

**LOCAL ECONOMIC DEVELOPMENT STRATEGY IMPLEMENTATION WITHIN
BUSHBUCKRIDGE LOCAL MUNICIPALITY**

**BY
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**A dissertation submitted in fulfilment of the requirements for the degree of
Master of Development Studies in the Department of
Anthropology and Development Studies at the University of Zululand**

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DECLARATION

I, Lazarus Lucky Nkuna, hereby declare that this dissertation submitted to the University of Zululand for the Degree of Master of Development Studies, has never been previously submitted by me for a degree at this or any other University, and that this is my own work and the material contained therein has been dully acknowledged and cited using the Harvard style of referencing.

Signature

Date

.....
Lazarus Lucky Nkuna

2016

DEDICATION

This dissertation is dedicated to my late father, Moses Nkuna, to my daughter Mikhenso Miranda Nkuna, and to the entire Nkuna family.

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ABSTRACT

Local government structures have a particularly important role to play in harnessing national and regional resources to promote their areas and in facilitating strategic local partnerships to enhance and sustain economic growth. The study sought to examine the implementation of Local Economic Development Strategy implementation in Bushbuckridge Local Municipality (BLM) in the Mpumalanga Province of South Africa.

The sample comprised of BLM LED officials and at least 5 respondents selected from 10 projects and these included the project management team and workers. The Chosen projects were chosen based on proximity and availability but maintaining balance to cover the entire municipality. This allowed the researcher to have a balanced view from both the municipal officials and people at the project sides. A purposive sampling method was used to select the sample for the study. The primary data was collected using interviews and structured observations. Secondary data was collected using the document analysis method. SPSS and the content analysis methods were used in the study.

The study found that BLM has an LED strategy as prescribed in the municipal IDP and projects have been implemented to promote local economic development in the region. However, there is a knowledge gap from project participants as some have no access to information and cannot access and use the services from the LED offices to enhance their economic activities, due to their peripheral location. The BLM LED strategy is implemented following the Location Theory, projects were planned and positioned in places where they will maximise profit and minimise production costs by employing local ideas and resources, packing them to attract outside interest.

The participatory model adopted by the municipality in planning and implementing LED activities does not yield the desired results due to some projects that are unable to be part of the participatory planning processes. The consultative activities during the conception and planning should target the poor.

The study recommends therefore, that LED in BLM has to be a participatory model which is based on a holistic approach to incorporate different activities from different areas based on their local potential and available resources to create economic Spin-offs. The study also makes a number of specific recommendations to facilitate the planning and implementation of LED strategy in BLM:

First, participatory processes such as the IDPs at local municipal levels should be used to facilitate people's participation in the whole process, from conception, planning, implementation and evaluation of all LED activities in the local municipality. The beneficiaries have to be active participants in their own development, hence this will ensure full and active participation.

The study also discovered that there is lack of coordination among the stakeholders to create viable establishment of cooperatives development and to formalise their economic participation in order to promote sustainable SMME development, growth and sustainable cooperative movement.

Challenges of LED strategy implementation in BLM included that the municipality, like many others in the country, do not have adequate economic growth strategies, and if they do, it will only sound good on paper but the implementation on the ground does not happen as depicted in the strategy. This further perpetuate the triple challenges of poverty, unemployment and inequality.

ACRONYMYS

LED	Local Economic Development
SMME	Small Medium and Micro Enterprise
RSA	Republic of South Africa
SALGA	South African Local Government Association
SETA	Services Sector Education and Training Authority
SEDA	Small Enterprise Development Agency
LEDA	Local Economic Development Agency
IDP	Integrated Development Plan
BLM	Bushbuckridge Local Municipality
NGO	Non-governmental Organization
ILO	International Labour Organization
GTZ	Gesellschaft Technische Zusammenarbeit
KNP	Kruger National Park
DBSA	Development Bank of South Africa
DPLG	Department of Provincial and Local Government
KPA	Key Performance Area
UN	United Nations
RDP	Reconstruction and Development Program
ANC	African National Congress
NSDP	National Spatial Development Perspective
PGDS	Provincial Growth Development Strategy
HIV	Human Immunodeficiency Virus
AIDS	Acquired Immune Deficiency Syndrome
BOT	Based Operative Transfer Principle
PR	Public Relations
MEGA	Mpumalanga Economic Growth Agency
CPP	Community Private Partnership
M&E	Monitoring and Evaluation
GDP	Gross Domestic Product
DTI	Department of Trade and Industries
BDS	Business Development Services
SDF	Spatial Development Framework

HSRC	Human Sciences Research Council
IDO	International Development Organization
DEDET	Department of Economic Development, Environment and Tourism
COGTA	Department of Cooperative Governance and Traditional Affairs
MRDP	Mpumalanga Regional Development Programme
MABEDI	Maruleng and Bushbuckridge Economic Development Initiatives

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Chapter 1

1.0 Introduction to the study

1.1 Introduction

Local economic development (LED) has been implemented in various forms in the developed countries and the strategies of implementation initially were externally focused with incentive systems to encourage external investments (Patterson, 2008). However, there was a shift of focus to internal investors characterised by promotion of entrepreneurship development, provision of training programmes, and access to finance (Patterson, 2008). Furthermore, the local markets are increasingly viewed as 'fundamental sites of competitiveness in a new global economy' (Valler & Wood, 2010:140). Globalisation is said to have afforded LED strategies 'a bigger role to play in international development' (Rodriguez-Pose, 2008a:24). It is argued that local economic development particularly, 'offers a means to counteract or take advantages of the forces of globalisation by maximising local potentials' (ILO, 2006:2). In the hunt for responses to new opportunities linked to globalisation or ways of dealing with economic restructuring issues in declining localities, LED in South Africa developed from these practical considerations.

Initially top-down approaches which focused on the supply-side development of strategies which focused on the state planning and supplying local areas with their developmental needs involve less consultation with the local people to identify and prioritise their needs, were used in promoting economic development, but the failure of such approaches triggered a shift to local and regional economic development (Rodriguez-Pose, 2009). Hence a wide range of strategic focus areas for LED now include inter alia, property development, place marketing for inward investment, small, medium and micro enterprise (SMME) development, investment facilitation, improving the local business investment climate, encouraging local business, institutional development, upgrading skills and training, investment in business sites and premises, and cluster upgrading (Rogerson, 2006a; Harrison et al., 2008).

This study attempted to understand the strategies used in implementing LED, the policy paradigms which guide the strategy and what participatory processes are

involved in the implementation of the strategy with the aim to enhance economic activities for all its stakeholders.

1.2 Background and context of the study

LED is perceived as activities involving 'the increase in the capacity of the local economy to create wealth and thus job opportunities for the people' (Nel, 2005:43). According to Triegaardt (2007) LED emphasises the creation of an environment which promotes the engagement of stakeholders in implementing strategies and programmes based on the macro-economic strategy (the national interaction of national economic activities with that of other countries in the global market) of the country. The definitions provided above focus on LED, first, as a process that helps with increasing knowledge on local economy so that people may be able to create wealth and employment opportunities. The second definition discusses that LED must create a conducive environment for stakeholders to engage on LED (planning and implementation and the shared benefits provided by the existence of LED initiatives).

The UN-HABITAT definition suggests that LED is a participatory process where all sectors work collectively to stimulate the development of the economy at local level, thus help create job opportunities, fight poverty and inequality and improve the quality of life for everyone (Cunningham and Meyer-Stamer, 2005). Similarly, Meyer (2014: 625) states that "LED ensures that local development is locality based and focused on local comparative advantages, it allows for more resilient local economies and LED could create local opportunities and local jobs, thereby improving the local quality of life". Although the main concepts noted in the definitions of local economic development include creation of wealth and job opportunities, poverty reduction and the improvement of the quality of life, Bartik (2003) maintains that for local economic development to occur labour and productive resources such as land have to be available.

The above authors (Cunningham and Meyer-Stamer, 2005; Meyer, 2014 and Bartik, 2003) focus on LED as a process that encourages participation of all stakeholders to ensure legitimacy and ownership of the LED processes, and also that this participatory process is by local people with their economic concerns to create an economic advantage of their area as compared to other areas and, finally, all these actions and

activities are carried out to create and maintain LED that brings economic returns to the locality after local resources and labour are used in the production process.

As outlined in Nel and Rogerson (2005:30), LED involves identifying and using local resources to create opportunities for economic growth and employment. Successful LED according to various authors, depends on local partnerships as well as on national and regional structures to promote and support local initiatives (Lenzi, 1996; Haughton 1997 and Reed, 1999). Based on Zaaier and Sara (1993:129) LED is usually strategically planned by local government in conjunction with public and private sector partners. Implementation is carried out by the public, local, private and non-governmental sectors according to their abilities and strengths. The public sector which includes Provincial governments, municipalities, state-owned entities and the private sector (business) and civil society have to join forces to work on continued growth and prosperity of the local economies of the country.

Szirmai (2005:44) indicates that governments have a particular role to play in LED, by ensuring that LED leads to job creation, sustainable rural development and urban renewal. LED interventions must benefit disadvantaged and marginalised people and communities within municipal boundaries through an inclusive and redistributive approach to economic development.

This, therefore, means that LED is concerned with the creation of an environment which will engage stakeholders in implementing strategies and programmes. This perspective had to be aligned with the country's macro-economic strategy which focused on re-entering the global market, providing a climate which is amenable to international investments, enhancing the role of the private sector, and reducing the role of the state as proposed by SALGA (2010:3). Furthermore, SLGA (2010:4) indicates that the increasing status of locality in the global economy and the rising emphasis of local and community decision-making have paved the way for the advancement of local economic development. This kind of LED practice promotes both the pro-poor and growth oriented type of LED required to improve the economy of a locality which is also in line to meeting the macro-economic policies as stated in UN Habitat (2005).

It is also interesting and noteworthy that LED offers local government, the private and not-for-profit sectors, and local communities the opportunity to work together in using resources at their disposal to improve the local economy. It focuses on promoting competitiveness, increasing growth on long term bases and ensuring that growth is inclusive. LED embraces a range of disciplines, including physical planning, economics and marketing. It also incorporates many local government and private sector functions, including environmental planning, business development, infrastructure provision, real estate development and finance.

The World Bank (2001) indicates that the goals of LED revolves around a set of common issues, ranging from job creation to empowerment, the pursuit of local economic growth, community development, restoration of economic vitality, and establishing the locality as a vibrant, sustainable economic entity within a global context. The Reconstruction and Development Programme (1994) made implicit reference to the notion of LED through support for community development and local based initiatives, and the Constitution (RSA 1996) reaffirmed local governments to carry the mandate to pursue economic and social development.

The National Framework for Local Economic Development in South Africa, as (Nel and Rogerson, 2005:7) argued, seeks to build a shared understanding of good LED practice and to motivate more effective implementation. The Framework is the product of intense dialogue and deliberations amongst several government departments and spheres. It has also had the active input of a number of different constituencies and stakeholders. The statement above indicates that from the onset, LED has used a multi-stakeholder approach for its design and thus also requires the same multi stakeholder approach in its implementation. However, World Bank (2005) indicates that planning of LED in South Africa minimised the participation of communities or local people as stakeholders and focused on the private sector and business community. This type of planning has been opposed by Ngubane (2005), who proposes that LED approach must be participatory and inclusive of all stakeholders to include their views in the planning process.

In South Africa, according to Lansberg (2006:35) LED is strongly driven by government and the approach to LED varies across municipalities. The smaller and rural municipalities focus more on pro-poor LED, poverty alleviation and small scale projects, focusing on community development and poverty reduction oriented

approach, while the bigger and more urban municipalities and the metropolitan municipalities mainly focus on pro-growth interventions which are based on attracting large scale investment and bringing competitiveness to their areas.

Local government structures, according to SALGA (2010:3) have a particularly important role to play in harnessing national and regional resources to promote their areas and in facilitating strategic local partnerships to enhance and sustain economic growth. Local stakeholders, such as government, business, labour and civil society organisations, should work together in order to enhance local economic development (LED). Local communities and authorities can play an active role in determining their own economic paths. However, Engela and Ajam (2010:23), argue that it has been difficult to realise the above, due to lack of understanding of the framework and commitment by all stakeholders. Blakely (2010:225) suggests that after an LED strategy has been formed, an action plan must be formulated for each viable project. Action plan is defined as documents describing the components of a proposed project that match economic development strategy.

The National Framework for LED in South Africa was designed to support the development of sustainable local economies through interconnected government action. This government action is developmental and stimulates the heart of the economy which encompasses those enterprises that operate in local municipal ethers to grow local economies. The LED framework is supported by an appreciation of the changing practice of LED internationally and is based on the unique South African background and challenges.

According to Nel and Rogerson (2005:7) the development of LED policy in South Africa after the first democratic elections was closely associated with the switch to developmental local government. As early as 1995, Constitutional debates on the future method and nature of local government articulated a far more proactive role for municipalities. The final version of the Constitution itself affirmed that a fundamental objective of local government was to promote social and economic development in localities (RSA, 1996). The declaration of local government as a sphere of government reflects the importance that was attached to local state actors during that early period.

This, therefore, means that LED has become a solution for overcoming the multiple barriers and problems that local entrepreneurs face on daily basis, which are the root

causes of low income whispered poverty. A significant LED framework creates a positive environment for enterprise development, with a special focus on emerging entrepreneurs. Through this framework, there are strategies that assist entrepreneurs and SMMEs to improve their economic activities. Padayachee (2006:230) articulates that Entrepreneurship development is widely accepted as a critical step for LED programmes in South Africa and is the theme accorded prominence in the new national Integrated Small Business Strategy. In the search for economic revival through LED, many South African small towns have turned into prospects offered by tourism-led development and other locally organised activities. This, therefore, allows for new enterprise development.

Bushbuckridge Local Municipality, is a third sphere/tire of government, and has been mandated to develop and implement LED strategy in order to create jobs and empower its local people, pursue local economic growth, community development, restore economic vitality, and establish the locality as a vibrant, sustainable economic entity within a global context, as suggested by World Bank (2001). However, only few LED projects implemented in Bushbuckridge Local Municipality have flourished and succeeded, leaving most projects with little or no success story to tell. The government, through its funding and other grants for LED, has invested in LED initiatives, but the output has been very low. This research, therefore, sought to explore Local Economic Development strategy implementation within Bushbuckridge Local Municipality.

1.3 Statement of the problem

Local government structures have a particularly important role to play in harnessing national and regional resources to promote their areas and in facilitating strategic local partnerships to enhance and sustain economic growth. Local stakeholders, such as local government, business, labour and civil society organisations, should work together in order to enhance LED. Local communities and authorities can play an active role in determining their own economic paths.

Bushbuckridge Local Municipality IDP has a well-documented LED strategy, which on paper can deliver the best, and has recently been voted the best LED strategy (SALGA, 2012). There seems to be a problem in the implementation of LED strategy to direct and improve local economies. LED must be implemented such that it

promotes and provides stakeholders involved with better economic growth opportunities and creates wealth for the local people.

Researchers on LED have conducted studies on the LED strategy implementation in other parts of the country and little has been done on the actual implementation in Bushbuckridge, an area boasting one of the world heritage sites in the name of Kruger National Park and some of the most visited tourist routes with rich cultures and scenes. Therefore this study sought to describe the implementation of LED strategy within Bushbuckridge Local Municipality with an aim of understanding how the municipality implements its strategy to promote service delivery.

1.4 The purpose of the study

The purpose of this study was to explore the implementation of LED Strategy in Bushbuckridge Local Municipality in order to understand how the municipality plans and implements LED to promote economic development of the municipality.

1.5 The objectives of the study

The objectives of the study were:

1.4.1 To profile LED activities in BLM

1.4.2 To examine the BLM LED strategy and its implementation

1.4.3 To determine the participation of local stakeholders in LED and its implementation.

1.4.4 To identify the challenges of LED strategy implementation in BLM.

1.6 The research questions

Questions for this study were divided into the main research question and sub-research questions

1.6.1 The main research question

This study sought to answer the question, “What strategy/strategies is/are implemented in Bushbuckridge Local Municipality to enhance economic activities for all its stakeholders?”

1.6.2 Sub-research questions

The main question would be answered once these sub-questions have been fully addressed:

- (a) What are the activities of LED in BLM?
- (b) How does BLM implement its LED strategy?
- (c) Who are the stakeholders of LED in BLM?
- (d) How are the stakeholders involved in the implementation of LED projects?
- (e) What are the challenges of LED strategy implementation in BLM?

1.7 Study Area

The research was conducted in Bushbuckridge Local Municipality, which is under Ehlanzeni District Municipality in the Mpumalanga Province of South Africa.

1.8 Intended contribution to the body of knowledge

The study was for academic purposes, however, the findings and recommendations from the study could be used in understanding implementation of LED strategy in the concerned area of study and anywhere it may be found relevant. This study may also contribute to the knowledge bank on LED policies and strategy implementation.

1.9 Research Layout

Chapter 1: Introduction

This chapter provides a general overview of the study, including an introduction and rationale of the study. Research problem, questions, purpose, and the methods employed in this research are outlined.

Chapter 2: LED policy implementation

Literature review discusses previous literature on Local Economic Development policies and strategies implementation, globally and in South Africa, with a special focus in Bushbuckridge Local Municipality.

Chapter 3: Research Design and Methodology

Research design and methodology describes the methods and processes used in collecting and analysing data collected during field visits and data collection in details, including research design.

Chapter 4: Data Analysis, presentation, and discussion

This chapter uses the raw data collected, and analyses the data based on how it was collected during field visits. Presentation of data, their analysis and the findings are presented.

Chapter 5: Findings, conclusion and recommendations

In this chapter, the researcher presents summaries of the results, as well as conclusions drawn from the study. Recommendations and limitations to be considered are also discussed.

1.10. Definition of Operational terms

Local Economic Development is a process by which public, business and non-governmental sector partners work together collectively to create better opportunities and conditions for economic growth and employment generations with an aim of improving the quality of life for all (BLM LED,2010/2014).

According to Chambers (2010) **Poverty** refers to lack of physical necessities, assets and income which includes, but is more than, being income-poor and can be distinguished from other dimensions of deprivation such as physical weakness, isolation, vulnerability and powerlessness with which it interacts.

Strategy based on Nickols (2012) is a careful plan or method for achieving a particular goal, usually over a long period of time.

Implementation is the carrying out, execution, or practice of a plan, a method, or any design, idea, model, specification, standard or policy for doing something (Fixsen, Naoom, Blasé, Friedman and Wallace, 2005).

Pro-poor Local Economic Development, according to Rogerson (2006), is the role of locally based associational arrangements in addressing poverty alleviation in more than one way so that the support programmes are geared more substantially to supporting at local levels.

Growth oriented Local Economic Development, as conceptualised by Anderson (2013), is LED that is in support of the strategic orientation of entrepreneurial firms that emphasises technological leadership and encompasses both growth and economic change.

1.11. Chapter Summary

This chapter gave the outline of the study on LED strategy implementation within BLM. The chapter has been organised into the background and context of the study, statement of the problem, objectives of the study, research questions, research design and philosophy, as well as the methodology used to generate information for this study. The following chapter focuses on literature review.

Chapter 2

2.0 Local Economic Development Strategy Implementation

2.1 Introduction

Local Economic Development (LED) has been tipped as a solution to most local government's development in both the global South and North. The implementation of LED strategies varies per local municipality, and in most instances, when implemented as planned, development and change occur and the local people and municipalities are able to create a viable local economy that is competitive. Strategies that have been widely adopted in implementing LED activities include Integrated Development Plan, sustainability, entrepreneurship, capacity building, participation mechanisms, development and, in some instances, industrial development which will create a link between the local area and the markets. This chapter reviews literature on LED and its implementation to create economic growth in localities.

2.2 Conceptual framework

There are numerous concepts on Local Economic Development (LED), at most, the concepts adopted depend on the approach used by the one defining or explaining the concept. Blakely and Leigh (2010) are of the opinion that LED is not a new thinking or phenomenon, but has been practiced by most countries, particularly, the developed countries to improve their development and to boost the activities of local economies. Furthermore, Blakely & Leigh (2010) indicate that it was practised in the form of regional planning using the traditional 'smoke stack chasing approach' which involves looking for investment in large scale and bringing in external firms to actively participate in local economy.

Several observers also point out that as the concept of LED is both elusive and contested, there are numerous definitions attached to the concept (Trah, 2004 & Pike *et.al*, 2007). For instance, in Bartik (2003:1) LED represents increases in a 'local economy's capacity to create wealth for local residents'. This allows local people to be capacitated in the knowledge and ability of the local economy to grow and create opportunities for local people. It also puts an emphasis that through LED local people must be able to create their own wealth.

A wider canvas is painted in Trah (2004), who explains LED as a territorial concept and part of local development or regional management, specifically aiming to stimulate the local economy to grow, compete and create more jobs, in particular, by making better use of locally available resources. This conceptualisation of LED is also supported by UNHABITAT's definition of LED, indicating that people of a locality must utilise their local resources and ideas working together with other stakeholders to create opportunities for economic spin-off of that region or locality. Other authors such as Helmsing and Egziabher (2005:21) emphasised LED as 'a process in which partnerships between local governments, NGOs, community based groups and the private sector are established to manage existing resources, to create jobs and to stimulate the economy of a well-defined territory'. The World Bank also views LED as 'a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation' (World Bank, 2003:34).

This means that LED is not for the government or investors alone, but local people (local authorities, businesses, NGO's, Organised groups and the community) have to be integral to the planning and implementation of LED. Local authorities are aware of what the people need and the amount of resources available for the development needs of the community. Businesses in the local areas have the economic knowledge of the area and know how resources can be packaged to meet the development needs of the community and they also want the share of the spoils in profit proceeds from economic activities of the area. NGO's and the community are always at the grassroots and know the felt needs of the people. They also know what is the most needed and can help in planning. When all these groups work together as prescribed in World Bank (2003), the economy of such local area will realise its potential and be able to compete with other economies.

Another major international development organisation actively engaged in LED is German Technical Cooperation (GTZ). Their first conceptualisation of LED was that 'LED is about local activities to make markets work better' and that it aimed to 'create places and opportunities to match supply and demand as well as promote new business opportunities' (Trah, 2004:29). The GTZ, according to Ruecker & Trah (2007:72), 'LED is an ongoing process by which key stakeholders and institutions from all spheres of society, the public and private sector as well as civil society, work jointly to create a unique advantage for the locality and its firms, tackle market failures,

remove bureaucratic obstacles for local businesses and strengthen the competitiveness of local firms'. This means the different stakeholders will work together on an ongoing bases to ensure that the economy of the region or area realises it full potential of competing with other economies in the global arena.

LED is also defined in Canzanelli (2001:9) as a participatory process encouraging and facilitating partnership amongst the local stakeholders, while enabling "joint design and implementation of strategies, mainly based on the competitive use of the local resources, with the final aim of creating decent jobs and sustainable economic activities".

Canzanelli's conceptualisation of LED promotes a strong bond between stakeholders and encourages participatory processes in activities involving stakeholders in their planning and implementation of LED initiatives. Furthermore, the partnerships or bonds between stakeholders must allow for inclusive participation in designing and implementation of any LED strategy and allow the wise usage of local resources, such that decent job opportunities will be created and sustainable economic growth will occur. This conceptualisation of LED allows all stakeholders to resume ownership of all LED activities in their locality and their participation is full of confidence since all stakeholders benefit from such LED initiatives.

As much as LED implementation is area based and focused, it has to be noted that there are differences in the conceptualisation and implementation of LED between the global north and global south countries, and the paragraphs below elaborate on the differences.

LED, as alluded to by Rogerson & Rogerson (2010), was made famous in Western Europe and North America, however, its origins were traced to Europe by Rodriguez-Pose (2009b). These origins gained momentum from the 'uneven and inequitable outcomes in the economic landscape and, on the other hand, reflect variable aspirations and concerns of actors about the pace and extent of local investment' (Le Heron, 2009:93). The interest in LED then spread to the rest of the world with the advancement of globalisation and growing decentralisation (Blakely: 1989; Harvey: 1989; and Clark & Gaile:1998). The 1990's saw LED spreading from the global North to South, with its practices influenced by globalisation and the need to grow the economy of the global South (Rogerson, 1997, Rodriguez-Pose et al., 2001; Helmsing, 2002; and Nel & Rogerson, 2005a).

Conceptualisation of LED from the global south is different from the global north. Nel (2001:1004) notes that in the global North 'LED initiatives emerged in the last thirty to forty years as a response to the social and economic problems that resulted from the persistence of locality-specific development problems and the disappointing results of traditional top-down, supply-side sectoral development strategies in combating the resulting rise in unemployment and regional inequality'. In the global South 'LED has gradually emerged as a development strategy for similar reasons and the persistence of problems of slow economic growth and poverty, combined with the changes in the national and international economic environment, and the effective inability of many central states to intervene at local level' (Nel, 2001:1004).

LED succeeded well in the developed countries/global North because they adopted the neo-liberal approach (which allowed the private sector to be more involved in influencing both social and economic factors in the society), pro-growth format (which advocates and supports commercial exploitation of resources with limited government interference) (Mango & Hofisi, 2013). LED is most pursued to reduce the global economic challenges and to assist economies to participate in the global economy and succeed in a competitive environment (Nel, 2001). This, therefore, means LED implementation in the global South, as defined and conceptualised by Blakely and Leigh (2010), has to take a different approach from the Northern context and pursue the pro-poor approach because the degree and availability of resources and human capital, including the development environments of both the global South and North, are different. LED implementation should follow the Orthodox approach - that it should consider local ideas, resources and environment.

In contrast, in the global South or developing countries, LED has adopted the pro-poor alternatives and sought to address social ills, such as exclusion and poverty (Helmsing: 200; Nel & Rogerson: 2005 in Mango & Hofisi: 2013). This is because global South countries, mostly, are late comers in the implementation of LED and have suffered from being colonised, with most of their resources exploited by developed/global North countries. The adoption of pro-poor approach was adopted taking into account the economic situations of most of the global South countries, and in the process, addressing the knowledge gap that exists in global South countries.

Nel (2001:1004) further indicates that the global South were late comers in LED because of “the persistence of problems of slow economic growth and poverty, combined with the changes in the national and international economic environment, and the effective inability of many central states to intervene at the local level, which provided a strong impulse towards more locally based initiatives”. Furthermore, Rodriguez-Pose & Tijmstra (2005:2) argue that “in many developing countries, the situation was aggravated by factors such as the debt crisis, imposed structural adjustment and massive currency devaluation, and other natural and political shocks”.

The approach to LED from the global North is more focused on industrial development and economic growth of the regions to create employment opportunities and livelihoods, whereas in the global South, the focus has been more on poverty alleviation and services delivery which scare away from most conceptualisation of LED.

The ILO (2006) in Rogerson & Rogerson (2010:467) distinguishes four core features of LED strategies in LED conceptualisation, these include:

- (i) **The need for participation and social dialogue:** this involves negotiation and consultation which promotes the sharing of information between all LED stakeholders on issues and information promoting the implementation of LED in order to enhance economic growth and social policy (ILO, 2006). This feature encourages active participation of all stakeholders and beneficiaries. Negotiation, as stated in Rogerson & Rogerson (2010), involves the engagement of all stakeholders concerned in deciding the best possible solution that can/may be used to implement LED that will benefit all stakeholders. Consultation, as noted by Rogerson & Rogerson (2010) requires that the information used during negotiations form part of the collective view of all stakeholders and these stakeholders have been consulted and their views, feelings and choices influence the choice of how LED must be implemented in their locality.
- (ii) **The territorial focus:** this feature, as Rodriguez-Pose & Tijmstra (2005) explain, focuses on the specific territory and is likely to respond by improving growth of the local economy in response to forces of globalisation. The implementation of LED in this regard is mostly focussed in one area/territory rather than segmented LED. This is currently and widely a used form of LED as territories turn to concentrate on their area and try to lure investors to invest in the growth of their area;

(iii) **Mobilisation of local resources and building of competitive advantage:** is the utilisation of resources in a better way that results in the maximisation of the current and existing resources (Rogerson & Rogerson (2010). This includes, in the ranks of LED, invention or development of projects that will enhance the growth of the local economy through generation of new employment opportunities and increased income to the local economy.

The growth of local economy is achieved properly and well-channelled mobilisation of local resources to activities that have a multiplier effect in employment creation and a boost to local economic growth (Rodriguez-Pose & Tijmstra, 2005). These resources give rise and reason for the community and other stakeholders to work together in channelling resources towards the benefit of all citizens, including the growth of the local economy. When there is good mobilisation of local resources, the economy of the locality and region will gain strength and give confidence to local producers to tap into the available capacity and learn to use such resources in a sustainable way to make their local area compete with other formidable areas in the global economy.

(iv) **Local ownership and management:** it involves the prioritisation and proper planning for local resources to benefit local people and grow the economy locally. When communities own and control resources and asserts for economic growth, the end-result is that such people and community will be empowered. This translates into ILO (2006) assertion, and Rogerson's (2010) support that for LED to be implemented with acceptance, all stakeholders involved have to acknowledge that local people, who are the beneficiaries, must not be stripped off their rights of ownership of the local resources. The acknowledgement and assumption of local resources ownership by the local people leads to proper utilisation and management of such resources, which ultimately, will bring all stakeholders on board and on course to growing the economy of that locality to compete at the global level.

These four characteristics also appear in the ILO's own definition, which states that LED represents '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' (ILO, 2006:2).

2.3 Policy and Process of Local Economic Development

Local Economic Development requires a drawn-up plan or strategy for its implementation, either at National, Provincial or Local government level. This is done to ensure that the policies on LED are effective in delivering its mandate of improving local economies and creating global economic competitiveness in different regions. This section discusses the policies and processes guiding the implementation of LED.

2.3.1 Local Economic Development at the Global level

The global financial crisis in 2008 triggered a new response, in South Africa and other countries in the globe, to the way people and government plan and implement their economic activities, including LED (Watson, 2009). While most economies are still recovering from the global economic meltdown, a shift by many national governments occurred, where regions and localities with economic potential have been given close attention as areas where economies can use to regain the lost strength of the global economic catastrophe. Economic growth, in the world or in a particular region or country, depends, to a large extent, on the nature and quality of economic policy (Khamfula, 2004).

The debates on globalisation provoke controversy as they are shaped and influenced by ideological persuasion. There are writers who subscribe to the notion that globalisation is concerned with the flow of capital (Mishra, 1999). According to Midgley (1997) globalisation is a process of global integration in which diverse peoples, economies, cultures, and political processes are increasingly subjected to international influences and people are made aware of the role of these influences in their everyday lives.

This author's (Midgley's) view is that it is a process which engages with trade, communication, technology, ideas, culture and the flow of capital across national boundaries. However, other writers such as Mishara (1999) and Baker (2000) contend that globalisation has led to marginalisation and exclusion because of downward pressures on systems of social protection, changing labour market conditions and increasing inequality in wages. Local economic development is concerned with the

creation of an environment which will engage stakeholders in implementing strategies and programmes.

The introduction of LED is trying to balance the flow and use of capital because globalisation focuses on internationalisation of capital and resources, whereas LED caters for economic activities to and for those who cannot participate in the economic activities at the global level. The marginalised and excluded are able to participate in economic activities through their planning and implementation.

International experiences on research suggest that opportunities arising from economic globalisation have been more restricted and the threats are more severe from low and middle-income countries, and especially in marginalised areas (Hindson, 2007; Nel, 2001; Rogerson, 2007 & Blakely and Leigh, 2010). The local economic development policies emerged as a response to the social and economic problems that resulted from the persistence of locality-specific development problems (Nel 2001). The disappointing results of traditional top-down, supply-side sectoral development strategies in combating the resulting rise in unemployment and regional inequality drove the search for alternative development strategies that would offer opportunities for growth to all areas (Roberts 1993).

This has led many governments in both the global South and North to reconsider the top-down approach of implementing economic development in their regions and localities. A new bottom-up strategy was seen as a solution and a catalyst to respond to the economic demands that were brought through globalisation. Most localities had resources that were untapped, and allowing the active participation of local stakeholders in planning and implementing LED was seen as the best solution to boost economies of local areas and respond to the global economic situation.

This resulted in 'accelerating globalisation that has been observed in the way it exposes even the most remote spaces to competition and forces firms, localities and regions to react and adjust to the new economic conditions' (Pike et al., 2006:4). This meant that even the remotest areas have to tap into using the resources surrounding them and sell to the outside world. In this new-look environment for local and regional development, planning for local economic development (LED) is now a common aspect of international development planning, particularly in the context of persistent trends towards decentralisation, the purposeful and organised shifting of resources away from central state institutions and of reshaping structures of government and

governance (Rodriguez-Pose & Tijmstra, 2007; Christensen & Van der Ree, 2008; Rodriguez-Pose & Sandall, 2008; Rodriguez-Pose & Ezcurra, 2009).

This, therefore, means LED had to be aligned with the country's macro-economic strategy which focused on re-entering the global market, providing a climate which is amenable to international investments, enhancing the role of the private sector, and reducing the role of the state (DBSA, 2000). The growing status of locality in the global economy and the emphasis put on local and community decision-making in a democratic society have smoothed the way for the development of local economic development (LED).

2.3.2 Theories informing Local Economic Development

In order to facilitate representation from a wide variety of disciplines, authors such as Bingham & Mier (2011) established the foundations for using theories in local economic development. As a rule, LED theory is viewed as a branch of regional development theory (Pike et al., 2006). With an intra-urban focus, LED theories explore the 'actors, structures, and processes of local regional growth, as these exist and take place within a particular defined territory' (Gomez & Helmsing, 2008:54).

There are various theories for planning and implementing LED that explain how economic development takes place in a community. For the purpose of this study, the researcher will only look at Location Theory as a theory related to the study. Theories have affected and influenced the planning, implementation and growth of local economies. Municipalities and regions plan and implement their LED having been informed by one or more of the theories.

2.3.2.1 Location Theory

Location Theory is one of the oldest units of regional economic growth theory, which began cropping in the early 1900s, and specialises on economic mechanism of distributing economic activities in a particular space (Malizia & fesser, 1999). It allows for regional economy to have a specific identity and to form the core of its theoretical methodology. This theory assists with how firms choose their location on the basis of placement of households. This, therefore, explains how local economies grow or decline and allows firms to maximise profits in the selection of a location that minimises their costs of production processes. The location of firms in a total economic space has always had the interest to economic developers, as outlined in Malizia and Feser (1999).

Capello (2011) indicates that within the Location Theory there are models through which the choices made by businesses and industries are explained. These models include, among others; theories of minimum-cost location and theories of profit-maximising location. The theory of minimum-cost location, as Capello (2011:4) noted, “Analyse the spatial distribution of alternative production activities”. This is done to ensure minimum costs are used in both production and transporting of the goods to the market. The theories of profit-maximising use location of firms and producers to increase their profit by establishing their firms and industries nearer to the market. When firms save in both production and transportation cost, they will then maximise their profit.

Location Theory is used in LED to choose where to locate activities such that they will easily reach the market and be accessible to consumers. Some LED activities choose their location in view of being closer to production factors such as land, labours and resources such as water for irrigation and infrastructure such as main roads, for accessibility. This is supported by Capello (2011:4) when he said “location choices are dictated by a specific principle of spatial organisation of activity: namely ‘accessibility’, and in particular accessibility to a market or a centre”. Apart from the fertility of land, availability and proximity of production resources, accessibility also plays a role in the choice of location for LED practice, and this includes being closer to, and accessible by workers.

2.3.3 Processes of Local Economic Development

The Local Economic Development process is aimed or carried out to deliver a planned product. In this regard, the product includes better jobs, more wealth for the local people and income, and more available opportunities for personal gain and fulfilment (Blakely & Leigh, 2010). This suggests that when local areas embark on planning and implementing LED, the motivation must be to improve the locality so that the desired outcomes of the implementation of LED are visible. LED is implemented to create better job opportunities for local people, whether by bringing in industrial activities in the local area or the local people are motivated and encouraged to start their own initiatives using local ideas and resources.

Local Economic Development process, according to Blakely & Leigh (2010), brings understanding of when, where and how new opportunities for employment can be multiplied. LED initiatives that create business locally and regionally may bring greater

stability for the community through the employment opportunities created and the growth of the local or regional economy.

When beginning local economic development process, two major tasks have to precede the planning process. The first is the organisation or group of institutions responsible for implementation or coordinating the economic change, and the second is the geographic scope of the plan which, according to Blakely & Leigh (2010), must be determined before embarking on the process of LED.

The group of institutions, as explained by Nel (2008), include identifying the planners who will constitute the organisational structure of the team that will head the LED process. The organisational structure, according to Rogerson (2009), needs to have strong organisational capacity and must always ensure communitywide participation, where full participation of all and critical sectors of the community must participate. Furthermore, Nel (2008) emphasises that there has to be a drive from the organisational team to empower local leadership through capacity building and allowing local people to acquire leadership skills that may be used for future projects.

Rogerson (2009) proposes that the geographic scope of the plan involves choosing a zone or area that enjoys the support and acceptance from community members. This could be a small portion of the area that is easily accessed by all community members and integrates elements such as a common market, transportation system, and an easy flow of goods and materials.

The process of LED should include the following, as Blair & Carroll (2009) suggests; (i) first is the inception of the LED idea, which involves an initial briefing meeting with all stakeholders involved in the LED process. It is important that all stakeholders understand the municipal IDP and its processes since LED is within the Integrated Development Plan of the municipality, which is a guiding tool through which the municipality plans, prioritises and renders services as required by the constituencies of that particular municipality. The briefing will give clarity to all parties involved about the methods of cooperation between the consultants and the clients (the benefiting stakeholders); to outline and put together the scope of work, objectives and all important details needed for the LED planning and implementation.

(ii) Further, Hague, Hague & Breitbach (2011) indicate that once the above mentioned is done, then stakeholder consultation and capacity building will follow. This is

important because stakeholders and role-players become partners in the process of LED and a plan to transfer meaningful skills and knowledge should occur during the planning and implementation of LED. This stage, based on Blair & Carroll assessment, involves identifying service providers who will also play a role in the facilitation of the LED process, whilst the municipality and other representatives have to facilitate and implement the strategy once it is completed. Communities who must identify leaders, also play a role in the implementation of LED projects and receive direct benefits from the strategy and the whole process of LED.

(iii) The LED process, as proposed by Hague, Hague & Breitbach (2011) should choose a team that will form the LED forum with the responsibilities of doing the situational analysis, with the purpose of obtaining an overview of the problems and other issues related to the LED strategy. The value of this is to develop a view of the problems faced by the community and then compile a perspective of the development required for such a community and identify trends related to development in the area. Both internal and external analysis must be performed to gather basic information which is critical to and required for economic development planning.

(iv) Blakely & Leigh (2010) noted that knowing the opportunities a locality has on sectoral potential and identifying sectoral comparative advantages of a local area and economy will determine the potential of growth the local area has on economic growth. This may be achieved through the identification of supply and demand factors which will assist in the assessment of the market opportunities based on the gap between existing and future levels of development potential. Available resources with potential of growing the local economy and creating employment opportunities must be analysed based on the extent to exploit them, location and the existing opportunity of their exploitation.

(v) It is further noted in Blakely & Leigh (2010) that the determination of growth potential of the available and existing sectors and potential structural impacts of known and planned development initiatives must be identified. This will include trends of economic growth and performance of the local area, constraints to development, skills availability, and linkage opportunities within the sectors.

(vi) According to Blakely and Bradshaw (2002), the culmination of the steps discussed above will be the drawing of LED strategy, using all the key information gathered in the preceding stages. This will ensure that the LED process will develop

a strategy that will address recent trend in the economy of the local area, and align priorities for the locality which support the vision and strategic direction of the municipal IDP.

Nel (2005) proposed that appropriate institutional structures that can facilitate the development process are key to LED process and once the LED strategy has been designed, institutions with responsibility of implementing the strategy have to be in place and ready for the establishment and operation of economic development promotion in support of the local municipality. Institutional structure in the LED process allows for the conceptualisation of the institutional role and functions of different levels of local government which are in line with LED operations and the implementation of the projects.

As indicated in Capello (2007) LED implementation has to be in the form of projects which must target and prioritise and utilise opportunities for local economic development and investing in the local opportunities. Implementation of each project should take account of implementation of each phase of the project, project budget, project resources and implementation responsibilities to implement a project to its completion.

Based on Blakely and Bradshaw (2002), LED Implementation Plan is a single document that contains all of the LED projects and programmes within a strategy. Therefore, the implementation plan has to outline how each project will be carried out, budget implications and, if possible, time lines of when each project will be carried out. The process of LED culminates in the strategy review, where the entire LED strategy is reviewed in looking at both the successes and failures of the strategy and paving the way forward in improving the next phase of LED as it is cyclical.

2.3.4 Approaches to Local Economic Development

The approach to LED is of importance because it gives direction to a particular locality on what form of LED they want to implement and how it will be carried out. It also helps them make an informed choice on how to channel their resources towards the approach they want and how such will be sustained. The approach chosen will determine whether stakeholders have to be market-driven or just seek interventions to assist their community in development issues and to address the socio-economic situation of their locality. The following are the commonly known and adopted

approaches to LED in various areas and, at times, some have flourished to yield better results, whilst some are a work in progress.

Entrepreneurial/pro-market approach is built on competitive strategies that focus on the notion of local comparative advantage and small business in job creation. Rhodes et al. (2005) identify Johannesburg as one of the cities providing local policies that are aligned with pro-market or growth, striving to build world class cities. This approach encourages people to start their own businesses and build them to make their locality the most preferred in terms of what they can offer to clients. It also challenges their pursuits to have a drive to make more profit in the initiatives they take and mostly apply their abilities in innovation to build their ventures.

Urban Efficiency emphasises that local authorities should raise urban productivity by lowering the cost of living and opening businesses in the locality, although others are arguing that urban efficiency will be realisable if there is a minimisation of state intervention, especially by cutting taxes and service charges, and also privatising some of the services (Beer, 2009).

This approach is mostly for people who do not rely on the government, but promote the idea of local people growing their own businesses. People must produce products they want for daily usage and export to other areas to bring more profit to their locality and promote the idea of urbanisation. The urban areas they create must have little or no state dominance and most services for the people must be from the people themselves or private rather than from the state.

Human Resource Development focuses on skills for local authorities responsible for LED as well as provision of skills to local communities concerning issues of LED. For example, Mozambique is one of the countries which encourage local business growth and new enterprise by providing local businesses with skills and other forms of technical assistance (Worldbank, 2002). Policy guidelines for implementing local economic development (draft policy) are also advocating human resource development.

This approach emphasises capacity building for LED stakeholders and practitioners for proper and effective implementation of LED that will grow the economy of the area. Here, there must be growth in the creation of new businesses and people must be

encouraged to open new enterprises and be capacitated, either by the state or private sector to maintain the growth and sustenance of their ventures.

Community based/market critical/pro poor approach, is an approach that focuses on the importance of working directly with low-income communities (RSA, 1997), e.g., Ethekewini Municipality (Durban) work with local residents using tourism initiatives and SMME's to address the issue of poverty and unemployment. Pro-poor issues are a focal point of policy, poor communities are prioritised in the policy in terms of service provision (Rhodes et al, 2005).

Furthermore, Rhodes et al. (2005) stress that Pro-poor growth is a well-known approach adopted by many municipalities in South Africa, emphasising the combination of pro-poor and pro-market approach. This is something which is emerging in South Africa, which is supported by draft LED policies such as Framework for Local Economic Development in South Africa. This draft policy focuses on competitive city, while also promoting community development.

2.4 South African Local Economic Development

The way in which local areas in South Africa have been elevated in the global economy and the much encouraged community, decision-making have made way for the advancement of local economic development (SALGA, 2010). This kind of LED practice promotes both the pro-poor and growth oriented type of LED required to improve the economy of a locality which is also in line to meeting the macro-economic policies, as stated in UN Habitat (2005). The pro-poor LED based on Nel (2001); Nel & Rogerson (2005) and Meyer-Stemer (2003) is conceptualised as a form of coalition between all stakeholders, including government and the private sector, to plan, organise and use local resources, including ideas, to address the challenges of poverty (its reduction), inequality (the generation of employment opportunities to close the income gap) and economic growth (the use of local resources and ideas to create economic spin-off for the local area).

On the other hand, growth oriented LED is a form of LED concerned with and applied in areas (urban) that have the potential of generating and sustaining economic development initiatives on their own with little assistance from outside (Grimaldi &

Grandi, 2005). Pro-growth/Growth oriented LED pays attention to “attracting external investment through a range of LED interventions that are centred on place marketing, property-led regeneration and the development of hard infrastructure” (Rogerson, 2002).

2.4.1 Historical Background of LED in South Africa

South Africa today is characterised by a highly dualistic economy, with a sophisticated formal sector of numerous globally-competitive multinational companies, paralleled to a population where up to 40% are unemployed and dependant on welfare grants and the informal sector to survive (Rogerson, 2002). This duality in South Africa has been termed as the first (formal) and second (informal) economy (CWCI, 2006). Most of the second economy activities happen in the rural areas of South Africa, where people use the available means to create a living for themselves through the use of local ideas and resources to produce and sell products to local people for income generation. Some of these activities are basically community development initiatives, however, they are classified as economic activities since they generate income for households that practice such activities.

The basis for the current policy framework for LED was originally set down in the South African Constitution. According to Sections 152 (c) and 153 (a) of the former, local government must "promote social and economic development" and it must "structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community" (RSA, 1996:74).

The Reconstruction and Development Programme (RDP) document (ANC, 1994) made implicit references to the notion of LED through the apparent support for community-based development and locality based initiatives. This was followed by the Urban Development Framework and the Rural Development Framework published by the RDP office. However, during the first five years of the RDP, LED generally took second place to housing and infrastructure programmes (Nel, 2001). Furthermore, Nel (2001) and Rogerson (2002) noted that with the closing of the RDP Office, these policies were taken over by the Department of Housing and the Department of Land Affairs. The department of Housing continued with the implementation of housing policy and the development of both the rural and urban housing, while Land Affairs

assumed the role of ensuring the well administering of land and providing land for development and promotion of LED (Rogerson, 2005). Development policy then became more practical, targeting measures to promote the first and second economies that directly support and encourage pro-poor LED through numerous support mechanisms.

Most significant in this regard is the Local Government White Paper (1998) which defined some of the challenges facing municipalities and provided the mandate to local municipalities to deal with these challenges such as skewed settlement patterns, backlogs in service delivery and spatial segregation. The Local Government Transition Act of 1993, provided some direction to municipalities in dealing with these challenges by introducing the Integrated Development Planning (IDP) process that promotes economic development and addresses spatial and transport planning, infrastructure development and regulation with appropriate funding mechanisms (RSA, 1998).

Under the Municipal Systems Act of 2000, which replaced the Local Government Transition Act, all local authorities are required to prepare annual and five year IDPs that set out the development targets with detailed projects and programmes (Allan, 2003). An omission of the Act, however, was that it did not go on to deal with the powers of nonmetropolitan municipalities in terms of many of these issues and despite the constitutional mandate to engage in social and economic development, provincial controls surviving from the previous administration were not conducive to LED (Nel, 2001).

In terms of the role of local government in LED, the White Paper on Local Government (1998) introduces the concept of “developmental local government”, defining it as: “Local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of their lives.” However, the same document makes it clear that: Local Government is not directly responsible for creating jobs. Rather, it is responsible for taking active steps to ensure that the overall economic and social conditions of the locality are conducive to the creation of employment opportunities” (RSA, 1998:1).

The White Paper goes on to state that: “The powers and functions of local government should be exercised in a way that has a maximum impact on the social development of communities – in particular, meeting the basic needs of the poor – and on the growth

of the local economy". However, it was only in 2000 that government began releasing guidelines that provided direction on LED institutional arrangements and strategies for local government to begin implementing action plans that deal with local economic development (RSA, 1998:1).

2.4.2 Challenges in LED implementation

It is noteworthy that any LED policy must acknowledge national realities and the globalised context. The reality is that some of the district municipalities and local municipalities in South Africa have weak or declining economic bases with increasing numbers of unemployed and under-employed people, while many of the metropolitan areas have relatively prosperous economies which are connected to the global system (Hindson & Vicente-Hindson, 2005). Even though metropolitan areas are prosperous, there are sectors within the cities that are poor, such as townships and informal settlements, which are integral to the sprawling metropolis. Many municipalities still remain unclear about the meaning of LED and how to implement it (Meyer-Stamer, 2002 and Rogerson, 2006). This dichotomy of prospering metropolitans and declining districts and local municipalities has serious implications for the implementation of LED strategy in the country. Simply put, the approach to LED in Metropolitans must be different from that of district municipalities because of the nature in which Metropolitans organise and implement their LED, which is mostly pro-growth, as compared to that of district and local municipalities which assumes the pro-poor stance.

Unemployment was acknowledged as the number one priority issue of local concern in most South African municipalities in an International Labour Organization investigation (ILO, 2002). Therefore, municipal actions facilitating creation of employment represent important options for poverty alleviation strategies.

The mainstream of LED planning in South Africa continues to be dominated by market-led activities that are channelled towards achieving sustainable high economic growth rates (Nel and Rogerson, 2005). Numerous alternatives of "place entrepreneurialism" can be identified with the most important relating to promoting localities as competitive spaces for production, consumption and information-processing activities (Rogerson, 2000). Presently, there is growth in the significance of tourism as a new economic driver for the post-apartheid economy, there is considerable local activity

and emphasis upon tourism-led LED planning across large cities, smaller localities and rural areas. The IDPs and broader restructuring plans of major centres highlight the issue of 'positioning the city in the global economy' (see Hall and Robbins, 2002; Nel et al, 2003).

As much as LED planning in South Africa is dominated by market-led activities, this can only work in urban municipalities that have the capacity to attract and retain investors and also initiate economic growth activities. Rural municipalities, however, adopted the pro-poor LED which promotes economic development through community development activities, that include directed, imposed and self-help activities to generate income and grow the economy of their localities. It must be said that this kind of approach takes time to see its fruits because it is not market directed, but is focussed on improving the standard of living for communities through state interventions which are sometimes imposed or directed, and also the self-help where communities are encouraged to stand up and take their own initiatives.

'Refocusing Development on the Poor', as proposed by Rogerson (2005), SALGA (2002) argued a case for promoting 'pro-poor' LED which would explicitly target low income communities and the marginalised as the policy focus of government policy. At least six "developmental" LED strategies are suggested for support, namely: community-based economic development; linkage; human capital development; infrastructure and municipal services; leak plugging in the local economy; and, retaining and expanding local economic activity.

There are, however, three critical policy areas which relate to improving regulatory frameworks, municipal service delivery, and issues of employment creation through the stimulation of local economic activities. The term 'local economic development' has been used to describe a growing number of initiatives, ranging from industrial policy and regional planning to community development, which, although part of an LED strategy, cannot entirely be considered as LED. LED only refers to those development strategies that are territorially-based, locally owned and managed, and aimed primarily at increasing employment and economic growth (Rodríguez-Pose 2002).

The respective roles of national government, provinces, district municipalities, metros and local municipalities are not always clear, and sometimes overlap (Sekhampu, 2010). This is evidently so because other municipalities tend to choose and design

strategies that do not suit their environment and end up not implementing the strategy because of its nature versus the situation on the ground. Meyer (2013) further emphasised that it is important to plan and implement LED based on local conditions and that there was participation by all stakeholders involved to ensure ownership and acceptance of the outcomes.

2.4.3 Approach of LED in South Africa

Local Economic Development (LED), according to Ngubane (2005:45), is concerned with 'the creation of an environment which will engage stakeholders in implementing strategies and programme'. This perspective had to be planned so that it fits with the country's macro-economic strategy which focused on 're-entering the global market, providing a climate which is amenable to international investments, enhancing the role of the private sector, and reducing the role of the state' (World Bank, 2005:39).

The statement above purports that the role of the state is to create an enabling environment for LED to take place, allowing stakeholders to plan and implement the LED strategy aligning it with the macro-economic strategy of the country, to produce products that will be demanded not only locally, but globally and also create a pull factor for investment from both local and international investors to invest in the growth of local economies.

Beer (2009) asserts to the notion that local economic development (LED) offers local government, the private and not-for-profit sectors, and local communities the opportunity to work together in using resources at their disposal to improve the local economy. The main focus is on promoting competitiveness, increasing growth on long term bases and ensuring that growth is inclusive to all and enjoyed by all stakeholders. LED embraces a range of disciplines including physical planning, economics and marketing, and also incorporates many local government and private sector functions, including environmental planning, business development, infrastructure provision, real estate development and finance (Beer, 2009).

In the meantime, South Africa is playing a crucial role in the development of the continent's economy (DTI: 2010). This is in line with the African Union's mandate 'to promote African regional economic integration and development'. The African Union and Nepad have shifted their focus to Southern Africa using the Southern African

Development Community (SADC) and Southern African Customs Union (SACU) to integrate trade through building diversified capacity to produce in the region and, ultimately, throughout the continent.

The above statement means that South Africa, as a launching pad for African economic development, has an opportunity to market their local economic potential to the global investors and this could have economic spin offs in different local municipalities that have the potential to grow their economies to compete at the global stage. The use of LED strategies in the different municipal Integrated Development Plans, can assist in placing those municipalities in a position of economic development and growth of their region which will have a multiplier effect on employment opportunities.

The LED approach adopted in South Africa is that which incorporates the pro-poor and the growth oriented approach (Blakely & Leigh, 2010). This means the planning and implementation of LED in South Africa always have to bear in mind the social settings and economic opportunities existing in different regions and then plan and implement LED based on the requirements of these regions. Based on Watson's (2010) assertion, the urban regions of South Africa adopted the growth oriented approach to LED, while the rural regions took to implement LED focusing on the pro-poor approach. The pro-poor approach, however, encourages local people to utilise opportunities and resources around them to create economic spin-offs for themselves and their surroundings (Ngubane, 2005).

Nel (2005) indicates that the approach to LED in South Africa is both pro-poor and growth oriented and this leads to the planning of its implementation to be a bottom-up planning approach, where stakeholders on the ground have to meet and identify their needs and access the available resources and potential to achieve those needs. This was also asserted by Ngubane (2005), that the bottom-up approach to LED allows for the voices of all stakeholders to be heard and this opens up transparency to the delivery of the process of LED implementation.

2.4.5 National and Provincial Local Economic Development Approach

In South Africa, the mandate for LED is derived from the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), which obliges municipalities to promote the economic development of local communities. The mandate is further reinforced by the

Municipal Systems Act, 2000 (Act 32 of 2000) in which the Department of Provincial and Local Government is expected to build institutional capacity within Municipalities to promote LED. It is, therefore, safe to assume that the planning and implementation of LED is not just a thought dropped, but a mandate that found its origins in the constitution of the Republic to assist the growth of both regional and local economies.

The constitution clearly indicates that it is not the responsibility of local government to create jobs, and the White Paper on Local Government (1998) which formally introduced the developmental local government concept echoes the sentiments of local government not being the creator of jobs, but the creator of environment that will enable development to take place (Triegaardt, 2007). Furthermore, Rogerson (2009) pointed that the enablement created a foundation for local governments to have LED as a driver of both local and economic development of communities.

The White Paper on Local Government of 1998, introduced 'developmental local government'. This is defined as local government committed to working with citizens and groups within the community to find sustainable ways of meeting their social, economic and material needs and improving the quality of their lives (RSA, 1998:1). As a services delivery sphere of the government and in constant contact with the citizen, the local governments, through different municipalities, have to work side by side with their constituencies to identify ways of utilising the available local ideas and resources to meet the needs of the people.

Stakeholder cooperation between government, private sector and local communities has been the pillar and important collaboration in ensuring service delivery reaches all beneficiaries through LED (Meyer, 2013). Local government, as a services delivery sphere of government is tasked with the responsibility of rendering services to local communities. It is also tasked with ensuring that the socio-economic development of communities is achieved through section 152 and 153 of the constitution, which states that "municipalities must provide and manage their administration, budgeting and planning processes to give priority to the basic needs of communities" (RSA, 1996). LED is incorporated to be planned and implemented by local governments through their IDP's, and this is emphasised in section 152 and 153 of the constitution.

Therefore, the responsibility of LED planning and implementation was vested within the local arm of the government and municipalities are tasked to, in consultation with

the people, plan and implement services delivery that will grow the economy of the local area and help citizens meet their social, economic and social needs.

The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) outlines a vision for developmental local government as a municipality that is able to govern its affairs on its own initiative by demonstrating the financial and administrative capacity to: Provide democratic and accountable government; Ensure the provision of services to communities in a sustainable manner; Promote social and economic development; Promote a safe and healthy environment, and Encourage community involvement.

Sekhampu (2010) proposed that for LED to be a success, the planning process must include and involve all stakeholders in the localities. It should also be noted that it is not an overnight process and all matters affecting the quality of lives of communities must be dealt with. The effectiveness of LED implementation in South Africa, as suggested in Meyer-Stemer (2003), should follow and implement the following principles: the creation of a clear distinction between LED and community development initiatives; refraining from solving problems by throwing money to the problem; conduct an ongoing analysis of local economic sectors and address the failure of markets; stimulation of entrepreneurship and business development; increase or maximise existing local resources such as finance, natural resources, and human skills through utilisation of mentors; identification and implementation of projects that yield results quicker; and the creation of partnerships between private and public sectors.

2.4.6 Role players (stakeholders) in LED

There are various stakeholders involved in the implementation of LED. These include the various stake holders who have diverse roles they play, firstly, in the national government. The main role for national government in LED is to coordinate public policies and investment programmes. Szirmai (2005) suggested that the role of provincial government is described as having two main parts which include a coordination role and the responsibility for resources allocated from national to provincial government and for ensuring that these are correlated with the priorities of the various IDPs. Provinces should establish LED forums to carry out the work of the National LED Forum at the provincial level. Provinces also play a role in building the

capacity of municipalities to undertake LED and in supporting them in its implementation.

Another stakeholder is the Local government, which is responsible for creating a favourable environment for business development and success. By its nature, local economic development is a partnership between the business sector, community interests and municipal government (RSA, 1998). Government agencies such as the Sector Education Training Authorities (SETAs) and SEDA (Small Enterprise Development Agency) all have a potential role to play in supporting LED initiatives through funding and training (SALGA, 2010).

Furthermore, SALGA (2010) indicates that foreign donor organisations have a specific focus on LED issues; the most important country in this regard is Germany, whose main focal sectors are local government and good governance. The EU has also played a significant role by providing funding and institutional support in provinces such as KwaZulu-Natal, the Eastern Cape and Limpopo.

Local Economic Development Agencies (LEDA) - there are currently more than 30 LEDAs across South Africa, operating at the District and Local Municipality level. However, these LEDA's have had very different levels of success, and there is not always agreement among the various LED role players as to exactly how these agencies should operate and how their mandate should differ from and be integrated with the LED responsibilities of the local authorities (Christensen & Van der Ree, 2008).

2.5 Local Economic Development in Mpumalanga

The Provincial Growth and Development Strategy is the body given the responsibility of planning and implementing economic activities and growth in Mpumalanga Province. According to MPGDS (2004-2014), their responsibility includes to plan and implement economic development policies of the province which are in line with the National Spatial Development Perspective (NSDP) and the Integrated Development Plan (IDP) of the municipalities. The aim is to target sector departments, municipalities and other social and stakeholder partners to plan, prioritise and align sectoral plans, strategies and programmes to PGDS' priorities.

Furthermore, the MPGDS activities which began in 1996/7 as a framework for socio-economic development for the province became the responsibility of this body and have to ensure that the economy of the province grows and contributes substantially to the national GDP. The amended MPGDS (2004-2014) was adopted as a policy framework for the province to set a tone and pace for economic growth and development in the province. It specifically deals with issues of development, including social, economic and political, to align policies and strategies of all spheres of government.

The province (Mpumalanga) is the fourth largest contributor to national GDP, and this contribution is from a number of sectors such as mining, energy and manufacturing. These three sectors add up to 60% of the provincial contribution to national GDP, and about 20% of jobs in the province (MPGDS, 2004-2014).

MPGDS (2004-2014) reported that tourism is one of the fastest growing sectors in the province and at the moment it hosts the third-most foreign tourists in the country, and registered about 10% of the total revenue spent on tourism in the country. This contributes a substantial portion of the income generated by LED initiatives since most activities in the form of entertainment and employment are from small businesses owned by local people and registered as part of LED initiatives.

Agriculture, as reported by Mpumalanga Economic Development, is an important contributor in LED activities through its forestry and agricultural production. Industries dominating in this sector include Sappi, which runs a large pulp and paper factory in Mpumalanga. Forestry and agriculture provide jobs that provide a contribution of 61% of the total GDP of the province and about 18.1% of employment opportunities (Mpumalanga Economic Development, 2014).

Furthermore, it has been reported that community, social and personal services, construction, and economic activities in Local Municipalities complete the set of LED activities in the province. About 16 000 jobs were created in the community, social and personal services sector, 4 000 jobs in the construction sector and the economic activities in local municipalities created jobs through formal employment and services rendered to the people (Mpumalanga Economic Development, 2014).

The Maputo Corridor, which runs along the N4 route to Mozambique, hosts a number of industries that play an important role in creating employment opportunities and the

growth of the province's economy. Apart from formal employment created by this Industrial Development Zone, there are informal economic activities that support and enhance the growth of the economy in the province.

2.5.1 Ehlanzeni District Municipality's mandate of LED

There is little literature on LED in Ehlanzeni and most LED writings are legislative documents such as Ehlanzeni District Municipality LED (2016/2017) which indicates that the mandate for LED in Ehlanzeni District Municipality in Mpumalanga is derived from section 83 (3) of the Municipal Structures Act of 1998, which states that a district municipality must seek to achieve the integrated, sustainable and equitable social and economic development of its area. This translates to the way the district has planned its LED to address the economic challenges of this district, in the form of tourism, agriculture, SMME's and, to some extent, entrepreneurship. The district role is to plan for development and services delivery for the Ehlanzeni district, including planning and implementing LED activities to promote the economic potential of the region and create economic spin-off in the form of employment opportunities, poverty reduction and economic growth of the region.

According to EDM IDP (2016-2017) tourism is the biggest contributor to LED, with a lot of tourists visiting the famous Kruger National Park, the Panorama route and other tourist attraction destinations in the municipality. The second contributor to LED and the growth of the economy in Ehlanzeni is agriculture, with the second biggest employment numbers employed in formal and informal agricultural activities. SMME's, industrial and infrastructural development contributes to LED and the growth of regional economy. The biggest benefactor is the Maputo Corridor, which passes through Ehlanzeni in the Mbombela and Nkomazi municipalities.

2.5.2 Local Economic Development in BLM

BLM strategy has been based upon the economic opportunities and potential of the municipality to generate growth and employment opportunities for the local residents. The approach, however is not clear as to whether it is market related or pro-poor, since there are attempts by the municipality to resuscitate the collapsed industrial sites and, in the meantime, implement projects that promote community development. The focus in this case is mainly on those activities that help fight poverty and community development. Based on BLM LED (2010-2014), there have been difficulties in

attracting and retaining industries because of the geographical location of the municipality and the willingness from investors to invest in the municipality.

The LED strategy in BLM focuses mainly on the agricultural and tourism sectors which both have potential of creating economic spin-off and the trickle down of employment opportunities. The strategy uses the strength of the municipality in the available and existing resources and capacity to develop plan and strategies to breed success in addressing local economic development challenges (BLM LED, 2010-2014).

Legislative mandate from the Constitution and the White Paper on Local Government (1998), ASGISA, NSDP, National Framework on LED strategy and Municipal IDP, the Mpumalanga Provincial Growth and Development Strategy, and the 5 year local government strategic agenda helped to shape and give direction to the formulation and implementation of BLM LED strategy. All the above legislative documents mandate the municipality to develop an 'LED plan to model LED and make the final outcome credible' (BLM LED, 2010-2014: 23).

2.6 Chapter Summary

This chapter reviewed literature on LED strategy implementation. The focus was based on several approaches on how local economic development may be implemented, looking at different approaches presented by various authors. These approaches contribute a lot in guiding localities on how to choose an approach best suited to their local area, considering the available resources in that particular local area.

Different conceptualisations of LED were looked at, and it was discovered that LED has been practiced in different countries, which adopted their preferred methods which suit local conditions to create economic growth of their regions. The conceptualisation of LED in the global north is different from that of the global south, with the former focusing mainly on pro-growth initiatives and the creation of sustainable economic growth and globally competitive economies. The global south on the other hand, their LED focuses on pro-poor LED. They target to fight the triple challenges of poverty, inequality and unemployment which have a direct bearing on community development and its initiatives, with people taking a centre role in determining their development paths.

The chapter also delved on policies and processes of LED with the discovery that, depending on the socio-economic situation of a country, either pro-poor or pro-growth policies will be pursued to carry out LED initiatives. LED processes require a participatory process, where all stakeholders have to resume their given roles to ensure the success of LED initiatives in their localities.

In South Africa, this chapter looked at the historical background of LED and indicated that during apartheid, the implementation of LED was not clear and was marred with a lot of bias towards a specific population group. However, the dawn of democracy brought about change where LED and its implementation were used to promote economic growth in different localities using local ideas and resources. It was also discovered that the implementation of LED in South Africa is area based, with well-off areas, such as cities/metropolitan that implement a pro-growth LED and the rural or local municipalities that implement the pro-poor LED to help develop communities and create opportunities for economic growth in those areas. Policy documents legislating the implementation of LED indicate the level and importance of LED implementation in South Africa and guide all stakeholders towards a successful LED practice which creates growth, both socially and economically.

Local Economic Development has been tipped as a solution to most local government's development in both the global South and North. Strategies that have been widely adopted in implementing LED activities include Integrated Development Plan, sustainability, entrepreneurship, capacity building, participation mechanisms, development and, in some instances, industrial development, which will create a link between the local area and the markets. The next chapter will discuss the methodology and processes of collecting, analysing and ensuring data validity and reliability.

Chapter 3

3.0 The Research Design and Methodology

3.1 Introduction

This chapter outlines the design of the research, the approach, philosophy and the methods applied in the collection and analysis of the data collected. It further discusses how validity and reliability were established. The study area and ethical issues relating to the collection of data and conduct towards respondents are included.

3.2 Research design

The descriptive research design was selected as it allowed the study to have an in-depth look at various perspectives and the implementation processes of LED projects in their area. Mouton (2001:74) defines research design as a plan or blue print on how one intends conducting the research. According to Gray (2004:25) the choice of research design is determined by a combination of several factors, such as understanding and describing how LED strategy is implemented in BLM to benefit local people, enrich and uplift the economy of the municipality. The design assisted the researcher to describe the processes of LED strategy implementation in BLM. This might have emanated from the fact that the researcher believed that there is truth that needs discovering, or exploring in order to answer the existing question.

3.3 Research Approach

The study used qualitative research approach as it sought to explore and describe LED implementation strategy and how people have benefited from existing projects. Strauss and Corbin (1990:17) define qualitative research as any kind of research that produces findings not arrived at by means of statistical procedures or other means of quantification. In this regard, data collection techniques were interviews with both key informants and project participants. This approach helps bring about understanding on how the municipality implements its LED strategy by explaining and describing the processes from planning to implementation of the strategy.

3.4 Philosophy

This study assumed the nominalist stance, where it sought to interpret the respondent's internal and subjective experiences in the implementation of LED strategy in the BLM. Terre Blanche and Durrheim (2004:6) suggest that when a researcher takes the nominalist stance, he/she seeks to understand and interpret the respondent's internal and subjective experiences which are very important. The paradigm or epistemological dimension is more likely to be interpretive and the researcher is likely to be empathetically and subjectively immersed in the research.

3.5 Research methodology

The study applied the following methodology to obtain the target group and to collect and analyse the data in order to achieve the aims and objectives of the study. It was also presumed that the method adopted would ensure that the research obtained its objectives.

3.5.1 Sampling techniques

There are more than 50 LED projects in BLM and only 10 projects were sampled for this study. These projects include tourism projects (4), agriculture (4) and SMME's (2) project implemented to promote LED in BLM. The select projects were selected using the list of projects in the LED strategy of the municipality using the non-probability, purposive sampling method. Dominic & Wimmer (1983:57) define population as the larger group of all the people of interest from which the sample is selected. It is a group or a class of subjects, variables, concepts or phenomena, while, Stuart and Wayne (1996:29) state that population is any group that is the subject of research interest.

The researcher used the non-probability sampling method, and purposive sampling was used to select key informants and simple random sampling to select the 5 respondents from each project. The sample comprised of at least 6 BLM LED officials and at least 5 project people, from the 10 selected projects, who include the project management team and ordinary workers from each project side. This allowed the researcher to have a balanced view from both the municipal officials and people at the project sides. A total of 56 participants who are active participants in the implementation of LED in the study area were sampled.

The researcher made an appointment with the LED unit to secure permission to collect data from their LED activities. The LED unit had about 6 workers and they all took part in the study. After the meeting with the municipal's LED unit and projects to be visited were identified, a simple random sampling technique was used to randomly select respondents from project participants.

3.5.2 Data sources

Primary and secondary sources of data were used to collect and access information needed for the study. LED officials from the municipality and respondents from the project sites were used to obtain primary data using structured and unstructured interview schedule. Secondary data was obtained from analysing documents, which were used to learn more about the results of the previous studies as well as what other authors said about the study. LED documents were used to obtain information about different LED Projects implementation, from Agricultural Activities such as Co-operatives within the communities, to tourism activities and the development and operation of SMMEs.

3.5.3 Data collection techniques

Data for this study were collected from both key informants, who are the municipal officials in the LED unit and the departments they work with, such as the Department of Agriculture and the Department of Tourism.

3.5.3.1 Key informants

Data were collected using an interview schedule comprised of structured and unstructured questions. **Questions were formulated based on themes and each theme comprised of about 5 questions probing to understand how LED strategy is implemented in BLM.** These questions were administered to both municipal officials and project participants. These interviews assisted in creating trust between the interviewer and the respondent. The interview schedule had closed ended questions to complement open ended questions.

Patton (2002:341-347) advocates that qualitative research relies on in-depth interviewing, which could be achieved through a priori structure and it must be in latitude the interviewee has in responding to questions. The researcher employed the three categories of interviews, which are; the informal, conversational interview; the

general interview guide approach which was used for municipal officials; and the standardized open-ended interview.

3.5.3.2 Document analysis

Document analysis was used to collect secondary data for the study. LED Documents from Local Government were used to obtain information on different LED strategy implementation. These were documents from Agriculture, tourism and SMME's which were analysed to bring a sound understanding on how best an LED strategy may be implemented. Municipal IDP and other relevant Government documents were also used to source data for this study.

3.5.3.3 The general interview guide for project participants

This type of data collection technique was used to collect data from project participants. According to Gall, Gall, & Borg (2003) the general interview guide approach is more structured than the informal conversational interview, although there is still quite a bit of flexibility in its composition. Questions, in this regard, were arranged based on the researcher who was conducting the interview.

The common issue with this type of interview is the lack of consistency in the way research questions are posed because researchers can transact the way he or she (researcher) poses them. Having said that, the respondents are likely going to be inconsistent by answering the same question(s) based on how it/they was/were posed by the interviewer (McNamara, 2009). This method of data collection was conducted to ensure that the questions in the interview guide are arranged in a sequence such that after all questions have been answered, inconsistency and bias would be eliminated. This will also allow the analysis and findings to have few gaps.

According to McNamara (2009), the strength of the general interview guide approach is the ability of the researcher to ensure that the same general areas of information are collected from each interviewee; this provides more focus than the conversational approach, but still allows a degree of freedom and adaptability in getting information from the interviewee. The researcher remains in the driver's seat with this type of interview approach, but flexibility takes precedence based on perceived prompts from the participants. Participants were always asked identical questions, but the questions

are formulated so that responses are open-ended (Gall, Gall, & Borg, 2003). The study used standardised open-ended questionnaires to source out data from key respondents. This open-endedness allows the participants to contribute as much detailed information as they desire and it also allows the researcher to ask exploratory questions as a means of follow-up. One common weakness noticed with open-ended interviewing is that it is difficult to code the data (Creswell, 2007).

Since open-ended interviews in nature, call for participants to fully express their responses in as much detail as preferred, it can be quite difficult for researchers to extract similar themes or codes from the interview transcripts as they would with less open-ended responses. Although the data provided by participants are rich and thick with qualitative data, it can be a more burdensome process for the researcher to sift through the narrative responses in order to fully and accurately reflect an overall perspective of all interview responses through the coding process. However, according to Gall, Gall, and Borg (2003), this reduced the researcher's biases within the study, because key informants had to answer questions in a designed answer paper to fully express their views and understanding of LED strategy implementation in BLM.

3.5.4 Data analysis and interpretation

There are different qualitative data analysis methods, such as content analysis, conversation analysis and grounded theory. Since views and perceptions of people on LED strategy implementation were sought, the analysis method for this study was the content analysis. Krippendorff (1980) suggest that content analysis is a type of primary and secondary data analysis method used to analyse text, including interview transcripts, newspapers, books, manuscripts and Web sites to determine the frequency of specific words or ideas. The results of content analysis allow researchers to identify, as well as quantify, specific ideas, concepts and their associated patterns, and trends of ideas that occur within a specific group or over time. They provide objective analysis of written materials and can identify meaning from text data.

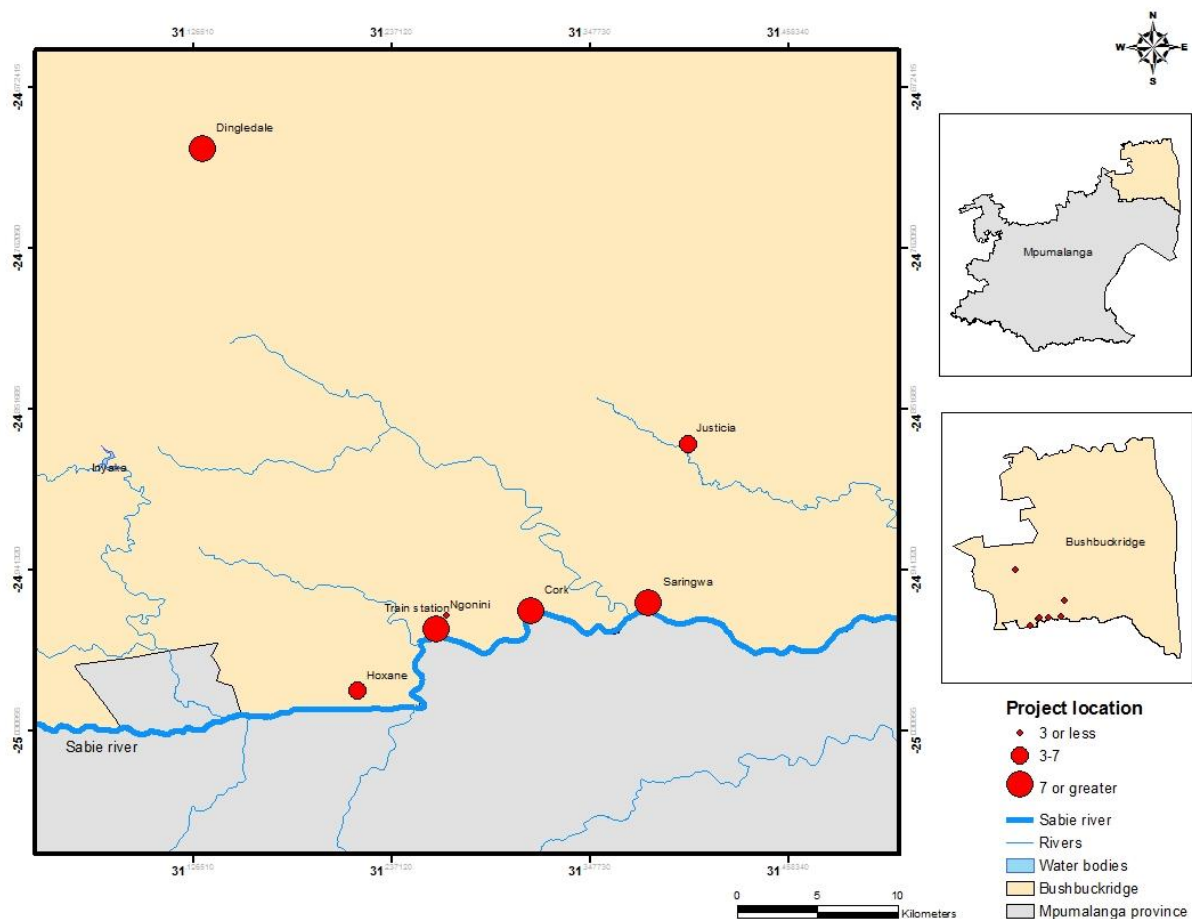
Data collected for this study were transcribed to clean and eliminate errors and themes were developed based on the objectives of the study to allow processing. At the end of each project visitation, data and information collected were jotted down to help the researcher recall and write a full account of the experience from the field. This assisted

the researcher to remember the conversations with informants, and the experience gained during field visits (Cohen, 2006). Graphical presentation explaining the borrowed quantitative variables in the study were analyzed through SPSS (Statistics Package for Social Sciences). **Qualitative data were categorized on the bases of theme derived from the objectives of the study and quantitative data, borrowed to analyze quantitative variables were categorized using SPSS.**

3.5.5 Study Area

The research was conducted in Bushbuckridge Local Municipality, which is under Ehlanzeni District Municipality in the Mpumalanga Province of South Africa.

Figure 3.1: Map of the study area



3.6. Issues of reliability and validity

This study employed internal data validation. Olsen (2000:215-255) recommends an internal validation approach to validate qualitative data, indicating that internal

validation deals with several types of inconsistencies. Contradictory data are an example of an inconsistency. Users expect that the data should not contradict each other. Another form of inconsistency has to do with the form and structure of the data in the database. This also assists the researcher to keep check and ensure that the data collected are in line with the study objectives and the main aim of describing how LED strategy is implemented. The data collection and research instrument underwent a number of committee processes for approval; this included the departmental presentation, approval by the Faculty board, the University Ethics and Research Committee and the Higher Degrees Committee. The different committees scrutinised the instrument, for an ethical clearance certificate to be issued, and also to check and verify that it does not disadvantage or put to danger the lives of respondents, the institutions involved in the study and the researcher.

This helps to enhance confidence in the findings. Morgan (1998:362-376) also advocated that internal validation methods detect defects by checking for inconsistencies in the data. These checks may be used as a preventive measure to reduce errors and, thus, act to improve data quality.

Furthermore, reliability and validity were tested using five respondents, and the results came out positive. These results do not form part of the project. Data collection tools were tested with an aim of collecting reliable and valid information for the study to be undertaken. The data that were gathered answered the research questions and are in line with the objectives of the study.

3.7 Ethical considerations

Maree (2007:41-42) suggests that it is very important to highlight the ethical considerations in regard to the research. The essential ethical aspect is confidentiality of the findings and the information collected from the participants. This was achieved through giving out a letter of consent to each participant to be interviewed. This research project is for academic purposes and information collected from participants remains within such parameters and no name of a participant will be published. The researcher ensured that participants understood the concept and participated voluntarily.

The Research and Ethics Committee at the University had also approved that the research instrument met the standards used for the collection of data and for the purpose of this study.

3.8Chapter Summary

This chapter outlined the design of the research, the approach, philosophy and the methods applied in the collection and analysis of the data collected. It further discussed issues of validity and reliability, the study area and ethical issues relating to the collection of data and the conduct of the researcher towards respondents. The following chapter will look at data presentation, discussion and analysis.

Chapter Four

4.0 Data analysis and interpretation of LED strategy implementation within BLM

4.1 Introduction

This chapter presents and interprets the data collected from the key informants and project participants who were involved in the implementation of Local Economic Development strategy in Bushbuckridge Local Municipality, Mpumalanga Province. The presentation of data is systematically linked to the format of the interview guide used to collect the data (see Annexure A).

The data are classified according to the order of appearance in the interview guide, with the data carefully reduced and scientifically presented. The graphs, tables, and charts have been used for the interpretation of data. The first part will only present the data collected during the collection of data and field visits, while the latter part will discuss the data and findings, and link them with literature reviewed in the earlier chapter of this study.

4.2. Description of selected LED projects

This section describes the selected projects for the study. The descriptions provide the name of the project, location of the projects, employment and the activities carried out in the projects.

4.2.1 Project 1

This project is situated in the 'Lowveld' of Mpumalanga, located equidistant between Hazyview and Mkhuhlu - towards the Kruger National Park (KNP). The Project is adjacent to R536 road to KNP and is well located alongside the Sabie River and on the fence of Kruger National Park, which provides water for irrigation.

Activities carried out on the project site are agricultural products that include vegetables and crops like maize, tomatoes, spinach, cabbages, sweet potatoes and butternut. Other activities are the breeding piggery for the production of pork.

Employment created by the project includes 50 fulltime employment and seasonal employment of 80 people who produce and harvest production sold to local and national chain stores. Challenges faced include crop destruction by wild animals from the adjacent KNP, the lack of support from the Department of Agriculture and the transportation of production from the site to the market place. Benefits include the skills transfer and employment opportunities gained by local people.

4.2.2 Project 2

The Sabie-Hoxane irrigation project is found in the 'Lowveld' of Mpumalanga and is located midway between Mkhuhlu and Cork Trust towards the Kruger National Park (KNP). The Project is adjacent to the R536 road to KNP and lies on Sabie River for irrigation water and on the fence of Kruger National Park as a border fence. The project focuses on agricultural production activities, which include production of vegetables such as maize, tomatoes, spinach, cabbages, sweet potatoes and butternut. Other activities are the breeding piggery for the production of pork.

The project employs about 120 fulltime people and offers seasonal employment to about 65 people who produce and harvest production sold to different consumers.

4.2.3 Project 3

Ulusaba/Newington C Lodge and training academy is situated on the area of about 700ha of communally owned land in the Newington C community. The project is located adjacent to the western boundary of Ulusaba (with Sir Richard Branson's Private Game Reserve and is part of the Sabi Sands).

This is a sustainable tourism based project which has created 50 direct job opportunities for the local community. It is a Broad Based Black Economic Empowerment (BBBEE) initiative characterised by programmes for skills development, and includes a new 24-bed ecotourism lodge and tourism training facility proposed to be built on communal lands that will be formally incorporated into the Sabie Sands Private Nature Reserve. The project has a natural additional skills and capacity development activity which includes the recycling of bottles to make artefacts to be sold to tourists and the local market.

4.2.4 Project 4

The project is located on the Belfast farm on the farm land registered as 296KU. The farm is on the southern side of the R536 (to Kruger Gate) about 30kms from Hazyview and is about 2300 hectares in size. It is a re-establishment of about 360 hectares of citrus farms which existed during apartheid and early democracy. Saringwa project presents an excellent opportunity for re-establishment of up to 300 hectares of citrus for export. Between 2007 and 2009, the Department of Agriculture invested some R4m plus in irrigation infrastructure and mechanisation, as well as the rebuilding of a perimeter fence.

It is envisaged that the establishment of a Community Private Partnership will provide the strongest foundation of a sustainable and commercially viable operation with the re-establishment of a viable and sustainable citrus hub in the South of Bushbuckridge. The sustainable agriculture - based employment creation yields 200 direct jobs. It is a Broad Based Black Economic Empowerment project and has a through-put of skills transfer, the redistribution of income (in the form of turnover sharing) and the development of productive infrastructure (to be transferred according to the BOT principle).

4.2.5 Project 5

This project is situated in the 'Lowveld' of Mpumalanga and it is located midway between Hazyview and the Kruger Gate entrance to the Kruger National Park (KNP). The facility is operated as a catered four star facility, it has an initial employment of 46 staff, with a potential to grow to around 80 staff once the Lodge is fully operational. It also offers an opportunity for the development of SMME's with expected activities including game-viewing in purpose-built game drive vehicles in KNP; horse-back and/or hiking trail guides; transfer operators; security personnel; refuse removal; firewood supply; curios; fresh produce for consumption by the tourism facilities; and culture based entertainment.

4.2.6 Project 6

The Green Farm Piggery Cooperative project is situated in the 'Lowveld' of Mpumalanga, midway between Mkhuhlu and Cork Trust towards the Kruger National Park (KNP). The Project Entrance is adjacent to Mkhuhlu train station and is well

located alongside the Sabie River and on the fence of Kruger National Park. Activities carried out on the project site are agricultural products that include vegetables like tomatoes, spinach, cabbages, sweet potatoes and butternut. Other activities include breeding piggery for the production of pork.

Employment created by the project includes 20 fulltime employment and seasonal employment of 45 people who produce and harvest production sold to local people.

4.2.7 Project 7

Andover Game reserve is situated in the northern part of BLM in the Acornhoek region, next to Islington and Burlington on the road to Manyeleti Game Reserve. The project operates under the Mpumalanga Tourism and Parks Agency (MTPA) and entails a resuscitation of the nature reserve to house tourists visiting the area. At the moment, construction is underway, however, at its completing, the reserve will have chalets to accommodate visitors and operate game drives to visiting tourists. The project has a propensity to employ 220 full time workers with a potential increase in the number of jobs created due to the demand by tourists and the increased number of local visitors to the area.

4.2.8 Project 8

Bohlabela Cultural Village is situated in the southern tip of BLM in the Mangwazi nature Reserve, in the Mkhuhlu region. The village will house and showcase the cultural activities of the BLM people and their practice. The project is implemented in partnership with the National Department of Tourism, and is expected to create over 100 full time job opportunities and about 50 seasonal and part time jobs for local craftsmen and artists.

4.2.9 Project 9

Champagne Citrus Farm is an agricultural project in the Acornhoek region, located at Rooibocklaagte. The farm is about 400 hectares, specialising in the production and packaging of oranges, mangoes and other citrus fruits. The farm has a propensity to create about 530 job opportunities and can contribute a great deal in the growth of the region's economy.

4.2.10 Project 10

Lisbon Estate is situated in Mkhuhlu region in Belfast area and it used to supply its products locally and internationally. The project is currently under the watchful eyes of

the Department of Rural Development and the Department of Agriculture. The Mpumalanga Regional Land Claims Commission is in the process of working with the mentioned departments to resuscitate the project which has the potential of creating 400 full time jobs in a 400 hector plot.

4.3 Presentation of data

The following section starts with the presentation of the biographical and socio-economic data of project participants, the project duration and then present the narratives on the actual implementation of the projects and challenges experienced.

4.3.1 Presentation of overall biographical information

Variables such as gender, racial distribution, income, and employment status are presented in this section, as these are considered to have a direct influence on the implementation of LED projects.

The study revealed that about 56% of the participants were females, with 44% of males who are active participants in LED initiatives. This suggests that females predominate in local economic development projects in the study area, and this may be attributed to varied factors, such as the type of activities carried out in the projects, which include agricultural production and tourism-based initiatives and the general accepted population and gender dynamics of the country, which indicates that in general, there are more females than males (StatsSA: 2011).

4.3.1.2. Racial distribution

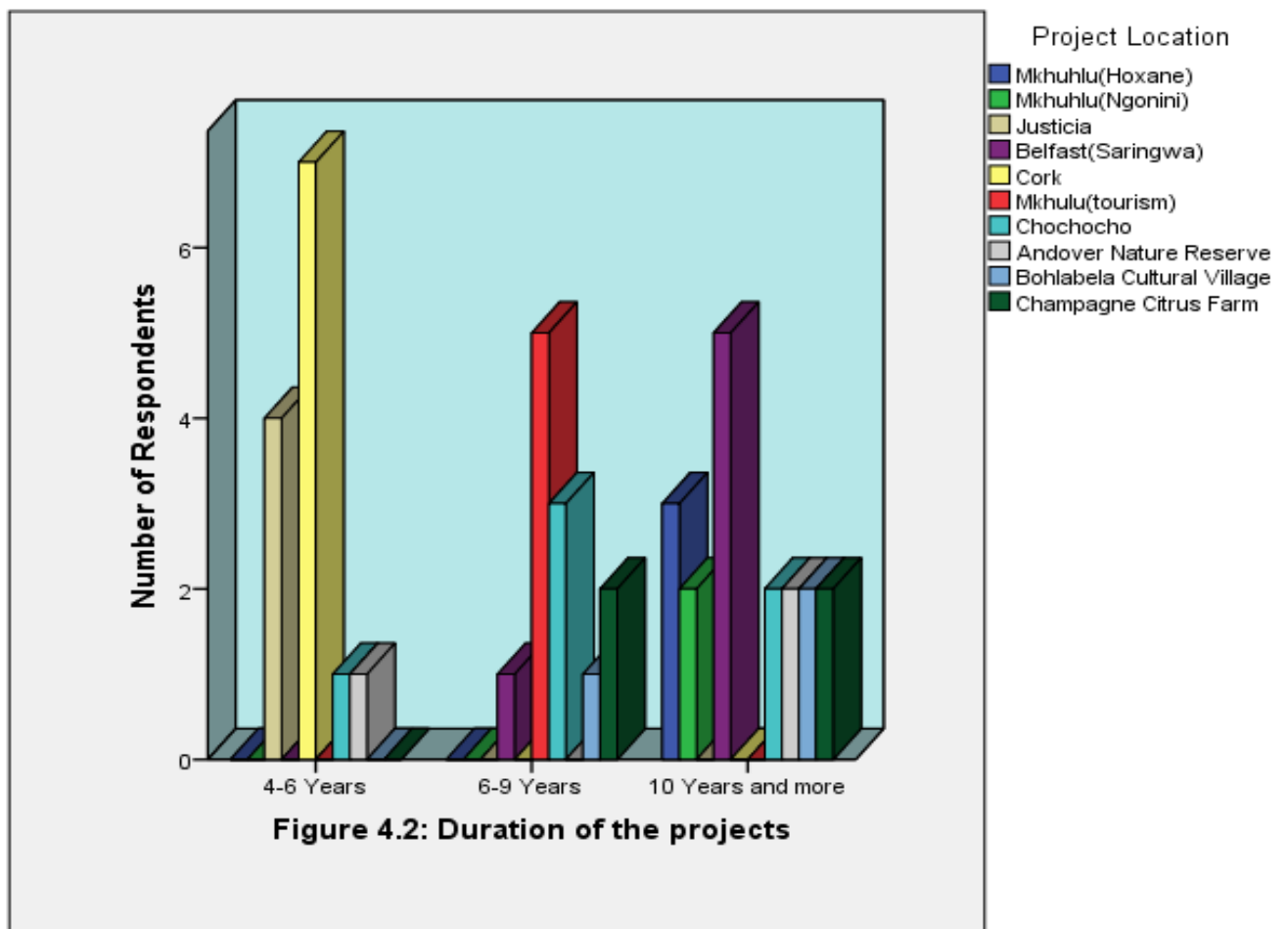
The population of Bushbuckridge Municipality is largely Black Africans with 99.55%, followed by 0.19% of Whites, Coloured and Indian/Asian groups are at 0.10%, and the other groups making 0.06%. Almost all of the respondents in this study were of African origin. This suggests that most LED activities in the study area are done by Africans, as data collected suggest their dominance in the area.

4.4 Socio-economic Status

The data on the status of employment and the income levels of participants in local economic development projects are presented on the basis of their direct link to the goal of the LED strategy, which relates to the creation of job opportunities, alleviation

of poverty and improvement in the quality of life. The data presented below also help one to understand how LED strategy is implemented in the study area.

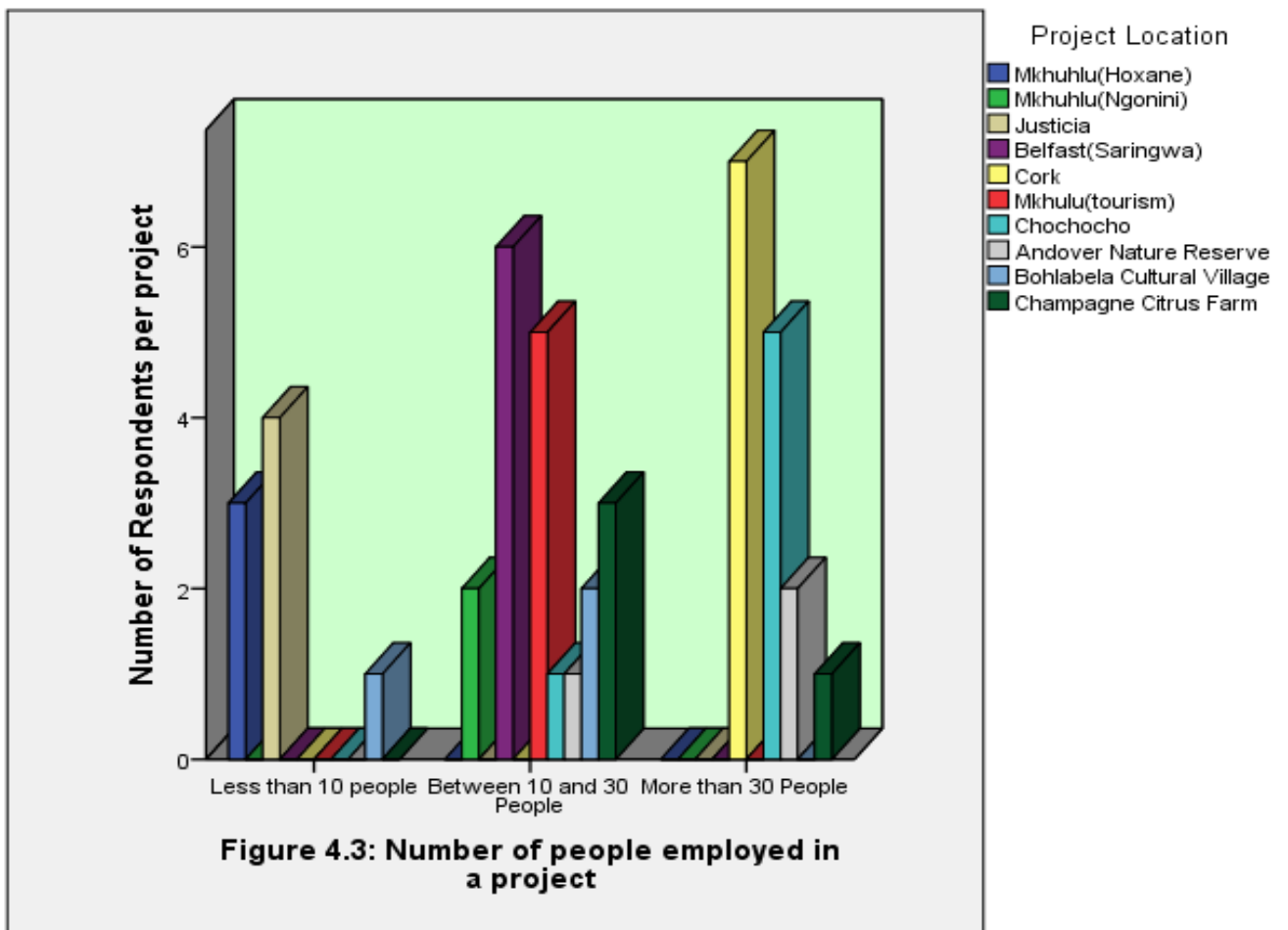
4.4.1 Project Duration



Source: Survey Data 2015

Figure 4.2, above, depicts that there are three groupings in project duration with projects that have been existing for about 6 years, and the second group represents projects that have been existing for around 9 years. The third cluster represents projects that have been existing for 10 and more years. The majority of the projects in the study area have been in practice for about 10 or more years and from the depiction, the majority of the projects have been existing for 10 and more years, indicating the willingness of people to practice LED

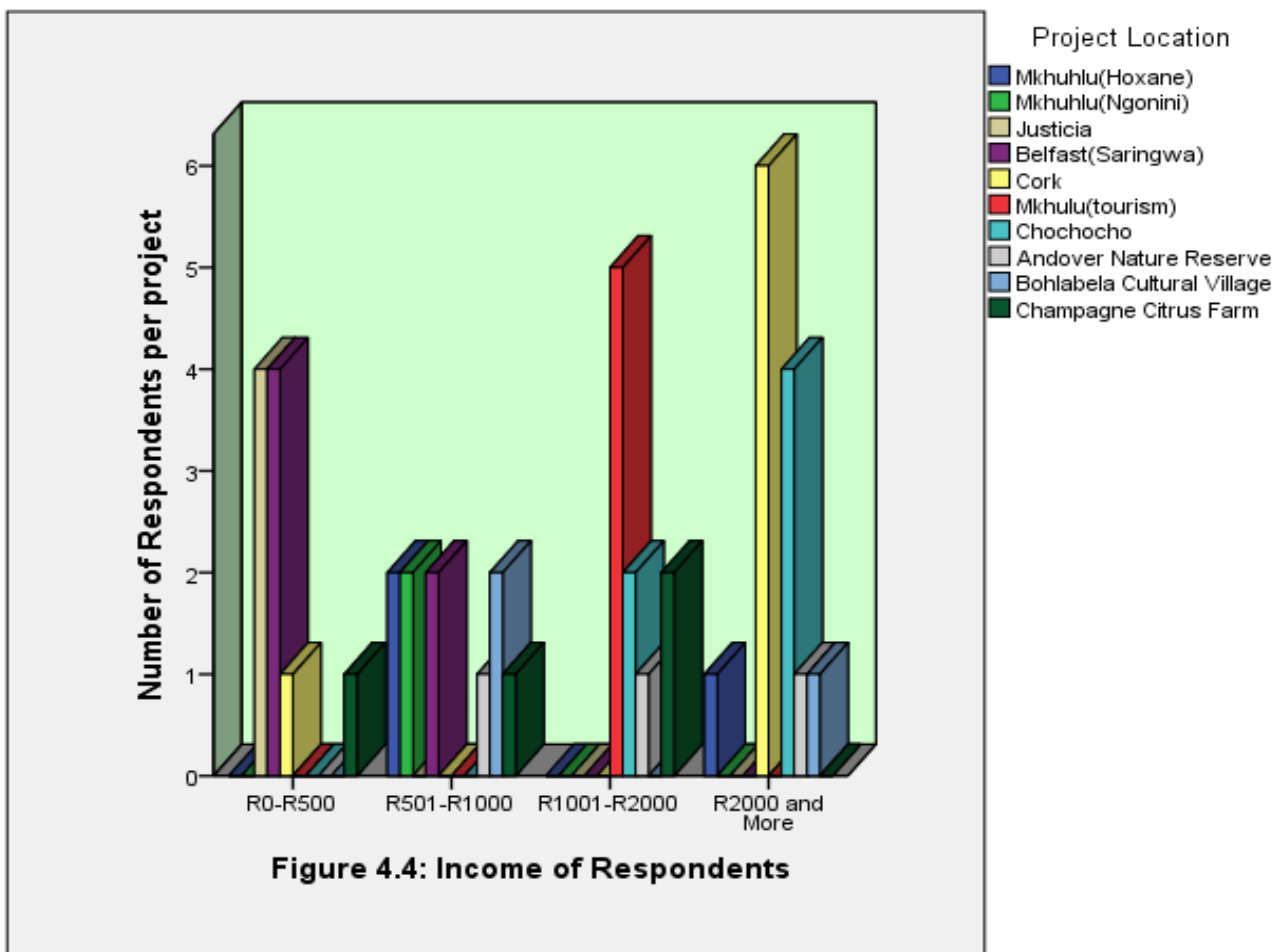
4.4.2 Number of people employed in projects



Source: Survey Data 2015

Data collected indicate that the number of people employed in LED projects varies, with the first cluster representing projects that only afford to employ 10 people or less, the biggest employer in these projects are the projects employing between 10 and 30 people, and the projects that employs more than 30 people are represented by the third cluster. The statistics above are influenced by the number of years a project has been existing and the marketability of products they produce.

4.4.3 Income of Respondents



Source: Survey Data, 2015

Income figures depicted in figure 4.4 indicate that income is almost evenly distributed with three categories (R0-R500; R501-R1000 and R1001-R2000) almost equal, whereas the biggest portion belongs to those earning R2000 or more from implementing LED activities. The findings indicate that LED in the study area employs and remunerates people in proportion to what they do. Further indicated by the findings is that those earning in the third bracket of R2000 and more are people with skills required in the implementation of LED, meaning that LED in the study area can also attract skilled personnel. Most of those in the lower brackets are people with low or no skills, but who still apply the basics they have in the implementation of LED initiatives.

4.5 Municipality

All respondents in this study reside in BLM, and almost all LED projects participants are residents of Bushbuckridge Local Municipality.

4.6 Project Location and description

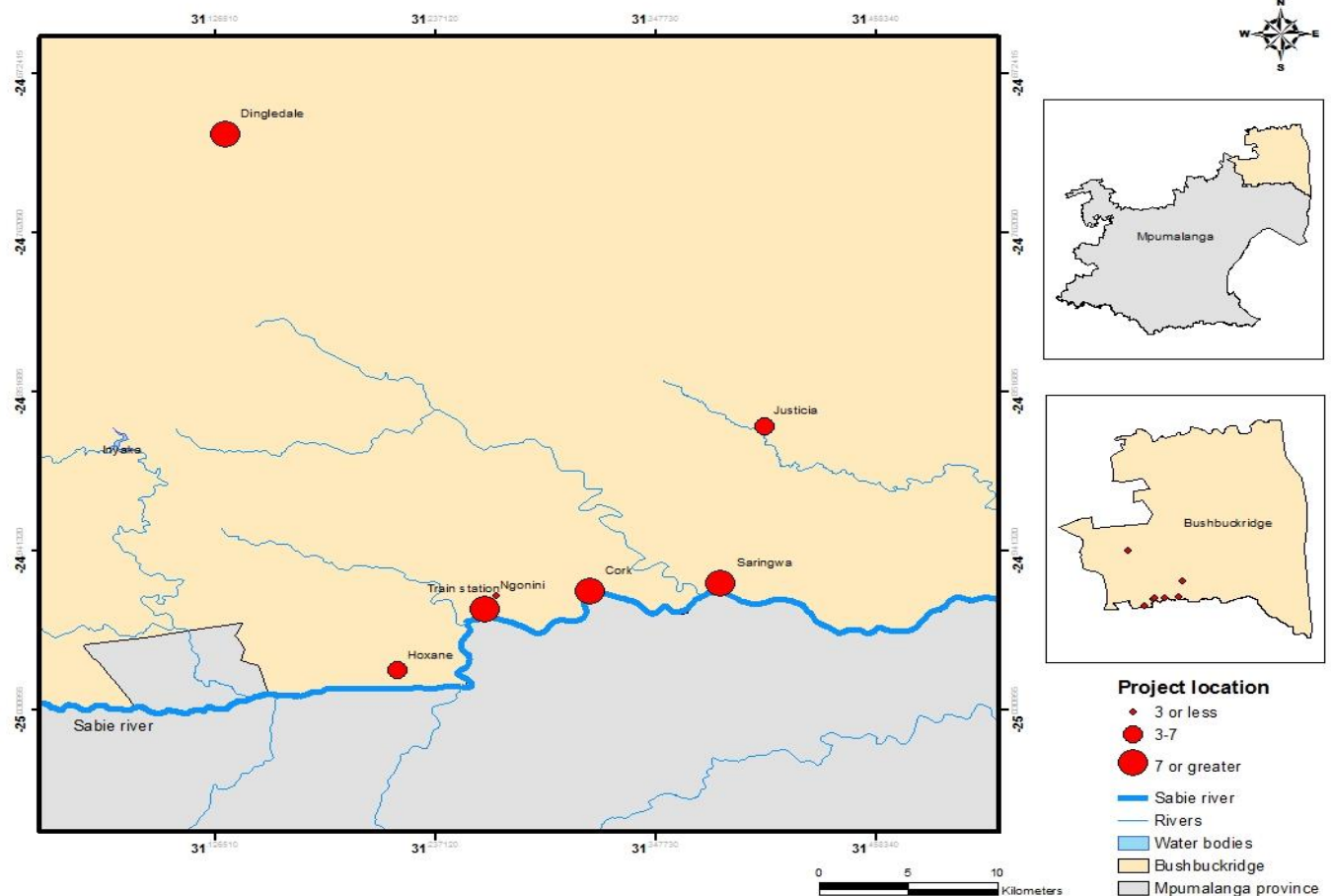


Figure 4.5: Project Location map (Source: Survey Data, 2015)

The map (Figure 4.5), below, points out that LEDs are spread throughout the municipality with some agricultural projects in the north and a mixture of both tourism and agricultural projects in the south. It is noted also that most of these projects are located on or near the rivers for watering their plantation because water provision is also a problem in the area.

According to BLM IDP (2013-2014) Bushbuckridge Local Municipality is a category B municipality that forms part of the five Local Municipalities of Ehlanzeni District Municipality in the Mpumalanga Province. It is located in the north-eastern part of the Mpumalanga Province and is bounded by Kruger National Park in the east, Mbombela Local Municipality in the South and Thaba Chweu local Municipality, and it covers

approximately over 1 000, 000 ha, after the recent Municipal Demarcation Board has expanded the locality by including parts of the Kruger National Park. The Municipality currently consists of 37 wards with 37 ward councillors and 37 PR councillors, and covers part of the Kruger National Park.

The Municipality covers the largest population size of 541, 248 persons as per 2011 Census statistics, which is 34% of the total population of the Ehlanzeni District Municipality and 14% of the Provincial population. It is renowned for its agricultural and tourism attractions. It was declared a presidential nodal point by the then president of the Republic in 2001.

4.7 LED activities in BLM

Responses from the LED office in BLM indicate that the municipality packaged projects selected from within the strategic sectors in BLM to promote LED for the local area, and these include:

- **Agriculture** which is made up of 2 Capitalisation projects and 3 Community Private Partnerships
- **Tourism** based projects promoting local cultures and artefacts, which are comprised of 5 Community Private Partnerships
- **SMMEs** which give an opportunity to local people with businesses and potential to use their skills and abilities to generate income and make a living for themselves. This sector, from the draft of LED strategy of the municipality, had 20 contractor type SMME projects in a ratio of 2 SMMEs per infrastructure project.

Amongst the identified projects, as indicated by LED officials, are those which are known to members of the review team (within the tourism and agriculture sectors) but require project planning in order to become “packaged” projects. The conceptualised projects also include those many projects identified during the community consultation process (both ward level and business consultations) but which require further analysis and/or definition.

4.7.1 Agriculture Sector

The findings of the study indicate that the agricultural sector in Bushbuckridge is categorised into six types of primary production:

1. Scattered micro enterprise broiler producers who raise about 500 chickens per week and sell these live chickens to the general public or to other interested institutions.

2. Small holder vegetable producers found in the four main irrigation schemes in the region. They produce and sell their products to hawkers selling in town, local people in the vicinity of the projects and tourists visiting the region.

3. Small scale fruit growers participating in the former development corporations' irrigated orchard estates and specialising in mangos production which sell these to hawkers for trade.

4. Small scale macadamia growers, working under close supervision of the Mpumalanga Department of Agriculture's Greening Mpumalanga programme in the past two or three years and not yet of harvesting or marketing maturity. Their production will be sold to local processors, hawkers and local people.

5. Dry land farmers producing maize and sugar beans with low productivity levels and primarily do so for subsistence purposes, but also, to an extent, for sale to the informal market. These dry land farmers flourished in the past two years with the expansion of the Mpumalanga Department of Agriculture's Masibuyele Emasimini project.

6. Cattle farming which is essentially not for beef production, since these small, scattered herds serve primarily as a store of wealth and not as a commercial asset. These herds graze throughout the municipality and provide beef for funerals, festivals, ceremonies and personal wealth.

4.7.2 Tourism Sector

The LED manager indicated that BLM has immense amounts of prime tourism real estate based on communal and land claim areas. The natural development potentials are as a result of the BLM's location in the Mpumalanga Lowveld, which is a well-

established nature based tourism destination. Specifically, the tourism development potential in BLM is as a result of the potential availability of communal and/or land claim land immediately adjacent to Kruger National Park, the Blyde Canyon Nature Reserve, the Sabi Sand Game Reserve, the Manyeleti Game Reserve and the Timbavati Game Reserve.

According to the key informants, the BLM area also offers tourists a very wide range of other tourism activities that are available within BLM and in its immediately areas, such as Hazyview, Sabie, Graskop, Pilgrims Rest, Blyde Canyon Nature Reserve, Hoedspruit and the Panorama Route (second busiest tourism route in RSA). The communal land areas in BLM also provide further opportunities for guided horse trails and hikes, as well as easy access to tourism products based on local traditional culture (including Tsonga, Shangaan and Swazi cultures) in the nearby villages, including overnight 'home stays'.

The IDP officer pointed out that the BLM planning area is a high potential tourism development area. In view of the high potential tourism investment opportunities, there can be little doubt that BLM should become an important area for tourism investment and product development. The private sector will be encouraged to invest in BLM through the implementation of public sector policies which understand and appropriately match the requirements of the investor with the needs of the communities.

4.7.3 Small Medium and Macro Enterprises

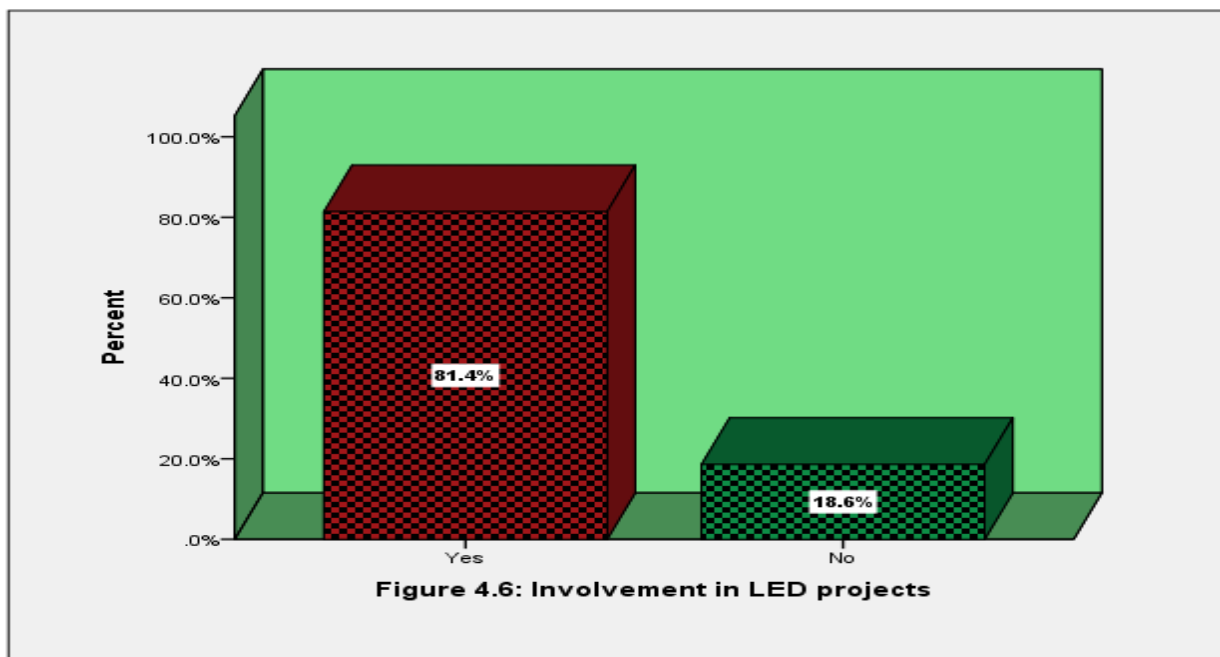
This sector has been afforded less opportunity in the region, as compared to tourism and agriculture, however, it has a potential to be a game changer in terms of offering local people an opportunity to develop their business acumen. Due to the fact that most SMMEs are faced with very severe structural constraints in terms of access to finance, technical capacity, and business experience, they are often characterised by a lack of competitiveness. This real or even perceived lack of competitiveness (i.e. ability to produce quality goods/services, consistently and on time) makes it all the more difficult for emerging entrepreneurs to establish or grow their businesses. In order to enhance their competitiveness, and in order to ensure access to market opportunities, a number of interventions are proposed (LED officials).

Given the diverse range of issues and considering the role of uncertainty around SMME development with respect to planning, funding, incubating, and monitoring, it is unlikely that the BLM can develop a comprehensive support strategy in the short term. This view is justified by the fact that numerous third party interventions have been attempted in the context of “enterprise support” within the Bushbuckridge area and these include projects of the ILO and the Business Trust in recent years and have achieved limited success.

LED manager indicated that in the medium term, the municipality should conduct a more thorough analysis of the various constraints (including the effectiveness of support and funding agencies, such as SEDA, MEGA and the Land and Agricultural Bank). In the short term, however, a targeted pilot project approach will be most effective.

There are two compelling areas for immediate SMME development (albeit SMME tracking which may better inform SMME support approaches in the future). These are within the tourism CPPs and the municipal infrastructure projects. Here the municipality can develop a data monitoring set which clearly indicates the growth of SMMEs (including the number of SMMEs, their revenue, as well as their employment trends) as a direct result of the expansion of infrastructure and of new tourism investments (LED officer).

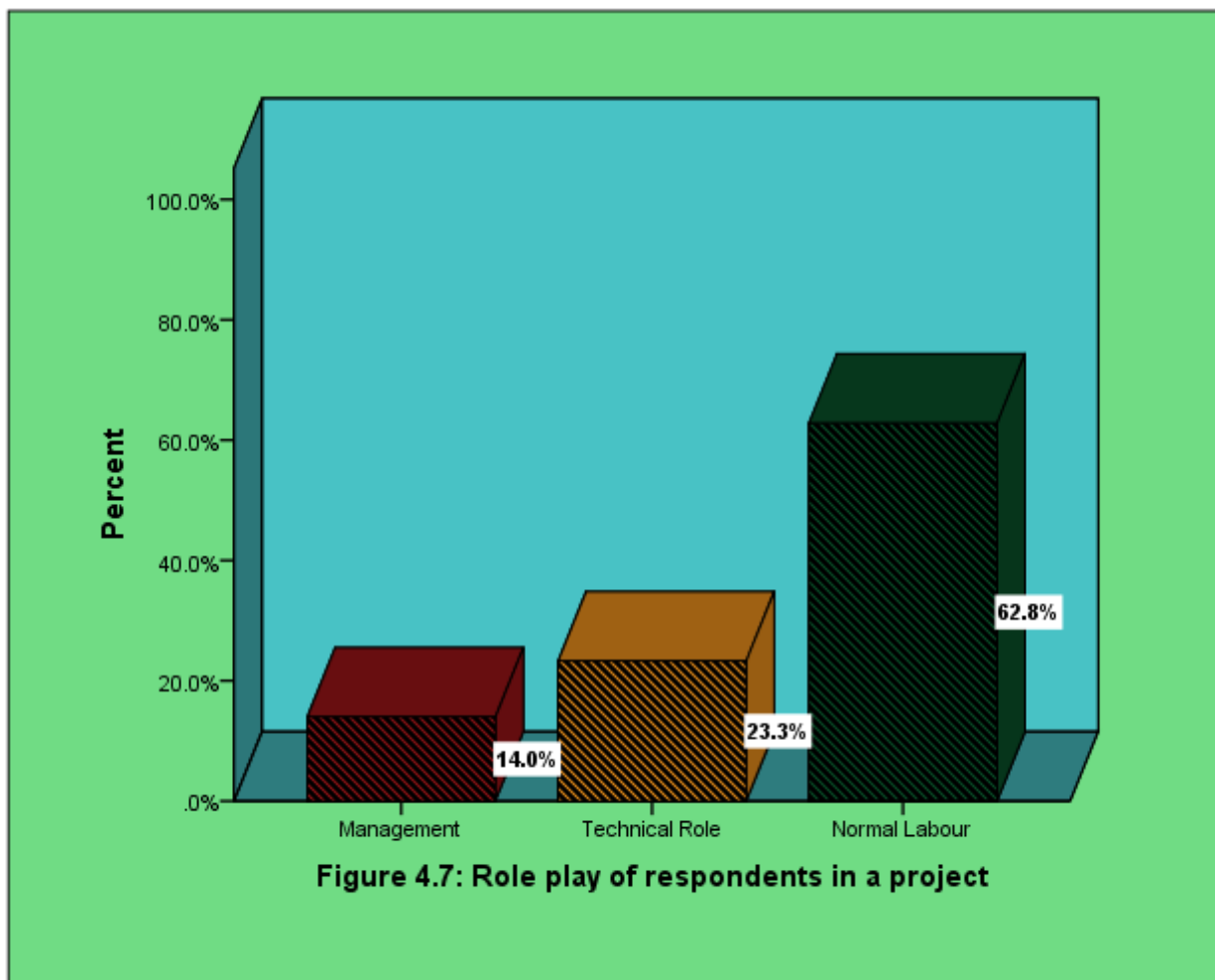
4.8 Involvement in LED activities



Source: Survey Data, 2015

About 81.4% of the respondents were actually participating in LED projects, as depicted in Figure 4.6. Whereas 18, 6% indicated non-involvement in LED projects, but they were privately involved in agricultural activities for generation of income, and they have employed workers, although this was not to do with LED. Those who are not involved cited that they were not contacted by the LED office and that most of them indicated that they prefer to work independently without the involvement of government, because they were promised before but the promises were not fulfilled. They have so far managed to create working relations with chain companies that buy their products. Factors that hindered their participation include lack of consultation from the LED side of the municipality, and that they do not want political interference from the municipality.

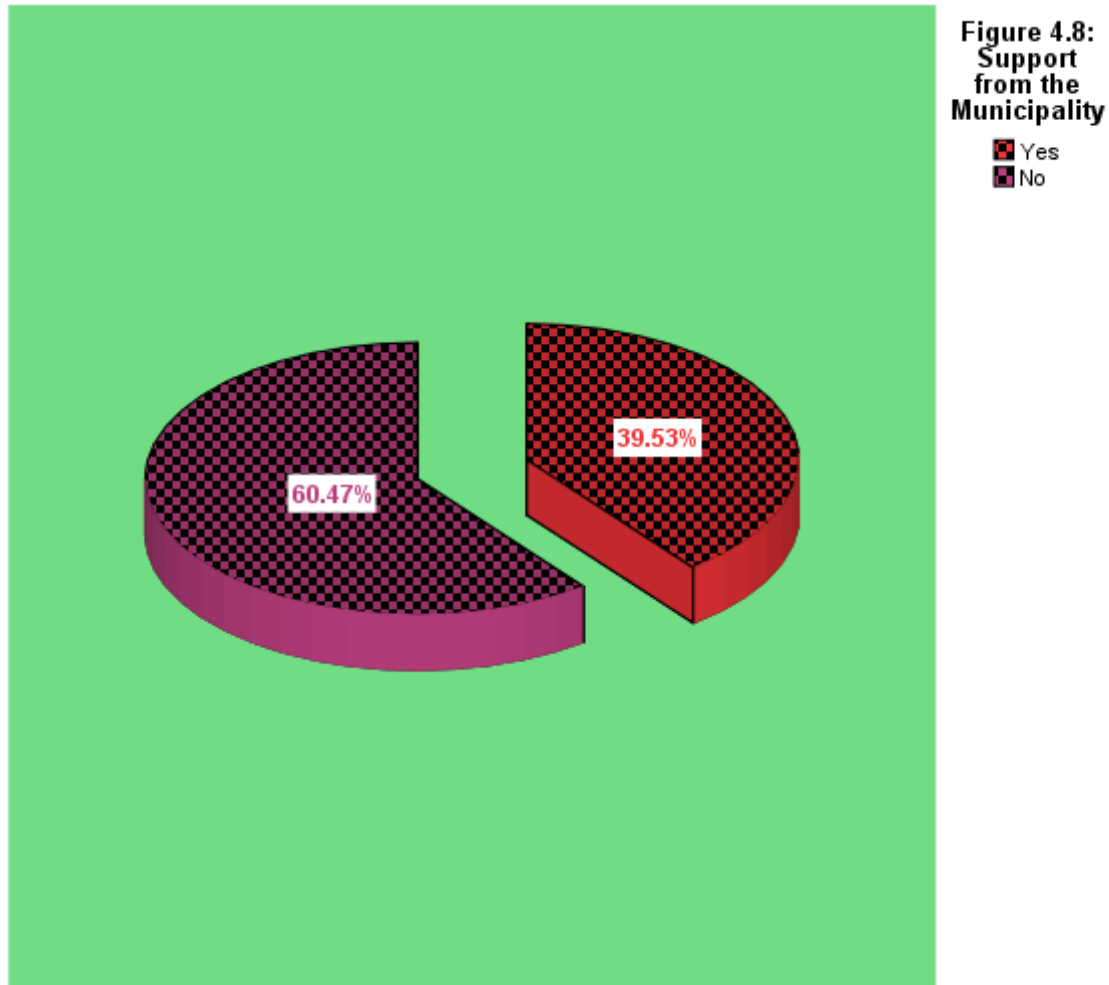
4.9 Role played by respondents in projects



Source: Survey Data, 2015

Most of the respondents, constituting 62.8% (Figure 4.7), provided normal labour and the majority were found to have inadequate or no formal education, 23.3% performed technical roles such as fixing pipes, connecting electricity and some were tractor drivers, whilst 14% assumed managerial roles, ensuring that project activities are running smoothly and that the products produced reached the market place.

4.10 Support from Municipal LED office



Source: Survey Data, 2015

Project participants were asked to indicate whether they receive any form of support from the LED office or the municipality in ensuring that their LED practices are carried out successfully. The largest percentage (60.47%) of the responses indicated that they do receive support from government, which includes training project members in their different roles in project life cycle and implementation, financial support to start project and financial management, whereas 39.53% responded that they do not receive support from government, and also declined to having ever received any form of training or workshops in project implementation. Those who receive support, it is in the form of seedlings for plantation and soil preparation, with animal farmers receiving support in the form of vaccination. Crop farmers are also supported through irrigation schemes, which build channels so that water may reach all farmers in their respective areas. The training provided by the municipality assists the respondents to produce

products as per requirements of their customers, and also practice of proper financial management.

4.11 Type of products produced

There are different types of products produced by the various projects visited in the municipality. Agricultural projects produce most of the food utilised by the local households and sold at the local markets. Their production ranges from maize, vegetables and fruits, such as mangoes, oranges, avocados and bananas.

Tourism initiatives package their products in the form of arts and crafts that are sold in most tourism outlets. They also organise themselves into groups performing different acts and traditional dances, which are rendered to tourists in different local destinations hosting tourists in the area. Other products for tourism include local food prepared as menus for visitors, game drives viewing natural attractions and wild life.

The majority of the respondents (50%) indicated that the products are distributed locally in the local informal markets because they lack access to formal markets, which is attributed to inadequate information and poor infrastructure, such as physical markets in the area.

4.12 Understanding of LED framework

A question on the understanding of the LED framework by participants was asked, to understand how well they understand the framework for LED and its implementation in the municipality, and 41.86% responded to not understanding what LED framework is, nor understanding how does operates, whilst 58.13% of the respondents indicated that they have an understanding of what LED is and also know that it is a framework used by local municipalities together with other stakeholders to identify, plan, organise and use local resources for the purpose of growing the local economies, decreasing poverty and enhancing employment. Responding on whether there is an understanding of the LED strategy, 37% responded in the affirmative to understanding the strategy, whereas 63% had no understanding of the LED strategy in the study area.

Furthermore, the respondents who seem not to have clear understanding of the current LED policy implementation, blame it on or cite a lack of consultation from the municipality and little coordination from community authorities and other stakeholders.

Most respondents in this category are from areas which the municipality is yet to reach because of their remoteness or less interest on LED activities.

The respondents, on the other hand, who have an understanding of the current LED policy implementation, indicated that workshops conducted by the municipality made them understand the plan of the municipality on the implementation of LED to promote the economic activities of the local area. Reasons for those who do not understand may be attributed to lack of contact with municipal officials, due to their remote proximity from the LED office and the lack of interest or late coming into practicing LED activities.

4.13 Benefits from LED projects

Respondents were asked to indicate benefits they get from being involved in LED initiatives, whether direct or indirect. The majority of the respondents (60%), particularly those who understand the strategy and LED policy implementation, indicated that they benefited in terms of the new project implementation skills they acquired during workshops and while on the field, practicing in their projects. Furthermore, there is household food security which improves rural livelihoods, since most respondents are from rural areas of BLM. People employed by the different projects indicated that the benefits from being employed are that they are able to fend for their families and further improve the future of their families by sending their children to acquire tertiary education. Project owners indicated that the income generated from the production helps them to expand their projects and enables them to supply the demand from local informal markets, and that brings income for them and a positive growth to the local economy.

4.14 Views on the correct LED legislation application

On the question of applying the LED legislation appropriately, 69,77% of the respondents believed that the LED legislation is not appropriately applied in the municipality. On the other hand, 30.23% of the respondents cited that there is correct application of LED legislation in BLM. The reasons given were that in other parts of the municipality there have been proper, extensive consultation and people were prepared to resume the practice of LED, causing LED projects to thrive in those areas.

4.15 Suggestion to improve LED implementation

The findings of the study indicated that the unavailability or in-access to formal market, where products produced can be sold to boost the economy of the locality, and food security, is a major problem for the community and contributes to low income level and food insecurity. This is because products produced can only be sold in smaller quantities, and without proper training on managing their production from the farms to the market, farmers can only produce what they can use, and that leaves out the potential of commercialising their production. The availability of market is more important and may development and sustain the local economy, especially in rural areas. The data collected indicated that informal markets are more dominant because it is where people generate income for their livelihood. Further indications were that their major problem is access to market, and it was reported that there is no formal physical market to sell their produce; the majority sell from homes, gardens and at the farm gate.

4.16 Data presented by Key Informants

This section provides a detailed explanation and discussion on the data collected from the key informants, which include municipal officials in the LED unit of BLM. The data collected were based on the municipal LED strategy, its implementation and the understanding of the official in giving services to the BLM constituents in the rolling out and implementation of LED projects.

4.16.1 Role played in the LED unit

The LED units in BLM play a role of a custodian of all LED initiatives in the municipality. They also coordinate all LED projects and organise activities that will ensure the success of LED in the region, and help to reach the target of the government of creating job opportunities, growing the income basket of households and ultimately increasing the GDP of the region. Another role is to coordinate and package the region to attract investors into the region. **The other role by the LED unit and the Local Government is to create conditions, which stimulates and enables the general environment in which business development occurs.**

4.16.2 Number of employees in the LED unit

To date, there has been no clear allocation of responsibility between the province (and by extension the national offices) and the local municipality. LED officers are often allocated responsibility for everything, from water problems to economic sector failures (e.g. agriculture projects, reticulation projects, land reform disputes, education results, healthcare initiatives and so on). The introduction of IDP officers first and LED officers later, was intended to improve coordination and integration of state projects and programmes, but the unintended result was simply the addition of more complexity which comes with additional layers of stakeholders and consultations.

4.16.3 LED implementation

Bushbuckridge Local Municipality's LED strategy is in the municipal Integrated Development Plan (IDP) and is implemented as a programme with different projects under it.

The municipal records and responses from the officials indicate that there are more than 40 projects currently running in BLM. The municipal LED (2010-2014) indicates that the projects range from agricultural projects, tourism, infrastructure and public works, SMME's, and community work programmes.

More focus, as the study has discovered, was paid to projects that are able to generate income and employment to the local people. It was also established from the conversation with the officials that concentration on projects that are able to generate income will, in the medium term, strengthen those projects, while sustaining the jobs and production generated from these projects, while also challenging and encouraging emerging projects to do the same with the support of the municipality, private and public stakeholders.

4.16.4 Experience and qualification of unit workers

Responses from the BLM LED office indicates that they have the personnel to champion the planning and implementation of LED in the municipality, however, it has been observed by the researcher, and also indicated in the IDP, that the unit is understaffed, compared to the scope of their work. The unit is comprised of the Director, Deputy Director, LED Manager, 1 LED officer and 1 Administrator. The area serviced by this office requires man power or staff that will attend to the daily requirements by

all BLM LED stakeholders and ensure smooth implementation of their LED strategy to grow the economy of the locality. The available staff at the BLM LED office have the qualifications and experience required to see LED through, however, the quantity is required to attend to all services required by the stakeholders.

4.16.5 Understanding of LED framework and strategy implementation

It was revealed during the interviews that the municipality understands LED as a strategy that enables the municipality to achieve real and tangible growth indicators in the short term, including job opportunities and investment, to sustain the growth path in the medium term, through building on the initial successes, and accelerating them in the long term, through improved regulatory and spatial frameworks. This is achieved through the working together and participation of all stakeholders involved, local innovations and resources to stimulate the economic growth of the region and the ability to compete with other global competitive regions.

The interviews also revealed that the implementation of the strategy at present is reliant on the organisation of the groups to form projects and being identified by the municipality. This, however, indicated elements of lack of understanding the implementation of the strategy by the municipality, as it is required that the municipality, as a co-ordinator, mobilise project groups and drum support to create interest from all stakeholders to actively participate in the implementation of LED strategy. Also, the municipality has to use the framework they have in place to implement LED, rather than relying on the organisation of groups to form projects.

4.16.6 Opinion on current LED projects in BLM

Official's responses on their opinion on the current LED projects in BLM were that some projects are undergoing a resuscitation process from the state of collapse after the land claim process. However, there are projects that are growing fast and have established a client base to sell their products. They also are of the view that LED projects in the municipality have a potential to be game changers in economic growth of the region, considering the tourism attraction areas, such as the KNP and the famous Panorama route in the Mpumalanga Lowveld.

Furthermore, it was also revealed by the interviews that projects that are currently being resuscitated have a potential of outscoring their previous performance in making

profit and creating new employment opportunities which will ultimately boost the economic growth of the region. Projects that are growing at a faster rate have a potential of attracting more investment to the region and thus, influence the sprawling of new LED activities to enhance the growth of LED.

4.16.7 Contribution of LED projects implementation to economic development in BLM

Responses indicated that LED projects in BLM create opportunities for people to be employed and most of the times it creates opportunities for local people to be able to utilise their local resources to create economic growth for themselves and the region. People utilise local resources and the products produced locally are sold to informal markets and some for consumption purposes, and that income generated by local sales is low, but helps to grow the economic base of BLM in Mpumalanga Province.

Data collected on LED strategy and its implementation indicate that LED is used by the municipality to address issues such as unemployment, poverty, inequality, food security and also to grow the economy of the municipality to attract more investment into BLM. The implementation of LED strategy creates opportunities for local people to utilise their potential and the use of local resources to create economic growth for the municipality. LED has, according to key informants, a potential to make the municipality an economic hub of the region, with the availability of KNP and the Panorama Route which attract about 60% of tourists visiting the area.

4.16.8 Perception of key informants on local people towards LED in BLM

The respondents indicate that there are people who perceive LED as a way of economic activity to generate livelihood from, and others think that the implementation of LED is an initiative by government to address the issue of unemployment and economic growth of the region through the use of local resources and ideas. Another perception is that the implementation of LED helps to supplement the low incomes in various households found mostly in rural places in BLM. Key informants also view LED as a tool used by the municipality to realise its short and medium term goals of alleviating poverty, employment opportunities for local people, encouraging people to take part in the economic activities of the municipality and achieving growth.

4.16.9 Challenges of LED in BLM

The visit to the municipal LED offices and the interviews with officials established a number of challenges faced by the municipality in fast-tracking the establishment and implementation of LED projects in the municipality. Below, is a table listing the challenges faced by the municipality and their description.

Land unavailability: Most land in BLM is owned by the traditional authorities or is under an unresolved claim process and the municipality needs an approval from the land owners to resume LED activities. It is difficult for the municipality to convince investors to come and invest in a land that is under claim and, at times, in the areas where the claims have been concluded, participants do not agree on how the land should be used.

Lack of cooperation from community members to continue with LED initiatives
There is a challenge of securing cooperation of the community as a stakeholder and, sometimes, land owners, to allow LED projects to begin. Community members at times disagree of how the land should be used and their infighting makes it difficult for investors and the municipality to resume with LED activities.

Lack of commitment from project participants: There are people who have existing co-operations. Some have succeeded in implementing their projects, however, some show signs of lack of commitment. Their lack of commitment is more visible when they run away or fail to account to project funders and other stakeholders, such as the municipal LED office.

Lengthy process to get the projects to operate: Some projects only exists on paper and when their operations are approved, it is then that they start organising to function, and this makes operations to be late. Another reason for projects to take long to start working is the lengthy process of waiting for documents of approval and, sometimes, other projects give up before they attain their status.

Lack of support from the Municipality: There are different groups with different situations, operating projects in BLM. Some groups work on land that is under claim and it is difficult to source funding and support from other stakeholders. Some other groups have land and resources in place, but lack institutional capacity and human

capital to ensure the success of their projects. The challenge for the municipality is to identify group dynamics before any help can be given, and this takes time.

Investor mobility: With most of the land where projects are carried out in BLM owned by the tribal authorities, it is difficult for funders and other financial institutions to come on board, because project participants are not the land owners and cannot reach certain agreements with investors.

Lack of commitment between the three spheres of government: There seems to be little commitment in exercising the function by each sphere of government (National, Provincial and Local government). The 5 year local government strategic agenda in BLM encourages the national and provincial spheres of government to support the municipality in preparing implementable LED strategy aligned with the municipal IDP. In most cases the local sphere is task with implementing government programmes as a service delivery sphere of government, but it is faced with other challenges of planning and sourcing out funding, which should be the function of the other spheres of government.

Non-existence of LED forums: The LED unit uses the community development forums only when compiling and developing an IDP, but there is no existence of LED forums that will deal with issues related to LED. These forums would resume the responsibility of planning, coordinating, monitoring and ensuring that LED initiatives reach and benefit the local people where LED activities are carried out.

Weak or lack of municipal by-laws: A **by-law** is a rule or law established by an organization, municipality or community to regulate itself, as allowed or provided for by some higher authority. The higher authority, generally a legislature or some other government body, establishes the degree of control that the by-laws may exercise. BLM only uses the LED strategy from the IDP to control the activities of LED in the municipality, but there are no by-laws to strengthen LED projects and to ensure that it grows the economy of the region and attract more investor to the region.

4.16.10 Role of stakeholders in LED

Information gathered during the visit to the LED unit of the municipality indicates that there are different stakeholders involved in LED initiatives in BLM, playing a variety of roles, as prescribed by the terms of agreement between stakeholders and on the

capacity and capability of each stakeholder. The municipality is the implementer, planner and coordinator of LED in BLM, whilst other stakeholders, such as private businesses and government departments, like Economic Development and Tourism, play the role of funding, implementing and planning, with the communities of BLM and the local municipality as the recipients of LED outcomes.

4.16.11 Project identification and funding

Respondents indicated that the identification and funding of projects is through area potential and through proper planning. Funding is then sourced, either from private funders or government funding based on budget mandate. Projects are also identified during community visits and survey where people identify the problems affecting them. The officials will, therefore, assess the situation and use the potential of the area and skills available from participants to create projects that will allow people to use their skills and potential to make their lives better and develop their surroundings.

4.16.12 Improvements of LED benefits in BLM

Officials responded on this by indicating that a coordinated effort is required from all stakeholders to see every plan of action implemented and to ensure that all inputs reach the targeted beneficiaries.

4.16.13 Monitoring and Evaluation

Monitoring and Evaluation is a tool adopted and used by all spheres of government to keep track of all the inputs provided to fast track services delivery. The National, Provincial, Local governments and all departments in these spheres are required by the legislature to implement M&E to ensure that there is effective and efficient utilisation of resources to enhance services reaching the citizens at the right time with the correct outcomes and impact.

The study discovered from key informants that M&E framework in BLM has been developed jointly between the implementing partners. The LED monitoring and evaluation sought to summarise and prioritise the key areas that require attention during implementation. The critical element for M&E in BLM, was the recognition of a structured approach required and that concurrent actions should not detract from maintaining a structured approach of implementing LED.

In the short term, M&E had to ensure that there is a combination of project implementation and project identification across all sectors. These processes must necessarily be monitored separately (but concurrently) in order to ensure that implementation is progressing according to schedule, whilst at the same time ensuring that the pipeline of medium term opportunities are being sufficiently developed for ongoing implementation of growth generating activities.

Implementation processes monitor per sector the number of projects entering implementation, the investment levels, concluding of implementation contracts, project initiation jobs, permanent jobs and part time jobs, as well as ongoing revenue streams to community.

Pipeline development includes a combination of packaging future high value partnerships (in agriculture, forestry and tourism) as well as the ongoing identification of infrastructure and SMME opportunities that provide a strategic link to either job creation or other economic opportunities.

4.17 Discussion of data

This section presents the analysis of data collected from LED project participants in selected projects in BLM. The data were collected during a recent visit to the municipality with the purpose of fulfilling the objectives of this study. The data were aimed at sourcing out the way in which LED is implemented in the municipality and to understand and establish the participants' understanding of LED as a strategy in the municipality.

4.17.1 Biographical information

Analysis of variables, such as gender, racial distribution, income, and employment status are presented in this section as these are considered to have a direct influence on the implementation of LED projects.

4.17.1.1 Gender distribution

The results suggest that females are key role players in Local Economic Development as compared to males, and the dominant gender as indicated in the municipal IDP (2013-2014). This was also observed during data collection, field visits and responses

from project participants that farm activities are pre-dominantly performed by females in the areas visited. What seems to be a hindrance, as was reported by the majority of women, is their minimum access to assets key resources such as land, technical knowledge and information sources. As indicated in Porter (2009) that women's relative poverty, their lack of access to capital and credit worthiness certainly restricts their market opportunities and, thus, discourage most women from exploring existing opportunities in practising LED in their localities.

In contrast to this, some previous related studies such as Butt *et al.* (2010) have established that the majority of LED projects have women as major participants, but still women remain on the insignificance of the economic development sector in terms of decision-making process. Interestingly, Delius and Schirmer (2011) argue that women operate under greater constraints, such as poor infrastructural and lack of institutional support in agricultural and non-agricultural activities that ensure success of their projects and the growing local economies.

DTI (2011) indicates that obtaining the full participation of women in an LED process will require overcoming deeply entrenched discriminatory attitudes and challenging existing power structures. Where women enjoy relatively equal access to decision-making structures and resources, the LED approach in Bushbuckridge Local Municipality served to strengthen women's participation in the private sector, paying greater attention to their needs in terms of business development services (BDS), access to financial resources, association-building, knowledge about rights, rules and regulations, etc. While the national policy should provide an enabling environment for gender mainstreaming, it must be accompanied by targeted interventions at the local level. These, if carried out consistently over a certain period of time, generally yield perceptible results.

From the conversation with municipal official, it was noted that in BLM gender mainstreaming is a strategy or process that aims to achieve gender equality. It means, on the one hand, that policies, programmes and institutional structures are in place to redress existing inequalities and to preserve equality between women and men. On the other hand, it means that measures to address the specific needs and priorities of women and men, either separately or together, are adopted. A participatory approach such as LED requires not only a balanced representation of women and men participating in the process, but the creation of conditions in which opinions of all

participants are freely voiced and defended. In addition, the planning and implementation of LED strategies need to be truly responsive to the specific and, at times, different concerns of women and men.

4.17.1.2 Race distribution

The results suggest that BLM is predominantly an Africans dwelling which is true since it is an amalgamation of different parts of the former homelands of Gazankulu and Lebowa. These areas, during the past, were meant for African people with only White farmers in the outskirts of the dwellings practicing different forms of agriculture. This however, has the potential of changing, because with - LED initiatives gaining momentum, there is a potential of investors, both of African and European origin moving in to incubate their investment in LED initiatives and, thus, polarise the predominantly African population.

According to BLM IDP (2011/2016) and the municipal SDF, most people do not have ownership of land, since most part of the land belongs to the tribal authorities and most of the arable land was taken by the White farmers. This, however, has the potential to change, because of the implementation of land tenure and redistribution through the Land Reform programme. Recently, those who got their land from this programme are showing signs and interest, and have begun practicing LED in their respective areas, and this has yielded to something that caught the attention of administrators to take interest and put support mechanisms to catalyse these initiatives for job creation, poverty reduction and the growth points in the local economy.

4.17.2 Socio-economic analysis

4.17.2.1 Project Duration, Number of employed people in projects and income distribution

The findings propose that the number of years of the project's existence indicates the potential of LED projects, and that if all stakeholders play their required role, there could be more projects established to sustain and grow the local economy through producing for local markets and to satisfy the demand that comes from other areas seeking to use the local production. Should this potential be exploited, more LED

initiatives will sprout and also attract investment from outside to come and boost the local economic growth.

The study findings also indicate that there is a link between project duration and employment. The number of years projects existed determine the experience of their workforce and their client base to supply their production. The study discovered that the more the number of years a project has been existing, the more people it employs. Findings also indicate that LED projects in BLM fluctuate with season and, depending on the type and amount of job at hand, a proportional number of people will be employed to do the task. The majority of the respondents indicated that their employments were seasonal based and contracts of six months to a year and that means the majority are farm workers. The findings of this study indicate that unemployment is much higher in rural areas, particularly in BLM and the majority of rural African dwellers earned their living working in different LED initiatives in Bushbuckridge. HSRC (2004) pointed out that about 1, 2 million households in the Black rural areas derive some of their income from LED initiatives, including farming, and other income sources include welfare payments and non-farm remittances with earnings from local wage employment and self-employment. Bushbuckridge Local Municipality IDP (2011/ 2016) indicates that the area is characterised by having the highest level of unemployment, because more people are migrant labourers and when they are retrenched in big cities some return home and add to unemployment statistics.

The majority of people during informal conversations pointed out that they cannot take up low paying farm employment and are seeking better options elsewhere. This is due to the recently increased level of literacy in the municipality, as revealed in the IDO (2011/2016), that most people have at least completed grade 12 and are reluctant to taking up farm employment. Most rural dwellers are subsistence farmers who have been forced to diversify into off-farm incomes to bridge their annual income gap, while some are landless and depend entirely on non-agricultural sources for income, including employment from local industries and the tourism sector.

The findings from the above indicate that in the middle of high unemployment rate, Local Economic Development is an alternative option for employment and the provision of income for livelihood generation among the population in rural areas. With more LED initiatives and support from the municipality and other available support

structures, more people can be employed to increase LED output and, therefore, increase their income brackets. The study findings further indicated that projects that have been existing for longer are able to pay their employees good salaries, which is attributed to their client base which is bigger compared to projects that have few years of existence.

4.17.3 Municipality

The findings indicate that almost all the respondents involved in LED initiatives are residents of BLM and these respondents work on LED projects and initiatives on daily basis. This, therefore, suggests that employment generation for BLM residents is a priority for the municipality.

Bushbuckridge Local Municipality is one of the five constituents of Ehlanzeni District Municipality in Mpumalanga, and is bounded by Kruger National Park in the east and Mbombela Local Municipality in the South. It also forms part of the Kruger to Canyon Biosphere. The Municipal area provides a link to Limpopo Province and can, therefore, be called the gateway to the major tourism attraction points in Mpumalanga and the eastern part of the Limpopo Province. Bushbuckridge Local Municipality consists of 135 settlements and is divided into 34 wards (BLM IDP, 2014/2016).

Bushbuckridge Local Municipality SDF puts emphasis on proclamation of R293 towns with the aim of enhancing individual private ownership of properties. It also aims to create a spatially based policy framework whereby change, needs and growth in the Bushbuckridge Local Municipal area are to be managed positively to the benefit of everyone (SDF, 2014). It also focuses on how land should be used within the broader context of protecting the existing values of the Bushbuckridge Local Municipal area, i.e. tourism destination, rich historical and cultural area, to improve the functionality of the local areas, both urban and rural, as well as the natural environmental systems. "Identification of local opportunities for future urban/ rural development, natural environmental conservation and make recommendations as to where and how development of the open space system should be managed. To establish strategies and policies to achieve the desired spatial form i.e. movement and linkage systems, open space system, activity system, overall land use pattern and economic development" (SDF, 2014).

Bushbuckridge Local Municipality began to review its Local Economic Development Strategy after the re-demarcation of provincial and municipal boundaries. The review was headed by a Steering Committee, comprising of Mpumalanga's DEDET, COGTA and MRDP, representatives from Ehlanzeni District Municipality and Bushbuckridge Local Municipality, as well as members of the former Department of Provincial and Local Government's economic development project team, and MABEDI was established to assist the municipality (LED, 2010/2014).

Against that background of a sheer extent of service delivery and job creation demanded by residence, the 2010 LED review team sought to develop a strategy that will: Provide LED officials with a set of clear and achievable projects and programmes; Create a platform for the successful implementation of projects which deliver tangible jobs, revenues and investments within the short term; and distinguish between projects that yield immediate results, studies that develop a pipeline of medium term projects, and prospects.

Together with all stakeholders involved in LED in BLM, the municipality came out with a strategy that addresses three sectors, which are; social (Health, Education and Settlements), Economic (Agriculture, Tourism, Services, Retail/Wholesale, Transfers, Manufacturing, and Mining); and Environmental (Water, Waste and Land care). Programmes and Projects were designed, modelled and packaged in alignment with the IDP and SDF of the municipality and funding sourced to deliver these projects to the communities and residents of BLM.

A credible LED strategy was born and it recognised the socio-economic profile, as well as the underlying factors of the strategic sectors that contribute to LED. Finally, the suggested and the identified LED initiatives were modelled such that they will; be successfully funded (or secure the necessary resources), be included (or eligible for inclusion) in the IDP and be compliant with (or complimentary to) the SDF.

4.17.4 BLM Approach to LED

The study discovered that BLM has adopted the Location Theory in planning and implementing their LED activities. The Location Theory has shifted BLM-LED strategy attention away from "hard" (cost) factors, relating to the proximity of markets and

suppliers, towards relatively “soft” factors, such as the (perceived) quality of institutions, knowledge levels and environmental quality. Location Theory is concerned with the geographic location of economic activity. Location Theory addresses questions of what economic activities are located, where and why.

The reason for BLM to adopt this theory is that it helps explain how BLM have used their space to strategically locate most of their LED project. LED projects in BLM are dominant in the southern water catchment of Sabie River and only few in the northern water catchment because water flow is seasonal in the northern catchment, whereas Sabie River has the capability of flowing throughout the year, even during drought seasons.

Another reason is that all projects along the Sabie River catchment are also close to R536, a road that connects these farms with the nearby villages and the towns of Mkhuhlu and Hazyview, which makes it easier and quicker for farmers to transport their products to the.

It was observed during data collection that municipality’s approach to LED was dominated by the top down approach. This is evident in the market driven LED approach from the Location Theory that the municipality chose to use in implementing its LED practices. This approach as used by BLM, attracts the development of large industrial project, hoping that more economic activities will be generated in the area.

This approach does not solve the existing problem of poverty, unemployment and inequality faced by the municipality. Reasons contributing to the approach not yielding the expected results may be amounted to the fact that **market-driven development** focuses on industrial development or firms attraction to the locality. In the first instance, BLM is a small rural municipality, which means a market driven approach could prove to be difficult to implement, because it best suits bigger or larger municipalities such as district or metropolitan municipalities.

It was also discovered that this approach was adopted with an assumption that the former homelands industrial sites would bring the multiplier effect to the growth of local economy. The collapse of these industries in the municipality meant that the chosen LED approach would not work as industries relocated their business activities to other areas or closed shop.

The alternative approach left for the municipality was the pro-poor approach, emphasising on the importance of working directly with low-income communities (RSA, 1997), however, there was no proper planning for this approach as the municipality tried to model this approach to market-driven approach. Pro-poor issues should be the focal point of municipality's LED strategy, where poor communities are prioritized in the planning of the strategy in terms of service provision (Rhodes et al., 2005).

Furthermore, Rhodes et al. (2005) stress that **Pro-poor growth** is a well-known approach adopted by many municipalities in South Africa, emphasising the combination of pro-poor and pro-market approach, which BLM has adopted, something which is emerging in South Africa, supported by draft LED policies, such as Framework for Local Economic Development in South Africa. This draft policy focuses on competitive city, while also promoting community development.

The top-down planning approach adopted by the municipality has limited the participation of the citizens and other stakeholders in the planning and implementation of LED projects in the study area. The shift from market-driven to pro-poor approach without the participation of the people in the process of change itself, meant that the new approach was forced to people without them deciding what they want and how they want to have their activities planned. Citizen participation in LED strategy planning and implementation ensures that people assume the ownership of whatever developments are taking place, because they actively decide what they want and they get what they want. In actual fact, LED strategy planning and implementation should be a participatory process that allows an opportunity to all stakeholders involved to actively take part in all activities.

4.17.5 Project Location

Local Economic Development is used by BLM to target all rural areas within its jurisdiction, working with other stakeholders and the communities to plan, organise and utilise the local resources for employment and the growth of local economies. Each project uses the strength of its location and resources to produce and place itself in a position of attracting local and outside investors and customers for the growth of local economies. This, in turn, helps develop communities, as Meyer-Stamer (2004) argued, that as much as community development is not at the core of LED, it however,

provides an important part of LED activities. This is also supported by the business and the economic base theory of LED theories, indicating that communities can take control of their destinies by assembling the resources and information necessary to build their own future (Blakely & Leigh, 2010).

4.17.6 Involvement in LED

The study findings indicate that Local Economic Development can be described as “a participatory process aimed at integrating different stakeholders, in order to support the optimal allocation and use of scarce resources in local areas and geographic locations to the population in a way that promotes economic growth and development, sustainable growth and development, as well as enhance equity and the empowerment of the poor and the marginalised with skills and forms of livelihood generation” (Nel, 2005).

The Constitution stipulates that one of the objectives of municipalities is to encourage the involvement of communities and organisations in the matters of local government. The involvement of community and stakeholder organisations is the most important and crucial feature in the integrated development planning as a tool of developmental local government. Participation of affected and interested parties ensures that the implementation of LED strategy in the municipal IDP addresses the real issues of poverty and unemployment experienced by the citizens of a municipality.

There were different reasons for the respondents to be part of LED projects in their respective areas, with most joined through recruitment and being related somehow with the founders of the project. The other respondents became part of LED because it was their initiative, and they did so to make a living through practicing agriculture. This also means that when LED is implemented within the parameters of the constitution and in line with the needs of people and the locality, issues of unemployment, poverty and economic growth and diversification may be addressed.

4.17.7 Role players in project

The study indicates that project participants play different roles in the projects they work in, varying from management role for those who founded the projects and those who at least have acquired a certain level of education, preferably grade 12 or higher. Besides the management role, there are technical duties that require the knowledge

of technical skills and ability. This role is played by mostly, people who fix farm or project machinery such as tractors, electrical wiring and mechanical skills to fix the engines pumping water for irrigation. These skills are important for one to have and can multiply job finding opportunities and, eventually, increase the skills base of a locality and may also contribute towards the growth of the local economy.

Number of employed people in a project: the study discovered that LED projects in BLM employ people based on the needs of the project and the skills available from people seeking such employment. This is supported by HSRC (2004), pointing out that about 1, 2 million households in the Black rural areas derive some of their income from LED initiatives, including farming and other income sources, such as welfare payments and non-farm remittances, with earnings from local wage employment and self-employment. Bushbuckridge Local Municipality IDP (2011/ 2016) indicates that the area is characterised by having the highest level of unemployment, because more people are migrant labourers and when they are retrenched in big cities, some return home and add to unemployment statistics.

The majority of respondents during informal conversations pointed out that they cannot take up low paying farm employment and are seeking better options elsewhere. This is due to the recently increased level of literacy in the municipality, as revealed in the IDP (2011/2016), that most people have at least completed grade 12 and are reluctant to take up farm employment. Most rural dwellers are subsistence farmers who have been forced to diversify into off-farm incomes to bridge their annual income gap, while some are landless and depend entirely on non-agricultural sources for income, including employment from local industries and in the tourism sector.

4.17.8 Support from LED office

The evidence above shows that there is a number of projects involved in LED practice in the municipality, however, not all of these projects get the required support from the municipality and, thus, it makes it difficult for such projects to flourish due to lack of support, whether financial or institutional support. Most cooperatives and individual groups have initiated projects to address the issue of unemployment, poverty and to help create an economically viable society. These projects, whether initiated by the LED unit of the municipality or self-initiated, need support from the municipality, because their existence contributes towards creation of employment for the local

people and a fight against the triple challenges of poverty, unemployment and inequality, which is the role of government.

Barrios (2008) clearly stated that rural households have a belief that financial support should be provided by the state through any of its spheres to assist any initiative that strives towards the growth of local economy and poverty reduction. Many rural communities cannot access funds easily due to their low income and failure to repay, however, the availability of agricultural financial support to the small scale farmers who have no capital and little to invest in farming, is a crucial component in rural farming to overcome low production that resulted to food insecurity. A number of respondents indicated that they were never assisted by any organisation or the local municipality, financially.

Those who could be assisted were assisted by extension officers by referring them to relevant financial institutions and they clearly reported that most of the people do not meet the requirements to be granted a loan, due to the fact that the majority are unemployed, pensioners and earning very low salaries. The province noted that many communities lack access to financial support, and during the state of province address of 2013, it was stated that financial support will also be provided by the provincial government to augment municipal resources. Furthermore, Small Business Development Agency will work closely to support the co-operatives and small businesses involved in LED initiative.

Projects that are located in the BLM area at the existing Dingley Dale and New Forest Irrigation Schemes receive support from the municipality through the scheme which provides assistance in irrigation to local farmers practicing agriculture. The refurbishment of the New Forest and Dingley Dale Irrigation Schemes is seen as the key to unlocking the potential of the irrigation schemes. In the climate in which the schemes are situated, access to water is the life-line to farming success. This project will have a tremendous impact on the whole area, reducing poverty, creating jobs and increasing the amount of income generated in the areas which will up-lift the entire community.

Secondary data discovered that irrigation schemes refurbishes irrigation canals, providing water which is used more efficiently and effectively by local farmers. The 60% of the irrigation schemes currently lying fallow can be productively cultivated, and

the area will become more attractive to outside investors to fund pack houses, processing plants and further required infrastructure. The potential of the area for agriculture has been shown to have the added advantage of being able to produce during winter. This presents a market opportunity as a very small percentage of the productive area in the country is able to produce summer crops in winter. The farmers in these irrigations schemes produce a variety of crops needed for daily household consumption and other related seasonal production, such as mangoes and oranges, which are packaged to be sold domestically and internationally.

The Management Committees at New Forest Irrigation Scheme and Dingley Dale Irrigation Scheme are responsible for the entire project. They will appoint consultants, labour and service providers. They will take complete ownership for the refurbishment of the irrigation infrastructure, both during and after its completion. The Management Committees are currently responsible for the operation and maintenance of the irrigation canals; however, they have limited capability to implement regulations, as the canals are in such a state of disrepair that farmers are not willing to contribute to the maintenance and use of the canals and water. There are water user committees that attempt to regulate water use and manage maintenance needs; these committees require further capacity training, however.

4.17.9 Market accessibility

The findings indicate that lack of storage facilities and transport denies producers an opportunity to sell fresh produce and attract formal markets, such as supermarkets in nearby townships and governmental institutions (schools and hospitals). Makhura and Mokoena (2003) also noted that rural markets have major problems with poor infrastructure and lack of marketing. Furthermore, the available transport conditions lead to high transport costs and the distance between the markets and farms have been the factors that made it difficult to access the markets and large stock buyers for local people.

From the conversations conducted with some of the respondents, it was established that inadequacy of market information caused by poor communication systems amongst producers and governmental institutions, such as local municipality and local department of agriculture, was the problem for them gaining access to the market.

The respondents stated that their main problem is that they do not understand procedures and processes to participate in formal markets, due to lack of information, and that the municipality only assisted them with training on farming methods and production, but they lacked knowledge of how to access the market for their products. Authors such as Lapar *et al.* (2006) strongly emphasized that market information was a limitation in rural areas, due to poor communication, which makes market access somehow impossible, and that access to effective communication systems is necessary to avoid the consequences. Evidently, 65% of the respondents indicated that they have limited information on access to formal markets. The respondents stated that they have access to sell their produce to supermarkets and supply schools with vegetables for the school feeding scheme programmes, but they indicated that they do not have contracts.

The findings concur with White (2011) who postulates that markets in rural areas are usually found next to main roads or near taxi ranks, bus stations and shopping plazas.

4.17.10 Training Provided

The results are an indication that within BLM there are projects that are supported by the municipality which have access to some of the municipal services, such as training in project implementation, and have constant contact with municipal official for assistance. Other projects have no support from the municipality and only acquire private training provided by private companies which the projects pay to receive such trainings.

In order to alleviate poverty through the creation of decent employment, mainly among vulnerable groups, including the youth and women and stimulation of economic activity, the municipality has to promote a participatory development process through the local economic development (LED) programme, where all LED project participants, whether still emerging or well established, must participate and be allowed access to municipal services. This will encourage partnerships between the main private and public stakeholders and enable the joint design and implementation of a common development strategy or the adoption and strengthening of the current municipal LED strategy.

LED training is intended to provide participants with an understanding of the concepts, approaches and processes of LED strategic planning. Training local economic

developers assists businesses not only to produce for local consumption, but also to “export” outside the local economy, and create businesses that substitute local “imports”. In theory, training can provide an equivalent boost to local jobs.

4.17.11 Understanding of LED strategy

The findings of the study indicate that the municipality has an LED strategy in place and efforts have been made to implement this strategy, however, the beneficiaries of activities emanating from this strategy have little understanding of this strategy and how it works. This suggests that there has been less communication and contact between some of the beneficiaries who do not understand BLM LED strategy and the municipality.

4.17.12 Application of legislation on LED

The findings in the table above and the subsequent findings prior, indicate that consultation between the municipality and all LED stakeholders, including beneficiaries, is of paramount importance. This will create a platform where planning, understanding of the plan and its implementation are carried out to all parties’ satisfaction and also reduce shifting of responsibilities and blames, since each stakeholder will know their responsibility and role to play in the success of LED in BLM.

4.17.13 Suggestions to improve LED benefits in BLM

It was noted by the municipality that many communities who produce vegetables lack markets to sell them. From conversations with some of the respondents, it was established that private traders and other buyers manipulate the prices of the produce to suite themselves and save on their purchase, while this leaves producers with no profit. Interestingly, the LED strategy of BLM is very silent about the managing and organising markets for the products to reach the consumers. This should have been part of the strategy to identify and know how to reach the target market to sell the products from LED initiatives.

Local farmers, therefore, feel hard done by this act of dictating prices for their products, because at the end they do not get the projected profit, since the costs of input are no longer covered, due to price dictation by those who buy. Should markets be established, it will be easier because only the market forces will dictate the prices, instead of price manipulation by buyers.

Ratner (2000) points out that the informal markets are often thought of as kind of a “safety net” for people who cannot find a place in the formal market. Furthermore, informal markets have become part of everyday life and household survival strategies in rural and urban areas. It is also suggested that informal markets are helping smallholders to generate incomes and offer the best solutions to decrease rural poverty and increase the income bracket.

The findings of the study indicated that the existence of markets will formalise pricing of products and farmers or producers will not be manipulated to sell their products at a price determined by the buyer. Interestingly, Schneider (2002) clearly indicated that informal markets typically sell on a lower scale and tend to display their goods on shop fronts or carry them from one place to another, and this makes it easier for buyers to get a variety of what they need in one central place.

The study discovered that there is a concern among farmers practicing agriculture and tourism projects on water supply and that constrains farming activities and hosting of a bigger number of guests in tourism businesses. Agriculture is a major source of local economic development; more people depend on farming activities for their food security. Tourism is one of the major economic boosters in terms of employment and without adequate supply of water, the productions halt and the normal functioning of the businesses is disturbed.

The key informants indicated that the irrigation system is a major problem and causes plantation to wither and, thus, reduces the output and the quality of the products. It was reported that the submissions were made to the Provincial government to assist with construction of dams and the local Department of Agriculture is in the process of reviving dams in the community. It was envisaged that strengthening of irrigation systems will have positive impact on the farmers, because that will make them focus on production, since they will have no problem with water. For the tourism businesses, smooth operation will persist, since water is used on daily basis for cleaning and preparing services rendered to and required by the customers.

4.18 Chapter Summary

This chapter focused on the presentation and interpretation of data collected from the Local Municipality Officials, Local Economic Development stakeholders and project

participants in Bushbuckridge Local Municipality, in Mpumalanga Province, on the implementation of Local Economic Development Strategy in the Municipality. The presentation of data was systematically linked to the format of the interview guide, attached in Chapter 3.

The data have been classified according to the order of appearance as appeared in the interview guide, also attached in chapter 3. Data were carefully reduced and scientifically presented in percentages. The graphs, tables, and charts were used for the interpretation of data, and were organised and presented separately. The presentation, analysis and discussion of the study has been aligned with the objectives of this study, as presented in chapter one. A conclusion will be drawn in the next chapter.

The study discovered that BLM's initial approach to LED was a market-driven approach, which later was replaced by the pro-poor approach, but without changing the implementation plan and this makes the implementation of the LED strategy in BLM somehow difficult.

The next chapter will present the findings of the study, conclude and recommend based on the outcomes of the literature discussed in chapter 2 and the data presented and discussed in chapter 4.

Chapter 5

5.0 Findings, Conclusions and recommendations

5.1 Introduction

This chapter provides a summary of the key findings of the study, the main conclusions and recommendations, and it makes a proposal for further research in this area. Different issues were raised in the study to address the objectives of the study. The objectives of the study were formulated to explore the implementation of LED strategy in Bushbuckridge Local Municipality.

5.2 Summary of the study

The study sought to examine the implementation of the Local Economic Development Strategy implementation in BLM. This was a bid for the study to explore and examine the implementation of the LED strategy to promote understanding and assist local economy of the area to realise its potential. The study was conducted in Bushbuckridge Local Municipality, which is located in Ehlanzeni District Municipality, in the Mpumalanga Province of South Africa. Bushbuckridge Local Municipality currently consists of 37 wards, out of which 11wards were chosen for the study.

The study design was descriptive as it sought to have an in-depth look at the implementation of the LED strategy in the study area. A combination of both secondary and primary sources of data were collected for this study. The instruments used for collecting primary data included interviews with structured and semi-structured interview questions.

Overall, a total of 50 respondents were surveyed. The use of the non-probability sampling method and purposive sampling was used to select the respondents. The sample comprised of BLM LED officials and at least 5 project people from the 10 sampled projects who included the project management team and workers from each project site. This allowed the researcher to have a balanced view from both the municipal officials and people at the project sites. The following is the summary of the key findings of the study.

BLM LED strategy and its implementation

The findings of the study indicate that the LED strategy in the study area (BLM) is informed by the municipal Integrated Development Plan (IDP). The LED is implemented as a programme with different projects under it. The implementation follows the national standard guidelines which also conform to the international requirement of implementing and practicing LED. BLM LED strategy is implemented following the Location Theory, where projects are planned and positioned in places where there will be profit maximisation and the minimisation of production costs by employing local ideas and resources and packaging them to attract outside interest.

Attraction model, which is based on Location Theory, is also applied by communities and projects seeking economic development. Projects are planned and packaged such that they attract investors, the initiation of new projects for product diversification, and entrepreneurship to create innovative and news business ideas in tourism, SMME's and agricultural projects, which is the main focus of LED.

Participatory approach is the best suited model to implement BLM LED strategy, however, the participatory process is not explored and practised to the benefit of all stakeholders involved in the planning and implementation of LED strategy. This approach is always informed by a bottom-up approach, rather than a top-down, which was adopted by the municipality.

Participation of local stakeholders in LED and its implementation

The study findings based on key informants discovered that there are different stakeholders involved in LED initiatives and BLM is playing a variety of roles, as prescribed by the terms of agreement between stakeholders, and on the capacity and capability of each stakeholder. The municipality is the implementer, planner and coordinator of LED in BLM, whilst other stakeholders, such as private sector business, play the role of funding, implementing and planning, with the communities of BLM and the local municipality as the recipients of LED outcomes. The participation of these stakeholders follows the participatory model, as indicated above, that Participatory approach is the best suited model to implement BLM LED strategy.

LED activities in BLM

The findings of the study indicate that Bushbuckridge Local Municipality has a potential for developing the local economic hub through the indigenous wealth in the form of agricultural farming, SMME's and tourism as the main LED activities. Agriculture and tourism can make a meaningful contribution to the local, district and the provincial Gross Domestic Product (GDP) and can have a great potential of creating economic growth and reducing the levels of unemployment and poverty.

The study findings also indicated that agriculture remains the potential economic development platform for the communities of Bushbuckridge through subsistence and commercial farming, with the Municipality's intention to strengthen the existing programmes that are aimed at improving the local economic development through proper planning and structuring LED activities. Agriculture in the municipal area has a strong competitive advantage in terms of the climate, bio-diversity and number of dams.

However, this advantage is impacted by problems associated with it, such as droughts, bush fires, and rural farming practices which lack the use of the advanced farming methods. As much as commercial agriculture provides bulk of the employment opportunities in the municipality, findings indicate that approximately half of the population, particularly the youth, is unemployed. The constraints and issues related to agriculture in the municipal area include: Access to viable parcels of arable land; Management of communal grazing land; and Conversion from subsistence to commercial agriculture.

The municipality outlined the plan of the municipality's actions (IDP, 2010/2014) to promote LED activities, indicates that the plan is to accelerate land claims processes by working together with the Department of Land Affairs in order for the municipality to: create an environment that is conducive for economic growth; to promote tourism by establishing arts and cultural centres; to promote commercial farming opportunities by capacitating the existing farmers; and to revive and upgrade small-scale commercial projects and the resuscitation of irrigation schemes to promote agricultural output.

The study also discovered that there is lack of coordinated action to create viable establishment of Cooperatives Development and formalised economy to promote

sustainable SMME development and growth, and sustainable cooperative movement. Also identified, was the poor development created by historic settlements patterns to create an environment conducive for rural development and to facilitate economic growth. This led to the sector being unable to attract investors through Infrastructure Development.

Findings on tourism indicate that there is a great potential of stimulating economic growth, taking into account the municipality's close proximity to the Kruger National Park (KNP), Manyeleti and various renowned private nature reserves, such as Mhala-Mhala, Sabie-Sabie, Phungwe and others located along the boundary of the KNP. The municipal area also falls within the Kruger to Canyon Biosphere, which stretches northwards via Hoedspruit to Tzaneen. This, in turn, may boost tourism in the area and create a competitive advantage and a potential to contribute significantly towards accelerating growth in the tourism industry.

Challenges of LED strategy implementation in BLM

LED in South Africa is more focussed on creating robust and inclusive local economies that exploit local opportunities, working with local communities to address local needs and contributing to national development objectives, such as economic growth and poverty eradication. The biggest challenge of LED in South Africa, discovered in this study, is that most local municipalities do not have adequate economic growth strategies in place that are implementable, and if they do, just like BLM, it will only sound good on paper but the implementation on the ground does not happen as the strategy depicts, therefore, poverty and unemployment are not addressed. For LED to be successful, there should be a comprehensive planning process involving all stakeholders within the local area. The process is not an overnight activity, and must involve all sections of the community and cover all matters that affect quality of life in a local area, particularly those that need most support (Sekhampu, 2010). As indicated in the discussion of data, the municipality has outlined the following challenges in its stride to implement its LED strategy:

- Land unavailability
- Lack of cooperation from community members to continue with LED initiatives
- Lack of commitment from project participants
- Lengthy process to get the projects to operate

- Group dynamics
- Investor mobility
- Lack of commitment between the three spheres of government
- Non-existence of LED forums
- Weak or lack of municipal by-laws

5.3 Conclusion

South Africa has made significant strides in designing strategies to implement existing policies and help to make the country a better place for all to live. In spite of the inherited challenges the current government had from the apartheid regime, there has been a number of policies and strategies that succeeded in balancing the triple challenges of unemployment, inequality and poverty through policies like LED. **These strategies include among others: the 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 Arrangements (2000); Discussion document on LED Policy (2002); and Policy Guidelines for implementing LED in South Africa (2005). All these policy documents mentioned above, have element that allow for and promote LED to the growth and development of localities, socially and economically.**

Bushbuckridge Local Municipality, as a service delivery sphere of government, also carries the mandate of ensuring that people residing in this jurisdiction are encouraged and challenged to utilise their local resources and ideas to create viable and vibrant local economies that will attract investment from locally and abroad to invest in their locality.

Activities discovered in the findings of the study include Agricultural activities where participants are encouraged by the municipality through its LED unit to transform from subsistence agricultural to commercial agricultural activities. The municipality is playing the role of creating a market for the products produced in LED activities in BLM.

The findings of the study indicate that tourism has great potential of stimulating economic growth, taking into account the municipality's close proximity to the Kruger

National Park (KNP), Manyeleti and various renowned private nature reserves, such as Mhala-Mhala, Sabie-Sabie, Phungwe and others located along the boundary of the KNP. If tourism activities such as cultural events and natural attractions are package well and presented to the customers, it can be a game changer and can bring spin-offs in the economic development of BLM. This will also give rise to development of more SMME's in the local area where people will express their potential and natural talents to make a living for themselves and their households.

The study discovered that Bushbuckridge Local Municipality has a Local Economic Development strategy which is outlined in the municipal Integrated Development Plan (IDP) and implemented as a programme with different projects under it. The implementation follows the national standard guidelines which also conform to the international requirement of implementing and practicing LED. However, the conclusions drawn from the study are that the strategy and its implementation in BLM is short of the consultation process where project participants are consulted and allowed to come with possible solutions to create economic development in the municipality. Furthermore, the potential of different areas in the municipality has to be considered when planning for LED.

The study findings also indicate that there are different stakeholders involved in LED initiatives in BLM which play a variety of roles, as prescribed by the terms of agreement between stakeholders, and on the capacity and capability of each stakeholder. The municipality is the implementer, planner and coordinator of LED in BLM, whilst other stakeholders such as private sector business play the role of funding, implementing and planning, with the communities of BLM and the local municipality as the recipients of LED outcomes.

The fact that different stakeholders were involved in BLM LED strategy, meant well, but the lack of participatory decision making by all stakeholders, and most importantly, the local people as beneficiaries of the outcomes of LED strategy implementation, made the strategy to be good on paper, but the actual processes on the ground were not as convincing as the strategy on paper does.

The challenges outlined in the summary of the study and in the discussion of data act as the blocking factor in the implementation of LED strategy in BLM. The study, therefore, concludes that the unavailability of land impedes the implementation of LED

strategy in BLM, since all LED activities need to take place on land. There seems to be delays in fast tracking the processes of land claims lodged by claimants and this is due to the fact that parts of the land claimed fall within the Kruger National Park and such land cannot be accessed for other LED activities because the park is a world heritage site.

The study also concludes that the lack of cooperation and commitment from community members to implement LED activities, bring a cloud of doubt for further implementation and funding of LED activities, and investors become discouraged because most of the initial projects were abandoned without any accountability from community members. This has further caused setbacks and challenges on other potential LED projects to be implemented because funders have set stricter requirements for funding of projects, making it difficult or causing lengthy processes to get projects to operate.

The little commitment between the spheres of government that has been outlined as a challenge has caused weak investor mobility and unequal attention in different areas in the municipality. This is more evident because some projects have funding and municipal support, whereas other projects benefit none from such support.

The study further concludes that the non-existence of LED forum to discuss pertinent issues on LED in the municipality makes it difficult for the understanding and implementation of the LED strategy by the municipality. This is because LED forums are where issues about LED are identified, discussed and noted down for inclusion in the municipal integrated development plan for implementation and improvement of the local economy. Therefore, the non-existence of LED forums is one of the causes of difficulty in LED implementation in the municipality. The existence of forums such as LED forums and other forums in the municipality allows the enactment of municipal by-laws from forum's outcomes to enhance LED implementation and yield its outcomes to the benefit of all stakeholders involved in the planning and implementation of LED in the municipality.

The plan of the municipality in its LED unit is to formalise the informal economy and facilitate access to funding cooperatives through capacity building and mentorship programmes and establish linkage and partnerships with funding agencies and sector

departments to fund LED projects that can allow the growth of SMME's in the region and create more employment opportunities for the local residents.

The market-driven approach initially applied by the municipality in their LED strategy implementation, is good for the industrial municipalities and metropolitans. When applied in a local and rural municipality like BLM, it always side-lines and ignores the poor, who must be the focal point of the LED strategy to help them address the challenges of poverty, inequality and unemployment. The former homelands that constituted BLM had other areas in BLM with small industries sprawling. These sprawling small industries died out as the industrial sites closed down when firms relocated to other more appealing areas with better opportunities. The municipality did not have a strategy to retain and support industrial growth in the area, and that led to the market-driven approach to crumble.

This means the best suitable strategy for a municipality such as BLM must be pro-poor, which will then address the issue of poverty, unemployment, economic inequality and community development. Pro-poor approach to LED applies the bottom-up approach where the communities decide for themselves what they want and how they want to achieve what they planned to achieve.

The study's conclusion shares similar sentiments with (Francois Meyer, n.d) that "Local government's overarching role in development is to provide an enabling environment for all its residents and businesses to prosper. In order to achieve this requirement, local government needs to have an LED strategic plan which has a balanced approach between "pro-poor" and "pro-growth". LED strategies need to intervene in the creation of jobs, poverty alleviation and the general improvement of quality of life. LED is a strategic process which stimulates good governance, cooperation and partnership development. It can also support management and administrative functions. LED is "everybody's business", including all levels of government, the local communities and business people, as it is a cross-cutting issue. LED success requires strong and committed local leaders and local LED champions".

5.4 Recommendations

In the light of the above conclusions, the study recommends therefore, that LED in BLM has to be informed by a participatory model which is based on a holistic approach

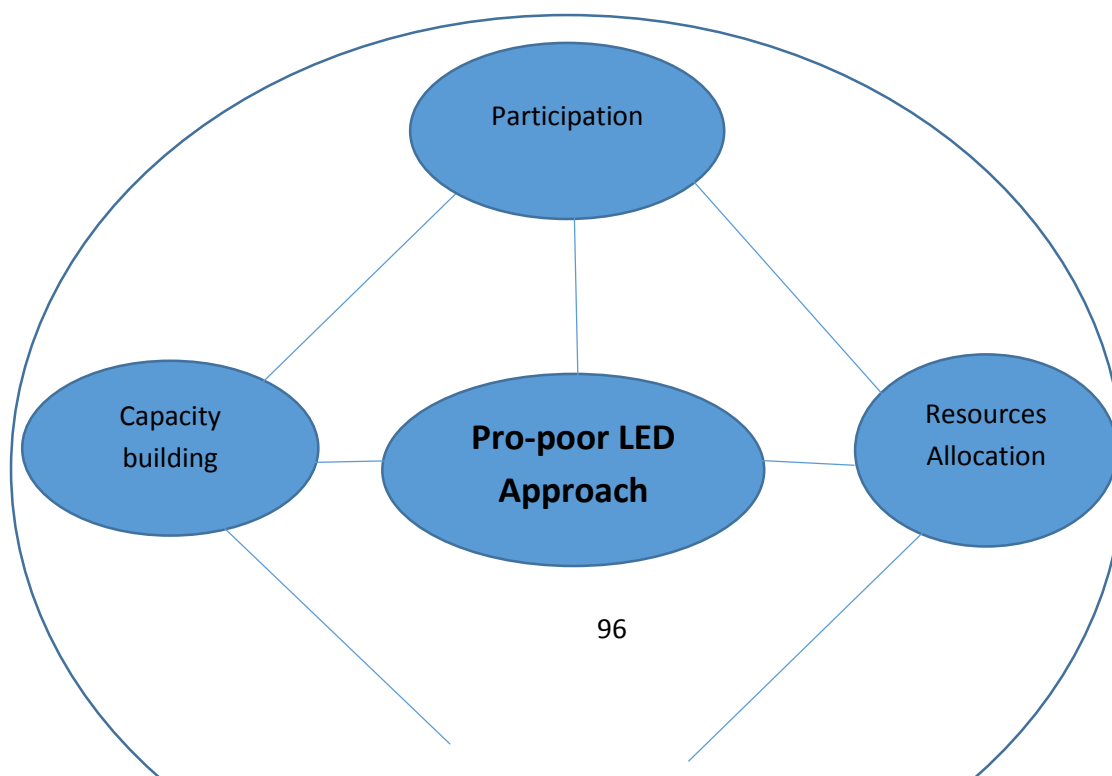
to incorporate different activities from different areas, based on their local potential and available resources to create economic spin-offs. The study also makes a number of specific recommendations to facilitate the planning and implementation of LED strategy in BLM:

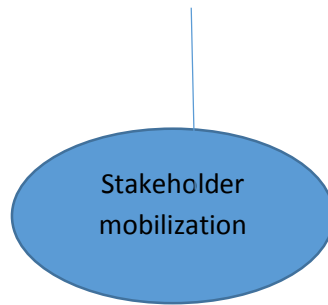
Second, funding of LED project should not solely be on the shoulders of government or its departments, but private sector investment may be encouraged in the local area and commitment by the local project participant is also needed to ensure that investors have confidence in their local partners.

Third, for most LED projects to be carried out, land must be made available, and this means all outstanding issues on land claims must be ironed out to ensure less conflict of who owns the land where project and productions are based. Beneficiaries who own or had part of KNP claimed, must be given alternative land for the implementation of LED activities, since they cannot access their land in the National Park. Support in skills training, financial support and marketing of products have to be made possible for all LED participants in the municipality.

Fourth, the LED unit in the municipality must be staffed with personnel that is ready and willing to give any assistance to local people who have interest in starting projects of their own and be assisted with all the resources and information needed to succeed in their project implementation. The LED unit must also encourage a multiple stakeholder participation in all projects and consider the following:

Figure 5.1: Pro-poor LED Approach





Source: Survey Data

South Africa's current development policy is focussed on "developmental" local government and with a "pro-poor" emphasis (Francois Meyer, n.d). Local government has been pro-actively encouraged through the Constitution (1996) to intervene and to play a leading role in job creation and reduction of poverty through LED.

Pro poor approach to LED is a strategy that assists the rural communities and mostly, the poor individuals to realise their economic potential, by involving all stakeholders in participation to assist the citizens. As a result of globalisation, it is apparent that the activity of LED is now viewed as significant in many countries of the world in terms of addressing the objectives for sustainable development, including poverty alleviation (Clarke & Gaile, 1998; World Bank, 2003).

The growth of LED in South Africa, as indicated by Meyer-Stamer (2004), has always been married to the highly fashionable issues of international development cooperation. This means that the South African LED environment has to globalise to meet the required standards by the international community. Moreover, central governments, to some extent, have decentralised powers of planning and implementation by adopting the bottom-up approach and allowing other actors to come to the fore to make the market economy function (Helmsing, 2001a; 2001b; 2003a; 2003b; Meyer-Stamer, 2003).

The emergence of Local economic development in South Africa has been regarded as one of the more important post-apartheid development options and is pursued by empowered localities with the encouragement of national government (Rogerson, 2002b; Nel et al., 2003; Nel & Rogerson, 2005). The national government, in their planning and budget allocation, must prioritise and make budget available to local government for the promotion, planning and implementation of LED. Local

governments are hailed as key agents of change and specifically given the responsibility to respond to the developmental needs faced by people in their localities, with a specific focus on the poorest members of society (South Africa, 1998a).

The concept of LED in South Africa allows for the accommodation and is dominated by elements of what in the international literature are referred to as market-led and market-critical approaches towards LED (Scott & Pawson, 1999). Hitherto, the existing LED planning has been dominated by LED activities that have been geared to achieving sustainable high growth rates (Nel & Rogerson, 2005). This market-critical approach must be flexible to allow the implementation of pro-poor approach to LED, because the former cannot work in most rural areas in South Africa. Nevertheless, it is evident that the national government's priority is for LED to be anchored upon a strong focus on poverty reduction. In turn, this places a greater focus on LED planning initiatives as a basis for achieving certain goals of sustainable development. Pro-poor approach has the potential of allowing, even, the rural areas to participate in planning and implementation of LED activities to the growth of local wealth and economies.

The national LED policy document focusing on the Poor' was drafted (DPLG, 2002). Building upon the work of Bond (2002; 2003), this document clearly argues a case for a 'pro-poor' LED explicitly targeting low-income communities and the marginalised as the focus of government policy. The document projects a 'bottom-up' approach to LED, which challenges 'the Washington Consensus' and offers, instead, a community-based approach associated 'with a new, more sustainable paradigm' (Bond, 2002; 2003). At the core of this new sustainable paradigm is the importance of working with low-income communities and their organisations. The approach 'explicitly aims to link profitable growth and redistributive development' (Bond, 2002).

It is stated in Bond (2002; 2003) and Hindson (2003) that there are at least six LED strategies promoting the development of rural areas that should be supported, namely community-based economic development; linkage; human capital development; infrastructure and municipal services; leak plugging in the local economy; and retaining and expanding local economic activity. Overall, the pro-poor-focused LED policy document substantially challenges conventional LED programming and asserts a commitment to embrace a 'Stiglitz-style "Post-Washington Consensus"' that focuses on sustainable local development (Bond, 2002; 2003; Hindson, 2003) and allows for the rural population to be hands-on in the creation and growth of their own economies.

The **participatory process** means that all stakeholders involved in the planning and implementation of the LED approach are mobilised to collectively decide on the appropriate method to develop their economic development activities. Local economic development (LED) is a participatory process in which local people from all sectors work together to stimulate local commercial activity, resulting in a resilient and sustainable economy. It is a way to help create decent jobs and improve the quality of life for everyone, including the poor and marginalised. Local economic development encourages public, private and civil society sectors to establish partnerships and collaboratively find local solutions to common economic challenges.

Mobilising stakeholders will promote unity and coherence in the planning and implementation of programmes and projects to address the desperate conditions rural and poor people find themselves in, and stakeholders such as the private business, the government, NGO's and local authorities are key players in the planning and implementation of pro-poor LED.

Capacity building will present all stakeholders with life improving opportunities. Once capacitated, the communities will be able to prioritise the allocation of the available local and other resources to create economic activities that will improve people's lives and grow the economy of the local area.

For LED to be more effective and flourish in BLM and in South Africa, the study recommends the proposal by Meyer-Stamer (2003) which stresses that there should be differences and clear boundaries between LED and community development initiatives, where government must move away from solving the problems by throwing money to the problem. There needs to be more studies on analysis of local economic sectors and the identification of strong economic areas, promotion of entrepreneurship and business development, planning for and utilisation of local resources such as finance, natural resources, and human skills by the utilisation of mentors to identify and implement spin-off projects and to create a strong partnership between public and private sectors. According to Blakely and Bradshaw (2002), a municipality can decide to act as a developer and even an entrepreneur, a coordinator, a facilitator or a stimulator.

5.5 Areas for further research

There may be a need to carry out further research in the following areas to enrich the literature on LED strategy implementation in local areas in South Africa:

- Monitoring and Evaluation of LED strategies and implementation
- Local Economic Development participation in planning and implementation of LED strategy
- Local Economic development strategies as a tool to stimulate the growth of local economies.

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APENDICES

Annexure A: Letter requesting permission to collect data



Department of Anthropology & Development Studies

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RESTRUCTURED FOR RELEVANCE

26 November 2014

TO WHOM IT MAY CONCERN

Nkuna Lazarus Lucky, Student Number, 201083338, is a registered student at this university studying for a Master of Arts Degree in Development Studies.

The student intends to collect information on the implementation of local economic development strategy within Bushbuckridge Local Municipality. It is proposed the recommendations will be shared with the municipality. The university therefore, requests your organization to grant the student permission to collect the necessary data collection, which is a requirement for the completion of the degree

The Department of Anthropology and Development Studies appreciates all the support you may offer the student in his research project.

Yours in Higher Education

A handwritten signature in black ink, appearing to be 'P T Sabela'.


Dr P T Sabela
Lecturer: Department of Anthropology & Development Studies

FACULTY OF ARTS

26 NOV 2014

UNIVERSITY OF ZULULAND

Annexure B: Letter granting permission to collect data

 agriculture, rural development,
land & environmental affairs
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

101 Main Road, Thulamahashe, 1365, Mpumalanga Province
Private Bag X 1321, Thulamahashe, 1365
Tel: +27 (13) 773 1192

EHLANZENI NORTH DISTRICT

Ubizo: Lesakulima, Kufufukiswa
Kwafundzweni Tseemalshaya, Tshamba
Neselimonolizweni

Departement van Landbou,
Landelike Ontwikkeling
Grond en Ongevang Saak

umfyanjwele/omfyanjwele
UkuThuthulisa kwemihlaba, zemihlaba
Noma nezindaba zolwazi/olwazi

Enq. Ms RL Makgabane
Contact: 013 773 1192

09 February 2015

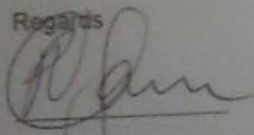
TO WHOM IT MAY CONCERN

RE: CONSENT TO COLLECT DATA FROM AGRICULTURAL PROJECTS


This is to acknowledge a meeting held on the 9th of February 2015 with Mr Lazarus Lucky Nkuna who is a registered student at the University of Zululand studying towards a Master's degree in Development Studies.

To fulfil the requirements of his Master's degree he has requested to meet with beneficiaries/ farmers from various agricultural projects to conduct interviews and administer a questionnaire for data collection. Farmers are hereby requested to provide him with the necessary information needed.

We thank you for your anticipated cooperation.

Regards


Ms PNZ Mpangane
District Director DARDLEA - Ehlanzeni North


MPUMALANGA
THE PLACE OF THE RISING SUN

Annexure C: Interview guide for project participants



UNIVERSITY OF ZULULAND

INFORMED CONSENT

Receive my Greetings

My name is Lazarus Lucky Nkuna, a Masters student in Development Studies at the University of Zululand. I am doing a research project titled Local Economic Development Strategy implementation within Bushbuckridge Local Municipality and I request your assistance in getting the information for this research project. The project will be explained to ensure your understanding on what will be done and your participation in this project so that you can decide if you want to participate in this project or not to participate. Your Participation is voluntary and should you decide to participate, you may withdraw at any stage during this project.

The purpose of the research project is to collect information on Local Economic Development Strategy implementation within Bushbuckridge Local Municipality. The information collected will be used to expand knowledge on how local economies may be used to fight the triple challenges of inequality, poverty and unemployment faced by our democratic dispensation and to suggest possible ways to increase participation on LED.

This project is relevant and important since it will assist the local municipality concerned and other municipalities on how to use the LED strategies in place to jack-up local economic activities using the available resources to increase output and create a competitive local economy to compete both at the local and global sphere of economy.

PROCEDURE

The project will take place over a period of six weeks. The participants will be requested to complete questionnaires and informal conversation. For the completion of questionnaires, both officials and project participants will be requested to undergo the process of answering

of both the structured and unstructured interview questions. You will be asked to sign a consent form to participate in the project and a number of questions will be asked and you are expected to respond with honesty.

If you have any questions about the project, please do not hesitate to ask me at any time.

Thank you.

Lazarus Lucky Nkuna

Project Leader

Contact details: 083 758 5519/072 984 1044

Email: luckyinnkuna@gmail.com

INFORMED CONSENT

I,....., the participant, (ID is optional
.....) of
(Place of residence and project name).

I have read the details of the project, or have listened to the oral explanation explained to me by the facilitator, and declare that I understand it. I have had the opportunity to discuss relevant aspects with the researcher and declare that I voluntarily participate in the project. I hereby give consent to participate in the project.

Signature of the participant

Signed at on

Witness

Name Name

Signature..... Signature

Signed at Signed at.....

Contact telephone number

Annexure D: Interview guide for project participants



UNIVERSITY OF ZULULAND

VOLUNTARY INTERVIEW FOR LED STRATEGY (POLICY) IMPLEMENTATION IN BUSHBUCKRIDGE LOCAL MUNICIPALITY

Researcher : Mr. L.L Nkuna
Supervisors : Dr P.T Sabela and Dr E.M Isike
Department : Department of Anthropology and Development Studies
Institution : University of Zululand

Notes to respondent:

- We need your help to understand LED strategy is implemented in Bushbuckridge Local Municipality
- Although we would like you to help us, you do not have to take part in this research
- What you say in this interview will remain private and confidential

How to respond to the interview?

- Please answer the questions as truthfully as you can

If you do not feel comfortable answering a question, you can indicate that you do not want to answer. For those questions that you answer, your responses will be kept confidential.

- This survey is carried out to explore and assess the implementation of LED strategy in Bushbuckridge Local Municipality.
- Please answer the questions freely.
- You cannot be identified from the information you provide and no information about anybody will be given out.
- Your objectivity will be highly appreciated.

SECTION A: PERSONAL INFORMATION

Please put an X on the box that corresponds to your attribute

1. Gender

Male 01

Female 02

2. Race

African 01

White 02

Indian 03

Coloured 04

Other 05

3. Income

R0 – R500 01

R501 – R1000 02

R1001 – R2000 03

R2001 + 04

4. Do you live in Bushbuckridge Municipality?

Yes 01

No 02

5. Where do you live in Bushbuckridge?

6. Are you involved in any LED project/s available within the Municipality?

Yes 01

No 02

If yes, list the name/s of LED project/s and state how you became part of them.

If no, explain why you are not involved

7. What role do you play in this project?

- Management role 01
- Technical role 02
- Normal Labor 03

8. How many people are employed in your project?

- Less than 10 people 01
- Between 10 and 30 people 02
- More than 30 people 03

9. Does the municipality provide any support to your project/s?

- Yes 01
- No 02

10. For how long has the project been active?

- 0 - 3 years 01
- 4- 6 Years 02
- 6- 9 years 03
- 10 years or more 04

11. What form of products is your project producing?

12. Is there any form of training provided to you by the municipality? Explain.

13. Do you understand LED framework of the municipality? Explain in details?

14. Do you understand how LED strategy is implemented in the municipality?

Yes

 01

No

 02

15. What is your understanding about the current LED policy implementation framework?

16. How do you think local people benefit from LED project implementation in Bushbuckridge
Local municipality?

17. Do you think there is correct application of the legislation in terms of LED processes in Bushbuckridge Local Municipality?

YES

 01

NO

 02

If YES, How do you think LED initiatives can be improved?

If NO, what do you suggest must be done to improve the situation?

18. What other suggestion do you have on improving LED strategy and its implementation in BLM? Explain

Thank you for taking part in this interview

Annexure E: Interview guide for key informants



UNIVERSITY OF ZULULAND

VOLUNTARY INTERVIEW FOR LED STRATEGY (POLICY) IMPLEMENTATION IN BUSHBUCKRIDGE LOCAL MUNICIPALITY

Researcher : Mr. L.L Nkuna
Supervisors : Dr P.T Sabela and Dr E.M Isike
Department : Department of Anthropology and Development Studies
Institution : University of Zululand

Notes to respondent:

- We need your help to understand LED strategy implemented in Bushbuckridge Local Municipality.
- Although we would like you to help us, you do not have to take part in this research by force.
- What you say in this interview will remain private and confidential.

How to respond to the interview?

- Please answer the questions as truthfully as you can
- If you do not feel comfortable answering a question, you can indicate that you do not want to answer. For those questions that you answer, your responses will be kept confidential.
- This survey is carried out to explore and assess the implementation of LED strategy in Bushbuckridge Local Municipality.
- Please answer the questions freely.
- You cannot be identified from the information you provide and no information about anybody will be given out.
- Your objectivity will be highly appreciated.

SECTION A

Please put an **X** on the box that corresponds to your attribute

1. Gender

Male 01

Female 02

2. Race

African 01

White 02

Indian 03

Coloured 04

3. Do you work in Bushbuckridge Municipality?

Yes 01

No 02

4. Where do you live in Bushbuckridge?

Township 01

Semi Urban Settlement 02

Rural Settlement 03

5. Does the Municipality have LED strategy?

Yes 01

No 02

6. If yes, what project are you part of?

Agriculture 01

Tourism 02

SMME's 03

7. What role do you play in the LED unit?

Management role 01

Technical role 02
Normal Employee 03

8. How many people are employed in the LED unit in your municipality?

Less than 5 people 01
Between 5 and 10 people 02
More than 10 people 03

9. For how long have you worked in this unit?

0 - 3 years 01
4- 6 Years 02
6- 9 years 03

10. How is your LED strategy implemented?

11. What form of training have you got to work in this unit?

12. Do you understand LED framework?

Yes 01
No 02

13. Do you understand how LED strategy is implemented?

Yes 01

No

02

14. How many LED projects are implemented in BLM at present?

15. What is your opinion about the current LED projects in BLM?

16. How do you think LED project implementation contribute towards economic development in Bushbuckridge Local municipality?

17. What perception do you think local people have towards the implementation process of LED?

18. Please rate the success of LED strategy implementation in BLM

Successful

01

Average

	02
--	----

Poor

	03
--	----

19. What role is played by the municipality and other stakeholders in LED??

20. What are the future plans of the municipality with regard on LED projects in BLM?

21. How are projects identified and funded for LED?

22. What are your perception on LED as a strategy and its implementation?

23. What can be done to improve the benefits of LED in BLM?

Thank you for taking part in this interview