit from regional trans-border development planning in the SADC Region. The Beitbridge border post is regarded as the busiest inland border-post in Sub-Saharan Africa. Because of the town's closeness to South Africa, Zimbabweans frequent the border in large numbers to sell and buy goods, while others make Beitbridge Town their home. Beitbridge Town has many commonalities with Limpopo – Musina in particular - in terms of culture, language, and other resources. These bonds have aided to fortify the economic development between the two (Nyamwanza, 2017:58).

Limpopo's government has identified Musina for planned local economic development, initiated by the Limpopo Economic Development Corporation. The economic development will generate a free produce market that will generate a lot of jobs in the agricultural sector (Wood and Siziba, 2014:37). The Department of Trade, Industry and Competition has introduced Special Economic Zones (SEZ), of which Musina is one. The SEZ programme was initiated for the expansion of strategic industrial development to include regional development and strengthen governance.

The Musina SEZ is advantageously positioned along the N1 path into SADC, which is near the border between Zimbabwe and South Africa. This SEZ location, coupled with funding and expert logistics support, will turn the location into a choice for investment (The Department of Trade, Industry, and Competition). The advancement of this initiative will thus aid in regional integration.

Border towns can also create regional integration. The Maputo Development Corridor is one such example. This corridor is economic in nature and links the South African province of Gauteng and Maputo in Mozambique. The Maputo Development Corridor has provided the economic and political agenda for escalating the flow of foreign direct investment (FDI) by SA to Mozambique and also giving new prospects for investment by big South African corporations. Additionally, many Mozambicans are crossing the border to South Africa to purchase goods and services (Roodt, 2008).

3.5 Conclusion

Small towns need to be studied because of the important role they play in regional development and urban-rural linkages. They are essential but often neglected elements of regional economic development, and they must be included in development policies and strategies.

Based on the evidence in the sections above, small towns and border towns are still faced with major development challenges and require innovative tools to tackle these challenges. As Wood (2015) states, the areas are faced with an underdeveloped commercial base, small consumer markets, bad infrastructure, and a decreasing workforce. Small towns will not develop without some intervention, which, apart from a sudden discovery of minerals or investment by a firm, will almost certainly have to come from the state in partnership with the private sector. To do nothing is to surrender small towns to the historical determinism of their geography (Wood, 2015).

The challenge of developing small border towns in South Africa is influenced by neighboring countries' economies' small size and underdeveloped nature. However, some border towns in South Africa are already the focus of development, with SEZs planned for both Mahikeng (on the Botswana border) and Musina (on the Zimbabwean border) (Wood, 2015).

All things considered, the body of small town-focused literature published on South Africa hitherto is limited in both scope and scale. With a few exceptions, such as Donaldson and Marais (2012), small-town research has not received the same focus as urban areas in the country's academic research. Instead, most of the research is area-specific and concerned with an overview and analysis of locally driven strategies for economic development designed to respond to the economic changes these places have experienced (Hoogendoorn & Visser, 2016:97). Though the South African government has introduced some measures to promote small-town and border town development, the efforts are not uniform across the board. Hoogendoorn and Visser (2016:99) state that South African developmental policies have made no provision for coherent socio-economic developmental support strategies specifically aimed at these regions.

CHAPTER 4: RESEARCH FINDINGS

4.1 Introduction

This study set out to investigate the economic advantages Ladybrand has because it is a border town. Chapter 2 provided an international perspective to border town economic development by focusing on examples in North America, Europe, Asia, and Africa. In Chapter 3, the focus shifted to small South African towns and the initiatives implemented to boost economic development in the localities. This chapter analyses the data obtained by identifying and linking patterns and themes. Below, Table 4.1 gives a summary of the research findings. The study found that the proximity of Ladybrand to Lesotho is an advantage for businesses in Ladybrand as Lesotho nationals often cross the border to purchase goods. However, the number of Lesotho nationals crossing the border to go to Ladybrand has decreased due to the building of malls in Maseru and the recent COVID-19 pandemic. The presence of a border is not

considered an obstacle for people who want to go to Ladybrand, although the business fraternity indicated that they wish for Lesotho nationals to be afforded special status at the border. The study also found that there is a lack of LED programmes in Ladybrand and an inadequate marketing strategy for attracting the Lesotho nationals.

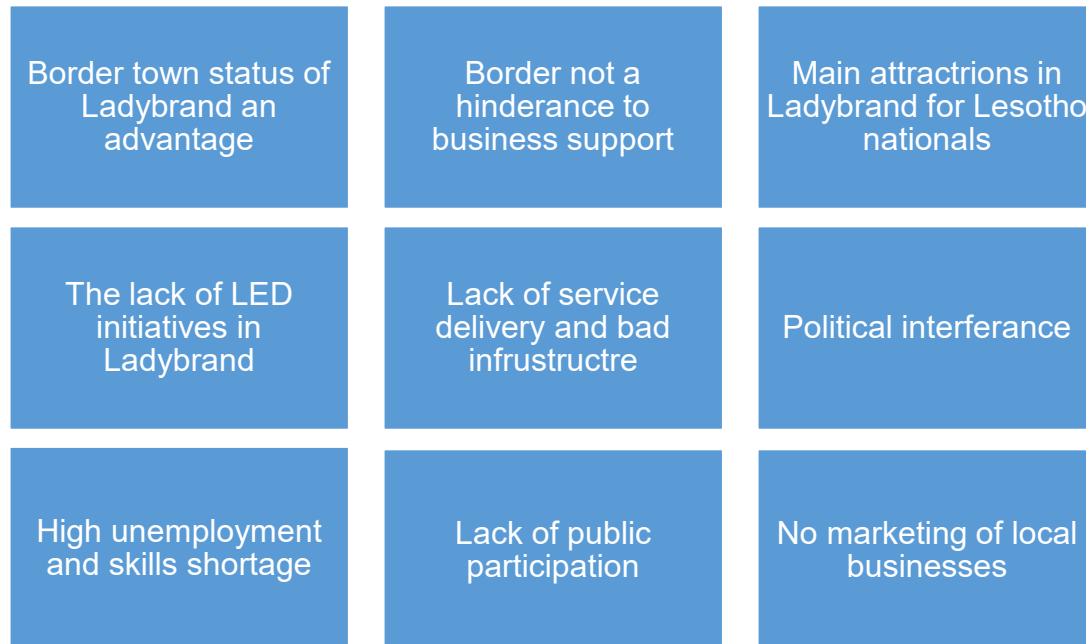


Figure 4.1: A summary of the research findings

4.2 Border town status of Ladybrand an advantage

The international literature (see Chapter 2) has pointed to the advantages of border towns in terms of access to international businesses and workforces. Location is central to gaining from differences in costs and obtaining new ideas. Research shows that the ability of regional and local role players to take advantage of opportunities presented in different spheres purposefully shapes the advancement of border regions (Prokkola, 2019). The respondents in the present study were thus asked about the potential locational advantages for Ladybrand. Below are some responses provided by the respondents in Ladybrand regarding their perception of Ladybrand being a border town. There was a widespread acknowledgement of the advantage Ladybrand had. The following two quotes provide a good understanding of these benefits but suggest that COVID-19 has had a detrimental effect on the symbiosis between Ladybrand and Lesotho.

Development is OK, but then it's boosted by Lesotho nationals. Right now, we are affected by COVID, but when it's open, they can support it, and our economy performs well. Ladybrand is doing OK because of its proximity to Lesotho. (Interview 7, 2021)

Now that Lesotho nationals can't cross the border because of COVID, business people are complaining. The banks, taxis, hawkers, and shop owners are all complaining. Lesotho has supported the economy of Ladybrand a lot. (Interview 6, 2021).

The two quotes show that Ladybrand benefits from its location. Respondents from both the public and private sectors acknowledged this reality. The quotes above point to the wide range of economic effects: on banks, taxis, hawkers, and retail companies. In addition to being dependent on the customers from Lesotho, one respondent noted that *“Lesotho nationals even own many businesses here, so if they decided to leave, then many people would lose their jobs”* (Interview 10, 2021).

For example, Pienaar and Zingel (2004) state that because the agricultural sector in the eastern Free State is not doing well, there has been a trend of commercial farmers from Lesotho buying farms in places like Ladybrand and employing the local people. Shoprite Holdings (2019) further adds that MG Commodities, a business in Ladybrand owned by Lesotho nationals, supplies rice and sugar beans to the Shoprite Group. This company employs many residents of Ladybrand.

The respondents mentioned the adverse effect of the COVID-19 pandemic on their businesses. The restriction of Lesotho nationals' crossing the border due to COVID-19 regulations has negatively affected businesses in the area. The pandemic's impact is, however, not unique to Ladybrand. According to Statistics South Africa (2020), The COVID-19 pandemic has disrupted the South African economy and society, with many South African industries experiencing an adverse impact from the pandemic. Yet, the consequences of COVID-19 are similar to the closing of the border and have a specific effect on Ladybrand because customers from Lesotho cannot move freely.

4.3 Border not a hindrance to business support

As already mentioned in Chapter 2, strict border controls and regulations have made it difficult for border regions to advance and take advantage of their location near an international border. A border official at the Maseru border said that Lesotho nationals

were not subject to strict border controls when they passed to Ladybrand. When asked if the border hinders transit in any way, the border official responded as follows:

No, I don't see it as a barrier of trade or facilitation of trade. It's more of a control process that seeks to ensure that any goods or people who cross the border or enter South Africa do so in a regulated and legal way. So I think it's more of a control process than it is a barrier to trade. (Interview 12, 2021)

The quote above indicates that the Maseru border, like other international borders, acts as a demarcation between two independent countries: Lesotho and South Africa. It is there to regulate the passage of goods and people between those two countries. Therefore, except for the inconvenience of being subjected to immigration processes when people want to cross the border to go Ladybrand, there are no other obstructions for Lesotho nationals.

Pienaar and Zingel (2004) state that the current controls require Lesotho nationals to present their passports whenever they cross the border. They are also granted visitors' visas as long as they own a valid passport. According to Coplan (2010), Lesotho is covered by South African immigration regulations under "other countries." However, in reality, different arrangements, permit concessions, and rules arrangements are in place, and national ones are often disregarded to accommodate local realities. Nevertheless, as Coplan has found, the Lesotho immigration service senior border officials have criticised the treatment of Lesotho nationals, saying the system is now worse than under the apartheid era. They believe that legislation stemming from the South African White Paper on International Migration is based on the narrow idea that liberalised border controls would only benefit citizens of neighbouring countries looking for economic advantages in South Africa to the detriment of locals (Coplan, 2010).

Still, business owners in Ladybrand believe that the border controls need to be relaxed further. One business owner mentioned that there needs to be communication between the business fraternity in Ladybrand and border officials to discuss how border regulations could be relaxed to benefit businesses in the town. The business owner further added, "*From 2010 they took away the six months permit. You know, they used to get a temporary passport for, like, six months. I'm sure if the borders are open, they will come and support*" (Interview 8, 2021).

The point of view above indicates that business leaders in Ladybrand want Lesotho nationals to have special concessions to cross the border in order to support their businesses. They believe that the six-month permit should be brought back to allow Lesotho nationals unrestricted movement and allow Ladybrand business people to cross the border to do business in Lesotho.

A study conducted by Sechaba Consultants and Associates (2002) corroborates the view above. According to this study, business people in the eastern Free State believe they would not survive without personal networks or contacts at the border. Business leaders think it would not be possible to do business without six-month concessions, which need to be automatic for business travellers. They also believe that there should be a bi-national arrangement between Lesotho and South Africa, as a lot of time is wasted at the border. Business people in Ladybrand feel that free movement for Lesotho and South African citizens would encourage and promote cross-border economic activity without cost or disadvantage to South Africa (Sechaba Consultants and Associates, 2002).

Certain benefits might follow directly from the removal or reduction of passport regulations at the border. South Africa could create a friendlier, more supportive atmosphere among the general public, including valued business people, tourists, professionals, and ordinary travellers. Business, agriculture, transport, tourism, cultural education, and cross-border co-operation could be significantly enhanced by easing border regulations, leading to economic development, job creation, increased public revenue, and public services in the border regions (Sechaba Consultants and Associates, 2002). Therefore, it would benefit Ladybrand greatly if Lesotho citizens were given special status at the border. Lesotho nationals would support Ladybrand business more, contributing to the local economy and creating more jobs. The existing degree of economic and social integration would be enhanced.

Unlike in the European Union, there is no agreement allowing the free movement of people and goods between South Africa and Lesotho. When asked if Lesotho and South Africa have any such arrangement, the border official indicated that there is none because the current South African Immigration Act (Act 13 of 2002) does not allow for it. The official further added that the Act requires everyone crossing the border to subject themselves to immigration officers. A person needs a valid passport to be

examined, and border control processes the movement between South Africa and Lesotho on the movement control system. There are no exceptions to that requirement (Interview 12, 2021).

The business owners interviewed did not think of the border as a hindrance to business support in Ladybrand. One business owner mentioned that Lesotho nationals visit his business all the time (Interview 10, 2021), and another responded:

Well, we used to get them every weekend. They used to come to Ladybrand as an outing for them, so they used to come and spend the day. And then they used to come and shop, but it's not happening now [because of COVID-19], but that's when they used to come, like, every weekend, or just for an outing. (Interview 8, 2021)

The above quotes indicate that Lesotho nationals regularly support businesses in Ladybrand, despite the border's presence. Some businesses see customers daily, while others have an influx at the weekends.

4.4 Main business attractions for Lesotho nationals

When people shop or go through a country's border, they often look for a new environment. They look for different physical surroundings. They look for various commodities and lower prices. Viljoen and Wentzel (2007) mention that many Lesotho nationals go to South Africa to buy goods and access personal services. According to the South African government's annual statistics, many Lesotho nationals go to South Africa for commercial purposes and, therefore, help support the economies of the border towns (Viljoen & Wentzel, 2007).

Based on the data gathered in this study, Lesotho nationals visit Ladybrand to purchase goods like groceries and clothing and to access services offered in the town. However, the services sector seems to attract most Lesotho nationals who go to Ladybrand. The three responses below provide an overview:

Oh yeah, they especially come to the banks, and we also got very good doctors, so they usually come to the doctors here, and most of the kids are at school here because I think the schools there are mostly full. That's why they come. (Interview 8, 2021).

I think the doctors here get the most attraction from Lesotho, and I know that many people come across the border to the doctors and our free clinics. (Interview 5, 2021).

I'll say the service. There are many people from Maseru that I know who would be coming. When you ask them why don't you buy from Shoprite in Lesotho, because there's Shoprite there, they will say the service there is poor and the service here is better. (Interview 1, 2021).

The first conclusion from these quotes is that Lesotho citizens make use of banks in Ladybrand. According to Ezenwa (2005), Lesotho nationals prefer using banks in South Africa for a number of reasons: (1) banks in Lesotho charge higher interest rates, compared to South Africa; (2) South African banks offer better safety for their money; and (3) Lesotho nationals fear the collapse of their national banks (as happened with Lesotho Bank, which Standard Bank of Lesotho bought, and the collapse of the Agricultural Bank). Banking in South African banks in Ladybrand also makes it easier for parents to transfer money to their children in South African schools or to do business transactions. Most of the time, shoppers combine banking with at least two other activities, such as recreation and shopping (Ezenwa, 2005).

Many Lesotho citizens access schools in Ladybrand. Mnguni (2020) states that Ladybrand has three public schools: Ladybrand High School (a fee-charging, former Model C school), Lereng Secondary School (no-fee school), and Sehlabeng Secondary School (no-fee school). Ladybrand High School is a Quintile 5 school, while Lereng and Sehlabeng Secondary Schools are both Quintile 2 schools. Children from Lesotho are only found in Ladybrand High School and not at the other two schools (Mnguni, 2020). This indicates that Lesotho parents who send their children to Ladybrand High School are part of the upper socio-economic classes. Putting a child in a school in Ladybrand means that parents spend money on school and boarding fees in Ladybrand. But it also means regular trips between Lesotho and Ladybrand. During these trips, they then access shops and other services.

Thirdly, consultations with private doctors in Ladybrand was mentioned. One respondent said that the medical doctors in Ladybrand get the "most attraction" (Interview 5, 2021). According to WHO (2009), while Lesotho has a central referral

hospital in Maseru, it is under immense pressure because of a shortage of human resources and experts to administer and manage essential programmes. Therefore, serious emergencies have to be referred to neighbouring South Africa (WHO, 2009). Additionally, foreign nationals have access to free primary healthcare services in South Africa (Stevenson, 2019).

Finally, access to retail shops in Ladybrand rather than Maseru is associated with getting better services. One respondent mentioned that some Lesotho nationals prefer to do their shopping at Shoprite in Ladybrand rather than Shoprite in Lesotho, simply because they receive better service in Ladybrand. They added that services in Lesotho are slow, and Lesotho nationals prefer the faster services offered in Ladybrand (Interview 1, 2021).

Although some retail advantages were mentioned above, most respondents noted competitive advantages concerning the services in Ladybrand. To a large degree, all consumer goods in Ladybrand are also available in Maseru. Two malls have recently been built in Maseru. According to Khaola and Ramokepa (2016), the first mall established in Lesotho, the Pioneer Shopping Mall, was opened in 2011 with big chain stores like Pick 'n Pay, Shoprite, and Foschini. Before that, the nearest mall had been in South Africa. The establishment of local shopping malls was probably the most significant change in the history of retailing in Lesotho. The respondents thought that the development of the malls in Maseru harmed the retail sector in Ladybrand. Retail outlets that were previously only found in South Africa are now available in Maseru. When asked about their view on development in Ladybrand, some of the respondents answered as follows:

Lesotho in the past ten years didn't have their own businesses. Since then, Lesotho has their malls, two major malls that I know of, with all the big chain stores that you know of, so no one needs to come. (Interview 5, 2021)

In the beginning, there was movement, I'd say around 2008. There was action happening in terms of LED, but after Lesotho built its malls, everything depreciated. They would support businesses here in Ladybrand, and you could see that life was happening and the nightlife was also good, restaurants were overflowing, but that does not happen anymore. We used to have about ten restaurants in the central town, but now we have maybe three or four. (Interview 13, 2021)

The responses above attest to the adverse effect that malls in Lesotho have had on businesses in Ladybrand. Services still lacking in Lesotho, such as good healthcare and the banking sector, thus attract the most business from Lesotho nationals in Ladybrand. The Ladybrand Rekord (2016) has corroborated these findings with the example of Russells, a national furniture store, which closed its doors in Ladybrand. Russells had been operating in Ladybrand for many years. However, one of the main reasons for the closure was that fewer Lesotho nationals were spending money in Ladybrand due to the malls. It was further reported that a total of four businesses had closed their doors in two months (Ladybrand Rekord, 2016).

4.5 The lack of LED initiatives in Ladybrand

A border town's location means the possibility of benefiting from differences in costs and obtaining new ideas. Research shows that regional and local role players' ability to take advantage of opportunities presented in different spheres is essential in shaping border regions' advancement (Prokkola, 2019). Therefore, the question is raised of whether Ladybrand has implemented any LED initiatives that would take advantage of its locality and inspire economic development in the town. Data gathered in this study show that there are currently no LED initiatives taking place in Ladybrand. When asked about the LED initiatives implemented, municipal officials responded as follows:

The background of the research isn't there, or the information that is coming to council does not show ... Maybe it's the information accessible to the LED office that is not kept up to date. Because when they bring an item to the council, it just seems like not enough has gone into it, and it gets sent back. So in five years, we actually haven't had any LED projects coming off the ground. (Interview 5, 2021)

I'm going to be honest because I'm an honest person. There's nothing of that sort taking place. (Interview 13, 2021)

So, as I indicated on the local sphere ... As I'm speaking, I don't have the most recent local economic development strategy because it's not being taken seriously. (Interview 1, 2021)

The quotes above indicate that there are currently no LED programmes being implemented in Ladybrand. There is no thinking about how to benefit from the proximity to Lesotho. It means that the officials responsible for implementing LED have not maximised LED by implementing initiatives that consider the town's proximity to the border.

The findings above are contrary to what has been noted in the municipality's IDP. According to the Mantsopa Municipality IDP, the municipality has advanced an LED Strategy, reviewed annually, as part of the IDP process. It states that the strategy includes rural development; tourism; and small, micro, and medium enterprises as part of the municipality's push for interventions to create employment and fight poverty. The IDP mentions that the municipality has made provision for R2 million specifically for LED initiatives, and this amount will increase cumulatively over three years (Mantsopa Local Municipality, 2019). It is unclear, however, how these funds are being utilised since there are currently no LED initiatives in place. Also absent from these plans are ways to improve the links between Lesotho and Ladybrand.

There is also the perception amongst the respondents that LED is not understood by those meant to implement it. Two of the respondents provided the following responses:

So the difficulty here is that somehow local economic development is not entirely understood in the local municipality space. So it's so difficult for policies to be implemented because there are policies at the provincial and national levels. However, when it comes to local space, it's so difficult. (Interview 1, 2021)

The first thing is that the LED officials should be the right people who know what they are doing and what it means to work for the community. It must not be politicians who are there to benefit their organisation/party. It should be people who know that they are helping the community. When it's like that, the community benefits. (Interview 7, 2021)

The responses above indicate a general lack of understanding and direction of the LED process by those entrusted to implement it. There are also doubts about whether the right people are being appointed. The local government is not sure what its role is compared to the provincial and national spheres of government. Furthermore, there is

no attempt to build on the obvious locational advantages of being a border town. Below, the state of affairs is discussed in more detail.

4.5.1 Lack of service delivery and bad infrastructure

According to Tsheola and Mokgokong (2012), public services are necessary for establishing an enabling local development environment. Within such an environment, local people can make productive use of the opportunities for business partnerships, employment creation, income generation, economic output, and tradable market economies, and gain the capacity to resist threats.

Quality of life has been strongly advocated as one of the three most important determinants of business location decisions. High environmental quality, culturally desirable working and living conditions, and convenient local amenities are vital to fostering economic growth and job creation by retaining local businesses and attracting inward investment (Wong, 2003). Therefore, the lack of public services or their poor delivery imposes severe limitations on the local development environment, derailing the potential for LED. The respondents identified a lack of service delivery and dilapidated infrastructure as causes of the lack of economic development in Ladybrand. One respondent mentioned that due to the many potholes on the town's roads, businesses refuse to bring their operations to Ladybrand as their vehicles will be damaged (Interview 5, 2021). Two other respondents added:

It is service delivery, the roads, those are the main things that hinder development. If we could fix those things, then things would be better. (Interview 13, 2021)

The infrastructure of Ladybrand is affecting the investors to come. The roads, our roads are very bad. It affects, for instance, when you want to develop here in Ladybrand there's a place called station area next to the industrial area – that infrastructure alone is not correct. (Interview 3, 2021)

The quotes above signal the need for infrastructure development and service delivery in Ladybrand to attract outside investors. The lack of appropriate infrastructure and development counteracts economic development as new businesses are unwilling to invest in the town. According to a CDS research paper (2004), there has been a widespread development decline in many Free State towns, including Ladybrand.

Depreciating services and physical infrastructure are some of the causes of the development decline. Sechaba Consultants and Associates (2002) further add that the infrastructure and tourist locations found in many towns in the eastern Free State are insufficient to attract the number of tourists to the region that sustained development requires.

4.5.2 Political interference

Political interference refers to the influences exerted by the higher tiers of government or politicians on the administration of local governments (Usang & Salim, 2016:112). A study on the quality of local governments in South Africa has found that excessive political interference in municipalities limits their capability to provide quality services to communities (De Visser, 2010). In essence, political interference limits local administrative initiative and leads to substandard decisions that affect overall performance. Political interference was provided as one of the obstacles to the implementation of LED in Ladybrand. The responses below provide some views associated with political interference as a factor in the lack of LED in Ladybrand.

You know what, I'm ... being honest. There would be [development]. However, remember the local sphere has your political interference. We tap into so many programmes that are in process, but they get stuck by political interference. I'm not making an excuse, but I feel if politics would stick to politics and let administration run its affairs, then I would be telling you something else, but unfortunately not. (Interview 1, 2021)

We do not have a proper taxi rank. We don't have a proper truck stop. We don't have any of those things that could create local economic development; there's none of that. It's not that we aren't asking for it. I mean, I think I have sent items to the council in these five years, three or four times. Number one, it gets stopped; it does not arrive in council. So there's political interference, and through political interference, nothing is happening. (Interview 4, 2021)

The political interference in the implementation of LED in Ladybrand is a challenge, hence the poor delivery of services. When proposals are put forward in the Municipal council, they are confronted with challenges from those in higher positions wanting to interfere. It prevents the LED officials from performing their duty of promoting LED.

Economic development in small towns requires commitment, hard work, and innovation (Mantzaris & Pillay, 2014). Due to political interference, it is difficult for LED officials in Ladybrand to be innovative and implement new strategies to develop the town, as simple programmes are already being shut down. Implementing LED programmes that consider the border would be innovative and pioneering for Ladybrand.

The South African Constitution gives the local sphere of government the developmental mandate and provides each municipality with a set of constitutionally protected powers. Provincial spheres of government need to play a supervisory role and support cities, but a minor role in controlling the local government system (De Visser, 2010).

Local government must be given autonomy to influence decision-making policies without political interference. The ability of local governments to take part in the creation of possible cross-border co-operations proves their essential role in the political system. The level of government closest to ordinary people should be able to create better living conditions and influence development. This is especially important for border regions, which are usually less developed than regions closer to the centre (De Visser, 2010).

4.5.3 High unemployment rate and skills shortage in Ladybrand

The respondents regarded the high unemployment rate and skills shortage in Ladybrand as a further cause of the LED in the town. According to Koma (2012), the local government sphere in South Africa faces numerous challenges and bottlenecks. The challenges stem from high poverty and unemployment rates, a shortage of skills required to propel LED, a lack of administrative capacity, and ineffective implementation of policies. Additionally, the lack of practical entrepreneurship learning, limited access to capital, and insufficient networking channels stop entrepreneurship from becoming an answer to unemployment (Koma, 2012).

As stated previously, Mantsopa Local Municipality has a very high unemployment rate. Therefore, the shortage of skills results in the community's inability to cultivate innovative, knowledge-based LED proposals. Two respondents provided the following

viewpoints regarding the impact of the skills shortage and high unemployment rate on development:

The big thing is that people have no jobs, and that is a big problem. There's a skills shortage, so send people for skills development and stuff like that, but it starts at the municipality where they have to include the businesses, and we should discuss what is happening. (Interview 8, 2021)

I'd say, for people who have gone to school, their qualifications are not suitable for the jobs that are in demand. It all needs to start in schools so that people are exposed to vocation. For example, here in Ladybrand, people's houses are built by Lesotho nationals. Bricklaying is a problem, and it is something that the locals could do because it is not difficult. (Interview 6, 2021)

Training people and equipping them with the necessary skills is critical for reducing unemployment, especially in poor towns like Ladybrand. One of the main reasons for rising unemployment is a lack of skills. The International Labour Office (2010) states that the future prosperity of any region eventually depends on the number of people employed and the level of production they possess. A vast literature has shown the link between skills, education, productivity, and economic growth. Having a skilled and educated populace in Ladybrand would attract more investment as more businesses would tap into the available skills and create jobs. It would also be easier for skilled individuals with original business ideas to fund their business proposals. This can attract more customers from Lesotho and develop the economy of Ladybrand as it is strategically positioned within a regional trading system. A bustling local economy in Ladybrand would also promote regional integration, as can be seen happening in the EU.

4.5.4 Lack of public participation

Public participation is essential in LED. It assists in bringing different ideas and points of view to the process of development. As Kantemeridou et al. (2013) state, a municipality should create the necessary structures that will facilitate the involvement of stakeholders in decision-making. On the one hand, such participation would commit citizens to implement the decisions taken. On the other hand, it would create a relationship of trust between the citizens and the government.

Public participation results in collaboration. If there were cross-border collaborations between Ladybrand and Lesotho on a development project, or between the business fraternity and the local municipality, the a new way of doing things would be achieved and maintained through efficient and successful public consultations throughout the project lifecycle.

According to the Institute of International Sociology (2015), cross-border collaborations begin as an exchange of information and develop into consultation and policy coordination. As cross-border collaboration endeavours develop, expanding to other issues and showing the collaboration's potential to advance a border area, local authorities often seek to formalise arrangements further. This usually implies establishing joint cross-border collaboration governance bodies. In this sense, the involvement of local authorities, civil society, and stakeholder representatives assures the participation of a broader set of parties in cross-border decision-making, resulting in more sustainable policy implementation processes (Institute of International Sociology, 2015). Ladybrand is a town with a high unemployment rate and skills shortage. For economic development to occur, the local government, business community, and community need to be consulted to determine how best each party thinks Ladybrand's proximity to the border could be used to its economic advantage. Data gathered in this study have indicated a lack of public participation in LED matters in Ladybrand. The respondents believed that certain members of the community, specifically business people and professionals, are not included in public dialogues because meetings take place when those individuals are at work. The respondents believed that more should be done to accommodate such people. For example, important decisions taken in meetings should be communicated to the community through an online platform like WhatsApp, as most community members have access to it (Interview 5, 2021). Another respondent added:

It does happen [public participation], but it is not held at the correct time. When it's done, it's mostly unemployed people who go because they know that there will be food after. The people who can make a meaningful contribution are at work. For example, when you want inputs on schools, they are at work. The taxi drivers are also busy, and those are the kinds of people you need in meetings. So if they can be held in the weekends, it would work better. (Interview 7, 2021)

It would be difficult for the local municipality to implement any LED strategies aimed at attracting Lesotho nationals and other people who pass through the border if the inputs and concerns of all stakeholders are not taken into consideration in the planning process.

4.6 No marketing strategy to attract Lesotho nationals

There is no targeted marketing strategy aimed at the intended customers. As Cant and Wiid (2020) state, when there is a clear marketing strategy, there is a transparent market and plan to reach a specific audience, resulting in a higher return on investment.

Based on the data gathered in this study, Ladybrand and Mantsopa Local Municipality as a whole do not have a marketing strategy targeted at Lesotho nationals. The municipality has not put in place any plans or strategies to attract visitors from Lesotho. A respondent indicated the absence of a marketing strategy by stating, “*Not at all. Not at all. There is nothing tangible that can prove that*” (Interview 2, 2021). Another said, “*I’m not aware of any marketing plan to attract Lesotho nationals*” (Interview 14, 201).

As mentioned earlier, the retail sector in Ladybrand has been negatively affected by the establishment of malls in Maseru. However, because Mantsopa Municipality is not marketing, it is not maximising the growth potential of other industries like tourism to supplement this loss. According to Thabo Mofutsanyana District Municipality (2020), Ladybrand has a wealth of historical and cultural heritage. The town boasts sports facilities and accommodation and conference venue facilities that can attract customers from Lesotho. Sechaba Consultants and Associates (2002) report that tourism is the fastest-growing eastern Free State economy sector. This growth relies upon integrating the eastern Free State and Lesotho into a single composite of attractions, with itineraries crossing and re-crossing the border at numerous points within a single tour.

4.7 Conclusion

This chapter identified findings of the influence of Ladybrand’s border town status on its LED. Evidence from the municipal officials, business owners, and community members indicate that the proximity of Ladybrand to the Maseru border is regarded as

an advantage for the businesses in the town. It was also found that Lesotho nationals frequent Ladybrand businesses regularly to purchase goods and services. However, the recent COVID-19 pandemic and the construction of malls in Maseru have negatively affected businesses in Ladybrand. Both have resulted in fewer Lesotho nationals supporting businesses in Ladybrand compared to the previous years, particularly the retail outlets, as they are now also available in Maseru. Thus, the services sector like banks, healthcare services, and education get the most business from Lesotho nationals, contributing to the local economy of Ladybrand. The findings also indicate that Lesotho nationals can cross the border to go to Ladybrand without difficulty as they are only required to show their passports. However, the business fraternity believes that Lesotho nationals should be given special concessions to cross the border freely without being subjected to border controls to support businesses in Ladybrand.

Lastly, the study found that Mantsopa Local Municipality currently has no LED initiatives being implemented in Ladybrand, despite being budgeted for as per the IDP. This means that there are no measures currently in place to create jobs and eradicate poverty in Ladybrand. Most importantly, the possible economic advantage of Ladybrand's proximity to Lesotho is not being maximised.

CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the conclusion and recommendations of the study results. The study investigated the economic advantages of Ladybrand's status as a border town. Because Ladybrand is situated near the border of Lesotho, the study sought to determine whether the local municipality and business community considered the advantages of the border town status of Ladybrand when implementing their LED programmes. The study used a qualitative methodological approach with a case study design. The respondents were chosen through purposive sampling as they were selected deliberately and strategically to answer the research questions presented.

5.2 Overview of the main study chapters

Chapter 2 discussed the international literature on border towns. The traditional roles of borders are decreasing globally, especially in Europe with the establishment of the EU. Along with the decreasing border barriers, multi-national economic communities and free-trade alliances are established, allowing for the unrestricted movement of goods and people. In North America and Asia, cross-border cooperation between nations has also been introduced, resulting in the growth of border areas. While cross-border collaboration has been introduced in Africa, which has seen the development of border communities, border towns are characterised by a lack of infrastructure and investment needed for sustained growth.

In Chapter 3, the focus shifted to economic development drivers in small South African towns. Small towns in South Africa are primarily differentiated as either a former “homeland” town or a former “white” town, with the former still largely underdeveloped and the latter experiencing economic opportunities. Former “white” towns have seen an increase in the tourism industry that has sustained the economies of these towns. Small South African towns are affected mainly by spatial fragmentation, low density, poor service delivery, and a poor working relationship between the administrators and the political leadership in municipal councils. The South African government has introduced policies and programmes like the IDP and RDP to encourage the localities to foster economic development. The economic drivers in South African small towns include tourism, book towns, regional development agencies, festivals, mining towns, and renewable energy towns.

Chapter 4 discussed the empirical evidence gathered during the interview process. The study found that respondents regard Ladybrand’s proximity to Lesotho’s border as an advantage. Lesotho nationals have supported businesses in Ladybrand, like the retail outlets that sell clothing, food, and other commodities. However, the services sector (banks and healthcare) has recently received the most clients. There has also been a steady increase of Lesotho nationals who buy farms and open businesses in the Ladybrand region, employing the locals and aiding in economic development. The recent COVID-19 pandemic and the building of malls in Maseru have negatively affected economic growth in Ladybrand and are the main reasons for the decline in the retail sector in the town. COVID-19 has impacted business support in that Lesotho

nationals cannot cross the border due to regulations at the border. The malls have affected the retail shops because shops previously only available to Lesotho nationals in Ladybrand are now also found in their home country.

The respondents also believed that the border is not a hindrance to business support in Ladybrand. Lesotho nationals can cross the border without much trouble, and only have to present their valid passports at the border. However, the business owners believed that the border regulations need to be further relaxed. They thought that Lesotho nationals should be given special status at the border so that they can support businesses in Ladybrand, and so that business people can do dealings across the border without border controls in the way.

The study further found that there is a lack of LED initiatives in Ladybrand. The respondents attributed this to a number of reasons: 1) a lack of service delivery and poor infrastructure, resulting in a lack of economic investment in the town; 2) political interference caused by higher spheres of government intervening in proposed LED programmes; 3) a high unemployment rate and a skills shortage, resulting in the inability to propose innovative and knowledge-based LED initiatives; 4) a lack of public participation, causing some sectors of the community not to provide input into community development and job creation in the town; and 5) no marketing strategy put in place to attract Lesotho nationals and showcase the uniqueness of the town.

5.3 Main findings of the study

This chapter presents the study's main findings, motivated by evidence derived from Chapters 2, 3, and 4. The results identified and discussed are multi-national collaborations, strict border controls, the impact of tourism on LED, service delivery and infrastructure, and new malls in Maseru.

5.3.1 Multi-national collaborations are essential for border towns but absent in the case of Ladybrand

Chapter 2 has revealed that multi-national collaborations between adjacent countries have brought about the advancement of border regions in Europe, Asia, North America, and Africa. Trade alliances and agreements like the establishment of NAFTA, ASEAN, and ZMM-GT have created economic development in border areas.

The sustainable development of border towns can only be achieved through collaboration and cooperation between neighbours and innovation that would mutually benefit neighbouring countries. The successful development of border areas is seen in plans for regional integration, where policies emphasise cross-border partnerships. Although both Lesotho and South Africa are part of the Southern Africa Customs Union¹, this has not translated into the desired growth of Ladybrand as a border town (Cross Border Road Transport Agency, 2018). A more deliberate collaboration between Mantsopa Local Municipality and Lesotho is needed that will target the development of the border region. Thus, Ladybrand is not currently reaping the rewards of being a border town.

5.3.2 Strict border controls affect border towns negatively

Restrictive border regulations affect the economic relationship between neighbouring countries. As seen with the Slovenian-Croatian border region, once the Slovenian government introduced strict border controls, it affected Croatian exports to Slovenia, which stifled the economic relationship between the two countries. Evidence has shown that strict border controls and regulations have made it difficult for border regions to advance and take advantage of their proximity to the border (see Chapter 2). In this study, the business owners' responses also indicated that giving Lesotho nationals border concessions could help advance the businesses in Ladybrand and create employment in the town (see Chapter 4).

5.3.3 The impact of tourism on LED

Introducing tourism as a means of economic development has significantly impacted the advancement of border towns, as seen in Europe, Asia, and South Africa (see Chapters 2 and 3). Tourism is one of the largest and fastest-growing sectors in the world. It creates jobs and the economic renewal of regions faced with economic decline and stagnation. A tourism-led approach to LED in border towns will require local resources and the attraction of external expenditure to compensate for traditional financial functions that are no longer viable. The previous sections have identified the natural attractions in Ladybrand that could be used to advance the local economy.

¹ Free trade agreement between South Africa, Lesotho, Botswana, Eswatini, and Namibia for local goods.

Nevertheless, Mantsopa Local Municipality has not maximised the potential for tourism growth in Ladybrand by highlighting these natural attractions. As a consequence, the local economy of Ladybrand has not been able to grow. Chapter 4 has highlighted that Ladybrand is faced with service delivery challenges and depreciating infrastructure. It also identified the issues of political interference, a lack of marketing, and inadequate skills in the town. For tourism to succeed in Ladybrand, these issues need to be properly addressed.

5.3.4 The effect of new malls in Maseru on the retail sector in Ladybrand

The first mall in Lesotho was built in 2011. Before then, many Lesotho nationals shopped for groceries, clothing, and other items in Ladybrand/South Africa. This contributed to economic development and job creation in the border town. However, because the shops Lesotho nationals could only access in nearby Ladybrand are now available in their own country, the shopping in Ladybrand has decreased. The respondents' feedback also indicated that the malls in Maseru has hurt the retail sector in Ladybrand.

5.4 Recommendations

The following study recommendations follow from the research.

5.4.1 Introduction of cross-border cooperation

Cross-border cooperation is the institutionalised collaboration and teamwork between local and regional authorities in the border locations of neighbouring countries. Cross-border cooperation between South Africa and Lesotho can be introduced as a method to improve LED in Ladybrand. Internationally, cross-border cooperation has been demonstrated to improve the economies of border areas where it has been implemented.

Firstly, therefore, this study recommends establishing a bilateral organisation between Lesotho and Mantsopa Local Municipality/South Africa to implement mutual economic development and regional integration. This body needs to identify development gaps in the adjacent border regions of the two countries and discuss how to transform the border into a mutually beneficial point.

Secondly, the six-month permits previously issued to Lesotho nationals ought to be brought back. Business owners interviewed in this research have indicated that it would benefit them if Lesotho nationals were given special status at the border. The six-month permit would allow for more flexible movement of Lesotho nationals, encouraging and promoting cross-border economic activity without cost to South Africa.

5.4.2 Investment and focus on tourism

As already mentioned, tourism is the fastest growing industry in the eastern Free State. The tourism sector displays excellent potential for economic development in Ladybrand because it offers unique features to attract customers and foster economic development. Ladybrand has a wealth of historical and cultural heritage and about 300 Bushman rock art locations. Other attractive things found in this region include fossilised dinosaur footprints, Iron Age settlements, Rose Cottage Cave (where early humans lived for at least 110 000 years), Battle sites, and many other attractions. Also available are outside sports facilities, bird watching, art and crafts, and accommodation facilities with conference venues (Thabo Mofutsanyana District Municipality, 2020). These unique features could be highlighted to attract people to the area. The building of malls in Maseru has decreased the number of customers going to Ladybrand. Therefore, the local municipality needs to boost the tourism industry to compensate for the loss experienced due to the declining retail sector. Tourists visiting Lesotho should also be encouraged to use the Maseru border as an entry and exit point into Lesotho, thus enabling them to visit Ladybrand and spend money on things like food, fuel, and car service.

5.4.3 Improvement of service delivery and infrastructure

A lack of service delivery and bad infrastructure has been signalled as the most significant contributor to the lack of economic development in Ladybrand. The lack of service delivery – such as of water and sanitation and dilapidated roads and buildings – deters new investment from the town. Investors are attracted by a well-functioning place that can protect their assets through well-functioning systems. The Mantsopa Local Municipality needs to unlock the economic potential in Ladybrand by fixing the infrastructure and roads, providing constant and clean water, and providing skills

development for the local community to make sure that they equip themselves with the necessary skills. Improving service delivery also entails improving capacity and coordination within the local municipality and the LED office. The LED officials need to be adequately capacitated and allowed to perform their functions without interference from the political heads.

5.4.4 Positioning clearing agents in Ladybrand

Customs clearing agents are there to process and arrange import and export documentation on behalf of clients to ensure the legal and timely passage of goods across the border. Currently, clearing agents are positioned at the Maseru bridge. At times, freight has to queue for days at the Maseru bridge, waiting to be removed, causing congestion and delays at the border. Therefore, this study recommends that there should be an office park for clearing agents located in Ladybrand. Trucks transporting goods into Lesotho could stop in Ladybrand to clear goods before they proceed to the border. This would help the economy of Ladybrand because truck drivers would buy food and other necessities in Ladybrand while they wait for freight to be cleared. Additionally, the absence of congestion at the Maseru border would attract people who would otherwise avoid it because it is usually busy, increasing their chances of stopping in Ladybrand to contribute to the local economy.

5.4.5 Introducing seasonal discounts and loyalty programmes aimed at Lesotho nationals

One of the best ways for businesses to retain and attract new customers is to demonstrate that they value their customers. Good customer service also ensures return customers, who have been shown to spend more on goods than regular customers. Introducing discounts and loyalty programmes is an excellent way of doing that. Because retail shops that were previously not available in Lesotho are now available, retail businesses in Ladybrand need to develop new ways to appeal to the customers they may have lost and to attract new ones. Loyalty programmes and discounts would attract customers because people would be getting a better deal for the same products found in Lesotho. This would result in more purchases at Ladybrand stores, contributing to the local economy.

5.5 Further research

This study aimed to determine the economic advantages of Ladybrand as a border town. The lack of service delivery and proper infrastructure has been signalled as the biggest hindrance to economic development in the town. It is against this backdrop that the researcher recommends the following future research: *“Service delivery and infrastructure provision as a catalyst for local economic development in Ladybrand, Eastern Free State.”*

The suggested research is vital because LED rests upon the delivery of adequate services and proper infrastructure. This research would look at the causes of the lack of service delivery and why infrastructure is not maintained and updated in Ladybrand and suggest practical ways to improve them.

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ANNEXURES

ANNEXURE 1: ETHICS APPROVAL LETTER



GENERAL/HUMAN RESEARCH ETHICS COMMITTEE (GHREC)

07-Jun-2021

Dear Dr Deidre Van Rooyen

Application Approved

Research Project Title:

Local Economic Development and Border Towns

Ethical Clearance number:

UFS-HSD2021/0379/21

We are pleased to inform you that your application for ethical clearance has been approved. Your ethical clearance is valid for twelve (12) months from the date of issue. We request that any changes that may take place during the course of your study/research project be submitted to the ethics office to ensure ethical transparency. Furthermore, you are requested to submit the final report of your study/research project to the ethics office. Should you require more time to complete this research, please apply for an extension. Thank you for submitting your proposal for ethical clearance; we wish you the best of luck and success with your research.

Yours sincerely

Dr Adri Du Plessis

Chairperson: General/Human Research Ethics Committee

Adri du Plessis Digitally signed
by Adri du Plessis
Date: 2021.06.08
07:56:01 +02'00'

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ANNEXURE 2: INFORMED CONSENT FORM

RESEARCH STUDY INFORMATION LEAFLET AND CONSENT FORM

DATE

July 2021

TITLE OF THE RESEARCH PROJECT

Local Economic Development in a border town: the case of Ladybrand in the Eastern Free State

PRINCIPLE INVESTIGATOR / RESEARCHER(S) NAME(S) AND CONTACT NUMBER(S):

Mary Masiloane	2007073444	071 316 5692
Nangolo Petrus-Canisius	2019 69 2876	+264811461607

FACULTY AND DEPARTMENT:

*Economic and Management Science
Centre for Development Support*

STUDYLEADER(S) NAME AND CONTACT NUMBER:

Dr Deidre van Rooyen (UFS. Staff member)
griesd@ufs.ac.za / 051 401 7059

WHAT IS THE AIM / PURPOSE OF THE STUDY?

The aim of conducting this research is as a fulfilment of a requirement of the University of the Free State towards the study of a Master Degree in Development Studies. Despite this compulsory requirement, we have an interest to understand LED in Border towns, where we would like to: understand the concept of local economic development in border towns on an international level, examine policy and practice of local economic development in Namibia and South Africa especially on border towns, investigate to which extent the implementation (by various stakeholders) of the LED plan

contributes to the local economic growth of the border town and explore other LED options which can be used to transform the town into a border market.

WHO IS DOING THE RESEARCH?

The Research is to be conducted by Petrus-Canisius Nangolo and Mary Masiloane, currently enrolled as students for a Master Degree in Development Studies at the University of the Free State. The purpose of the research is for the partial fulfilment of academic requirements towards a Master Degree in Development Studies. In addition, as researchers, we have an interest to understand the concept of LED in border towns.

HAS THE STUDY RECEIVED ETHICAL APPROVAL?

This study has received approval from the Research Ethics Committee of UFS. A copy of the approval letter can be obtained from the research her.

Approval number: TBC

WHY ARE YOU INVITED TO TAKE PART IN THIS RESEARCH PROJECT?

The customs officials were chosen because they are responsible for border control. They are responsible for providing the necessary information of what is bought in other country and whether no illegalities occur. The customs officials will provide the researcher with information on the border challenges faced/identified in the border town and the measures that have been taken to address these challenges. The contact details of the officials were obtained from the ministry. The number of participants is two – three of this specific group.

WHAT IS THE NATURE OF PARTICIPATION IN THIS STUDY?

The study involves structured interviews. The responses will be transcribed and tape recorded. The duration of the interview is maximum of one (1) hour per respondent. The actual role of a respondent in this research is to participate in the research by providing responses to the questions. The questions are tailor made for each specific respondent. The questions to be asked are attached on this document. During this research, some risks are anticipated. The Officials are free to avoid responses which they regard as sensitive during the interviews. Furthermore, they are free to withdraw from the interview/

study at any time if they observe a discomfort. A withdrawal from the study will not result in any penalty whatsoever.

CAN THE PARTICIPANT WITHDRAW FROM THE STUDY?

Being in this study is voluntary and the participant is under no obligation to consent to participation. If they decide to take part, they will be given this information sheet to keep and be asked to sign a written consent form. They are free to withdraw at any time and without giving a reason.

WHAT ARE THE POTENTIAL BENEFITS OF TAKING PART IN THIS STUDY?

There are no specific benefits or rewards as a result of taking part in this research. However, despite the absence of possible direct benefits for participants and/or society, the knowledge obtained through this research may be beneficial for the community of the town and beyond. Furthermore the report may be used by the scholars including those from the community to further research on LED.

WHAT IS THE ANTICIPATED INCONVENIENCE OF TAKING PART IN THIS STUDY?

By participating in this research, officials will be taking off some valuable time either from work or from their other personal commitments. It will involve officials to provide responses to the questions which they might find difficult and will subject them to some degree of thinking. Officials who do not participate in this research may assume that the provided responses to the questions were insufficient or there were some degree of exaggeration. Although there are these anticipated risks, the responses will not be connected to the respondents.

WILL WHAT I SAY BE KEPT CONFIDENTIAL?

The participation in this research will not require any official to provide their personal information. The data as transcribed and recorded will be in possession of the researcher. After the data analysis and the thesis report approved, the data will be kept for five (5) years. Such data may be reused for research purpose only and thereafter will be permanently destroyed to reduce any possibility of it being accessed by unintended persons. Although the responses provided will be published through a thesis, the responses to the questions will not be linked to any official. For the said reasons, officials are advised not to disclose information they regard as sensitive. Furthermore, please take note that, if discomfort is experienced as a result of participation in this research, a withdrawal can be invoked at

any point/time. Please take further note that any withdrawal from the research will not subject concerned officials to any form of punishment.

HOW WILL THE INFORMATION BE STORED AND ULTIMATELY DESTROYED?

Hard copies of the answers will be stored by the researcher for a period of five (5) years in a locked cupboard/filing cabinet located in the house of the researcher for future research or academic purposes. Electronic information will be stored on a password protected computer. Future use of the stored data will be subjected to further Research Ethics Review and approval if applicable. After five(5) years the hard copies will be put in a shredder where all entries and records contained in hard copies will be destroyed and become unreadable. Information stored in electronic or soft copies will be deleted permanently from the computer and or any other storage devices like memory sticks and hard-drives.

WILL I RECEIVE PAYMENT OR ANY INCENTIVES FOR PARTICIPATING IN THIS STUDY?

The participants will not receive any payment or incentives for participating in this study.

HOW WILL THE PARTICIPANT BE INFORMED OF THE FINDINGS / RESULTS OF THE STUDY?

If you would like to be informed of the final research findings, please contact Mr. Petrus-Canisius Nangolo on +264811461607 or caniisy@gmail.com and Mary Masiloane on 071 316 5692 or masiloanem@ufs.ac.za. The findings of the study are accessible for a period of five (5) years after the thesis report has been approved by the University of the Free State. The Thesis report will be accessible from the Sasol UFS Library but it is not guaranteed that it will be published in the Academic Journals produced by the UFS. The researcher will not be able to provide hard copies of the Thesis report to any participating organizations or individuals. Should you require any further information or want to contact the researcher about any aspect of this study, please contact the researcher on details above. Should you have concerns about the way in which the research has been conducted, you may contact Dr. Deidre Van Rooyen +277 514017059 or on email:griesd@ufs.ac.za. Please note that the researcher is a full-time employee and thus it might be possible that by calling on the provided number in some cases, the phone will not be answered if the researcher is occupied. However, in case the researcher is busy and unable to pick-up the call, a short automatic text reply message will be sent notifying officials that the researcher will call back. In case of a supervisor for this research, please note that she is a full time lecturer and it is not always possible to reach her any given time. However, she will be able to

revert back soonest either via email or by calling you back. Please note that the University of the Free State is located in South Africa, and in case of calls, please note that international call rates are higher than the local rates.

Thank you for taking time to read this information sheet and for participating in this study.

CONSENT TO PARTICIPATE IN THIS STUDY

I, _____ (participant name), confirm that the person asking my consent to take part in this research has told me about the nature, procedure, potential benefits and anticipated inconvenience of participation.

I have read (or had explained to me) and understood the study as explained in the information sheet. I have had sufficient opportunity to ask questions and am prepared to participate in the study. I understand that my participation is voluntary and that I am free to withdraw at any time without penalty (if applicable). I am aware that the findings of this study will be anonymously processed into a research report, journal publications and/or conference proceedings.

I agree to the recording of the *insert specific data collection method*.

I have received a signed copy of the informed consent agreement.

Full Name of Participant: _____

Signature of Participant: _____ Date: _____

Full Name(s) of Researcher(s): _____

Signature of Researcher: _____ Date: _____

ANNEXURE 3: PERMISSION LETTER



home affairs

Department:
Home Affairs
REPUBLIC OF SOUTH AFRICA

ENQUIRIES: Lettie Masilo Tel: 012 406 4096 Email: Lettie.Masilo@dha.gov.za

Ms Mary Masiloane
205 Nelson Mandela Drive Park West
Bloemfontein 9301
South Africa

Dear Ms Masiloane

**RE: REQUEST FOR PERMISSION TO CONDUCT RESEARCH IN THE DEPARTMENT ON
"LOCAL ECONOMIC DEVELOPMENT (LED) IN A BORDER TOWN: THE CASE OF
LADYBRAND, EASTERN FREE STATE"**


Your request to conduct research in the Department for a study on "Local Economic Development (LED) in a border town: The case of Ladybrand, Eastern Free State" has reference.

The Department of Home Affairs, through the Research Management unit in the Chief Directorate: Policy and Strategic Management, has approved your request to conduct research in the Department to fulfill the requirements of your academic qualification. The approval is based on your submission of all the required documents and the value and benefit of your research to the Ladybrand community.

It is our understanding that the research will be conducted using the data collection tool submitted to the Department to ensure that the security of the Department is not compromised. Upon completion of your studies, the Department of Home Affairs requests that you furnish the Research Management unit with a copy of your approved research report for our records.

The Department wishes you the best in your research endeavors.

Regards


MR THULANI MAVUSO
DEPUTY DIRECTOR-GENERAL: INSTITUTIONAL PLANNING AND SUPPORT
DATE: 09/09/2021

ANNEXURE 4: INTERVIEW SCHEDULE

Interview Schedule

Questions for government officials:

- 1) What is your understanding of LED?
- 2) What are the government policies and programs in place which promote LED in the *border town*?
- 3) Who are the critical stakeholders in the implementation of LED in the *border town*?
- 4) What are the advantages of *border town* being located near a border?
- 5) Do you think *border town*'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 *border town*?
- 8) What can you regard as an outstanding achievement/s of LED in the *border town*?
- 9) Is the *border country* currency (eg. Lesotho Maluti) accepted in *border town* to purchase goods?
- 10) Which sectors/industries attract the most business from *border country* nationals?
- 11) How well can the *border town* satisfy the business needs of the *border country* nationals?
- 12) How are these industries marketed to other country nationals?
- 13) What aspects/features differentiates businesses in *the border town* to those found in the main town of the bordering country?
- 14) What are the challenges experienced in implementing LED in the *border town*?
- 15) In your view, what can be done to address the challenges in the *border town*?

Questions for business people/ farmers:

- 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?

Questions for border officials:

- 1) How do you see a border? Is it a barrier to trade or a facilitation of trade? Motivate your response.
- 2) What are the main challenges experienced by *border country* nationals when they purchase in the *border town*?
- 3) Approximately, how many daily commuters cross the border to *the town* for purchasing of goods?
- 4) Are special permits issued to daily commuters?
- 5) What kinds of products do *border country* nationals purchase in the *border town*?
- 6) Do border country nationals pay duties and taxes for purchases made in the *border town*?
- 7) Do you think border controls promote or hinder LED in the *border town*?
- 8) When in the week/month do you see a peak in *border country* nationals crossing the border to buy goods in the *border town*?

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 Ladybrand 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*?

ANNEXURE 5: LETTER FROM LANGUAGE EDITOR

Elri Marais Language Practitioner

28 Marvanne
193 Innes road
Morningside
Durban

Phone: 084 4545 381

Email: transedit@emarais.co.za

26 November 2021

TO WHOM IT MAY CONCERN

I hereby confirm that I performed text editing on the dissertation of Ms Masiloane. I attended to the following:

1. grammatical accuracy and spelling
2. stylistic consistency
3. general logic and argumentation
4. technical correctness of references and quotations.

I did not judge the argument in itself, and I also did not check the sources for correct quotations and arguments. Furthermore, I did not check the factual correctness of arguments.

I hold an M.A. degree in language practice from the University of the Free State.

Yours faithfully



Elri Marais

ANNEXURE 6: PLAGIARISM RECEIPT AND REPORT



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Local economic development (LED) in a border town: The case of Ladybrand, eastern Free State

By: Mary M. Masiloane
Student no: 2007073444

A mini-dissertation submitted in fulfillment of the requirements for the degree
Master of Development Studies (MDS)

in the

FACULTY OF ECONOMIC AND MANAGEMENT SCIENCES
CENTRE FOR DEVELOPMENT SUPPORT

at the

UNIVERSITY OF THE FREE STATE
BLOEMFONTEIN

November 2021

Supervisor: Prof. J.G.L. Marais



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