Exploring the Local Economic Development initiatives for unemployed rural women in Mandeni Municipality

by

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Abstract

Unemployment and poverty have an adverse effect on society and proactive and sustainable measures are needed to deal with it. Women and rural women in particular, form the most affected group when it comes to unemployment and poverty. Illiteracy and underdevelopment are the major barriers to the advancement of unemployed rural women. Women in rural settings in most cases rely on local economic development (LED) initiatives for day-to-day survival. Local government has a constitutional mandate to promote social and economic development in order to improve the quality life for the citizens of South Africa. This mandate has been followed by a number of policy documents and guidelines for LED to enable local authorities to perform this task efficiently. The concept of LED is a micro approach in that it deals directly with local issues of economic development through partnerships between communities, business, workers, development agencies and governmental agencies to promote local economy. There is a pressing need for local government to be proactive in dealing with issues of rural development and in supporting LED initiatives of rural women.

The literature review covers the theoretical framework of LED through examining both international and domestic practices. The review deals with the history of LED, the LED concept, development theories, evaluation of the practices of LED, as well as participatory development, pro-poor LED, and tourism as a response to LED. It further assesses the contextual framework of LED with particular attention to South African policy and practice. The state of LED in South Africa is discussed, together with the way forward for LED.

The study provides an investigation into the background of the Mandeni Municipality by looking at the demographic factors and geographical location of the area. The state of LED in Mandeni Municipality is highlighted, together with LED strategy for the Municipality, and major future development associated with LED. The study clearly portrays that there is a gap between the LED initiatives of the unemployed rural women and the Municipality. The strategic location of the Municipality facilitates future economic prospects for the area and new development proposals associated with LED. It is clear from the LED Unit structure in Mandeni Municipality that there is a lack of capacity to deal with the LED challenges and local economic initiatives.

From the literature review it is clear that women are critical role players in LED because of their ability to initiate community-based economic development projects and to perform multi-task activities. It is evident that strong partnerships with various LED stakeholders working directly with low-income communities can play a meaningful role in alleviating poverty, and in the creation of employment.

OPSOMMING

Werkloosheid en armoede het vandag 'n nadelige invloed op die gemeenskap en proaktiewe en volhoubare maatreëls is nodig om dit hok te slaan. Wat werkloosheid en armoede betref, val vroue onder die groepe wat die meeste geraak word, veral plattelandse vroue. Ongeletterdheid en onderontwikkeling is die vernaamste hindernisse vir die vooruitgang van werklose plattelandse vroue. Vroue in 'n plattelandse milieu steun sterk op plaaslike ekonomiese ontwikkelingsinisiatiewe vir hulle dag tot dag oorlewing. Plaaslike regering het 'n konstitusionele mandaat om maatskaplike en ekonomiese ontwikkeling te bevorder ten einde die lewenskwaliteit van burgers van Suid-Afrika te verbeter. 'n Enorme behoefte bestaan dat die plaaslike regering proaktief moet optree wanneer aangeleenthede rakende plattelandse ontwikkeling en ondersteuning van plaaslike ekonomiese ontwikkelings-inisiatiewe vir plattelandse vroue aangespreek word.

Op beleidsvlak het Suid-Afrika sterk klem geplaas op plaaslike ekonomiese ontwikkeling as maatreël om sosio-ekonomiese toestande vir plattelandse gemeenskappe te verbeter. Plattelandse vroue staar egter reuse uitdagings rondom onderontwikkeling in die gesig. Die groot probleem vir hierdie navorsing is dat die Mandeni munisipaliteit se plaaslike ekonomiese ontwikkelingsprogramme, wat vroue as voorheen gemarginaliseerde en kwesbare groepe teiken, onsigbaar is. Plaaslike ekonomiese ontwikkelingsinisiatiewe geskied in isolasie van die munisipaliteit en daar blyk maar 'n powere vennootskap tussen die munisipaliteit en plaaslike ekonomiese ontwikkelingsinisiatiewe wat deur vroue gevoer word, te wees. Die Plaaslike Ekonomiese Ontwikkelingseenheid (*LED*-eenheid), wat oor 'n mandaat beskik vir die implementering van plaaslike ekonomiese ontwikkelingsprogramme, het 'n niksseggende rol in die bevordering van plaaslike ekonomiese ontwikkelingsprogramme vir plaaslike werklose vroue gespeel. Daarbenewens is daar baie vroue onder die bevolking van die Mandeni-munisipaliteit en die meerderheid van hulle is werkloos.

Die vernaamste doelwitte van hierdie studie was om probleme te identifiseer wat die *LED*-eenheid gehad het met die implementering van *LED*-programme vir die werklose vrou en om sy vlak van deelname, in belang van die werklose plattelandse vroue, te assesseer. Die fokusgroep-metode is tydens navorsing ingespan met die insameling van data oor die twee

verskillende vroueorganisasies wat plaaslike ekonomiese ontwikkelingsprojekte geïnisieer het. Voorts is die onderhoud-metode tydens dié studie toegepas vir die insameling van data rondom die drie munisipale amptenare en die Speaker van die munisipaliteit.

Die vernaamste bevindinge van die navorsing toon duidelik dat daar 'n gaping bestaan tussen *LED*-inisiatiewe deur die plattelandse werklose vroue en die Mandeni-munisipaliteit. Die bevindinge van die studie dui daarop dat die *LED*-eenheidstruktuur van die Mandeni-munisipaliteit oor onvoldoende fondse beskik en gebrek toon aan die nodige vermoë om die plaaslike ekonomiese ontwikkelingsuitdagings en plaaslike ekonomiese inisiatiewe van die werklose plattelandse vroue te hanteer. Dit is duidelik dat vroue kritiese rolspelers in plaaslike ekonomiese ontwikkeling is weens hulle vermoë om gemeenskapsgebaseerde ekonomiese ontwikkelingsprojekte te inisieer en hulle kennis om veelvuldige taakbedrywighede van stapel te laat loop. Ten slotte beveel die studie aan dat die *LED*-eenheid geherstruktureer word om die *LED*-agterstande binne die Mandeni-munisipaliteit aan te spreek, dat daar behoorlike koördinering van *LED*-programme moet wees, en dat die plaaslike ekonomiese ontwikkelingsinisiatiewe vir vroue sterk deur die Mandeni-munisipaliteit gesteun moet word.

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CHAPTER 1

BACKGROUND AND STATEMENT OF THE PROBLEM

1.1 Background

The South African population has experienced huge inequalities and disparities in terms of economic participation and opportunities, which resulted in a state where, in one country, there are developed areas, particularly towns and cities together with their people, and less developed areas, particularly rural areas, and their people. The disparities and inequalities in terms of the economy caused the political tension that existed prior to 1994, as a result of which a number of pieces of legislation that have been passed, have placed strong emphasis on social and economic development.

Major economic and social development opportunities were created or programmes undertaken in urban areas, but this left rural areas and the rural population underdeveloped and disempowered, particularly in the case of African rural women. Rural African women had a minimal role to play as far as the local economy was concerned; projects which aimed at developing them were started in the early 1990s, but much still needs to be done. Women in rural areas are mostly occupied with housing chores such as fetching water far from their homes, cooking, fetching wood, and looking after children. In rural areas women were not encouraged to go out of the village to seek economic opportunities; it was the task of their male counterparts. It was commonly known that the African woman's place was in the kitchen.

In addition to that, many women residing in rural areas are illiterate and can neither read nor write. They lack basic health knowledge of aspects such as proper nutrition, breastfeeding, family planning and knowledge of sexually transmitted diseases. The upbringing and nurturing of African rural women took place solely on the grounds on being good future wives and was marriage oriented, while there was a little emphasis on independence and economic empowerment. In the early and mid 1990s basic adult education and training which

targeted rural women were introduced. It must be pointed out that most women in rural settings are the heads of their households and have a number of dependants starting from their own children to the grandchildren, and many of them depend on child support grants to feed and maintain the dependants.

Municipal Systems Act No. 32 of 2000, Chapter 8, Section 73 states that a municipality must give effect to the provisions of the Constitution and (a) give priority to the basic needs of the local community and (b) promote the development of the local community and ensure that all members of the local community have access to at least the 50 minimum level of basic municipal services., Section 151 of the Constitution of the Republic of South Africa Act 108 of 1996, Chapter 7 points out that local government objectives include the following:

a) To promote social and economic development
b) To encourage the involvement of communities and community organisations in the matters of local government

The White paper on Local Government (1998) clarifies that the present local government system should ensure that all communities have access to basic services; that everyone can participate in decision making and planning; that local economy grows; that job opportunities increase; and local resources are used wisely to improve the quality of life for everyone, now and in the future. The present local government system places a strong emphasis on people-centred development by encouraging rural communities to engage meaningfully in social and economic development.

According to the National Framework for LED in South Africa (2006-2011), government has four strategies in implementing LED, namely:

- Strategy 1: Improve good governance, service delivery, public and market confidence in municipalities
- Strategy 2: Do spatial development analysis and planning of the comparative advantage and competitiveness of the 52 municipal regions
- Strategy 3: Intensify Enterprise support and business infrastructure in local areas
- Strategy 4: Introduce Sustainable Developmental Community Investment programming

Staden & Marais (2005:233) point out that the responsibility for promoting or initiating actions to promote local economic development in South Africa is increasingly delegated to local government. The reason for such delegation may be primarily because the local government is the sphere in the broad spectrum of governance that is in close contact with its citizens on a daily basis. It is not easy for the central government to reach each and every corner of South Africa; therefore it is an advantage for local government to perform the duties on behalf of the National government, because it is in a better position to know the present and future economic needs of its citizens.

Simon (2003:127) contends that the current South African emphasis on LED in terms, not only of the country's politico-economic and social transformation, but also within the context of global changes, affecting the country and contemporary debates on the meaning and nature of development.   The new local government system strives to promote social and economic development, by delivering the services to all the people in their local areas without favour and prejudice.   LED becomes a fundamental strategy of addressing poverty, rural development, and creating job opportunities for the people in their localities.

1.2 Rationale for the Study

As a point of departure, unemployment has an adverse effect to the entire society, primarily because it leads to high levels of poverty in urban, rural and semi rural communities. Swanepoel and De Beer (2006:6) point out that unemployment is both a cause and a result of the poverty situation in which people find themselves. Neither the public nor the private sector is in a position to meet all the economic needs of the citizens in a sustainable way, particularly those of the unemployed. Necessary economic development interventions and programmes need to be in place in order to help the unemployed to help themselves.

In terms of the **White Paper on Local Government, 1998** municipalities have a responsibility towards the people within their area of jurisdiction and therefore they are accountable for all actions, but a number of South African municipalities have been unable to implement meaningful LED programmes that enhance the standard of living for its citizens. South African municipalities, starting from the metro councils to city councils and district

councils, are in a bid to recruit qualified incumbents to drive the LED. LED is the core function of the municipalities as it strives to create an environment conducive to local investment, job creation, poverty alleviation, and public private partnership. Abrahams (2003:185) is of the opinion that government officials have had difficulty in translating LED approaches into effective and meaningful implementation in their localities. The main challenge in as far as LED is concerned has been insignificant and invisible implementation by the local government sector towards improving living conditions of citizens. This is supported by the number of service delivery protests that has took place in South Africa, and the literature on LED which suggest that LED is still in infancy stages. LED is one of the five key performance areas (KPA) for Local Government in enhancing service delivery to the people. This suggests that it is a government priority that needs urgent attention and intervention.

Local authorities by and large have LED officers who are solely dedicated to driving and implementing LED programmes. In contrast, there has been a notable failure by the majority of local authorities in South Africa to implement such development for the benefit of its citizen. A number of presidential Izimbizos (public meetings) in South Africa have noted the poor service delivery and poverty and commuters in all corners of South Africa have demonstrated their dissatisfaction through strikes about poor service delivery.

Taylor (2003:294) observes that in South Africa, as well as internationally, (LED) has become a key development intervention strategy intended to revitalise economies. The assertion by this author suggests that LED is now viewed as an intervention strategy towards creating and maximising economic opportunities for the local people, not only in South Africa but throughout the world. This assertion is based on the premise that, for the country to realise significant economic growth and to be able to record it with the gross domestic product, economic initiatives should start at local level. As National economic programmes cannot be fully distributed to all South African citizens, local government, through LED Units, plays a fundamental role in facilitating and coordinating LED programmes.

According to Gildenhuys (1997:13), the purpose of economic welfare functions of local government is to create circumstances and amenities for the development of the economic welfare and prosperity of individuals that are aimed at providing and maintaining economic infrastructure for economic development purposes. The main policy imperative in South

Africa put a strong emphasis in building of the robust local economies. Programmes and projects, particularly income-generating projects geared to support the community in uplifting the quality their lifestyles economically, need to be visible and viable to lessen the burden of the state with regard to social spending. Rogerson (2006:39) points out that, since 1994, the promotion of LED initiatives has emerged as a central facet of policy and planning for both urban and rural reconstruction. The policy statement of the South African government towards creating a better life for all citizens means that all government programmes are geared towards creating an enabling environment for the citizens to have a prosperous life. Communities need to be informed on what LED policy seeks to achieve together with the role they can play in making it a success. The next paragraph will briefly look at the role of LED and communities.

Swanepoel and De Beer (2006:30) maintain that people must have the power to make decisions as this involves their destiny, their future, and it is for their development; because the people are the owners, no one can be the main role player. Kroukamp (2006:24) cites the role of local authorities in promoting LED in the White Paper for Local government (1998) (see www.local.gov.za/dcdindex-accessed 29/05/2006) as:

- Support for small and medium businesses through the provision of training and support mechanisms and creating optimal infrastructure, e.g. SMME incubators;
- The improvement of the infrastructure and services in general to enhance economic efficiency and productivity;
- Training and capacity building initiatives;
- Targeted investment to boost potentially growing sectors, e.g. tourism, knowledge industries and agriculture;
- Pro-localism procurement and servicing policies;
- Simplifying regulations and by-laws to stimulate as opposed to hindering economic development;
- Urban renewal strategies;
- Marketing to attract potential investors and defining the local authority as an economic actor in the local economy with considerable clout and leverage capability.

Makhura (2004:40) contends that rural indigenous knowledge can perform some of the following functions:

- Reduction of uncertainty around the potential of investment
- Facilitation of transactions among local economic participants
- Facilitation of allocation of resources among local participants
- Lubrication of the contribution of other goods and services.

Local indigenous knowledge plays a principal role in the development of local economy, primarily because local citizens are in a better position to identify and realise LED opportunities. As part of promoting LED, local citizens, particularly women, can, for instance, be encouraged to form cooperatives, such as small-scale sugar cane growers associations in partnership with economic development agencies such as Ithala Bank in KwaZulu Natal, the Land Bank and the Southern African Development Bank.

Nothard, Ortmann and Meyer (2005:69) point out that, although women in rural KZN have less bargaining power than men within their communities due to their lower social status, a large proportion on small sugarcane growers are women, while contractors are men. This, therefore, highlights the economic role that women can play, particularly in rural areas, by belonging to small-scale growers associations and selling their products to potential clients such as Illovo Mill, Tongaat-Hulet, Amatikulu, Maidstone, Entumeni, and Felixton.

Davis and Marais (2006:21), in (Kroukamp, 2006:28), indicate that particular constraints associated with LED in respect of governance issues can be identified as follows:
- Although some form of LED portfolio committees do exist in some local authorities, their roles are not well defined;
- Limited incentive schemes are available to private sector investment;
- In some cases LEDs form a sub-section of the IDPs, while separate LED policies exist in other instances;
- No specific attention is paid to enterprise development;
- The watchdog role is absent from the council and LED forums where these exist; and
- LED functions are split between different departments.

Gunter (2005:34) noted in his survey that not all municipalities in Mpumalanga Province are capable of developing or implementing effective IDPs and that LED is often not a priority. This author further points out that, when municipalities were asked about what LED meant to

their municipalities, the overwhelming response was small, medium and micro enterprise (SMME) support and job creation. The failure to prioritise LED programmes boils down to a lack of knowledge on the part of local government officials about how to drive meaningful programmes to contribute to the wellbeing of the local community. The shortage of the skills in the public sector can be attributed as the contributing factor in the failure of implementing LED programmes.

As part of promoting LED, entrepreneurship skills need to be introduced to women by both district and local municipalities. Women who engage in fresh food marketing, art and craft work and tourism need to be empowered by being given entrepreneurial skills to enable them to grow their local economic activities. Mears and Theron (2006:20) argue that SMMEs could prove to be a major source of economic growth for African countries but require much policy guidance, as well as supporting resources. In addition, these authors assert that SMMEs are the backbone of the domestic economy, yet not many African governments have framed policies that are able to enhance their growth and survival.

Women's economic status could change dramatically if they could be integrated in socio-economic development programmes and be able to maintain their families properly. Revenue-generating projects such as sewing, farming and vegetable gardens can play a meaningful role for unemployed and improve the quality of their lives. Todaro (1997:315) points out that the small number of development projects specifically designed to increase the productivity of women have produced impressive results. Local government can play a meaningful role in nurturing and developing unemployed women by introducing them to sustainable income generating projects.

Tourism can be used as another dimension of strengthening LED with the involvement of local people for identifying areas with natural environmental beauty. A number of environmental activist are vocal in the protection of the environment for sustainable development. Kepe (2001:155) underscores that tourism known by names such as ecotourism, green tourism and agri-tourism to areas of natural beauty has recently been rated one of the fastest growing tourism activities in many countries around the world.

Rural women can play a fundamental role in tourism through craft work, making of the traditional attire, necklaces, applying heritage decoration to cups and plates, and cooking

traditional food. Tourists are more attracted to indigenous products that are not available in their own countries. Creative art work and handwork can boost the local economy when it is sold to tourists. Staden and Marais (2005:235) contend that, if tourism, as part of the local economic development strategy, is to make a significant impact on the local community, it must do something to alleviate the plight of the poor. Kingsbury, Remenyi, Mckay and Hunt (2004:221) point out that development is meant to be about improving the lives of the people, so it is logical that development should start with people. It is apparent from the above paragraphs that LED involves a number of activities and stakeholders such as; tourism, agriculture, community based LED projects. Women are the key players in promoting LED in rural areas as they play an active role in agriculture, tourism, and community based LED projects.

1.3 Definition of Key Concepts

Bennett and Krebs (1991:1) define LED as a sub-national action, usually sub-state and sub-regional, taking place within the context of a local labour market, and often covering an area greater than one local government area, but with activity focused on specific sites, sectors or social groups. The World Bank (2003), cited in Marais and Staden (2005:234), suggests that local economic development concerns communities who are continually upgrading their business environment to improve their competitiveness, retain jobs and improve incomes.

Rogerson, cited in Marais and Staden (2005:234), defines LED as a process in which partnerships are established between local governments, the private sector and community-based groups in order to manage existing resources for job creation as well as the stimulation of local economies. The draft of the South African LED Policy (2006:21) in Kroukamp (2006:23) defines LED as about local people working together to achieve sustainable economic growth and development for the benefit of all the people in the local area. It aims to promote and develop all sectors and dimensions of the economy.

The World Bank (2003:5) in Kroukamp (2006:23) describes LED as the process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation. Bennett and Krebs (1991:1) further argue that LED concerns the wide range of factors which underpin the growth and development of local economies, while Kroukamp (2006:24) contends that the central focus of LED should thus be on the real needs of communities and on creating an environment for

private sector investment through appropriate public sector investment, and by supporting the retention, growth and development enterprise. LED is a community based strategic programme that aims to empower communities economically in their local areas, by using local resources, local people, indigenous knowledge, local industries, community leaders, workers, local business in partnership with government institutions, private institutions and, non governmental institutions in order to create job opportunities, increase investment opportunities, developing the local market, and the distribution of the local economy to improve the quality of life for the local people.

1.4   Research Problem, Question and objectives

1.4.1 Research Problem

At a policy level, South Africa has placed strong emphasis on LED as a measure for improving socioeconomic conditions for rural communities. Rural women, however, face huge challenges through underdevelopment. The main problem for this research is that the Mandeni Municipality LED programmes that target women as previously marginalised groups and vulnerable groups are invisible. LED initiatives are operating in isolation from the Municipality, and there seems to be poor partnership between the Municipality and LED initiatives by rural women. The LED Unit that has a mandate for implementing LED programmes has played a minimal role in uplifting LED initiatives for the unemployed rural women. In addition, the population of Mandeni Municipality has a lot of females and the majority of them are unemployed.

The main research questions were:
- What are the problems encountered by the LED Unit in implementing LED programmes for the unemployed rural women?
- To what extent do unemployed rural women participate in LED programmes for the municipality?

1.4.2 Research Objectives

The main research objectives were as follows:

a) To explore the concept of LED

b) To explore LED implementation within a developmental context

c) To identify problems encountered by the LED Unit in the Mandeni municipality in implementing the LED programme for the unemployed rural women.

d) To explore the level of participation by unemployed rural women in the LED programme in the Mandeni municipality

1.4.3 Literature review

Kaniki (1999:17) points out that a research project does not exist in isolation, but must build upon what has been done previously; a researcher should review previous work in the field. Such a review commonly encompasses recently published research, but could also include a review of historical and oral material. While a research problem may be conceived from personal observations and experiences, most researchable problems are identified through reading or examining previously published historical, theoretical and empirical work (Kaniki 2007:19) A literature search is used at two levels to identify a research problem, as outlined by Kaniki (2007:19-20):

- Wide reading or examination of literature helps a researcher to identify the general problem area,

- A literature review involves further reading and assessment of the literature; the researcher examines the literature closely with the aim of understanding a research problem better and setting parameters on a research question.

According to Leedy (1997:71), the literature review has the purpose of assisting the researcher in attacking the problem for research, revealing sources of data that you may not have known existed; and providing new ideas and approaches that may not have occurred to the researcher. In addition, a review of related literature can provide the researcher with important facts and background information about the subject under study (Welman, Kruger & Mitchell, 2007:39) and if a study on the same topic has been conducted before, a review

provides the researcher with information about aspects of the problem which have not been investigated or explored before (Welman, Kruger & Mitchell, 2007:39).

In addition to that, Welman, Kruger and Mitchell (2007:39) point out that findings and conclusions from past studies which the researcher can relate to his own findings and conclusions can be accessed. The literature review gives a broader picture of the problem under investigation, and the approach, theories and models followed by authors investigating the same topic, as well as the areas of importance covered. Some areas may not have been covered, which may give the researcher ample opportunity to explore those areas, thereby taking a different approach, theory and a model.

In this study, a thorough literature search on LED and rural women will be conducted and relevant sources to the research problem will be looked at. The state of local government and LED will be looked at, together with its effects and impact in improving the quality of style for unemployed rural women. Journals, online journal articles, textbooks, essays and newspaper articles will be reviewed. Various authors' ideas and arguments will be assembled in the literature review, and secondary sources such as similar publications on LED will be consulted.

1.5 Research Design and Methodology

Babbie and Mouton (2007:104) define a research design as a plan or structured framework of how you intend to conduct the research process in order to solve the research problem. A research design is a plan or blueprint of how you intend conducting the research (Mouton, 2006:55). This research will follow a case study design, using a qualitative methodology.

Research Methodology focuses on the research process and the kind of tools and procedures to be used (Mouton, 2006:56). Individual interviews were conducted with the LED Unit staff, IDP Manager, LED Director and the Speaker of the Municipality to obtain a political perspective on LED and women-based organisations.

The focus group method was used with two focus groups of unemployed rural women, namely the Inyoni Craft Women Organisation and the Sonqoba Women Organisation. It was conducted in two rural wards. The Mandeni Municipality consists of 16 wards, but the researcher chose two wards because they are based in rural areas and have active Women's Organisations. The researcher chose the focus groups primarily because they are more

proactive in doing things for themselves and do visible and phenomenal work. The focus groups have done tangible things for themselves in the area, and have existed for more than five years. They were chosen because they initiated, nurtured and developed their projects, and they can work on their own without being assisted. Other women's groups in Mandeni have not been successful because they constantly needed financial assistance from different agencies, and they are not independent, as the chosen focus groups are. The two chosen groups have been able to continue their day-to-day work, in spite of the lack of funding and hard times. The research made use of six to ten participants each and the participants were identified with the help of ward councillors and the LED Officer. The LED Officer has a database for the local women involved with LED projects in the Municipality; this made the identification much easier. Ward Councillors know the community-based organisations in their wards and other stakeholders; they were helpful in the identification of the two focus groups.

Focus groups are small structured groups with selected participants, normally led by a mediator; they are set up in order to explore specific topics, and the views and experiences of individuals through group interaction (Litoselliti, 2003:1). Focus groups usually include six to ten participants

1.5.1 Limitations of the Study

A limitation of the study was that the majority of rural women can neither read nor write and could not be given questionnaires to answer by themselves. As the members of the focus groups interviewed by the researcher were illiterate, there were times where the researcher had to explain in detail the concepts of LED, as well as how the spheres of government operate. At times the focus group members would ask questions not related to the study. Some of the focus group members took a long time to understand various concepts in the interviews, and stopped the researcher for more explanation. This contributed to the interview process taking longer than what it was anticipated to take. Another limitation of the study was that the researcher was a male from an urban setting, and the respondents were women. Some of the focus group members were afraid to ask questions because the researcher was a male; some focus group members were not comfortable with being addressed by the male researcher.

1.6 Outline of Chapters

This thesis is divided into six chapters. This section seeks to present a brief outline of what each chapter contains. This chapter provides a framework for the study and a brief description as per chapter

Chapter 1 describes the background of and the rationale for the study. It further states the research problem investigated for the study, research questions, research objectives, and presents the research design and methodology. The last section defines the key concepts for the study, followed by the brief outline of Chapters.

Chapter 2 firstly deals with the theoretical framework concerning LED, citing a brief historical perspective on LED. The chapter further deals with the notion of development theories, followed by the concept of participatory development. Chapter 2 secondly presents a theoretical analysis of the concept of LED, and an evaluation of the Developmental role of Local Government. Thirdly, this chapter views the role of LED in municipalities, as well as the notion of pro-poor local economic development. Lastly, the chapter closely examines women, LED and tourism as a LED response.

Chapter 3 assesses the contextual framework of LED with particular reference to the context of South African policy. The practice of LED by South African municipalities is examined, and a link between tourism and LED is discussed. Lastly, the Chapter looks at the way forward for LED and how it can be successfully implemented.

Chapter 4 looks closely at the Mandeni Municipality as a case study for the research, citing the demographic factors and the geographical location of the Municipality. The next section in the chapter deals with the state of LED in Mandeni Municipality, as well as the LED programmes of the IDP for the Mandeni Municipality. The last section looks at key areas in the LED strategy of the Mandeni Municipality and major future developments associated with LED.

Chapter 5 evaluates LED initiatives for unemployed rural women. It further deals with the research methodology for the research. It gives a brief outline of the two female focus groups in the Mandeni Municipality. This chapter answers the research question in the form of the

data collected from the two focus groups, three expert interviews, and the interview with the Speaker of the Municipality.

Chapter 6 provides a summary of all the chapters in the thesis, and an analysis of the research results with a specific link to the theoretical framework. Lastly, this section provides the Conclusion and Recommendations arising from the study

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CHAPTER 2

THEORETICAL FRAMEWORK – Local Economic Development (LED)

2.1 Introduction

LED is now widely practised around the world and is closely associated with decentralisation and devolution policies and localised responses to either economic crises and job loss or new wealth-generating opportunities (Nel & Rogerson, 2007:1). The process of economic

development, whether it is local or national, is dependent on human, natural and capital resources, trade, monetary and fiscal policies, which are the engines of industrial policy and economic growth (Bouare, 2001:43). Resources such as human and natural, and public policy, play a fundamental role in the growth and development of the economy and in improving the quality of life for the citizen. The justification for LED as cure for unemployment and poverty rests upon one central fact: people are less mobile than capital (Levy, 1990:2).

Meanwhile LED is a discipline still coming into its own, with competing strands of argumentation still generating conflict (Bond, 2005:57). Bond further points out that, at the root of the conflict, is a debate over whether traditional types of local strategies (a) are working, and (b) are generating 'pro-poor' economic development or simply more 'uneven development'. In the contemporary world, a significant amount of power has been placed in the hands of local authorities to formulate policies and programmes on LED as a way of alleviating poverty and creating jobs for local people. There has been a significant contribution to LED literature in Southern Africa by the scholars Etienne Nel, Christian Rogerson, David Simon, Tony Bins, Patrick Bond, Danie Abrahams and others. Xuza (2007:118) points out that a lot of what one will find in South Africa and in the global context is that the debates on LED are largely led by geographers who are scholars, as mentioned above.

LED is seen as a tool for achieving sustainable development and is increasingly becoming an important core function of local government (Bond, 2005:131). Local governments are faced with the challenge of developing sustainable settlements that will meet the basic needs of local communities and, simultaneously, improve their quality of life and contribute to the growth of the local economy (Bond, 2005:131). Another challenge that is posed by the philosophy of LED is the creation of jobs for local people and the capacity of local government institutions to create sustainable jobs (Bond, 2005:131).

According to Cypher and Dietz (2004:66), economic development demands and entails profound cultural change, often including transformation of the political system, of individual behaviour norms, of the culture of work and production and, most fundamentally, modifications in the manner in which the society confronts, moulds, propels and adapts itself to the requirements of technological progress that are for the economic growth and human

development. The social conditions under which production takes place often are significantly different in the developing world from in the advanced nations (Cypher & Dietz 2004:67). Economic development calls for the entire transformation of individual behaviour and societal norms and practices in a manner that generates prosperity as well as economic growth.

This chapter looks at the theoretical framework for LED, together with its application in the local governance context. The concept of developmental local governance and pro-poor LED are discussed. LED intervention such as tourism and strategies for uplifting rural women through community-based LED initiatives are assessed. The brief historical background to LED is visited and the link of development theories with the concept of LED is discussed. In addition to this, brief references to other countries, namely Uganda, Nigeria, Zambia, Kenya, together with South Africa, will be made to form a theoretical base for LED. The essence of the study is the focus on pro-poor LED, therefore it is pertinent to cite developing countries, in particular those in Southern Africa, to create a link with the study.

2.2 Brief historical perspective on Local Economic Development

Abrahams (2005:133) contends that local governments around the world historically were not considered as important economic actors and they had a very limited sphere of influence. But LED has assumed major importance as a policy issue in many developed countries of Europe, North, America and Australasia (Harvey, 1989; Leitner, 1990; Syrett, 1995; Clarke & Gaile, 1998) in (Rogerson, 1999:511).

The 1960s were cast as the first Development Decade by the United Nations; however, economic backwardness was the main barrier to improving the standard of living in the developed and developing nations. Cypher and Dietz (2004:67) point out that, when the first development decade had ended, the level of world poverty and despair had receded only marginally and in some nations the standard of living had declined or remained roughly the same. In those nations where great leaps in overall economic performance had been achieved, such as Brazil, aggregate success too often had been accompanied by a lower standard of living for a significant portion of the population, as economic inequality worsened even as total output expanded (Cypher & Dietz, 2004:67).

Most production methods in the 60s were rurally based; there were few large urban settlements, and most people lived on and from the land, sometimes selling small surpluses in the village market place for other goods (Cypher & Dietz, 2004:67). Small-scale artisan and industrial-type products, such as textiles, and services such as transportation, were also produced in the countryside, but on a very small scale (Cypher & Dietz, 2004:69). A major turning point for world economic progress occurred with the transition from feudal production and social organisation to the emergence of capitalist forms of production in Europe (Cypher & Dietz, 2004:69). The era of industrial revolution during which production by human beings was taken over by the mechanical means of production had a significant impact on growth and economic development.

However, by the 1970s there was a drastic change in thinking, which largely came about when local governments noticed changes in local economies through the flight of highly mobile capital from their areas (Abrahams, 2005:133). According to Pieterse (1998) in Abrahams (2005:133), this paradigm shift contributed to the emergence of the traditional approaches to LED whereby local governments were encouraged to intervene actively in their local economies to protect and create new jobs, to attract investment, support economic growth, oversee the redistribution of resources and assist with the restructuring of industries.

In its earlier form, LED was associated with the inter-locality competition to attract mainly industrial investment (see National Framework for Local Economic Development 2006-2011). From the late 1970s, LED expanded its compass, and took different forms in different contexts, ranging from the public-sector led Local Enterprise Boards in the UK to flagship projects of private-sector led entrepreneurialism in the inner cities of Europe and North America, although the distinction between public and private initiative was to be blurred by the rise of growth coalitions and the increasingly popular concept of partnership (DPLG, 2006). In the early 1970s and '80s more emphasis was placed on the role of local actors in defining their autonomy − in taking independent initiative as a response to the threats of global restructuring and, sometimes, even to hostile national policies (National Framework for Local Economic Development, 2006-2011).

Since the 1970s, governments have realised that, because of the high mobility capita, their local economies were at a risk of experiencing a shrinking employment base, which would, in turn, impact on the national economy as a whole (www.worldbank.org/urdun/led in Isaacs

2006:9). Modern development thinking puts agencies and institutions at the centre of coordinating LED activities in order to deal with unemployment and poverty alleviation challenges.

Seathal (1993) in Maharaj and Ramballi (1998:132) points out that, since the 1970s, South Africa has experienced serious economic crises influenced in part by the global recession, as well as the inherent contradictions in apartheid. These problems were exacerbated by the economic sanctions imposed by the international community to abandon apartheid policy. In the 1970s, the global economic crises and falling profits led to the adoption of cost-cutting strategies; the cutbacks led to a decrease in consumption and a decline in public sector incomes, influencing state welfare redistribution programmes, which further reduced consumption (Tomlinson, 2003 in Isaacs, 2008:9).

During the mid-1990s post election phase, LED in South Africa, like many different policy interventions, was actively explored as an alternative to the stranglehold of previous apartheid and associated top-down structures (Nel & Rogerson, 2007:2). Maharaj and Ramballi (1998:132) acknowledge that, since February 1990, South Africa has undergone a process of political transition which culminated in the democratic elections which were held in April 1994. The transformation phase to a democratic society has been characterised by the demise of top-down regional development planning and an accompanying rise of LED initiatives (Rogerson, 1994, in Maharaj & Ramballi, 1998:132). LED first emerged on the contemporary development scene in South Africa in the 1990s and since then has been elevated from an isolated local development initiative to an intervention which all local authorities are now obligated to pursue in terms of various government policies and the requirements of the national constitution (Nel & Rogerson, 2007:2).

Robbins (2005:64) argues that towns and cities of developed countries had been explicitly tackling their LED challenges since at least the 1960s. However, it was only during the processes of post apartheid local government transformation in the 1990s that LED emerged as a significant and explicit area of local government interest (Robbins, 2005:64). In order to foster the growth of local economies, broadly representative institutions had to be established to address LED needs (Tomlinson, 2003:114).

The African continent has an economic programme in place known as NEPAD (New Partnership for Africa's Development). NEPAD, as a long-term policy initiative of the

African Union (AU), provides the framework for the socio-economic upliftment of Africa for the next twenty years or more (Anon, 2004:21, in Mears & Theron, 2006:21). This shows that the discourse of economic development and growth needs various interventions and commitments at different levels to ensure that it plays a meaningful role in improving the quality of life for the people. Isaacs (2006:14) cites the World Bank (www.worldbank.org/urdun/led) about the three waves of LED available in the World to briefly illustrate the history of LED which are represented by means of the table that follows.

Table 2.1: Three waves of Local Economic Development

Three Waves of Local Economic Development	Tools
Focus	
1960s to early 1980s	
Mobile manufacturing investment attraction from local area. Attraction of foreign direct investment. Making hard infrastructure investment. (Public sector only)	*Massive grants, tax breaks, subsidised loans for manufacturing investors. Subsidised hard infrastructure investment. Lowered production costs through techniques like recruitment of cheap labour.*
1980s to mid 1990s	
Retention and growing of existing local businesses. Continued emphasis on inward investment attraction, but usually more targeted to specific sectors or from certain geographic areas. (Public sector driven)	*Direct payments to individual businesses. Business incubators / workspace. Advice and training for small- / medium-scale enterprises. Technical support. Business start-up support. Both hard and soft infrastructure investment.*
Late 1990s onwards	
Making whole business environment favourable. Soft infrastructure investment (e.g. human resource development, regulatory public/private partnerships. Leveraging private sector investment for public good. Highly targeted inward investment attraction, building on local area competitive advantage. (Public sector led and facilitated)	*Holistic synergy to provide a competitive local business environment and stimulate growth of local firms. Cross-community networking and collaboration. Facilitating economically linked business clusters. Workforce development. Supporting quality of life improvements. Inclusion of the poor and informal economy.*

2.2 Development Theories

In order to arrive at the essence of this literature review it is essential to look at the notion of development theories and their impact on the present socio-economic development challenges. The development theories may have a direct and indirect impact on the present socio-economic developmental trends. Burkey (1993:27) points out that the field of development studies is a veritable jungle, inhabited by theories, counter-theories, approaches, paradigms and programmes of all sizes, shapes and colours. Three development theories were introduced after the First World War, namely the modernisation theory, the dependency theory and the humanistic theory. Burkey (1993:27) argues that the development theory has until recently been dominated by theories and models derived from the experiences of Western economic history; the emergence of capitalism and the advance of the industrial revolution gave a distinctive form to Western development thinking. These three development theories are looked at in the sections that follow.

2.2.1 Modernisation

Korten (1984:299) and Gran (1983:154), in Mohaneng (2008:125), argue that the modernisation paradigm was criticised for emphasising materialism and negating ethical issues in development. Theron (2008:6) cites Schuurman (1996), Martinussen (1997), and Rahnema and Bawtree (1997) in pointing out that the modernisation theory argues that the developing countries (South/Third World) (on the periphery) should simply imitate the North/ First World. The theory suggests that all the undeveloped nations should copy from the developed nations' way of life and practices, and abandon the traditional ways of their culture because it puts them back. The Western way of life should be practised by the developing nations so that they can be on equal footing with the developed nations.

2.2.2 Dependency Theory

Burkey (1993:28) noted that the dependency theory of underdevelopment was formulated by a number of Latin-American economists and social scientists. The theory questioned the assumed mutual benefits of international trade and development asserted by European and American proponents of modernisation and growth theories (Burkey, 1993:28). The dependency theory maintained that the central nations benefited from trade whereas the peripheral nations suffered (Burkey, 1993:28). Hindson and Vincente-Hindson (2005:3)

observe that the international experience suggests that the opportunities arising from economic globalisation have been more restricted and the threats more severe for local economies in low- and middle-income countries and especially in the marginalised areas within them.

Theron (2008:6) argues that the dependency paradigm originated in the early 1960s as a result of the failure of the modernisation paradigm to address peripheral (Southern) underdevelopment. The main argument in the theory behind the centre-periphery model is that underdevelopment of the Third World is orchestrated by the capitalist North which sucks resources from the periphery (Theron, 2008:6). Davids (2005:12), in Theron, 2008:6), contends that the dependency paradigm was a direct reaction from the underdeveloped Third World to Northern Arrogance and development of underdevelopment.

The essence of the dependency theory is that undeveloped nations are dependent on developed countries for trade, skills, technology, finance, etc. and that they cannot do anything for themselves, and are disinclined to depend on themselves for resources and intellectual capital so that their situation can change for the better. Burkey (1993:28) posits that the central argument of the dependency theory is that socio-economic dependency (neo-colonialism) generates underdevelopment. Some reasons for underdevelopment are to be found in long-term trends in the terms of trade which favoured the centres; the balance of economic and political power which was at the centres, and finance and technology which were controlled by the centres.

2.2.3 Humanist Theory

Theron (2008:7) argues that the humanist paradigm came about as a result of the failure of the other two paradigms to give a clear direction to the development debate; (Theron, 2005: 104-110) in Theron (2008: 7) asserts that the growing support for this paradigm was based on recognition of people-centred and participatory development, specifically the meaning-giving, micro level of development and calls for people-centred and participatory development. Theron (2008:7) argues that the result of the failure of the prescriptive, top-down, mechanistic and modernisation types of development approach exported to developing countries as a recipe for development, led to an awakening during the 1980s.

In recent years, with the expansion of LED activities, there has been a shift away from these traditional approaches to more people-centred approaches and to LED (Abrahams, 2005:133). In addition to this thinking, Abrahams (2005:133) suggests that the emphasis is now on indigenous growth from within the city or town where the city or town utilises its own unique benefits and strengths. This development theory stems out of the fact that, since development is about the people and seeks to transform the quality of their lives, it is of paramount importance that people should have a direct stake in developmental issues and must have a sense of ownership of development-related issues.

Theron (2005:106-107), in Theron (2008:7), shows how, at the micro level of thinking, six core values related to the concept that development is about people have been realised:

- People can be more than they are, i.e. development acts as a vehicle for transformation towards a better life for people.
- Meaning it relates to people's personal experience of their own social reality.
- Emphasis on the experience of the life-world, it refers to the micro-social reality among individuals.
- Desirable direction focus on a development initiative which should consider people's own experience of their reality.
- Consciousness which simply means that people must be both the target of development and tools to reach it.
- Participation and self-reliance in the development context imply the full participation of the beneficiaries of development at micro level as argued by (Burkey, 1993; Oakley et al., 1991; and Oakley & Marsden, 1984) in (Theron, 2008:8).

In a nutshell: this theory can be closely associated with the whole notion of LED because it seeks to address challenges faced by local people in their localities. In addition to that, local government is in direct contact with the local people to respond to their daily needs and to address the local development challenges. Contemporary local government has extended its scope from urban areas to rural areas and has been assigned by the national government to improve the quality of life of local citizens and to play a meaningful developmental role. The above development theories give a picture of the whole notion of development. The next

section will touch on participatory development, which is closely associated with one of the development theories, the humanistic theory.

2.3 PARTICIPATORY DEVELOPMENT

Traditionally, South Africa does not have a culture of actively engaging communities in local government affairs; democracy brought new emphasis to transparency in government activities, greater public accountability and the notion of respect for human rights (Van Rooyen, 2003:126). The functioning of local government prior to 1994 did not encourage a culture of transparency and the active participation of local residents, its primary focus was on the white community suburbs and not development-oriented. Local government, as a sphere of governance that is in direct contact with the public, is expected to create an atmosphere encouraging participatory development. Theoretically, therefore, decentralisation of governance has the potential to enhance participatory democracy (McEwan, 2003:469)

The issue of participatory development is clearly manifest in Chapter 4 of the Municipal Systems Act No. 32 of 2000, in section 16, which calls for the municipality to develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and it must, for this purpose; encourage and create conditions for the local community to participate in the affairs of the municipality. The Municipal Systems Act in Section 17 outlines mechanisms, processes and procedures for community participation, so that, when establishing mechanisms, processes and procedures in terms of a subsection, the municipality must take into account the special need of:
   a. people who cannot read or write;
   b. people with disabilities
   c. women, and
   d. other disadvantaged groups.

There are four building blocks of development as suggested by Theron (2008:14), namely participation, social learning, empowerment, and sustainability. One of the four building blocks of development (Theron, 2008:14) is that of participation which forms an integral part of participatory development. Burkey (1993:208) argues that self-reliant participatory development is a slow-moving process and calls for a high degree of patience; setbacks and

failures should be expected, but the successes will be genuine and long-lasting. For the whole notion of participatory development to be meaningful and have a positive impact to the beneficiaries of development, they should be afforded the opportunity to have a stake in their own development. Swanepoel &and De Beer (2006:28) contend that participation is beyond the notion of involvement; it goes to the extent of making people become part of the decision-making and planning of the project, they are part of the implementation and evaluation of the project.

Theron (2008:15) argues that the beneficiaries of development through micro-level participation share in, belong to, influence and direct the development process and establish dignity and self-esteem. Development is about the people; development that does not encourage active participation becomes meaningless to its intended beneficiaries, in many instances there are many development projects which have little benefits to them, and some ordinary citizens do not even know what the project is about and how it can assist them in their day-to-day life.

The National policy framework on Public Participation (2007:17) suggests that improving public participation in government can improve good governance in at least eight important ways, namely increased level of information in communities; better needs identification for communities; improved service delivery; community empowerment; greater accountability; better wealth distribution; greater community solidarity; and greater tolerance of diversity. According to Burkey (1993:56), participation is an essential part of human growth, that is, the development of self-confidence, pride, initiative, creativity, responsibility and cooperation; without development within the people themselves, all efforts to alleviate their poverty are immensely more difficult, if not impossible.

Theron and Ceaser (2008:100) suggest that participatory development is represented as emerging from the shortcomings of top-down development planning approaches. The two authors argue that participatory development does not necessarily mean participation by all community members; they encourage active participation by organised community groups with a special purpose such as community garden projects, sewing projects and cooperatives. Starting with a smaller group of key participants might act as a demonstration and thus lead to more participation by other project beneficiaries (Theron & Ceaser, 2008:105).

Some community-based structures and interest groups are aware of how local government operates and of their legitimate right to participate in its governance. Participatory development is clearly manifest in development projects where beneficiaries are given resources by municipalities to sustain projects, e.g. by funding community based-projects, for instance by providing gardening tools, tractors, and poultry for farming. There are self-initiated development projects started by community members to improve the quality of their lives and it is important that municipalities assist in terms of funding and making financial resources available. One basic assumption of participatory development is that community members possess knowledge and skills that can be used in the development process (Trollip, 2001:51).

According to Roodt (1996:317), the status of participatory development is reflected in what has become known as people-centred development. Contemporary trends in local government are people-centred development based on the premise that beneficiaries are capable of directing their own development process consistent with their aspirations (Theron, 2008:104). People-centred development entails a process by which the members of the community learn to mobilise and manage resources in order to produce sustainable and equitably distributed improvements in their quality of life (Korten, 1990:67 in Theron & Ceaser, 2008:104). Theron & Ceaser (2008:104) stress that the definition implies that, for people-centred development to be successful, individuals must be empowered to participate in their own development process. Empowerment in this regard means that people should be able to direct, influence and eventually own the process which has been implemented (Theron & Ceasar, 2008:104).

The seven typologies of Pretty et al (1995) cited by Theron & Ceaser, (2008:106-107) can be used (as one of many examples) to clarify both the concept and strategy of participation. The seven typologies are:

- Passive participation – people participate by being told what is going to happen or what has already happened.
- Participation in information giving – people participate by answering questions posed in questionnaires or telephone interviews or similar public participation strategies.
- Participation by consultation – most often during community meetings, people participate by being consulted while change agents listen to their views.

- Participation for material incentives – people participate by providing resources such as labour, in return for food and cash. This takes place in rural environments where farmers provide the fields but do not participate in the project or social learning process.

- Functional participation – people participate in a group context to meet predetermined objectives related to the project, which may include the development or promotion of externally initiated social organisations.

- Interactive participation – people participate (by authentic and empowering participation) in joint analysis, the development of action plans and capacity building.

- Self-mobilisation-people participate (authentic and empowering participation) by taking the initiative independent of external institutions to change systems. Theron and Ceaser (2008:108) point out that this is a bottom-up approach that allows people to develop contacts with external institutions for resources and technical advice they need, but they themselves retain control over how resources are used.

Matovu (2005:348) suggests that, to ensure good governance and LED, local governments should ensure the participation of local citizens in development projects. Despite the essential role of community participation in good governance and LED, it has been observed that participation, especially by the citizens, remains a major missing link in the development process (Oyugi, 2000 in Matovu, 2005:348). Oyugi (2000) also states that centralisation of powers still remains a dominant orientation of many regimes in Africa, and attempts to encourage community participation has ended up as a myth rather than reality (in Matovu, 2005:349). Matovu (2005:350) warns that, if participatory approaches are not designed and implemented carefully, the management of development projects may be weakened by local elites who are most likely to take advantage of the new system and alienate the majority, resulting in loss of effectiveness and efficiency.

McEwan (2003:473) conducted a survey of the perceptions of women community members on participation and local governance. Interviews were conducted with 40 black women in various locations in Khayelitsha in the Western Cape Province to ascertain attitudes on community needs and local socio-economic development, the extent of, and the quality of their participation within the IDP and knowledge and understanding of IDP. McEwan (2003:474) found that a large majority of women in all areas either did not know if local

government tried to involve women in their activities or stated clearly that there have been no attempts to do so. Only five of the respondents knew of attempts to involve women in the development project.

McEwan (2003:473) laments that this finding suggests a general failure on the part of the local government to inform or educate communities about the possibilities of participation and the importance of participation to successful transformation towards development by local government. One of the respondents referred to the need for women's education and the need for local government to give them an opportunity to participate (McEwan, 2003:475). The above-mentioned survey poses a great challenge to local government institutions to translate policies into meaningful actions and to ensure that public participation at the grassroots level takes place. Local government practitioners have the responsibility of implementing policies that encourage citizens to participate in municipal governance. If public policies do not benefit the local citizens, it becomes a futile exercise on the side of policy makers. The result is that disappointment about the performance of local government and its failure to engage with communities is common (McEwan, 2004:475). The next section will look to the meaning of the concept of LED.

2.3.1 THE CONCEPT OF LOCAL ECONOMIC DEVELOPMENT

LED is a pillar of development in that it emphasises improving the quality of life of people by creating jobs and alleviating poverty. Bouare (2001:43) defines LED as a process that emphasises the full use of existing human and natural resources to build employment and create wealth within a defined locality. Hindson and Vincente-Hindson (2005:8) point out that local development refers to improvement in the social, economic and environmental conditions in which businesses operate within a given territory, and includes the strengthening of both tangible and intangible location factors. LED is about creating a platform and environment to engage stakeholders in implementing strategies and programmes (DPLG, 2006:9)

Tomlinson (2003:114) describes LED as a participatory development process that encourages partnership arrangements between the main private and public stakeholders of a defined territory, enabling the joint design and implementation of a common development strategy,

by making use of the local resources and competitive advantage in a global context, with the final objective of creating decent jobs and stimulating economic activity.

The World Bank (2003) (cited by Marais & Staden, 2005:234) suggests that LED concerns communities who are continually upgrading their business environment to improve their competitiveness, retain jobs and improve incomes. LED is essentially a process by which local government and community-based groups manage their own existing resources and enter into new partnership arrangements with the private sector, or with each other, to create new jobs and stimulate economic activity in a well defined economic zone (Blakely, 1989:57). LED is process-oriented in that it involves the formation of new institutions; the development of alternative industries; improvement in the capacity of existing employers to produce better products; the identification of new markets; the transfer of nurturing to new firms and enterprises (Blakely, 1989:59).

According to the White Paper on Local Government (1998), ensures that responsible steps are taken to ensure that the overall economic and social conditions of the locality are conducive to the creation of employment opportunities. LED offers an opportunity for local government, the private sector, the not-for-profit sectors and the local community to work together to improve the local economy (DPLG, 2006:5). The core focus of LED is the concepts of partnership, economic sustainability, job creation, and improvement of well being taking place at the local or community level (Nel & Rogerson, 2005:4).

The Department of Provincial and Local government has identified the following as key principles underlying LED in http://www.etu.org.za/toolbox/docs/ government/led. html:

- Poverty and unemployment are the main challenges facing South Africa. LED strategies must prioritise job creation and poverty alleviation
- LED must target previously disadvantaged people, marginalised communities and geographical regions, black economic empowerment enterprises and SMMEs to allow them to participate fully in the economic life of the country.
- There is no single approach to LED; each locality may develop an approach that is best suited to its local context.
- LED promotes local ownership, community involvement, local leadership and joint decision making.

- LED involves local, national and international partnerships between communities, businesses and government to solve problems, create joint business ventures and build local areas.
- LED uses local resources and skills and maximises opportunities for development.
- LED involves the integration of diverse economic initiatives in an inclusive approach to local development.
- LED relies on flexible approaches to respond to changing circumstances at local, national and international level.

This section has attempted to define the concept of LED as it seeks to improve the quality of life for the people. Development strives to bring change and enhanced quality of life. The next section discusses the developmental role of local government as a vehicle for changing the lives of the people for the better.

2.3.2 DEVELOPMENTAL ROLE OF LOCAL GOVERNMENT

According to Atkinson (2007:53), the system of local government in South Africa since 1994 has been de-racialised; municipal jurisdictions have been consolidated; a philosophy of developmental local government has been introduced; and the intergovernmental fiscal system has been overhauled to bring far more financial resources down to municipal level. Van Rooyen (2001:62) notes that local government has been identified as a primary facilitator in the RDP Policy Framework (1994:129) to redress the lacking infrastructure and limited economic activity associated with most of the segregated residential areas in South Africa. Nel & Rogerson (2005:3) hold the similar view that the national state has recognised local governments as key agents of change and specifically tasked to respond to the developmental needs faced in their localities, with a specific focus on the poorest members of the society.

Part of attaining developmental objectives is the requirements that all South African municipalities should introduce a business-like approach towards development by setting in place integrated development plans (Van Rooyen, 2001:62). Central to this developmental local government is the promotion of local socio-economic development; the empowerment of communities; improved living conditions; greater access to resources and opportunities;

poverty alleviation; and equality (McEwan, 2003:470). There are major challenges that have to be addressed, namely promoting job-creation; LED; capacity development; and civic education, which, in the final analysis, will ensure that the concept of developmental local government becomes a reality for the majority of South Africans (Reddy, Naidoo & Pillay, 2005:40).

Developmental local government is therefore responsible for meeting the challenge of restructuring local economies and administration to meet the challenges of operating within a global economy, while ensuring that local communities are not neglected or relegated (see Philander & Rogerson, 2001; Nel & Binns, 2005 in Gardyne, 2005:35). Nel and Humphrys (1999) argue that the local government white paper calls on local government to adopt new approaches such as buying local; encouraging social responsibility; speeding up planning; and forming partnerships. Strategies recommended include marketing the local area; investment support assistance to small firms; setting up one-stop shop facilities; land release; public works; local procurement; promotion of labour-based programmes; linkage development; and research and training (Nel & Humphrys, 1999).

Research conducted by Nel and Binns (2005:41) reveal that local government's acceptance of the fact that developmental local government is a key facet of local government responsibilities has merited the establishment of dedicated council sub-committees to oversee the task. The survey further revealed that South African local authorities are conscious of the need to embark upon developmental local government and more specifically to initiate defined LED programmes. This evidence shows that some municipalities are responding positively to the call of developmental local government by putting strategies and mechanisms in place.

Swanepoel and De Beer (1996:6) give a broader view of development which includes the natural, social, economic, political, psychological and cultural factors as playing a role at the local level in all communities. These authors suggest that all these factors act together to form the environment in which the problem of poverty alleviation and development must be addressed. They call for an integrated approach to development as a number of aspects have been mentioned that affect human beings. This is closely associated with the whole notion of developmental local government in that it has to address a number of challenges, which, *inter alia*, includes socio-economic, political, natural, cultural and technological development.

Chambers (1997:9-11) outlines five fundamental statements, which can be closely linked with the philosophy of developmental local government to ensure that it is realised:

- The objective of development is well-being for all, well being in this instance refers to the experience of good quality of life and it is open to the whole range of human experience, social, mental and spiritual as well as material.

- Livelihood security is basic to well being; Live hood refers to adequate stocks and flows of food and cash to meet basic needs and to support well-being

- Capabilities are means to livelihood and well-being; this simply refers to what people are capable of doing and being.

- According to Chambers (1997:11), these are the means to livelihood and fulfilment: and their enlargement through learning, practice, training and education are means to better living and to wellbeing.

- The poor, weak, vulnerable and exploited should come first; equity qualifies all initiatives in development. Equity includes human rights intergenerational and gender equity, and the reversals of putting the last first and the first last, to be considered in all contexts

- To be good, conditions and change must be sustainable – economically, socially, institutionally, and environmentally. Sustainability means that long-term perspectives should apply to all policies and actions, with sustainable wellbeing and sustainable livelihoods as objectives for present and future generations.

The White paper on Local Government (1998) describes the whole notion of developmental local government as local government committed to working with citizen groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives. This is underpinned by Ceasar and Theron (1999:61, in Van Rooyen, 2001:64) saying that the implication of it is for municipalities to co-operate with community stakeholders to further democracy and participation in issues of concern so as to ensure that needs are addressed and effectively met.

The White paper on Local Government (1998) stressed that developmental local government must play a central role in representing communities; protecting human rights; and meeting basic needs, and focus its efforts and resources on improving the quality of life of our

communities, especially those members and groups within communities that are most often marginalized or excluded, such as women, disabled people and very poor people. Phago (2005:132) adds that municipalities should not only be close to the people, mainly because of their constitutional position, but should also be accessible to ensure the necessary interaction with municipal stakeholders such as the private and community sectors, to make informed decisions.

The powers and functions of local government should be exercised in a way that has maximum impact on the social development of communities, in particular in meeting the basic needs of the poor and in the growth of local economy (Phago,2005:132). Development is defined as per the Municipal Systems Act No. 32 of 2000, which is cited in Van Rooyen (2001:64), as an integrated, social, economic, environmental, spatial, infrastructural, institutional, organisational and human resources upliftment of a community aimed at improving the quality of life of its members with specific reference to the poor and other disadvantaged sections of the community.

Reddy, Naidoo and Pillay (2005:43) contend that, in terms of the developmental mandate of local government, rural communities will be the primary recipients of services, infrastructure and other social services that were virtually non-existent previously. South African municipalities today serve the areas under the jurisdiction of tribal authorities. A notable challenge in these areas has been the lack of access to clean water, sanitation and electricity. The areas under the tribal authorities are commonly associated with high levels of poverty. It will be expected from a developmental local government to have progressive and implementable strategies for poverty alleviation. Local government institutions should be vigorous in capacitating local communities with different skills such as basic project management, and basic financial management to enable community-based organisations to run community-based economic development in a sustainable manner.

This has been witnessed by the fact that a number of local government institutions in rural communities provide social services such as clinics, recreational facilities, swimming pools, sports fields, public libraries, multipurpose centres, resource centres with internet provision with municipal personnel tasked to render the services and ensuring that everything is up to standard. There has been significant involvement of rural communities in development planning through ward meetings, as well as through the election of ward committees in rural

areas. In addition to that, some community members in rural wards serve on the different municipality portfolio committees, as well as development forums.

Reddy, Naidoo and Pillay (2005:43) suggest that the quality of life can be enhanced by the provision of basic needs, namely housing, water and electricity. The national government supports municipalities in delivering basic services to poor households through the equitable share allocated from nationally raised revenues via the provinces; the equitable share aims to assist municipalities in delivering basic services such as water, sanitation, electricity, and refuse removal to the indigent (Reddy, Naidoo & Pillay, 2005:43). In addition to that, , public-private partnerships increasingly are considered the most effective way to deliver services to communities and in many instances as local government is increasingly seen as lacking the requisite capacity to deliver those services (McEwan, 2003:469).

Local government is required to take a leadership role in involving and empowering citizens and stakeholder groups in the development process, to build social capital and to generate a sense of common purpose in finding local solutions for sustainability (Nel & Rogerson, 2005:6). Local municipalities thus have a crucial role to play, both as policy makers and as institutions of local democracy, and are urged to become more strategic, visionary, and ultimately influential in the way the operate (Nel & Rogerson, 2005:6). The very essence of developmental local government is being able to confront the dual nature of our cities and towns, and to deal with the consequences of the location of the poor in dormitory townships furthest away from economic opportunities and urban infrastructure (Mafumadi, 2001:3) in (Nel & Rogerson, 2005:6).

Harsant and Ellis (2006:74) argue that developmental local government is a concept which lies at the heart of the transformatory process in South Africa and is enshrined within the key policy documents as well as the government's people-driven management approach. In the contemporary political environment in South Africa, developmental local government is a complex and dynamic structure, which involves numerous stakeholders such as the councillors, the public, government officials, civil society and intergovernmental relations (Harsant & Ellis, 2006:74). Developmental local government regards all these stakeholders as developmental partners and requires their inputs in order to achieve sustainability.

On 14 February 2003, President Thabo Mbeki, in his State of the Nation address, announced his commitment to developmental local government and the launch of the Community Development Worker Programme, which is coordinated by a system of co-operative governance (Harsant & Ellis, 2006:73). The program entails the appointment of Community Development Workers (CDWs) who act as participatory change agents, facilitating the aspects of development, service delivery and public participation in local communities (National Policy Framework on Community Development Workers in South Africa : Discussion Document 2004, in Harsant & Ellis, 2006).

According to Urban Foundation Research (1994:14), in order to effectively deliver on development and economic growth, local government in South Africa will be required to follow non-traditional ways of working, which include the following:

- Engaging and enabling others through participation and consensus building
- Mission and vision driven activity, not programme driven
- Creating opportunities, rather than only reacting only to problems
- Acting entrepreneurially with flexible authority
- Servicing citizens as customers
- Measuring success by results rather than inputs
- Investing for long term benefits, not short-term pay-offs
- Forming horizontal alliances, and collaborating with stakeholders to achieve common goals
- Joint problem solving that uses creativity and resources of all stakeholders

In order to achieve developmental local government objectives, municipalities must work in close collaboration with private enterprises to enhance and fast track service delivery in rural communities and apply principles of municipal service partnerships. Municipal officials should also embrace the developmental role of local government and see themselves not only as officials but as change agents. Local government needs to continuously train officials to adapt to the developmental local government philosophy in order to improve the quality of life for the local citizens. Local authority administrations should be restructured in such a way as to ensure maximum participation of civil society and communities in decision-making and developmental initiatives of local authorities (ANC, 1994:131).

This section has been devoted on the developmental role of local government; the next section discusses the role of LED in municipalities. The essence of this study is to assess the LED in local government; the next section will cement the discussion and arguments of the study.

2.3.4 THE ROLE OF LOCAL ECONOMIC DEVELOPMENT IN MUNICIPALITIES

Nel and Rogerson (2005:4) stress that LED has been recognised internationally as a key response to the synergistic interplay of a variety of key forces that characterise the contemporary era; among these trends, the most important are the following:

- the increasing decentralisation of power and decision making to the local level, which parallels the reduction in the role of the central state in the economy in a neo liberal era;

- economic change within localities, varying from de-industrialisation to local innovation which historically required local leadership initiative, response and the dubious results often achieved by macro-level planning and regional development interventions (Nel, 1994,2001; Jessop, 2000; Helmsing, 2001a, 2003, in (Nel & Rogerson, 2007:5).

The principal goal of LED is to stimulate local employment opportunities in sectors that improve the community, using existing human, natural, and institutional resources (Nel, 2001:2). LED aims at creating jobs, alleviating poverty, and redistributive resources and opportunities that benefit all local residents DPLG (2001:115,) cited by (Tomlinson, 2003:115). LED aims to bring people, business, NGOs, associations and government together in any one local region (DPLG, 2008:85). People, business, NGOs, associations and government at local level are in the most appropriate position to identify priorities in their areas.

LED can materialise when local agencies and/or people seize the initiative and engage in actions which unify communities, business and other relevant authorities in the local area in a joint endeavour to improve their economic and social conditions (Stohr, 1990, in Nel, 2001:3). Local government should create a business-friendly environment in which private

sectors can be encouraged to work with local municipalities in creating jobs for local people. Apart from creating a business-friendly environment, local government institutions need to maximise opportunities for local community-based organisations, NGOs and civil societies to work with local government in alleviating poverty and creating economic opportunities for the local people.

An important component of traditional approaches to LED is that of public-private partnerships where the focus is on formal agreements between local government and the private sector around issues of development and economic growth (Abrahams, 2005:140). In addition, a more people-centred approach is needed for local communities to enter into partnership with local government. According to Abrahams (2005:140), where there are partnerships, community structures need to be well organised so that they can challenge the decisions taken by local government concerning development in their area. It is also essential for local government to work together with government departments in a spirit of intergovernmental relations that have an interest in developing people economically, for instance the Departments of Trade and Industry, Agriculture, Tourism and Economic Development.

Within the context of the national government's economic development strategies, according to Nel and Humphrys (1999), local government is frequently used as initiator, facilitator and coordinator of LED and as a channel for the support provided by higher levels of government. In this, local governments frequently enter into a partnership arrangement with private sector business, community groups, NGOs, local development agencies, and church and other institutions present in a local area, to access unique skills and resources for successful undertaking LED (Stohr, 1990; Bennet & Krebs, 1993, in Nel & Humphrys, 1999).

DPLG (2008:85) suggests that successful private enterprise and productive public-private partnerships are the main creators of wealth in local communities, they must operate within an environment that is conducive to business and that provides incentives for them to remain and grow. LED is implemented by public, private and non-governmental sectors, with each contributing according to its resources, abilities and strength (DPLG, 2008:85). Many actors are involved in the implementation of LED programmes. However, strong and

transformational leadership is needed from the local government sector to identify and bring on board all LED stakeholders so that a better life can be created for local residents.

Xuza (2007:119) suggests that local government has an important role to play in ensuring that appropriate and responsive institutional arrangement and a (technical) champion or special purpose vehicle drive the implementation of economic development projects in their areas. The primary role of local government, in as far as the LED is concerned, is that of facilitating, coordinating and organising administrative structures to have the capacity of driving and implementing LED projects.

The key role which local governments can play in the LED process has been identified by the US Council for Urban Economic Development (CUED) which states that the local government is the primary, but not exclusive, institution for LED (DPLG, 2006-2011). The National framework articulates following three key roles that local government can play in LED:

- To provide leadership and direction in policy making (by-laws and processes to regulate land in a manner that reduces the cost of doing business and maximise the involvement of people in the local economy)
- To administer policy, programmes and projects (The core function of any body or structure responsible for LED is to co-ordinate and maximise the impact of programmes and projects with respect to growth and development.)
- To be the main initiator of economic development programmes through public spending, regulatory powers, and (in case of larger municipalities) their promotion of industry, small business development, social enterprises and cooperatives.

The World Bank (2001, 2002a, 2002b, in Rogerson, 2005:78) suggests the following ten issues as representative of the most important frequent sets of LED interventions:

- ensuring that the local investment climate is functional for local enterprises;
- supporting small- to medium-sized enterprises;
- encouraging new enterprises;
- attracting inward investment;
- investment in physical (hard) infrastructure by improving the built environment (roads, sewerage, airports) for businesses;

- investing in soft infrastructure including human resource development institutional support, and regulatory issues;

- supporting the growth of business clusters;

- targeting particular geographical areas for regeneration or growth (i.e. area or spatial targeting);

- supporting survivalist, primarily informal sector enterprise; and

- targeting certain disadvantaged groups.

A fundamental role that local government can play in promoting LED is that of liaising and networking with agencies that seek to promote LED and to empower and develop small, medium, and micro enterprises such as the Small Enterprise Development Agency (SEDA), Commercial Banks, the Development Bank of Southern Africa, the Land Bank, the Umsobomvu Youth Fund and Ithala Bank. This can largely benefit the youth and women of the local areas who intend to establish their own businesses to address the problem of unemployment. In addition to that, local government can establish a business information centre for local residents so that they can access relevant information on starting a business. They may organise business development agencies to visit the municipalities in order to help local entrepreneurs to grow their businesses and be able to meet all their requirements. Training and Development is vital for local entrepreneurs to run businesses in an organised and coordinated manner. The next section will look at the pro poor LED.

2.4 PRO-POOR LOCAL ECONOMIC DEVELOPMENT

The high rate of unemployment and poverty in Southern African countries requires varied intervention at different levels of governance in order to address challenges faced by poor people. Rogerson (2005:80) notes that the international experience shows that local authorities can play a pivotal LED role through stimulating initiatives for poverty alleviation. It is further argued that municipalities are well placed to undertake local long-term planning in the area of poverty alleviation, particularly in association with the private sector, NGOs, and CBOs (Pieterse, 2000,) in (Rogerson, 2005:80). It is a function, moreover, of local government to generate and manage local government projects whose aim is to address inequalities between citizens, as well as mediate the public good through good governance (Matovu, 2002, in Rogerson, 2005:80).

A range of local government interventions in the developing world experience have facilitated job creation and given assistance to poor communities (Rogerson, 1999:517). Some municipalities may not be in a position to create jobs because of an inability to generate enough revenue. Capitalist countries argue that it is not the responsibility of the public sector to create jobs; however, the public sector must create an environment for the private sector to do business in a particular country in terms of legislation and policies. In addition to that, economists always stress that more entrepreneurs are needed in a country for the economy to grow. Many LED scholars are of the view that local government should be in partnership with the private sector so that employment can be created.

An important direct means of support for job creation is available by means of public procurement programmes which have been utilised very positively to target and assist labour-intensive forms of production with major employment creation spin-offs (Tendler & Amorim, 1996, in Rogerson, 1999:517). In most developing countries, the public sector represents the major source of procurement for services, including the construction and maintenance of infrastructure (Sahle, 2002, in Rogerson, 2005:102).

Many developing countries, including Brazil, the Philippines and Namibia, apply procurement as a vehicle to achieve objectives such as job creation; promotion of fair labour conditions; the use of local labour; or improvement of environmental quality (Arrowsmith, 1995; Govender & Watermeyer, 2001, in Rogerson, 2005:102). Procurement provides business and employment opportunities and, depending on how it is structured and conducted, it can also be used as an instrument of government policy to facilitate social and economic development (Watermeyer, 2002:210, in Rogerson, 2005:102).

Rogerson (2005:81) suggests that improving the delivery of infrastructural services to poor communities is a critical LED role in support of poverty alleviation. The construction sector is viewed widely as an efficient industry for employment generation for a given capital flow and thus is frequently the basis for targeting in national employment and poverty alleviation programmes (McCutcheon, 2001; Watermeyer, 2002, in Rogerson, 2005:103). In addition to that, the potential importance of construction for local economic development is recognised in recent research and policy work led by the International Labour Organisation (ILO) (Keddeman, 1998; Tajgman & de Veen, 1998, in Rogerson, 2005:104). South Africa has

invested in infrastructure through the construction of Soccer Stadium and roads as it prepares to host 2010 Soccer World Cup in 9 different Cities namely Bloemfontein, Cape Town, Durban, Johannesburg, Nelspruit, Rustenburg, Polokwane, Pretoria and Port Elizabeth. The construction of Soccer Stadiums creates job opportunities for the people in different cities and promotes the local economy.

In South Africa, the introduction of the Expanded Public Works Programme was also an attempt at creating jobs and alleviating poverty. It was an attempt by the Government to push back all the frontiers of poverty. In his State of the Nation speech in February 2003, the former President Thabo Mbeki stated that the government had decided to launch an expanded public works programme, which would ensure that a significant number of unemployed communities were drawn, and that these workers gain skills while they work and increase their capacity to earn an income (Phillips, 2004:6). The public works programmes (PWPs) that exist in both developed and developing countries are a sign of the need to challenge and eliminate the causes of poverty and unemployment (Du Toit, 2005:658). During the Great Depression in the 1930s, public works programmes were seen as key policy instruments for reviving and accelerating the recovery of the market-based and transition economies (Du Toit, 2005:658).

In 2003, the South African Government decided to fund poverty relief through the normal budgeting process, rather than through a separate, special fund with its own budgeting process (Phillips, 2004:6). The community-based public works programme is also fundamental in enabling community-based economic development organisations to play a key role in the construction of infrastructure such as roads, and public schools. The Zibambele programme initiated by the KwaZulu-Natal Department of Transport, for community-based organisations to carry out, as its objective, routine maintenance of the province's rural access road network and to provide poor rural households that have no other source of income with a regular income (Phillips, 2004:5). This initiative is one of the key responses to community-based public works programmes, as a way of alleviating poverty in the local community.

Direct support can include measures to improve the built environment for such activities, including the facilitation of small business hives, incubators or nurseries, or making available premises for use as local business information support and advice centres (Rogerson

1999:517). According to Rogerson (1999:517), the provision of formal markets can be another important poverty-reducing strategy in many developing world contexts. The most critical challenges in addressing issues associated with pro-poor LED concern the great need for human resources development for rural communities. This exercise helps them to acquire necessary skills to enhance opportunities of generating their own incomes.

Nairobi, in Kenya, has for many years been dominated by garment retailers, which has changed their economy significantly in the last five years (Kinyanjui, 2005:98). The sad part of Nairobi's economic development, as lamented by Kinyanjui (2005:97), is that the local government authority lacks comprehensive job creation strategies and is mainly involved in regulating and controlling local initiatives of the city residents. Local economic initiatives are products of individuals' desire for independence, and the need to generate income and employment for self or family (Kinyanjui, 2005:97). The relationship between the local authority and local initiatives in Nairobi is not favourable, so much so that the local authorities often harass street vendors, hawkers, kiosk owners and micro and small producers (Kinyanjui, 2005:97). Local authorities should support local economic initiatives, primarily because unemployment and poverty becomes the problem of government.

Goldman, Nel, Khanya-accidd, and Rogerson (2006:4), in the LED Briefing No. 4, outline a range of interventions for pro-poor LED, which are as follows:
- development of an Economic Development Strategy, often as part of the IDP;
- grants/ rebates to attract new investors;
- area-based support, mainly for larger firms while non-financial support for inward investment includes information provision, lobbying of business, investment facilitation and technical support (13 municipalities);
- infrastructure and industrial and commercial sites;
- supporting SMMEs, including preferential procurement, SMME support centres/ business incubators, support for the informal sector;
- support for sectors/ clusters;
- support the poorest sections of the community including skills, training, local area support, housing support, advisory services, procurement and public works;
- research or information activities e.g. a database of economic trends, sector information and relevant information;

- support export and marketing.

Pro- Poor LED programmes need to be well coordinated and sustainable in order to bring good quality of life for the local citizen. Local government institutions must play a meaningful role in coordinating and organising LED stakeholders to implement Pro- poor programmes in the local areas. The next section will deal with women and LED.

2.4.1 WOMEN AND LOCAL ECONOMIC DEVELOPMENT

The United Nations records that women constitute the principal labour force in the informal sector and that their presence is widespread in Africa and contribute 40 % of Africa's GDP (Snyder, 2000:5). Food and beverages, textiles, retail trade, pottery and cross-border trade are areas of female dominance, where trade constitutes half of all production in the informal economy (Snyder, 2000:5). There are growing numbers of women in micro-, small- and large-scale businesses who achieve on their own, with little access to formal sector resources, and exceptional ones who achieve in the formal economy, making use of capital available from banks and other financial institutions (Snyder, 2000:5).

Snyder (2000:10) shows that women farmers, merchants and entrepreneurs are critical to Uganda's economic growth because:
- Agriculture, the main source of GDP, is a female-intensive sector of production. Uganda's women farmers produce 80 % of food crops, 60 % of traditional farm exports such as coffee, tea, cotton, sugar and tobacco, and an impressive 80 % of non-traditional agriculture exports like maize, beans, cereal, vanilla and horticultural products.
- Women comprise perhaps the majority of all entrepreneurs in the informal micro and small enterprise economy – the fastest growing job creation sector of Africa, accounting for up to 40 % of GDP.
- Women reproduce the labour force both as mothers and increasingly as providers of a significant portion of the total family income: food shelter, health and education. Their income is estimated at 50 % of total income in two-spouse households and 100 % in the 29 % of households where women are the sole providers.

- Women entrepreneurs offer great potential for the simultaneous increase of people's wellbeing and growth of the country's wealth as long as their nation secures the peace and adopts appropriate policies society-wide.

It is common for women to start their own income-generating, community-based projects in order to improve the quality of their lifestyle. Local institutions need to play an active role in assisting women's organisations that initiate their own community-based economic development in terms of funding and ongoing training so that development projects can be managed efficiently. In addition to that, local government institutions must encourage other women in the community to initiate their own development projects to alleviate poverty. According to Ajani (2004:1592), poor women are often excluded from involvement in community and formal institutions; hence they invest heavily in social support networks that may offer them a hedge in fulfilling their household responsibilities. Women contribute 50 % of family income in Uganda and often much more of the household cash income from their sales of fruit, vegetables, trees, beer and sundries (Snyder, 2000:176).

In research on women empowerment by local institutions that was conducted in Nigeria, Ajani (2004:1600) reveals that women were not supported and empowered to the extent that they complained of having paid local government to provide lock-up shops for providing their goods; however, local government did not build the shops and the women decided to discontinue paying money to local government. In addition to that the study suggests that there is a minimal level of mobilisation of the women's groups for politics, economics and involvement in decision making at the local level.

McEwan (2003:471) points out that the ways in which women can access power and resources at the local level and their lived experiences of citizenship are still poorly understood, especially with regard to the majority of women still marginalized by the legacies of apartheid. Women's equality is recognised as important for realising the developmental vision, because, unless the transformation process consciously aims to rectify the social, economic and political marginalisation of women, local government will not become democratic, accountable, effective, participative or developmental (GAP/FCR, 1998:3; Kehler, 2000: 7, in McEwan, 2003:470).

In South Africa there are women's organisations that are solely dedicated to empowering women both economically and socially, e.g. the Development of Dynamic Women Enterprise in Business and Art (DWEBA) and Umthombo Rural Women Business Association (URWBA) (see Giorza, 2001:3 and Anthony, 2008). DWEBA's work includes organisational development, product development, skills development and marketing and is essentially workshop-based (Giorza 2001:3). The objectives of DWEBA, as defined in their constitution, are:

- To establish craft production micro enterprise which involves and benefits women from underdeveloped communities in KwaZulu-Natal who are currently involved in craft production or who are looking for means of generating income.

- To develop the craft productive, management and marketing skills of these women

- To achieve both personal and economic empowerment of these women by using a dynamically creative and gender-sensitive participatory training methodology

- To provide training that integrates the social/organizational and technical aspects of skills development

- To facilitate networking between such groups of women to enable them to share experiences and skills, co-ordinate activities like bulk buying, transport and marketing

- To identify and train resource people so that the opportunities and skills generated by projects are sustainable and beneficial across communities (Giorza, 2001:3).

Such projects are normally found in rural settings and play a fundamental role in alleviating poverty, particularly for women-headed households. The Umthombo Rural Women Business Association has positioned itself to strengthen and promote economic empowerment of women, particularly those residing in rural areas (Anthony, 2008:18) as reported in the Zululand Observer. The eradication of poverty is the main aim and to this end the members are supported in identifying challenges and opportunities facing them and to link them up with existing local provincial, national and international strategies (Anthony, 2008:18).

The objectives of (URWBA) as cited by Anthony (2008:18) are as follows:
- to undertake a baseline survey of rural women's situation in business;
- prioritize and formulate an action plan of business management skills, empowerment strategies and capacity building in a participatory manner;
- strengthen an integrated, locally-driven economic growth approach with stakeholders;

- build rural women capacity in partnership with local government to manage sustainable local economic development (LED) strategies for long-term projects;

- provide a platform for women to exchange business development information and other issues of interest;

- strengthen family moral and ethical values;

- enhance rural women's participation in global or international economic processes;

- collaborate and partner with other stakeholders in eradicating poverty.

This shows that there are women's associations, community based organisations and interest groups who have organised and aligned themselves in eradicating poverty. This further suggests that rural women have great potential for initiating their own LED projects; however, they need to form strong partnerships with local government institutions. Above all, local government should work closely with such women's associations and organisations for LED and women's policy formulation, networking, implementation and evaluation.

Such organisations should also use the advantage of working with local government, primarily because it has a legal mandate to work with communities, civil societies, and other interest groups. Local government institutions consist of forums and portfolio committees dedicated to LED and development issues, therefore such associations and groups should participate actively in the forums and portfolio committees of municipalities. This will put rural women in the position of owning, directing and influencing decision making about development projects. Municipalities will need to set aside funding for rural women's economic development projects in their budget and support rural women's initiatives with resources they may lack in sustaining their projects.

2.4.2 TOURISM AS A LOCAL ECONOMIC DEVELOPMENT RESPONSE

Briedenhann and Wickens (2004:72) suggest that declining economic activity, restructuring of the agricultural sector, dwindling rural industrialisation and out-migration of higher educated youth, have led to the adoption, in many western nations, of tourism as an alternative development strategy for the economic and social regeneration of rural areas. The authors further contend that the potential of tourism routes have long been realised in

developed countries. In 1964, a Council of Europe working group mooted the idea of a series of Europe Cultural Routes, with the prime objectives of raising awareness of European culture through travel, setting up a network for cultural tourism, and utilising European cultural heritage as a means of stimulating social, economic and cultural development, thus improving the quality of life of local people (Briedenhann & Wickens, 2004:72).

On the continental scale, according to Rogerson (2005:112), there are a number of significant contributions that debate the prospects and developmental role of tourism in Africa for the promotion of economic growth, employment opportunities, sustainable development, and poverty alleviation. Tourism is shown to have a considerable unrealised potential across many parts of Africa, although the sector has developed unevenly across the continent with some countries and regions benefiting much more than the others (Rogerson, 2005:112). In the influential works issued by the World Bank, Christie and Crompton (in Rogerson, 2005:113) it is asserted that, at continent-wide level, the role of national governments is critical in tourism development, especially in terms of forging a policy framework and formulating the incentives and regulatory frameworks to ensure economic and environmental sustainability.

Rogerson (2005:117) points out that, since 1996, the Zambian government has devoted growing attention to the potential of boosting the country's tourism economy by marketing the country's tourism experience as the quintessential real Africa. In addition to this, the author notes that tourism in Zambia has assumed increased significance in national planning as a consequence of economic liberalisation and structural adjustment measures, which opened the economy in the 1990s to a flood of manufactured goods and resulted in the collapse of the domestic manufacturing economy. Livingstone City in Zambia has also re-emerged as a tourism centre. Rogerson (2005:117) further points out that the importance of tourism in the local economy largely results from private sector initiatives and local economic development initiatives within the framework of wider decentralisation policies within Zambia.

In 2001 the tourism economy of Livingstone was transformed by the opening of two new hotels, the Zambezi Sun and the Royal Livingstone, the greatest tourism assets being the Victoria Falls and the Zambezi River (Rogerson, 2003:117). The benefits of this to tourism, as pointed out by Rogerson, is that two new resorts represent an investment of US $65

million and immediately increased direct tourism employment in Livingstone by a factor of 25 %. Further indirect employment opportunities were stimulated by the outsourcing of associated activities such as laundry, gardening, security and restaurant services (Rogerson, 2005:117). The new tourism resorts reinvigorated the local tourism economy and resulted in the establishment of further new tourism products, as well as investment in improved tourism infrastructure (Rogerson, 2005:117).

The Soccer World Cup 2010 in South Africa will contribute to tourism in a significant way and create more job opportunities.   Saayman & Rossouw (2008:2) suggests that the economic impact that sports events can create has spurred many cities and countries into the event tourism arena. These authors contend that several studies have highlighted the economic benefits derived from events in the form of tax revenues, employment, investments, infrastructure development (including housing urban renewal) and additional sources of income. Research estimates that World Cup tourists spend 1,8 times more than foreign leisure tourist (Lee & Taylor, 2005) in (Saayman & Rossouw,2008:2) According to Grant Thornton and Kessel Feinstein (2003) in (Saayman & Rossouw,2008:2) the intangible benefits for the private sector for the 2010 will come from;

- substantial investment
- increased demand for tourism facilities
- additional revenues from similar events before and after 2010
- public/ private partnership to supply of equipment and additional marketing opportunities

Magi (2006:60) argues that considering the development imbalances between urban and rural environments, we need to question what kinds of programmes or schemes need to be put in place to benefit rural areas. This author further suggests that World Cup related programmes and projects that would make a difference for the rural communities in Northern KwaZulu-Natal are those that involve the following;

- Establishing tourism packages linking rural destinations with soccer venues such as Durban venue
- Setting up handicraft cooperatives that make artefacts for local routes and Durban – Based merchandising centre

- Organising accommodation cooperatives linking the urban destination with rural destinations

- Encouraging the development of local agri-tourism businesses that are inspired by the Soccer World Cup

- Establishing urban-to rural transportation services, hospitality services and traditional entertainment, directly linked to the Soccer World Cup in major metropolitan areas.

Rogerson (2004:399) notes that tourism is growing in significance as a lead sector for LED in many developed countries. Indeed, in an international overview, Agarwal et al., in Rogerson (2004:399) recently observed that tourism is widely recognised as an instrument of LED According to Rogerson, (2004:399) it was revealed, in a national survey conducted of 87 South African local authorities, that tourism promotion was among the most popular forms of LED activity. At an International level scholarship, considerable attention is focused on the prospects of promoting 'community-based tourism' in the rural developing world (Ndlovu & Rogerson, 2004:436). These authors further suggest that community-based tourism has long been acknowledged as a means of tourism that fulfils the following functions:

a. Permits local control;
b. Retains the economic benefits derived from out-of-the-region tourist spending within the local community; and
c. Is a means of encouraging vibrancy within local culture.

Ndlovu and Rogerson (2004:439) assert that the importance of linking community-based tourism to the objectives of local development is stressed by the added clarification that community-based tourism should offer some form of benefit to local people who are not directly involved in the tourist enterprises, for example through improved education and infrastructure. It is cautioned that, while there is no absolute blueprint for ensuring that tourism will work for rural development, a number of general principles can be identified for enhancing community benefits from tourism:

- promote empowerment as precursor to community involvement in tourism;
- encourage active participation;
- identify both tangible and intangible benefits of tourism;
- share the benefits and costs of tourism;
- support diverse livelihood options; and

- develop a positive relationship between communities and other tourism stakeholders (see Ndlovu & Rogerson, 2004:438)

Odendal, Schoeman and Koch (in Gardyne, Hill & Nel, 2005:123) warn that success is not always assured and they highlight problems associated with tourism-led LED, such as:

- Huge disparities in employment levels during the season as compared with the off-season. Many employees cannot rely on a constant income

- Employment growth is in menial or poorly paid jobs. This is especially evident when external people are brought in to occupy the higher paid managerial and administrative positions.

- Economic leakages to larger, external tourism markets.

- Mobilisation of private sector investment which has the potential to exclude or reduce local participation and decision-making processes.

- Environmental impacts of tourism; although considered by many as a safe alternative, eco-tourism does expose what are often remote areas to tourists, thus making them vulnerable to human impacts and intervention.

2.5 DEDUCTIONS AND CONCLUSION

- Kotze and Kotze (2008:103) point out that development is about change for the better in the lives of those who have previously been excluded from development initiatives. If development is about change for the better for those who have been disadvantaged, LED surely becomes a pillar of development. Unemployment and poverty are the main challenges that developing countries are facing, therefore short-term and long-term solutions are needed to address these challenges.

- LED emerged in the global North as one response to the march of liberalisation and privatisation, accompanied by a reduced role for the central state (Simon, 2005:30).

- Community-based strategies associated with a new, more sustainable LED paradigm emphasise the importance of working directly with low-income communities and their organisations (Bond, 2005:63). Development agencies and Local government institutions prefer to work with organised community-based groups so that the participatory process can be effective.

- The goals of LED tend to revolve around a set of common issues of job creation, empowerment, the pursuit of economic growth, community development, the restoration of economic vitality and diversification in areas subject to recession and also establishing the locality as a vibrant, sustainable economic entity, often within a global context (World Bank, 2001, in Nel & Rogerson, 2005:5).

- Local economic intervention strategies need to be well planned and coordinated so that they respond proactively to challenges facing poor communities associated with socioeconomic conditions. Bond (2001, 2002) argues, in Rogerson (2004:83), that LED activities should be rooted most firmly upon the developmental and pro-poor responsibilities that have been given to municipalities.

- It has been suggested that developmental institutions should work closely with local people primarily because of their indigenous knowledge about their local areas together with their strengths and weaknesses.

- Alternative ways of promoting LED such as tourism all need to be well in place, so that local people can make a significant contribution on how best to attract tourist in local areas. If local people are involved in such attempts it increases their sense of confidence and awareness of their areas, and puts them in a position of caring for the environment.

- Women are also critical role players in LED because of their ability in initiating community-based economic development projects and knowing to perform multi-task activities.

- The emphasis on LED is that of creating public-private partnerships in order to deal with challenges associated with underdevelopment, unemployment and low economy.

In the following chapter, the contextual framework for LED in South Africa will be examined with reference to policy framework, followed by a discussion of the way forward.

CHAPTER 3

CONTEXTUAL FRAMEWORK – Local Economic Development (LED) in South Africa

3.1   INTRODUCTION

Since the post 1994 general elections, the South African government has embarked on the three major economic policies and an economic strategy in a bid to improve economic and living conditions of its citizens so that the dream of creating a better life for all can be achieved.   These policies are the Reconstruction and Development Programme (RDP), Growth Economic and Redistribution (GEAR), Expanded Public Works Programme (EPWP) and the Accelerated Shared Growth Initiative of South Africa (ASGISA), which is an economic strategy. The fundamental principles of the RDP policy relate to building the

economy, democracy, participation and development (ANC, 1994:79). Reconstruction and development are to be achieved through the leading and enabling role of the state, a thriving private sector, and active involvement by all sectors of civil society, which, in combination, will lead to sustainable growth (RDP 1994:79). (RDP 1994:83) further points out that in order to foster the growth of local economies broadly representative institutions must be established to address LED needs. LED in South Africa has grown in its significance since 1994 democratic transition (Nel & Rogerson 2007:1).

Nel & Rogerson (2007:1) contend that LED is firmly established on South Africa's development agenda and enjoys widespread acceptance as an applied interventions which is seen as having the potential to partly respond to the country's development needs. The South African government's support for developmental LED calls for a mix of traditional interventions and the new pro-poor approach (Abrahams, 2005:136). LED is about local people taking control and responsibility for job-growth and the economic well being of their community (Tomlinson, 2003:117).

The practice of LED in South Africa has been closely associated with the urban context. Many cities are instituting urban renewal strategies, but there is lack of visibility of LED practice in rural municipalities due to lack of infrastructure and scarcity of skills. This is underpinned by Hinderink and Titus (2002), as cited in Nel (2005:253), pointing out that international research suggests that small towns have been an overlooked and frequently misunderstood component of urban hierarchies. For LED practitioners the debate about which approach to LED would bear the most satisfying results will probably continue, but the shift in LED thinking internationally has meant that LED practice needs to be more integrative and unifying (Abrahams, 2005:144).

This chapter firstly looks at LED from the South African perspective. This paper is looking at the state of South African Municipalities and LED. Secondly, the chapter focuses on the South African policy perspective, as well as the planning of LED. Thirdly, issues associated with rural development are briefly examined. Lastly, whether or not LED has achieved its intended objectives is discussed. Following this, the way forward in South Africa is charted for LED.

3.2 LED WITHIN THE SOUTH AFRICAN CONTEXT

3.2.1 THE STATE OF SOUTH AFRICAN MUNICIPALITIES AND LOCAL ECONOMIC DEVELOPMENT

One of the objects of local government as outlined in section 152 of the Constitution of the Republic of South Africa Act 108 of 1996 is to promote social and economic development. There are five key performance areas in South African Local Government in its 5-year implementation plan, namely Municipal Transformation and Organisational Development, Basic Service Delivery, Local Economic Development, Municipal Financial Viability and Management, and Good Governance and Public Participation (DPLG, 2006). LED is one of the key performance areas for local government in its implementation plan, and this shows that it must be given serious attention and innovation in its implementation. Since 1994, however, there has been a coordinated effort to diffuse the practices of LED more widely in South Africa, through the formulation of a national framework for supporting LED (Rogerson, 2005:82). The national government under the auspices of the Department of Provincial and Local government has formulated policies and strategies for implementing LED projects.

The onset of democratic transformation in South Africa in the early 1990s has had a profound effect on local government, which progressed from being the third tier of government to an equal autonomous sphere, with implications for greater delivery responsibility (Kroukamp, 2006:22). Local authorities should have a realistic and credible LED Programme intact to ensure that communities are capacitated and empowered to understand their position in local government decision making (Kroukamp, 2006:22). The concept of LED is currently attracting considerable attention in government and policy circles in South Africa (Nel & Humphrys, 1999:277, in (Nel, 2001:5).

Reviews of the status of LED within local government areas in South Africa indicate that formal LED, as opposed to community-based variations, is still in its infancy and few local governments or other agencies can be said to be actively engaged in LED at present (Rogerson, 1995, 1997, 1999a; Manuel, 1998, in Nel, 2005:2). According to the DPLG, (2000a:1) in Bond (2005:83), the current South African understanding of "what LED is" is linked to overarching concept of developmental local government and of the national government interpretation of LED as an outcome-based local initiative driven by stakeholders

"to stimulate economic growth and development. An increasing number of interventions in South Africa have been introduced since 1994, which have sought to address rising levels of poverty and unemployment through LED measures" (Rogerson, 2005:82).

The earliest LED interventions pioneered in cities such as Cape Town, Johannesburg, and Durban during the late 1980s and early 1990s essentially were pro-growth and of the form that was described as market-led approaches (Rogerson, 2005:82). Major emphasis was placed upon the attraction of external investment through a range of LED interventions that centred on place marketing, property–led regeneration, and the development of hard infrastructure (Rogerson, 2005:82). A number of South African cities have embarked on urban renewal programmes as part of promoting LED. More job opportunities have been created in South African cities through the upgrading of the cities' buildings, provision of housing, and improvement of roads infrastructure.

According to Nel (2001:8), as part of implementing LED in Johannesburg, its LED plan included the development of Casino Complex at Gold Reef City; the development of the "Baralink" corridor from Soweto to central Johannesburg; the Sandton City Convention Centre; the Florida Lake Development project: the establishment of a Business Information Centre; and the regulation of information trading activities. Rogerson (1999:522) studied other South African cities and observed the following: In Port Elizabeth, LED planning involves the support given for the construction of the Coega port and Industrial Development Zone (IDZ) 25 km north of the city. In addition, Coega LED strategy comprises of a set of proposed projects that attract tourism and covers a new casino, recreation and hotel complex; mariculture salt works; and an expanded zone of irrigated agriculture (Rogerson, 1999:522).

In the final analysis of the state of LED in Port Elizabeth, Rogerson (1999:523) concluded that there are weaknesses in the Port Elizabeth strategy, which is top-down and centred on the Coega initiatives. Rogerson (1999:523) adds that a combination of other activities, such as the agro-tourism option that has been put forward might provide greater long-term benefits and sustainable resource use at Coega. In a study conducted by Nel (2001:8) in the City of Durban it is pointed out that the development of industrial estates through partnership arrangements and the promotion of business tourism through the construction of the International Convention Centre are key examples of local government-facilitated LED in that city. In addition to that, Durban, which today is popularly known as the eThekwini

Municipality, has established an Economic Development Department. Rogerson (1999:529) points out that Durban has embarked on an Urban Renewal Programme as a LED initiative which aims at modernising part of the inner-city; refurbishing transport networks; upgrading the physical environment; and, hopefully, creating improved conditions for formal traders. In research conducted by Rogerson (1999:525) in the City of Durban, it is noted that there was limited consultation with affected groups of informal traders during the conceptualisation, design and implementation of the urban regeneration project.

In Nelspruit, which is situated in the Mpumalanga Province, the city's economy has boomed variously over the past 15 years as a result of prosperous regional agriculture; new public investment associated with its capture of the status as provincial capital; and the opening up of the border with Mozambique (Maralack, 1998, in Rogerson, 1999:527). In addition to this, as Rogerson (1999:527) points out, Nelspruit stands to be one of the prime beneficiaries of the spin-offs associated with the Maputo Development corridor. Rogerson (1999:528) laments that the Nelspruit local authority failed to establish a specific institutional structure which would be able to deal with issues related to LED, in general, and controversies surrounding the water and sanitation scheme, in particular.

In Pretoria, which is now known as the city of Tswane, business promotion has clearly become the core LED focus (Nel, 2001:9). In that city, its economic unit has been actively engaged in the promotion of business activity since 1996, through policies of information provision, networking and advice (Nel, 2001:9). According to the Directorate (in Nel, 2001:9) it acts as a catalyst for initiating bi-lateral trade agreements with the Pretoria region and opening up new markets for products manufactured in the Pretoria region.

Apart from the role played by the South African cities, smaller towns have a duty to implement local economic development. There seems to be a lack of commitment, or a level of uncertainty, regarding the implementation of LED programmes in such towns. The key characteristics of the small towns in the African urban hierarchy are that they contain functions that link rural areas with major urban centres (Xuza, 2005:90). Xuza calls for a small town renewal approach which is based on the role of small town in Africa as a vehicle for growing the local economy and as a basis for sustainable rural development. Small town research indicates that the concept of integrated and mutual development of urban and rural societies is vital and practical (Xuza, 2005:91). In the case of Alice, which is situated in the

Eastern Cape Province, the survey disclosed dissatisfaction concerning the quality of services and the state of shops in the town (Xuza, 2005:94). The poor image of the town underlines the municipality's lack of vision, and fails to contribute to tourism and the improvement of quality of life in Alice (Xuza, 2005:94).

LED News 1996-1998, as reported in Nel (2001:9), points out that it is only the larger, better-resourced centres which have gone beyond the planning phase and have committed funds to the establishment of dedicated LED units and the pursuit of defined LED policies. The following have been noted as an impediment to LED: lack of resources; the tenuous fiscal position of many smaller centres; and the shortage of skilled staff. These are serious impediments to the successful pursuit of LED – an issue which may well require a degree of central or provincial government facilitation and support along the lines of the UK's former partnership or Enterprise Zone policy (Healey & Ilery, 1990, in Nel 2001:9). The problem of the shortage of skills in South African municipalities has been cited as the main factor that hinders service delivery. Phago (2005:136) points out that problems of incapacity or lack of skilled personnel are generic in all spheres of government in South Africa.

The massive backlog of service delivery within municipalities, which involves sanitation and running water, requires urgent government action through means that are LED-oriented and ensures participation of all stakeholders (Phago, 2005:135-136). Phago further suggests that capacitated personnel within the municipalities may be in a position to ensure improved service delivery through innovative means, which could create job opportunities for local residents. The former President of South Africa, Thabo Mbeki, noted that most of the vacancies in municipalities are filled by incompetent and unskilled individuals because of their relationship with senior officials within the municipality (Phago, 2005:137). According to Atkinson (2007:58), South African municipal administration was bearing the brunt of rapid transformation by 2005. In some ways the transformation of municipal administration has had negative effects on service delivery. This is underpinned by Atkinson (2007:58) when he notes the following: valuable skills had been lost; institutional memory had dissipated; and senior posts had become sinecures for party faithful, while junior posts had been filled by inadequately trained people.

In many rural municipalities, senior posts have become monopolised by people from the teaching profession who have little experience in management, infrastructure, or civic affairs

(Atkinson, 2005:58). A 2004 survey conducted by the Municipal Demarcation Board Goodenough (2004) quoted in Atkinson (2007:58) showed that many municipalities have fewer years of municipal experience (this applies to 48 % of the managers in the North West province, 57 % of managers in Limpopo, 48 % of Free State managers, 34 % of Eastern Cape managers, and 33 % of Gauteng managers). In addition to the above, there have been notable protests by community members due to poor service delivery in municipalities. Atkinson (2007:54) notes that there have been a number of protests accompanied by violence in South Africa which stemmed from poor service delivery. These include the following:

- On July 2004, violent protests erupted in Diepsloot on the periphery of Johannesburg; about 3000 protesters marched through the streets, demanding that councillors be sacked for the sub-standard services provided.

- In the first week of September 2004 there was another protest, in Harrismith in the eastern Free State province: residents demanded that the town be withdrawn from Maluti, a Phofung Municipality. They called for the resignation of the mayor and five councillors due to lack of service delivery in Harrismith; the council was beset with corruption (cash for houses) and nepotism.

- There was another protest, in Ekurhuleni Metro in the East Rand, about poor service delivery.

- Emalenhle township residents took to the streets of Secunda in Mpumalanga, protesting about nepotism and poor service delivery, and demanding the resignation of the councillors of the Govan Mbeki Municipality.

- In March 2005, residents of Harding in KwaZulu-Natal voiced an unequivocal vote of no confidence in the management of Umuziwabantu Municipality, and threw apples at the mayor as he was preparing to address the marchers.

This shows that there is still an enormous challenge with regard to the developmental role of local government in South Africa. LED, which is seen as a progressive move within the local government sphere, is faced with serious challenges of implementation in order to achieve its primary goals. In terms of scholarly assessments on the state of LED in South Africa (Nel et al., 2002; Rogerson, 2002; Hindson, 2003; Tomlinson, 2003, in Nel & Rogerson. 2005:12) key issues emerge with respect to applied LED:

- The failure rate of LED initiatives is high.

- In many ventures, particularly in small centres, there is only limited private sector involvement.

- What is being achieved at one level is the provision of facilities of a global standard vs. constrained achievements in the poorer areas.

- The politicisation of development is an issue where individual interests often override the greater common good.

- Projects appear to move through a life cycle which often sees the demise of once promising endeavours

- There is a clear problem of grant dependence in the limited sustainability of many projects.

- The economic aspects of projects are often undersold in planning and often threaten project sustainability.

- A question mark needs to be raised as to whether local authorities should be driving economic development and job creation or merely facilitating such activities.

- Many observers regard LED as an "unfunded mandate"; that is, local government is required to pursue it, but lacks the necessary funds and staff.

- There is a clear need for more training, facilitation and funds.

- The rhetoric of pro-poor planning by local governments is not always matched in practice.

- There currently is inadequate facilitation support.

- Community-focused programs are often difficult to sustain.

Nel and Rogerson (2005:13) suggest that there is a call from the South African experience to ensure that LED is more relevant, appropriate and realistic in what it is striving to achieve. According to Nel (1998), in Nel (2001:7), four variants of LED are currently in existence in South Africa:

- Formal local government initiatives that parallel traditional northern thinking and which, to a large degree, overlap with government policies on the topic as detailed in its policies.

- Community-Based/Small Town initiatives which often develop as a result of NGO facilitation and support.

- Section 21 Development Corporations – i.e. where a company "not for gain "operates to promote local development within a selected spatial area.

- "Top-down" LED in which government, usually at the provincial level, and / or various national organisations attempt to catalyse and support local initiatives.

The next section investigates tourism-based LED from the South African perspective.

3.2.2 SOUTH AFRICAN TOURISM-BASED LOCAL ECONOMIC DEVELOPMENT

In terms of the White paper on Development and Promotion of Tourism in South Africa, local government should perform the following specific functions:

- Responsible land-use planning, urban and rural development
- Control over land-use and land allocation
- Provision and maintenance of tourist services, sites and attractions e.g. camping and caravan sites, recreational facilities (parks, historical buildings, sports facilities, theatres, museums, etc.) and public services
- Provision of road signs in accordance with nationally established guidelines
- Market and promote specific local attractions and disseminate information in this regard
- Facilitate the participation of local communities in tourism industry
- Own and maintain certain plant, e.g. ports and airports
- Provide adequate parking for coaches.
- Promote and financially support the establishment of local publicity associations/community tourism and marketing organisations to facilitate market, coordinate and administer tourism initiatives.

Binns and Nel (2002:240) point out that many local government endeavours are obviously designed to benefit and involve the host community, drawing on their skills and aspirations. The above authors further argue that it is a sad reality that remarkably few of them actually prove to be economically viable. Research conducted by Binns and Nel (2002:240) on tourism-based local economic development in South African small towns, namely Still Bay in the Western Cape Province and Utrecht in KwaZulu-Natal, indicates that a range of localities clearly identify tourism as a definable growth path to pursue. The tourism assets and attractions that are being actively developed in Still Bay include:

- its impressive beaches;

- the area's tranquillity;

- its archaeological heritage, in the shape on ancient stone 'fish traps' built by the Khoi-Khoi people;

- an annual town festival;

- whale watching;

- special 'out of season' sporting events;

- the establishment of the country's only botanical garden in a township, where plants from across the region have been collected;

- a community craft centre that manufactures and sells products unique to the area; and

- the staffing and operation of two tourism bureaux which together actively encourage township tourism. (See Binns & Nel, 2002:242).

In the case of the Utrecht town in KwaZulu-Natal, three successive grants were obtained from the Government Local Economic Development Fund to facilitate the necessary infrastructure development (Binns & Nel, 2002:242). Key tourism-based activities undertaken in addition to the earlier establishment of tourism accommodation and nature conservancy include;

- Establishing and stocking a 1500 ha game park adjacent to the town with the help of the mine authorities;

- Providing accommodation facilities within the game park for school groups and tour parties;

- Establishing an economically and ecologically sustainable game farm (700ha) adjacent to the game reserve, such that the town itself is effectively surrounded by the game park and farm. It is intended that, through time, the game fence currently separating the town from the park and farm will be removed, thus creating a unique nature-based tourism experience in the town;

- Arts and Crafts Association to provide training and marketing support to local artisans in a variety of skills;

- Establishing a cultural village with workshop and retail outlets for artisans at the entrance to the town;

- Building a tourism bureau adjacent to a major provincial road at the town's entrance, and erecting a large thatched gateway over the town entrance, which bears the logo "The Village in Game Park" (see LED News, 1998; Smook, 1998; Stannard, 2000,

Utrecht TLC, 2000b; Smook personal communication 2001; Stannard personal communication 2001; Sunday Times, 2001 in Binns & Nel, 2002:243).

Local people need to be involved in local tourism because they have better knowledge of beautiful natural resources in their areas, and with their indigenous knowledge of making local products using local natural resources and selling those products to the tourist. Gardyne, Hill and Nel (2005:128) point out that, from a pro-poor tourism perspective, the use of cultural and nature-based tourism, which draws on local skills in art and weaving, but also seeks to ensure that the primary beneficiaries are members of low-income communities, indicates that tourism has the potential to impact meaningfully on the affected areas. Tourism is seen to have the ability to play a key role in the development of many rural areas possessing a rich natural or cultural heritage (Gardyne, Hill & Nel, 2005:122). These authors further share success stories about LED tourism in Ingwe Municipality in South Africa's KwaZulu-Natal province which are as follows:

- various LED initiatives have resulted in 229 short term-jobs created to date, which, in small towns such as Creighton, is a significant number;
- A tourism product of the municipality is now recognised nationally, as reflected by visits to Creighton by private train operators, the acknowledgement of the unique product in a national tourism magazine in 2004, and the recognition accorded at the last two Vuna awards;
- the degree to which the municipality, recognising its serious financial constraints, has successfully leveraged external funds, which have provided the resources and infrastructure to make the tourism rout initiative a viable entity;
- strong partnerships with key role-players in the local area, neighbouring municipalities, provincial tourism authorities and the national railway operator have been formed;
- the dedication and vision of key individuals at the local level, particularly the LED officer who has worked tirelessly on project definition, lobbying in various forums and overseeing strategy implementation (Gardyne, Hill & Nel, 2005:128).

As all activities of LED need to be properly planned and coordinated, the next section will present a discussion on integrated development planning and LED.

3.2.2.1 Integrated Development Planning and Local Economic Development

Theron (2008:42) argues that, in the light of continued high levels of underdevelopment in developing countries, it seems that development planning has been poorly undertaken, poorly maintained, has failed in its totality or – in the worst case – has been absent from the start. The question why development planning continues to fail, despite the zeal with which it was initiated, still haunts governments and development institutions (Theron, 2008:42). Development planning consists of two components which complement one another, namely development and planning (Theron, 2008:43). The assertion by the above author shows that development does not just happen but it must be properly planned to allow the proper allocation of financial resources in order for it to be well implemented. Planning of development makes it possible for the local government to know the root it will take in discharging its responsibilities, of changing the life for its local citizen, and how scarce resources can be efficiently utilised. In principle, planning is not wrong, but the manner in which planning is conducted is key (Theron, 2008:47).

In linking the concepts of development and planning it is necessary to adopt a holistic approach, as suggested by Chambers (1993:9-14) in Theron (2008:43), that looks at development by using four interacting levels on which a new development paradigm should be based:

- **The normative level** – Here the argument is that development should be people-centred. Many development scholars, practitioners and politicians advocate for development that is people centred. This new participatory planning paradigm entails a process of reversal in learning in which change agents / development practitioners become, not experts, but the learners through a process of mutual social learning and the beneficiaries of development becomes their teachers.

- **The conceptual level** – Development is not progress in a single direction, but a process of continuous adaptation, problem solving and opportunity exploiting. Development institutions and their change agents – again speaking ideally and postulating theoretically – need to depart from the traditional blueprint, a rigid and prescriptive top-down planning model, towards a holistic understanding of the meaning-giving social, political and economic contexts at grassroots level in which development takes place (Chambers, 1993:9-14, in Theron, 2008:44). To enable this holistic approach, change agents need to be retrained / re-orientated towards action

research methodologies (PRA/PAR/PLA), which brings them closer to the realities of development beneficiaries.

- **The Empirical level** – As shown by Burkey (1993), Chambers (1997) and Olivier de Sardan (in Theron, 2008:45), the social, political, economic and environmental conditions at grassroots levels (both urban and rural) are diverse and complex. Local level challenges should be addressed holistically and in an interdisciplinary manner, with a partnership approach between developers / change agents and local beneficiaries (Chambers, 1997:162-187, in Theron, 2008:45). Community-based planning is very essential because it promotes active interaction between developers and change agents about development challenges in their area.

- **The practical level** – According to Theron (2008:46) this level integrates the above three levels; the central thrust to this point of departure is decentralised decision making and grassroots participation and empowerment. Together, these factors enable people to exploit the diverse complexities of their own conditions and social realities, and to adapt to change.

The Integrated Development Planning document serves as a strategic document which maps out the development vision and plan for local government and identifies key development areas for a period of five years. Integrated development planning is generally regarded as a five-year developmental plan. It is a legal requirement by the Municipal Systems Act No 32 of 2000, Chapter 5, section 23, that '(1) A municipality must undertake developmentally-oriented planning so as to ensure that it strives to achieve the objects of local government set out in section 152 of the Constitution and gives effect to its developmental duties as required by section 153'. In addition to that, the same Act in Section 25 requires that each municipal council within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality.

According to the White Paper on Local Government (1998), integrated development planning is a process through which a municipality can establish a development plan for the short, medium and long term. The main steps in producing an integrated development plan as articulated by the White paper on Local Government (1998) are as follows:

- An assessment of the current social, economic and environmental reality in the municipal area – the current reality

- A determination of the community needs through close consultation

- Developing a vision for development in the area

- An audit of available resources, skills and capacities

- A prioritisation of these needs in order of urgency and long term importance

- The development of integrated frameworks and goals to meet these needs

- The formulation of strategies to achieve the goals within specific time frames

The core components of the integrated development plans are clearly articulated by the Local Government Municipal Systems Act No 32 of 2000, Section 25. An integrated development plan must reflect

- The municipal council's vision for the long-term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs

- An assessment of the existing level of development in the municipality which must include an identification of communities which do not have access to basic municipal services

- The council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs

- The council's development strategies which must be aligned with any national or provincial sectoral plans and planning requirements binding on the municipality in terms of legislation.

- A spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality

- The council's operational strategies

- Applicable disaster management plans

- A financial plan, which must include a budget projection for at least the next three years, and

- the key performance indicators and performance targets determined in terms of section 41.

According to the Policy Paper on Integrated Development Planning (2000:4), Integrated Development Planning for local government is a form of planning that involves linkage and co-ordination between all sectors of activity that impact on the operation of a local authority. The Policy Paper on IDP (2000:4) further assets that all the policy documents and legislation produced by the line departments that demand planning action or developmental activity in the local sphere must be considered in developing policy for Integrated Development Planning and IDPs.

Theron (2008:68) argues that an important component of the overall planning process is the initial decision to accept planning as a means of addressing development problems and pursuing desired goals and objectives. Gunter points out that Integrated Development Plans are seen as a way forward for LED in South Africa, as a mechanism that will help develop capacity and integrate different government departments so as to ensure a consolidated LED process. In municipalities that do not have any LED policy, IDPs may be the path towards developing a LED strategy (Gunter, 2005:32). LED is viewed as being of central importance to sustainable development (Rogerson, 2004:12). The incorporation of LED activities in the IDPs allows a great deal of sustainable development in South African municipalities. In the case of Mpumalanga, which is known to be very rich in tourism, tourism development plans need to be included in the IDPs of the municipalities.

Blakely (1989:77) suggests that the first planning step that any organisation interested in LED must take is to decide on the role it wants to play in the development process. He lists six phases and tasks LED planning process in table form as presented below. These phases inform the planning process of LED so that LED programmes can be implemented

Table 3.1: The Local Economic Development planning process

Phase I	Data gathering and analysis • determining economic base • assessing current employment structure • evaluating employment needs • examining opportunities for and constraints on economic development • examining institutional capacity
Phase II	Selecting a local development strategy

	• establishing goals and criteria • determining possible courses of action • developing a targeted strategy
Phase III	Selecting local development projects • identifying possible projects • assessing project viability -community - commercial -location - implementation
Phase IV	Building action plans • pre-assessing project outcomes • developing project inputs • financial alternatives • identifying project structures
Phase V	Specifying project details • conducting detailed feasibility studies • preparing business plans • developing, monitoring, evaluating program
Phase VI	Overall development plan preparation and implementation • preparing project plan implementation schedule • developing an overall development program • targeting and marketing community assets • marketing financial needs

Source: (Blakely 1989:77)

Phago (2005:133) points out that implementing LED requires that municipal officials be provided with the requisite training in order to carry out their duties effectively and efficiently. This author further points out that a comprehensive strategic planning process is necessary for advancing and strengthening LED activities. LED: A Primer (2003:10-13) in Phago (2005:133) advocates a five-stage strategic planning process necessary to guide LED initiatives, namely:

- Stage 1 is the effort of organising: This involves the creation of shared values between the stakeholders and also refers to the identification of who should be involved.
- Stage 2 involves local economic assessment. The assessment considers the context of the local economy including the identification of strengths, weaknesses, opportunities, and threats. The purpose is to establish a baseline understanding of the local economy.

- Stage 3 is the creation of LED strategy. In this stage creating of a vision, goals, objectives, programmes as well as projects and action plans is important.

- Stage 4 is the implementation of LED strategy. This implementation depends on the skilled human resources to follow procedures in ensuring institutional capacity such as budgeting; and

- Stage 5 involves the reviewing of LED strategy, which refers to the establishment of monitoring and evaluation measures. These measures assist in quantifying impacts of local economic development toward the community in particular. (Phago, 2005:133)

Phago contends that the five-stage strategy should be regarded as principled guidelines for municipalities to initiate LED projects further than that municipalities are in a position to carefully consider their capabilities in ensuring a viable business environment in which LED activities can be facilitated and sustained (Phago, 2005:133). The City of Johannesburg in South Africa employed two phases of LED planning; the first phase was from the late 1980s to 2000 and second phase from 2000. This second phase involved consolidation and expansion of LED planning in the city (Rogerson, 2004:16). Throughout both phases, the institutional emphasis has been on local government initiatives which seek the support of the private sector to enhance economic development prospects in the city (Rogerson, 2005:16). In addition, there has been a growing commitment to planning for Johannesburg as a world city during both phases (Rogerson, 2004:16).

Ten stages of the planning process are listed by Conyers and Hills (1990:74) in Theron (2008:68-71). These can be closely linked with the Integrated Development Planning and LED plan. The first one is the decision to adopt planning. An important component of the overall planning process is the initial decision to accept planning as a means of addressing development programmes. The third one is the planning of goals, objectives and targets; the organizational structure of planning strongly affects the way in which planning is initiated, as well as successes and failures. This is followed by collecting and analysing data once the goals and objectives for planning have been determined and the next important stage in the planning process is the collection and analysing data. Another stage involves appraising alternative courses of action – the development plan can take the form of a written document which describes courses of action. The fifth process is the planning and project appraisal – once alternative action programmes have been identified, they must be evaluated. The sixth

one is implementation; the principle of project implementation according to Conyers and Hills (1990:154-155), also in Theron (2008:70), refers to the whole process of translating broad policy goals or objectives into visible action. Finally, monitoring and evaluation are activities aimed at ensuring that action programmes pursue the given objectives within the framework of the plan.

The ten-stage planning processes are clearly illustrated in a diagram below:
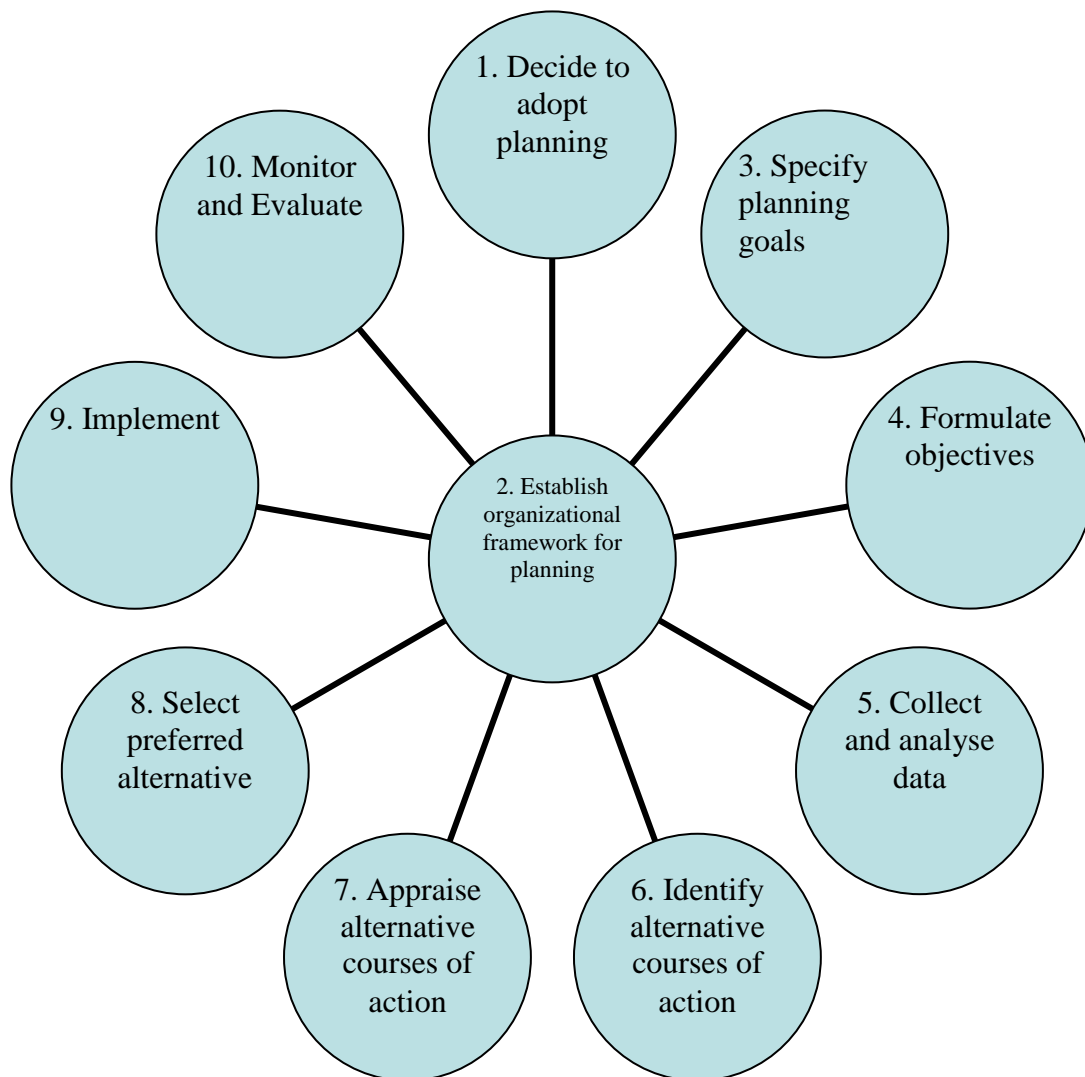
Figure 3.1: A ten-stage planning process
Source: Conyers & Hills in Theron (2008:67)

The City of Ekurhuleni has shown great potential in LED; it aims to maximise the benefits from its strategic location as a focal point for road and rail networks, not only within

Gauteng, but also within South Africa and the entire subcontinent (Rogerson, 2005:78). Most important is that Africa's largest transport hub – Johannesburg International Airport – is situated within the boundaries of Ekurhuleni (Rogerson, 2005:78). One of the critical elements in upgrading the airport, which is part of national and provincial development initiatives and supported by Ekurhuleni authority, is the planned development of an Industrial Zone (IDZ), which aims to attract a wide array of activities including aerospace and defence; jewellery manufacture; information and communication technology; electronic and avionics activities; pharmaceuticals and biomedicals; chemicals and plastic-associated activities (Rogerson, 2005:78). It is noted in research conducted in the Ekurhuleni municipality that implementation of LED activities is taking place, which may be seen as a positive move and great achievement for LED.

In an interview conducted by Gunter (2005:33) in the Mpumalanga Province, South Africa, it was pointed out the there is insufficient training for the development of IDPs and even less training on LED strategy. Municipalities complained that IDP training has not been repeated, trained individuals had left the municipality and no replacement had been found. Gunter (2005:33) also found that LED departments did not have the IDPs of their neighbouring municipalities; these show local municipalities are becoming more developmental albeit less focused on the needs of adjacent municipalities. Gunter (2005:34) further noted that not all municipalities in Mpumalanga are capable of developing or implementing effective IDPs and that LED is not often the priority. According to Gunter (2005:34), findings show a narrow understanding of municipalities in Mpumalanga of the concept of LED. The next section will discuss South African Policy perspectives on LED.

3.3 SOUTH AFRICAN POLICY PERSPECTIVES ON LOCAL ECONOMIC DEVELOPMENT

The primary objective of local government as per the constitutional mandate is to promote social and economic development. South African law and policy provide a clear sanction for local authorities to engage in LED, but to date have not provided sufficient resources to undertake the task (Nel & Humphrys, 1999:281). These authors further suggest that LED also features prominently in other government development strategies such as the Urban Development Strategy (RSA, 1995) and the draft Rural Development Framework (RSA,

1997), which have LED focus. Unemployment and poverty puts an enormous pressure on government to introduce creative intervention strategies in order to create a better life for all. Local government as the sphere of government that is in direct contact with the public is expected to respond to the challenges facing local citizens.

The National Framework on LED serves as a guide for municipalities to follow in implementing LED programmes. This framework for LED seeks to advance an understanding of LED and has put forward a strategic implementation approach that municipalities, provinces, national government, state-owned enterprises and communities may concentrate on in order to improve LED (DPLG, 2006).

The following pieces of legislations and policy papers have had a significant impact on the LED framework:
- The Constitution (1996)
- White Paper on Local Government (1998)
- Local Government; Municipal Systems Act (2000)
- A policy paper on Integrated Development Planning (2000) and IDP Guide Pack
- LED Strategies and Instruments
- LED Guidelines to Institutional Arrangement (2000)
- Discussion document on LED Policy (2002)
- Policy Guidelines for implementing LED in South Africa 2005 (DPLG 2006)

Bond (2005:63) points out that, after extensive international study, the South African government draft policy categorised six "developmental" LED strategies, which it made a commitment to support:
- **Community economic development** – which refers to municipal assistance aimed at the grassroots; beneficiaries will range from community business and co-operatives, to local exchange and trading systems.
- **A related approach** – is to aim explicitly to link profitable growth to redistributive development/ financing; an example is construction linkage (also known as "planning gain") whereby planning or zoning permission in profitable geographical areas is linked to a commitment to invest (for affordable houses for instance).

- **Ensuring economic development** – bringing social benefits often requires explicit linkages between living wages, human capital development and productivity.

- **Development and maintenance of infrastructure and services** – another vital component. If done properly, LED results from the provision of reliable, cost-effective municipal service delivery (lifeline supplies of water, electricity, sanitation, roads, etc.).

- **The above intervention should have the effect of plugging the leaks in the local economy** – through using resources that are close at hand. Sometimes it becomes crucial to stem the outflow of money from poor areas by encouraging people to buy locally; supporting and building periodic markets; funding special events and festivals; providing infrastructure using local labour and locally-manufactured material.

- **Finally** – without firm local rootedness, economic activity cannot usually be parachuted down from the above. Hence, retention and expansion of existing business is a common approach.

South Africa's framework LED document titled Stimulating and Developing Sustainable Local Economies offers a vision of promoting "robust and inclusive local economies exploiting local opportunities, real potential and competitive advantages, addressing local needs and contributing to national development objectives" (DPLG 2006, p.8, in Rogerson, 2007:4). It is argued that government, over the next five years, will focus on four key strategies to achieve the vision and objectives that have been set forth. The four interrelated strategies are:

- To improve market and public confidence in municipalities and municipal governance through an alignment of national, provincial and local programmes;

- To identify and exploit local competitive advantage;

- To introduce sustainable developmental community investment programming; and

- To intensify enterprise support at local level. (DPLG, 2006, in Rogerson, 2007:4)

Characteristics of local economies as per the National LED framework are as follows: the people, their leaders, the workforce, the assets, a high quality of life experience, the natural environment, public spaces, settlements and buildings are attractive, appealing and desirable; robust and inclusive local economies are networked into local, provincial, national, continental, and global

economic dynamic opportunities; functioning partnerships; and the income earned by local residents is largely spent in the local area (DPLG, 2006:17). Each local economy has its own unique strengths – is aware of its own comparative advantage and each contributes to national growth and development in a special way (DPLG, 2006:18).

According to Rogerson (2007:5), one of the key shortcomings in current policy is the failure to recognise the inability of the vast majority of local governments in the country to operate in a manner consistent with the urban efficiency model suggested. In addition the 'big city' bias of policy fails to acknowledge certain needs, particularly within smaller centres (Rogerson, 2007:6). Nel (2001:12) shares the same sentiments because of the serious shortages of resources and effective bankruptcy in many instances. Nel (2001:12) found that there is an urgent need to train LED officials and to expose councillors to the concept of local economic development.

Rogerson (2007:6) notes that current government policy does not appear to be particularly supportive at the present juncture, given that:

- Small centres are often too under-resourced and economically stressed to provide the desired levels of services and infrastructure intimated in the framework document.
- In terms of the comparative advantages which centres were encouraged to identify, many towns developed around a single product such as a mineral or agricultural resource. In all too many cases, the mine has closed or the local service centre has been by-passed by the changing agricultural economy.
- Emphasis placed on community-based development is inhibited by the frequent out-migration of the most skilled members of local communities and the extremely limited nature of local buying power to support such initiatives in what have often become pension-driven local economies.
- In most cases, after the municipal demarcation process, most small centres in South Africa no longer have an independent local authority and fall under a neighbouring centre, weakening local autonomy and decision-making potential.

Rogerson's research revealed the following: While 92 % of small centres have a reasonably sophisticated understanding of what LED is, seeing it as a combination of growth-promoting and poverty-relief interventions, ability to actually promote development is inhibited. Furthermore, the survey conducted in 2006 points out that only 48 % had developed a defined

LED policy and only 56 % had established some form of LED unit. In addition, the study highlights that 82 % of small centres appointed a LED officer; however, the fact that nearly half of those appointed did not have a defined LED policy to guide them must clearly hamper implementation. This situation was exacerbated by the fact that only 12 % of municipalities had a councillor responsible for LED, suggesting in a very real sense that whilst the role of LED was acknowledged, the political, policy and institutional mechanisms to pursue it were frequently lacking (Rogerson, 2007:7). Following from this, the next section discusses rural development, as the study was focussed on LED and unemployed rural women. This is essential as way of linking the research and the contextual framework.

3.3.1 RURAL DEVELOPMENT

The rural development framework was compiled after the democratic elections in South Africa in striving to deal with underdevelopment in rural areas. The Rural Development Framework (1997) defines rural as the sparsely populated areas in which people farm or depend on natural resources, including the villages and small towns that are dispersed through these areas. According to the framework, rural development can be achieved through helping rural people set the priorities for development in their own communities; through effective and democratic bodies; by providing access to discretionary funds; and by building the local capacity to plan and implement local economic development (Rural Development Framework, 1997:6). Former President of South Africa Thabo Mbeki introduced the Integrated Sustainable Rural Development Programme (ISRDP) in 2001. The aim of the programme is to eradicate poverty and underdevelopment, and improve the quality of life for rural communities (DPLG, 2008:101). The programme targets rural communities, especially women, youth and the disabled. The programme aims to alleviate poverty by:

- Ensuring access to education, health, social welfare and grants, and functional district clinics serving the communities
- Expanding labour markets through stimulation of Local Economic Development (LED) programmes.
- Improving service delivery – access to water and sanitation, electricity and energy, telephone services
- Building of access roads to improve transportation to reach social amenities and economic markets, post offices and post office agents

- Improving social asset capital – household assets, incomes and expenditure (DPLG 2008:101).

Rural development is multi-dimensional and much broader than poverty alleviation through social programmes and transfers; it places emphasis on changing environments to enable poor people to earn more, invest in themselves and their communities and contribute toward maintenance of key infrastructure (ISDR, 2001:vi). According to the Rural Development framework (1997) development in rural areas requires:

- Institutional development: helping rural people set the priorities in their own communities, through effective and democratic bodies, by providing the local capacity and access to funds for them to plan and implement LED;
- Investment in basic infrastructure and social services; the provision of physical infrastructure (e.g. housing, water and power supplies, transport) and social services (e.g. basic health care and schools);
- Improving income and employment opportunities and by broadening access to natural resources (e.g. arable and grazing land, irrigation water, woodland and forests);
- Restoration of basic economic rights to marginalised rural areas by establishing periodic markets as the organising spatial and temporal framework for development.

The Rural Development Framework (1997) articulates the following for the local government as elected government body to perform:

- [the elected local government] takes ultimate responsibility for service delivery;
- [decides] with which CBOs, representatives from local and other stakeholders to consult for the purpose of assessing needs and priorities;
- mediates competing interests in resource management, project planning or the provision of services;
- sets Land Development Objectives under Section 27 of the Development Facilitation Act (67 of 1995) that bind all land development decisions and policies in their jurisdiction;
- coordinates the work of the different departments and follow through requests for funding or implementation to the appropriate provincial and national bodies;
- has the responsibility of ensuring that the needs of poorly organized local people are also taken into account

People in rural areas face the serious challenges of underdevelopment which have an adverse effect on their social and economic conditions. Access to clean water, sanitation, electricity, and proper housing in rural areas are major problems which need a long lasting solution. Mahlati (2000) in Botha et al. (2007:10) states that poverty and unemployment are urgent problems in the rural areas of South Africa where only 18 % of those who are formally employed in the agricultural sector are women and many others rely on irregular income from seasonal work (South Africa, Department of Labour, 2002:9, in Botha et al., 2007:10). Compared to their urban counterparts, these people have fewer economic and social resources, and are poorly educated and more likely unemployed, inadequately housed, and exposed to multiple health and social risks (Noeth, 2006:32). It seems common in rural areas that there is a lack of institutional support; access to information is problematic concerning the role of local government, how services can be accessed, and what form of support is available to improve the quality of life for the local people.

Community services centres are widely seen as a key measure in offering a wide range of services needed by the communities to the communities, and in empowering communities to bring about their own development (Conradie, Morris & Jacobs, 2003 in Jacobs & Herselman, 2006:2). A one-stop service for rural people plays a significant role in meeting the information needs for the rural people. The South African Government has introduced a programme of Multipurpose Community Centres in a bid to address rural development challenges. According to the South African Government, Multi-purpose Community Centre programmes have been identified as the primary vehicle for the implementation of development communication and information programmes, as they are capable of offering a wide range of services that communities can use for their own empowerment (Government Communications and Information Services, 2001, in Jacobs & Herselman, 2006:2). These centres can offer a range of services which includes:

- A community information centre
- A one-stop government information shop
- Training, for example computing, bookkeeping and office skills
- A community resource centre
- Small business support
- Integrated delivery of a range of government services

- Related development and entrepreneurial services. (Mncube, 2003; Jacobs, 2003; Benjamin, 1998:4, in Jacobs & Herselman, 2006:2)

One of the most important initiatives aimed at fighting global poverty was started in September 2000 when 189 heads of State adopted the Millennium Declaration, committing them to reach eight development goals by 2015 (Davids, 2008:24). These goals serve as a response to the challenges facing underdevelopment on the global level where many rural areas are affected. Already in 2000, studies estimated that global aid levels would have to rise by 50 billion US dollars per year if the millennium development goals were to be reached (Davids, 2008:24). The millennium development goals are listed in table form below:

Table 3.2: Millennium Development Goals

Goals	Targets for 2015 (from 1990 level)
1. Poverty	- Halve the fraction of those with an income below one US dollar per day - Halve the number of people who suffer from hunger
2. Education	- Universal primary schooling completion
3. Gender equality	- Eliminate gender disparity in schooling (preferably by 2005)
4. Child mortality	- Reduce the under-five mortality rate by two-thirds
5. Maternal health	- Reduce the maternal mortality rate by three-quarters
6. Diseases	- Halt and begin to reverse the spread of HIV/Aids, malaria and other major diseases.
7. Environment	- Halve the ratio of people without access to safe drinking of water and basic sanitation.
8. Global partnership	- Seven targets related to: trade, debt, youth, technology, drugs, affordability and special needs.

Source: Adapted from Davids, Theron & Maphunye (2005:236-237) in Theron, 2008:25)

Forestry management can be introduced as another measure of alleviating poverty and rural development. The majority of forests are located in rural areas (Ham, Chirwa & Theron, 2008:174). It is possible for timber to be produced by individuals and communities in isolated rural areas while products can be transported over great distances without

deteriorating (Theron, 2008:174). In 1978, after the 8th World Forestry Congress which took as its theme "Forests and people", the FAO published a paper on forestry and rural development in which community forestry was defined as "any situation which intimately involves local people in a forestry activity (Ham, Chirwa & Theron, 2008:176). The White paper on Sustainable Forest Development in South Africa (RSA, 1996) in Ham, Chirwa & Theron (2008:176) defines community forestry as forestry designed and applied to meet local social, household and environmental needs and to favour local economic development. It is implemented by communities or with the participation of communities, and includes farm forestry, agroforestry, community or village planting, woodlots and woodland management by rural people, as well as tree planting in urban and peri-urban areas. The next section deals with the policy framework for monitoring and evaluation of LED.

3.4 A POLICY FRAMEWORK FOR MONITORING AND EVALUATION OF LOCAL ECONOMIC DEVELOPMENT

Policy evaluation is in essence no different from any other evaluation (Cloete, 2007:246). It refers broadly to the process of finding out about a public policy in action, the means being employed and objectives being served (Howlett & Ramesh, 1995:168, in Cloete, 2007:247). It involves the use of a policy-analytic research method or technique to measure performance programmes so that the continuous change in activities can be determined with a view to improving effectiveness, especially their impact on the conditions they are supposed to change, as well as the systematic measurement of performance in terms of specific policies, guidelines and procedures, passing judgement on others, assessing blame or praise; the use of research techniques to measure the past performance of a specific programme − in particular the programme's impact on the conditions it seeks to modify − for the purpose of changing the operation of the programme so as to improve its effectiveness at achieving its objectives (Fox & Meyer, 1995:45, in Cloete, 2007:247). Policy evaluation or assessment is normally undertaken for one or more of the following reasons (Shafritz, 1998:820, Posavac & Carey, 1980:8, in Cloete, 2007:248):

- To measure progress towards the achievement of policy objectives
- To learn lessons from the project/ programme for future policy review, redesign or implementation strategies
- To test the feasibility of an assumption, principle, model, theory, proposal or strategy

- To provide political or financial accountability
- To better advocate a cause
- For public relations purposes

The following criteria have been suggested as requirements for effective policy evaluations (Hanekom, 1987:96; Dunn, 1994:405, in Cloete, 2007:259):

- Relevance. The evaluation should be relevant for the purposes of resolving an existing policy issue or problem.

- Significance. It must make a difference to an existing situation.

- Originality. It must generate new information that was not available before the evaluation was undertaken.

- Legitimacy. It must enjoy the support of the major stakeholders involved in the policy issue area (e.g. participants, target groups or funders).

- Reliability. The data used must be accurate.

- Validity. The findings and conclusions must have effective casual linkages with the descriptive, factual component of the evaluation.

- Objectivity. The evaluation should be undertaken in an impartial and unbiased way, and any value or normative judgements should be minimized and openly declared.

- Timeliness. The evaluation should be in time to influence future policy decisions about the specific project or programme.

- Usability. It should not be written up in academic jargon but in a user-friendly way, with a practical, problem-resolving focus. (Cloete, 2007:259)

The South African Government assessed its performance for the last ten years since entering into the democratic transition, in the South African ten-year review (1994-2004). The ten-year review assessed the impact of ten years of ANC government rule in South Africa in various policy clusters, and came to the following conclusions:

- Governance sector. Considerable progress has been made to transform and democratize the state during this period, although some areas not directly under the control of the state have shown slower progress, e.g. the conduct of the civil service, and competition between government and civil society structures and among these structures themselves for influence in the public policy process (SA-PCAS, 2003:75).

- Social sector. Much progress has been made in the improvement of the living conditions of people and in deracialising social services, but implementation has been stifled by both recalcitrant officials and recipients of those services, e.g. through bad quality services and non-payment for services (SA-PCAS, 2003:77).

- Economic sector. Again good progress is reported in areas under direct control of the state, e.g. fiscal and monetary policy, trade and industry, but less progress in areas not directly under the control of the state, e.g. competition, agrarian reform and restructuring of government (SA-PCAS, 2003:78).

- Justice, crime prevention and security (JCPS) sector. Major advances in raising the profile of the country at international level have been made, but this still needs to be improved (SA-PCAS, 2003:80).

- International relations, peace and security (IRPS) sector, Major advances in raising the profile of the country at international level have been made, but can still be improved (SA-PCAS, 2003:82). This occurred at the cost of domestic development. (Cloete, 2007:277-278)

Monitoring is important because it provides management with the information it needs to review progress, identify problems and make adjustments, and evaluations provide information about how programmes impact on alleviating poverty and reducing unemployment (Du Toit, 2005:669). It is a common practice that outcomes, outputs, activities, and inputs are taken into consideration when policy evaluation is undertaken. Research conducted by Nel et al., (2005) on the framework for monitoring and evaluation of pro-poor local economic development shows the following examples of LED outcomes, outputs and activities:

Table 3.3: Local Economic Development inputs, outcomes and activities

Level of objectives	Examples
Outcomes	GDP growth Improvement in incomes Reduction in equality Creation of jobs
Outputs	Skills development or people trained New business created or expanding
Activities	Training Provision of business advice etc
Inputs	Funds People

	Land

Source: Nel et al., 2005:11) also show key LED outputs / strategies by case study municipalities as presented in the table that follows.

Table 3.4: Local Economic Development outputs, outcomes, and inputs of major urban centres

Municipality (name of major urban centre in brackets)	Outputs
Metropolitan centres	
1. Johannesburg	Increasing investment efficiency Conducive environment for investment Skills development Sectoral support Reduced crime Urban regeneration Black economic empowerment
2. Ethekwini (Durban)	Building a globally competitive region Growing existing businesses New business investment Improving public management of informal sector.
3. Cape Town	Strengthening development of urban core Building competitive advantage Sustainable job creation Upgrading existing settlements to places of dignity and opportunity Building cohesive self-reliant communities Improving access and mobility
4. Tshwane (Pretoria)	
5. Nelson Mandela (Port Elizabeth)	
Secondary cities	
6. Mangaung (Bloemfontein)	Business development support Developing regional economic centre Improved business environment Developing key economic sectors CBD regeneration
7. Matjhabeng (Welkom)	Diversification of the economic base Creation of distribution hub Sector development Using manual labour as a means of job creation Local procurement
8. Mbombela (Nelspruit)	
Small cities	
9. Rustenburg	Sustainable job creation Development of entrepreneurial skills Expansion of SMMEs through procurement

	Investors retained
10. Newcastle	Skills development Attracting new investment Support to existing business grow Poverty alleviation projects
11. Sol Plaatjie (Kimberly)	Expansion of specific sectors HR Development Rural community development Service development
12. Umhlathuze (Richards Bay)	Business retention and expansion Establishment of soft infrastructure Clustering Critical infrastructure and services
Municipality (name of major urban centre in brackets)	Outputs
	Specific sectors (tourism, agriculture)
13. Thulamela (Thohoyandou)	Local employment creation Skills development SMMEs supported Investment attracted Local procurement
14. George	
15. Moqhaka (Kroonstad)	Capacity-building Job creation programmes SMMEs supported to grow Poverty alleviation programmes
16. Ndlambe (Port Alfred)	

Source: Nel et al, 2005:11)

The table presented on the following pages sums up the World Bank-Netherlands partnership programme framework for monitoring and evaluation of pro-poor LED.

Table 3.5: Framework for monitoring and evaluation of pro-poor LED

Outcomes	• Improving jobs, growth rates and reducing inequality
	• Quality of livelihoods, which can be measured by:
	  o Financial assets - level of incomes and wealth
	  o Human assets - improved skills, confidence and security from crime, poor health and nutrition
	  o Social assets - strong, communities and social structures
	  o Natural assets - availability and quality of natural resources for enjoyment and for economic use
	  o Physical assets - access to suitable personal (e.g. housing) and public assets (e.g. electricity)
	  o Reduction in vulnerability of households to stresses and shocks
	• Sustainable use of resources	

Outputs	**Liveability (good area for living and working)**	**Effective governance and management**
	• Availability of basic public services • Functioning and effective infrastructure • Sufficient environmental standards • Adequate housing • Secure and safe environment • Availability of amenities and culture	• People-centred and participatory - local organizations, groups and associations representing the poor recognized as building blocks with communities active and involved in managing their own development • Active and accessible network of community-level service providers • Effective, responsive, coordinated and accountable management and delivery of services, notably by local government • Strategic direction, redistribution and oversight by national government • Vertical and horizontal coordination and partnerships, across government, as well as with private sector and non-governmental organizations • Effectiveness of leadership at different levels • Ongoing learning from success and failure by all stakeholders (learning institutions)
	Competitiveness	**Bankability**

	• Holistic and disaggregated understanding of local economy and livelihoods, local strengths, weaknesses, opportunities and threats • Active private sector institutions and linkages • Adaptive management capacity and entrepreneurial competence • Sound business environment that fosters investment and entrepreneurship • Access to integrated and open markets • Encouragement of creativity and innovation (closely linked to culture) • Access to modern technology • Sustainable transport system • Availability of business credit • Quality of human resources	• Effectiveness of community's financial management • Creditworthiness of local authority • Stability of intergovernmental fiscal flows • Attraction of local and non-local private investment

Source: World Bank-Netherlands Partnership Program (BNPP)

The above evaluation and monitoring framework needs to be adopted by municipalities in evaluating their local economic development programmes. In South African practice, there is very little emphasis on monitoring and evaluation of programmes. Monitoring and evaluation help policy evaluators and local government practitioners to check whether everything is going according to plan. The next section will assess whether or not LED has achieved its intended objectives.

3.4.1 HAS THE PRACTICE OF LOCAL ECONOMIC DEVELOPMENT ACHIEVED ITS INTENDED OBJECTIVES?

International experience suggests that the opportunities arising from economic globalisation have been more restricted and the threats more severe for local economies in low and middle income countries, and especially the marginalised areas within them (Hindson & Vincente-Hindson, 2005:3). These authors further suggest that some District Municipalities – and even series of contiguous ones – in South Africa have weak or declining economic bases surrounded by growing numbers of unemployed and under-employed people, while metropolitan areas and a few smaller cities and towns have relatively prosperous economies

well connected into global systems. It has been noted that the metropolitan areas have successfully managed to implement LED associated with town renewal, property development, construction and the maintenance of roads. However, due to their location in rural areas some smaller centres or towns have been unable to implement LED and some have no LED units. South African small towns are in desperate need of appropriate forms of LED, but the nature and scale of the projects embarked on tend to be an order of magnitude below those adopted in the cities (Nel, 2005:263). In addition, some municipalities in South Africa seem to be unclear about the concepts of LED, and others have no LED policy or strategies in place. Indeed, some municipalities even have LED strategies and policies, but fail to implement them.

The South African government has formulated the national policy framework on LED which serves as a guide for national government, provincial government, local government, the private sector and other stakeholders to follow in implementing LED. One of the main weaknesses of the guidelines is that they do not provide an explicit conceptual framework to understand and implement LED (Hindson & Vicente-Hindson, 2005:6). According to Nel and Rogerson, the DPLG's own critical assessment of the performance of LED in South Africa draws attention to a series of important institutional issues that require attention, inter alia,

- The problem that the decentralization of powers from national government to the local tier has placed "huge additional LED responsibilities on a sphere of government which has very limited capacity to implement them effectively"
- The frequent lack of coordination between different government action and private sector, donor and NGO LED initiatives leading to often fragmented and uncoordinated initiatives at local level.
- The imperative to link LED taking place within municipalities to other regional and national initiatives, including sectoral programmes.
- The lack of clear understanding and/ or agreement at local level of what LED actually means in local government circles. (Nel & Rogerson, 2005:12)

Goldman et al., in the LED Briefing No 4, outline a number of key features concerning the state of art of LED policy and practice in urban areas of South Africa. Some key points are:

- LED is unevenly developed and implemented across the South African urban system;

- Major divides exist between the largest, most well resourced/capacitated municipalities and the smaller urban centres in terms of policy development, institutionalization of LED and applied practice. This is even true for some larger secondary cities;

- The definition and understanding of LED exhibits considerable variation, reflecting the absence of national LED guidelines, and the short time in which municipalities have been actively taking forward LED approaches. However, municipalities' understanding of LED has evolved from what was often a focus on poverty relief projects to a more comprehensive understanding that economic growth and poverty relief projects and programmes can be linked;

- While most local authorities appreciate the importance of LED and have assigned staff to implement LED in many local authorities local LED policy has yet to be developed and LED doesn't always enjoy direct support at council level;

- The near-absence of the use and application of monitoring and evaluation methods is cause for concern. The smaller rural municipalities in particular suffer from the greatest constraints. (Goldman et al., 2006:8)

After all has been said about whether or not LED has been achieved, the next section attempts to chart the way forward for LED in South Africa.

3.4.2 THE WAY FORWARD

It is clear that the practice of LED in South Africa is significant in cities, where notable progress is taking place. Very little is taking place in municipalities situated in rural areas, however, where problems related to the absence of LED units and LED officers are often encountered. To develop robust and inclusive local economies, high levels of intergovernmental co-ordination are needed, not only between national government departments, but through all spheres of government (Kroukamp, 2006:29). In the local government sphere, councillors and officials must be aware of the stipulations in the IDPs to ensure that a concerted effort is made to align goals and ensure that resources are effectively utilised, thus necessitating clear communication in respect of the availability of the resources (Kroukamp, 2006:29). This author contends that government departments and other role-

players should be equally more pro-active in working with local authorities to promote LED and to alleviate poverty.

Municipalities often lack the resources and capacity to implement LED successfully; a concerted effort should be made by all three spheres of government to address these challenges through better coordination, ad support capacity building partnerships, according to Bond (2003, in Isaacs, 2006:75). This author further asserts that LED regional integration and coordination between spheres of government and other levels of local government programmes is another aspect which requires attention. In addition, LED can take place at various levels, but without a coordinated and integrated approach, the desired impact will not be achieved (Bond, in Isaacs, 2006:75). As a way forward, in terms of LED specifically, it is essential that government clarifies the aims of LED and realistically assesses what LED is likely to achieve (Nel & Humphrys, 1999:286).

To avoid reducing the development gap between large and small centres in South Africa and for preventing further economic collapse, LED policy needs place a specific focus on the needs of smaller centres (Nel & Rogerson, 2007:10). There is a need to rethink the status, place and economic functions of small urban centres and to identify, where appropriate, the interventions and/or LED strategies that could address issues of poverty and small town rural decline (Nel, 2005:262, in Nel & Rogerson, 2007:10). As a way forward concerning LED in South Africa, municipalities need to be staffed with qualified personnel who are able to drive and translate LED objectives into reality. There also is a need for a strong community partnership with local government institutions in the form of organised community groups, which need to be nurtured by the local government institutions in initiating and sustaining their income-generating projects. It is important to note that, no matter how big or small, rich or depressed communities are partnerships between role-players are essential in the LED process (Abrahams, 2005:142). There is a need for formulating public private partnership in order to create job opportunities for local people. Investments in infrastructure such as roads and housing construction need to be encouraged as a way of creating jobs for local people.

Municipalities need to formulate their own LED policy framework which will serve as a guide to how issues of LED are to be handled. LED forums, portfolio committees, and LED Units need to understand fully their role in engaging local citizens and other LED stakeholders. Abrahams (2005) states that a change or shift is necessary in terms of pro-poor

LED strategies; firstly, a mix between pro-poor and pro-growth strategies is viable option, but this should be tailored in a way that takes into account the unique context of each municipal area with regard to the physical aspects of the area, its geographic location, local economy and employment structure, the local population and the labour market for partnerships (in Isaacs, 2006:75).

3.5 DEDUCTIONS AND CONCLUSION

- The survey conducted by Nel and Binns (2005:52) among South African local authorities in 2001/2002 about their perception and involvement in developmental local government showed that there has been a dramatic increase in direct involvement in LED. These authors further suggest that in the nine largest centres, serious funding and logistical constraints are impeding the local development process, most notably the capacity of personnel.

- While it is apparent that the largest cities are clearly in a class of their own in terms of institutional capacity, resources and strategic responses, their progress thus far suggests that the shift to developmental local government is accelerating and becoming more embedded, and smaller centres have much to learn from this experience (Nel & Binns, 2005:53).

- Calls for improved infrastructure, services and governance and the promotion of various forms of enterprise and community support, as stated in the 2006 LED framework, are very difficult to achieve in the large numbers of small town municipalities which are inadequately staffed and resourced and reliant on the annual prospect of an equitable share (Nel & Rogerson, 2007:10).

- Partnerships with non-public sector organisations do feature in policy documents, but there needs to be far greater recognition of the potential of the private sector, community-based organisations and non-governmental organisations to embark on LED, whether at regional, local authority, suburban, village or neighbourhood level (Nel & Humphrys, 1999:286).

- There have been positive attempts in the South African context to implement LED projects; however there is much that still needs to be done. Local municipalities are faced with serious challenges in translating LED plans into practical actions to pursue the programmes due to the shortage of funds.

- The generation of revenue in local municipalities in South Africa is a major obstacle in service delivery, primarily because municipalities are not self-reliant and solely depend on the national government for conditional grants.

Finally, from the literature of both Chapters 2 and 3, the following can de seen as **Key LED performance areas:**

- Local government should have sufficient LED structure in dealing with pro-poor LED programmes.

- Community-based strategies associated with more sustainable LED paradigm with emphasis of working directly with low-income communities and their organisations.

- Local economic intervention strategies need to be well planned and coordinated so that they respond proactively to challenges facing poor communities.

- Alternative ways of promoting LED such as tourism need to be well in place to make a significant contribution to how best to attract local tourists.

- Support of community based local economic development initiatives.

- LED should take into account the unique context of the municipal area with regard to physical aspects, geographic location, local economy and employment structure, the local population and labour market for partnership.

- Municipalities need to formulate their own local economic development policy framework, which will serve as a guide to how issues of LED are to be handled.

- There is a need for strong community partnership with local government institutions in LED issues.

- LED in South African Municipalities needs to be staffed with qualified personnel in order to drive and translate LED objectives into reality.

- LED policy needs to take on a specific focus towards the needs of small centres.

- It is essential that government clarifies the aims of LED and realistically assesses what is likely to be achieved.

- Regional integration and coordination between spheres of government and other levels of local government requires attention in LED.

- Improvement of the delivery infrastructural services to poor communities plays a critical role in support of poverty alleviation.

- Comprehensive strategic planning process is necessary for advancing and strengthening LED activities.

- A high level of intergovernmental co-ordination, not only between national government departments, but through all spheres of government.

- Development agencies should work closely with local people because of their indigenous knowledge of areas, together with their strengths and weaknesses.

These key performance areas will be utilised to assess the case study in chapter 6.

This chapter has examined LED from the South African perspective. It has highlighted achievements by large cities as well as obstacles faced by small centres. Notable success in small centres was discussed, particularly in tourism, which plays a fundamental role in LED. The chapter also looked at the policy context and highlighted challenges facing municipalities in translating the policy perspective into meaningful actions. The evaluation framework for LED was discussed, together with the emphasis on policy evaluation. The chapter also contained suggestions and inputs on the way forward for local government and LED in South Africa. The next chapter will look closely at Mandeni Municipality as a case study for the thesis.

CHAPTER 4

CASE STUDY – Local Economic Development (LED)

MANDENI MUNICIPALITY

4.1 INTRODUCTION

The responsibility of LED lies in the hands of local government regardless of its size and location. It has been noted, however, that this responsibility is more visible in District Municipalities and Cities due to incapacity problems for local municipalities. The overriding economic challenge for South African local authorities is inequality and poverty which can and should be addressed through all the functions of the municipality (DPLG, 1997, International Republican Institute, 1998:51). The LED challenge calls for municipalities to re-align themselves and structure their departments to be responsive and creative in dealing with issues of local economic development. A strategic approach to deal with LED is vital for municipalities to adopt through the Integrated Development Plan and acquisition of inputs about development from the community. A commitment by municipalities at all levels, such as the Cities, Districts and local municipalities, in implementing LED programmes have a meaningful impact on the local citizen.

A number of small municipalities, in particular those situated in rural settings, are unable to translate LED goals into practical actions, due to underdevelopment and inability to attract direct and indirect investment for the benefit of the local people. South Africa as a developing country is faced with a serious problem of underdevelopment, which has generated two kinds of economies namely the first economy (the rich) and the second economy (the poor). The escalating rate of unemployment and shortage of skills are the major factors that hinder development in South Africa. It has been reiterated in this study that the creation of employment and eradication of poverty does not squarely lie in the hands of the municipalities, but solely depends on the ability of the municipalities to initiate partnerships programmes with local communities, NGOs, business, development agencies and other government departments so as to provide solutions for improving the local economy.

This chapter sketches a brief background to the Mandeni Municipality, together with the state of LED in the municipality. Secondly, the chapter looks at the LED programmes in the

Integrated Development Plan. This is followed by the LED plan for the municipality. Lastly, the chapter examines the planned future developments of Mandeni Municipality associated with the LED.

4.2 MANDENI MUNICIPALITY

4.2.1 BACKGROUND FOR MANDENI MUNICIPALITY

Mandeni Municipality is situated in the Province of KwaZulu-Natal and falls under the District Municipality of Ilembe. The Municipality is located in the North Coast of KwaZulu Natal. The Ilembe District Municipality comprises four local municipalities, namely KwaDukuza Municipality, Ndwendwe Municipality, Maphumulo Municipality and Mandeni Municipality. The Mandeni Municipality is the most northerly within the district (Mandeni Municipality LED Plan, 2007:1). Mandeni Municipality is centrally located between the City of Ethekwini (Durban) and the City of Umhlathuze (Richards Bay), approximately 100 km away from the City of Ethekwini and 110 km away from the City of Umhlathuze. Mandeni Local Municipality is strategically located midway between Durban and Richards Bay on the development corridor on the North Coast between these major port cities (Mandeni IDP-2007-2012: 8). The strategic location of Mandeni Municipality has been acknowledged in the Provincial Spatial Framework which identifies Mandeni as the growth node in the North Coast corridor (Mandeni IDP-2007-2008: 8).

Mandeni Local Municipality enjoys excellent regional transportation linkages with the National road – the N2 – serving the province, the two major ports of Durban and Richards Bay, the railway line which serves as an important link between the ports and the hinterland of South Africa, and the airports both existing and proposed, including the Isithebe airstrip (IDP-2007-2012:8). The proposed establishment of the Dube Tradeport and King Shaka international Airport has many economic, social and employment implications for the municipality because of its location. The growth and development summit that was held in 2007 in the Ilembe District Municipality has identified the regeneration of Isithebe Industrial Estate as important resolution of the summit and the general growth of the municipality (Mandeni IDP-2007-2012:8). Mandeni is, in fact, arguably the only place along the coast where the development corridor and the shadow corridor of poverty meet, and hence the acknowledgement of its potential in the Provincial Spatial Framework (Mandeni IDP-2007-2012:8).

The demarcation process led to the establishment of KZ 291 in December 2000, which has brought a number of rural areas under the control of a single municipality (IDP 2002-2006:11). The area of Mandeni Municipality is some 582 square km in extent, and covers the area from the Amatikulu River and a line just south of Mtunzini in the north, to a line south of the Tugela River, just north of Darnall, in the south (IDP, 2002-2006:11). Mandeni Municipality incorporates the tribal authority areas of Mathonsi, Macambini, and Sikhonyane. These areas were previously not under any municipal control, and hence the IDP project has been an important vehicle for bringing these rural areas into the community-building process of the municipality (Mandeni IDP, 2002-2006:11).

The traditional authority areas cover approximately 63 % of the total area where the State and the Ingonyama Trust own the majority of the land within municipality (Mandeni IDP-2007-2012:8). The tribal authorities' areas are generally characterised by subsistence farming activities, harsh topographical conditions and the worst of agricultural potentials with the exception of the Macambini Tribal authority, which lies along the coast (Mandeni IDP-2007-2008). Large areas are underutilised with traditional settlement patterns and low densities which are not conducive to the provision of infrastructural services (Mandeni IDP-2007-2012:8). Smaller rural nodes, such as, Tribal courts, trading stores or clinics are scattered throughout tribal authority (Mandeni IDP-2007-2012: 8). Mandeni Municipality is a rural town, which comprise a vast majority of areas under the tribal authority.

The municipality has only one suburban area known as Mandeni Newtown. The Municipality incorporates the following areas where most government services are rendered and where industrial services are available Newark, Tugela, Amanda Farm, Mandeni Sundumbili, and Isithebe. The major employer in the Mandeni Municipality is the private industry Sappi Kraft (Pty) Ltd. Tugela Mill, situated in Mandeni, and the secondary employment industries are Nampak, Whirlpool, situated in the Isitebe, area together with the public sector. The secondary urban settlement incorporates Tugela Mouth, Wangu, Nyoni, and Ndulinde. The Mandeni Municipality comprises 16 wards, and is very rich in agriculture. The municipal area has an extremely rich local natural environment. Agriculture is the sixth highest employer in the Municipality, accounting for 6 % of the employment contribution (Mandeni LED strategy, 2007:38). There are a couple of areas in the Mandeni Municipality that have been earmarked recently for development, such as Tugela Mouth Beach where holiday

resorts will be built; the Macambini tribal area – a statue of King Shaka will be built and the biggest mall in Africa is being proposed by the Dubai-based Developers; Ingwenya Nature Reserve development; the building of the Military kraal known as *Umuzi wase Ndondakusuka*, as part of the urban renewal strategy.

The Municipality has a rich traditional history in that a Zulu battle was fought there in 1856 when two of Mpande's sons, the Princes Cetshwayo and Mbuyazwe, fought over the succession to the throne in a struggle provoked by the Colonial authorities, in order to gain additional territory north of the Tugela River (Mandeni Municipality IDP, 2002:9). The name of Mandeni municipality was changed to eNdondakusuka in 2001 as it was in line with the heritage and the battle in the Zulu war, but when another political party took over in 2006 it was renamed back to Mandeni Municipality. To provide a clear view of Mandeni Municipality, a map of the area is provided below, together with the spatial development framework for the Ilembe District Municipality.
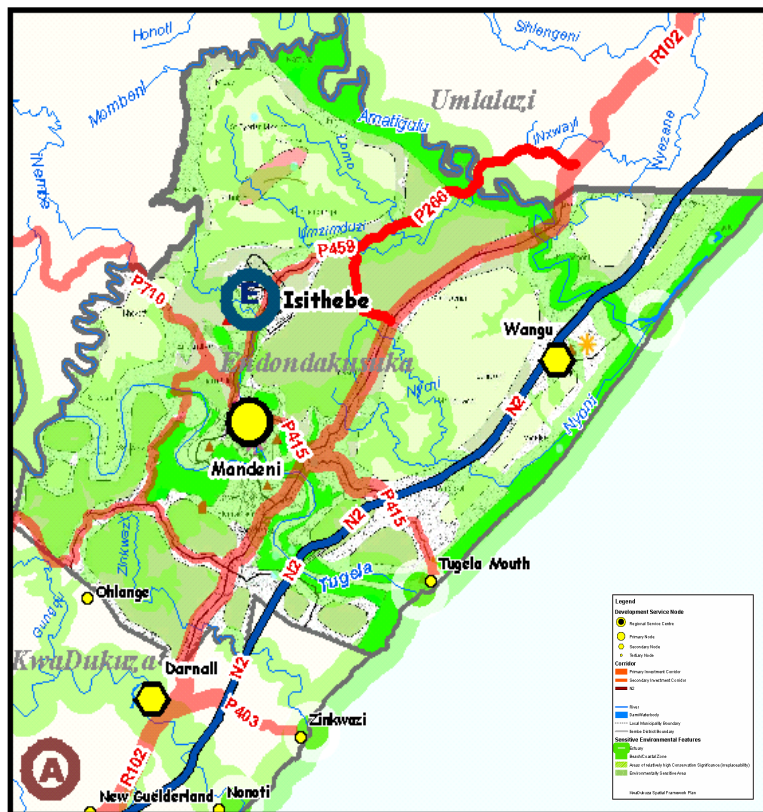
Figure 4.1: Closer view of Mandeni Municipality **Source: Mandeni Municipality LED Plan, 2007:30**
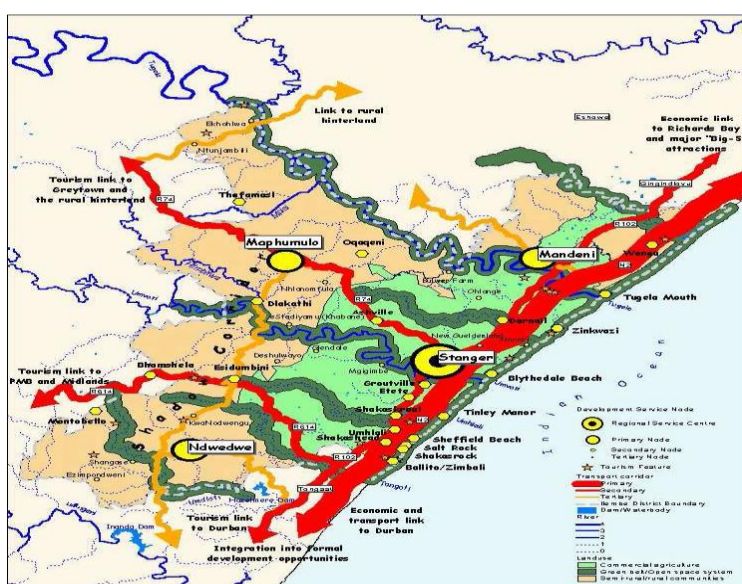
Figure 4.2: Spatial Development Framework for Ilembe District Municipality

Source: Mandeni Municipality LED plan, 2007:31

4.2.2 POPULATION SIZE IN MANDENI MUNICIPALITY

The tables presented below were obtained from the IDP 2006-2011 of the Mandeni Municipality. They indicate the distribution of the population based on racial groups. The male population was 47% and the while female population was 53% in 2002. This brought the total number of males in Mandeni to 52 886 and females to 58998 (IDP, 2002-2006).

Table 4.1: Population

1. Population 2001	Population 2007	Households	Population density	Household density
128671	138 737	21 217	208.28	46.31
2. African Blacks	Coloured	Indian/Asian	Whites	Total
95.29	0.48	2.43	1.81	100

Source: IDP, Mandeni Municipality 2006 - 2011

Table 4.2: Employment status

Economically active	Not Economically Active	Employed	Unemployed
56,9 %	43.1 %	52.0 %	48.0 %

Source: IDP, Mandeni Municipality 2006-2011)

Table 4.3: Individual monthly income in Mandeni Municipality

No income	3.9%
R1-R400	25.4%
R801-R1600	20.1%
R1601-R3200	12.7%
R3201-R6400	6.3. %
R6401-R12800	2.8%
R12801-R25600	0.6%
R25601-R51200	0.1%
Over R51201	0.1%
Total	100.0
Poverty Segment	77.4

Source: Urban-Econ Estimation based on Quantec 2007 & Statistics South Africa, Census 2001 in LED strategy, 2007:39

Table 4.4: GDP contributions 1995-2005 (R billion)

SECTOR	1995	2005	% INCREASE/DECREASE
Agriculture	203.88	150.72	- 26.1
Mining	18.27	24.77	35.6
Manufacturing	928.08	1033.33	11.3
Electricity & Water	14.58	16.69	14.5
Construction	38.47	29.61	- 23.0
Wholesale & Retail	107.58	145.27	21.1
Transport & Communication	69.12	83.45	54.3
Finance & Business Services	54.09	83.45	54.3
Community & Social Services	86.27	78.44	- 9.1
General Government Services	123.71	105.63	- 14.6
Total	1644.05	1751.60	6.5

Source: Easy Data 2007, in Mandeni LED plan, 2007:41

Table 4.5: Water supply (Percentage of Households)

Sources of water supply	Mandeni Municipality
Piped water inside dwelling	21.8
Piped water inside yard	21.5
Piped water on community stand < 200m	7.1
Piped water on community stand > 200m	14.5

Borehole	4.7
Spring	4.1
Rain-water tank	1.8
Dam/pool/stagnant water	3.5
River/stream	17.8
Water vendor	0.8
Other	3.2
Total	100.0

Source: Ilembe District Municipality, 2007, Ilembe Growth and Development Summit, in

Mandeni LED plan, 2007:43

Table 4.6: Provision of Sanitation Facilities

Type of Sanitation Facility	Mandeni Municipality
Flush toilet	2.52
Septic Tank	0.54
Ventilated improved pit latrine	1.17
Basic Pit latrine	50.91
Chemical toilet	26.11
None	7.45
Other	0.42
Undetermined	10.64
Total	100.00

Source: Ilembe District Municipality, 2006, Quality of Life Survey, in Mandeni LED

plan, 2007:44

Table 4.7: Electricity supply (Percentage of Households)

Energy Source	Mandeni Municipality
Electricity	62.5
Gas	0.2
Paraffin	1.8
Candles	35.0
Solar	0.2
Other	0.3

Source: Ilembe District Municipality, 2007, Ilembe Growth and Development and

Summit, in Mandeni LED plan, 2007:44

Table 4.8: Level of education in Mandeni Municipality

No Schooling	Some Primary	Complete Primary	Some Secondary	Grade12	Higher Learning	Total
19,4	19,7	6.6	30.7	20.1	3.6	100

Source: IDP, Mandeni Municipality 2007-2012

4.3 THE STATE OF LOCAL ECONOMIC DEVELOPMENT IN MANDENI MUNICIPALITY

In the past years Mandeni Municipality did not have any LED strategy or policy in place. The unit of LED was established in 2005, with one of the municipal officials being seconded in the office. The LED unit of the Municipality falls under the Directorate of Corporate Services and LED. It is staffed by two people, the Director of Corporate Services and the LED Officer. In 2006 a consultant (Urban Econ) was appointed to assist the LED Unit to formulate the strategy, and it was anticipated that the strategy would have been formulated and adopted by the end of July 2007 (Mandeni Municipality, IDP, 2007-2012). The researcher became aware of the LED strategy in the Municipality in 2008. At present the municipality is faced with the challenge of implementing the LED strategy so that a significant impact can be made on the local community. In addition, the municipality is working on developing the strategy for the small, medium and micro enterprises (SMME) as well as the tourism strategy.

Though nothing much has been done in the municipality in as far as the Municipality's LED is concerned, there were attempts to work hand in hand with the Provincial Department of Agriculture in 2005 by supplying garden equipment to a few rural communities. The majority of wards in Mandeni Municipality are in rural areas where the incidence of poverty and unemployment is very high. The majority of the population in the municipal area consists of women, who make up to 53 %, whilst males make up 47 %. The unemployment rate amongst women is rife and many end up being involved in various community-based income generating projects. The municipality has compiled a database of women cooperatives and other community-based local economic development groups, though full intervention in capacitating the women has not been as successful as intended.

The project for rural women that has been visible is the one that is fully funded by the Provincial Department of Transport, and is known as the Zibambele project. Rural women

are involved in this project, doing road maintenance and grass cutting along the road. There is one construction company that is owned by African women, which is involved in road construction at Tugela Mouth where tourism development projects are earmarked (Makhoba, 2008). The road construction project is funded by the government and is being facilitated by the municipality. The LED Unit does not have a comprehensive plan for empowering unemployed rural women, who have already initiated their LED project. As women comprise the majority of the population in Mandeni area, it is important that LED should also specifically focus on them. There are various women's organisations in the Mandeni area, which have initiated income-generating projects and the majority of them are unsuccessful due to lack of funding, unavailability of the market (Makhoba, 2008). However, the municipality has not made much difference in their day to day running (Makhoba, 2008) From the interviews held with the Speaker of Mandeni Municipality, it seems that the women's LED project operate in isolation, showing a lack of cooperation between them and the LED Unit of the Mandeni Municipality.

The municipality is planning to form a partnership with private industry such as Sappi Kraft (Pty) Ltd. Tugela Mill, Ithala Development Estate, and Zululand Quarry. Umfolozi FET College in implementing LED related activities (Khumalo, 2008). The Municipality also intends to form a partnership with Ezemvelo Wild Life concerning issues around tourism in nature conservation. The Mandeni Municipality does liaise with the provincial Department of Arts, Culture and Tourism, the Department of Agriculture, and the Department Economic Development. The municipality is also liaising with the District Municipality in coordinating LED issues. The municipality has not been able to generate enough revenue, primarily because there is reluctance on the part of the community in the township area to pay for services. The non-payment of rates by residents hinders the municipality in performing its developmental function as envisaged in the local government White Paper. In the municipality's proposed organogram there is a vacancy of for a LED Manager, however, due to the shortage of funds, is not yet filled.

The current committee structure comprises five Portfolio Committees, with the chairman of each committee being appointed by EXCO, dealing with infrastructure and technical issues; local public administration and human relations; economic development planning; community development, housing, and amenities; and safety and security (Mandeni IDP, 2007-2012:19). The portfolio committee on economic development planning and community

development focuses on the integrated development planning, promotion of a safe and healthy environment, including conservation and environmental planning, and promotion of tourism (Mandeni IDP, 2007-2012:19). The councillor responsible for LED is the chairperson of the portfolio committee on economic development planning and community development. The scope of the committee is not broad and does not cover the broader core issues of local economic development. One can say that the Mandeni Municipality's LED Unit has not achieved much in alleviating poverty, employment creation, public private partnership, and working with the community. It is hoped that the future plans and strategies will make a positive contribution in the LED of the municipality.

4.4 LOCAL ECONOMIC DEVELOPMENT PROGRAMMES IN THE INTEGRATED DEVELOPMENT PLAN OF THE MANDENI MUNICIPALITY 2007-2012

When the IDP of Mandeni Municipality was compiled through ward-based meetings, a significant number of wards indicated that there was a pressing need for LED projects to focus on job creation, poverty alleviation, promotion of SSMEs and Cooperatives (IDP, Mandeni Municipality 2007-2012:5). These LED programmes listed in the IDP have not borne any fruit up to now, and no action has been taken. It is clear that when the Mandeni Municipality's IDP was compiled, local communities in ward meetings indicated a need for a responsive intervention from the side of the municipality in matters of LED. Although the IDP (2007-2012:5) states that youth and women empowerment must remain the central feature of municipal development and service delivery, the majority of the LED projects in Mandeni Municipality as outlined in the IDP have not been implemented to date, with the exception of one of which it is said that minimal progress has been made. The priority areas of LED pointed out in ward community-based meetings was SMME Development, Cooperatives, Business and Entrepreneurial mentorship programmes, optimal use of emerging local contractors, business opportunities relating to proposed development and jobs created through LED initiatives (Mandeni Municipality, IDP, 2007-2012).

The table below provides a summary of the above.

Table: LED Programmes in the Integrated Development Plan

PROJECT	Project Description	Estimated Cost	Priority Rating	Responsible Authority	Funding Source	Comments
Local economic development	1. In consultation with the Ilembe District Municipality, prepare and implement ward-based poverty alleviation plan	R50.000	1	Mandeni Municipality	Ilembe District Municipality	No progress
	2. In consultation with the Department of Economic Affairs, provide mentorship programme for the co-operatives, focusing on youth and woman.	R100.000	1	Mandeni Municipality	Department of Economic Development/ Ilembe District Municipality	No progress
	3. Purchase of 6 tractors to be used for promotion of households' food security and nutrition, through agricultural projects in three tribal authorities	R1,2 million	1	Mandeni Municipality	Department of Agriculture & Environmental Affairs/ Ilembe	No progress
	4. Set up an Agricultural Development committee to facilitate the promotion of emerging black farmers	R30.000	1	Mandeni Municipality	Department of Agriculture & Environmental Affairs/ Ilembe	No progress
	5. In consultation with the District Municipality, pursue the identification of Isithebe Industrial estate as IDZ	R50.000	1	Mandeni Municipality	Ilembe District Municipality	No progress
	6. To establish Craft Centre provide assistance to the local bead weavers	To be determined	1	Mandeni Municipality	Mandeni Municipality	Identified in 2002 - minimal progress made - intervention by the National Department & DTI
	7. In consultation with the Department of Agriculture and Environmental Affairs, conduct a study for suitable land for Timber plantation with an intention to Supply Sappi Kraft (Pty) Ltd. Tugela Mill		1	Mandeni Municipality	Sappi/ Department of Agriculture	No progress
	8. To encourage/facilitate private investment in retail & property development	In house	2	Mandeni Municipality	Mandeni Municipality	No progress
	9. Feasibility study and development of Ingwenya Nature Reserve	R2 million		Mandeni Municipality	Department of Agriculture	No progress

Source: IDP Mandeni Municipality 2007-2012:33

4.5 LOCAL ECONOMIC DEVELOPMENT STRATEGY IN MANDENI MUNICIPALITY

As has been pointed out, the Mandeni Municipality has recently adopted LED strategy, an intervention measure for dealing with the issues of LED. It is important for every municipality to adopt an inclusive strategic approach in pursuing its developmental goals.

The main LED concerns that affect the Municipal area as articulated in the LED strategy for Mandeni Municipality are as follows:

- High unemployment levels and low levels of household income;

- Underutilised human and natural resources;

- Lack of addressing LED opportunities and challenges;

- Uncoordinated and ad hoc LED implementation actions;

- Lack of coordinated understanding and actions by public and private sector stakeholders;

- A poor understanding of the workings of the local economy; and

- A poor understanding amongst stakeholders of national and provincial LED-related policies and programmes. (LED Mandeni Municipality, 2007:i)

In addition to the above main LED concerns, the LED aims of the municipality are articulated as follows:

- Develop an understanding of the economic trends in Mandeni as well as identify opportunities for interventions which will contribute directly to an improved economic position for residents of the Mandeni Municipality;

- Establish and determine what sectors and commodities in the area are significant to its economic activity and could be developed through proactive market intervention to positively impact on economic development; and

- Develop an implementation programme according to which development opportunities will be pursued in the area.

The LED Plan for Mandeni Municipality (2007: iv-vi) includes nine strategies that have been formulated. These are broken down into programmes and projects, as a means of achieving the strategy. The strategies are as follows:

- **Special Intervention Areas –** This refers to macro-economic developments that are located within the regional context of the Mandeni Municipality, although outside the area of its jurisdiction, but that have significant implications for future development of the area. Such developments include the Dube Trade Port and King Shaka International Airport (KSIA). The eThekwini-Ilembe-uThungulu Corridor is a provincial development, which has significant implications for the development of the Mandeni Municipal area.

- **Expand and Grow the Manufacturing Sector** – Currently there are many factors that are working against industry in Isithebe, such as the distance to markets and the removal of incentives, which initially were a draw card for the area. However, there are still factors that make Isithebe a strong area for manufacturing growth, including the access to the two ports of the province.

- **Expand the Agricultural Sector** – At present, agriculture in Mandeni is practised at a commercial and subsistence level. Sugar cane is the mainstay of the sector, with most commercial farmers being involved in this field. Livestock farming is carried out to a small degree and has not been exploited to its full potential. The traditional farming areas undertake farming for their livelihood and very little is sold for profit. The strategy focuses on the expansion of the agricultural activities in the area, especially focusing on niche market products and other crops. The aim is to develop traditional/subsistence farming into commercially based farming to ensure effectiveness of farming.

- **Develop the Tourism Sector** – Currently, the tourism sector in Mandeni is focused along the coastal area of the Tugela Mouth, with a few accommodation facilities in the area. The Mandeni Municipal area is one of the few last coastal destinations that have managed to maintain its rustic and aesthetic character. Coupled with this is the strong heritage and historical significance in the area. The development status of the tourism sector is very low at the moment, and ventures such as the Military Kraal have not been successful.

- **Business Retention and Expansion** – Business retention and expansion (the same as the generic strategy) refer to the measures that a municipality can take to ensure that firms and investors currently within the area do not leave for a seemingly more attractive location. This strategy is important for the economy to grow; therefore retaining, drawing and expanding local businesses are of critical importance for the economic development in the region.

- **Identification of Capital Investment Projects, New Product Development and Facilitation of Access to Funding Development** – This strategy is associated with the generic strategy of new business creation. Prior to the creation of new enterprises, it is imperative that a human resource base and target market is established. This applies to all sectors, and involves identifying, packaging, and motivating the new projects so as to source funding for their implementation.

- **Promotion of capacity Building, Training, Mentoring & Support Services** – The generic strategy linked to the above specific strategy is that of promoting business development services (BDS), **information communication technology (ICT)** and small and medium enterprises in the form of counselling, information and training. The main aim of BDS is to increase competitiveness, which is brought about in terms of innovative products and services, production or delivery processes irrespective of size of the enterprises. Therefore, SMMEs should be encouraged through BDS to build up their competitive edge.

- **Promotion of market research, marketing, knowledge & awareness campaigns** – This strategy is aligned to the generic strategy of investment promotion or place marketing, and refers to all aspects related to the promotion and marketing of the economic strengths and opportunities of the municipality. This entails advertising and marketing of the area and drawing on the competitive advantages that can be of interest to investors, as investors generally seek a stable economic environment. Investment ensuring sustainable employment must be such that it builds on existing or potential competencies in the area.

- **BEE, PDI Gender Promotion & HIV/AIDS** – It is important that specific attention is paid to ensure equal representation of women and vulnerable groups. Undertaking planning in collaboration with previously disadvantaged individuals (PDIs) is necessary to ensuring that these individuals are empowered and have the opportunity of economic development in their communities. The views of these individuals must be streamlined into the planning process and they should also be beneficiaries through implementation of such projects.

In terms of the LED plan of the Mandeni Municipality (2007: vi-viii) thirteen prioritised projects have been identified and packaged into action plans. These are presented in the table below:

Table 4.10: Local Economic Development priority areas in LED strategy for Mandeni Municipality

Project 1: Establishment of a Chamber of Commerce (COB)	
Resource Requirements	Establishment Costs: R50 000.00
	Operational Costs: R96 000.00 per annum
Municipal Role	❖ Send out a letter to all businesses in the area to inform them of the intention to set up a COB

	❖ Call a meeting for all interested people
Project 2: Investor Attraction	
Resource Requirements	❖ R300 000.00 for the preparation of an incentive policy ❖ The cost of the social facilities would have to be determined and accessed through the IDP
Municipal Role	❖ To form part of the Steering Committee in the establishment of the incentive policy ❖ Responsible for providing some social facilities ❖ Liaison with business sector
Project 3: Expansion of the Ithala Industrial Estate (Isithebe Phase 2)	
Resource Requirements	R700 000.00 over four years
Municipal Role	❖ Consultation with Ithala and Ilembe Municipality ❖ Serve on a Steering Committee that should be established
Project 4: Crime Reduction	
Resource Requirements	❖ R25 000.00 for liaison purposes ❖ Co-ordinate meetings with BAC & SAPS
Project 5: Skills Development	
Resource Requirements	❖ R20, 000.00 ❖ To actively engage in communication & liaison with business and other levels of government
Project 6: School of Sporting Excellence	
Resource Requirements	❖ R10 000.00 per annum
Municipal Role	❖ Raising local awareness of the opportunity that the school offers and to assist where possible to get students into the school.
Project 7: Development of a Petroport	
Resource Requirements	R7 300 000.00 over a five-year period
Municipal Role	❖ Market the opportunity to potential investors ❖ Oversee the development in terms of legal processes
Project 8: Development of a Skills Register	
Resource Requirements	R300 000. 00 for consultation fees.
Municipal Role	❖ LED Officer to manage the process
Project 9: Medicinal Plants	
Resource Requirements	R1 300 000.00 (subject to review)
Municipal Role	❖ Acquire suitable land ❖ Undertake feasibility study ❖ Obtain funding ❖ Consult with DoA on growing methods ❖ Train participants ❖ Implement
Project 10: Essential Oils	
Resource Requirements	R800 000.00 over a two- year period
Municipal Role	❖ Establish a steering committee ❖ Prepare a feasibility study ❖ Liaise with relevant departments and stakeholders ❖ Obtain funding
Project 11: Bio-fuels	
Resource Requirements	R520 000.00 over a five-year period
Municipal Role	❖ Establish a steering committee ❖ Prepare a feasibility study & awareness raising report
Project 12: Develop King Shaka Statue & World Class Cultural Village	
Resource Requirements	R4.5 million of the total R150 million required

Municipal role	❖ Form a Steering Committee ❖ Undertake a Feasibility Study
Project 13: Water Activities on the Tugela River	
Resource Requirements	R1 million
	❖ Form a Steering Committee ❖ Review the business plan of the SEDA ❖ Source funding ❖ Appoint a CEO ❖ Market SEDA
Project 15: Youth Centres	
Resource Requirements	R1.65 million
Municipal Role	❖ Set up a Steering Committee ❖ Prepare business plans for the youth centres ❖ Identify suitable locations ❖ Source funding ❖ Implement & monitor
Project 16: Appoint an LED Manager	
Resource Requirements	R250 000.00 per year but increases must be considered
Municipal Role	❖ Advertise the position ❖ The EDP to short-list candidates ❖ Interview candidates ❖ Makes an appointment
Project 17: Establishment of the LED Forum and Business Coalition	
Resource Requirements	R5000.00
Municipal Role	❖ Set up a Steering Committee ❖ Municipality to perform the secretariat function ❖ Advertise the establishment of the LED Forum and that interested participants should contact Municipality ❖ Personal invites to be sent out to the businesses who could possibly form part of the business coalition

Source (LED PLAN MANDENI MUNICIPALITY (2007:v-viii)

4.5 MAJOR FUTURE DEVELOPMENTS ASSOCIATED WITH LOCAL ECONOMIC DEVELOPMENT IN THE MANDENI MUNICIPALITY

In spite of the LED challenges and underdevelopment faced by the Mandeni Municipality, positive future development projects are planned, funds for some projects have recently been committed, and some projects are still being proposed. The first area targeted for development which will generate more economic opportunities is the Thukela River

destination resort in which three million rand is being invested by the private developers. The proposed Tugela North development consists broadly of the following components:

- A wellness centre with 30 condominiums
- 306 freehold residential sites ranging in size from 800m to 3000m
- Time share complex consisting of :
- Swimming and training facilities
- Sports fields
- 50 Apartments
- A golf course consisting of
- 18-hole golf course
- An entertainment centre consisting of
- Crèche
- A wedding chapel consisting of
- 12 guesthouses
- A business node consisting of
- Market place
- Fresh produce market (Presentation: Thukela Resort destination proposal, 2008 :64)

The total economic injection as proposed by the private developers of Thukela is as listed above in the form of wages and economic opportunities it will create over this time period is presented in the following table:

Table 4.11: Future development proposal for Mandeni Municipality

Employees: Semi-skilled	No. of Jobs 4566.12
Ratios 0.26	
Average salary: R72.00 per day	Working days: 260
Monetary value: R85 47776640	
Employees: Skilled	**No. of Jobs:** 8781.00
Ratios. 0.19	
Average salary: R45.00 per day	Working days: 260
Monetary value: R102737700.00	
Employees: Supervisory	**No. of Jobs**: 878.10
Ratios. 0.05	
Average salary: R160.00 per day	Working days: 260
Monetary value: R36 528 960. 00	
Total Jobs: 17652	
Total Value: R328 85196240	

Source: uThukela River destination resort proposal, 2008

Table 4.12: Total investment in the local economy

Total investment in the local economy is therefore as follows:
•   Total job creation = 17652 jobs
•   Total direct investment = R1700 000 000.00
•   Total wages = R328 851 962,40 million over the development period (5 years)
•   Total municipal government revenue from taxes = R9 000 000.00 per annum
•   Municipal revenue from sales of services = R800 000. 00 per annum.

Source: uThukela River destination resort proposal, 2008

A memorandum of agreement has been signed with the private developers and the municipality about first giving local people opportunities, and to have a stake in this development. Local contractors will be involved in the construction work for the project.

The second major development project with economic opportunities is the Sundumbili Urban Node Regeneration programme in Mandeni which has received grant funding of R132 million from the Department of National Treasury and R300 000 from the KwaZulu-Natal Department of Local government and Traditional affairs (Stanger Weekly, 2008:7). In this project it is also envisaged that jobs will be created because of the new shopping centre and other recreational facilities. It is now in the hands of the municipality to see to it that this urban renewal project gets off the ground so as to improve the quality of life for local citizens.

The third major project, which has generated rather too much controversy, is being proposed by the Dubai-based developers at the Macambini tribal authority. If this project is accepted, 14 villages on 19, 000 hectares will be moved, and people will have to be relocated in another area. (Khumalo, 2008:2). This project worth R55 billion for tourist developments is proposed for between 500 ha and 16 500 ha of Macambini tribal land. The community has staged various protests about being moved from their ancestors' land and want to prevent this proposal at all costs. Community members of the Macambini tribal authority are arguing that, they were not given ample time to negotiate their relocation for this project.

4.5 DEDUCTIONS AND CONCLUSION

- The true test for local governments will lie in the application of LED in terms of the resource allocation and the priority ranking that is assigned to each approach (Abrahams, 2005:143). LED is a fundamental requirement because it brings change to the community and improves their quality of life.

- If the LED needs of the community are met and addressed it is easy to identify the impact that LED have on the people.

- There is very little that the Mandeni Municipality has done in matters of LED – even the official admits to that fact.

- The major challenge for the Mandeni Municipality is to translate the LED strategies into practical actions.

- The LED strategy for the municipality needs the entire municipality to be committed to realising it and it needs the Unit to be expanded for addressing economic development challenges. The employment status of the municipal area stands at 54,9% whilst the unemployment status is at 45,1%. If direct and indirect jobs are created through LED programmes, it can have a positive impact by alleviating poverty.

- The development proposed for the future will make it possible for the local people to get employment and improve economic conditions. The strategic position of the Mandeni Municipality as it lies on the development corridor between two major port cities in KwaZulu-Natal, gives the municipality an enormous advantage of economic development opportunities with the proposed King Shaka Airport and the Dube Trade port.

- It is imperative that the municipality work hand in hand with the community so that all the major developments that will take place in the municipal area benefit the community in a great and positive way.

- Friedmann (1992) in Gardyne, 2005:103, argues that genuine empowerment exists when local people are involved in community economic development; have control over resource utilisation and decision-making processes; exhibit confidence in using agencies such as social services; are aware of local activities; and experience strong social interaction within the community.

- The LED Unit of the municipality will need to be inclusive, encourage community-based participation and involve the community-based organisations in drafting LED policies and strategies. LED strategies should incorporate the maintenance of existing

services, as well as the provision of new and improved services and infrastructure, which enable communities to meet their needs (Gardyne, 2005:103).

The next chapter will focus on the analysis and the results of the research conducted in the Mandeni Municipality.

CHAPTER 5

EVALUATION OF LOCAL ECONOMIC DEVELOPMENT INITIATIVES
FOR UNEMPLOYED RURAL WOMEN IN MANDENI MUNICIPALITY -
RESEARCH RESULTS AND DISCUSSION

5.1   INTRODUCTION

Research is a process that involves obtaining scientific knowledge by means of various objective methods and procedures (Welman, Kruger & Mitchell. 2007:2).   Leedy (1997:5) outlines distinct characteristics of research which are as follows: research originates with a question or problem, requires clear articulation of a goal, and follows a specific plan or procedure. Nel (1999:51) in Gardyne (2005:78) suggests that LED programmes, particularly those which focus on the achievement of social objectives, require specific research methods which permit the objective assessment of both social and economic achievements.   This author further suggests that the recognition of the importance of understanding social achievements such as empowerment, unified communities and improved quality of living, leads to the conclusion that previous standardised evaluation measures that focus solely on quantitative, economic scores are of limited relevance (Nel, 1999). Particularly when seeking to understand complex relationships involving rural communities, it is essential that the researcher adopt appropriate methods that are relevant to LED initiatives (Gardyne, 2005:79). This chapter will discuss research techniques employed in the study, as well as discussions with the interviewees, followed by LED assessment criteria for Mandeni Municipality, and, lastly, findings and recommendations

5.2 THE RESEARCH FRAMEWORK: Major research methods employed in this research

A key objective of this thesis was to identify the problems that are encountered by the Mandeni Municipality LED Unit in implementing LED programmes for unemployed rural women. The main research question deals with what problems are encountered by the LED Unit in the Mandeni Municipality when implementing LED programmes targeting rural unemployed women. For the research questions to be answered and to achieve the research objective of the study, the researcher chose two focus groups consisting of women in two different wards, namely Ward 4 and Ward 8. The first focus group was from the Mathonsi

tribal authority in Ward 8 and the second one was from the Ward 4 Macambini Tribal Authority.

Focus Group Criteria

The following were criteria for participation in the focus groups:

- Level of economic activities
- Existing for longer than two years
- Sustainable businesses
- Existing in rural areas

The researcher chose the particular focus groups primarily because they were more proactive in doing things for themselves and did visible and phenomenal work. The focus groups have done tangible things for themselves in the area, and have existed for more than five years. These focus groups initiated, nurtured and developed their projects, and they can work on their own without being assisted. Other women's groups in Mandeni have not been successful because they constantly needed financial assistance from different agencies, and they were not independent like the chosen focus groups. The two chosen focus groups have been able to continue with their day-to-day work in spite of the lack of funding and hard times.

In addition, most of the women's groups in the area initiated their LED projects in the hope of acquiring financial support from the government; however, due to the lack of financial support, they were dissolved. Women's groups in the area other than those selected by the researcher could not even sustain themselves for one year. The Sonqoba Focus group and Inyoni Craft women projects are the ones that have existed in the area for a long time, and their evaluation was expected to have a significant impact on the research. The unsuccessful women's projects with LED initiative would not add value to the research because of the fact that they were not sustainable, not viable from the start and some groups are still in the initial stages of trying to acquire funding from different agencies. But the chosen focus groups have a sustainable market, with relevant resources for doing their day-to-day projects. The two focus groups were chosen because they are based in rural areas, as the main focus of the study concerns unemployed rural women. In most rural areas, Africans comprise a large section of the population. As stated in the Mandeni IDP (2006-2011), Africans make up about 95.29% of the population. The majority of the other races, of whom the majority is

employed, reside in the suburban area, hence the research targeted unemployed rural women. The other races therefore were not considered because most of them are employed, have their own businesses and are not based in rural areas.

In addition to this, the community-based projects of these women have existed for many years. Their inputs in the study were expected to be very valuable and to represent the whole population of women-based community economic development activity in the Mandeni Municipality. In addition, the researcher expected to be in a position to evaluate the problems that are encountered by the focus group in their daily work, and the extent to which the Mandeni Municipality implements its LED programmes that target rural women. As a lot has been said by the Government at a policy level about empowering rural women, such an evaluation could be highly significant in measuring the success of local government programmes targeting rural women. It would be meaningful to know the experiences of these focus groups with the LED initiatives and to assess how a municipality located in a rural area responds to the needs of rural people, seeing that the government of the day led by President Jacob Zuma has put a strong emphasis on rural development. The first focus group, as mentioned, was known as the Sonqoba Widow Organisation (Ward 8) and the second one is referred to as the Inyoni Craft women project (Ward 4).

The selected Officials from the Municipality were the following: the LED Director, IDP Manager, LED officer and the Speaker. The three officials were selected because they deal directly with issues of LED in their daily work, other officials would have very little knowledge of LED activities that were taking place in the Mandeni Municipality. Officials are regarded as policy implementers and their side of the story is useful as to how the municipality dealt with the LED challenges in the Mandeni Municipality. The research would be insufficient if it acquired data from the focus groups only, without acquiring data from the Municipal Officials tasked with LED-related issues. The input of the IDP Manager was seen as significant with regard to how the Municipality plans to implement LED-related activities in the next five years. The three officials provided useful information on how they respond to the LED challenges in the area, and how they translate LED policy objectives into achievable goals.

The National government, as indicated earlier, has placed strong emphasis on women's empowerment and rural development; it was expected to be interesting to measure how

Mandeni Municipality responded to the call of Government to empower rural women. The Speaker was selected because he is the chairperson of the Council in the Mandeni Municipality; his views were useful and represented the Councillors' perspective on LED in the Municipality. The research was expected to contain useful information from the Council perspective, from Municipal Officials' perspective, and from Focus group perspectives, and from this a clearer picture of the research and answers to the research question were expected.

The Mandeni Municipal officials in the LED Unit and the Speaker were interviewed to acquire more information about their legislative mandate to be a developmental local government. These targeted groups were helpful in this study for the research question to be answered and the probability of recommendations based on what they had to say. The nature of the study was that of evaluation research, in that it sought to evaluate local economic development initiatives for unemployed rural women in Mandeni Municipality. The research methods employed in the study comprised a literature review which formed the theoretical context of the study, focus group interviews with the rural women, participatory observation whilst they were doing their work, and interviews. The brief theoretical base of the research methods will be touched on before the feedback from the interviews is discussed.

5.2.2 PARTICIPANT OBSERVATION

Participant observation can be seen as a qualitative research procedure that studies the natural and everyday set-up in a particular community or situation (De Vos, Strydom, Fouche & Delport, 2006:276). The current researcher took the role of a complete observer, as he is permanently employed by the Mandeni Municipality in the Community Services Department. It was convenient for the researcher to observe the LED Unit in the municipality and other internal projects that are associated with local economic development. The researcher started to observe the LED Unit informally in September 2007 and the formal or closer observation and interactions with the LED Unit commenced in June 2008 and lasted until November 2008 while research interviews were conducted. In addition to this, the researcher attended a couple of Integrated Development Plan meetings with local economic development implications as an observer and a Portfolio Committee meeting on economic development planning and community development in the municipality. The researcher also observed two focus groups before formal focus group interviews and meetings took place in November 2008. The visits to the focus groups took place around September 2008 and there was

interaction with them; at times the woman of these two focus groups would ask questions of the researcher about which departments they should consult if they needed assistance.

In participant observation researchers have to perform a dual role; one of experiencing the activities of the group and the other of observing and recording his or her experiences (Welman, Kruger & Mitchell, 2007:195). In order to conduct participant observation, procedures, the following procedures should be followed as articulated by (Welman, Kruger &Mitchell, 2007:195-196) which are as follows:

- Once a researcher has decided to investigate a specific group, organisation or process by means of participant observation, he or she has to obtain the permission of the group members or of their representatives.

- The researcher should also disclose the objectives of his or her research to the group members. Although honesty is required in this connection, internal validity is likely to be promoted by revealing too little rather than too much. It is especially important that the information divulged does not cause group members to react differently from their normal behaviour.

- There should in any case be no doubt among the group members that their anonymity would not be ensured in future (that is, by disclosing their identity/name). It is usually preferable to gain access to participants by means of a mediator who has the confidence of both the participants and the researcher.

- As a result of the extensive periods of time that participant observers live together with the groups they study, the often develop firm friendships with the group members. On the one hand, such friendships have the advantage of allowing the participant observer to understand the group members better.

- As the group activities continue, the researcher makes inferences from, or interprets, what is taking place. The researcher should be on the look out for themes or repeated patterns of behaviour that appear in the group activities, as well as for deviations from these themes or patterns

- Finally, researchers can make methodological notes for their exclusive use. These notes serve to remind them of things to look out for during future occasions or to caution them against potential pitfalls.

5.3 LITERATURE REVIEW AND DOCUMENTARY ANALYSIS

In carrying out this study, the literature review could not be ignored, for every research project needs a review of a literature in order to form the theoretical base of the study. The contributions made by the other authors who have conducted research on LED were considered in developing the present study. The researcher reviewed a number of articles, books, online publications, legislation, and previous research projects on LED. The researcher also visited four academic libraries in the province of KwaZulu-Natal for the literature search and identification around July and August 2008. These libraries were those linked to the University of KwaZulu-Natal, the Westville Campus, Howard College Campus, Pietermaritzburg Campus, and the University of Zululand campus. These Universities are situated up to 200 km away from the researcher's base, e.g. the Pietermaritzburg campus.

As outlined by Kaniki, a literature search is used at two levels to identify a research problem:

- A wide reading or examination of literature helps a researcher identify the general problem area,

- Literature review involves further reading and assessment of the literature; the researcher examines the literature closely with the aim of understanding a research problem better and setting parameters on a research question. (Kaniki (2007:19-20)

Table 5.1: List of reviewed documents for Mandeni Municipality

Date of publication	Title
August 2007	Integrated Development Plan Mandeni Municipality 2002
September 2007	Review of the Integrated Development Plan Mandeni Municipality 2005
August 2008	Integrated Development Plan Mandeni Municipality 2006-2012
September 2008	Integrated Development Plan Ilembe District Municipality
October 2008	New Developments proposals for Mandeni Municipality in the IDP review Meetings 2006-2012
October 2008	Mandeni Municipality local economic development plan 2007
November 2008	Executive committee meeting supplementary agenda with development proposal for Thukela River destination resort, economic contribution & community business opportunities

5.4 INTERVIEWS

It has been pointed out that in this study expert interviews were conducted with three municipal officials and the Speaker who is the chairman of the council. The three officials were the Director of Corporate Services and LED (Mr Geoff Khumalo), Integrated

Development Planning Manager (Mr Siyabonga Khanyile), and LED Officer (Ms P. Sibisi). These officials of the Mandeni Municipality were chosen for interviews because their day-to-day duties entail local economic development aspects, and they are in a position to interact with all LED stakeholders and are abreast of LED trends in the municipality. The Speaker (Mr ZP Makhoba) was chosen because all the forums in the municipality fall under his office, and the public participation programme is also driven by the Office of the Speaker in the Municipality. In addition to that, the Speaker is the chairperson of the council; all councillors report to the office of the Speaker, and the fact that the municipal wards are scattered means it is time consuming to get hold of the councillor concerned. The researcher tried to contact the councillor responsible for LED with no success. The nature of the interview that was conducted involved a face to face structured interview. The researcher had structured questions and they were read to the interviewee and answers were recorded by the researcher.

5.4.1 FOCUS GROUP INTERVIEWS

Focus groups are small structured groups with selected participants, normally led by a mediator. They are set up in order to explore specific topics, and individual views and experiences through group interaction (Litoselliti, 2003:1) Group interviews essentially comprise a qualitative technique for collecting information (Welman, Kruger & Mitchell, 2007:201). Focus groups are special groups in terms of purpose, size, composition and procedures; they are carefully planned discussions designed to obtain perceptions on a defined area of interest in a permissive, non-threatening environment (Litoselliti, 2003:1). This author argues that it is important that those taking part find the discussion comfortable and enjoyable. Focus groups offer some advantages compared to other methods of collecting data, such as interviews and participant observation; they present a more natural environment than an individual interview. In a focus group participants are influencing and influenced by others just as they are in real life (Krueger, 1994:19, in Litoselliti, 2003:2). Focus group discussions aim to obtain multiple views and attitudes, and often require complex negotiation of the on-ongoing interaction processes among participants (Litoselliti, 2003:3).

Focus groups typically consist of between six and ten participants, but the size can range from as few as four (for mini focus groups see Barbour & Kitzinger, 1999 to as many as twelve (see Goss & Leinbach, 1996) depending on the purpose of the research (Litoselliti, 2003:3). Small groups are more appropriate if the aim is to explore complex, controversial,

emotional topics or to encourage detailed accounts; they offer more opportunity for people to talk and are more practical to set up and manage, as they take place in less formal settings such as homes or restaurants (Litoselliti, 2003:3). The group facilitator should approach the group discussion with a basic outline of key questions (Barbour & Kritzinger, 1999:11). The focus group facilitator should not try to influence the group by forcing them to say what he or she wants to hear, but the facilitator must encourage group members to be sincere in answering questions.

Focus groups consist of a small number of individuals or interviewees that are drawn together for the purpose of expressing their opinions on a specific set of open questions (Welman, Kruger & Mitchell, 2007:201). According to Fontana and Frey (1994) in (Welman, Kruger & Mitchell, 2007:201) the purpose of group interviews is based on the collection of qualitative data. The researcher directs the interaction and inquiry either in a very structured or unstructured manner, depending on the aim of the investigation (Welman, Kruger & Mitchell, 2007:201). These authors point out that the aim of using such group interviews is not to replace individual interviewing but to gather information that can perhaps not be collected easily by means of individual interviews.

According to (Welman, Kruger & Mitchell, 2007:202) the researcher should use an appropriate sample (usually purposive or snowball consisting of not more than 12 and not fewer than six participants. These authors further suggest that preference is given to key informants who, on account have more information than the regular group members and/ or are better able to articulate this information. In this research, the researcher selected 8 people in each focus group with the help of the group leaders Mrs Ngema & Mrs Luthuli. Members who started the projects when it was initiated were selected because of their experience in the project, and better understand the past, present and future challenges of their LED initiatives. This is supported by (Welman, Kruger & Mitchell, 2007:202) that respondents should be knowledgeable or experienced with regards to the topic of the investigation that will discussed.

Stewart and Shamdasani (1990) in (Welman, Kruger, & Mitchell, 2007:202) highlight the following potential problems regarding the compilation of focus groups should be taken into account:

- The members of a focus group should be selected carefully to prevent any problems regarding the quality of information. Therefore, the researcher must not select friends or family members as they will have a negative influence on the anonymity of answers given by respondents
- The participant of so called experts on the subject under discussion should also be controlled or limited because they can intimidate or inhibit responses from others
- Hostile respondents should also be controlled or not selected

Welman, Kruger & Mitchell (2007:203) outline the advantages of the focus group interview which are as follows;
- Focus groups provide sources of information that can be obtained rapidly at a low cost. It can be conducted within a wide range of settings and a vast range of respondents can be selected (Stewart & Shamdasani, 1990) in (Welman, Kruger & Mitchell, 2007:203).
- Since the researcher communicates directly with respondents, he or she can easily clarify some aspects of the questions put to the respondents.
- Focus groups enable the participants in the group to discuss their opinions and experiences in such a way that a consensus of opinion regarding the research problems can be reached
- Interviews can be conducted with respondents who are not be able to complete self reporting questionnaires (such as in the case of quantitative research methods).
- Focus groups can also be used by means of teleconferencing. Respondents from different places can be drawn together for an interview without being physically together at a specific time (Stewart & Shamdasani,1990) in (Welman, Kruger & Mitchell,2007:203)

5.4.1.1 Sonqoba African Widows Organisation focus group discussion

It was outlined earlier in this chapter that two focus groups were interviewed in two different wards. It is necessary to focus briefly on the activities of the two focus groups in this section. The researcher interviewed the first focus group, the Sonqoba African Widows Organisation in Ward 8 on the 5th November 2008. Sonqoba African Widows Organisation started in 2001 as a fellowship or a support group for African Widows, with the aim of comforting one

another, giving spiritual support, sharing problems, and motivating one another (Mrs Ngema, 2008). Sonqoba, a Zulu word which means 'we will win', is a positive word which implies that, in spite of challenges, we will make it.

As the time went by the project moved from being a support group for African widows to an income generating project. The focus group members stressed that they felt it was not enough to meet and share problems; they decided to take the project to the level of an income generation project, primarily because their husbands who had been the breadwinners were no longer there. They felt it necessary to start something that would enable them to provide food for their families. In addition to this, all the members of the Sonqoba African Widows Organisation did not have the necessary skills and education to look for employment. A committee of five members was elected when the project started and it expanded to twenty two members. The project's potential customers are Teachers, Nurses and Community members during the festive season when a number of traditional ceremonies are held. As the project expanded three young males joined to assist their mothers and to keep themselves busy.

The organisation's scope of work comprises the following: The production of traditional attire, dress making, traditional shoes, craftwork, beadwork, decorations, bags, calabashes, traditional pots and dishes. They also run gardening projects, one on about 7 hectares and the other one on about 5 hectares. Sonqoba African Widows Organisation does not have a place to conduct its daily business, but the Mandeni Municipality has leased to them a back room of its hall and there is a monthly fee (Mrs Ngema, 2008). The researcher interviewed seven focus group members of the Sonqoba African Widows Organisation.

One of the challenges that Sonqoba African Widows Organisation is faced with is that they are not visible to the community, since they are allocated to the Municipal hall's back room. Their invisibility does not afford them the opportunity to be seen by potential customers; it is only when community members are in the hall during the day that they are visible. Sonqoba African Widows Organisation received assistance in 2007 from the Provincial Department of Arts and Culture in the form of a monthly stipend and funding, but they did not receive anything in 2008. When the Provincial Department of Arts and Culture stopped giving a stipend to the organisation, their numbers were reduced from 22 members to 10 members. In 2003 this project received a donation of three sewing machines from Ilembe District Municipality, and some gardening tools. In addition to that the National Development

Agency made a donation in the form of fencing the garden. According to Mrs Ngema, the Project Leader, their organisations organise a Christmas party for the orphans in the area every year. Sonqoba African Widows Organisation indicated that they have not received any form of funding from the Mandeni Municipality and other sectors in 2008.

As a way of evaluating, the researcher gathered the necessary information to answer the research question and to formulate the research problem. The questions of the researcher and the answers of the focus group are attached in Annexure 1 of the thesis. The key findings of the research will be discussed in this following section.

5.4.1.2 The main findings from the interview

- One of the fundamental questions in this study dealt with the assessment of what the concept of LED means to the focus group – whether they understand it or not. The majority of the women in the focus group indicated that they have heard about it but did not know what it is, and three indicated that they knew nothing about LED. They added that they would have understood the concept better if they were seeing something happening or experiencing anything tangible that they could see as LED.

- The second question dealt with the relationship between the focus group and Mandeni Municipality. The women indicated that there was not much of a relationship besides the use of the municipal hall; they agreed about having attended a meeting with the LED Unit but indicated that there were no tangible outcomes, only promises that were never fulfilled.

- The focus group indicated that they had never even met with the Ward Councillor and other focus group members did not know the Ward Councillor. They further expressed their reluctance about working with politicians because some of them are greedy – they may want to dominate their local economic initiative in an inappropriate way.

- The focus group pointed out that they knew how local government operates since attending a workshop organised at the provincial level, and they see other municipalities supporting their local women-based projects and they do not understand why Mandeni Municipality does not support them. When they ask

questions in the workshops, the workshop facilitators often refer them to their Municipality and they do not get anything from the municipality.

- Another question dealt with their knowledge of the government commitment in empowering women. They lamented that it is something that they always hear in the media, over and over again, and agreed that may be happening in other places but not in their Municipality.

- Another question dealt with the focus group's expectations of the municipality. The focus group members pointed out that they are willing to work hand in hand with the municipality, and expect the municipality to erect a building for them that would make them visible enough; they need a moral support from the municipality.

- The focus group members were convinced that partnership with the municipality would enable their project to grow and that they would be in a better position to understand the concept of LED. It is clear that the level of participation by focus group members in the LED affairs of the municipality is very low.

- The last question dealt with the problems that the focus group members were encountering in implementing their project. The focus group members listed the following problems:

- The focus group's LED project initiative is invisible; the majority of the community members do not know them. They would appreciate if they could move to a visible place or if the municipality would erect a building for them in a place that is accessible.

- The focus group pointed out that they were operating in isolation from the municipality; as a result they were not abreast with government development trends and did not understand the concept of LED

- Lack of funds to grow the project was the main barrier

- Stakeholder partnership with LED interest was a major problem

- The focus group also shared their disappointment in both the local and the district municipality for not assisting them with water tanks so that they can water their

garden. They have planted cabbage, spinach and beetroot; they supplied the spinach to the local Spar Supermarket and employed people to work in the garden. They pointed out that the garden project was not successful because the municipality removed the water tanks, and wanted them to pay for water. Due to this they stopped employing the people they had employed to work in the garden.

- The focus group voiced their unequivocal impatience with the municipality and expressed lack of trust in some arrogant politicians in the municipality who only visit them when elections are around the corner.

The photos presented below were taken by the researcher. These show the work of the Sonqoba African Widows Organisation.

Figure 5.1

Figure 5.2

Figure 5.3

Figure 5.4

**Figure 5.5**

Figure 5.6

Figure 5.7

Figure 5.8

5.4.2.1 Focus group discussion with Inyoni Craft Women Project

The Inyoni Craft Women Project started out in 2002, in partnership with the University of KwaZulu-Natal and Environ Def, which is a non-profit organisation (Mrs Luthuli, 2008). There was an official launch of the project which was attended by the then Deputy Minister of Tourism and Environmental Affairs (Ms Joyce Mabudafasi) on the 5th December 2002. The project is located in Ward 4, Macambini Tribal Authority in the Inyoni area. The project's scope embraces craft work, beadwork, bead decoration, some traditionally attire, lampshades and bags. The fundamental aim of the project is to attract tourists and to supply products that attract tourists. They operate in a building known to the local people as the Craft Centre, which was funded. However their location is not in a strategic position; they complain that tourist coaches travel on the national road, and do not pass their place because it is inside the Macambini Area. They are desperately in need of tourist customers, and they need both the District and Local Municipalities to speak to the tourist coaches to come and pass by them (Mrs. Luthuli, 2008). In addition to this, the Inyoni Craft Women Organisation needs more signage on the road so that many tourists would be able to see where they are located.

The motivating factor behind this project is the high level of unemployment in the area and reduction of poverty. Another motivating factor, according to the focus group members, was the government legislation that encouraged women to organise themselves and start community-based local economic development projects so that they can receive a grant and other forms of support. One of the focus group members said that meeting other women helped her to gain knowledge and improve her skills in doing craft work and beadwork. Some members of the focus group pointed out that they did not know anything when they joined the project, but the project equipped them with the necessary skills and knowledge. Other focus group members pointed out that the project helped them to raise their families, as well as to deal with family matters. The frequent customers in this project are the local people from the traditional Nazareth congregation of Shembe. The researcher conducted the focus group interviews for Women Inyoni Craft project on the 7th November 2008 and had a meeting with ten focus group members.

The focus group members indicated that they receive funding from the National Department of Arts and Culture in 2007. They submitted a business plan to the Department and receive funding. The researcher also gathered information from this focus group as a means to

answer the research problem. The questions and answers for this focus group are attached in Annexure 2 of the thesis. In this section, the main discussions of the questions and answers linked to the research question and research problem will be dealt with.

5.4.2.2 The main findings from the Interview

- The first question dealt with government commitment to empowering women's projects. The majority of the focus group members indicated that they had heard about empowerment of women through the media; sometimes they do not know who to contact in government departments with regard to women's issues.

- The second question dealt with the focus group's understanding of the concept of LED. All of them indicated that they did not know this concept; some had heard about it but they were not clear. It was apparent to the researcher that there the focus group lacked information about the concept of LED; so much so that one of the focus group members asked the researcher to explain it.

- In the focus group meeting another question asked by the researcher dealt with their understanding of how local government operates in general. According to them, the municipality operates far away from them – so much so that they needed someone to explain to them how local government operates. They added that the municipality had promised lots of things, but whenever they seek assistance from both the local and the district municipality, they always get the response that there are insufficient funds.

- The question of the relationship between the focus group and the Mandeni Municipality and its LED Unit came to the fore during the interview. They all indicated that there is no relationship at all, in spite of various attempts they had made to contact the Municipality; they, however, are willing to have a relationship and meet the LED Unit formally.

- The focus group expected a number of things from the municipality, such as:

- Local development in the form of poverty alleviation and progress in life,

- Assistance with funding to grow the project,

- Improvement in the quality of life,

- To work together with the Municipality,

- A possibility of advertising on the municipal website, and to be advertised in the local municipal newspaper,

- For the Municipality to arrange with the tourist coaches to come and buy from the Inyoni Craft Centre,

- The last question put by the researcher to the focus group was about what sorts of problems they encountered in the project and they mentioned the following:

- Lack of information and not knowing who to contact with regard to women's empowerment and public policy development trends that aim to capacitate the women, and needing a person to keep them informed about Mandeni Municipality developments;

- Poor cooperation between the local municipality and district municipalities;

- Working in isolation from the LED Unit of the Mandeni Municipality;

- Access to non-governmental developmental agencies for the funding of the project;

- The Arts Craft Centre not being strategically located so that it was easily accessible the international tourists on the N2 highway between the City of Durban and Richards Bay;

- More signage on the roads for the projects;

- High level of poverty in the Macambini Tribal Authority Area.

Photos of showing the Inyoni Craft Women Project are presented below to introduce their craftwork.

Figure 5.9

Figure 5.10

Figure 5.11

Figure 5.12

Figure 5.13

Figure 5.14

5.4.3 EXPERT INTERVIEWS

5.4.3.1 Interview and discussion with the Speaker

On the 5th November 2008 the researcher had an exclusive interview with the Speaker of the Mandeni Municipality as the chairperson of the Council, Cllr. Z.P. Makhoba. The research questions asked and answers are attached as Annexure 3 of the thesis. This section deals with the main discussion around the questions and answers linked to the research question and the research problem.

5.4.3.2 The main findings from the interview

- According to the Speaker, development local government should seek to address past imbalances and open the doors for the people who were marginalised, particularly the youth, women, disabled people, and the poorest of the poor.

- The follow-up question was based on whether the Mandeni Municipality has achieved its role as developmental local government in engaging communities in IDP matters. The Speaker pointed out that not much has been achieved; however inroads have been made in formulating policies that are development oriented as per the legislation mandate together with other sectors.

- According to the Speaker, LED should be equitable to everybody that belongs to the Municipality; and all people should share the growth, and local government should strive to address the needs of indigent people.

- In as far as the empowerment of rural women by the Municipality is concerned, the Speaker lamented that it had not borne the anticipated fruits because of the lack of skills and competencies. He added that sector departments such as the Provincial Department of Transport are playing a key role through an expanded public works programme for road maintenance and construction. In dealing with the issues of women's community-based organisations, the Speaker agreed that nothing much has been done. However, a gender committee had been established shortly before by the Municipality, and it would be dedicated solely to women's issues and empowerment of women. The Speaker argued that tradition and culture has had an impact in the marginalisation of women.

- The Speaker indicated that they, as the Council, were aware of local economic development initiatives such as the Sonqoba African Widow Organisation and the Inyoni Craft Centre Women project. The Speaker added that they encouraged women to form cooperatives so that they are easily identified, however very little has been achieved.

- The last question dealt with the challenges that are faced by the Municipality in implementing local economic development to include unemployed rural women. The Speaker mentioned the following challenges:

- Financial constraints that prevent the Municipality from making inroads;

- Shortage of Skills in the Municipality;

- Lack of a Business Advisory Centre with regard to the formation of companies and filling in of the tender documents;

- The state of local economic development as it stood in the municipality had no impact on the man on the street.

- The Speaker pointed out that little of significance had been achieved with pro-poor LED; it stills boiled down to the problem of financial constraints.

- In addressing future challenges of LED in the municipality, the Speaker pointed out that IDP enabled the Municipality to secure R132 million in funding from sector departments for urban renewal: more jobs are to be created; this will boost revenue and therefore appeal to the women on the street.

5.4.3.3 Interview and discussion with the Local Economic Development officer

On 6th November 2008 the researcher interviewed the Local Economic Development Officer. The questionnaire and answers reflecting this discussion are attached as Annexure 4. This section will deal with the questions closely related to LED, research question and research problems.

5.4.3.4 The main findings from the interview

- The first question dealt with the understanding of the concept of LED. The LED Officer pointed out that it is a programme that is aimed at the economic empowerment of SSMEs, cooperatives and tourism structures.

- The issue of community participation, particularly in LED issues, was raised by the researcher and the LED Officer pointed out that not much has been done, but that they are in the process of engaging the Provincial Department of Economic Development and Umfolozi College, to train community-based organisations and small businesses.

- The LED Officer pointed out that LED initiatives for women are not directly facilitated by the Municipality, however they know about them and nothing has been done for them. The LED Officer added that a database has been compiled for cooperatives and women's community-based organisations.

- The question of the Municipality giving direct support to the LED initiatives started by unemployed rural women was also raised during the interview. The LED officer pointed out that they were not giving them direct support at the time; they were doing it together with other sector departments.

- The LED Officer explained that they had not yet engaged all the LED stakeholders in a bid to alleviate poverty and in the creation of jobs; they were planning to engage relevant stakeholders.

- The LED Officer pointed out that the financial position of the municipality was not good, in that there was not enough revenue in the municipality. The LED Officer commented that they had identified potential private sector and business partners in issues of LED; the companies that had been identified were Sappi, Ithala and Zululand Quarries.

- The main question for the research was: What are the problems encountered by the LED Unit in implementing LED initiatives and programmes for unemployed rural women? The LED officer mentioned the following problems:

- Incapacity / lack of human resources in the Unit. As it stood, the Unit was understaffed.

- Lack of financial resources to pursue LED programmes,

- Poor coordination of the LED programmes because Councillors do not understand what LED is about, Councillors need to be educated about the concept of LED,

- Lack of funding from the Sector Departments to assist LED initiatives.

- The LED Officer's recommendations for future challenges comprised the following :

- Mandeni Municipality had to play a meaningful role in LED,

- Had to have a separate Budget for LED programmes,

- The Municipality needed to have a Business Information Centre to assist Small, Medium and Micro Enterprises and assist emerging entrepreneurs,

- Create a platform for local women to procure goods and services through the municipality by forming cooperatives and rendering cleaning and maintenance services,

5.4.3.5 Interview and discussion with the Director of LED

On 6th November 2008, the researcher interviewed the Director of LED in the municipality. The questions and answers are attached as Annexure 5 of the thesis. This section will cover pertinent questions to the research problem and research question.

5.4.3.6 The main findings

- The LED Director pointed out that an enabling environment must be created for the private sector and business in order to develop the local economy.

- The Director pointed out that they have recently adopted the LED strategy and it was necessary for the municipality to have it first, before any major LED steps could be taken.
- The role played by the municipality in LED initiatives by the local people, particularly women, is not significant, so much so that the Director pointed out that nothing had been done but future partnership with KZN Wildlife and other stakeholders would enable them to play a meaningful role.

- With regard to whether or not the municipality had achieved its LED-intended objectives, the Director lamented that nothing had yet been achieved. However, with the LED strategy in place they hoped to achieve LED-intended objectives. In addition to this, the LED Unit was in a process of developing Tourism and SSME strategy.

- The Director pointed out that 2 % of the milestones had been passed, however a major Industrial Area was required to create jobs so that LED could impact significantly on people's lives and have an impact on the man on the street. The Director added that there was a need to market the town and make it a business destination by increasing shopping malls to impact positively on the gross domestic product for the area.

- The major challenges facing the municipality in implementing pro-poor local economic development according to the Director LED are as follows:

- Public Private Partnership,

- Inability to attract private investment,

- Poor Marketing of the municipality,

- Poverty alleviation is the main challenge in the area, as many people are unemployed. Entrepreneurship skills, types of training, people to be trained are needed,

- Shortage of funds.

5.4.3.7 Interview with the IDP Manager

On the 10th November 2008 the researcher interviewed the IDP Manager. The interview questions and answers are attached as Appendix 6. This section covers questions that are closely linked with the research question.

5.4.3.8 The Main Findings from the Interview

- In as far as the understanding of Mandeni Municipality of the concept of developmental local government is concerned, the IDP Manager pointed out that they fully understood that the Municipality had to be developmental in whatever it does; opportunities to facilitate development had to be created, however the main factor that hindered development was political differences and intolerance.

- A question concerned whether or not the Mandeni Municipality had achieved its role as developmental local government in engaging communities in the IDP matters. The IDP Manager pointed out that, after the 2006 elections, when the IDP was drafted; ward-based community meetings were held. All the development projects were informed by the community. In addition 50 % of the IDP Projects had been implemented and feedback given through IDP review meetings.

- According to the IDP Manager, the concept of LED can be defined as a collective effort of engaging a range of stakeholders, local communities, the private sector, and the public in an effort to improve economic conditions and the performance of the Municipality. It should not be a one-man show. It is a crosscutting issue in that it involves all aspects and gives people economic opportunities.

- The IDP Manager pointed out that five key LED issues are covered in the IDP, namely infrastructure, water, electricity, roads, creation of business opportunities, and the environment in a social compact agreement. In addition, youth and women formed the largest segment of the population in the municipality and all projects needed to benefit them.

- In as far as Local Economic Development was planned, The IDP Manager asserted that it followed the bottom up approach, and added that when the IDP was drafted communities made significant inputs through ward based meetings.

- The problems associated with implementing LED programmes in the IDP as outlined by the IDP Manager are as follows:
  - Lack of capital funding
  - Lack of commitment from the local community and lack of drive due to demotivation on account of issues of service delivery
  - Lack of capacity in terms of personnel
  - Lack of finance from the Municipality

5.5 CONCLUSION

Leedy and Ormrod (2005:2) describe research as a systematic process of collecting, analysing and interpreting information in order to increase our understanding of the phenomenon that engages our interest or concern. Research is a viable approach to a problem only when there are data to support it (Leedy & Ormrod, 2005:88). The authors further assert that research seeks, through data, to discover underlying truth. Information

gathered for this chapter is fundamental to presenting the results about the state of LED in the Mandeni Municipality, as well as to drawing the necessary deductions, presenting the findings, and making recommendations in the conclusion to the research hypothesis. This chapter has presented the necessary data collected from the two focus groups, the Speaker of the Municipality, and three officials. The collection of data in this chapter answers the main research question of this thesis, and confirms the research hypothesis as well as the research problem.

Apart from the secondary data gathered specifically and presented in Chapter 2 and Chapter 3, this chapter presented the primary data. The collection of data reported in this chapter adds a valuable contribution to the research and presents a clear picture of the state of local economic development initiatives for unemployed rural women. In answering the research question about the problems encountered by the Mandeni Municipality in implementing local economic development programmes for unemployed rural women the following came to the fore as the factors that hinder the implementation of LED programmes:

- Lack of capacity
- Lack of funding
- Poor coordination of community-based local economic development;
- Lack of strong partnership between community-based women's organisations and the Municipality;
- Non-existence of local economic development programmes targeting unemployed rural women and;
- Incapacity of personnel

The research problem for the study above all categorically stated that LED programmes targeting rural women of the Mandeni Municipality are invisible, and LED initiatives by women are operating in isolation from the Municipality. The problem statement was confirmed when the data was gathered. The research that was conducted attempted to answer the research question and indeed confirmed the problem statement of the study. The next chapter deals with the analysis of the results, provides a summary of chapters, and presents conclusions and recommendations.

CHAPTER 6

CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

This chapter provides a summary of the other chapters in the thesis. The summary is followed by the analysis of the research results, linked to the theoretical framework. The last section of this chapter will provide the conclusions that were drawn and offer recommendations with a view to further study.

6.2 SUMMARY OF CHAPTERS

Chapter 1 describes the background to and the rationale for the study. It further states the research problem for the study, presents the research questions and research objectives, as well as the research design and the methodology. The last section defines the key concepts of the study, followed by a brief outline of chapters.

Chapter 2 firstly dealt with the theoretical framework for LED, by citing the historical perspective on LED. The chapter furthermore dealt with development theories, followed by the concept of participatory development. Secondly, Chapter 2 looked at the theoretical analysis of the concept of LED, and an evaluation of the developmental role of Local Government. Thirdly, the chapter focused on the role of LED in municipalities, as well as the notion of pro-poor LED. Lastly, the chapter closely examined women and LED, and tourism as a LED response

In a number of cited cases concerning women and LED in this chapter, it was shown that women are still marginalised, yet they play a considerable role in the economy. The study by McEwan (2003:473) suggests a general failure on the part of local government to inform or educate communities about the possibilities of participation. The issue of people-centred development is raised in this chapter through references to different authors and the necessary legislation. Nel and Rogerson (2005:6) have argued, as shown in this chapter, that local government is required to take the leadership role in involving and empowering citizens and stakeholder groups in the development process to build social capital and to generate a sense

of common purpose in finding local solutions for sustainability. This chapter further portrays women as critical role players in the economy by citing the example of Uganda's women farmers who produce 80 % of the food crop and 60 % of traditional farm exports such as coffee, tea, cotton, sugar and tobacco (Snyder, 2000:10).

It is clear from the literature review that community-based strategies associated with a new, more sustainable LED paradigm emphasise the importance of working directly with low-income communities and their organisations (Bond, 2005:63). The chapter concluded by pointing out that the goals of LED tend to revolve around a set of common issues of job creation; empowerment; the pursuit of economic growth; community development; the restoration of economic vitality; and diversification in areas subject to recession; and also establishing the locality as a vibrant, sustainable economic entity, often within a global context (World Bank, 2001, in Nel & Rogerson, 2005:5).

Chapter 3 assesses the contextual framework of LED with particular reference to the South African policy context. The practice of LED by the South African Municipalities is examined, and a link between Tourism and LED is discussed. Lastly the chapter looks at the way forward for LED concerning how it can be successfully implemented. Statements by different authors discussed in Chapter 3, e.g. Nel and Rogerson, suggest that reviews of the status of LED within local government areas in South Africa indicate that formal LED, as opposed to community variations, is still in its infancy and few local governments or other agencies can be said to be actively engaged in LED at present. Rogerson (2005:82) has suggested that an increasing number of interventions in South Africa have been introduced since 1994, which have sought to address rising levels of poverty and unemployment through LED measures.

Nel (1998) has outlined four variants of LED (in Nel, 2001:7) that are discussed in Chapter 3 and are currently in existence in South Africa namely;
- Formal local government initiatives – which parallel traditional northern thinking and, which, to a large degree, overlap with government policies on the topic as detailed in its policies.
- Community-Based / Small-Town initiatives often developed as a result of NGO facilitation and support.

- Section 21 Development Corporations – i.e. where a company "not for gain" operates to promote local development within a selected spatial area.
- "Top-Down" LED in which government, usually at the provincial level and/or various national organisations attempt to catalyse and support local initiatives.

Chapter 3 also discussed the positive impact that tourism has on LED. Gardyne, Hill and Nel (2005:122) pointed out, as reported in Chapter 3, that tourism is seen to have the ability to play a key role in the development of many rural areas that possess a rich natural or cultural heritage. The chapter looked at other municipalities in South Africa and at how they plan their LED activities. A Primer (2003:10-13) quoted in Phago (2005:133), suggested five strategic planning processes necessary to guide LED initiatives, namely:

- Stage 1 – effort of organising.
- Stage 2 –local economic assessment.
- Stage 3 – creation of LED strategy.
- Stage 4 – implementation of LED strategy.
- Stage 5 – reviewing of LED strategy

The chapter also cites the policy framework for LED to which Rogerson (2007:5) responded by saying that one of the key shortcomings in current policy is the failure to recognise the inability of the vast majority of local governments in the country to operate in a manner consistent with the urban efficiency model. Rogerson (2007:6), as discussed in Chapter 3, observed that the current government policy does not appear to be particularly supportive at the present juncture given that:

- Small centres are often too under-resourced and economically stressed to provide the desired levels of services and infrastructure intimated in the Framework documents.
- Emphasis placed on community-based development will be inhibited by the frequent out-migration of the most skilled members of local communities and the extremely limited nature of local buying power to support such initiatives in what have often become pension-driven local economies.

Chapter 3 concludes by pointing out that while partnership with non-public sector organisations does feature in policy documents, there needs to be far greater recognition of the potential of the private sector, community-based organisations and non-governmental

organisations to embark on LED, whether at regional, local authority, suburban, village or neighbourhood level (Nel & Humphrys, 1999:286). In conclusion, the chapter refers to Nel and Rogerson (2007:10) pointing out that calls for improved infrastructure, services and governance and the promotion of various forms of enterprise and community support, as stated in the 2006 LED framework, are very difficult to respond to in large numbers of small town municipalities which are inadequately staffed and resourced and are reliant on the annual prospect of an equitable share allocated from nationally raised revenues.

Chapter 4 reports a close look at the Mandeni Municipality as a case study for the research by citing the demographic factors and the geographical location of the Municipality. The next section in the chapter deals with the state of LED in this Municipality, as well as the LED programmes in the IDP of the Municipality. The last section looks at key areas in the LED strategy of Mandeni Municipality, and major planned developments associated with LED. The chapter portrays Mandeni Municipality as a future development destination given its central location between the City of Durban and Richards Bay, cities that have major ports in KwaZulu-Natal. The proposed establishment of Dube Tradeport and King Shaka international airports places the Mandeni Municipality at the advantage of economic opportunities and growth. In addition, this chapter focuses on economic and social challenges to the Mandeni Municipality. The chapter draws a clear picture of the state of LED in Mandeni Municipality, showing that it is still in its infancy: with the LED strategy recently developed, much more needs to be done towards implementing the strategy. In addition, the municipality also has a number of LED projects listed in the IDP which still need to be implemented.

Chapter 5 evaluates LED initiatives for unemployed rural women. It also deals with the research methodology for the research and gives a brief outline of the two focus groups selected for the research. This chapter answers the research question in the form of data collected from the two focus groups, three expert interviews, and an interview with the Speaker of the Municipality. This chapter presents useful information gathered for the research which is discussed in Chapter 5 and provided in annexures to the thesis. Chapter 5, in presenting information from the interviews with the respondents, shows that very little has been achieved as far as LED is concerned in the Mandeni Municipality.

Chapter 6 provides a summary of all the chapters in the thesis, an analysis of the research results, linking this with the theoretical framework. Lastly, this chapter provides the conclusion and recommendations for further study o the basis of the research findings.

6.3 ANALYSIS OF THE RESEARCH RESULTS

This section deals with the analysis of the research results obtained from the previous chapter through the respondents, and it is linked with the suggestions and main findings of the theoretical framework on local economic development in Chapters 2 and 3. The results are presented in table form below. Column 1 referred to as the key LED performance areas, presents the theoretical framework from Chapter 2 and Chapter 3. One of the key findings in chapter 2 from the theoretical framework is that Women are the critical role players in LED, because of their ability in initiating community-based economic development projects and knowing to perform multi-task activities. The key finding from chapter 3 in the contextual framework is Local municipalities are faced with serious challenges of translating LED policy objectives into practical actions to pursue the programmes due the shortage of funds The primary aim is to measure the theoretical framework against the practice of led by the Mandeni Municipality.

Column 2 in the table looks at the ability of the Municipality to implement LED programmes based on the key LED performance, as extracted from the theoretical framework. The third column presents the involvement of the Municipality with LED issues or activities based on the theoretical deductions. The last column, which is Column 4, shows the LED achievements of the Municipality, based on the main deduction from the theoretical framework.

Table 6.1: LED Assessment of Mandeni Municipality

Key LED performance Areas	Mandeni Municipality ability to implement LED programmes	Mandeni Municipality involvement in LED activities	LED achievements in the Municipality
Local government should have sufficient LED structure in dealing with pro-poor LED programmes.	LED structure in the municipality lacks the capacity to implement LED programmes because there is a vacancy for a LED Manager that is not yet advertised. There is only one officer who is responsible for all municipal wards and the location of	The structure of the Municipality allows only two people; this makes it impossible for the Municipality to perform LED functions and implement programmes.	According to the Expert interviews they all indicated that there is very little that has been done with regard to the pro-poor LED. In addition there is a shortage of personnel as well as the

	LED with regard to Corporate Services is another factor that hinders the implementation of pro-poor LED programmes.	According to the Municipality-adopted Organogram it caters only for One LED Officer. This was clear in the expert interviews that there is a lack of capacity	vacancy of the LED Manager.
Community-based strategies associated with more sustainable LED paradigm with emphasis of working directly with low-income communities and their organisations.	The Municipal officials interviewed indicated the lack of funds, lack of capacity of personnel as the main factors hindering LED programme implementation and working with low-income communities.	The low-income communities interviewed, which is Sonqoba Widows Organisation and Inyoni Craft indicated that Mandeni Municipality has done nothing for capacitating their projects and working with them.	Very little progress has been made by Mandeni Municipality in working directly with the low-income communities.
Local economic intervention strategies need to be well planned and coordinated so that they respond proactively to challenges facing poor communities.	The municipality did not have LED strategy in place; in 2007 it adopted one. The absence of the strategy made implementation of LED programmes impossible.	The information gathered by the researcher indicates that there are poor strategies for pro-poor LED in the municipality.	Local economic intervention strategies are unavailable and do not directly touch poor communities. However, LED strategy implementation will make this possible.
Alternative ways of promoting LED such as tourism need to be well in place to make a significant contribution to how best to attract local tourists.	The absence of the tourism strategy, as decried by the Director of Corporate Services, and LED is the main impediment in implementing LED programmes.	The Municipality is currently working on developing a tourism strategy. The Inyoni Craft Women organisation specialising in tourism has not received any benefit from the municipality. They need the Municipality to negotiate with tourist coaches to pass by where there are working.	The Municipality has much potential for tourism but there is nothing in place as an alternative to LED in working with poor communities. In the adopted LED strategy tourism is one of the key LED strategies.

Development agencies should work closely with local people because of their indigenous knowledge of areas, together with their strengths and weaknesses.	The municipality is not working with development agencies, in particular with regard to LED issues, and has not implemented anything with the help of development agencies.	The National Development Agency is working with the Sonqoba Widow Organisation and has donated two sewing machines and fenced their garden. The Municipality at the moment is not working directly with Development Agencies.	Nothing in particular has been done towards LED.
A high level of intergovernmental co-ordination, not only between national government departments, but through all spheres of government.	The Municipality, together with the Department of Agriculture, has managed to supply gardening tools and seeds for local people in their community gardens. The municipality is hoping to work with other government departments in connection with LED programmes.	The Municipality has worked with the Provincial Department of Agriculture in supplying seeds and gardening tools two years ago to the local Municipality. The National Treasury, Provincial Department for traditional and local government committed funds for the Mandeni urban renewal programme. They also intend working with the Department of Economic Development at provincial level for the training of Women Cooperatives.	Very little progress has been made in that the seeds and garden tools did not benefit all community-based organisations in all 16 wards. However, the community welcomed it, with mixed feelings.
Comprehensive strategic planning process is necessary for advancing and strengthening LED activities.	The Municipality has been unable to implement LED programmes in the IDP due to lack of funding from the sector departments and inability of the Municipality to raise revenue from to the public.	There are a couple of LED programmes in the IDP; however the majority of them have not been put into action.	Very minimal progress has been made with regard to the implementation of LED programmes as outlined in the IDP.
Improvement of the delivery infrastructural services to poor communities plays a critical role in support of poverty alleviation.	The lack of implementation of the LED programme is attributed to the lack of funding, incapacity with regard to human resources, and the absence of a LED Manager.	At the moment, the Municipality is lacking financial resources and enough human resources to implement LED programmes. There is only one LED officer and a Director in a Municipality that has 16 wards of which the majority are rural wards.	Lack of enough LED resources hinders the implementation of LED programmes.
Regional integration and coordination between spheres of government and other levels of local government requires attention in LED.	The Ilembe District Municipality has not yet funded the local Municipality to implement LED programmes	The Municipality is working with the Ilembe District Municipality; however it has not borne enough fruit.	There seems to be poor regional coordination on LED matters, yet LED meetings and workshops are held together however there are no tangible results.
It is essential that government clarifies the aims of LED and realistically assesses what is likely to be achieved.	The municipality has not engaged the community and municipal officials in clarifying what LED is and what it aims to achieve. The majority of community members are not aware of the LED concept.	In terms of the LED strategic plan of the municipality the concept is clearly articulated. However, the LED officer suggested during the interview that all councillors and the whole community need to be educated about LED and what it is likely to achieve. It was clear during the interviews with the two focus groups that the majority of the members did not understand what LED is about and what it does. Some Municipal officials do not understand	The Municipality has not attempted to educate local people about LED.

		LED concepts	
LED policy needs to take on a specific focus towards the needs of small centres.	Though it has not been implemented as yet, it needs a high degree of commitment from the councillors and officials.	Mandeni Municipality as a small centre its LED Policy must take into account its strengths and weaknesses. The present LED strategy of the municipality does take into account municipal strengths and weakness.	The Director during the interview was confident that once the LED strategy will try to take everything into account. No progress has been made so far.
LED in South African Municipalities needs to be staffed with qualified personnel in order to drive and translate LED objectives into reality.	The lack of capacity of personnel in the Municipality is always cited as the main barrier to implementing LED programmes according the expert interviews.	The LED officer in the municipality has a Bachelor's degree; However, she did not specialise in local economic development was transferred from administration support to the LED Unit. The LED officer indicated that she organised workshops organised by the district and other government departments. The LED Officer is not yet adequately capacitated with regard to LED trends.	The LED Officer pointed out during the interview that One LED Officer is not enough to cover all 16 wards. The Municipality is very backward in the issues associated with LED it really needs suitable and qualified personnel
There is a need for strong community partnership with local government institutions in LED issues.	Community partnership has not been implemented in LED matters. According to the officials interviewed the strategy will enable the municipality to implement community partnership.	The municipality is not in partnership with the community on LED issues	Focus group interviewed indicated poor partnership with the municipality.
Municipalities need to formulate their own local economic development policy framework, which will serve as a guide to how issues of LED are to be handled.	It is yet to be seen how the municipality will implement its LED strategy. Committed officials will be needed for implementing LED strategy.	Mandeni Municipality adopted a local economic development strategy in 2007.	
LED should take into account the unique context of the municipal area with regard to physical aspects, geographic location, local economy and employment structure, the local population and labour market for partnership.	It is pointed out in the LED strategy that the Municipality lies in the development corridor of the Port of Durban and Richards Bay as well the newly proposed King Shaka International Airport and Dube Trade port. Its location presents a lot of economic opportunities and will enable the implementation of LED programmes to be meaningful.	The LED strategy for the Mandeni Municipality does take into account the geographic location, physical aspects, employment structure, local economy and the local population.	
Support of community based local economic development initiatives.	According to the Municipality, the lack of funding blocked them when it came to funding the local economic development initiatives.	According to the two focus groups that were interviewed, the Municipality has not supported them with regard to their local economic development initiatives. There is a strong feeling that the Municipality has neglected them for a very long time and they blame the Municipality for the fact that they do not understand what LED is about. The Sonqoba focus group cited	No progress made

		a case of the Municipality not supporting them in watering their garden and expecting them to pay for water.	
Local government needs to establishment SMMEs to enable the local economy to grow.	No implementation as yet; it is hoped that after the strategy has been developed, there will be implementation	The Municipality is currently working on developing an SSME strategy.	The SSME strategy according to the Director in an interview will make for the Municipality to work with SSME.No progress has been made yet.
The creation of a Business Information Centre will enable local people to access business information on how to establish and grow their businesses.	No implementation as yet.	The Municipality has not made any effort in this regard; however, the strategy will seek to address this.	According to the expert interviews lack of funding is the main barrier in making an impact in LED to the man on a street. No progress has been made yet.
Local government needs to conduct and coordinate LED training workshops to the community-based LED organisations.	The Municipality has not implemented training workshops targeting women though it is reflected in its IDP that women cooperatives need to be given training.	The Municipality has not conducted LED training workshops, it was evident from the interviews with the two focus groups that they did not attend any training workshops organised by the municipality except for the training organised by the Sector Departments	According to the interview with the Director the absence of the LED strategy made it impossible for the Municipality to conduct training workshop this resulted in progress made by the Muncipality
Local government must initiate, organise, and coordinate LED programmes for the benefit of the local people	Since the Municipality has not initiated anything that can be regarded as its brainchild, it is clear that no implementation action has been taken.	The Municipality has not initiated any LED programme that can be regarded as its brainchild, however it does coordinate and organize with government sector departments	The Municipality has been unable to coordinate LED programmes that will benefit the local people. The Director and Speaker pointed out that LED is still at the infancy stage and there is still no progress

6.4 DEDUCTIONS AND RECOMMENDATIONS

It is clear from the above LED assessment, that there is a gap between the theoretical framework and the practice of LED in the Mandeni Municipality. There is much that needs to be done to bridge the gap between the theoretical planning for LED and the practice of LED. Local economic development goals can be achieved easily if the theoretical framework can be monitored and evaluated on a regularly basis. Below are the recommendations for LED practice in Mandeni Municipality:

1. Restructuring of the LED Unit

- The Municipality needs to advertise the position of the LED Manager so that LED programmes can be well managed, coordinated, and controlled, together with the supervision of personnel in the Unit. The LED Unit will have to be in line with the

National Framework for LED 2006-2012 to implement the LED programmes in accordance with the framework.

- More financial resources will have to be committed by the Municipality in the LED Unit budget for LED programmes implementation

- The LED Unit in Mandeni Municipality will need to be moved from the Directorate of Corporate Services and be independent, or, alternatively, to be transferred to the Office of the IDP Manager. As things stand in the Mandeni Municipality, the IDP falls under the office of the Municipal Manager.

- Development Planning directorate or Section will need to be established so that all developments will be coordinated in a single directorate. This will mean that the IDP Manager and the LED office will work together closely to ensure that all LED programmes in the IDP are implemented.

- The office of the IDP will need to appoint a Development Officer to assist the IDP manager as there appears to be an overload of work.

- One LED officer is not sufficient and more will need to be incorporated in the LED structure to deal with issues of pro-poor LED and issues associated with rural development, poverty alleviation and capacitating community-based LED projects by meeting people and identifying their needs. The LED officers will also need to deal with issues concerning Small, Medium and Micro Enterprise Development, urban development strategy, job creation strategies, and liaising with various LED stakeholders.

- Learnerships for LED will need to be created to address the above issues.

- Above all, suitably qualified personnel with qualifications in Development, Economics and Public Administration will need to be recruited to address LED matters as it has emanated from the research that there is a lack of capacity among personnel.

- In addition, a Tourism Officer will need to be appointed, as this area has potential for tourism growth. The focus of the tourism officer will be solely dedicated to all

aspects and challenges of tourism, including working with sector departments on tourism, NGOs, CBOs, and tourism agencies.

- The LED forum needs to be moved from the office of the Speaker and be placed under the new directorate of development planning. In addition, the portfolio committee and the LED forum need to work closely with the LED Unit, as there is poor collaboration at present and its scope of work should be squarely dedicated to LED issues.

- The Municipality needs to advertise the position of LED Manager so that LED programmes can be well managed, coordinated, and controlled together with the supervision of personnel in the Unit.

- Community development workers need to be moved from the office of the speaker and integrated in the new directorate of development planning, so that issues of development in the Municipality will be integrated in a single directorate. Community Development Workers can assist the IDP and LED Unit with development needs in their wards in order to make informed decisions, and come up with sustainable integrated development implementation.

2. Pro-Poor LED programmes targeting Women

- The LED Unit needs to regard women as critical role players in LED, because of the enthusiasm they have shown in initiating income generating projects and their ability to use their hands in doing work for themselves.

- The LED Unit will need to ensure that community-based LED programmes targeting poor communities are implemented because of the high level of poverty in the area, as well as high rate of unemployment which is recorded at 47 % while employment is at 53 %.

- Sustainable LED programmes working directly with low-income communities and their organisations need to be monitored and evaluated to see whether or not it makes an impact. The LED Unit will need to develop the monitoring and evaluation framework of the pro-poor LED.

- The Municipality can create jobs through the procurement of goods and services from women's cooperatives, and women's community-based LED initiatives such as cleaning services and general municipal maintenance for the collection of waste and refuse.

3. Continuous review of the LED strategy in Mandeni Municipality

- Local economic intervention strategies, according to the LED strategy, need to be regularly monitored and evaluated; if necessary, the strategy will need to be reviewed yearly to see if is achievable or not.

- The strategy needs to put strong emphasis on pro-poor LED to alleviate poverty and capacitate community based local economic development for the unemployed.

- The LED policy and the LED strategy will need to take into account the nature of the Municipality together with its people's strength and how to use the strength of the area and its people in order to generate more employment opportunities and economic growth.

- In addition, the Municipality needs a high level of commitment from the LED Unit in implementing LED strategy; however, as the situation stands, with one LED officer and a Director, it is apparent that ambitious strategies outlined in the strategy document will not be realised.

4. Local Tourism as a local economic development response

- Tourism as an alternative to LED needs to be aggressively implemented, for example, the construction of *Umuzi Wase Ndondakusuka* as a heritage site, where the Zulu battle was fought.

- In addition, the revival of Ingwenya Nature Reserve will need to be fast tracked, with a resort built next to it to attract tourism, and allowing local women to sell their tourism products to the tourists.

- The Municipality needs to negotiate with tourism coaches to pass by the Inyoni Craft Centre, so that the Inyoni Craft Women project can benefit from tourism.

- The appointment of a Tourism Officer will make it possible for all tourism-related issues to be properly addressed and well-coordinated with other tourism stakeholders.

- The two focus groups showed amazing talent, confidence and creativity in their work; however' they feel unnoticed and neglected by the Municipality. If the Municipality cannot support them, it must work with other government sector departments in supporting and capacitating them.

5. Public-Private Partnership

- A strong public-private partnership needs to be formed by the Mandeni Municipality and private companies that are located in the Municipal area, such as Sappi Kraft Tugela Mill, Metso, Whirlpool, Nampak, Ithala Development Estate, Zululand Quarries, etc., and a memorandum of understanding needs to be signed outlining how they are going to work together.

- In terms of corporate governance, private companies have a social responsibility to the community and should therefore strive to create partnerships within the communities. The municipality must take advantage of that, and establish formal agreements concerning how the private companies are going to contribute to poverty alleviation and creation of local employment. They must not only work together for special events, but maintain and sustain these partnerships to continuously create local employment, funding of local community development projects through funding.

- The municipality has not worked with any Development Agencies; therefore it needs to identify potential development agencies such as the Independent Development Trust, Mvula Trust, and the National Development Agency to form partnerships in working and assisting local community development projects through funding.

6. Intergovernmental Coordination

- A high level of intergovernmental co-ordination is recommended for Mandeni Municipality to effect implementation of LED programmes.

- Working together with other government departments will enable the municipality to implement fundamental LED programmes that they cannot implement on their own, due to a lack of funding and other resources.

- Regional integration and coordination between spheres of government need to be facilitated by the Municipality, in particular with the Ilembe District Municipality for better coordination and assistance with the implementation of LED programmes.

7. Workshops on Local Economic Development

- The Municipality needs to educate and inform all the stakeholders about LED, for instance officials, councillors, community-based LED organisations, because there is still a lack of understanding about the concept of LED, even with some officials of the Municipality, as to what it hopes to achieve.

8. Community Partnerships

- A need for a strong community partnership with the Mandeni Municipality and community-based organisations is identified. Forming such a partnership is recommended so that it will familiarise community members with how local government operates, because during the interviews the focus groups showed a lack of understanding of how local government operates.

- The LED National Policy framework calls for local government to work closely with the local communities. The Municipality will have to adopt that because it is a legal mandate.

9. Strong Support on Local economic development initiatives

- There is a need for Mandeni Municipality to support LED initiatives with funding as well as by capacitating them with basic project management skills, and financial management skills using accredited training service providers, so that the local economic development initiatives can expand.

- As pointed out in the interviews with the focus group, their project could expand and grow considerably if they could receive some form of assistance from the Municipality.

10. Creation of the Business Information Centre to Support local SMMEs

- There is a need for the Mandeni Municipality to encourage Small, Medium and Micro Enterprises and support them by working closely with the Department of Trade and Industry, Finance, Department of Finance and Economic Development in the Province, Small Enterprise Development Agency, and Khula Enterprise in capacitating the local SSMEs.

- In addition, the Municipality needs to create a component of a Business Information Centre to enable local women entrepreneurs to access relevant business information, because the main factor that hinders the development and growth of community-based local economic development organisations is the lack of access to relevant information.

11. Innovation in handling LED programmes for women

- The Municipality needs to be innovative in creating its own sustainable community-based LED programme targeting women in all the wards, which will be regarded as its brainchild, and make it known to the community, so that LED programmes can be visible to the community.

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ANNEXURE 1

Questionnaire for the Focus Group Sonqoba Widows Organisation

Instructions for filling in the questionnaire

a) Tick the applicable answer (s)

b) Use spaces provided to write your answers to the questions. Please Print.

c) Please, do not leave blank spaces. If the question does not apply please indicate.

1. Who are the project founders?

    The project was founded by 5 widowers and it expanded to the number of about people.

2. When did the project started?

    It started in 2001

3. How many are you in this project?

    When we started we were about 22 members but now the number has been reduced to 10 members because we no longer receive the stipend from the Department of Arts and Culture.

4. Are there any of you in this project employed fulltime or part-time?

    No we are fully dedicated to this project, and the majority of us are unemployed.

5. What motivated you to start this project?

    We started as a fellowship and a support group because we had the common problems that our husband's died. We felt that it was not enough to meet and share problems, we decided to take the project to a level of the income generating project, primarily because our husband who were the breadwinners were no longer there, in order to provide food for our families.

6. What is the main aim of the project?

    The aim of the project is to generate income and provide food for our families and to alleviate poverty

7. What does your project actually do?

    The project scope of work covers the following, traditional attires, dress making, traditional shoes, craftwork, beadwork, decorations, bags, calabash, traditional pots, dishes, gardening project which is about 7 hectares and the other side which is about 5 hectares.

8. What are your daily duties in this project?

   We gathered daily to do our work of making traditional attires, craftwork, beadwork, decorations, and traditional attires in order to sell them to our potential customers.

9. What drives this project?

   It is the love of the work that we do on a daily basis.

10. Has this project received any form of support previously from other governmental non governmental organization and private sector, and what was the kind of support?

    We received funding in a form of assistance from the Department of Arts and Culture who provided us with the stipend as the National Development Agency who fenced our garden and gave us two sewing machines, and Ilembe District Municipality who gave us three sewing machines.

11. At the moment who is supporting the project?

    No-one is funding the project at the moment it is self-sustaining, however we occasionally work with the National Development Agency

12. Are you aware of public and private institutions that can support your project? Yes we are aware sometimes we do not know who to approach.

13. Do you know government commitment in empowering women project?

    Yes we always hear about it, and we see other municipalities empowering the women project, and we do not understand why Mandeni Municipality do not support us. We believe in other places it is something that is happening.

14. Do you understand the concept of local economic development? Yes { } No { X}

15. How do you define local economic development?

    No we do not understand this concept, we always hear about it. May be we would have understood it better if something tangible was happening on local economic development.

16. Do you understand how local government in general operates? Please explain

    We are not clear about how local government operates, however when we attend workshops for women organized at provincial level, it is then we get to know how local government operates. However when we ask questions in the workshops, the workshop facilitators often refer us to our local municipality, and we do not get anything from the municipality.

17. Do you know that in South Africa municipalities are encouraged to work with communities, and promote community participation and community partnership particularly in issues of local economic development?

Yes it is something that we always hear about over the media, but we do not see anything from the municipality.

18. What is your relationship with the Mandeni Municipality particularly LED UNIT?

There is no relationship between us and the LED UNIT except the use of the hall.

19. Have you introduced your project to the Municipality? Yes [X] No [ ] If yes what was the respond? If no Why

In 2002 there was an official launch of the community based project and we were part of that launch. The Mandeni Municipality knows about us very well

20. Have you spoken to your ward councilor about your project? Yes [ ] No [X] If yes what did he or she say? And if no why you didn't say anything to him or her

We do not even know our Ward Councillor. Some Councillors are greedy; they may want to dominate our local economic development initiative.

21. Have you communicated with your local community development workers about your project and assistance you need? If so what did he or she say, and if no why?

We do not know them, not even heard about them.

22. Have you registered with the municipality database for community based organizations and non governmental organizations? Yes [X] No [ ] If yes when if no why? Nothing has happened after we registered in the Local and District Municipality database.

23. Have you had a meeting before with the LED UNIT of the municipality? Yes [X] No [ ] and what was the outcome of the meeting?

There were no outcomes only promises that were never fulfilled

24. Have you asked for any form of support in the Municipality? Yes [X] No [ ] If yes what kind of support and what was the response if no Why?

We requested the Municipality to erect a building for us so that we can be visible enough to our potential customers. They promised to erect a building for us and lately they said they had insufficient funds

25. What do you expect from the municipality particularly LED Unit?

To work hand in hand with them.

To support and care for us whenever we need help that relates to LED

Erect a building for us in a visible place so that customers can recognize us

Help us to grow the project so that we can attract our customers

Partnership between the Municipality and Sonqoba Widows Organisation should be created

26. Did you receive any form of training workshop organized by the municipality? No only the one that was organised by the Department of Tourism

27. Do you think forming a partnership with the municipality can help your project to grow?...We believe that should be the first step to be done in order promote good relations between us and the Mandeni Municipality, this can make it possible for us to understand the concept of Local Economic Development better

28. Do you understand the IDP how does it function?

   Not well, Yes we are aware of the IDP and have attended the IDP meetings in the previous years, only when we got an invitation

   29. Have you attended any of the IDP's meetings for the municipality? Yes [X] No [ ] If no why, and if yes when and what was the outcome?...We normally get the opportunity to attend the IDP meetings because its normally held at the Hall, and its easy for us to see that there is something going on at the Hall. Sometimes No-one bothered to inform us that there are IDP meetings and these meetings did had a little significant in our project.

29. Do you have a sustainable market for your project? Yes our Customers are mostly educators, government employees, and private sector employees. We normally get a number of customers when there are traditional functions, such as weddings, 21st birthdays, and during the heritage day

30. Who are your customers in this project? Community Members, Educators, Municipal Officials, Nurses, and Government Employees, and some of them do not pay on time.

31. What are your total earnings of your project? It is normally R5000 a month during the festive holidays and cultural days

32. Does this project provide enough income for you to look after your families? Yes only when there are enough customers, but in generally it makes a difference.

33. Is this project sustainable? Yes this project is sustainable if it can receive enough funds and enough support from Mandeni Municipality it can grow significantly.

34. How do you see this project in the next 5 to 10 years?

   This project has a great potential of growing and many people like our material in spite of our invisibility we get a number of customers

35. What do you think can make this project to grow and provide enough income for your families? This project can grow if we can get support from the Mandeni Municipality and be located in a visible and accessible place by our community

36. Does this project at the moment create jobs for other local people either than you? Yes it does because we employed people in our garden to plant cabbage, spinach and beetroot, and we supplied the spinach to the local Spar Supermarket, we stopped employing them when the both local and district Municipality removed the Water Tanks and wanted us to pay for water. If we can be located in an accessible place we can attract a lot of customers

37. What problems do you encounter in this project? Firstly we are limited because we can only use the hall from Monday to Friday; we cannot use the Hall during Saturdays and Sundays. We have to pay rent to the Municipality for using the Hall. There is no partnership between us and the Municipality. The current place we use for our project is not easily accessible to the community. Our advantage is that we are using Hall, when there meetings, and other municipal functions we get to be known. Some people do not pay on time, and there are urgent request from the public sometimes we do not finish on time because we have to close for Saturdays and Sundays.

38. Do you think that this project can grow to such an extent of creating job opportunities for local people? Yes, it can grow significantly. If we can be relocated to another building and can be seen by the customers. We also need a funding for a tractor in order for us to continue with our garden project.

ANNEXURE 2

Questionnaire for the Focus Group Inyoni Craft Women Project

Instructions for filling in the questionnaire

(a) Tick the applicable answer (s)

(b) Use spaces provided to write your answers to the questions. Please Print.

(c) Please do not leave blank spaces. If the question does not apply please indicate.

i. Who are the project founders?

University of KwaZulu Natal and Environ Def which is a non profit organization

2. When did the project started?

There was an Official launch of the project which was attended by the then Deputy Minister of Tourism and Environmental Affairs on the 05th December 2002.

3. How many are you in this project

We are about 30 members

4. Are there any of you in this project employed fulltime or part-time?

No, we are fully dedicated to this project, and the majority of us are unemployed.

5. What motivated you to start this project?

There is high level of unemployment in the area and believe that the project will alleviate poverty. The government legislation which encouraged women to organize themselves and start community based local economic development project so that they can receive a grant and other forms of support.

6. What is the main aim of the project?

The aim of the project is to generate income and to attract tourist by supplying products that attract tourist.

7. What does your project actually do?

The project scope of work covers the following, traditional attires, dress making, traditional shoes, craftwork, beadwork, decorations, bags, and lamp shading

8. What are your daily duties in this project?

We gathered daily to do our work of making traditional attires, craftwork, beadwork, decorations, and traditional attires in order to sell them to our potential customers.

9. What drives this project?

It is the love of the work that we do on a daily basis and high level of unemployment and poverty in the area and the fact that some of our husband's are not working, we are the breadwinners. To gain more knowledge about beadwork and to supply the Nazareth Church Members, and also to meet different people and share ideas

10. Has this project received any form of support previously from other governmental non governmental organization and private sector, and what was the kind of support?

We received funding in a form of assistance from the Department of Arts and Culture in 2007; it was in a form of money (R50000.000) which helped us to get things off the ground. In addition to this project being initiated by the University of KwaZulu Natal and Environ Def, who erected a building for the project.

11. At the moment who is supporting the project?

No-one is funding the project at the moment it is self-sustaining.

12. Are you aware of public and private institutions that can support your project? Yes we are aware sometimes we do not know who to approach with regard to issues of community projects in the Mandeni Municipality.

13. Do you know government commitment in empowering women project?

Yes, we always hear about it, and believe that in other places government is committed in empowering women project, and we need to know the relevant Department to contact.

14. Do you understand the concept of local economic development? Yes { } No { X}

15. How do you define local economic development?

No we do not understand this concept, we always hear about it.

16. Do you understand how local government in general operates? Please explain

We are not clear about how local government operates, so much that it has promised us a number of things, and when we need help, we receive one and the same answer that there are insufficient funds. It is not easy because it operates far away from us.

17. Do you know that in South Africa municipalities are encouraged to work with communities, and promote community participation and community partnership particularly in issues of local economic development?

Yes it is something that we always hear about over the media, but we do not see anything from the municipality.

18. What is your relationship with the Mandeni Municipality particularly LED UNIT?

There is no relationship between us and the LED UNIT except the use of the hall.

19. Have you introduced your project to the Municipality? Yes [] No [X] If yes what was the respond? If no Why

   No, We felt no need to introduce ourselves because there was an Official launch of the Inyoni Craft Project, The then Deputy Minister (Ms Joyce Mabudafasi) was present, MECs, Government Officials, Municipal Officials, Traditional Leaders, and Councillors, so we see no need of introducing ourselves.

20. Have you spoken to your ward councilor about your project? Yes [ ] No [X] If yes what did he or she say? And if no why you didn't say anything to him or her

   We do not even know our Ward Councillor. We are reluctant to work with Councillors because some of them may want to rule the project and misdirect it from its original aim.

21. Have you communicated with your local community development workers about your project and assistance you need? If so what did he or she say, and if no why?

   We do not know them, not even heard about them.

22. Have you registered with the municipality database for community based organizations and non governmental organizations? Yes [X] No [ ] If yes when if no why? Nothing has happened after we registered in the Local and District Municipalities' databases.

23. Have you had a meeting before with the LED UNIT of the municipality? Yes [] No [X] and what was the outcome of the meeting?

   Not even at District Level

24. Have you asked for any form of support in the Municipality? Yes [X] No [ ] If yes what kind of support and what was the response if no Why?

   They always complain that there are insufficient funds

25. What do you expect from the municipality particularly LED Unit?

   To work hand in hand with them.

   To do more community development and change our current situation

   Help us where we are short of financial support, and enable us to progress

   To negotiate with the Tourist Coaches to come and pass by where we located and buy our products

   To put more signage on the National Road for our products

   Advertise us on the local newspaper Mandeni News and be available on its websites.

26. Did you receive any form of training workshop organized by the municipality? Not Yet.

27. Do you think forming a partnership with the municipality can help your project to grow? Yes they can even guide us on the relevant sector Department that empowers women projects, and they can negotiate with the tourist coaches to come and buy our product. We would definitely like to work with the Municipality though some Councillors like to ask what organization we voted for.

28. Do you understand the IDP how does it function?

No, we really don't understand it

28 Have you attended any of the IDP's meetings for the municipality? Yes [ ] No [X] Not at all.

29. Do you have a sustainable market for your project?

Yes, we normally get buyers from the local tourist as well as local community members, but if local coaches can come and buy product, we can generate a lot of income

30. Who are your customers in this project? Community Members, and Local Tourists

31. What are your total earnings of your project? It is depends on the number of the customers we get, the amount of ranges it is not fixed sometimes its R1000, R600,R500, and believe that if the tourist can come and buy from us, we can make more money.

32. Does this project provide enough income for you to look after your families?

Yes, though it is not enough but it makes the difference.

33. Is this project sustainable? Yes this project is sustainable if it can receive enough funds and enough support from Mandeni Municipality it can grow significantly. If we can be integrated with the Zululand Craft Association, we can make a lot of progress.

34. How do you see this project in the next 5 to 10 years?

This project has a great potential of growing and many people like our material in particular tourists, and we like to supply the international tourists.

35. What do you think can make this project to grow and provide enough income for your families? This project can grow if we can receive more customers in particular the international tourists.

36. Does this project at the moment create jobs for other local people either than you? Yes it does, it also improve skills for making craft and beadwork by unemployed women.

37. What problems do you encounter in this project?

Lack of information and not knowing who to contact with regard to women empowerment and public policy development trends that aims to capacitate the women need a person to keep them informed about Mandeni Municipality developments

Poor cooperation between the Local and District Municipalities

Working in isolation with the LED Unit of Mandeni Municipality

Access to non governmental development agencies for the funding of the project

The Arts Craft Centre is no strategically located so that it can be easily accessible to the international tourist on the N2 road between the City of Durban and Richards Bay

More Signage on the roads for the projects

High level of poverty in the Macambini Tribal Authority Area.

38. Do you think that this project can grow to such an extent of creating job opportunities for local people? Yes, women involved in the craftwork must be grouped together and form a local association which will be fully supported by the range of stakeholders. There should be means and ways for us to get hold of international tourists in order for us to grow the project.

ANNEXURE 3

Questionnaire for the Speaker

Instructions for filling in the questionnaire

(a) Tick the applicable answer (s)
(b) Use spaces provided to write your answers to the questions. Please Print.
©Please do not leave blank spaces. If the question does not apply please indicate.

1.   What is your position in the Municipality?
        Speaker

2.   How many people in your LED Unit?...2

3.   To what extend does Mandeni Municipality, understand the concept of developmental local government?

     The Developmental Local Government should seek to address the past   imbalances and open the doors for the people who were marginalized particularly the Youth, Women, Disabled people, and the poorest of the poor.

4.   Has the Mandeni Municipality achieved its role as a developmental local government? Please explain?   Not much has been achieved; however inroads have been made to formulate policies that are development oriented as per legislation mandate together with other sector department.

5.   How the Municipality does define the concept of local economic development?

     LED should be equitable to everybody that belongs to the Municipality and all people should share the growth, and must strive to address the needs of the Indigent people.

6.   Is there a Councillor responsible for LED in the Municipality?

     Yes [X] No [ ] If Yes to what extend does he or she get involved with LED issues,   if no   Why?

     It must take appropriate resolution; it has delegated powers and initiates certain issues in the Council.

7.   Is there LED forum and portfolio committee in the municipality?

     Yes [X]

     No [ ]

     If Yes what does it do? If No why?

There is a structure responsible for LED which is economic development   planning, community development, housing, and they prioritize the development projects for the needy communities

8.   How far the municipality has gone in empowering local rural unemployed woman

It has not borne the anticipated fruits due to the lack of skills and competencies, Sector Departments such as Provincial Transport are playing a key role through expanded public works programme, for roads maintenance and roads construction

9.   How does the municipality deal with the issues of women community based organization?   Nothing much has been achieved when it comes to that, however a gender committee has been recently established by the Municipality, and it will solely dedicated to women issues and women empowerment.

10.   Are you aware of women local economic development initiatives in the Mandeni Municipality

11.   Yes [X] No [ ]

Very few women local economic development initiatives have emerged, such as Sonqoba Widows project.

12.   What are you doing with women local economic development initiatives issues around the municipality?

We encourage women to form cooperatives so that they can be easily identified, however less has been achieved. There is one Women who owns a Construction Company in Tugela Mouth where development is earmarked

13.   What are the challenges faced by the municipality in implementing local economic development to rural unemployed women

- Financial constraints to enable the Municipality to make inroads
- Shortage of Skills in the Municipality
- Lack of Business Advisory Centre with regard to the formation of companies and   filling of the tender documents
- The state of local economic development as it stands in the Municipality has no impact to the man on the street

14.   In your opinion how far has the municipality gone with local economic development particularly to poor communities?

We have not made much significant to the pro poor LED, it stills boils back to the problem of financial constraints

15. Has Mandeni Municipality achieved LED intended objectives?

    Not yet

16. How are planning to address future challenges of local economic development in the Municipality

    Firstly the IDP enabled us to secure R132 million funding from sector departments for urban renewal, more jobs will be created, and it will boost revenue and therefore appeal to the man and women on the street

ANNEXURE 4

Questionnaire for Local Economic Development Officer

Instructions for filling in the questionnaire

d) Tick the applicable answer (s)
e) Use spaces provided to write your answers to the questions. Please Print.
f) Please, do not leave blank spaces. If the question does not apply please indicate.

1. What is your position in the Municipality?

    Local Economic Development Officer

2. How many people in your LED Unit?...2

3. Has the Municipality afforded you with any form of training and development in your position? Yes [X] No [ ] If no Why

    Training has been provided through the Provincial Department of Economic, Development, Arts, Culture, and Tourism, and Ilembe District Municipality.

4. How do you define the concept of local economic development? It is a programme that is aimed at capacitating empowering SSMEs, Cooperatives   and strengthening Tourism structures economically.

5. Does the Municipality encourage community participation particularly in Local Economic Development issues? If Yes How? And If No Why?   Not much has been done but we are in a process of engaging the Provincial Department of Economic Development, Umfolozi College, and to train community based organizations and Small Businesses.

6. How many Local Economic Development initiatives programmes do you know for rural unemployed women in Mandeni Municipality? Please name them? Local Economic Development initiatives for women are not directly facilitated by the Municipality. However, we know about them and nothing has been done for them. In addition database has been compiled for cooperatives and women community based organizations. We Know Sonqoba African Windows Organisations, Inyoni Craft Project, others have not yet approached us.

7. As the Municipality what are you doing with the local economic development initiatives by unemployed rural women? The only way that we support women community based economic development in rural areas is to identify opportunities available for them and link them with the relevant service providers and other sector departments.

8. What is the nature of your relationship with existing local economic development initiatives for the Women? At the moment there is no formal relationship that exist between the Municipality and local economic development initiatives for women.

9. Does Mandeni Municipality support community based economic development organisations in rural areas? If so How? If no Why? At the moment we do not give them direct support, we are doing it together with other sector departments. We gave garden tools, seeds, and chickens two years ago together with the Department of Agriculture, for the community, but we were not targeting Women.

10. Has the Municipality attempted to bring all local economic development stakeholders together in a bid to alleviate poverty and creation of jobs? If Yes When? And If No Why? We have not yet engaged all the LED stakeholders in a bid of alleviating poverty and creation of jobs, it is something that is on our plans.

11. If Yes, what was the way forward? The absence of the LED strategy made it impossible for us to carry out LED duties in a meaningful way to the community, so much that We are busy working on SSME strategy and Tourism strategy.

12. How does the Municipality facilitate the intergovernmental relations issues of LED? We are working together in some matters with the Provincial Department of Economic Development, Arts Culture and Tourism, Department of Agriculture, and ILembe District Municipality.

13. Do other Department in the Municipality have LED function? If so indicate. Yes Community Service promotes Art, Culture which is the function of LED and the IDP.

14. Do the Municipality have a separate budget for local economic development programmes? The financial position of the Municipality is not good, in that there is not enough revenue in the Municipality. At the moment there is no separate budget for the Local Economic Development.

15. Has Mandeni Municipality identified potential private sector and business partners in issues of LED? Yes. We are currently working on it, following companies have been identified, Sappi, Ithala, and Zululand Quarries.

16. What are the problems encountered by the LED Unit in implementing LED initiatives programmes for the Municipality?

- Incapacity – Lack of human resources in the Unit, as it is understaffed
- Lack of financial resources to pursue LED programmes

- Poor coordination of the LED programmes because Councillors do not understand What LED is all about, councilors need to be educated about the concept of LED.
- Lack of funding from the Sector Department

17. To what extend do rural unemployed women participate fully in LED programmes of the Municipality? At the moment the Municipality is playing a liaison role with other departments and identifies opportunities for Women. There is very little that has been done on affording local women to participate in local economic development activities. There is still a room for improvement with the proposed restructuring that is to take place of amalgamating LED Unit with the Integrated Development Planning Section.

18. Is there any basic skills development entrepreneurship run by the municipality for rural unemployed women? If yes how is facilitated? Not Yet but ,We are planning to do the training workshop for women through the Provincial Department of Economic Development and Umfolozi College

19. Does the municipality treat tourism and led as a single aspect or a separate one, please elaborate? Yes we are treating it as a separate issue so much that a Tourism Strategy is being developed.

20. What are your recommendations on addressing future challenges for LED in the Municipality?

- Mandeni Municipality must play a meaningful role in LED, and must have a separate Budget for LED programs
- The Municipality needs to have a Business Information Centre to assist Small Medium Micro Enterprise and assist emerging entrepreneurs
- Create a platform for local women to procure goods and services in the municipality by forming cooperatives and render cleaning and maintenance services.

ANNEXURE 5

Instructions for filling in the questionnaire LED Director

(a) Tick the applicable answer (s)
(b) Use spaces provided to write your answers to the questions. Please Print.
(c) Please, do not leave blank spaces. If the question does not apply please indicate.

1.   What is your position in the Municipality?

2.   Director

3.   How many people in your LED Unit?...2

4.   To what extend does Mandeni Municipality, understand the concept of developmental local government?

5.   There is still a grey area 10% understands developmental local government and the information is very low, however the concept is still new.

6.   Has the Mandeni Municipality achieved its role as a developmental local government? Please explain? Through the IDP we are doing that and community meetings.

7.   How the Municipality does define the concept of local economic development?

8.   We have to create an enabling environment for private sector and business in order to develop the local economy.

9.   Does the Mandeni Municipality have any strategy or policy in place to address LED issues

10. Yes we have recently adopted the LED strategy and it was necessary for the municipality to have it first, before any major LED steps can be taken.

11. What are the key issues that the LED strategy seeks to address in Mandeni Municipality? Agriculture & Tourism, Development Industry, Commercial Shops, and Service Institution culture. Business retention.

12. What is your strategic intervention for the pro-poor local economic activities and initiatives in the Municipality? We intend partnering with KwaZulu Natal Ezemvelo Wild life, in eradication of Alien Weed, and cleaning of the beach, and supplying cooperatives with the necessary tools.

13. Does the Municipality encourage community participation particularly in local economic development issues? If Yes How? And If No Why? Yes one need to

comply with the legislation of encouraging public participation, through the IDP, and public meetings

14. Are you aware of any local economic development initiatives for the rural unemployed women that exist in Mandeni Municipality? Yes

15. What role does the municipality plays in the local economic development initiatives by the local people particularly women? At the moment nothing has been done but future partnership with KZN Wildlife and other stakeholders will enable us to play a meaningful role.

16. Are there any future interventions plans proposed by the municipality for local economic development initiatives for rural unemployed women? If Yes How? And If No Why? Partnership with other LED stakeholders as per our plan will make it possible for us to achieve that. We will form partnership with the Department of Agriculture and supply necessary tools, assist them with tractors seeds, and tools

17. Does the municipality follow the National framework on Local economic development in implementing its LED programmes? If yes please give few examples and if no why? Yes, first local people should be given preference in any matters that touch the local economy. Rural development focusing on bringing women and align ourselves with the transformation trends.

18. Please indicate the challenges that the municipality is faced with as per National framework on local economic development? Financial viability, finances in the municipality are not yet viable, capacity to respond to the local people needs, competence and skills for our personnel reorganize our LED structure.

19. Is there any basic skills development entrepreneurship run by the municipality for the women who initiate their own income generating projects? Though we do not treat women in isolation with other gender, because other gender will be discriminated against but training for the local people will be run together with the Provincial Department of Economic Development Umfolozi FET College.

20. Does the municipality liaise with the finance development agencies such as development banks, Small enterprise development agency, and other economic development agencies in issues of Local economic development? If Yes please indicate those agencies if No Why?....Yes SEDA, Department of Agriculture, Provincial Department of Local government and traditional affairs, Department of Economic Development, Development Bank of Southern Africa.

21. Is there any relationship that exists between Mandeni Municipality and neighbouring municipalities, district municipalities, and government department? Yes there is an Intergovernmental agreement which incorporates the entire local municipality to cooperate.

22. Is there any public private partnership that exists in Mandeni municipality for implementing local economic development? If so How? If no Why? So far not yet there is still a red tape in trying to partner with the private sector partnering with the municipality depending on the complex nature of the project. The Department of Treasury needs to assess the nature of the relationship.

23. Has the Mandeni Municipality identified potential private sector and business partners in issues of LED? Yes, Sappi Kraft Tugela Mill, and Ithala Industrial Estate.

24. At what level is LED overseen? Political or Management, Both political and Management.

25. Has Mandeni Municipality achieved LED intended objectives? Not yet, however with the LED strategy in place we hope to achieve LED intended objectives. In addition to this we are in a process of developing Tourism and SSME strategy.

26. In your opinion how far the Mandeni municipality has gone in implementing local economic development?....2% milestones however we need a major Industrial Area to create jobs so that LED can impact significantly to people's lives and have an impact on the man on the street. We need to market the place and make it a business destination by increasing shopping malls, to impact positively on the gross domestic product for the area.

27. Does the municipality have monitoring and evaluation system in place for its local economic development? If yes how it's monitored and evaluated? If no Why? Not yet but through the IDP reviews of the related development programme.

28. What are the major challenges facing the Municipality in implementing pro-poor local economic development? Public Private Partnership, Unable to attract private investment, marketing the municipality, poverty alleviation is the main challenge in the area as many people are unemployed. Entrepreneurship skill, type of training, people to be trained, and shortage of funds.

29. How in the future are you planning to address the major local economic development challenges? A LED strategy is to address key areas and make Mandeni Municipality to be a competitive advantage to attract people to live and work in

Mandeni. We need to take advantage of Provincial Department programmes that benefit women the most, however we must strive not to infuse the culture of dependency to people, and they must be able to do things independently, in order to create an innovative nation.

ANNEXURE 6

Questionnaire for the IDP Manager

Instructions for filling in the questionnaire

(a) Tick the applicable answer (s)
(b) Use spaces provided to write your answers to the questions. Please Print.
(c) Please, do not leave blank spaces. If the question does not apply please indicate.

1. What is your position in the Municipality?
   IDP MANAGER

2. To what extend does Mandeni Municipality, understand the concept of developmental local government? We fully understand that the Municipality have to be developmental in whatever it does; opportunities to facilitate development must be created however the main factor that hinders development is political differences and intolerance.

3. Has the Mandeni Municipality achieved its role as developmental local government in engaging communities in the IDP matters? After 2006 elections, when the IDP was drafted ward based community meetings were held. All the development projects were informed by the community. In addition 50% of the IDP Projects has been implemented and gave the feedback through IDP review meetings.

4. How do you define the concept of local economic development?
   It is a collective effort of engaging range of stakeholders, local communities, private sector, public effort to improve economic conditions and performance of the Municipality. It should be not a one man's show. It is a crosscutting issue in that it involves all the aspects and gives people economic opportunities.

5. Are the issues pertaining to local economic development included in the municipality IDP? Yes five key issues covered in the IDP namely Infrastructure, water, electricity, roads, creation of business opportunities, and environment social compact agreement. Youth and Women are the largest segment of the population in our municipality and all projects need to benefit them.

6. How are the issues of Local economic development planned

   Bottom up approach [x]

   Top down approach   [ ]

When the IDP was drafted through ward based meetings communities made inputs about which direction that want to be steered.

7. Does the IDP address issues of women and local economic development? If yes please explain, if no Why? Yes we intend conducting training workshops for women cooperatives. However the local community is demotivated about municipal issues. Our procurements issues must benefit local community. Our supply chain management should favour the Youth and Women Initiatives. As per our IDP everything should be centred around the Youth and Women

8. How do you engage the community in planning for the local economic development programmes? Through the IDP ward based meetings, public meetings, and in every project there is a project steering committee, it's a structure that represent the community.

9. Have you engaged other government departments in planning for the local economic development? Please explain. Yes the urban regeneration programme or strategy is funded by government departments such as the National treasury, provincial traditional and local government; they are funding the capital projects.

10. How has other government department responded in the planning of the local economic development? Please explain. Positively and made financial commitment.

11. Have you engaged the private sector and local business in the planning of local economic development programmes for the municipality? We had a meeting for project planning of Mandeni urban renewal project with the following people Thomson, Sappi, Reckens and Ingonyama Trusts and have pledged financial commitment.

12. How the private sector and local businesses did have responded to the planning of local economic development? Positively particularly in urban regeneration strategy.

13. What are the problems of implementing LED programmes in the IDP?
    - Lack of capital funding
    - Lack of commitment from the local community and drive due to that are demotivated
    - Lack of capacity in terms of personnel
    - Lack of finances from the Municipality