

# LOCAL ECONOMIC DEVELOPMENT AS A STRATEGY TO ENHANCE COMMUNITY DEVELOPMENT PROJECTS: A CASE OF THULAMELA LOCAL MUNICIPALITY

Ву

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# **DECLARATION**

I, **Ngobeni Tlangelani**, (Student Number 15001294), hereby declare that this dissertation, titled "local economic development as a strategy to enhance community development projects": a case of Thulamela Local Municipality, hereby submitted by me in fulfilment of the degree of Master of Administration at the University of Venda, has not been previously submitted for any degree at this university, or any other university and that it is my own work in design and execution, and that all sources that have been used or quoted have been duly acknowledged.

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# **DEDICATION**

This dissertation is dedicated to Kokwani, Annah Khubani Netshifhefhe *na* Mhani, Masesana Portia Ngobeni this belongs to you, I am indebted to you always. **Xikwembu xi miendla hi kateko.** 

To my younger sister/brother whom before the eyes could see what it means to be alive was taken back to where life comes from. The one whom I could have been sister by blood. But God known beforehand. I will always wish I could have met you.

To my sibling's.







#### **ABSTRACT**

The purpose of this study was to examine local economic development (LED) as a strategy to enhance community development projects in the Thulamela Local Municipality as well as the effects of effective LED. The LED was introduced in the municipalities to create jobs and alleviate poverty. The LED strategy uses local resources with local communities, public institutions, and the private sector to create employment and eradicate poverty. This is due to the lack of job opportunities and high levels of unemployment in rural areas. Therefore, this study addressed that with the realisation of the importance of local economic development as a strategy in local government, rural areas in TLM can be developed through community development projects.

The study used the pragmatic approach paradigm and the mixed-method approach, in which both qualitative and quantitative methods were used to collect and analyse the data. This was done to take both the advantage of quantitative and qualitative methods, whereby, when the other method could not provide valuable information, the other was used. In-depth information from the respondents was extracted, whereby participants expressed their feelings, and opinions during data collection. The research design used was the convergent parallel design, which allowed the collection of data in both methods to gain an in-depth understanding of the phenomena. The study area was the Thulamela Local Municipality. The study used the purposive sampling procedure to select the respondents to obtain more knowledge from skilled respondents. Two instruments of data collection were used, namely: structured questionnaire and open-ended interview schedule. Data was analysed through inferential statistics and the narrative method. Respondents were informed and made aware of the challenges of taking part and that they can withdraw from the study at any time.

# The findings of the research study were:

- The major findings of the study are that 55 (55%) of the respondents agreed that LED is a strategy that enhances community development projects.
- The study revealed that 45 (45%) of the respondents strongly agreed that skills and administrative capacity is vital as a way to strengthen LED strategy.
- The majority of respondents at 48% agreed that Location Theory is vital in promoting local economic development.
- The study found that community participation and funding are major problem as a key to LED projects.
- The study also revealed that there is a shortage of land as most land is owned by traditional leaders, and land ownership is through Permission to Occupy (PTO)





arrangements. The study further affirmed that the policies of LED in the Municipality are outdated.

# Recommendations of the study are:

- The findings suggested that TLM should create a conducive environment for LED projects to exist in order to create jobs and alleviate poverty. fund existing and new community projects for them to flourish.
- It was indicated that the Municipality should train project coordinators regularly as well
  as to employ officials that have the capacity and administrative skills to implement LED
  projects.
- It is recommended that the Municipality should view LED in a locality-based approach
  to stimulate local economy whereby, local resources are used and skills to benefit
  citizens to ensure.
- It is recommended that the Municipality should influence effective participation as well as fund existing and new LED projects.
- The study recommends that the Municipality must work with traditional leaders as the custodian of the land. The study further recommends that the LED policies must be updated to meet the current socio-economic needs.

Key Words: Development, Community Development, Local Economic Development, Project, Strategy





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# LIST OF ACRONYMS

ANC: African National Congress

ASGISA: Accelerated and Shared Growth Initiative of South Africa

CBOs: Community Based Organisations

CD: Community Development

CDPs: Community Devolvement Projects

DPLG: Department of Provincial and Local Government of South Africa

EPWP: Extended Public Work Programme

GEAR: Growth Employment and Redistribution

IDP: Integrated Development Plan

ILED: Innovation on Local Economic Development

LED: Local Economic Development

LEDAs: Local Economic Development Agencies

LEDF: Local Economic Development Fund

MMR: Mixed Method Research

NDP: National Development Plan

NGOs: Non-Government Organisations

OECD: Organisation for Economic Co-operation and Development

RDP: Reconstruction and Development Programme

SMMEs: Small Medium and Micro-Enterprise

SONA: State of the Nation Address

TLM: Thulamela Local Municipality

UCLG: United Cities and Local Governments

UNDP: United Nations Development Programme

VDM: Vhembe District Municipality





#### CHAPTER ONE

# INTRODUCTION AND BACKGROUND OF THE STUDY

#### 1.1 INTRODUCTION

According to Meyer (2014:624), international, researchers, development experts, and stakeholders acknowledges the importance of Local Economic Development (LED) in creating jobs, alleviating poverty, and improving the quality of life of people. Strydom (2016:73) asserts that increasing emphasis on LED has created attraction in South Africa since 1994, as legislators and local communities struggled with how to address the twin challenges of redressing historical imbalances in service delivery as a result of apartheid, with South Africa's increasing exposure to global economic factors. Masuku, Jili, and Selepe (2016:2) state that LED is when local people take control and responsibility for job development, and the economic well-being of the community, which will effect in poverty reduction. Khosa (2012:7) states that in trying to deal with the problem of poverty, community development projects (CDPs) were introduced in the Thulamela Local Municipality. On the other hand, Melody and Zonyana (2017:20) posit that the Expanded Public Works Programme (EPWP) is proving to be a key provider to the Local Economic Development, regardless of the challenges that municipalities face concerning implementation. Mahole (2017:197) asserts that LED encompasses identifying and using local resources, ideas, and skills to stimulate economic growth and development. From the above perspective, Strydom (2016:75) opines that local government increasingly must involve all relevant stakeholders in its strategic planning for LED and intended beneficiaries of LED projects.

After the African National Congress (ANC) came into power, it promised a better life for all the citizens through job creation, generation of income, and a reduction of poverty. Rodriquez-Pose and Tijimtrsa (2005:6) contend that the focus of Local Economic Development (LED) strategies was introduced shortly after apartheid has ended. Furthermore, the programmes of LED are mostly considered to be the CDPs. Thus, Economic development is seen as part of community development (Cavaye, 2015:6). Karama (2017:99) believes that under apartheid, the government had a separate regional planning policy characterised by a robust central government that repressed the development of LED initiatives in towns and cities in South Africa. According to Malovha (2013:2), CDPs are considered by the government as a strategy that addresses rural poverty problem and improves the standard of living for citizens who were previously excluded from the mainstream economy, especially the youth and women.





Social development services include, inter alia, health, and education, while economic services are job creation, eradication of poverty, and boosting the local economies (Koma 2012:126). South African citizens are still facing major challenges of unemployment, inequality, and poverty, which are not easy to address, and they lead to underdevelopment for communities (Koma 2012:126; Malemela and Yingi 2016: 132). Therefore, from the problems identified above, Section 195 (1) (c) of the Constitution of the Republic of South Africa of 1996, provides that municipalities must be development-oriented, as the basic principle of Public Administration. Rogerson (2011:7) contends that local government has to create and manage local projects whose aim is to address inequities amongst residents. Furthermore, the local government has the authority to mediate the public good. Burger (2002:5) postulates that LED projects were introduced in 1997 through a special allocation from the Poverty Relief Fund. It was aimed at responding to the deep level of poverty in the country. The role of LED through the partnerships amongst the municipalities, private sector, Non-Government Organisations (NGOs), Community-Based Organisations (CBOs), and other stakeholders, is crucial for community development. Nthekeleng (2014:152) maintains that when the public, businesses, and NGOs work together to generate employment opportunities, it leads to enhanced economic growth, sustainable development, and less poverty in communities.

#### 1.2 BACKGROUND OF THE STUDY

During the colonial period, South African communities were not developed economically and socially. This was more prevalent in rural areas that comprise the former homelands (Zulu & Mubangizi 2014:424). However, the post -1994 government has recognised the significance of local, social and economic development as a local government function (Hardman, 2013:25). Hardman (2013:25) further states that LED began at a time when global challenges and responsiveness of the change between business, government, and civil society influenced experimentation with new forms of governance and new social contracts. According to Kanyane (2008:698), LED is a worldwide tool, which is also being tried and tested in South Africa in the post-apartheid democratic government to initiate and speed up local development for effective service delivery.



South Africa's local government institution is steeped in a people-centred development paradigm (Mubangizi, 2008:272). This means that development takes place through the participation of many groups, and thus calls for LED. Zulu and Mubangizi (2014:245) posit that the South African government is trying to reduce racial and spatial inequalities by giving priority to previously marginalised areas that are home to most rural communities when it comes to development activities. Luka and Maistrty (2012:15) suggest that South Africa's key community development challenge is to overcome the effects of colonialism and apartheid, which was characterised by racially segregated settlement patterns and distribution of resources.

According to Maloka, Mashamaite, and Ledwaba (2014:217), the concept of LED is acceptable in local-based planning of social, economic, cultural, and political transformation of all communities. Sections 152 (c) and 153 (a) of the Constitution of the Republic of South Africa of 1996, provide that local government must promote social and economic development. In addition, it must structure and manage its administration and budgeting, and planning process, to give priority to the basic needs of the community. Koma (2012:122) concurs that local government is obliged to play a critical role in promoting social and economic development for sustainable communities. The White Paper on Local Government (1998) stresses the importance of the current local government system as being to ensure that all communities have access to basic services, with participatory decision-making and planning process, which leads to increased job opportunities and effective utilisation of local resources to improve the quality of life for everyone.

According to Phago and Tsoabisi (2010:156), within South African context, local economic development is identified as the National government policy towards economic development that stimulates and encourages local people to work together, to achieve sustainable economic growth and development. Meyer (2014:626) posits that LED in South Africa is concerned with creating strong and inclusive local economies that exploit local opportunities, address local needs, and contribute to natural development objectives of economic development and poverty eradication. To this end, there still a need for LED to be planned in such a way that its strategic implementation will result in community development. According to Maxengwana, Theron, and Draai (2015:77), the specific role of local government is to provide basic services, in seeking a participatory approach to local governance and stimulating LED. Effective implementation of LED results in improved services to the community members, such as water and electricity, which boosts the local economy and fights poverty.





# 1.3 PROBLEM STATEMENT

South African inhabitants have suffered oppression during the colonial period, whereby people were living in poverty, inequality, and lack of joblessness. Lukkarinen (2005:419) posits that there is an increasing understanding that the development of the economy and the knowledge of society must be accompanied by a societal balance, to ensure cohesion, equity, and poverty reduction. Rodriguez-Pose and Tijimstra (2005:419) concur with the Constitution of the Republic of South Africa,1996 which provides local government with an extensive mandate concerning Local Economic Development and citizen participation in local government. South Africa consists of many local municipalities, wherein many people reside in remote areas, and Thulamela Local Municipality (TLM) is no exception. Many communities are faced with challenges both socially and economically. The role of LED is significant in municipalities because if taken into consideration it will continue to be part of local economy stimulation. Polak and Snowball (2017:335) postulate that although LED is job creation and economic growth strategy in South Africa, many LED projects have not been ascertained to be sustainable in the long-run.

The White Paper on Local Government (1998) provides LED in a manner of Developmental Local Government and is defined as the local government committed to working with citizens and groups within communities to find sustainable ways to meet their social, economic, and material needs and improve the quality of the lives of people. According to Section 152 and 153 of the Constitution of the Republic of South Africa 1996, municipalities must be structured in such a way that they promote social and economic development. However, municipalities have not yet been able to achieve effective LED programmes to influence community development projects. Several policy frameworks guide LED, and they are the following: Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998). These pieces of legislation provide for local government to start playing an important role in ensuring that social and economic development take place. However, several developmental strategies have been formulated to create job opportunities and eradicate poverty for development, such as Reconstruction and Development Programme (RDP). Although the RDP was preceded by the introduction of Growth Employment and Redistribution (GEAR), due to its failure to address the socioeconomic issues.



The challenges that local municipalities face involves lack of specific skills in administration, lack of funding, planning structure, and knowledge required to manage the pool of resources available Rodriguez-Pose and Tijimstra (2005:6), Koma (2012:27), and Khambule and Mptapuri (2018:1). Meyer (2014:626) adds that the challenge in municipalities is lack of adequate economic growth policies that can be executed; failing to address poverty and unemployment. The above problems contribute to ineffective community projects which hinder the stimulation of local economies. However, the problem that is being faced by the TLM communities is poverty, lack of job opportunities, and community projects that create an income for marginalised communities. It is also believed that there is inadequate information from the municipality to communities on the importance of local economic development. Therefore, people do not participate in local economic development.

Mandisvika (2015:207) posits that government should formulate policies on LED which, make it compulsory for local authorities to implement policies, and adopt strategies on how to plan how to attract investors and assist in implementation plans. Meyer (2014:626) maintains that for an effective LED there must be a maximising of local resources, such as funding and human skills; creation of the partnership, and business expansion. Rodriguez-Pose and Tijimstra (2005:8) emphasise that for effective LED, there must be an encouragement of local organisations and civic society, to influence and stimulate the presentation of the interest of local stakeholders. The initial hypothesis of the study is that the contribution of local economic development in community development projects can result in improved local economies, thus reducing poverty and creating jobs.

# 1.4 AIM OF THE STUDY

The study aims to examine local economic development as a strategy to enhance community development projects in Thulamela Local Municipality in Limpopo Province. To recommend the strategies that can be used for LED, to improve community development projects.

#### 1.5 OBJECTIVES OF THE STUDY

The research objectives must be precise and clearly defined. Therefore, the following objectives of the study will benchmark the aim of the study:

- To examine local economic development as a strategy to enhance community development projects in Thulamela Local Municipality;
- To investigate the challenges militating the Thulamela Municipality in achieving effective Local economic development through community development projects;





- To identify the importance of Local economic development projects in the communities of TLM;
- To suggest strategies and make recommendations on enhancing Local Economic Development for community development projects

The above objectives of the study are followed by the question that the study attempt to answer.

#### 1.6 RESEARCH QUESTIONS

When conducting research, several questions need to be answered in the study. The most vital questions that are asked are the following:

- What is Local Economic Development as a strategy to enhance community development projects in Thulamela Local Municipality?
- What are the challenges facing Thulamela Municipality in achieving Local Economic Development through community development projects?
- What is the importance of Local Economic Development projects in the communities of TLM?
- What are the strategies for enhancing Local Economic Development for community development projects?

The above questions attempt to respond to the objectives of the study.





# 1.7 SIGNIFICANCE OF THE STUDY

This study is of great importance because there is a need for communities to be developed, to improve the standard of living through poverty reduction and job creation. It is also significant because South African municipalities have a role to play in creating an enabling environment for jobs and alleviating poverty. Mashamaite and Lethoko (2018:116) asserts that local municipalities in South Africa has a serious challenge with regard to, high challenge of high poverty and unemployment levels, poor and lack of services, stagnant local economies, shortage of skills required to boost local economic development, lack of administrative capacity and ineffective implementation of strategies. Local economic development strategies, programmes, and projects are an important robust to creating jobs and reduction of poverty for local communities. Therefore, the study tries to investigate the challenges and suggests mechanisms affecting the strategies, programmes, and projects of LED. Such suggestions when applied in the municipality can be effective in LED. It is important to realise that LED, can bring about changes in communities through the advancement of community skills, development of Small Medium Macro Enterprise, as well as funding local projects and programmes. With the above opinion, it is also important to promote the extension of businesses working together to stimulate local economic growth. That will benefit the community. The study will be conducted to benefit all communities as LED does not take place in separation but through working together sharing the same vision of uplifting people's lives. It is thus crucial for the University of Venda, as an academic institution to use the findings to acquire knowledge concerning LED in community development projects.

# 1.8 DELIMITATION OF THE STUDY

When conducting study, it is significant to identify the study area where the research will take place, as it serves to help the reader understand where the data will be collected. A study area helps in suggesting the necessary mechanisms for a problem that has been identified by the researcher, during the observations. Therefore, the research will be conducted in the Thulamela Local Municipality in Vhembe District Municipality (VDM) of Limpopo Province, and the data will be collected strictly from respondents who reside in that area. VDM consists of four local municipalities namely, Thulamela, Collins Chabane, Musina, and Makhado.

#### 1.9 DEFINITION OF OPERATIONAL CONCEPTS

The following section presents the definitions of operational concepts that are significant in the study. This is to provide a better understanding of the entire content of the study. The definitions of concepts will provide clarity to the readers on what the research is all about. The





following concepts are local economic development, community development, project, and strategy.

# 1.9.1 Development

Fox and Meyer (1995:36) define development as the process of improving the quality of human lives. According to the United Nations Development Programme [UNDP] (1991:77), development is increasing the range of choices for the people which permits developers to become more democratic and participative, access to revenue, participation in decisions, and enjoyment of economic and political liberties. It can be deduced that development is a process of change to improve the well-being of the citizens concerning the social and economic conditions.

# 1.9.2 Community development

Community Development (CD) is a process whereby a community improves its living conditions through voluntary, conscious, and action plans of its members, based on their capacity of action, of the intra and extra-community connections of shared values and use of internal and external resources (Stanica 2014:12). Onweazu (2014:83) on the other hand, defines CD as a process wherein the efforts of individuals in a community are combined with the efforts of the public sector and private sector, to improve and develop the community, socially and economically. Flora and Arnold (2012:2) define CD as a process of developing the quality of life, ecosystem health, and economic security for all citizens of a geographical area. From the above definitions, it can then be deduced that CD is a process whereby the livelihoods of people are developed both socially and economically, resulting in the improvement of people's standard of living. In this study community development is about changes that are aimed at promoting better welfare for communities both socially and economically.

# 1.9.3 Local Economic Development

According to Reddy, Sing, and Moodley (2003:38), LED is a process in which local government, labour, CBOs, church groups, the private sector and other sectoral stakeholders come into an extended and dynamic partnership arrangement to develop a sustainable local economy. Rogerson (2010:39) defines LED as a process whereby, local government, the private sector, the NGOs, and local communities, work together to improve the local economy and potentially also address the problems of poverty. Thornhill, Van Dijk and Ile (2014:128) assert that Local Economic Development involves identifying and using primarily local resources, ideas, skills to stimulate economic growth and development. From the above definitions, it can be deduced that LED has to do with working hand in hand with the local





authorities, local communities, private sector, and other stakeholders to find a way to stimulate local economic development through the skills, knowledge of the people within that area. For this study, LED is the process whereby partnership amongst the local government, private sector, and the community members and other stakeholders is formed and the utilisation of skills and resources available to stimulate the local economy that will improve the quality of lives of the community.

# 1.9.4 Project

According to Malovha (2013:6), a project is a strategic intervention for attaining one or more objectives, encompassing a set of interrelated activities that are undertaken during a period, utilising specified human, financial and physical resources. Lousberg (2009:1) defines a project as a temporary endeavour undertaken to create a unique product service. From the above-given definitions, it can then be said that a project is a planned activity towards the achievement of a certain identified problem or a way to improve and have a time set to implement it.

# 1.9.5 Strategy

A strategy is an examination of the environment where the organisation is situated and a variety of alternatives that will direct the resources and objectives of the organisation and weighing the pros and cons of each alternative (Mainardes, Ferrira & Raposo 2014:46). Athapaththu (2016:124) defines a strategy as a design of decisions in an organisation that formulates goals, objectives, and purposes and produces policies and plans to achieve goals in the economic and non-economic influence it will have to stakeholders. Therefore, a strategy can be summarised as the structure concerned with the utilisation of available resources, knowledge, and skills to achieve the desired goals and objectives in the organisation.

# 1.10 ORGANISATION OF THE STUDY

The study will be divided into five chapters and will be structured as follows:

# **Chapter 1: Introduction**

This chapter will provide an introduction and background of the study. It will focus on the problem statement, the aim of the study, objectives of the study, research questions, significance of the study, delimitation of the study, and will further focus on definitions of operational concepts, as well as the organisation of chapters.





# **Chapter 2: Literature review**

The literature review that is relevant and significant to the role of local economic development: a strategy to enhance community development projects will be reviewed. The chapter will first present a brief literature review on the theoretical framework on LED, the conceptualisation of LED, stages of local economic development, and, lastly the importance of local economic development and legislative framework on local economic development. It also provides the development-driven strategies and programmes in South African pre-post-apartheid 1994.

# **Chapter 3: Research methodology**

This chapter presents the research design and methodology that will be used to conduct the study. It will also describe every aspect of the methodologies, ranging from research design, research methodology, study area, population, sampling, sample size, data collection methods, data analysis, validity, and reliability as well as ethical considerations.

# Chapter 4: Data presentation, analysis, and interpretation

Chapter four focuses on data presentation, analysis, and interpretation of the findings, as collected through, the questionnaire and interview from participants. It further presents, analyses, and interprets the data. The data will be presented in both qualitative and quantitative methods.

# **Chapter 5: Recommendations and Conclusions**

Chapter five is the final chapter of the study. It presents the findings based on the objectives of the study. It also provides recommendations and conclusions on the role of local economic development as a strategy in enhancing community development projects.





#### **CHAPTER TWO**

#### LITERATURE REVIEW

#### 2.1 INTRODUCTION

This chapter presents the literature review of the study. It provides an analysis of the study undertaken by other scholars in the field and other related fields. It provides literature review on Local economic development. Mashamaite and Lethoko (2018:115) contends that LED has evolved over the years and broadly considered by several governments, development policy makers and agencies over the world. Villanueva (2014:1) affirms that LED is successful when it focuses on improving competiveness, increasing sustainable growth and ensuring that growth is inclusive. European Union- Platform (2015:7) asserts that LED is concerned with developing the current potential competitive, as well as the comparative advantages of localities, sectors and regions. On the one hand, Maxengwana *et al.*, (2015:79) concur that LED is about improving the available economic spaces of lower level of government for improving the efficiency of production processes; increasing cost-effectiveness and access to the markets; and promoting the utilisation of local labour for local benefit. Masuku *et al.*, (2016:2) note that LED can be used as a strategy to challenge market failures, eliminate administrative obstacles for local business and develop the competitiveness of local business.

The study also presents the theoretical framework on LED. The study adopts the local milieu theory because it allows development practitioners to determine the available resources that can be used for development. It associates community members with their industries and their ability to participate in local economic development. It focuses on making decisions that address the needs of the communities, with affected citizens, considering their skills that add value to the development. This theory is relevant because the cost of processing and transporting raw material and the final product is minimum within the local communities. It focuses on developing the community from within, through utilising available resources and the capability of residents. Nel (2001:1004) support this theory by stating that over the decades' stakeholders have become significantly more active in locality-based economic development.

The study provides the conceptualisation of LED. It focuses on the perspectives of LED. The study further discusses the legislative framework for LED. It also touched on the development strategies and programmes in South Africa pre-post- and apartheid 1994. The study also discusses the stages of LED, as well as the LED approaches. It further explains in detail LED in the context of South Africa. Furthermore, the study presents the LED strategic planning process. In addition, the study discusses the key role players in LED and explains the importance of LED. The study also looks at Innovation on the LED. The study also covers the





LED and community development projects and discusses the outcomes of LED in the communities, including the challenges of LED. Furthermore, the study looks at the unemployment and poverty reduction in South Africa as well as the role of local government in LED.

The study also discusses LED and Integrated Development Plan, as well as LED and service delivery. This is followed by a discussion of the importance of community participation in LED projects. The study further outlines planning strategies for LED, and discusses tourism and LED. Moreover, the study discusses the major LED sectors in TLM and funding LED in the context of South Africa. The study also explains the LED agencies in South Africa. In addition, the study also looks at the mechanisms for LED and discusses the implementation of LED in South Africa. The study also presents LED initiatives as per the White Paper on Local Government 1998 and, finally the study explains the empirical evidence on LED and community development projects. The views on the important aspects of local economic development as a strategy to enhance community development projects will be pursued and explored in detail.

# 2.2 THEORETICAL FRAMEWORK FOR LOCAL ECONOMIC DEVELOPMENT

Theory is a study of systematic ways of thinking about social life (Harrington 2005:2). According to Sitwala (2014:189), a theoretical framework is the use of a theory, a set of concepts from one and the same theory, in order to offer clarification on a particular research problem. Adom, Hussein and Agyem (2018:438) assert that theoretical framework serves as a guide of research and offers the foundation for establishing creditability. Grant and Osanloo (2014:12) concur that the theoretical framework consists of certain theories that undergird one's thinking, with esteem on how one comprehends and plans to research the topic, as well as the concepts and definitions from that theory that are relevant to the study. This chapter illustrates the importance of a theoretical framework and describes a theoretical framework in order to validate an understanding of theories and concepts relevant to Local Economic Development.

#### 2.2.1 Local milieu

As pointed out by Lukhele and Madzivhandila (2018:880), location theory seeks to explain how organisations and businesses choose where to locate economic advancement. According to Kacar, Curic, and Ikic (2016:286), location theories offer different factors, of labour force, ability, technical, and organisational knowledge, social and institutional structures, and influence both investment and income. Szajnowska-Wysocka (2009:80-81) defines the locality as a net of difficult informal, social relations in a given region, determined by its local identity,





culture, and tradition. Maloka *et al.*, (2014:316) maintain that LED is a process that is managed by the local officials following a constitutional obligation, to improve local communities. Rodriguez-Pose and Tijimstra (2005:6) argue that there is an improved competition between localities, together with the trends to decentralise authorities and resources to lower levels of government and create an opportunity for LED policies.

Lennert, Csatari, Farkas, and Mezoszentgyorgyi (2015:17) observe that a location theory is concerned with the geographic location of different types of economic activities and the determinants behind patterns. Kahika and Karyeija (2017:5), Dyosi (2016:15) add that location theory is a process whereby local resources, participation involving local institutions, and actors in development are crucial. Oduro-Ofori (2011:62) stresses that this approach to socioeconomic development focuses on localities and their resources, including the participation of all essential actors and the use of locally available resources. As indicated in Pillay (2010: 29), the degree of ability of the location to sustain itself will determine the departure point taken to formulate an LED strategy, policy, and process for a certain geographical area. Reddy and Wallis (2012:74) acknowledge that locality is key to LED as the considerable emphasis is placed on both proactivity and mobilisation of local communities and individuals, NGOs labour and businesses.

In the TLM locality theory is important as many people are located in rural areas, with no jobs, coupled with high poverty levels. Therefore, this theory can be applied to determine the resources, knowledge, and skills available. As the strategies of LED are formulated, the lives of people in TLM will be uplifted through the development of community projects aimed at reducing poverty and job creation.

# 2.2.2 Empowerment theory

Dyosi (2016:15) states that LED is based on the idea that it seeks to empower participants to improve the future of areas where they live. Empowerment theory is associated with empowering people to take part in community development (Kahika and Karyeija 2017:4). Binns and Nel (1999:392) contend that the importance of local control and empowerment, together with a dependence on local initiative and resourcefulness to develop local conditions remains an important aspect. (Kahika and Karyeija 2017:4) provide empowerment as a way in which, societies are given an opportunity and the capability to participate actively in social, economic, and political activities for their development.





Machaka (2012:24) maintains that the transfer of skills is another aspect of capacity that is meant to empower local communities. On the other hand, Flora and Arnold (2012:8) are of the idea that empowerment techniques involve a facilitator who structures a setting that allows the participant to identify the needs, set goals, determine acceptable approaches, and the criteria for judging success. Empowerment plays a critical role in the LED process as well as the CD, as is about the communities and their development. Thulamela communities should be empowered to plan and take action on their development both socially and economically. This will mean that they become more independent whilst making changes by bringing solutions to their problems. This will not only make them feel important in the community but also enable them to have jobs and a better standard of living in TLM. Empowerment includes youth, men, women, and people with disabilities to let them engage in every aspect of their communities.

# 2.2.3 Neoliberal theory

According to Sakellariou and Rotarouto (2017:22), the effect of neoliberalism on the economic, social, and political life has been broadly investigated, mainly in the connection of the structural adjustment programs applied in the 1980s and 1990s to counties under crisis in Africa, Latin America, and other former Soviet Union. Harvey (2005:2) defines the concept of neoliberalism as the strengthening of the influence and dominance of capital, and the elevation of capitalism as a means of production, into an ethic, a set of political imperatives and cultural logic. Gardyne (2005:16) posits that neo-liberalism includes making changes that are intended to improve economic conditions. This theory is concerned with improving economic conditions whereby the government is not involved in making regulations that hinder the free market. The neoliberal theory is also recognised in South Africa through a framework of GEAR, whereby its strategy is a free market economy, wherein special attention is rendered to the macroeconomic stabilisation as well trade and financial liberation to foster economic growth, increased employment, and reduce poverty (Kamara 2017:100).

The neoliberal theory in TLM municipality will be important due to the lack of job opportunities. There are many street vendors, who sell different kinds of products to people who commute, others in the taxi ranks. This means that the government should let them buy and sell, and this does not only create jobs but also stimulate the local economy through the circulation of money now and then in the economy. The regulations put forward by the government should not be those that will affect the free market process, as it will be the backdrop of poverty reduction and job creation.





# 2.3 CONCEPTUALISATION OF LOCAL ECONOMIC DEVELOPMENT

Sitwala (2014:189) defines a conceptual framework as a result of bringing together various concepts related to the study to explain and give a broader understanding of the phenomenon of interest. Rocco and Plakthothnik (2009:3) concur that the conceptual framework aims to categorise and define concepts related to the study and map relations among them. The study does not undermine the importance of conceptualisation. For this reason, it provides the definitions of Local economic development from various scholars, to gain and demonstrate an understanding of the study.

Local Economic Development is a process whereby local government, private sector and communities form partnerships to mobilise, manage and capitalise resources effectively into economic ventures to promote the development and the growth of locality (Uganda LED Policy 2014:2); & Kahika and Karyeija 2017:5). Mihalis and Ariatti (2015:432) define LED as the process encompassing resources for competitive advantage by locally-owned courses of action, identified through participation and social dialogue, in a strategically defined territory. Rodriguez-Pose and Tijimstra (2005:37) state that the LED approach concerns itself with the development from below and supports the need for promoting economic development in all areas. On the other hand, Mandisvika (2015:198) defines LED as a process that encourages partners within the community, public sector, private sector, and non-governmental sectors to work communally to create better conditions for economic growth and employment generation to improve the locality future and the quality life of all citizens. In addition, Dyosi (2016:1) defines LED as a process whereby both local governments, community-based organisations are responsible for coordinating the use of existing resources and establishing a partnership with one another and with the private sector to stimulate the local economy, to improve the lives of local people living in the area. Swinburn, Goga, and Murphy (2006:1) and Helmsing (2001:64) believe that LED is a process by which public, business, and non-governmental sectors associates work together to create better conditions for economic growth and employment generation.

# 2.4 LOCAL ECONOMIC DEVELOPMENT PERSPECTIVES

Arriati and Mihalis (2015:435) believe that local economic development has emerged as a result of complexities encountered by individual municipalities in conceptualising and implementing their plans. Kahika and Karyeija (2017:5) asserts that LED is concerned with the stimulation and development of the well-being and working conditions of the local people by creating of new jobs, retaining the existing jobs, and the generating of income. Meyer (2014:624) maintains that LED is the answer to an improved quality of life through the decline of unemployment, poverty, and inequality mostly in developing countries. Phago (2005:133)





argues that LED is rather the booster of economic development through innovative sustainable business means, such as community self-help and entrepreneurial initiatives. Masuku, Jili, and Selepe (2016:2) add that LED is about local people taking control and responsibility for job-growth and the economic well-being of their communities which results in poverty being reduced.

Helmising (2001:64), emphasises that local economic development initiatives mobilise, role players, organisations, resources, and develop the new institutions and local systems through exchange of ideas and strategic actions. Mensah, Domfeh, Ahenkan, and Bawole (2013:163) concur that LED strategies make economic activities dependent on the specific economic conditions and comparative advantages of a specific geographical area, and generate sustainable jobs in firms more capable to survive changes in the global economic environment. Mensah *et al.*, (2013:163) state that this results in general improvement in the quality of jobs due to the participation of local stakeholders and the economic activities in the area. Due to the trends in the global environment, Rogerson (2002:2) is of the view that LED currently requires universal preparation for strategy frameworks that recognises major economic and social development that affects local economies.

#### 2.5 LEGISLATIVE FRAMEWORK FOR LOCAL ECONOMIC DEVELOPMENT

According to De Jager (2000:3), the legislation is the most vital instrument of government in organising society and caring for people. Saiegh (2005:1) concur that the legislation is critical in making a democratic government function. The House of the Lords (2017:7) adds that the legislation is an important tool for the government to implement its policy aims. Meyer and Venter (2013:96) posit that various legislations and policies form a foundation for good governance and LED in South Africa. The post-apartheid South Africa introduced significant strategies with the aim of poverty reduction, create jobs, and reduce inequality for all citizens. Legislation plays an important role in ensuring local economic development as it serves as guidelines for those responsible for LED.

# 2.5.1 The Constitution of the Republic of South Africa of 1996

The Constitution of the Republic of South Africa of 1996 is a supreme law of a country, and according to Meyer (2014:625), local government is not only responsible for service delivery but also social-economic development. On the other hand, Koma (2012:128); Meyer (2014:626); Sibanda; (2013:657); & Purshottama and Malcolm (2012:78) concur that Sections 152 and 153 of the Constitution of the Republic of South Africa, 1996 state that municipalities must manage their administration, budgeting, and planning process to provide priority to the





needs of the citizens. Section 152 (1) of the Constitution of the Republic of South Africa, 1996 stipulates that the local government must fulfil the following functions below:

- Promote democratic and accountable government for all communities;
- Ensure services provided sustainably;
- · Promote safety and healthy environment;
- Promote social and economic development; and
- Encourage community participation and involvement in the matters of the area.

The Constitution of the Republic of South Africa, 1996 section 156 (2) mandates the local sphere of government to administer by-laws for effective administration, to which it has the right demand. The Constitution of the Republic of South Africa, 1996 requires that municipalities promote developmental strategies to promote the general welfare and improve the living standards of local communities. Community participation is an important part for local communities to engage in their development to ensure justice that will result in equity, fairness, justice, and accountability. The development of socio-economic factors ought to be the priority for the local municipality, as it also serves regarding the promotion of effective service delivery.

#### 2.5.2 The White Paper on Local Government 1998

Meyer (2014:626) concurs with The White Paper on Local Government, 1998 which introduced the concept of developmental government, which stimulates both social and economic growth. Triegaardt (2007:34) contends that policy states that local government is not responsible for creating jobs. However, it is rather responsible for creating an enabling environment for development. This paper provides the nature of developmental local government. Its aim is to maximise social development, economic growth, integrating and coordinating activities, democratising development, as well as the process of leading and learning. Sibanda (2013:658); Purshottama and Malcolm (2012:78); & Reddy and Wallis (2012:74) concur with The White Paper on Local Government (1998) in its definition of developmental local government as the local government committed to working with citizens and groups inside the communities to find sustainable ways to meet their social, economic and material needs and improve their quality lives.





The White Paper on Local Government (1998) provides a framework within which municipalities must develop their strategies for improving social and economic development (Sibanda, 2013:658). Maxengwana, Theron and Draai (2015:77) contend that The White Paper on Local Government (1998) together with the Municipal Systems Act, 2000 (Act No. 32 of 2000) guide local government in facilitating participation among communities as a means of influencing, directing, controlling and owning their own local development spaces. The White Paper on Local Government (1998) further states that the local government should aim at promoting job creation and economic growth through investing in effective public services and making the local areas conducive to healthy living and work.

Malefane (2009:159) concurs with the White Paper on Local Government 1998 that calls for local government to provide a vision and leadership regarding economic development. Malefane (2009:159) further, posits that this document acknowledges that municipalities should have relations with the CBOs, NGOs and other private institution, as these will help in exchanging knowledge and information to strengthen development. The most important initiative of the White Paper on Local Government 1998 is reviewing the existing policies and procedures to promote local economic development and the provision of special economic services such as investment support, small business support, and research technology.

# 2.5.3 Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998)

Ijeoma (2013:417) writes that ward committees must improve communication between municipal councils and local communities and that plays a role in identifying community needs and fine-tuning municipal programmes, to accommodate local challenges. Section 56 (2) (a-c) of the Local Government: Municipal Structures Act, 1998 (Act No.117 of 1998) provides that the executive must identify the needs of the municipalities, review and evaluate the identified needs to ensure, prioritisation, a recommendation to municipal council strategies, programmes, and services to address the priorities through the IDP, from which LED emanates (Maloka *et al.*, 2014:219). Section 2 (1) (a--d) of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998), also support local developmentally-oriented activities, through setting up an external mechanism to implement LED. Venter (2014:722) contends that the external mechanisms can be the Local Economic Development Agency (LEDA).

The Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), also provides that municipalities must perform as coordinators, promoters, and facilitators of LED projects, to achieve a fast and sustainable economy that will eventually create jobs and alleviate poverty in poor communities. It also facilitates participation amongst communities as means of controlling their local development. The Local Government: Municipal Structures Act, 1998





(Act No. 117 of 1998), also stipulates that municipal councils should, encourage the involvement of local communities by consulting the community about the quality, range, and impact of municipal services provided by the municipality.

# 2.5.4 The Municipal Systems Act, of 2000 (Act No. 32 of 2000)

According to Koma (2012:132), when formulating LED policies, the municipality is guided by the Integrated Development Plan (IDP) adopted by the municipal council. Section 26 (c) of the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000) provides that the core component of integrated development plans must reflect the council's development priorities and objectives for its elected term, as well and local economic development. The Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000) also enables municipalities to move progressively towards the social and economic development of local communities. It must undertake development-oriented projects to obtain, *inter alia*, municipalities with other organs of state, to contribute to the progressive realisation of the socio-economic fundamental rights contained in the Constitution. Sibanda (2013:658) contends that the Department of Corporative Governance and Traditional Affairs, is assigned through the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000), to build institutional capacity within municipalities, to promote LED. Mokoena (2017: 466) adds that the legislation provides that LED strategies should be embedded in the municipalities' IDP and the level of coordination between local, provincial, and national plans should be achieved.

# 2.5.5 National Framework for Local Economic Development 2006

The Department of Provincial and Local Government of South Africa (DPLG) (2006-2011:7) posits that the National Framework for Local Economic Development, 2006 was launched during discussion at the national conference on "Developing Local Economies", opened by Minister Mufamadi on 15 August 2006. It was presented at the President's Coordinating Council meeting of 8 September 2006. It was also sanctioned by Local Government Minmec on 26 September 2006. The framework seeks to support the development of sustainable local economies through integrated government action. According to the Department: Provincial and Local Government South Africa (DPLG 2006-2011:7), a framework is underpinned by an appreciation of the emerging practice of LED and is based on the unique South African context and its challenges. As stated in Department of Corporative Governance and Traditional Affairs, (2016:3) the framework focuses on a strategic implementation approach that municipalities, provinces and national, state-owned enterprises and communities focus on to ensure improved local economic development. The objectives of the framework inter alia are the following:





- To shift towards a more strategic approach to the development of local economies;
- To support local economies in realising their optimal potentials and making local; communities active participants in the economy of the state; and
- To elevate the importance of the centrality of effectively functioning local economies in growing the economy.

# 2.6 THE DEVELOPMENT DRIVEN STRATEGIES AND PROGRAMMES IN SOUTH AFRICA PRE- AND POST-APARTHEID 1994

The developmental-driven strategies pre-and post were developed to fight the socio-economic issues for South Africans when the first Black president Nelson Mandela was elected. These are discussed next. The programs include the Reconstruction and Development programme, (RDP) Growth Employment and Redistribution (GEAR), and Accelerated and Shared Growth Initiative of South Africa (ASGISA).

# 2.6.1 Reconstruction and Development Programme (RDP)

As Brits (2014:507) as indicated the RDP was established shortly before the 1994 elections by the ANC and it was seen as a very comprehensive and ambitious national project. According to Kamara (2017:100), the RDP is a policy framework, which is for integrated and coherent socio-economic progress and it sought to mobilise all the people of South Africa and the country's resources toward the final eradication of apartheid. Malefane (2009:32) postulates that the primary role of the RDP is to address poverty and social inequality that was hereditary from apartheid. Mubangizi (2008:272) affirms that local government is expected to create conditions that will encourage RDP-type ventures that will continuously ensure the welfare of those citizens that are victims of a market-oriented policy environment. Malemela and Yingi (2016:133) argue that the programme was formulated aimed at addressing racial inequalities by creating business and employment opportunities for blacks.

The policy provides that the delivery of municipal strategies, and the extent to which LED initiatives contribute toward the living standard of citizens in local municipalities, should be proven by upgrading, restoration, and maintenance of infrastructure and basic services (RDP 1994:84). Seduma (2011:20) posits that the traces of deprivation should be addressed by socio-economic initiatives to improve the livelihoods of the communities, while extending services to the needy, creating employment with importance placed on local government to play a central role. However, Mosala, Venter, and Bain (2017:331) maintain that the RDP has made some successes in areas of social security, where the government established an extensive welfare system. However, the RDP had some complications, which led to the establishment of the Growth Employment and Redistribution (GEAR), which is discussed below. The South African History Online (2019:1) argues that RDP did not deliver as it was





supposed to specifically in terms of economic growth, which impacted negatively on the policy itself.

# 2.6.2 Growth Employment and Redistribution (GEAR)

This policy aims at strategising ways and means on rebuilding and restructuring the economy of South Africa in keeping up with the goals set in the RDP (Kamara 2017:100). According to Kamara (2017:100), the goal is to provide basic services to the poor, alleviate poverty and achieve economic growth, reduce the national debt, stabilise inflation, and provide an effect to the socio-economic rights. Kamara (2017:100) concurs with Reddy and Wallis (2012:72), that this strategy is more focused on the free market economy, whereby the attention is based on macroeconomic stabilisation, trade, and financial liberation, to stimulate economic growth, increased employment, and reduce poverty, to all citizens. Brits (2014:507), is of the view that the strategy is based more on market principles, it has a whereby a strong focus on economic growth.

Mubangizi (2008:273) believes that GEAR stresses the values of competitiveness and efficiency. On the other hand, Malefane (2009:33) postulates that GEAR encourages municipalities to view the public investment as the development of sustainable economic and municipal infrastructure, to increase economic performances. Monetary policy addresses inflation and financial stability and provides for relaxation of exchange controls. Its trade and industry are crucial as it focuses on employment and enhancing international competitiveness (Mosala *et al.*, 2017:333). South African History Online (2019:1) argues that during the period of GEAR fiscal deficit, inflation and government consumption target were little met, which resulted in greater macroeconomic stability, better reporting, and increased accountability. The document South African History (2019:1) further adds that public finances management improved extremely under GEAR. South African History Online (2019:1) also states that GEAR fell short about the social challenges of the country; notably, poverty reduction and employment creation. Therefore, GEAR was substituted by the Accelerated and Shared Growth Initiative for South Africa.

#### 2.6.3 Accelerated and Shared Growth Initiative of South Africa (ASGISA)

The Accelerated and Shared Growth Initiative of South Africa was established in 2005, to improve policy execution and economic growth, by addressing the challenges of lack of skilled and committed staff in the public services, inadequate financial resources, corruption, mismanagement of funds, and lack of people-driven development (Kamara, 2017:100). Mosala *et al.*, (2017:334) contend that ASGISA enhances the country's economic performance and job creation. With this strategy the government is developing ways that can





be used to better for effective implementation of policies, having skilled and competent labourers, who act against ineffective socio-economic growth. Meyer and Venter (2013:97) add that this initiative aims to enhance partnerships in the economic development of municipalities. With the principles below the municipality has to ensure that LED covers all the economic activities that will enhance the local economy and generate income while alleviating poverty.

The principles of ASGISA includes the following:

- Accelerating economic growth through increasing productive investment;
- Increasing productive investment;
- Improving social services income support and human development;
- · Facilitating Economic Activity with the Second Economy; and
- Improving state capacity for the success of the measure mentioned above.

South African History Online (2019:1) argues that while there was some reasonable level of success, the level of implementation and future of the programme were uncertain as no word came from the government regarding the fate of ASGISA.

# 2.6.4 The National Development Plan (NDP) - 2030

Mosala, et al., (2017:335) posit that the National Development Plan is the up-to-date macroeconomic policy from the ANC government whose importance lies in economic development to deal with the challenges of unemployment, inequality, poverty, and redistribution. The National Planning Commission (2020:6) indicates that NDP charts course towards a decent life for all South Africans by 2030 with full employment, greater equality and the elimination of poverty. According to South African History Online (2019:1), the NDP was developed in early 2013 as South Africa's long-term socio-economic development roadmap. The NDP is a framework for the country to reduce poverty and inequality by 2030, through uniting South African citizens and growing an inclusive economy. The NDP is seen as the framework that has made a huge transition by building democratic institutions, transforming the public service, extended basic services and stabilised the economy. One of the major objectives of the framework focuses on economy, employment as well as rural the economy for citizens. The Molemole Local Municipality IDP (2018:4) indicates that the NDP has set several targets which are aimed at improving a better standard of living for all. There are several core themes for NDP as it is inclusive of all the challenges faced by communities in which one of which is the rural economy.





A rural economy is one that focuses on developing rural people in their communities. The Molemole Local Municipality IDP (2018:4) contends that the rural improvement of the economy of rural areas is one of the goals of the NDP. The Molemole Local Municipality IDP (2018:4) also, states that the rural economies should be improved through infrastructure and service delivery, land tenure, service to small and micro-farmers, mining industries economy, and employment.

The Thulamela Local Municipality IDP (2016/2017:29) indicates that the NDP in Thulamela Municipality revolves around a clear development strategy based on the priorities of the residents and the direction that the Municipality intends to take concerning Strategic and Potential Development areas. The TLM IDP (2018/2019:38) adds that the NDP is aims at dealing with spatial patterns that exclude the poor from the benefits of development. It also identifies the challenges that exclude the poor from the results of development because most villages are located away from the main towns and major routes (TLM IDP 2018/2019:40).

#### 2.7 STAGES OF LOCAL ECONOMIC DEVELOPMENT

Local economic development is a concept that has been around the world for a while. Therefore, it is vital to examine its paradigm shift throughout the years. According to Davis and Rylance (2005:3), since the 1960s, LED has passed through three broad stages of development. Therefore, it is important to understand those stages to find an effective way for achieving LED in a dynamic environment.

Walo (2017:1011) contends that the first stage of LED was 1960s, to early 1980s and it focused on the attraction to the outside investment and hard infrastructure. The second stage was the 1980s to 1990s and was mainly seen as the continuation of the focus on retention and growth of existing local businesses, with emphasis on attracting inward investment (Makhubo 2015:19). Kanyane (2008:700) adds that the second stage also focused on agricultural investment, of the local and international arena. According to Kahika and Karyeija (2017:2), LED is perceived as the third and current stage of 1990 which focuses on strengthening the creation of the partnership, developing the necessary human resources in the form of acknowledgement and capital for entrepreneurial development.

Walo (2017:1011) postulates that the third stage shifted towards the retention and growth of current local businesses. However, the third stage emphasises on the inward investment attraction, targeting specific sectors in the areas. This has to do with the realisation of self-sustenance to develop and retain businesses as part of creating a local industrial base. Ofori (2011:43), and Marais (2010: 521) maintain that the third stage brought a shift of the complex aspects, on improvement of the business environment, working its functional economic space,





instead of just political territories, infrastructure development, human resources development, partnerships, and the coordination of government policies. To this end, the LED third stage is applied by the government to promote effective LED implementation and a multi-group team rather than the single person approach. The stages of Local Economic Development are illustrated in the table below:

**Table 2.1 Local Economic Development stages** 

FOCUS 190s to early 1980s	TOOL
<ul> <li>Mobile manufacturing investment attraction from the local areas</li> <li>The attraction of foreign investment</li> <li>Massive investment in infrastructure</li> </ul>	<ul> <li>Large grants, tax breaks, subsidies on loan for manufacturing investors</li> <li>Subsidies on hard infrastructure</li> <li>Lower costs on production through techniques such as recruitment of cheap labour</li> </ul>
Retention and growing the existing local businesses     Sustained importance on inward investment attraction but usually more targeted to exact sectors from certain geographic areas	<ul> <li>Direct payment to individual's businesses</li> <li>Business workspace</li> <li>Advice and training for small-medium scale enterprises</li> <li>Technical support</li> <li>Entrepreneur start-up support</li> <li>Investment in both soft and hard infrastructure investment</li> </ul>
<ul> <li>Creating a favourable business environment</li> <li>Soft investment in infrastructure</li> <li>Public/private partnerships</li> <li>Leveraging private sector investments for the public good</li> </ul>	<ul> <li>A holistic strategy to provide a facilitative local business environment</li> <li>Focus on stimulating the growth of local firms</li> <li>Cross-community networking and collaboration</li> </ul>



- Improving quality life and security for communities and potential investors
- Highly targeted inward investment attraction, building local area comparative advantage.
- Workforce development and soft infrastructure provision
- Supporting quality of life improvements
- The service sectors as well as manufacturing

(Swinburn and Murphy, 2003:7).

The preceding table described the development stages of LED. It shows the stages which LED has passed through and their main focus during their adoption. The current LED focuses on the 1990s to date, whereby a conducive environment for development is crucial.

#### 2.8 LOCAL ECONOMIC DEVELOPMENT APPROACHES

Netshakhuma (2006:33) affirms that approaches to local economic development have been recognised in countries like the United Kingdom and other European Union member countries. This section, therefore, explains the approaches of LED as being to provide its importance and application for successful LED.

#### 2.8.1 Bottom-up and area-based approach

Agbevade (2018:111) is of the view that local economic development as a bottom-up approach to development is perceived from the policy and institutional perspectives, adoption of strategies, and the role of local government, international organisations, and medium enterprises and actors in LED. The International Labour Organisation (ILO) (2007:12) concurs that this approach is based on a detailed analysis of the local situations and the formulation of locally designed and implemented development strategies. According to Bagchi (2000:398), this approach is premised on the belief that the local government generates economic and social development by, drawing up and implementing a plans that will lead to economic development. This approach relies on local stakeholders to develop ideas that will generate more jobs. Planact (2001:42) postulates that local government must create a partnership with organised labour, business, and community-based organisations to promote economic development.





## 2.8.2 Inclusive and integrated approach

The integrated approach as indicated in ILO (2007:12) is an approach that provides local stakeholders! with the tools needed to create a local economic system. Rodriguez-Pose and Tijmstra (2005:11) concur that the policies tend to depend on monetary support, incentive packages, and subsidies to attract economic activity and the inclusive nature of the LED process creates effective conditions for more integrated strategies. Van Gent (2017:11) notes that inclusive development is important as it benefits not only the economic and material gains but the enhanced well-being of people. Thus, development is necessary when applied to community development projects, it improves the people's standard of living. The UNDP (2017:13) asserts that inclusive development means that women, youth, people with disabilities, and other traditionally marginalised groups should be included in the development process.

Local economic development should be integrated into the initiatives of all spheres of government. This will be reflected through vertical and horizontal spheres, whereby vertically LED should reflect and be reflected in economic strategies formulated by the national government and provincial government. On the other hand, the horizontally approach means that LED strategies of local government which form an economically functional space must be integrated (Yatta, 2015:16). The inclusive approach is not only a one-sided development but as UCLG Policy Paper (2016:7) put it, it focuses on developing the both formal and informal economy, with the view of realising public goals, such as quality jobs, reduced poverty, and environmental sustainability.

The Department of Corporative Governance and Traditional Affairs, (2016:84) provides the results of inclusive economic development as follows:

- Increased number and profitability of enterprises, small and large, which form the backbone for economic growth and prosperity;
- People with self-respect, and develop new skills and social networks have to participate in productive work;
- Communities that are uplifted through improved skills and services, work and livelihoods opportunities; and
- Higher national livening standards as economic benefits spread out.





## 2.8.3 Territorial approach

The 4th World Forum of Local Economic Development (2017:2) defines territorial approach as a process of convergence, such as resources and economic activities taking place in the territory over a period, incorporating extensive array of territorial development indicators and dimensions. This approach is based on the belief that localities can reach their full economic potential and benefit from globalisation (International Labour Organisation 2007:12). Rodriguez-Pose and Tijmstra (2005:6) agree that this approach views development as indigenous rather than a sectoral problem. The 4th World of Local Economic Development (2017:1) concurs that territorial development focuses on redressing the exiting marked unbalances in the level of development of its territories, is related to differences in terms of innovative capacity, socio-economic infrastructure, and skilled labour force.

# 2.8.4 Governance approach

Rodriguez-pose and Tijmstra (2005:7) posit that the quality of governance has a significant influence on the ability of governments, to design and implement effective development strategies. Mahadea (2011:85) suggests that good governance is important for economic growth and development. Matovu (2002:121) concurs that good governance is identified as the main aspects for improving economic development for localities. Bolarinwa (2013:4) is of the view that good governance deals with the way a country is administered, the process of choosing the leaders, articulating national objectives, formulating policies, and the extent to which the government is performing the primary responsibility of improving the welfare of its citizens. Abrahams and New-ton Reid (2008:8) contend that good governance addresses the responsibilities of the state, private sectors, and civil society, to create an environment within which human endeavour can benefit citizens. Abraham and New-ton Reid (2008:8) further state that it ensures political, social, and economic priorities are based on a broad consensus in a society and considers the views of the poorest and the most vulnerable are respected in decision-making over the allocation of development resources.

## 2.9 LOCAL ECONOMIC DEVELOPMENT IN SOUTH AFRICA

Ackron and Auriacombe (2016:142) posit that LED in South Africa is firmly introduced into the public lexicon and was electioneered as a developmental tool in 1998. According to Hardman (2013:25), in South Africa over the last few years, growing pressure has been placed on local governments to take the LED obligation seriously. Polak and Snowball (2017:337) argue that LED is a job creation and economic growth strategy in South Africa, and many LED projects have not proved to be sustainable in the long run. For that Hardman (2013:25) states that to date the municipalities have developed LED policies and appointed LED officials. Malefane (2009:156) argues that LED in South Africa aims to address the inherited inadequacies and





failure of colonial policies and to facilitate equitable economic growth and social development. Kamara (2017:99) implies that LED in South Africa is focused on actions initiated at the local level, through the combination of partners, to address socio-economic problems or to respond to economic opportunities. Mubangizi and Zulu (2014:425) posit that LED in South Africa is embedded in the roots of New Institutionalism, which recognises the close relationship between the economy and society.

Matroko (2013:21) writes that since the emergence of democracy in South Africa, in 1994, the government has extended access to social services and generated structures to promote human rights in the promotion of socio-economic development. Kanyane (2008:699) posits that LED is also tested in South Africa in the current democratic government to initiate and accelerate local development. However, Sibisi (2009:3) is of the view that though LED has been introduced in South Africa, masses of South Africans continue to live in poverty. South Africa is facing many challenges and it requires that government work with communities effectively and efficiently towards a common goal for transformation.

Despite the challenges, Pretorius and Blaauw (2008:164) maintain that South Africa is one of the most committed countries to LED strategies in the world. The Department of Cooperate Governance (2017/2018:27) contends that the common goal in South Africa also means focus on stimulating local economies as LED focuses on partnerships. Rogerson and Rogerson (2012:44) concur that important policy initiatives have been launched to reconnect business development and activities of LED in South Africa. Nel and Rogerson (2016:1) affirm that LED is the key development strategies followed by local communities in South Africa. Ndlovu and Makone (2014:513) posit that the LED strategy in South Africa is to prevent job losses and create employment as a step with the potential to reduce inequalities. Vyas-Doogapersad (2017:1) adds that LEDA eradicates poverty and improves the economic empowerment of households, LED programmes have been implemented in several municipalities of South Africa. There is no doubt that the country is trying to address the challenges of unemployment and poverty alleviation.

Koma (2012:128) opines that LED is aimed at empowering the most vulnerable, marginalised, and poor local communities to raise sufficient incomes to meet their basic needs and aspirations. During the apartheid period, South Africa had high levels of poverty, joblessness, lack of empowerment to women, unemployment among the youth, and the disabled, which is still prevalent after years of democracy (Seduma, 2011:30). Nghonyama (2011:19) suggests, that when adopting LED as a strategy the government in South Africa, people at all levels of society should to participate in economic decision-making as it explores creativity and builds entrepreneurship at all levels of society. However, Garidzirai, Meyer, and Muzindutsi





(2019:20) argue that although LED has been broadly introduced in South Africa, a high level of poverty and unemployment remains high amongst South African citizens.

#### 2.10 THE LOCAL ECONOMIC DEVELOPMENT STRATEGIC PLANNING PROCESS

The following section looks at the LED process, local governments should follow to stimulate economic growth and reduce poverty. The steps to be followed, according to Meyer (2007:46), are the following: organising the effort, conducting a local economic assessment, strategy-making, strategy implementation, and strategy review. According to DPLG (2001:51), when planning for the LED process, the municipality needs to have a clear focus on bringing together a range of stakeholders and ensuring a strategic focus on achieving balanced development and growth across the local economy. Morgan (2010:682) is of the view that strategic planning assist public officials and community leaders to select strategies and policy tools that corresponds to the jurisdiction's economic development goals and policies of local assets.

There should be an effective collaboration from the public, private and non-government sectors. On the other hand, Strydom (2016:74) observes that local government is increasingly expected to involve all relevant stakeholders in its strategic planning for LED, including business interest, labour, and community associations. Meyer (2007:46) contends that the skills and resources that each of these stakeholders brings to the strategy process provide a critical foundation for success. The steps of the LED process are discussed next:

#### 2.10.1 Organising the effort

This is the first step in planning for LED, I order for it to be successful at this point. Swinburn et al., (2006:4) believe that in order to successfully organise LED strategy, institutional arrangements and stakeholder involvement should be agreed upon at the early stages of planning. According to Sekhampu (2011:52), Meyer (2007:46), and Phago (2005:133), the LED team should first be assembled. This team should initially manage the strategic planning process. Furthermore, there should be an effective collaboration from the public, private and non-government sectors. Meyer (2007:46) contends that the skills and resources that each of these stakeholders brings to the strategy process provide a critical foundation for success. This calls for effective participation from the beginning of the project until the end together with effective maintenance and sustaining the partnership to ensure its success. Sekhampu (2011:52) argues that the LED process involves analysing local conditions, identifying problems and opportunities, setting goals, and designing strategies to achieve these goals.





#### 2.10.2 Conduct a local economic assessment

According to Swinburn *et al.*, (2006:5), the initial step in a local economy assessment is to regulate the information which is relevant, required, and available, and to ascertain the vague, missing, or non-existent data that will be necessary to attain for the local economy assessment. Swinburn *et al.*, (2006:5) further agree that several tolls, such as SWOT analysis, benchmarking and regional economic indicators, may be used to identify key information on the local economy. Meyer (2007:46) contends that a competitive assessment aims to identify the society's strengths and weaknesses, including its human resource capacity and the local government's friendliness to all kinds of business from corporates to informal survivalists, and identify the opportunities and threats to the local economy.

# 2.10.3 Strategy making

According to Meyer (2007:46), strategy-making is concerned with the development of a shared economic vision for the community and the determination of goals, objectives, programs, projects, and action plans. Swinburn *et al.*, (2006:1) maintain that when devising strategy, practitioners in municipal government and principal stakeholders' groups will need to balance local economic development with the environment. Meyer (2007:46) concur LED strategy plans must be well assessed against the human resource capacity to carry them out, as well as the financial constraints. The strategy-making has identified the aspects to be considered during the process. These are the following:

- Create a vision;
- Development of goals;
- Development specific objectives;
- Developing programmes and projects to achieve the objectives; and
- Documentation of the strategy (World Bank, 2001: 13 in Meyer 2007).

## 2.10.4 Strategy implementation

Effective implementation of strategic plans is influenced by the first step of planning. Meyer (2007:47) contends that continual monitoring should be provided through the formal structures and evaluation of specific project outcomes, to ensure that the strategy continues to the implementation stage of the LED vision, goals, and objectives. The LED strategy should have an implementation plan that in turn is followed by an individual project action plan. The plan should include budgetary and human resource requirements as well as the institutional and procedural implications of implementing an LED strategy (Phago 2005:133), and Villanueva





(2014:40) concurs that an easy way to map out what needs to be done is through action planning. Villanueva (2014:40) furthermore states that this is because an action plan is lays out specifically for each project, hierarchy of tasks, responsible parties, time frames, human resources, finances, the outcomes as well as performance measurement systems for evaluating each project.

## 2.10.5 Strategy review

According to Swinburn *et al.*, (2006:7), an LED strategy is usually a three to eight-year written period plan. The strategy is reviewed annually to allow for adjustments in response to changing local conditions. Swinburn *et al.*, (2006:7) further reveal that the review should include, where possible, inputs, outputs, outcomes, and impacts as well as the implementation process and the level and extent of stakeholder participation. Phago (2005:133) adds that the stage is also concerned with the establishment of monitoring and evaluation measures. This stage allows the municipal officials to determine their achievements and failure and act from that.

## 2.11 KEY ROLE PLAYERS IN LOCAL ECONOMIC DEVELOPMENT

The perceived outcomes in LED initiatives require a collective of various key stakeholders together come and implement different decisions that cannot be addressed by a single group (Kamara 2017:98). Kanyane (2008:698) adds that LED, as an outcome-based initiative, and driven by local stakeholders, can contributes heavily to the development of South Africa, if properly implemented. Rogerson (2010:484) asserts that there is a need for closer cooperation amongst all LED stakeholders, to avoid duplication of work and to establish a complementary role for government departments and other stakeholders. Therefore, this section focuses on the key role players. These are identified as, private/public developmental organisation networks, private organisations network community-based organisations (CBOs), public organisational network activities, and Non-Government Organisations (NGOs).

## 2.11.1 Private/ Public Developmental Organisational network

The local government interacts with various governmental organisations regarding community development. The importance of networking between the sectors is to provide alternative governance instruments to overcome the challenges that need public and private information and funds (Ha, Lee & Feiock, 2016:18). Ha *et al.*, (2016:15) further posit that the factors influencing network activities between private and public for economic are shaped by the predisposition of each organisational network; thereby, promoting the local economic development activities.





## 2.11.2 Private organisations Network

According to Swinburn *et al.*, (2004:14), the private sector increases the effectiveness and efficiency of a strategic planning process through securing external resources, knowledge, and experience that often are not available in municipalities. Private organisations network activities and are frequently seen as an effort to obtain information and funds, as well as to resolve clashes and constraints in community development (Ha *et al.*, 2016:18). Ha, *et al.*, (2016:18) also concur that the local government relies on private investments due to limited resources. The UNDP (2017:9) views the private sector as a critical development partners, as government and other stakeholders, in the implementation of sustainable development goal-related policies and projects, and as an important source of investment for the goals of adopting business practices that move communities towards inclusive sustainable development.

## 2.11.3 Community Based Organisations (CBOs)

Makhubo (2015:53) is of the view that CBOs is are organisations that provide social services at the local level to the beneficiaries. According to Ha *et al.*, (2016:18), the neighbourhood citizens are liable to place environmental issues that are prominent on the policy agendasetting. The importance of citizens groups, such as interest and citizens' advisory is to reduce possible opposition and imitate their policy preferences in community development policies and processes. Abengude (2009), in Makhubo (2015:53) contends that CBOs are institutions whose membership is placed on an equal level and whose key goal is to improve of the social and economic well-being of all people. Parnell and Pieterse (2002:262) explain that the municipal community-based partnership can help in designing and implementing sustainable strategies that meet the needs of citizens to be about the high levels of poverty and inequality.

# 2.11.4 Public organisational Network Activities

Swinburn *et al.*, (2004:13) stipulate that public institutions are key agents for LED, as they are responsible for providing different services and implementing regulations. Makhubo (2015: 51) affirms that public organisations refer to the part of the government institutions that deal with the production, delivery, and distribution of goods and services by and for the inhabitants. As indicated in Ha *et al.*, (2016:19) local government cooperates with other government organisations, including, national and provincial on economic development issues. Ha *et al.*, (2016:19) further states that networking is vital as they play an essential role in developing, regulating, and formulating policies for economic development.





## 2.11.5 Non-Government Organisations (NGOs)

Swinburn et al., (2005:15), contend that NGOs can serve as facilitators that can bring a degree of control to meetings when a conflict of interest arises. Non-government organisations often play an important role in getting community development initiatives off the ground and in sustaining these initiatives (Makhubo 2015:54). Netshakhuma (2006:34) is of the idea that NGOs mobilise local resources into a broad, community-based process that utilise resources to assist communities to address and improve local opportunities, local ownership, human resources potential of poor, disabled, and illiterate. They do this by employing different LED strategies for communities. Parnell and Pieterse (2002:262) posit that NGOs craft institutional frameworks that promote efficiency, equity, and responsiveness within the development approach. In TLM, the establishment of NGOs will help in strengthening the democratic social contract by promoting accessibility for service delivery to communities.

#### 2.12 THE IMPORTANCE OF LOCAL ECONOMIC DEVELOPMENT

Ndlovu and Makoni (2014:510) argue that LED policies are important tools for development. However, it depends on the framework within which they are deployed to address the developmental challenges. Seduma and Mtapuri (2014:19) believe that LED is important to support active participation of local citizens in their development, rather than local residents being the substances of development. Roche (2018:1) notes that economic development is a critical factor that drives economic growth in the economy and creates wage jobs and facilitates an improved quality of life. The Greater-Giyani Local Municipality LED strategy (2014/2016:1) postulates that the importance of LED is to build an integrated local economy that opens hidden economic development potential and encourages business investment and creates economic development and job opportunities for the poor, in its drive to alleviate poverty. According to Makhubo (2015:20), the importance of LED is to:

- Fund local employment, empowerment, and wealth generation;
- Increase income levels and enable people to pay for services. It also broadens the tax base and revenue base of the local authority;
- Enable the local authority to deliver more and better services to the local communities;
- Provide logical techniques which address the consequences brought by the apartheid government by addressing the socio-economic inequalities and promoting urban integration, job creation, and service provision; and





 Directly or indirectly promote economic development and empowerment of community groupings.

# 2.13 INNOVATION ON LOCAL ECONOMIC DEVELOPMENT (ILED)

Local economic development should also be seen in the light where innovation is important for its policies to be successful. Rogerson (2018:22) is of the view that ILED seeks to unlock the value in local economic clusters through catalytic interventions, strengthening local value chains and local sectors, to enhance the capacity of the innovations system, to create knowledge and innovations that will result in socio-economic solutions required from the local economy. According to Ndabeni, Rogerson, and Booyens (2016:1), South Africa seldom make debates about the regional and local development strategy issues of innovation, it infrequently discusses and does not mention issues around innovation on the state's policy documents and frameworks.

Clayton (2018:1) affirms that innovation in LED is necessary to assist struggling regions and foster development across municipalities with varying resources and needs. Lowe and Feldman (2018:192) posit that the contribution of regional industrial specialisation forms and various specialists from different economic development subfields combines their views and knowledge and links up to coordinate development practices and priorities. It creates a greater impact on the LED. Lowe and Feldman (2018:192) further state that the results of innovation involve mutual reinforcement, whereby economic development practitioners are jointly drawing lessons, insights, and resources from different defined strategy targets to support institutions such as state and local authorities.

Morgan (2010:679) suggests that it will be helpful for local government to be innovative in how they implement economic development, regardless of the substance policy orientation of certain strategies and tools. Morgan (2010:683) emphasises that innovation can manifest itself in specific strategies and policy tools that the municipality uses, and the extent to which they are qualitatively different from the traditional way of doing things. Agasisti, Barra, and Zotti (2019:3) are of the view that for innovation, universities have an impact on local economic development through knowledge transfer, education and human capitals development. This emphasises the importance of partnerships with various institutions. Abel and Deitz (2011:1) also concur that the local economy can benefit from the research done colleges and universities. The municipalities can utilise the findings of the research facilities to create activities that require workers with university degrees. Baycan, Nijkamp, and Stough (2017:956-966) opine that human capital plays a significant role in innovation and economic development.





In a knowledge-based society, creativity, innovation, and technological progress are important aspects of economic development. Despite the other implications in innovation for LED in South Africa, the National Framework for Local Economic Development, Creating Innovation-driven Local Economies has been established to harness innovation in LED. According to the Department of Corporative Governance (2017:7), the revised framework vision is on innovative, competitive, sustainable, inclusive local economies, that maximise local opportunities, address local needs, and contribute to national development objectives. However, the framework provides the definition that relates to a new path as the process whereby, public, business, and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation to build up the economic capacity of the local area to improve its economic future and the quality of life for all (Department of Corporative Governance 2017:11). The core pillars of local economic development as stipulated in the New Framework as follows:

- Building diverse and innovation-driven local economies;
- Developing inclusive economies;
- · Developing learning and skills economies;
- Enterprise development and support;
- Economic governance; and
- Strengthen the local innovation system.

The UNDP (2017:21) suggests that innovation involves new financial and legal instruments to enable LED to be sprightlier and more enterprising, and new capacities of officials to develop and deliver an integrated offer to government partners. From the above views, TLM must take innovation seriously when formulating its strategies of LED. Through innovation, municipalities can work with the universities and colleges to take into consideration the findings of research in LED. Small Business Enterprises that focus on innovation ought to be funded, as they will have an impact on the development at TLM. Officials ought should familiarise themselves with knowledge and the importance of technology as it is growing very fast, and be trained more on how to use it to develop the municipalities.





# 2.14 LOCAL ECONOMIC DEVELOPMENT AND COMMUNITY DEVELOPMENT PROJECTS

Malele (2018:49) acknowledges aim of LED is to try to solve poverty and unemployment in the communities, mostly poor and underprivileged groups. Malele (2018:49) adds that LED strategy initiatives, community development projects were identified as a means towards uplifting, empowering, capacity building, and skills transfer for communities. Development of Provincial and Local Government (DPLG) (2006:8) postulates that though LED is one of the major functions for local government, it is not the responsibility of the government to create jobs, rather for taking active steps to ensure that the economic and social conditions of the locality are conducive to the creation of employment opportunities.

According to Msengana (2014:16), the main aim of LED is to promote employment creation within the sectors, and in turn improve the community through utilising the existing human, natural and institutional resources. Local economic development is recognised as a serious approach, within the context of empowered local authorities, proactive actions by local people, and the need to ensure that development is pro-poor in its focus and outcomes (Dunga 2013:49). Therefore, LED should be seen in the light of supporting the community projects. Pillay (2010:84) states that LED is determined by the standard of delivery and output produced by developmental projects.

Seanego (2013:11) contends that LED projects cannot take place without the involvement of community development workers as they have responsibilities and roles to play in the planning and implementation of the projects. With that being said, Tjale (2011:8) maintains that LED projects can make an effect on job creation, sustainable livelihoods, and social capital amongst project members and the communities. Mtutuzeli (2015:8) adds that when LED projects are managed and supported well, they can be effective and alleviate poverty in rural areas.

As indicated in Meyer (2009:62), LED strategies and projects should be outcome-based and focus on job creation and poverty alleviation, economic growth, and skills development. Meyer (2009:62) further, states that the success of any LED project heavily relies on the right allocation of resources, such as funding, skills training, and proper management. Reddy, Sing, and Moodley (2003:188) postulate that LED is responsible for emerging and empowering environments in which municipalities can promote economic development. Malemela and Yingi (2016:134) affirm that the role of LED in developing local economies is to prioritise job creation and poverty alleviation. It also has a role to play in promoting the creation of community development projects.





The Greater-Giyani Local Municipality LED strategy (2014/2016:1) postulates that the importance of LED is to build an integrated local economy that opens latent economic development potential, and encourages business investment, and creates economic development and job opportunities for the poor in its drive to alleviate poverty. Aganang Local Municipality (2013:1) adds that LED investigates options and opportunities accessible to expand the local economic base of the area, to address the creation of job opportunities and turn of effects throughout the local economy. In addition, Aduku (2018:414) asserts that the importance of LED is seen through decentralisation, whereby studies on development planning issues such as economic and social are undertaken. Koma (2012:128) contends that LED cannot be separated from poverty alleviation projects and programmes initiated and implemented in the municipalities, such as EPWP and provision of free basic services.

#### 2.15 OUTCOMES OF LOCAL ECONOMIC DEVELOPMENT IN THE COMMUNITY

Local economic development is not only a process but outcome and manifestations of community projects. This is supported by Makhado Local Municipality (2005:9), where it stated that LED is outcomes-based on local initiative and driven by local stakeholders. The outcomes of LED, in this case, are job creation and income generation, business partnership, improved market opportunities, human resource development, and infrastructural development as stated in Rogerson (1999:34).

# 2.15.1 Job creation and income generation

According to Makhubo (2015:16), the government has a role to play in job creation and this role is very limited. Makhubo (2015:16) further states that employment created by EPWP is often temporary and some training is achieved. Abdi (2015:153) states that job creation is a way to reduce the problem of unemployment, making incomes, and a powerful tool of investment. According to Rogerson (2010:445), tourism is the most important job creator and is a powerful mechanism for LED. Masuku *et al.*, (2016:3) concur that the South African government recognise tourism as a tool that could drive local municipalities specifically rural areas, towards achieving LED initiatives, by introducing several support enterprises to capacitate local people.

The Organisation for Economic Co-operation and Development (OECD) (2016:1) states that by supporting quality job creation from within and ensuring all citizens can benefit fairly and contribute to economic growth, local development is a key for addressing the problem. According to Shannon (2018:7), in order for jobs to be created, the organisation, must align and integrate employment, skills, and other local provisions. Meyer (2014:632) adds that job





creation should also include business training, mentorship programmes, and public works programmes. On the other hand, the Master of Science (MSc) in Local Economic Development (2015/2016:3) programme descriptor list generating fruitful employment through equal chances as a key to produce sustainable growth.

## 2.15.2 Business partnership

The International Labour Organisation (2001:3) asserts that partnerships amongst the public and other stakeholders are a key factors to effectiveness in service delivery. Partnerships can be effective in managing local health and improve the quality of health service in poor remote villages. South Africa has made the effort of forging partnerships for the improvement of services delivery, which is still important currently for them to be effective. Shannon (2018:11) implies that partnerships help to coordinate economic development and growth policy in the local area. This has to do with a close relationship with local authorities in their areas, with councillors sitting in management boards. However, the municipality remains accountable for its actions. The local government partnerships with other business and non-governmental stakeholders have a vital role to play of tackling unemployment through the LED, thus improving service delivery through those businesses.

#### 2.15.3 Improved market opportunities

Rogerson and Rogerson (2012:44) argue that improving market confidence in municipalities is a critical first step in attracting investment and building loyalty to local areas. The stronger the market confidence, the better the governance and service delivery of local governance. Policy Note (2013:2) affirms that LED also overcomes market failures, as it generates trusts, assist in matching collective and individual interest, and reduces production costs. A Policy Note (2013:2) further stipulates that LED provides a purpose and stimulates community participation and entrepreneurial ventures. Rogerson and Rogerson (2012:45) posit that creating local markets provides a sustained source of income and positions people to enter the formal market as well as create opportunities for themselves.

#### 2.15.4 Infrastructural development

Nel and Binns (2001:351) affirm that infrastructural development is a responsibility of local government. This includes provision of household infrastructure and services with priority given to the delivery and subsidisation of at least a basic level of services to those who currently receive or do not receive services. According to the International Labour Office (2006:34), the creation of infrastructure can enhance an enterprises ability to engage in the physical production and market exchange of goods and services. Hardman (2013:25) is of the





view that the maintenance of infrastructure, as well as enablement brought through services facilities for entrepreneurship and business growth, will stimulate the local economy.

The Master of Science programme document in LED (2015/2016:3) posits that improved infrastructure will have an impact on the entrepreneurs and provide a higher chance to secure cheaper raw materials and strengthen strategic relationships, innovate and secure more opportunities. Bond (2002:10) posits that when LED is prepared properly, it will result in the provision of reliable, cost-effective, municipal service delivery, such as lifeline supply of water, electricity, and sanitation. Reddy *et al.*, (2003:180) add that the impact of infrastructure can be both in the short and long-term, the short-term infrastructure and service delivery can create jobs and business opportunities for the poor as well as affordable business enterprises. In the long-term its effectiveness can stimulate economic activity that results in permanent jobs. Mago, Hofisi, and Mbeba (2013:6) contend that infrastructural development is vital because it is not only for the delivery of services to the local societies but it shapes the local economy by creating diverse economic activities potential through the movement of input and output.

Improved infrastructure, such as roads, railroads, and utilities can enable the transfer of products and services that can bridge isolated communities to global markets. This will result in increased exposure to greater economic opportunities in TLM. Therefore, TLM should always maintain and expand its infrastructure development, to attract more businesses and expand those that already exist, as it results in improved economic conditions. The Infrastructure Development Act, 2014 (Act No, 23 of 2014) was established to strengthen the capacity of the government in implementing the infrastructure to improve people's lives.

#### 2.15.5 Human resource development

As stated in Makhubo (2015:33), protecting what LED brings both social and economic benefits which often require investment in human capital through skills development and education. Saif (2018:2) defines human capital as the acquisition of skills, training, and health that officials get through on-the-job training and education. It is based on the approach to staffing which views employees as assets whose current value can be measured in terms of productivity and whose future value could be improved through investment (Thornhill, Van Djik and Ile 2014:315).

## 2.15.6 The development and support of Small, Medium and Micro Enterprises (SMMEs)

The OECD (2016:2) believes out that supporting entrepreneurs and SMMEs is important in promoting local economic growth and stimulating the local economic base. Matshazi (2017:177) points out that the municipality that has efficient development processes and





infrastructures such as roads and network communication networks and implements procurement policies can stimulate SMMEs. The development of SMMEs will create jobs, generate income for pro-poor groups, and reduced poverty as well as promote the local economy. For effective SMMEs, Malemela and Yingi (2016:138) contend that people should be allowed to participate fully in the economic life of a country, ranging from marginalised communities, black empowerment enterprise. Mago *et al.*, (2013:7) believe that the development of SMMEs is an ideal strategy for reducing the percentage of households living under the poverty line. Mahadea (2011:84) adds that as more SMMEs spring up from LED, they will contribute positively to a state's economic growth, job creation, innovation, poverty alleviation, income generation, and people's prosperity.

#### 2.16 LOCAL ECONOMIC DEVELOPMENT CHALLENGES

The South African government faces many complicated challenges when it comes to effective LED programmes and projects. Rogerson (2010), Nel (2007), Patterson (2008) in Khambule and Mtapuri (2018:3) state that the challenges in LED are attributed to resources and capacity, which is compounded by lack of experience in the local government in terms of stimulating development. Monkam (2014:276), Maxegwana, *et al.*, (2015:80) add that the massive failures in delivering services are due to capacity challenges, poor financial management, and maladministration. The challenges to be discussed including skills shortage, administrative capacity, policy implementation, lack of inefficient planning structure, and lack of funding.

#### 2.16.1 Skills shortage

According to Koma (2012:126), the skills shortage has been recognised as militating against achieving the required growth rates and development in South Africa. Mahlo (2017:18) adds that the problems of skilled municipal officials are generic in all the spheres of government in South Africa. Koma (2012:127) further points out the shortages of skills as follows: project management, programme management, development planning, and other competencies. Maxegwana *et al.*, (2015:80) add that insufficient institutional capacity and respect for the requisite financial, and technical skills promote the role of IDP and LED. In addition, lack of capacity in the local government and lack of understanding of LED results in confliction of LED with poverty alleviation projects (Khambule & Mtapuri 2018:3).

Shortage of skills as a major concern amongst municipal officials which leads to inability to achieve LED goals because of workforce shortcomings in the community and the region as well as lack of state-wide progress in improving more dramatically (Neiman and Krimm





2009:21). The Department of Corporative Governance and Traditional Affairs, (2016:101) opines that the challenge is for a municipality to recruit and retain appropriate skills for municipal services delivery, planning, and financial management. Mago *et al.*, (2013:7) contend that skills development empowers locals to take part in economic activities, create employment, and provide income that will sustain the livelihoods of people.

Shortage of skills in TLM is one of the challenges that hinder successful job creation and effective implementation of the LED strategies. The officials should therefore be employed based on the skills and must be put in programmes that advance their skills. According to TLM IDP (2017/2018:140), labour-intensive methods can play an important role in terms of facilitating skills development and job creation.

## 2.16.2 Lack of administrative capacity

Mahlo (2017:18) argues that the municipalities find themselves in administrative constraints of directing their energy in-to the delivery of services in a sustainable way. Koma (2012:127) posits that the effort and policies to eradicate poverty and unemployment require a well-capacitated and resources administrative component of municipalities. Thus, LED strategies ought to be determined and formulated concerning the capacity of officials in the municipalities United Cities and Local Governments (UCLG Policy Paper 2016:25). While analysing the issue of administrative capacity, Maxegwana *et al.*, (2015:80) maintain that the impact of staff morale, detracts from meaningful local development, compounded by weak political leadership, ineffective communication with communities, lack of transparency and accountability. According to Phago (2005:137), unethical behaviour in municipal administration and management in South Africa is rife.

Due to the fact that administration is responsible for the day to day strategic operational matters of the TLM, the implementation of policies, and the provision of technical, professional support, and advisory council, should have enough capacity to carry out that task. The administrative leaders in TLM should be equipped for their posts and capacity should be based on the educational qualification they hold (TLM IDP 2017/2018:140).

## 2.16.3 Policy implementation

According to Thornhill *et al.*, (2014:165), policy implementation is the capacity to develop in the casual chain, thereby ensuring that the desired results are achieved. Koma (2012:127) states that inefficiency in policy implementation contributes to additional limitations facing the success of growth and development objectives. Pieterse (2000), in Koma (2012:127) posits that municipalities are strategically placed to undertake the planning. Komi (2012:128) affirms





that although the aspects of LED are seen as the mechanisms to address issues of socioeconomic development in the municipalities, they are not implemented adequately.

Khambule and Mtapuri (2018:3) argue that the main concern with the failure to implement LED is a results of LED not considered a key priority for municipalities. Nel and Rogerson (2005:19) add that failure to make LED a priority has led to insufficient capacity within LED units, coupled with the inability of officials to understand the local economy. Also, Rogerson (2010:482) identifies the challenge militating LED implementation as lack of capacity in local officials, effective method, and poor coordination. According to Malefane (2009:157), the implementation of LED has some complications, such as no skills transfer to SMMEs. Furthermore, Mlalefane (2009:175) states that senior managers are appointed from outside the area and are not committed to the municipal area.

## 2.16.4 Lack of Planning structure

Khambule and Mtapuri (2018:4) and Helmsing (2001:63) posit that the problem of lack of planning is upraised as of lack of organised institutions at the local sphere that can plan for improvement. Gunter (2005:34) in Khambule and Mtapuri (2018:4) maintain that the IDP is the quest for development planning within municipalities, with LED strategies being economic development policies are developed by LED units, with the involvement of key stakeholders. In addition, Lambshead (2009:23) states that the lack of capacity in LED officials and their inadequate experience in economic development planning is a major problem in the planning stage. The Department of Corporative Governance and Traditional Affairs, (2016:79) is of the view that the planning and management process is often slow in municipalities, regardless of the legislated timeframe.

## 2.16.5 Lack of funding

According to Khambule and Mtapuri (2018:4) and Shangase (2017:67), lack of finances is one of the major challenges that have a direct bearing on the effectiveness or failure of LED projects. It is further pointed out that the uncertainties of funding facing local government-led development can then be extended to LEDAs since their funding sustainability is questionable. Meyer (2007:45) adds that projects are implemented with inadequate success due to lack, legal constraints, and fiscal weakness.

## 2.17 UNEMPLOYMENT AND POVERTY REDUCTION IN SOUTH AFRICA

Local Economic Development is seen as a way of reducing poverty and promoting job opportunities and bringing together key municipal stakeholders, to promote economic growth





and development (West 2010:40). Koma (2012:126) adds that the quest to eradicate poverty and create many jobs and build sustained economic growth has shared the South African government growth and development agenda. Rodriguez-Pose and Tijmstra (2005:41) maintain that LED shares the goals of poverty alleviation and greater inclusion of the previously disadvantaged groups in both social and economic life. Malemela and Yingi (2016:134) are of the view that the main aim of LED is to create jobs, through making the local economy grow through starting businesses and factories in local areas.

Malemela and Yingi (2016:134) point out that the key roles essential in LED, in developing local economies are to prioritise job creation and poverty alleviation as the main challenges facing South Africa, target disadvantaged people, and underprivileged communities. Oosthuizen and Nleuwoudt (2002:3) contend that groups who are experiencing poverty can be identified by focusing on the location, demographic and economic characteristics of the poor, and the heads of a poor households. Wyngaard (2006:35) maintains that improving distribution and enhancing economic growth should reinforce each other, resulting a greater impact on poverty reduction.

Economic growth should be based on a long-term goal, and turning to a more equitable distribution of income and geographic local of communities and economic activity that shares the benefits of growth (Wyngaard 2006:35). Unemployment is seen as an aspect that includes all those without jobs who claim they would like to work, even if they have not exhibited any research effort in the stipulated period (Wyngaard 2006:31). Wynagaard (2006:31) further posits that, to combat unemployment, steps should be taken to limit the supply of labour and to stimulate the demand for labour.

In the case of TLM, Louw and Flandorp (2017:19) argue that the creation of employment opportunities and poverty alleviation programmes are negatively subjective to lack of business capacity skills and scarce human capital skills, inequality, and lack of service delivery, as well as lack of information distribution about existing potential business opportunities. Due to the above-mentioned challenges, it also affects the planning of LED, which then results in an intensive unemployment rate.

#### **2.17.1 Poverty**

The United Nations Development Plan (2017:27) contends that 27 million people remain in extreme poverty despite the overall improvement that was done in 1990 across the world. Poverty is the inability to attain a minimum standard of living, measured in terms of basic consumption needs or income required to satisfy people (Makhubo 2015:18). According to





Hardman (2013:26), communities experience life as harsh as a consequence of widespread poverty. Koma (2012:15) opines that the local government is currently faced with numerous challenges and bottlenecks stemming from high poverty and unemployment rate. Vyas-Doogapersad (2017:5) argues that there is a growing shift towards formulating development agendas that combine economic growth strategies that are pro-poor, but with more inclination and bias towards poverty alleviation.

Poverty has been categorised in two ways: absolute poverty, which refers to material conditions of people who earn less than a specific amount of money, which is 1 dollar per day, R 174 per month, or even less, more especially food and shelter. Relative poverty is described as the economic position of people who lack resources to enjoy healthy diets that allow them to take part in activities and to maintain a living standard that is customary (Wyngaard 2006:31). This is where LED comes in making, strategies to reduce those kinds of poverty and improving equality for all citizens. For poverty reduction and alleviation to be formulated and implemented successfully, it is important to identify those who are most prone to being poor. Wyngaard (2006:35) contends that groups who are experiencing poverty can be identified by focusing on the location, demographic and economic characteristics of the poor and the heads of a poor households.

UN-Habitant (2005:4) notes that LED is recognised as a key component in the broader efforts to reduce poverty. Wyngaard (2006:35) maintains that improving distribution and enhancing economic growth should reinforce each other, having a greater impact on poverty reduction. The strategies of LED should therefore include economic growth and the distribution of wealth amongst the communities. Wyngaard (2006:35) opines that economic growth should be based on a long term-goal, thus and turning to a more equitable distribution of income and economic activity that shares the benefits of growth. On the other hand, UN-Habitant (2005:5) contends that the actions of the informal economy can help through targeting business expansion aimed at jobs for the poor, targeting the poor as an unskilled labour force for training and placement assistance, and through micro-enterprise programmes.

In the case of TLM, the poverty headcount showed 22.8% in 2001 and 18.9% in 2016. This indicates that there was a decrease in poverty however; the intensity of poverty amounted to 42.2% (2011) and 43.0 % (2016), during the two periods, showing that it has escalated. The attempt to address poverty levels, varying from labour concentrated programmes to supporting rural development community projects that are labour absorbing poverty will be undertaken (Louw & Flandorp 2017:17).





## 2.17.2 Unemployment

Houghton (2016:47) claims that since many problems are being addressed through LED initiatives, a reduction in unemployment is possible and is the most significant priority in South Africa. Different definitions of unemployment have been provided, ranging from narrow and broader definition. However, for this study, the broader definition will be used, which includes all those without jobs, who claim they would like to work, even if they have not exhibited any research effort in the stipulated period (Poswell 2002:6 in Wyngaard 2006:56). Stokan (2017:26) posits that the responsibility of municipalities is to provide adequate supply employments to the community. Due to lack of employment, the LED has a huge role to play to provide for a job with or without any qualifications, and that can be done when LED develop strategies also to cater for those who have not acquired academic qualifications for employment. The local municipalities also improve equality, by providing jobs for all citizens. The national unemployment rate of South Africa is by 30%. In the case of TLM, Thulamela Local Municipality IDP (2017/2018: 90), unemployment is by 14% with weak checks and balances.

#### 2.18 THE ROLE OF LOCAL GOVERNMENT IN LOCAL ECONOMIC DEVELOPMENT

According to Mihalis and Ariati (2015:435), LED is viewed as a critical approach to pursue in South Africa in the hands of local authorities. Pro-active actions by local citizens, and the need to ensure that development in pro-poor is a focus and outcomes of LED. McQuaid (1993:104) states that local officials' role can be perceived by their responsibilities, as democratically voted bodies, for the social and economic well-being of the entire community and the knowledge of local needs and opportunities. Shannon (2018:9) also maintains that the municipal council can lead a community planning process, wherein they act as the lead partner to be responsible for deciding for community planning in their areas.

McQuaid (1993:105) contends that the policies of economic development are carried out by the local authorities and activities to execute them are very different. Mauku *et al.*, 2016:6) opine that the local officials can assist the community through the creation of small businesses, including poultry catering, and sewing industries. Shangase (2017:43) affirms that local government is at the forefront of the campaign to create a sustainable local economy. Shangase further (2017:43) states that it can do so through working with the district, metros, local municipalities, and wards, to provide the necessary leadership and to ensure that the process runs smoothly.





The UCLG Policy Paper (2016:5) states that the municipalities have the power for physical infrastructure, roads, water supply, waste management, information and communication technologies, all of which are fundamentals to economic activity. They should also address the needs of the citizens for public health, education, housing, skilled reliable workforce, cultural and recreational facilities which also form part of community development. With regards to the above-mentioned services, Jimu (2008:24) regards them as outcomes of community development. The specific role of local government in local economic development are as follows:

#### 2.18.1 Coordinator

According to Nthekeleng (2014:156), the municipality acts as a co-ordinating body on the LED. Zulu and Mubangizi (2014:431) affirm that the important tool of coordinating is through the IDP, which draws organised developmental objectives, priorities, strategies, and programmes of the municipality. Planact (2001:47) maintains that the local government will have meetings with stakeholders to present economic problems and opportunities, and the goals are then developed. Reddy *et al.*, (2003:198) is of the view that local government can come up with the policies and proposes strategies that are crucial to service provision.

#### 2.18.2 Facilitator

According to Planact (2001:47) and Nthekeleng (2014:158), local government act as a facilitator through creating and improving the environment in the area to make it possible for growth and development to occur. Zulu and Mubangizi (2014:431) argue that the municipality should encourage the active participation of all stakeholders in the development of the rural LED policy and its implementation in the interest of job creation for rural women and youth. Makhubo (2015:52) adds that the local government as a facilitator of LED is capacitated and transformed to play a developmental role in a remarkable South African formation. Also, UN-Habitant (2005:8) provides that the role of a facilitator is to create an environment for constructive and co-operative interaction and to maximise the productivity of participation.

#### 2.18.3 Entrepreneur

According to Nthekeleng (2014:158) and Planact (2001:47), the role of local government as an entrepreneur is to take full responsibility for operating as a business enterprise. The income from these developments is used for developing the infrastructure and services where they are most needed. DPLG (2003:3) adds that it must also play a role whereby the municipality must enter into a joint-venture partnership with the private sector or NGOs.





## 2.18.4 Developer

According to Zulu and Mubangizi (2014:431), the municipality should take full operational responsibility as a developer. According to the Molemole Local Municipality LED strategy (2018:18), the municipality can act as a developer in inclusive economies, learning and skilful economies and enterprise development and support,

# 2.19 LOCAL ECONOMIC DEVELOPMENT AND INTEGRATED DEVELOPMENT PLAN (IDP)

The introduction of the IDP in South Africa has emanated from the inequalities created by the apartheid government (Malefane 2009:40). According to Thornhill *et al.*, (2014:415), IDP is a tool for the developmental municipality to enable it to align scarce resources behind agreed policy objectives and programmes. Gildenhuys (1997:16) states that an Integrated Development Plan is the municipality's strategic plan to promote current and future economic and social development activities in the community. It is five-year plan for the municipality and is reviewed each year by the municipal council. The entire municipality and its residents must be involved in the drawing up of an IDP.

Mashamba (2008:421) posits that all municipalities are obliged to produce an IDP. It is a policy that is crucial to the local government and it gains effect from Section 26 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) that it must be formulated by the local municipality. Kroukamp (2006:24) argues that LED should be directly linked to the process of Integrated Development Planning, which focuses on the holistic development of local areas, as prescribed by the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000). LED is one of the dimensions within the IDP and local municipalities are legally obliged to plan and pursue LED activities.

Maxengwana *et al.*, (2015:79) state that municipalities are required to develop an LED strategy that is aligned to the aims of IDP. According to Malefane and Mashakoe (2008:474), the two concepts are seen as an integration of government to transform municipal business and restructure municipalities to focus on development. Koma (2012:132) affirms that IDP precedes the LED plan shaped by the municipality. In addition, Thebe (2016:712) points out that the scope of the IDP normally covers the local municipal development priorities, including water, and sanitation, road and storm water, electricity, as well as LED, employment creation, and poverty alleviation. The Thulamela Local Municipality IDP is planned in such a way that its strategies include the economic development of citizens.





## 2.20 LOCAL ECONOMIC DEVELOPMENT AND SERVICE DELIVERY

According to Ngobeni (2018:12), universally, public institutions should provide services to their communities effectively and efficiently. Koma (2014:41) states that the LED strategy is intended to empower the most helpless, marginalised, and poor sectors of local municipalities by raising sufficient income to meet their basic needs. According to Shabangu and Madzivhandila (2017:537), the delivery of efficient, effective, and human-oriented public service plays an important role in ensuring the realisation of an area of growth agenda and objectives. Services share both to the provision of tangible public goods and intangible services themselves (Fox and Meyer 1995:118). Kim (2012:3) adds that service delivery has to do with the services of highly localised actions by public sector or the private sector to provide the needed goods and services for individual beneficiaries in such a way that they meet their expectations. Thebe (2016:713) argues that service delivery should be the manifestation of constitutional and governmental requirements for obeying to the management of public affairs through community participation.

Service delivery can be in the form of infrastructures, such as roads and telecommunication. The two are essential for production to reach both urban and rural residents. Schools and health facilities have a strong impact on local development (Walo 2017:1011). Zulu and Mubangizi (2014:426) posit that, as indicated in The White Paper on Local Government 1998, the local government system should ensure that all communities have access to basic services, with participatory decision-making and planning process, which lead to increased job creation and effective utilisation of local resources, to improve the quality of life for everyone now and in the future. Municipal officials must work together with the ward committee and community-based organisation to ensure that communities are fully involved in the development programmes (Gcaba 2015:87).

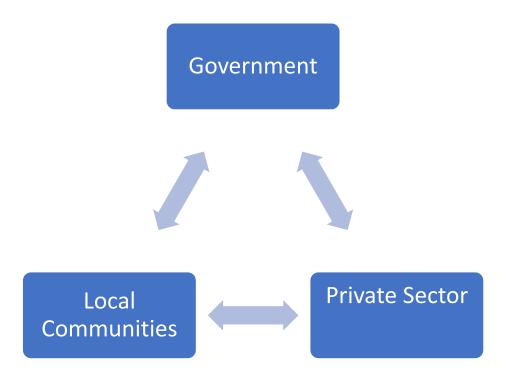
Shabangu and Madzivhandila (2017:539) assert that service delivery is considered to be dysfunctional and posing a negative effect on the development processes, meaning that when services are enhanced it makes the development of communities relatively possible. According to Tsheola and Mokgokong (2012:381), performing LED requires availability, functionality, access, and utility of pure public services, as well as the specific orientation of the service provision process. Thebe (2017:713) asserts that service delivery should be a manifestation of constitutional and legislative requirements for adhering to the management of public affairs through community participation. Shabangu, and Madzivhandila (2017:54) state that the South African government is composed of various institutions and agencies which are responsible for the provision of public services. The Department of Public Service and Administration (DPSA), (2013,) and Department of Corporative Governance and



Traditional Affairs, (2016) add that their main objective is to provide services to citizens, which will lead to socio-economic transformation as well as to provide a platform to establish an enabling environment got LED.

Local economic development in TLM will not only improve the economy and create jobs for local people, but it will also deliver services where the municipality is unable to do so. This is because TLM is facing backlogs concerning service delivery, such as municipal roads and water services (TLM IDP 2017/2018?144). Therefore, effective implementation of LED programmes will result in the development of roads, water, electricity, and other municipal infrastructure necessary for the running of businesses. Below is a diagram showing a tringle of relationship amongst different stakeholders in providing services:

Figure 2.1. Service delivery triangle for LED



(Meyer 2014:626).

The LED strategy aims at creating a better condition for economic growth and employment generation. It depends on collaboration between the government, that commits funds, the private sector, that provides resources, and skilled labour and the local communities (Mabece 2017:43). Banoobhai (2011:2) maintains that the central focus of LED is to identify the real needs of communities and creating an environment for private sector investment through



appropriate public-sector investment and by supporting the retention, growth, and development of enterprises whether they are private or co-operatives.

# 2.21 IMPORTANCE OF COMMUNITY PARTICIPATION IN LOCAL ECONOMIC DEVELOPMENT PROJECTS

Community participation is involving people in the decision-making process at all levels and forms of political, economic, and socio-economic activities (Liebenber & Mulaudzi 2013:151; Flora & Arnold 2013:151). However, Thebe (2016:716) is of the view that community participation means taking part in the activity and be making choices and decisions. Mafukidze and Hoosen (2009:385) provide a comprehensive definition, which defines participation as the direct involvement of citizens in the activities of planning, good governance, and overall development programmes at the local grassroots level. On the other hand, Seanego (2013:2) believes that community participation is aimed at empowering the community. The White Paper on Local Government (1998) and Municipal Systems Act, 2000 (Act No. 32 of 2000) guide local government in promoting participation in the communities.

It can be deduced that community participation is concerned with allowing all stakeholders to take an active part in the development of their communities. Maxengwana *et al.*, (2015:81) contend that trust, authentic participation, and good local governance can only be generated where beneficiaries can influence, direct control, and won decisions-making. Communities experience the benefit as meaning-giving and empowering. According to Reddy and Wallis (2012:76), community participation is viewed as a critical element to local governance and is regarded as a key objective to promoting socio-economic development. The policy framework stipulates the role of local government in providing basic services, in seeking a participatory approach to local government, and stimulating LED (Maxengwana *et al.*, 2015:77). According to the Msinga Local Municipality (2012:81), participation encompasses involving stakeholders throughout the lifecycle of the project, so to produce a thorough report and strategy which is realistic, achievable, and meets the needs of the communities. Shaffer, Deller, and Marcouiller, (2006:54) affirm that inclusive participation should take place whereby all the segments in a community are encouraged to participate.

The Constitution of the Republic of South Africa, 1996 section 116 (b) outlines the importance of participation and roles and responsibilities of key stakeholders in matters of governance and development at local government in a manner that is consistent with democracy. Maloka *et al.*, (2014:220) are of the view that stakeholders and local communities are encouraged not only to be involved but slightly articulate their needs and influence decision-making on policies in planning and implementation process of LED. Sekhampu (2011:46) adds





that for LED to be successful, the process should include the participation of political, community, and business actors in the economic and social development of their areas. Mubangizi (2008:279) asserts that participation does not just happen, it has to be nurtured and intricately won into the process of local government.

Jimu (2008:25) contends that participation is important for residents of the locality, allowing them as principal stakeholders to influence the development path of their locality. Jimu (2008:25) furthermore writes that the good community is intrinsically linked with community, for the wide social, economic, political, and environmental good. Morgan (2010:682) emphasises that meaningful participation from community stakeholders is advantageous, as it gets widely shared consensus on economic development priorities.

# 2.21.1 Linking local economic development and community development

Although LED is not community development, as indicated in Makhado Local Municipality (2005:10), the relationship stems from the fact that community development is also a process that is aimed at improving the standard of living through economic and social development as one of its objectives, as mentioned below. Therefore, as the LED also focuses on the creation of jobs and alleviation of poverty for community members, it results in development, and it can be concluded that CDPs will play a role in community development itself. However, Bond (2002:10), is of the view that economic development should be able to bring social benefits, which requires explicit relations between a living wage, human capital development, and productivity.

Community development is the strategic development of all aspects of community well-being, economic, social environmental, and cultural (Frank and Smith 1999:8). This means that even the LED should be able to bring social benefits that are mostly considered community development as CD is broader than what LED aims to achieve. Job opportunities emanating from LED outcomes play a role in community development. According to Philips and Pittman (2009:5), community development is seen as both the process and outcome as they are related. Mubangizi (2008:278) contends that the municipalities should adopt the IDPs as a vision that will steer the process of community development projects and developmental government. Obeng-Odoom (2010:14) states that local communities should be promoted in the same way that any product or services in the private sector are marketed. Local economic development seeks collaborative efforts of local stakeholders to grow local economies and improve the standards of living of local people (Kamara 2017: 98).





According to Shaffer *et al.*, (2006:55), community development is visible when people in the community analyse the economic conditions of the community, determine its economic needs, unfulfilled opportunities and decide there should be done to improve the economic conditions in the community, and then move to implement the decisions on economic goals and objectives. SureshKumar, Anvar, Kalamony, and Nair (2015:45) view community development as a continuous process through which community members come together to take collective action and generate solutions to their common problems. This will lead to improvement of infrastructures, such as roads and electricity, as many businesses require roads for transportation and provide electricity to its services.

Van der Waldt (2018:2) posits that LED plans a local agenda to promote and develop objectives and actions. The policies embrace local values for poverty reduction, basic human needs, local jobs, social and environmental integration, and it utilises economic drivers forged in value-added resource use, local skills, training, retention income, regional cooperation. It considers development in the role of structural change and the quality of development (Kebede & Trousdale 2007:54). Onweazu (2014:85) provides the objectives of community development in rural communities. The objectives *inter alia* include:

- To achieve social, economic, spiritual, and cultural development;
- Develop community leaders;
- Maximise utilisation of community resources;
- To increase the capacity of the community to face challenges; and
- To encourage planning and conduct of programs at the community level.

As in LED, participation is crucial for community development. Riach (2002:19) contends that participatory development means listening that the voice of the people, assisting them to develop their community, in a way that they want it developed.

#### 2.22 THE PLANNING STRATEGIES FOR LOCAL ECONOMIC DEVELOPMENT

Rogerson (2010:456) identifies the significant planning strategies to be taken to overcome the challenges of LED. The strategies are as follows: business attraction, business support, empowerment. The International Training Centre (2010:1), contends that to discover the opportunities it is important for progressive policies and strategies at the national and local level, to facilitate and guide the process of greening economies and businesses. Agbevade (2018:123) concurs that strategies such as training, team building, and empowerment for





successful LED, can be implemented to improve the capacity of stakeholders involved in local economic development.

Rodriguez-Pose and Tjimstra (2005:4) contend that LED policies present several potential of social and economic goals. Rodriguez-Pose and Tijmstra (2005:4) further maintain that as LED strategies are mainly developed by local government and a range of local stakeholders, it provides opportunities to inspire local societies and utilise dynamic local resources. Furthermore, Rodriguez-Pose and Tijmstra (2005:4) suggest that successful strategies assist to create a location that determines and stimulate the creation of sustainable and higher quality employment opportunities. Swinburn *et al.*, (2006:4) opine that good practice of local economic development should always be guided by a strategy to be effective.

#### 2.22.1 Business attraction

According to Rogerson (2010:456), municipalities should employ new industrial investment in the area to operate in the municipality. Rogerson (2010:456) further, states that successful industrial enrolment can bring benefits for new investments and introduce new business practices and new products as well as process technologies that may be adopted into the existing enterprises. Business attraction will create jobs for citizens, as locals will be employed in the business thus enhancing the economic stimulation. The UN-Habitant (2005:4) posits that a good LED practice suggests the utilisation of public resources, and government involvement should focus on improving the basic business environment and reach all levels of society.

#### 2.22.2 Business support

Rogerson (2010:453) maintains that the activities of business attraction by LED participants should be complementary to the package of tools and programmes which include business support. Rogerson (2010:453) further states that business attraction has to do with the external promotion of locality from separate enterprises, while business support is focused on internal enterprise development and competitiveness. MacQuid (1993:106) posits that business support services are aimed at helping business growth. As the business grows, then there is a greater opportunity for job opportunities which then alleviate poverty. This may include counselling and advising for the existing business in the area. As the municipality supports local business and then becomes more advanced, many community members will be employed and there will be infrastructure improvement.

According to Msinga Local Municipality (2012:105), local businesspersons and cooperatives need support through local procurement initiatives run by the municipality, to provide economic





opportunities for them. Facilities to host business support services, information, and training have to do with business management technical advice, marketing skills, and access to start-up finances. Shangase (2017:43) adds that business promotion and expansion is concerned with addressing key challenges that business faces throughout the municipality.

#### 2.22.3 Business climate

According to Rogerson (2010:453), the national government supports by proving information and funds to ensure that there is appropriate business climate responsibility. The business climate as in the local municipalities have an impact on public goods, such as schools, physical infrastructure, and services, such as transport and services of electricity and water. The establishment of an appropriate business climate is perceived as a greater opportunity for LED, through attracting business, and supports job creation and enterprise competitiveness (Rogerson 2010:453). Kroukamp (2006:45) adds that business perspectives must be captured and assimilated into policy. This will require making effective linkages with big business.

# 2.22.4 Empowering people

According to McQuaid (1993:109), support for the training of people within forms is recommended, as it plays an active and innovative part in supporting people entering the labour market and seeking new jobs through better training and access to job. Empowerment in the LED includes people from all different perspectives, women, youth, unemployed, and untrained. People in the community can be trained to operate in the work industry for a short time. Local economic development also has to empower people who are not entrepreneurs but who want to become skilled and for people who lack education and skills as well as semi-skilled people. It relates to capacity building and human capital enhancement, as well as improving existing skills that one already has (Msinga Local Municipality 2012:106). The UNDP (2017:15) contends that development should support gender mainstreaming in development strategies to enable effective LED. UN-Habitant (2005:5) is of the view that youth and women might deserve special attention in LED policy, as they tend to be victims of economic shocks and the transitional pressure of change that accompanies economic reformation and globalisation.

#### 2.23 TOURISM AND LOCAL ECONOMIC DEVELOPMENT

Nel and Rogerson (2016:6) concur that tourism promotion has received growing attention in national policy. This is because it impacts the local economies, as visitors locate to the Resorts and Lodges. Sitinga and Ogra (2012:477) acknowledge that tourism has become one the most favourable means through which natural resources can be used in the quest of local economic





development. Sitinga and Ogra (2012:477) further posit that tourism is seen as a possible alternative for establishing and improving economies that contribute to a sector of the economy. Nyikana and Tichaawa (2018:73) concur that tourism development, is an important contracture to local economic development, and when effectively planned and managed, the tourism economy can play a role in the developing world, like South Africa. Rogerson and Rogerson (2014:93) affirm that tourism in South Africa is a priority sector for national economic development. Meyer and Meyer (2015:200) believe tourism has a strong connection with other economic sectors and needs to be optimised for enhancing economic development. Examples of these are, retail, agriculture, and transport.

Musevengane (2018:6) suggests that sustainable institutionalisation is vital to help in poverty alleviation through tourism and job creation. Rogerson and Rogerson (2014:101) point out that the South African environment is appropriate to examine LED and strategy issues from tourism in line with the national government policy initiatives to develop the role of tourism to support local economic development programming. Musevengane (2018:4) argues that poor people's participation in tourism decision-making is important for their livelihoods and it helps is tourism development.

In TLM, tourism creates jobs for local people and thereby reduces poverty, as it often employs locally-based for some activities. Many tourists are attracted to a place where they can see something that does not exist in their own countries. As people travel, they can sell their art-crafts, traditional/cultural products, fruits, and other products that will stimulate the economy. TLM has a role to limit the regulations that hinder tourism. The nature reserves are another way that TLM can consider attracting tourists. Many tourists exist in TLM, such as Nandoni Royal Gardens and Jericho for example, the Royal Gardens resorts hosts functions with various musical artists every year during September (Thulamela Local Municipality IDP 2018/2019:345).

# 2.24 THE MAJOR LOCAL ECONOMIC DEVELOPMENT SECTORS IN THULAMELA LOCAL MUNICIPALITY

Local economic development success depends on the economic sectors that exist in a particular place. Furthermore, local economic development is seen as an economic development approach that is based on the emphasis on local activities, a participatory process whereby local citizens from all sectors work together to stimulate local commercial activity, which will result in a resilient and sustainable economy (Thulamela Local Municipality IDP 2017/2018:242). Houghton (2016:45) states that in rural municipalities much attention is





given to LED in the form of support for agricultural co-operatives and the advancement of the tourism sector.

## 2.24.1 Agriculture

According to Anganang Local Municipality (2013:99), the agricultural sector consists of activities cop production, farming animals, forestry, and market gardening. The Thulamela Municipality is in an area where there are productive agricultural activities, and there are mango atchaar factories as well as juice manufacturing. Although there are no privately-owned farms in TLM, there are several agricultural schemes and projects such as bananas, mangoes, and a cattle farming, although on a small scale. Thabazimbi (2015:34) acclaims that agriculture plays an important role in the South African, economy as it contributes to the economy, and provides employment and income directly and indirectly. Louw and Flandorp (2017:19) are of the view that in TLM, local economic development officials contend that small-holder organisations for those working the land and agro-processing should be emphasised as vital ways of creating employment in rural areas.

#### **2.24.2 Tourism**

According to Meyer and Meyer (2015: 197), several developing countries and regions have started to grow their economies with improved economic involvement through development tourism. The Municipality has many tourist attractions, such as Nandoni Dam, Phiphidi Waterfalls as well as accommodation establishments (TLM IDP 2017/2018:248). Rogerson (2016:328) states that the National Tourism policy acknowledges that local government is a key point for developing tourism and attaining positive results, including LED. Meyer and Meyer (2015:201) assert that it can also be an advantageous for the local economy in terms of value-added services, particularly for countries with effective domestic agricultural sectors.

## 2.24.3 Small, Medium Micro, sized Enterprises (SMMEs)

Small, Medium Micro-Sized Enterprises in TLM are emerging, which include, Spaza Shops, hawkers, and traditional clothing manufacturing. Manufacturing is also found in Shayandima, with heavy and light activities, such as Sasko, SAB (TLM IDP 2017/2018: 249). Although SMMEs exists in Thulamela Municipality, Donga, Ngirande, and Shumba (2016:61) argue that they are faced with various barriers which affect development, such as lack of finance. The market stall is allocated after approval by the portfolio committee, for the existence of SMME The potential areas in SMMEs with the Municipal area are continuously (TLM IDP 2019/2020: 297). This means that the existence of SMME plays a vital role in job-creation, as they exist continuously, they need to be expanded and developed. During the Vhembe SMME summit





held in Thohoyandou Town Hall in 2018, as reported by Nduvheni (2018:1) SMMEs could contribute meaningfully in achieving the goal and objectives of the country's Vision 2030 for sustainable development and a brighter future.

# 2.25 FUNDING LOCAL ECONOMIC DEVELOPMENT IN THE CONTEXT OF SOUTH AFRICA

Funding LED is an important criterion for the effective implementation of community development projects. Local Economic Development failures have been seen as the result of lack of funding in some areas, though it is not always the case. According to Matroko (2012:24), municipalities, as single public entities and some groups of municipalities, have a wide variety of funding sources from which to choose. Nemanashi (2010:20) adds that when it comes to funding LED, South Africa gets financial resources from foreign donors including European Union. Stephanie (2012:31) is of the view that the European Union is the largest development donor which focuses on alleviating poverty and other issues. However, the challenge facing municipalities accessing the support programmes is lack of co-ordination among government departments (Reddy *et al.*, 2003:187). Table indicating the government programmes that support LED and are shown as follows:

Table 2.2 Strategy and relevant departments and programmes for LED.

STRATEGY	RELEVENT DEPARTMENTS AND
	PROGRAMMES
Community economic development	Department of Welfares grants and poverty
	alleviation programmes, Department of
	Public Works Community based Public
	Works Programme.
Small, Medium, Micro-sized Enterprises	Department of Trade and Industry's (DTI's)
	Small Business Support programmes
	(SBSP)
Provision of effective and expansion of	Department of Provincial and Local
existing business	Government's (DPLG), Consolidated
	Municipal Infrastructure Programme and the
	Municipal Service Partnerships
	Programmes.
Retention and expansion of existing	The DPLG's Social Plan Fund, the
businesses	Department of Trade & Industry's to



	enhance industry performance and schemes
	for research development.
Place marketing	DTI's tax holidays, foreign investment grant
	and schemes for export promotion.

(Reddy, Sing & Moodley, 2003: 186).

## 2.25.1. Local Economic Development Fund (LEDF)

According to Reddy *et al.*, (3003:186), the Local Economic Development Fund (LEDF) was launched in August 1999 by the former Minister of Provincial and Local Government, Sydney Mufamadi. The fund is seen as a strategic instrument to support municipalities in promoting economic development. Its main purpose is to provide provisional grants to municipalities to ensure the implementation of job creation and poverty alleviation projects. The LEDF provides a provisional grant to municipalities to a maximum of R1.5 million for the implementation of job creation and projects that create municipal infrastructure. The objectives of this Fund are to ensure the following:

- Job creation;
- Rural development;
- Urban renewal;
- · Women's empowerment;
- · Poverty alleviation;
- Participation of people with disabilities; and
- Youth development (Reddy et al., 2003:189).

# 2.26 LOCAL ECONOMIC DEVELOPMENT AGENCIES (LEDAs) IN SOUTH AFRICA

According to Lawrence and Rogerson (2019:144), in the South African national government, support on the extension of LEDAs, to improve the low performance of LED planning, is one of the cornerstones of the developmental state. Local Economic Development Agencies (LEDAs) are legal, non-profit structures, owned by the public and private entities of the territory. Pretorius and Blaauw (2008:159) concur with Nene (2015:1), by stating that LEDAs originated in Europe during the late 1950s in an effort to prevent the negative effects of economic downswings. Cooperative Governance and Traditional Affairs, (2013), (2014);





Industrial Development Corporation, (2008) add that the LEDAs developed as potential subnational institutions to advance LED and increase economic prosperity in the local government-led development.

Khambule (2018:287) affirms that in South Africa, LEDAs have developed as appropriate institutional arrangements for advancing socio-economic development in the local government-led development landscape, as local municipalities were not able to implement local economic development. According to Nene (2015:1), various countries, developed and developing, in many spheres of government, have innovated organisationally over the previous two decades, to create new development tools and LEDAs and other LED entities that have some specific tasks in pursuing their development agendas. However, in South Africa, LEDAS were the first organisations established during the 1990s (Rogerson & Lawrence 2018:35). Khambule and Cerwel-Proches (2019:42) report that the premises behind the establishment of the LEDAs concern LEDAs being institutional vehicles that are believed to be an efficient and effective partners amongst various local stakeholders, to ensure stakeholders relations and limit the duplication of tasks.

Khambule and Mtapuri (2018:441) maintain that the aim of LEDAs is as a device and mechanism that would respond to the needs of the public and private sectors, to advance inclusive and effective economic development. According to Lawrence and Rogerson (2018:29), LEDAs are increasingly important actors in place-based LED, particularly in the global South. The LEDAs is targeted to function in areas such as townships, rural area, small towns and poorer provinces which face enormous challenges because of the high levels of poverty and underdevelopment (Rogerson 2010:454).

Pretorius and Blaauw (2008:159) maintain that LEDAs are participating structures established at the local level, to ensure sustainable economic growth, income generation, employment, and decent jobs. As pointed out by Suarez, Chica, Troshani, and Coelho (2015:23) that LEDAs were also established to support the SMMEs. Pretorius and Blaauw (2008:159) postulate that LEDAs are aimed to meet the demands of clients, usually SMMEs, with the supply of loans and non-financial services as well as to develop and customise products according to their clients' needs. Lawrence and Rogerson (2018:37) posit that the IDC is a key protagonist and initiator of the current model of LEDAs in South Africa and that municipalities regard this partnership as central in the establishment phase.

Khambule and Mtapuri (2018:452) argue that the South African Government does not support the local enterprises, both financially and non-financially, and LED can only be achieved if support for SMMEs and enterprise exists. Reddy and Wallis (2012:64) suggest that the LEDAs





use the private sector approaches to achieve public sector goals. Khambule and Cerwell-Proches (2018:42) add that LEDAs are instruments that provide efficient and effective partnerships amongst various participants, to improve stakeholder's relations and reduce the duplication of tasks. The LEDAs for supporting Local Economic Development in South Africa include Small Enterprise Development Agency (SEDA) and Sector and Training Agencies (SETAs) responsible for capacity building (Ackron & Auriacombe 2016:158).

#### 2.27 MECHANISM FOR LOCAL ECONOMIC DEVELOPMENT

This section provides of mechanisms that can be applied to ensuring effective LED by municipalities. The mechanisms include partnership for LED, building capacity, community participation, local leadership, and the traditional leaders.

# 2.27.1 Partnership for LED

Meyer (2014:626) suggests that a prospective active driving force behind LED initiatives is partnership formation through local stakeholders. According to Stibbe (2008:4), a partnership can be defined as the collaboration amongst the municipalities, private sector and civil society, to commit to work together on a project or programme, to pursue a common goal and in which the different partners bring complementary resources, contribute to the design of the programme and share risks and benefits. Meyer and Venter (2013:23) maintain that the local development projects held by the local businesses are more likely to succeed than projects attempted by the government alone.

Purshottama and Malcolm (2012:84) state that a conducive and enabling development environment must be created, where the private sector and small business can be successful and flourish, to maintain a good partnership. Rogerson and Rogerson (2012: 56) argue that the main issue for the involvement of the private sector is to develop the local business environment, to allow private enterprises- large and SMMEs, formal and even informal enterprises, to participate with LED. The Department of Corporative Governance and Traditional Affairs, (2016:88) adds that municipalities should be involved with outside economic stakeholders as well as other spheres of government, to develop a public understanding of economic development and jointly solve the problems through sector forums.

According to the World Bank and IFC (2012:34), improved partnerships have resulted in creating more competitive local economies, which attract and maintain private sector investors. Van der Waldt (2018:14) adds that strong partnerships between business, municipal officials, councillors, private landowners, and community leaders improve the quality and





successful implementation of coherent development. Also, Maxengwana *et al.*, (2015:79) opine that partnership alleviates the constraints of skills and budget account, by allowing for shared technical and social capital and knowledge systems. Seanego (2013:12) contends that partnership is an effective result involving of all participants and the final agreement of all crucial parties to a particular problem, which increases the livelihoods of successful identification of community with LED projects and community life in general.

#### 2.27.2 Building capacity

Meyer and Venter (2013:110) argue that skills training for all councillors and senior officials to create improved awareness is crucial. There is also a need to develop capacity, improving business-related skills, and including an entrepreneurial attitude aiming at local government functionaries (Purshottama and Malcolm 2012:84). Maxengwana *et al.*, (2015:79) contend that skilled technical and administrative officials should ideally involve people who understand and have the competence to comply with the functional systems of the municipality to meet the intended outputs and outcomes of LED. Maxengwana *et al.*, (2015:80) further argue that training should be need-based and should focus on technical, managerial, and conflict resolution skills development.

According to Department of Corporative Governance and Traditional Affairs, (2016:87), the capabilities that the municipality should consider are strategic leadership, economic literacy, networking, partnership building, and negotiation with broader interests, to ensure that job creation is attained while maintaining a proper balance between economic objectives and social considerations. Department of Corporative Governance and traditional Affairs, (2016:87) further, notes that the municipality must consider appointing economists, project facilitators, and people with appropriate business experience.

# 2.27.3 Community participation in local economic development

Van der Waldt (2018:14) is of the view that robust community participation in decision-making is more likely to respond to the needs and priorities of communities and experience more legitimacy in the design of LED projects. As amended in the Local Government: Municipal Systems Act, 2000 (Act N0 32 of 2000), public participation is a key element of the Act, and municipalities are obliged to establish mechanisms for public participation and participatory governance (Nel and Binns 2001:356). Un-Habitant (2005:8) posits that the involvement of community members in the LED is crucial, as people express their views, concerns, and issues that can be included in the planning process. It can be deduced that the role of community participation is to ensure that attention is given to enhancing benefits to local





people and lessening negative results by gauging the needs and perspectives of local communities that will be affected.

Maxengwana et al., (2015:92) stipulate that participation within the context of community development means the citizens can analyse their situations, identify their needs and take decisions that will result in improving socio-economic situations. Communities should participate in decisions-making in social and economic issues (Tshandu 2010:46). Tsheola and Mokgokong (2012:381) state that decisions should be made about which services to provide and which ones not to provide, and that can only be achieved through community participation.

#### 2.27.4 Traditional leaders' role in LED

Chapter 12 of The Constitution of the Republic of South Africa of 1996, acknowledges traditional leaders. Section 212 (1) of the Constitution of the Republic of South Africa, 1996 provides that the role of traditional leadership as an institution at a local level is to deal with matters affecting local communities. Purshottama and Malcolm (2012:83-84) argue that traditional leadership is critical, particularly in the rural areas, where local economic development is more desirable to provide for local people. The Msinga Local Municipality (2012:122) states that traditional leaders are critical in the sense that they have the authority in the land tenure and ultimately LED. Traditional leaders are an integral part of the development process and their roles needs to be acknowledged and defined. TLM IDP (2018/2019:28), indicates that the municipality is characterised by private land ownership, which technically is owned by traditional leaders.

Van der Waldt (2018:14) posits that a buy-in from traditional leaders and the incorporation of indigenous knowledge systems generally results in a more successful design and implementation of LED strategies. The role of traditional leaders in LED is also supported by Section 81(1) Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998), which recommends that participation of traditional leaders within local government administration in areas wherein they reside is important (Nel and Binns 2001:355). However, Department of Corporative Governance and Traditional Affairs, (2016:81) is of the view that, to make LED projects better, there must be policy and strategy development that addresses aspects such as planning, enhanced integration, management, and taxation for traditional leaders.



In the case of TLM traditional leaders form part of the municipal council, and that makes it possible for land to be used for developmental purposes. Traditional leaders have an opportunity to attend meetings of IDP and Budget, therefore, they can influence decision-making in LED (TLM IDP/2019/2020:43).

### 2.27.5 Local municipality leadership

Local leadership is critical and essential for LED success, as stated in the journal of Meyer (2014:630). According to Meyer (2014:630), government leaders are expected to take the lead in coordination and facilitation as well as leaders from community groups. Malefane (2011:979) states that the leadership of LED can provide critical leadership in decisions on resource allocation, to match the priorities of local communities. Local municipality leaders, such as IDP and LED leaders, possess active and innovative skills and can make a hugely positive impact. The local leaders stimulate confidence in the local economy and should mobilise resources for the benefit of local communities (DPLG 2010-2011:12).

The UCLG Policy Paper (2016:7) points that the important aspects in LED are: local leadership and coordination in planning and implementation of LED strategies, either directly or indirectly through delegation to community-based agencies. The Department of Corporative Governance and Traditional Affairs, (2016:86) contends that local authorities should be structured in such a way that it tackles unemployment and strengthens the local economy through taking on a more decisive leadership roles and directing policies and investments. The important part of local leadership ought to be derived from the White Paper on Local Government (1998) relating to the economic role of the municipalities.

#### 2.28 IMPLEMENTATION OF LOCAL ECONOMIC DEVELOPMENT IN SOUTH AFRICA

Koma (2012:127) contends that the local government as a government at the grassroots is well positioned to identify, drive and execute programmes intended to address local economic growth and development challenges confronting South Africans. Koma (2014:43) opines that policy implementation refers to the setting in motion of policy directions, as authorised by the decision-makers and following their prescriptions. On the other hand, Mafunisa (2002:89) defines implementation as the focused change that follows a strategy mandate, and the process of reorganising patterns of conduct to honour the prescriptions outlined in the decisions. Implementation is the manifestation of the policies or strategies taken by the local government to address the challenges of poverty and unemployment.





Malele (2018:10) argues that implementation, management, and sustainability of LED projects on job creation and poverty alleviation have to be given prioritised. Matroko (2013:18) notes that the implementation of LED policies is dependent on the capacity of local authorities to participate in a wide array of stakeholders who represent planners, decision-makers, and the citizens. In addition, Mabece (2017:25) points out that successful implementation of the LED depends on the concrete decision-making with regards to economic priority areas and the availability of funds. Bohwana (2014:52) opines that the municipality has an important role to play in creating and facilitating linkages between the initiatives and support organisations and overriding implementation, but does not become actively involved in implementation.

Matshazi (2017:144) claims that, regardless of the strategy preferred, the local authority and local community members and business are instrumental in ensuring the successful implementation of LED. One of the frameworks for implementation in South Africa include the National Spatial Development Perspective 2006. The framework is aimed at coordinating and guide the policy implementation across the government. The Msinga Local Municipality (2012:7) suggest that the framework recognise the need for good government in all spheres of government, to coordinate, prioritise and facilitate local economic development.

# 2.29 LOCAL ECONOMIC DEVELOPMENT INITIATIVE AS PER THE WHITE PAPER ON LOCAL GOVERNMENT 1998

The White Paper on Local Government 1998, provides the initiatives that can be adopted to ensure sustainable local economic development. These are aimed at improving the successes of LED in current and future development projects.

# 2.29.1 Reviewing existing policies and procedures to enhance employment and investment

Parnell and Pieterse (2002:262) state that policies refer to the statement of intent that has been established by the government as a strategy to develop new initiatives. Small businesses depend on the policies of the government to function. They are also subject to municipal procedure such as ownership of the land. The procurement procedures and the step-by-step way of doing things, can be reviewed, to maximise the influence of municipal procuring on job creation and the local economy. Preference is given to local suppliers and small enterprises in the informal sector. The labour-intensive affirmative action can be introduced to avoid the exploitation of worker's local economies and job creation as well as labour in the local areas. There should also be greater security through the provision of targeted information and training. The local government, as a local economic development promoter should be flexible,





through diminishing the bureaucratic and red tape tactic, that prolongs the process of building permits for developers. The development of a spatial framework that identifies land residential, commercial and mixed development can be used speed up rezoning, by establishing clear guidelines (White Paper on Local Government 1998).

# 2.29.2 Provision of special economic services

Section 152(1) of The Constitution of the Republic of South Africa, 1996 states that local government is responsible for promoting the social and economic development of communities. This provides municipalities with a mandate to provide special economic services. Marketing and investment support can be provided to attract and secure prospective investors. Small business support services should be provided to assist small entrepreneurs. Research and technology are important ingredients for innovation in an increasingly competitive international economy. Training and placement services can be provided to help people acquire the skills they need to find work or to find jobs once they have the skills (White Paper on Local Government 1998).

#### 2.30 EMPIRICAL EVIDENCE ON COMMUNITY PROJECTS IN TLM

In the Thulamela Local Municipality some projects exist, whereby communities create their employment and alleviate poverty. The project that have been identified, in which apart from the ones listed in chapter four, is Zwonndina Bricks at Ngweanani ya ha Themeli. It is estimated to have 10-15 full-time members. Some of the projects include those projects wherein people start businesses for themselves. Those projects include of poultry farming, broilers and eggs, like the one indicated in chapter four-figure, 4.29. Agricultural farming also exists whereby, cabbages are sold even to big retailers such as Shoprite, as indicated in Figures 4.26, 4.27, and 4.28. These small projects can employ people from the communities and generate income for them. It is then vital that these projects be encouraged, and when expanded and they funded can perform well.

It can be deduced that as the TLM creates an enabling environment for LED to take place, community development projects are likely to take place. Therefore, it can be said that the role of LED is crucial as it is an integrated strategy that encourages all stakeholders in the community to take part in the development of the local economy through various projects that generate income and alleviate poverty. Many community development projects can be developed in the TLM such as farming, as the land is vastly plentiful and the soil is rich for crop production. This will create jobs and people can sell their crops to big retailers in Thohoyandou, and elsewhere, and this will improve the economy. TLM should encourage the





communities to develop some programmes and help in providing the necessary funds to implement the projects.

#### 2.31 CONCLUSION

The literature review on Local Economic Development as a strategy that enhances community development projects has been reviewed. Various studies that were conducted by different scholars have been discussed at length. A theoretical framework guiding LED was provided. The study looked at the conceptualisation of LED. It focused on the perspectives of LED. The study further discussed the legislative framework for LED. It also touched on the development strategies and programmes in South Africa pre-post- and apartheid 1994. The study also discussed the stages of LED, as well as the LED approaches. It further explained in detail LED in South Africa. Furthermore, the study explained the LED strategic planning process. In addition, the study discussed the key role players in LED and explained the importance of LED. The study also looked at Innovation on the LED. The study also covered the LED and community development projects and discussed the outcomes of LED in the communities, including the challenges of LED. Furthermore, the study looked at the unemployment and poverty reduction in South Africa as well as the role of local government in LED.

The study also discussed LED and Integrated Development Plan, as well as LED and service delivery. This was followed by a discussion of the importance of community participation in LED projects. Furthermore, the study outlined planning strategies for LED, and discussed tourism and LED. Moreover, the study discussed the major LED sectors in TLM and funding LED in the context of South Africa. The study also explained the LED agencies in South Africa. In addition, the study also looked at the mechanisms for LED and discussed the implementation of LED in South Africa. The study also discussed LED initiatives as per the White Paper on Local Government 1998 and, finally the study explained the empirical evidence on LED and community development projects. The views on the important aspects of local economic development as a strategy to enhance community development projects were pursued and explored in detail. The next chapter provides the research design and methodology used in conducting the study.



#### CHAPTER THREE

#### **RESEARCH METHODOLOGY**

#### 3.1 INTRODUCTION

The previous chapter presented literature review on local economic development. This chapter presents the research design and methodology that was used in conducting the study. The research design and methodology used in the study are defined and explained in detail. The reasons and advantages for using specific designs and methods are clarified. It also focused on clarifying the population in which the study targeted and the sampling procedure as well as the reasons and advantages of using specific participants is well explained.

The study used the pragmatic research paradigm. The reason being that it combined both the qualitative and quantitative methods in a single study. Convergent parallel design was adopted in the study, whereby qualitative and quantitative data were both collected in order to take advantage of each method. Mixed method research was used to conduct the study to ensure that the benefits of each method was taken into consideration during the study. The study area was identified and it was Thulamela Local Municipality. The study included the officials and residents of TLM as well as other involved stakeholders as a sample procedure.

Respondents and participants were selected purposively to ensure that data were collected with people who had the information. The sampling size was determined to draw effective conclusions. The methods for collecting data used was triangulation. The reason was to collect data through both questionnaires and interview schedules in a study. The pilot study was considered and it served as an effective part in making adjustments on the instrument used. Data were analysed through inferential statistics and narrative analyses depending on the type of method used to collect data. The ethical considerations were followed in conducing the study to protect respondents and participants against any harm. The chapter discussed research methodology in detail.

# 3.2 RESEARCH PARADIGM

Morgan (2014:1049) defines research paradigm as the social worlds where research communities use a powerful influence over the beliefs considered to be meaningful and the actions are accepted as appropriate. On the one hand, Levers (2013:3) defines a research paradigm as a system of ideas that are used by the community of researchers to generate knowledge. It can be deduced that the research paradigm is a technique in which the researcher gathers the social beliefs of people. The research paradigm helps the researcher in understanding what reality is, and how a researcher knows about something, as well as to





determine a way of finding out that reality. Therefore, this study used the pragmatic research paradigm which is described below:

## 3.2.1 Pragmatic paradigm

The reason for choosing this approach is because it allows the researcher to be both subjective in their reflection on research and objective in data collection and analysis (Shannon-Baker 2016:322). Kalolo (2015:150) notes that using pragmatic is beneficial because of its complementary nature whereby the weakness of one approach is complemented by the strength of the other. Khan (2014:1) points out that a pragmatic paradigm means understanding the realities of a situation and making decisions constructed on thorough research. Pragmatic is chosen because it uses both qualitative and quantitative research paradigms. The purpose of using the pragmatic paradigm was that one method would not be sufficient to get all the answers; therefore, using the multiple method technique enhanced the achievement of the target.

#### 3.3 RESEARCH DESIGN

Khothari (2004:31) and van Wyk (2013:4) define a research design as the planning of conditions for the collection of data and analysis of data in a manner that aims to combine relevance to the research purpose, with the economy in procedure. Kumar (2011:96) asserts that a research design is a plan, structure, and strategy of investigation, so conceived as to obtain answers to the research question. It can be deduced that a research design is a strategy used when conducting research, whereby the methods of collecting and analysing data are identified.

# 3.3.1 Convergent parallel design

According to Hadi and Closs (2015:2), the convergent parallel design is where both the qualitative and quantitative components are conducted independently and concurrently. This design is based on the collection of data using both quantitative and qualitative methods and analysing it. It is important as it will help in gaining an in-depth understanding of the research problems. It also helps in obtaining different but complementary data. Halcomb and Hickman (2015:7) state that qualitative and quantitative data will be collected at the same time. Using this design reduces the amount of time spent on collecting data. The study used a naturalistic observation and case study to determine the important aspects of LED. To gather more information and compliment observation, the subjective views of LED were collected through a questionnaire and interviews.





#### 3.3.1.1 Descriptive research

Kumar (2019:13) states that descriptive research tries to describe systematically a situation, problem phenomena, service of programme information about, the living circumstances of a community or describe issues towards attitudes. On the other hand, Mkisza and Elpus (2018:1) define descriptive research as the most typically an exploration of what is, what exists, and the status of any given topic of interest. Nassaji (2015:129) adds that the goal of descriptive research is 'what' rather than 'how' or 'why' things have happened. According to Lambert and Lambert (2012:255), descriptive research is the study of comprehensive summarisation and daily terms of a specific event experienced by individuals or groups of people. Thus, descriptive research was used to provide accurate and valid data related to the research question.

#### 3.3.1.2 Contextual research

Kumar (2019:13) simply states that contextual research attempts to explain 'why' and 'how' there is a relationship between two aspects of a situation externally valid findings or broad relations among variables uncovered during the survey. Schooneboom and Johnson (2017:5) provide a broader definition by arguing that contextual research refers to cases in which the combination is justified in terms of qualitative research, providing understanding, coupled with either generalisable. On the other hand, Halzblatt and Beyer (2015:2) define contextual design as a user-centred design process that uses in-depth field research to drive innovative designs. According to Henn, Weinstein, and Foard (2006:48), contextual research focuses on specific events in natural settings. The study was conducted with selected municipal officials and community members, ward councillors, and traditional leaders as respondents. This was done to provide an understanding of the complexities of all stakeholders so that it can be captured, and mechanisms can be suggested for providing effective LED.

# 3.4 RESEARCH METHOD

According to Lei (2012:125), research methodology refers to the overall approach to the research process. William (2011:1) defines research methods as the tools and techniques for conducting research. The study used mixed-method research (MMR), which is a combination of both qualitative and quantitative methods.

# 3.4.1 Mixed Method Research (MMR)

Regnault, Willgoss, and Barbic (2018:1) define MMR as the use of a well-defined and prespecified design that enunciates purposely and prospectively, qualitative and quantitative mechanisms, to produce a combined set of evidence addressing a single research question. According to Cameron (2015:33), MMR is effective for supporting the evidence in a study in





the field of Public Administration. Hadi and Closs (2015:5) define mixed method research (MMR) as a type of research that includes collecting, analysing, and mixing both qualitative and quantitative data in a single study or series of studies. Mixed method research provides broader and in-depth perspectives of the study. Bamberger (2012:5) posits that the mixed method seeks to integrate the disciplines of the social sciences with mainly quantitative and mostly qualitative approaches to theory, data collection, data analysis, and interpretation. The mixed-method was used, as it extracted the strengths and diminished the weaknesses in both approaches.

# 3.4.2 Qualitative research methodology

Alduais (2017:2) concurs with Mahesh and Sara Neena (2011:17), as well as with Rahman (2017:103), in defining qualitative research methodology as a method that investigates the activities, beliefs, values, and situations of other human beings. Ijeoma (2014:280) posits that the method provides a deeper understanding of a subject and its contextual setting, provides descriptions of reasons and associations. It seeks to understand the world around the people, through attitudes, behaviour, motives, ideals, and intentions. The study used the qualitative research method to understand the social views, perceptions, and problems that people face concerning the concept of LED. The study used an in-depth interview to understand people's perceptions. It was chosen because it allows the research to suggest possible relations amongst the cause, effect, and dynamic process. The method also allows the researcher to discover the experiences of people.

#### 3.4.3 Quantitative research methodology

Ortiz and Provencio (2015:2) define quantitative research as a rational and information-led strategy that offers a gauge of what individuals believe from a numerical and statistical perception. Rahman (2017:105) maintains that this method stresses measuring the variables that exist in the social world. It seeks to find the cause and effect of the objectives. Quantitative research relates to the aspects that can be quantified. Mahesh and Sara Neena (2011:18) also define quantitative research as a large part of the adaptation of the natural science experiment as the model for scientific research. It focuses on quantitative measurement of the phenomena studied and systematic control of the theoretical variables influencing those phenomena. As the quantitative method uses statistical techniques, it was used to allow for sophisticated data analyses.



#### 3.5 STUDY AREA

The study was conducted in the Thulamela Local Municipality (TLM). TLM is found in the Vhembe District Municipality in the Limpopo province of South Africa. Thulamela Local Municipality is a Category B municipality established in terms of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998). Thulamela is one of the four local municipalities in Vhembe District Municipality (VDM). The other three are Musina, Makhado, and Collins Chabane. It is the Eastern-most local municipality within VDM, with Kruger National Park forming the eastern boundary while sharing a border with Makhado in the South and south-west. Thulamela is the smallest municipality of the three, approximately 2 254 km2 in size. The main economic sectors in TLM are agriculture, tourism, SMME, and retail. A map of TLM that shows its geographical picture follows:

Folovhodwe Guyuni Shakadza Hamakuva Dolidol Ha-Lambani Tshilamba Rambuda Tshaulu Maphophe Thohoyandou Ntlhaveni Dopeni Mauluma Fondwe Bevhula Shigalo Green Farm Malamulele Xitlhelani Giiana Mathule Phaphazela Mulangaphuma Mtitit Valdezia Machele Shivulani Google Muyexe Ka-Bungen

Figure 3.1: Thulamela Local Municipality Map.

(Sources Map data 2019 AfriGIS (Pty) Ltd).

#### 3.6 POPULATION OF THE STUDY

Etikana, Musa, and Alkassim (2016:1) contend that a population refers to the total quality of things or cases which are the subject of the research. According to Burns and Grove (2003:213), population refers to all the components that meet the criteria for presence in a study. For this study, the population of the study is the residents and officials under the





jurisdiction of TLM. Thulamela Local Municipality is the second largest of all municipalities in terms of population in Limpopo Province. The population size in 2016 was 497137 (Thulamela Local Municipality, 2018/2019:14). There were 721 personnel as of 2016/2017 in TLM. The study involved selected participants and respondents; namely: municipal manager, mayor, IDP staff members, LED staff members, public participation staff members, ward councillors, community development workers, civic chairpersons, traditional leaders, and selected community members who were above the age of 18 years.

#### 3.7 SAMPLING

According to Singh and Masuku (2014:3), sampling is a selection of a subdivision of individuals from within the population, to make estimation of the characteristics of the entire populace. Kumar (2011:12) contends that sampling is a process of selecting a few cases from a bigger group to become the basis for estimating the prevalence of unknown pieces of information, the situation regarding the bigger group. The sampling method used in the proposed study was purposive sampling as discussed below:

# 3.7.1 Purposive sampling

Etikana *et al.*, (2016:2) contend that purposive sampling is a measured choice of a participant due to the qualities the participant possesses. According to Creswell and Plano Clark (2011:34), purposive sampling involves identifying and choosing individuals or groups that are educated or qualified about the phenomena of interest. The purposive sampling method was used to gather more information from participants who are qualified and have information that is relevant to the study. This sampling type allows the researcher to use the knowledge and skills to choose respondents to be included in the study.

# 3.7.2 Sample size

According to Sing and Masuku (2012:6), sample size refers to the technique of selecting the number of observations to include in a sample. The sampling size was 110, representing all stakeholders. The researcher chose this number as it focused on specific individuals: municipal manager, traditional leaders, and community members. The aim is to find detailed information from the LED role players and those involved in the community development, as well as those who benefit from the developed communities. The group of stakeholders that were sampled, therefore, were the municipal manager municipal mayor, IDP staff, LED staff, public participation staff, ward councillors, community development workers, civic chairpersons, traditional leaders, and selected community members, who receive services from the Municipality. The sample is described in the table below:





Table 3.1 Sample size

Group of stakeholders	Number of samples
Municipal manager	1
Municipal mayor	1
Local economic development staff	5
Integrated development plan staff	5
Public participation staff	5
Ward councillors	10
Traditional leaders	15
Community development workers	10
Civic chairpersons	10
Selected community members	48
Total	110

#### 3.8 DATA COLLECTION METHODS

Data was collected using the mixed method. The study used questionnaires, interviews, and observations to collect the data, to achieve the objectives of the study. Through observation, the researcher observed the community projects that exist. According to Patil (2014:562), the above tools help the participants to express their cultural, social, administrative, economic, and political constraints. According to Wisdom and Creswell (2013:1), in mixed-method data collection, both types of data are roughly collected at the same time, assessing information using parallel constructs for both types of data, separately analysing and comparing results through procedures.

# 3.8.1 Triangulation

In triangulation data is collected through written questionnaires and interviews with partakers (Patil 2014:562). Ijeoma (2014:286) adds that there is a use of numerous methods to study a single problem, such as interviews and literature review. Ijeoma (2014:270) further, states that the results are more dependable when they can be adapted from several sources. The study used both primary sources and secondary sources to collect the data. According to Mahesh and Sara Neena (2011:24), primary data refers to data collected for the first time, and happen to be original, collected by the researcher for the research at hand.

Questionnaires and interviews were used to collect data as part of the primary sources. The other source is the secondary source, and it is defined as data that have already been collected by someone else and which have already been passed through the statistical





process (Mahesh & Sara Neena 2011:25). The secondary use of data collection was done through the use of books, journals, articles, legislation, and reports. The reason was that it would enhance the validity of the results and provide a deeper and wider understanding of the researcher. The instruments used to collect data are discussed below:

#### 3.8.2 Questionnaire

Patil (2014:562) posits that a questionnaire is a tool for collecting a large amount of data swiftly and reasonably. According to Peterson (2012:43), a questionnaire is a self-report data collection instrument that is filled out by the research participants. The researcher formulated the research questions that were filled out by the participants. The questionnaire helps the researcher in providing the exact information required by the researcher. The reason for using the questionnaire was that the opinions of the respondents can be obtained in a structured manner. Due to the limited time frame using the questionnaire saved time, yet provided precise answers. The researcher used a closed-ended questionnaire to discover the responses that are spontaneous and avoid bias that may result from suggesting responses to respondents. A structured questionnaire provides respondents with various answers to choose from, as they consist of a Likert scale that consists of 'strongly agree', 'agree', 'not sure', 'disagree', and 'strongly disagree'.

# 3.8.3 Interview

According to Patil (2014:563), an interview is a meeting at which somebody is asked questions to find out their views. An interview schedule was used as another instrument to collect data. Kumar (2011:137) affirms that any person-to-person communication, either face to face or otherwise, between two or more individuals, with a precise determination in mind, is an interview. The reason for choosing the interview was that it seeks to encourage free and open responses and participants will be able to express their feelings. The good thing about an interview is that it allows for in-depth information from the respondents. Interviews permit face-to-face contact with the participants. The study used an interview schedule with open-ended questions to collect data. Questions were the ones that are related to the study to guide the interview in collecting data. The advantage of using an interview schedule is that it increases the credibility and reliability of the data that will be gathered. Also, this method allows the researcher to gather more information.

#### 3.8.4. Observation

According to Viimeisin (2012:1) observation is a method, by which the researcher gathers the knowledge of the study phenomenon through observing the phenomena, as and when it occurs. The observation was used as a way to identify the relationship with informants, learn





how participants in the setting interact and how things are organised and prioritised in that setting. The advantage of using the observation is that the research can access the aspects of the social setting that might not be visible to the general public. The researcher interacted with people and become their member of the community. This helped in identifying the social issues during participation in the LED forums.

#### 3.9 PILOT STUDY

A pilot study according to Ismail, Kinchin, and Edwards (2017:1), is a small-scale research project conducted before the final full-sized study. In (2017:602) posits that a pilot study is significant for improving the quality and efficiency of the key study. The proposed study used a small number of participants that were not included in the actual main study, to help in enhancing the accuracy of the study and testing the data collection instrument. Three respondents were given the questionnaire and two participants were given the structured interview. Those five respondents are excluded from the main study, so to avoid data flaws.

#### 3.10 DATA ANALYSIS

Data analysis is the arrangement and clarification of language material, to make statements about implicit and explicit dimensions and structures of meaning-making in the material and what is represented in it (Flick 2013:468). Data were analysed using both quantitative and qualitative methods. According to Onwuegbuzie and Combs (2011:2), mixed-method data analysis involves the use of both quantitative and qualitative analytical techniques within the same framework. The use of the mixed method in data analysis helped to provide a broader perspective to the study. Two methods of data analysis namely, inferential statistics and narrative analysis, are described below:

## 3.10.1 Inferential statistics

Inferential statistics attempts to create a conclusion that reaches beyond the data observed. Inferential was used to analyse data as it involves using information from a sample to make inferences and make an estimation, about the population. International Business Machine (IBM): Statistical and Product Service Solutions (SPSS 25.0) is computer software, that was used to analyse the data. Data are presented through statistical graphs and tables, percentages and frequencies, in a form of descriptive analysis. Editing is the process that increases the quality of data for coding. Tabulation is part of a technical process wherein the categorised data are put in the form of tables (Mahesh & Sara Neena 2011:31 and Khothari 2004:18).





#### 3.10.2 Narrative analysis

The data collected through the interview was analysed in narrative form. Qualitative data analysis is used to understand and interpret people and situations that are being investigated. The data is presented through discussions and visuals that are told during the content of the research, to represent themes. Lacey and Luff (2007:22) contend that narrative data needs to be numbered using paragraph numbers, to ensure that any unit of text can be traced back to its original context. The steps to be followed in analysing qualitative data are explained below:

# • Transcription

Akinyonde and Khan (2018:166) believe that transcription is a process through which the raw data from the interview are recorded in a sheet. Lacey and Luff (2007:20) note that almost all qualitative research studies involve transcription, the data may be tape-recorded interviews. It also involves focus groups and handwritten notes. Therefore, the researcher recorded the data collected and documented them simultaneously.

# Organising data

Akinyonde and Khan (2018:166) affirm that this must be done directly after the researcher gets home from the field According to Lacy and Luff (2007:22), data should be organised into easily retrievable sections. The researcher gave each interview a code and organised them into unity to reduce duplication and identify data. This was done to rectify inconstancy in the data if any.

#### Familiarisation

Akinyonde and Khan (2018:166) affirm that this needs more attention and representation. Lacy and Luff (2007:22) note that the researcher listens, to tapes, reading and re-reading, making memos and summaries before the formal analysis begins. As the researcher gets extra help to collect the data, it is vital to proofread the data, to familiarise the researcher with the data collected.

# Coding

Akinyonde and Khan (2018:166) contend that coding is aimed at reducing the data by sorting out the information transcript segment with the aid of a coding framework. The data were sorted and organised by assigning a word for each coding category.





#### Themes

Akinyonde and Khan (2018:167) believe that themes are important as they enrich the meaning and implication of a wider theme that combine several organising themes. In this stage, Lacey and Luffer (2007:24) note that themes of emergent concepts should be identified. The researcher engaged in re-coding data to develop well-defined categories.

#### 3.11 ETHICAL CONSIDERATIONS

Hickey (2018:6) posits that ethics represent a code of conduct that governs how people treat each other. Participants are not supposed to feel vulnerable during the study. Fouka and Mantzorou (2011:4) state that ethics are a system of principles that can critically be considered about choices and actions. According to Mahesh and Sara Neena (2011:15), ethics in social research has to do with addressing those issues that concern the behaviour of social researchers and the consequences that their research brings to the people they study. The ethical consideration observed was permission to conduct the study informed consent, respect of privacy and confidentiality and anonymity of the respondents, and potential harm to participants.

#### 3.11.1 Permission to conduct the study

The researcher obtained permission to conduct the study from the institution in which the study took place. The University of Venda issued the letter showing that the student has permission from the university to do the research. The researcher also obtained a letter from Thulamela Local Municipality that permitted the researcher to collect data, as well as from the traditional leader. The study involved the municipal manager, municipal staff members, ward councillors, and selected community members. Evidence such as a letter of permission to conduct the research is attached to the dissertation.

#### 3.11.1 Informed consent

The principle of informed consent is a fundamental one in research, as is the notion that individuals have a personal autonomy and decision-making capacity to decide for themselves whether to participate in a given research project or not (Farrimond 2017:15). Participants can then decide based on the information provided whether or not to join the study (Kruger, Ndebele and Horn 2014:57). According to Kumar (2011:219), it is unethical to collect information without the knowledge of the participants, and their expressed willingness and informed consent. The participants for this study were informed before collecting any data and that they can stop participating if they so wish. The participants were provided with adequate information about the proposed study, and ensure they also understand the information being provided





#### 3.11.2 Respect of privacy and confidentiality

Farrimond (2017:15) contends that this has to do with making data autonomous, but also through robust data protection and not by discussing private details given by participants with others outside the research. According to Kruger *et al.*, (2014:36), the information generated from the research has the potential to harm research participants, which can lead to discrimination, stigmatisation, and the possibility of revealing false paternity. Peiper and Thomson (2014:232) concur that to maintain public trust, confidence, and respect, participants must be treated with respect. Therefore, privacy and confidentiality were not taken for granted. The participants were told where the information will be used and the reasons.

#### 3.11.3 Anonymity of the respondents

Farrimond (2017:15) maintains that the purpose of offering participant's anonymity is to protect their privacy, something that is also supported by Parveen and Showkat (2017:5). For this study, the participants were assured of their anonymity to ensure that they feel no pressure to participate. This was done by not using their real identities and other personal details so that others would not know who they are.

# 3.11.4 Potential harm to participants

Parveen and Showkat (2017:5) stress that individuals must be informed of the potential consequences of participating in the research. Lutambingwa and Nethonzhe (2006:69) caution that harm in this instance does not necessarily mean physical harm. In other words, people can also be hurt by asking them to reveal information that would humiliate them, or anything that they do not want to share. Harm to participants was avoided at all costs and the researcher ensured that nothing that may harm the participants either physically or mentally is asked.



#### **CHAPTER FOUR**

#### DATA PRESENTATION, ANALYSIS AND INTERPRETATION

#### 4.1 INTRODUCTION

This chapter presents, analyses and interprets the data collected through questionnaires and interviews. The purpose of the research was to examine local economic development as a strategy to enhance community development projects in Thulamela Local Municipality in Limpopo Province. The other purpose was to recommend the strategies that can be used for LED, to improve community development projects. The findings will be based on the following objectives amongst others: To identify the importance of local economic development in the communities of TLM, the challenges militating TLM in achieving effective local economic development through community development projects etc. Data was collected from selected participants that include, municipal officials, community members, traditional leaders, ward councillors, and ward committee members, community development workers, and civic chairpersons residing in the Thulamela Municipality. Data was collected through structured questionnaires and open-ended interviews. The first section provides the data collected through questionnaires while the second is based on the data collected through interviews.

#### 4.2. ANALYSIS OF DATA COLLECTED THROUGH RESEARCH QUESTIONNAIRE

Questionnaires were distributed to 100 respondents. Some of the questionnaires were sent electronically, due to the researcher's inability to contact respondents physically because of the Covid-19 pandemic. All the questionnaires carried the same questions for all respondents. All the questionnaires distributed were returned. This section provides data collected through questionnaires. After data is presented and analysed, it was properly interpreted.

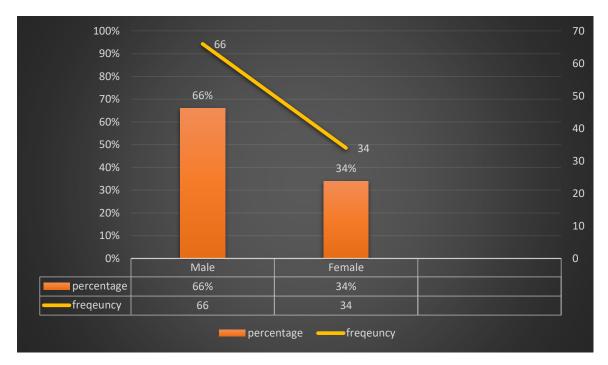
# 4.2.1 Section A: biographical information of the respondents

This section presents the biographical details of the respondents, including, gender, age, category of respondent, educational qualifications and language. The importance of this information is, amongst others, to find out how people falling under the different categories view issues and respond to questions.





Figure 4.1: Gender of respondents



The research findings indicate that the majority of respondents 66 (66%) were males, and 34 (34%) were females, as shown in the above figure. the researcher had hoped to have a fair distribution of along gender lines however, the study indicates that the majority of respondents were mostly males. As the study had a target population mostly, those who understand LED, it thus indicates that males are more active stakeholders in projects.



Figure 4.2: Age of respondents

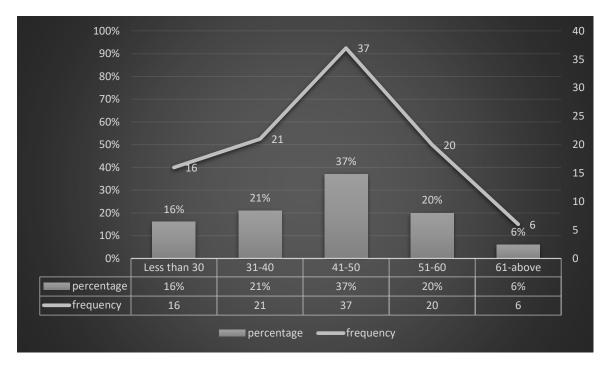


Figure 4.2 Shows the age of respondents from the 100 in the study. The reason for determining the age of respondents was to indicate and ensure the level of maturity of respondents. The diagram shows that 16 (16%) respondents were under the age of 30, while 21 (21%) were aged 31-40 years. The results also show that 37 (37%) were aged 41-50. These are participants who are municipal officials, and are involved with stakeholders in LED. The other group were those who aged 51-60, which makes it 20 (20%). The remaining were 61 of age and above, which was 06 (6%). From the above information, it can be affirmed that the majority of respondents were aged of 41-50, which is 37 (37%), and they are likely to have information on LED.



50 45

40

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20

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10

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10

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manager

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100% 90% 47 80% 70%

Ward

Figure 4.3: Category of Respondents

47%

Commun

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member

47%

47

Tradtion

leaders

60% 50%

40%

30%

20%

10% 0%

percentage

frequency

The graph above shows that from the total number of 100 respondents who took part in the study, 47 (47%) were taken from the communities, as the main beneficiaries of the community projects. The other 9 (9%) were traditional leaders, and the next 5 (5%) were chosen from the ward committee members as they also have an understanding and information with regard to LED. Another 9 (9%) were respondents from the civic organisation, while 9 (9%) were municipal officials, and another remaining 10 (10%) were community development members, another was, 1 (1%) as the municipal manager and the remaining was a (1) 1% municipal mayor. The rationale of choosing these participants was to ensure that data is gathered from people who have an understanding of LED.



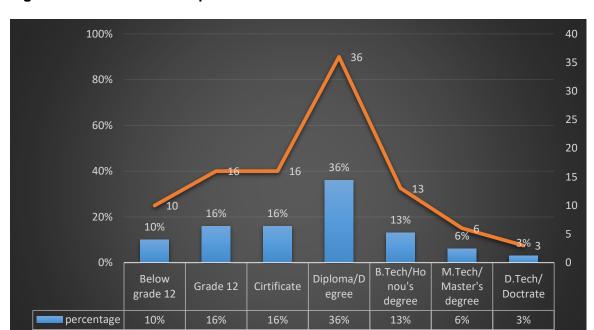


Figure 4.4: Educational qualifications

frequency

10

16

Out of the 100 respondents, as stated in Figure, 4.4, 10 (10%) did not have grade 12, while 16 (16%) had grade a 12 and 16 (16%) held a certificate. The majority of respondents 36 (36%), had a diploma/ degree, and 13 (13%) had a B-Tech/ Honour's degree. Another 6 (6%) of participants had an M-Tech/ Master's, while the remaining 3 (3%) had a Doctorate. This affirms that the majority of participants are knowledgeable, and are able to read and understand the objectives of the research and information provided to them. This would enable them to respond in a way that reflects the truth with regard to their understanding of LED.

36

6



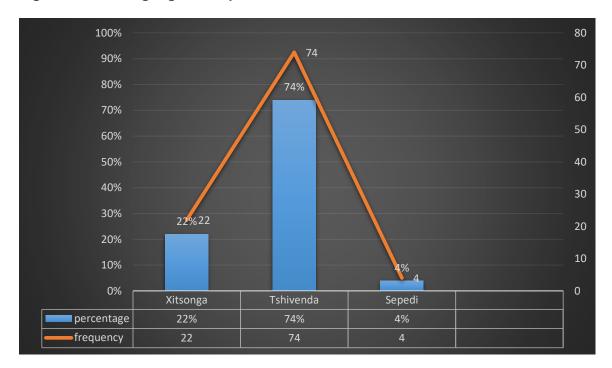


Figure 4.5: Language of respondents

Although the questionnaires the researcher printed in English it was still vital to find out the language spoken by the respondents. The rationale for checking was to enable to use a language that people understand. From the total number of 100 respondents, 74 (74%) of the respondents were Venda-speaking while 22 (22%) spoke Tsonga and the remaining 4 (4%) were Sepedi-speaking group.

# 4.2.2 SECTION B: LOCAL ECONOMIC DEVELOPMENT AS A STRATEGY TO ENHANCE COMMUNITY DEVELOPMENT PROJECTS IN THE THULAMELA LOCAL MUNICIPLAITY IN LIMPOPO PROVINCE

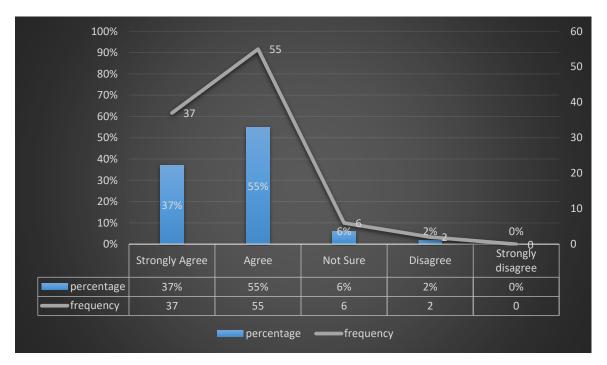
This section provides the data collected through a research questionnaire. All (100) the research questionnaires were returned by respondents. This section is divided into four (04) sub-section, and represents the following: local economic development as a strategy to enhance community development projects in Thulamela Local Municipality; the challenges militating the Thulamela Municipality in achieving effective local economic development through community development projects; the importance of local economic development projects in the communities of TLM; and the strategies and recommendations on enhancing local economic development for community development projects.



# 4.2.2.1 Local Economic Development as a strategy to enhance community development projects

This sub-section presents the data on local economic development as a strategy to enhance community development projects in Thulamela Local Municipality. The information is presented in graphs with frequencies and percentages, followed by a synthesis of information.

Figure 4.6: Local Economic Development is a strategy for improving community development projects.



From the 100 respondents who took part in the study, 55 (55%) agreed with the idea that LED is a strategy for improving community development projects, while 02 (2%) disagreed with the statement. There were 06 (6%) were not sure as whether LED is a strategy for improving community development projects or not. Thirty-seven (37), which constitutes 37% of the respondents, strongly agreed that LED is a strategy for improving community development projects. These research findings support the notion that the municipality uses LED as a strategy to enhance community development projects. The strategy is planned in such a way that its objectives are aligned to community projects.



100% 60 50 40 12% 10% 30 20 10 1% 0 Stronlgy Strongly Agree Agree Not sure Disagree Disagree percentage 54% frequency

Figure 4.7: Local Economic Developments can alleviate poverty.

As shown above in Figure 4.7, and based on the 100 respondents who were part of the study, 32 (32%) strongly agreed, that local economic development can alleviate poverty, while 02 (2%) disagreed with the statement. However, 12 (12%) indicated that they were not sure as to whether LED can alleviate poverty or not. The majority, 54 (54%) agreed with the statement, while the remainnder 01 (1%), strongly disagreed. Respondents believed that poverty reduction is essential for any community, and there was a need for LED to be adopted. The results show that there are differences in the views of respondents but based on the majority of 54 (54%) LED is agreed to be a strategy to create jobs.





Figure 4.8: Local economic development can create job opportunities.

Form the 100 respondents as indicated above in Figure 4.8, the majority 50 (50%) strongly agreed that local economic development can create job opportunities, and there were no respondents who strongly disagreed. On the other hand, 07 (7%) were not sure as to whether LED cab create job opportunities. However, 42 (42%) agreed with the statement. The results showed that only 01 (1%) respondent disagreed. The results also indicated that there is a correlation, as per those who strongly agreed 50% and agreed 42% with the given statement. Moreover, there is a clear consensus on the significance of LED as a job creation strategy, based on the majority of respondents on the statement. It can be affirmed that the LED strategy can create job opportunities as indicated by the high numbers who agreed with the statement.



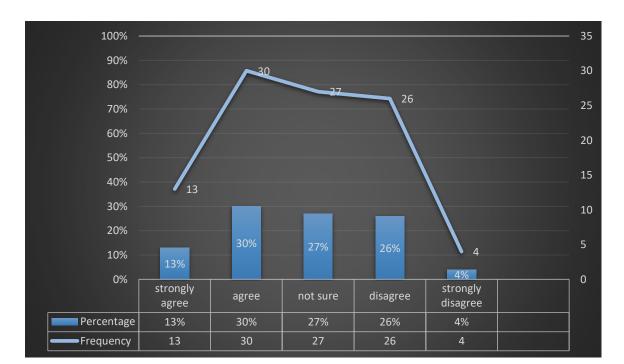
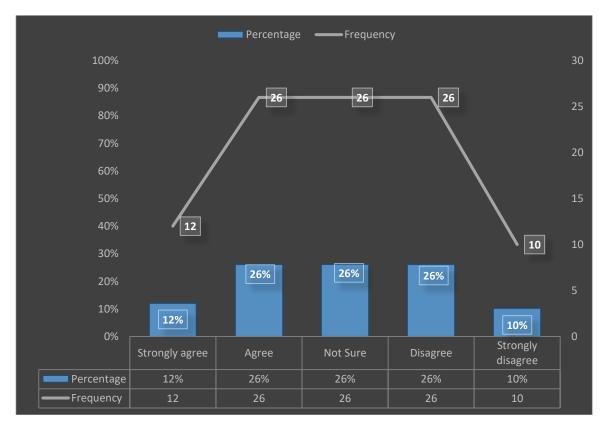


Figure 4.9: LED provides regular training to project coordinators

The 100 respondents were asked whether LED provides regular training to project coordinators. The responses indicate that few, 13 (13%), strongly agreed that LED provides regular training to project coordinators. As shown in the figure above, 04 (4%) strongly disagreed with the statement. On the one hand, twenty-six, which constitutes 26 (26%) were not sure as to whether Municipality provide regular training to project coordinators or not. The majority of 30 (30%), agreed with the idea, while 26 (26%) disagreed. The results also indicate that there is a negative relationship based on the responses of those who disagreed 26% and strongly disagreed 4% with regard to training. The possible which possible explanation is that there is insufficient information on whether LED provides regular training to project coordinators based of the responses.



Figure 4.10: Municipality has a clear channel of communication with regard to the LED projects



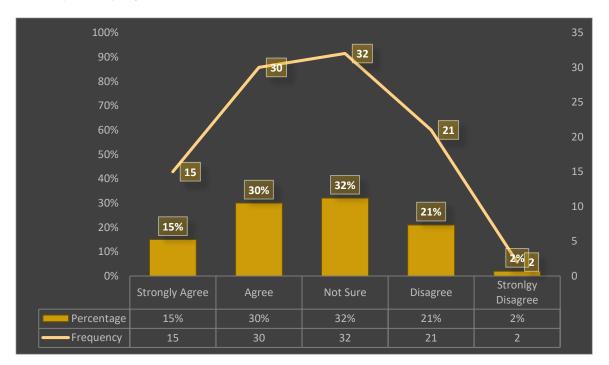
As shown in the Figure 4.10 from the 100 respondents 12 (12%) strongly agreed that the Municipality has a clear channel of communication with regard to LED projects. However, 10 (10%) strongly disagreed with the statement. Furthermore, there is 26 (26%) of the respondents were not sure as to whether the Municipality has clear communication with regard to LED projects or not. On the other hand, 26 (26%) of the respondents agreed with the statement. In addition, 26 (26%) disagreed with the idea. The important part of LED is to ensure that all the involved stakeholders must understand and have the necessary information regarding LED, including the way it is communicated. Based on the results it is clear that there is no clear relationship. The results also show that communication is not as clear as it is supposed to be. This implies that the Municipality needs to find a way in which communication is strengthened for better effectiveness of LED through ways such as *Imbizos*, newsletters and even social media platforms. It can simply be stated out that there is lack of clear communication.



# 4.2.2.2 The challenges militating the Thulamela Municipality in achieving effective local economic development through community development projects

This sub-section presents the data on the challenges militating the Thulamela Municipality to achieve effective local economic development through community development projects. The information is presented on graphs with frequencies and percentages, followed by a synthesis of information.

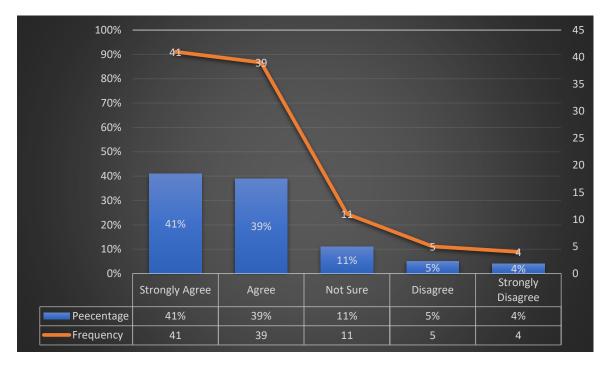
Figure 4.11: Local Economic development provides funding to implement community development projects.



Out of the 100 respondents who were part of the study, Figure 4. 11 indicates that 15 (15%) respondents strongly agreed that local economic development provides funding to implement community development projects, while 02 (2%) strongly disagreed with the statement. Furthermore, 32 (32%) indicated that they were not sure as to whether LED provides funding to implement community development projects or not. Thirty constitutes (30%) agreed that community projects are funded, while, 21 (21%) disagreed. The findings of the research show that there is no clear relationship on the concept of funding. It shows that funding exists, however little is known about it. Based on the above results, it can be said that respondents some of whom run community projects know nothing about the funding that LED provides. In addition, the study shows that there is inadequate information regarding financial resources that LED offers to members of the community, who might want to start projects.



Figure 4.12: Planning structure influences the effectiveness of the local economic development Strategy



The 100 respondents in the study, were asked whether planning structure influences the effectiveness of LED, the majority, 41 (41%), strongly agreed, while 04 (4%) strongly disagreed with the statement. On the one hand, 11 (11%) of the respondents were not sure as to whether planning structures influences effectiveness of the LED or not. The research findings further showed that 39 (39%) agreed with the statement, while the remaining 05 (5%) disagreed. Based on the 41 (41%) of those who strongly agreed, and the 04 (4%) who strongly disagreed, it is clear that there is positive sign that LED as a strategy must be planned in such a way that it incorporates the economic issues of unemployment and poverty. Projects are planned and there is a budget plan for implementing LED projects.



Figure 4.13: Stakeholders participate actively in LED and their inputs are considered in decision-making of LED in the Municipality.



The 100 respondents who took part in the study, were asked about the rate at which participation of stakeholders was perceived. The results showed that 22 (22%) of the respondents strongly agreed that stakeholders participate actively in LED and their inputs are considered in decision-making of LED in the Municipality, while 11 (11%) strongly disagreed. However, 18 (18%) were not sure as to whether stakeholders participate effectively in LED and if their inputs are considered in decision-making of LED by the Municipality or not. On the other hand, 22 (22%) agreed with the statement, while the majority, 27 (27%) disagreed with the idea. Based on the results as indicated by the majority of those who disagreed 27 (27%) there is no clear relationship on the participation of stakeholder. The results also show that although some, 22(22%), participate in LED, there is a number of people who are not participating effectively, making the LED strategy redundant, as it is aimed at working with all people in the community. Lack of participation makes it difficult for both stakeholders to be part of the community projects, as they will lack the support they need, such as funding, and the skills needed to facilitate the projects.



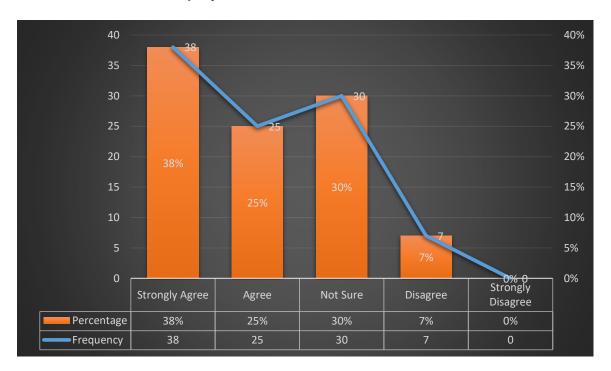
100% 50 45 90% 40 80% 35 60% 30 25 40% 20 30% 15 20% 10 11% 10% 2% 0% Strongly Strongly Agree Agree **Not Sure** Disagree Disagree 0% Percentage Frequency Percentage Frequency

Figure 4.14: Skills and administrative capacity need to be strengthened in LED

The 100 respondents who were part of the study, were asked whether skills and administrative capacity need to be strengthened. The majority, 45 (45%) strongly agreed, and no respondents who strongly disagreed with the statement. However, there were 11 (11%) who were not sure as to whether skills and administrative capacity need to be strengthened in LED or not. Th study further showed that 42 (42%) agreed with the idea, while 2 (2%) disagreed with the statement. Therefore, based of the results, as indicated by the high number, 45 (45%), who strongly agreed, the findings show that the Thulamela Municipality needs to employ officials who are skilled and are properly capacitated administratively. The results also show that there is a vital relationship on the skills and administrative capacity. These are the very important aspects primarily required to carry out the tasks and implement LED projects. There is a serious challenge in the Municipality with regard to their skills and administrative capacity



Figure 4.15: Harmonising the relationship between the municipality and traditional leaders to enhance LED projects in the communities



According to Figure 4.15, out of the 100 respondents the majority 38 (38%) strongly agreed that harmonising the relationship between the Municipality and traditional leaders enhances LED projects in the communities, and no respondents who strongly disagreed with this statement. Thirty, which constitutes (30%) were not sure as to whether harmonising the relationship between the Municipality and traditional leaders enhances LED projects in the communities or not. On the other hand, 25 (25%) agreed with the idea, while 07 (7%) disagreed. The results also show that there is a clear relationship based on the 38 (38%) of those who strongly agreed on the importance of harmonising the relationship. The possible explanation is that traditional leaders, as the custodians of communal land where projects ought to take place, must have a good relationship with the Municipality, to make it possible to start new and develop existing projects.



## 4.2.2.3 The importance of local economic development projects in the communities of TLM

This sub-section presents the data on the importance of local economic development projects in the communities of TLM. The information is presented in graphs, with frequencies and percentages, followed by a synthesis of information.

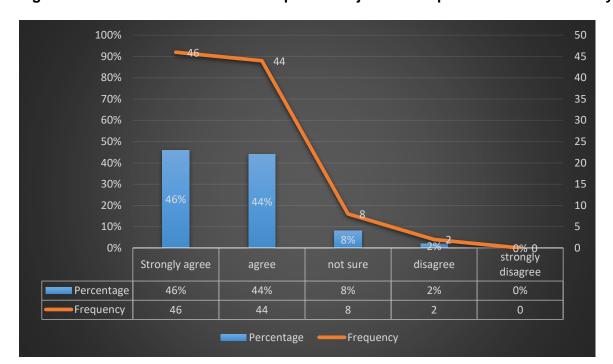
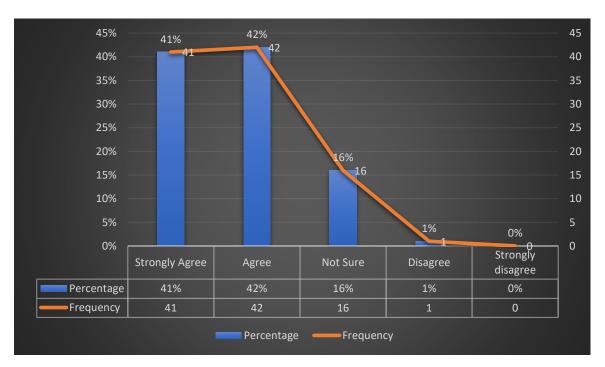


Figure 4.16: Local Economic Development Projects are important in the community.

From the 100 respondents who were part of the study, the majority of 46 (46%) strongly agreed that local economic development projects are important in the community, and there were no respondents strongly disagreed with the statement. There were 08 (8%) respondents who were not sure as to whether LED projects are important in the community or not. On the other hand, forty-four, which constitutes (44%), agreed with the idea, while the remaining 2 (2%) disagreed with the statement, there were no respondents who strongly disagreed. Based on the research results, the high number of people who strongly agreed (46%) and agreed (44%), it is clear that LED projects, when well-established are crucial in alleviating poverty and creation of job opportunities. The results also show that there is a high relationship on LED projects and community improvement through achieving LED projects.



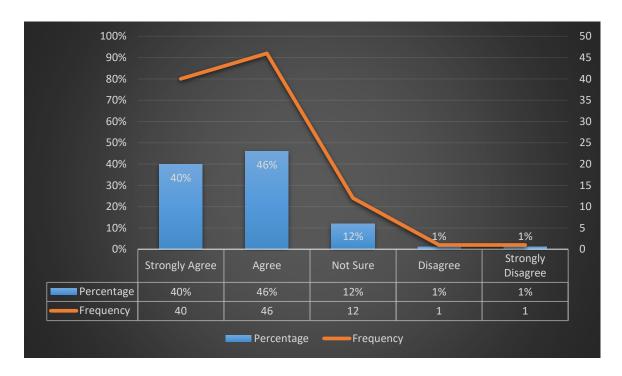
Figure 4.17: The Cordial partnership reflects/shows the importance of stakeholders on LED.



As shown in Figure 4.17, 41 (41%) of the respondents strongly agreed that a cordial partnership reflects the importance of stakeholders on LED, and no respondents strongly disagreed with the statement. There were 16 (16%) respondents who were not sure as to whether cordial partnership shows the importance stakeholders on LED or not. The majority of forty-two which constitutes (42%) agreed with the statement, while the remaining respondent 01 (1%) disagreed with the idea. The results indicate that there is a strong correlation between the Municipality and other partners for LED as reflected by the high number of those who strongly agreed (41%) and agreed (42%) Partnership is perceived as an important strategy for the implementation of LED, there were no respondents who strongly disagreed. The possible explanation would be that the Municipality's LED is also dependent on partnerships to succeed. It works with other institutions, to ensure that projects are started and funded accordingly, as well as run effectively. This can be traced to the fact that the Municipality raises lack of funding as a major impediment.



Figure 4.18: Local Economic Development contributes greatly to the stimulation of the local economy.



Out of a total 100 respondents the majority 46 (46%) of the respondents strongly agreed that local economic development contributes greatly in the stimulation of local economy, while, 01 (1%) strongly disagreed with the statement. There were 12 (12%) respondents who were not sure about the statement or not. Forty respondents which constitutes (40%) agreed with the given statement, while, 01 (1%) disagreed with the idea. From the results 46 (46%) it is clear that the existence of community projects results in money circulation within the community, leading to the stimulation of the local economy. The results indicate that there is a possible explanation, that there is a close relationship between stimulation of the local economy and LED. Further the results show that LED contributes greatly to the local economy through community projects that generate income.



100% 60 90% 50 80% 48 70% 40 60% 30 50% 24 40% 20 27% 30% 20% 10 10% 1% 0% Strongly Strongly Agree Not Sure Agree Disagree Disagree Percentage 24% 0% Frequency 24 0 ■ Percentage Frequency

Figure 4.19: Location Theory is vital in promoting local economic development

From the total number of 100 respondents who took part in the study, the above Figure shows that 24 (24%) strongly agreed, that location theory is vital in promoting local economic development, and there were no respondents who strongly disagreed with the statement. There were also 24 (24%) respondents who were not sure as to whether location theory is vital in promoting LED or not. The majority of Forty-eight respondents which constitutes (48%) agreed, with the statement, while, 1 (1%) disagreed. Location theory is an important aspect of the LED. The results indicate that Location theory is an effective instrument for LED, as it is aimed at utilising the available resources, local people as well as the skills that exist in the community to benefit the people of that particular community based on 48 (48%) of those who agreed. A possible explanation based on the results would be that there is a clear relation of Location theory and LED.





Figure 4.20: Community members are part of their own development

According to the figure above, respondents were asked whether community members are part of their own development. From the 100 respondents 46 (46%) of the respondents strongly agreed that community members are part of their own development, while there were no respondents who strongly disagreed. There were 09 (9%) of respondents who were no sure as to whether community members are part of their own development or not. on the one hand, 41 (41%) agreed with the statement, while the remainder 4 (4%) disagreed. This means that community members are involved in activities that involve development of their own community. Community development expects people from that area to come and work together to develop their community. There is a high relationship, as indicated by the respondents (46%) who strongly agreed and agreed (41%) that community members should be effective and actively involved in their own development. This is achievable through projects that are started, as they are aimed at addressing the economic challenges of the community members.

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#### 4.2.2.4 Community development projects strategies for the enhancement of LED

This sub-section presents the data community development projects strategies for the enhancement of LED. The information will be presented in graphs with frequencies, and percentages followed by a synthesis of information.

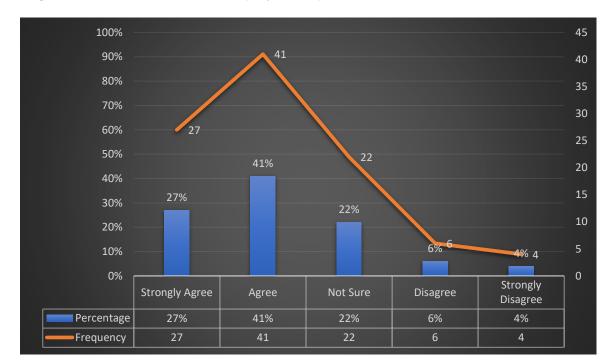
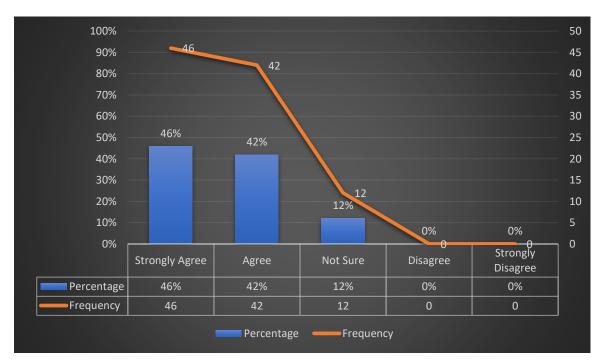


Figure 4.21: Traditional leaders play an important role in LED

From the 100 respondents who were part of the study, 27 (27%) strongly agreed that traditional leaders play an important role in local economic development, while 04 (4%) strongly disagreed with the statement. There were 22 (22%) respondents who were not sure as to whether traditional leaders play an important role in LED or not. The majority of forty-one respondents which constitutes (41%) of the respondents agreed with the statement, however, 6 (6%) disagreed with the idea. The findings reveal that; traditional leaders should be part of LED by virtue of them being custodians of the land as shown by 41 (41%) of those who agreed. It can be explained that the results indicate that traditional leaders' role is vital in LED as an important step to be taken even before the projects are established, by determining the location of the projects.



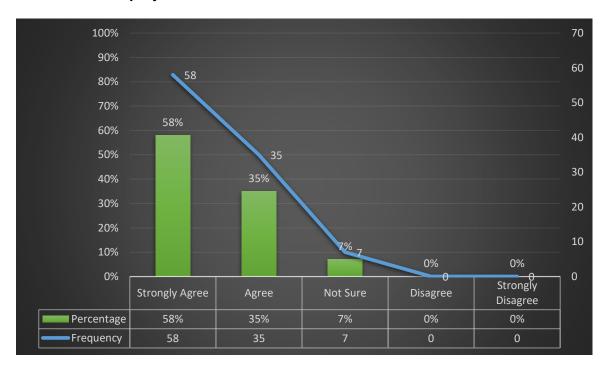
Figure 4.22: Stakeholders should be encouraged to participate in local economic development



From the 100 respondents who were part of the study, the majority 46 (46%) strongly agreed that stakeholders should be encouraged to participate in local economic development, and ther were no respondents who strongly disagreed. There were 12 (12%) respondents who were not sure whether stakeholders should be encouraged to participate in LED or not. Further the research findings revaled that 42 (42%) agreed with the idea, while there were no respondents who disagreed. The majority of respondents strongly agreed (46%) that participation should be encouraged. The results show that there is a remarkable relationship between LED and participation from various stakeholders.



Figure 4.23: Municipalities should form partnership with other stakeholders for the success of LED projects



Out of the 100 respondents who were part of the study, the majority of 58 (58%) strongly agreed that municipalities should form partnership with other stakeholders for the success of the LED projects, and no respondents who strongly disagreed. Another, 07(7%) of the respondents were not sure as to whether municipalities should form partnership with other stakeholders for the success of LED projects or not. On the other hand, thirty-five which constitute (35%) agreed with the idea, while there were no respondents who disagreed. Fifty-eight (58%) strongly agreed with the findings that partnerships are another way for effective LED. Due to lack of funds, and other service delivery challenges encountered by the Municipality to communities, partnership is essential. A possible explanation would be that where the municipality cannot support the projects, it can outsource, and ask for external assistance from other organisations.



100% 50 90% 45 40 80% 70% 35 30 60% 50% 25 40% 20 20% 10 10% 10% 0% 0% 0 Strongly Strongly Agree Agree Not Sure Disagree Disagree Percentage 44% 0% Frequency 44 0 0

Figure 4.24: Monitoring and evaluation should be made on projects implemented.

From the 100 respondents, 44 (44%) strongly agreed that monitoring and evaluation should be made on projects implemented, while there were no respondents and no respondents who strongly disagreed with the idea. Ten (10%) of the respondent were not sure as to whether, monitoring and evaluation should be made on projects implemented or not. Forty-six (46%) agreed with the statement while there were no respondents who disagreed. The results show that (46%) respondents believe that projects must be monitored and evaluated, in order to prevent the short-comings on the projects. Investigation also plays a vital role mostly on how public funds were spent on the projects and providing the reports.



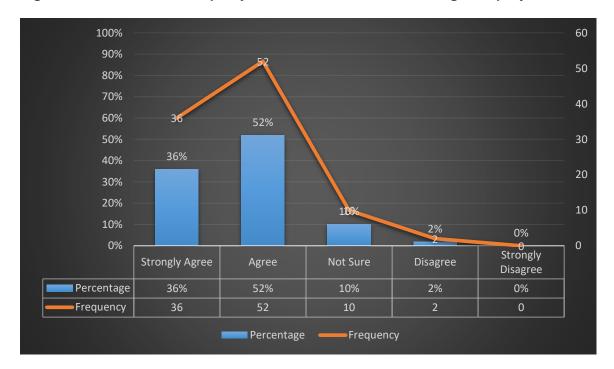


Figure 4.25: Local municipality should fund new and existing LED projects

From the 100 respondents, 36 (36%) strongly agreed that local municipality should fund new and existing LED projects, while there were no respondents who strongly disagreed. Ten 10 (10%) respondents were not sure as to whether local municipality should fund new and existing LED projects or not. The majority of fifty-two (52%) agreed with the statement while, the remaining 2 (2%) disagreed with the idea. The results indicate that there is a close relation between funding and LED projects. A possible explanation would be that the projects that exist should be funded, so that they can grow bigger. While newly established projects should be funded in order to create jobs for the people. Local projects were struggling to be expand, because of setbacks that needed more financial resources. On the other hand, some newly-established projects they just needed more support, even in facilitation on how the project could add more value to the community and be well-marketed.

#### 4.3 ANALYSIS OF DATA COLLECTED THROUGH RESEARCH INTERVIEW GUIDE

This section provides the data analysis collected through interviews. After the presentation, the data is analysed and interpreted. However, the interview schedule was different from the questionnaire, yet still representing the same research objectives. Structured interview schedules were conducted with 10 respondents. It included three LED officials, two IDP officials, one traditional leader, one civic organisation committee member, one ward councillor, one public participation officer, and one ordinary community member involved in community projects.



## 4.3.1 SECTION A: BIOGRAPHICAL INFORMATION OF PARTICIPANTS

This section provides data collected through interviews.

 Table 4.1:
 Biographical information of participants

GENDER OF	AGE OF	CATEGORY OF	QUALIFICATION	FIRST
PARTICIPANTS	PARTICIPANTS	PARTICIPANTS	OF PARTICIPANTS	LANGUAGE OF PARTICIPANTS
				PARTICIPANTS
Male	51-60 years	TLM official	M.Tech/	Venda
			Master's degree	
Male	31-40 years	TLM official	M.Tech/	Venda
	·		Master's degree	
Female	31-40 years	TLM official	M.Tech/	Sepedi
	·		Master's degree	·
Male	51-60 years	TI M official	Diploma/ Digree	Venda
Wale	or oo youro	1 LIVI OIIIOIGI	Diploma, Digito	Vollad
Male	51-60 years	TI M official	M Tech/Master's	Venda
	o. 00 you		degree	
Male	41-50 years	Civic	M.Tech/	Venda
	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Organisation	Master's degree	
Mala	44 50	TLM	NA Tack /	\/a ia ala
iviale	41-50 years	Community		Venda
		member	Master 3 Degree	
Male	61and older	Traditional	Diploma/degree	Venda
		Leader		
Male	51-60 years	Ward	B.Tech/	Venda
	-	Councillor	Honours Degree	
Male	Under 30	TLM official	B.Tech/	Sepedi
	years		Honours Degree	- r
	Male Male Male Male Male Male Male Male	Male 51-60 years  Male 31-40 years  Female 31-40 years  Male 51-60 years  Male 51-60 years  Male 41-50 years  Male 41-50 years  Male 51-60 years  Male 51-60 years  Male Under 30	Male 51-60 years TLM official  Male 31-40 years TLM official  Female 31-40 years TLM official  Male 51-60 years TLM official  Male 51-60 years TLM official  Male 51-60 years TLM official  Male 41-50 years Civic Organisation  Male 41-50 years TLM Community member  Male 61and older Traditional Leader  Male 51-60 years Ward Councillor  Male Under 30 TLM official	Male 51-60 years TLM official M.Tech/Master's degree  Male 31-40 years TLM official M.Tech/Master's degree  Female 31-40 years TLM official M.Tech/Master's degree  Male 51-60 years TLM official Diploma/ Digree  Male 51-60 years TLM official M.Tech/Master's degree  Male 51-60 years TLM official M.Tech/Master's degree  Male 41-50 years Civic M.Tech/Master's degree  Male 41-50 years TLM Official M.Tech/Master's degree  Male 41-50 years Degree  Male 51-60 years TLM Community Master's Degree  Male 51-60 years Ward Diploma/degree  Male 51-60 years Ward B.Tech/ Councillor Honours Degree  Male Under 30 TLM official B.Tech/



As indicated in the preceding table the participants, A, B, D, E, F, G, H, I, and J were male, while participant C a was female. Prior to the collection of data, it was envisaged that there would be gender balance. However, the majority of participants turned out to be male. Furthermore, the study had intended to include both genders. However, most positions were held by males. The study had no intention to include more males than females. Regarding the age of participants, participant J was less under the age of 30. On the other hand, participants B and C were of the same group. Furthermore, while participants F and G fell under the same age group. In addition, participants A, D, E and I was of the same age group, while H was also of the other group age. Participant A, B, C, D, E, and J were the Thulamela Local Municipality officials, while participant F was the Civic organisation chairperson. Also, participant G was a TLM community member, while, participant H was a traditional leader. In addition, participant I was a ward councillor. As shown in the Figure, participants, A, B, C, E, and G holds an M. Tech/Master's degree, while participant, D, and H were holders of a diploma/degree. Furthermore, participants I and J were holders of a B. Tech/honours degree. Participants A, B, D, E, F, G, H, and I were Venda-speaking while participants C and J were Sepedi speaking. This means that the majority of the participants, were males, TLM officials, and Vendaspeaking people.

## 4.3.2 SECTION B: SECTION B: LOCAL ECONOMIC DEVELOPMENT AS A STRATEGY TO ENHANCE COMMUNITY DEVELOPMENT PROJECTS

This section provides the data collected through interviews. The Interviews were conducted with ten participants and they responded positively with regards to what they knew. This was conducted with three LED officials, two IDP officials, one traditional leader, one civic organisation committee member, one ward councillor, one public participation officer, and one community member involved in community projects.

## 4.3.2.1 Question 1: How can the Local Economic Development strategy enhance community development projects in TLM?

## Participant A

With regard to the question asked the participant replied that LED can enhance community development projects by creating a conducive environment to start businesses and to flourish and providing funds to emerging businesses.





## Participant B

In response to the question above, the participant noted that LED can be achieved by prioritising low-income families and unemployed persons. It is vital to develop sustainable strategies and projects that are aimed at poverty alleviation and job creation. The participant stressed that involving strategic capacity for planning in the strategic planning process.

#### Participant C

When asked the question, the participant contended that the LED strategy is a guide to planning, budgeting, and implementing the project within the communities of TLM. Therefore, it constitutes the plan of community development projects that are incorporated into the LED strategy.

#### Participant D

In response to the question, the participant said that LED will provide and enhance skills amongst stakeholders. The participant further, stated that LED can be improved by encouraging youth to start businesses with the assistance of the National Youth Development Agency (NYDA).

#### Participant E

In response to the question, the participant replied that the LED strategy can be used by identifying challenges faced by communities regarding economic development. The participant also affirmed that the community can be involved actively in the development of local economic strategy and help to identify local needs and local content.

### Participant F

With regard to the first question, the participants replied that LED can be used by assisting small emerging businesses/projects with funding. The participant got comfortable and further stressed that improving skill development through training and capacity building.

### Participant G

The participant was asked whether public participation is key to economic development. It was further revealed, as the participant continued to explain that a feasibility study of projects is essential, to stimulate growth in the local economy. It was revealed that allocation of financial resources is needed to generate business development. It was further affirmed community





development projects can be enhanced through training, funding, and support towards projects.

## Participant H

With regard to the question asked, the participant replied that LED can enhance community development projects by establishing projects that are aimed at creating jobs and alleviating poverty, such as the farming of vegetables and fruits. The participant added that it can be achieved through funding the projects that already exist and supporting young entrepreneurs by encouraging them to start businesses.

#### **PARTICIPANT I**

In response to the question, the participant simply stated that LED can be achieved through funding, training guidance, and support of community projects.

#### **PARTICIPANT J**

The last participant responded to the question, by stating that the LED strategy can enhance community development projects through enforcing public participation and engaging all stakeholders in participating actively in projects, aimed at the development of the community.

In response to the question, participants A, D, and H all stated that LED can be used as a strategy to encourage youth/people to start businesses. This was indicated by participant D, can be supported by NYDA. Participants B and H, also revealed that LED can be used to start projects that are aimed at job creation and poverty alleviation. Participants A, F, G, H, I shared a similar view that LED can be achieved through funding community projects. On the other hand, participants G and I affirmed that the strategy can enhance LED by training guidance to the community projects. Furthermore, participants E, G, and J suggested that LED can be used to enhance public participation/community involvement in community development. Participants E and J, contended that all stakeholders can participate actively in projects aimed at the development of the community. Participants B and C had similar views that LED is a strategy that needs strategic planning, which involves budgeting and implementation.

Participant A, asserted that the strategy can be used to enhance community development projects through the creation of a conducive environment to start businesses and provide funding to emerging businesses, while participant B suggested that LED can be achieved through prioritising low-income families and unemployed persons. Participant C stated that LED constitutes the plan of community development projects that are incorporated in the LED strategy. With regard to the question, participant E maintained that LED can be used to identify





the challenges faced by communities regarding economic development. On the one hand, participants D and F asserted that LED can be used to improve skills through training and capacity-building. Furthermore, participant G, stated that feasibility studies for projects are essential to stimulate growth and the local economy. In addition, participant G asserted that financial resources should be allocated to generate business development. It means that LED strategies can be used to encourage youth to start businesses, engage in community participation, and get involved in funding community projects. This shows that the LED strategy can be used to fund community projects, encourage youth to start businesses, enhance public participation, planning, and training guidance.

# 4.3.2.1.1 Question 1.1 Can Local Economic Development be adopted as a strategy to stimulate the local economy of TLM? (Yes or No Please Motivate)

### Participant A

With regard to the above question, participant replied in the affirmative, that TLM can encourage emerging businesses for growth of the local economy through poverty alleviation funds which assist those who need financial assistance.

## Participant B

The participant answered in the negative, that the unity may not have adequate think tank and fiscal support to undertake such a momentary task.

## Participant C

When responding to the question, the participant replied in the affirmative, that when SMME's are supported locally, they could be able to thrive and grow and be able to supply worldly. Participant further, stated that start-ups can supply with fewer costs until they can expand. Furthermore, local people are also encouraged to spend finances within the municipality and grow the economy of the Municipality.

## Participant D

With regard to the question, the participant answered in the affirmative, that it can because economic development needs a plan, a strategy encompasses identifying challenges and recommendations. The participant explained that the project's research work needs to be done as part of identifying the gaps, new information, and comparing with the rest of the practices elsewhere.





## Participant E

Based on the second question on whether LED can stimulate the local economy, the participant replied in the affirmative that it can create a conducive business environment to newly developed areas. The participant stated that monitoring and evaluation of plans, projects, and programmes for communities and parastatals and government.

#### Participant F

Responding to the questioned asked, the participant answered in the affirmative that LED can be adopted through supporting tourism development, agricultural projects, manufacturing, and commercial transport.

## Participant G

In response to the second question, participant G answered in the affirmative that economic development can be adopted to stimulate the local economy. The participant added that it will empower the local people to play a significant role in local gross domestic product. It was further indicated that the problem of unemployment will be curbed and poverty.

#### Participant H

The participant replied in the affirmative that this is a strategy that can provide people with jobs while removing poverty as well as developing local communities. The participant added that projects that are developed will improve infrastructural development such as roads, for transporting goods and services that are locally produced.

## Participant I

The participant replied in the affirmative that as it is aimed at developing projects that create jobs and reduce poverty for local people. The participant pointed out that when there is money to circulate economy is stimulated.

#### Participant J

In response to the question, the participant in the affirmative asserted that people will be able to identify the preferred needs so that the municipality through LED will be able to fulfil the economic needs. The Municipality will be able to deliver adequate services according to the demands of communities.





Participants A, C, D, E, F, G, H, I, and J answered in the affirmative, while participant B answered in the Negative. On the question that was asked, participants G, H, and I revealed that the LED strategy can be as it will create jobs and reduce poverty. Similarly, participant A affirmed that TLM can encourage emerging businesses for the growth of the local economy through poverty alleviation funds, which assists those who need financial assistance, while participant B, answered, the unity may not have an adequate think tank and fiscal support to attend such monitory task. On the one hand, participant C attested that when SMMEs are supported locally, they could be able to thrive and grown and be able to supply internationally. It was further revealed that start-ups can supply with low costs until they can expand. Again, the participant stated that local people are encouraged to spend finances within the Municipality.

Participant D affirmed that because economic development needs a plan, a strategy encompasses identified challenges and recommendations. It was revealed that research works need to be done as part of identifying gaps, new information, and comparing with reset of practices elsewhere. On the other hand, participant E affirmed that LED as a strategy can be used to create a conducive business environment to newly developed areas it was also attested that monitoring and evaluation of plans, projects, and programmes are necessary for communities, parastatals, and government. Participant F suggested that it can be adopted through supporting tourism development, agricultural projects, manufacturing, and commercial transport. On the other hand, participant G stressed that it will empower the local people to play a significant role in local gross domestic product. Participant H revealed that projects that are developed will improve infrastructural development, such as roads, for transporting goods and services that are locally produced, while participant I affirmed that money circulation will stimulate the local economy. It was revealed by participant J that people will be able to identify their preferred needs so that the Municipality through LED can fulfil their economic needs. It was further indicated that the Municipality will be able to deliver adequate services according to the demands of the communities. As indicated above, the majority of participants responded in the affirmative, that LED can be adopted as a strategy to enhance community development projects. This simply means that it is a strategy to enhance community development projects.





# 4.3.2.2 Question 2 What are the challenges facing TLM in achieving local economic development through community development projects?

## Participant A

In response to the above question, the participant stated that the lack of funds and financial support was a stumbling block. Participant further pointed out that lack of support as most citizens do not have collaterals as land ownership is through Permission to Occupy (PTO).

## Participant B

With regard to the question asked, the participant replied that the selection of sustainable projects with low economic impact was necessary. The other challenges were outdated policies and information, and projects that were always being postponed without being implemented. The participants concluded by saying that lack of funds was a problem, though the Municipality was willing to fund the projects it did not have financial resources.

## Participant C

When responding to the question, the participant said that access to land was a problem, as most land is owned by traditional leaders, and in some cases, they have different views on what the land could be used for. It was further expressed that the Municipality prioritise basic needs such as water, electricity, and housing. The participant further asserted that the LED received little attention with regard to funding. Furthermore, the participant attested that there was a lack of business management by SMME's hence TLM conducted training yearly for SMME's through relevant stakeholders in addition. It was also said that the unsustainability of businesses amongst communities was a challenge.

## Participant D

The participant mentioned that TLM is facing some problems with infrastructural development, which is an obstacle in implementing community projects. It was further revealed that lack of infrastructural development, such as road networks, as well as water and sanitation, play a role in community projects.

## Participant E

In response to the above question, the participant revealed that the LED strategy that is there is outdated. Participant E argued that it is not informed by 2016 Local Government





Demarcations. The participant, further revealed that there is a need to renew the current LED strategy, to be responsive to the local economic needs.

## Participant F

In response to the question, the participant replied that lack of technical skills of officials, poor public participation, lack of funding, capacity and skills, and poor infrastructural development was the problem. The participant also stated that LED projects are not implemented.

## Participant G

Responding to the question, the participant indicated that lack of financial resources is a stumbling block. Furthermore, corruption is serious in the Municipality. The participant affirmed that red tape and the bureaucratic government is also a problem that affects effective LED as the channel of procedures is too long. It was also contended that citizens do not pay for services rendered.

## Participant H

The participant stated that lack of community awareness on what LED and information hindered participation. The participant revealed that some projects are not sustainable. Participant further stressed that funding is mostly a major problem. Furthermore, the participant added that lack of competent staff is also a problem.

## Participant I

The participant indicated that where the Municipality has funded the projects, the leaders misused the funds, and the project collapsed. Furthermore, the participant mentioned theft, and vandalism, as the Municipality does not provide security. In addition, the participant said that community participation is a problem.

## Participant J

When asked the question, the participant pointed out that insufficient financial resources and poor management were a problem. More than one need from different community needs was also problematic.

Participants A, B, C, F, G, H, and J, are of a similar view that funds are a challenge within the Municipality in community development projects. Participants A and C revealed that there is a shortage of land, as most land is owned by traditional leaders, and land ownership is through Permission to Occupy (PTO) arrangements. Participants B and E asserted that the policies of





LED are outdated. On the other hand, participants F, H, and I revealed that lack of community participation is a problem. Participants C and J asserted that there is poor management. It was further revealed by participants F and H stressed that the problem is with lack of technical skills for officials. Participants B and F are of the view that LED projects being not implemented is a problem. Participant D and F with regard to the questioned asked affirmed that TLM is facing a problem with infrastructural development, which is an obstacle in implementing community projects.

Participant B stated that there is a challenge with the selection of sustainable projects with low economic impact. While participant C revealed that, the Municipality prioritise basic needs such as water, electricity, and housing, and LED receives little attention with regard to funds. Furthermore, the participant indicated that lack of business management by SMME's hence TLM every year conduct training for SMME's through relevant stakeholders. Furthermore, the unsustainability of businesses amongst communities is a problem. On the other hand, participant E revealed that the LED strategy that existed is outdated. It was further, explained that it is not informed by the 2016 Local Government Demarcation. Furthermore, the participant stated that there is a need to renew the current LED strategy to be responsive to the local economic needs.

Participant G complained that corruption is serious in the Municipality. Furthermore, there is a problem of red tape and bureaucracy that affects effective LED, as the channel of procedures is too long. In addition, the participant revealed that citizens do not pay for services rendered. As indicated by participant H, there is a lack of community awareness on what LED is all about. It was again revealed that some projects are not sustainable. On the other hand, participant I affirmed that where the Municipality has funded projects the leaders have misused the funds, and the project collapsed. In addition, theft and vandalism at the Municipally were a problem, as the was no security. Participant J affirmed that there is more than one need from a different community. This means that the main challenge is lack of funds, community participation, lack of access to land, technical skills, and outdated policies.

## 4.3.2.2.1 Question 2.1 What are the effects of Local Economic Development in communities?

#### Participant A

In response to the question, the participant said that communities were able to get jobs without commuting. The participant further revealed communities were able to provide for their families thus reducing poverty.





## Participant B

In response to the above question, the participant noted that the effect of LED was simply job creation and poverty alleviation for local people.

## Participant C

The participant mentioned that it was a reduction of unemployment through self-employment. The participant added that poverty alleviation through job creation and food security were the other effects. The participant also indicated that business opportunities were also a result of LED and it was reported that LED and investment opportunities were possible through the LED.

## Participant D

The participant indicated that productive partnerships, clear communication, and knowledge-sharing programme can enhance communities. The participant said that there should be a different approach to LED support. The participant further revealed that it will result in increased investment in economic information.

## Participant E

The participant said that the local economy stimulation provides jobs for local people. The participant further indicated that it brings infrastructural development to local people and contributes towards the wellbeing of locals and development brings prosperity to local people.

#### Participant F

The participant noted that LED leads to economic development through increased investment, poverty decreased, and unemployment curb.

#### Participant G

The participant indicated that LED results in support for all local projects, poverty alleviation, and job creation.

#### Participant H

The participant mentioned that LED leads to community development and reduces dependency. The participant mentioned that it also provides food security and money circulation while stimulating the local economy. Furthermore, strong, independent





entrepreneurs, and empowered community members to take part in their development through starting projects.

## Participant I

The participant further indicated that partnerships become a reality within the community. Team leaders such as steering committees and chairperson are identified as a result of LED. The participant further revealed that it encourages community members to start LED projects. Furthermore, research is conducted from LED projects. In addition, community members gain education and are trained by being involved in LED projects.

### Participant J

The last participant revealed that LED helps the community in terms of job creation and delivering adequate services due to the acknowledged needs of the communities. The participant further, affirmed that Many projects can be developed.

Participants A, B, C, D, E, F, G, and J were of the view that the effects of LED are job creation and poverty alleviation. Participants C and F both asserted that LED results in food security. In addition, participants C, D, and F, revealed that LED has a positive effect on increased investment. Participants D and I were of the view that productive partnerships become a reality within the community, on the one hand, while participants, H and I contended that community members were able to start LED projects.

It was asserted by participant C that LED leads business opportunities. Participant D argued that the effect of LED will be a different approach to LED support. When asked the question, participant E asserted that it brings infrastructural development to local people which contributes towards the wellbeing of locals. The participant further revealed that development brings prosperity to the local people. Participant H revealed that the effects of LED are community development and reducing dependency. The participant further stated that money circulation will stimulate the local economy. Furthermore, it leads to strong and independent entrepreneurs. In addition, empowered community members take part in their development through projects.

Participant, I affirmed that team leaders such as steering committees and chairperson are identified as a result of LED. Furthermore, research is conducted from LED projects. Also, community members are trained by being involved in LED projects. Participant J affirmed that the delivery of adequate services to communities is the benefit of LED. This implies that LED enhances poverty alleviation and job creation and increases investment. Other participants





also reported that food security is vital in LED. The participant stated that there will be a positive effect on investment and good partnerships.

## 4.3.2.3 Question 3: What is the Importance of Local Economic Development projects in the communities of TLM?

#### Participant A

The participant stated that it is important in the creation of jobs and in fighting poverty, and reduces unemployment.

### Participant B

The participant stated that LED stimulates the local economy. The participant further revealed that LED is vital in planning and identifying appropriate avenues for economic development.

## Participant C

The participant mentioned that LED is important as it helps in the reduction of unemployment through self-employment. The participant further revealed that it brings about poverty alleviation through job creation and food security. Furthermore, the participant indicated that it is vital for business opportunities. In addition, expressing the communities' feelings, the participant acknowledged that it is vital in investment opportunities through incentives.

### Participant D

The participant revealed that LED reduces poverty and provides jobs for poor and vulnerable groups. The participant added that LED accelerates shared and inclusive economy and promotes space economy.

#### Participant E

The participant indicated that LED creates temporary and permanent jobs. The participant further revealed that it is vital for the implementation of projects that help to impart the necessary skills and the training for local people.

#### Participant F

The participant said that LED is important for the creation of jobs through initiating projects and factories which will result in poverty reduction and income creation for poor citizens, this will the stimulate local economy.





#### **Participant G**

The participant indicated that LED curbs joblessness and crime. The participant mentioned that it also creates economic opportunities for local communities. The participant also revealed that it promotes small-scale entrepreneurs to grow and promotes sound cohesiveness.

#### Participant H

The participant revealed that LED is important in ensuring that citizens have jobs and communities are part of their development. The participant also indicated that local resources such as land can be used to benefit all individuals.

### Participant I

The participant pointed out that community members are trained through being involved in LED projects. The participant further revealed that citizens gain education and research is conducted in LED projects.

## Participant J

The participant stressed that LED enhances job creation and good relationships amongst communities through engagement. It was further revealed that it also reduces crime and hunger.

Participants A, C, D, E, F, G, H, and J, of the perspective that LED, is important for the creation of jobs and alleviation of poverty. Participants A and C affirmed that LED helps to reduce the rate of unemployment. Participants B and F attested that it is important to stimulate the local economy. It is further vital to identify appropriate avenues for economic development. Participant E and I showed that stakeholders can gain skills, training, and education from LED projects.

Participant C asserted that food security will be maintained. The participant further revealed that there will be business opportunities as well as investment opportunities through incentives. Participant D affirmed that LED will also accelerate the shared and inclusive economy and promote space economy. On the other hand, participant E is of the view that it is important as it creates an economic spanner to local communities. It was further revealed that it creates small-scale entrepreneurs enabling them to grow, and promotes sound cohesiveness.





Participant H revealed that it ensures that citizens have jobs and communities are part of their development. It was further affirmed that local resources such as land can be used to benefit all individuals. Furthermore, the participant I attested that community members are well trained by being involved in LED projects. In addition, the participant shared that citizens gain an education, and research is conducted from LED projects. Participant J indicated that there will be a good relationship amongst communities through engagement. It was further pointed out that it results in reduced hunger. This shows that the significance of LED is job creation and poverty alleviation, as noted by the majority of participants. The LED also reduces the rate of unemployment.

# 4.3.2.4 Question 4: What are the strategies for enhancing LED for community development projects?

### Participant A

The participant revealed that the strategy leads to improved community participation and provides funding for the local economic sector.

#### Participant B

The participant indicated LED leads to the enhancement of social coherence in the local economic activities. Furthermore, the participant stated that the development and execution of projects aimed at development LED projects. In addition, the LED strategy can be achieved by identifying areas that are viable for LED projects. Moreover, LED leads to an improvement of stakeholders' relationships and lastly through developing revenues for external funding sources.

#### Participant C

The participant pointed out that LED creates marketing platforms- doing an exhibition for business people to showcase. It was further revealed that it promotes a platform for organising for local SMMEs to attend, provincial, national, and international exhibitions to showcase their businesses. Furthermore, the participant stressed that it can be used by developing SMMEs around TLM, playing advisory roles, monitoring and evaluating SMMEs. In addition, the participant affirmed that continuously conducting training capacitates SMMEs.

## Participant D

The participant asserted that enhancing the LED requires the promotion of labour-intensive programmes. The participant further revealed that LED enhances marketing and investment





support. The participant further explained that support services to assist emerging businesses are created. In addition, it was contended that training and placement services (skills development) are enhanced.

## Participant E

The participant asserted that strategies can though which LED can be achieved is to identify municipal competitive advantages in the area of agriculture. The participant also indicated that supporting tourism and SMMEs initiatives and provide funding in those areas.

#### Participant F

The participant stressed that LED is enhanced through the creation of joint business ventures utilising local resources and skills. The participant mentioned that there is a need to promote tourism by developing local tourist sites and facilities. It was further indicated that tender and procurement policies must favour small contractors and local emerging businesses. The participant further revealed that the Municipality must be well marketed.

#### **Participant G**

The participant mentioned that feasibility studies are fundamental to the growth allocation of economic resources in LED. The participant pointed out that skills development is crucial. It was further revealed that human resource is important to facilitate the projects. The participant further indicated that public participation leads to effective LED.

#### Participant H

The participant revealed that the provision of information to all community members and involved stakeholders results in improved LED. The participant further mentioned that monitoring and evaluation of the implementation of projects that are funded by the Municipality. Furthermore, the participant revealed that employing municipal officials that are competent, have qualifications as well as experience in the field of projects (skills is important).

#### Participant I

The participant indicated that community involvement in the LED strategy plan and its implementation leads to improved LED. The participant stated that LED planning must be prepared and budgeted for. It was revealed that LED planning must be adequate, planned, and budgeted for, and the time frame must be in place and ensure that projects are sustainable





The participant further indicated that there should be a time frame for the implementation of projects.

## Participant J

The participant reported that community participation is key in LED. It was revealed that there must be and time planning and timeframe for project implementation to ensure that projects are not postponed. The participant pointed out it is important to update policies. In addition, it was indicated that funding projects are the results of effective implementation.

Participants A, G, I, and J revealed that community participation is key in LED. Participants A, B, E, and J indicated that the Municipality should provide funding for LED projects. Participants B and C affirmed that improvement of relationship/partnership can be through, provincial and national exhibition platforms so to showcase businesses. Furthermore, participants B and C stated that marketing platforms and investments support doing exhibitions for business people to showcase. Participants C, D, G and H stressed that skills development is crucial and training for placement services and capacitates SMMEs. On the one hand, participants D and F reported that the marketing and investment support of the Municipality lead to effective LED. Participants D and F furthermore, showed that support services assist local emerging businesses as well as policies that favour those small contractors. On the other hand, participants D and G indicated that promotion of labour-intensive is vital and human resources is needed to facilitate projects. It was further revealed by participants E and F that there is a need to support and promote tourism by developing local tourist sites and facilities. Participants I and J indicated that there should time planning and timeframe for the implementation of projects to ensure that they are not postponed. This means that community participation, funding, partnership/relationship, skills development, marketing investment are most crucial in LED strategies.

Participant B indicated that the strategy to LED is through enhancement of social coherence in local economic activities. It was again revealed by the participant that the development and execution of projects that are aimed at the development of LED projects. The participant further stressed that it is vital to be used to identify areas that are viable for LED projects. Participant C affirmed that developing SMMEs around TLM, playing advisory roles, monitoring and evaluating SMMEs. It was further affirmed that the strategy can be through identifying competitive advantages in the area of agriculture.





Participant F stated that the creation of business ventures utilising local resources and skills. The same participant again revealed that tender and procurement policies must favour small contractors. Participant H attested that it is to provide information to all communities and involved stakeholders. Furthermore, the participant stated that monitors and evaluates the implementation of projects that are funded by the Municipality. As stated by participant I that LED planning must be adequate, planned, and budgeted for, and the time frame must be in place and ensure that projects are sustainable. Lastly, participant J revealed that policies must be updated. This means that based on the interviews conducted with the participants that the key strategies suggested include, community participation, skills development, partnerships adequate planning and timeframe, and funding.

#### 4.4 THE EXISTENCE OF COMMUNITY DEVELOPMENT PROJECTS IN TLM

The study also used visualisation to depict the existence of LED projects. This is showed by the pictures that the researcher took as evidence of the projects. The researcher became part of the projects with the owners and observed their settings. The most challenging issue that people addressed was that the Municipality is not funding their projects. However, other project owners were able to make a fortune out of their projects and food security. The researcher also observed and saw many SMMEs and buildings that have become white elephants. In some cases, the land was not being used profitably. The land is of the most desirable resources for community development projects. Other farmers have made their farms next to the rivers, to have access to water easily. However, they fail to draw water as they do not have enough pumping lines. Water is important for land cultivation.

Plates I, II, and III show that the community projects that there are community members that have started projects for the development. Most projects are focused on agriculture because most land in Thulamela is said to be rich for farming. Those are the projects that focus on farming various kinds of vegetables, then sold to retailers such as Shoprite and Spar. They sell their goods in bulk and to local people. The most important thing is that the owners of the farms can employ a few people to work on the farm, thus creating job opportunities and food security. Pictures were taken from different farms. The vegetables presented below, are Cabbage, Spinach, and Muxe. The other agricultural farms consist of produced fruits such as, Avocados, Bananas, and Litchis which they can sell during their time.

It can be concluded that such farmers need support for producing the best products. Some of the projects include those of tourist sites. There are lodges as well as resorts. However, that kind of project was negatively affected by Covid 19. The pictures could not be taken during the collection of data, as people were not allowed more around during the lockdown. These





businesses were all closed, leading to job losses for many. It is for this reason that the Municipality must take into consideration the pandemic to help those community projects recover. The Figures below present the pictures of community projects:

Figure 4.26: Plate I. Cabbage.



The picture above depicts the man on the farm. It can be seen that the farmer was in the middle of plants taking care of them, as shown by him bending. He was showing the researcher the root, where the in which the insects were located, destroying the cabbage. There is no fencing but only the bush for protection. However, it was not good enough against the monkeys.



Figure 4.27: Plate II. Spinach



The above picture depicts the rows of spinach on the farm. As shown, it is a long line to the end. The rows are separated to make sure that irrigation can be easy and walking while checking the plants.

Figure 4.28: Plate III. Muxe



In the picture, there is Muxe and cabbage on the left and right side. The picture below shows that there are pipes that help in irrigation, with the water from the river.



Figure. 4.29: Plate IV. Production poultry.



The IV Plate shows a project of poultry farming. It is an emerging project that has been growing for many communities. Based on this plate, they provide chickens that also make eggs. This means that the farmer sells the eggs and chicken. As shown above, they are placed in a well-protected place that is made specifically for chickens.



Figure 4.30: Plate V. Community development centre.



As shown above, this is a picture of one of the day-care centres in TLM. As indicated, it is a place where kids play. Swings enable kids to play. These centres help children to grow in an environment that is safe. Furthermore, these centres take care of the children for different reasons, such as when their parents are at work. Those projects play an important role in any community. The building is protected by the wall at the far right so that kids do not play outside the yard. On the wall of the building on the left side, the first paintings showed letters of the alphabet, which means kids are being taught how to read and write, which is an important part of development.

#### 4.5 CONCLUSION

In this chapter, the data was collected through questionnaires and it consists of two subsection. In the first section, the researcher presented the biographical details of the respondents. In the second sub-section, the researcher presented the data which was collected from the questionnaires, as distributed and collected from respondents. The researcher used bar graphs and tabular format, frequencies, and percentages to present the data collected through questionnaires. Each bar graph is followed by a brief discussion of the findings. The chapter also presented the data collected through interviews which are conducted with participants. The data were presented in a narrative analysis. Ten (10)



participants were interviewed through open-ended questions. The next chapter provides the recommendations and conclusions of the study.



#### **CHAPTER FIVE**

### FINDINGS, RECOMMENDATIONS, AND CONCLUSIONS

#### 5.1 INTRODUCTION

This chapter presents the findings, conclusions, and recommendations of the study. The conclusions are drawn from the overall study, informed by the different study chapters. Research findings are an important part of the study, as they indicate whether the hypotheses given in the first part of the research are either confirmed or disproved. It further provides an attempt and areas for future research in LED issues. Accurate findings provide a helpful way to address the challenges indicated in the research problems.

#### 5.2 MAJOR FINDINGS OF THE STUDY

This section presents the major findings of the study which emanated from the objectives of the study. The specific objectives of the study were as follows:

- To examine local economic development as a strategy to enhance community development projects in Thulamela Local Municipality;
- To investigate the challenges militating the Thulamela Municipality in achieving effective local economic development through community development projects;
- To identify the importance of local economic development projects in the communities of TLM;
- To suggest strategies and make recommendations on enhancing local economic development for community development projects

# 5.2.1 Major study findings on local economic development as a strategy to enhance community development projects in Thulamela Local Municipality

The first objective of the study was to examine the role of LED as a strategy to enhance community development projects and the study found that 55 (55%) strongly agreed that effective LED is a strategy for community development projects. Fifty-four respondents which constitute 54 (54%) further indicated that that LED alleviates poverty. In addition, the results revealed that 50 (50%) strongly agreed that LED can create jobs for communities. It was affirmed by respondents 30 (30%) that LED provides regular training to project co-ordinators. It was further revealed by 26 (26%) respondents who were not sure that the Municipality uses clear communication and those who strongly disagreed with this.





With regard to how LED can be adopted to enhance community development projects, the study found that LED can be used to encourage youth/people to start businesses. Young entrepreneurs can be supported through the NYDA. It was further revealed that LED can be used to start projects that are aimed at job creation and poverty alleviation. Also, the research showed that LED can be achieved through the funding of community projects. It was also found that LED as a strategy can enhance LED through training guidance to the community projects. Moreover, the study showed that LED as a strategy to enhance community development projects can be used to enhance public participation/community involvement in development. The study revealed that all stakeholders can be engaged in participating actively in projects aimed at developing the community. It was further found that planning is important and involves budgeting and implementation.

It was found that LED constitutes the plan of community development projects that are incorporated in LED strategy. The study also revealed that LED can be used to enhance community development projects through creating a conducive environment to start businesses and flourish as well as provide funds to emerging businesses. As data collection continued, the study revealed that it is vital to achieving LED through prioritising low-income families and unemployed persons. The study also showed that LED can be used to improve skills through training and capacity building. It was revealed that a feasibility study of projects is essential to stimulate growth and the local economy

## 5.2.1.1 Study findings on how Local Economic Development can be adopted as a strategy to stimulate the local economy of TLM

Concerning the question that was asked, the study revealed that LED can be adopted to as create jobs and reduce poverty. It was further indicated that TLM can encourage emerging businesses for the growth of the local economy through poverty alleviation funds which assist those who need financial assistance. The study furthermore, found that the unit may not have an adequate think tank and fiscal support to attend such a monitory task. In addition, the study discovered that when SMMEs are supported locally, they will thrive and grow and be able to supply internationally. Moreover, it was revealed that start-ups can supply with low costs until they can expand. Again, it was found that local people are also encouraged to spend the money within the Municipality.

During the collection of data, it was discovered that because economic development needs a plan, a strategy that encompasses identifying challenges and make recommendations. It was revealed that research work needs to be done as part of identifying gaps, new information, and comparing with the best practices elsewhere. On the other hand, the study showed that LED as a strategy can be used to create a conducive business environment in newly





developed areas. It was also shown that monitoring and evaluation of plans, projects, and programmes for communities, parastatals, and government are enhanced. It was further discovered that it can be adopted through supporting tourism development, agricultural projects, manufacturing, and commercial transport. Furthermore, it was found that LED will empower the local people to play a significant role in local gross domestic product. In addition, the study showed that projects that are developed will improve infrastructural development, such as roads, for transporting goods and services that are locally produced. Moreover, it was revealed that people will be able to identify preferred, needs so that the Municipality, through the LED, will fulfil its economic needs.

# 5.2.2 Major study findings on the challenges militating Thulamela Local Municipality to achieve effective Local Economic Development for community development projects.

The second objective of the study sought to investigate the challenges facing TLM in achieving effective LED projects. Based on the data collected through the questionnaire the study found that 32 (32%) respondents indicated were not sure whether funding was provided for projects. On the other hand, a massive 41 (41%) respondents revealed that the planning structure is vital in planning for LED. The researcher found that 27 (27%) disagreed that stakeholders are participating in LED meetings and planning of LED and their input was considered in decision-making by the municipality. The study further revealed that 45 (45%) respondents strongly agreed that skills and administrative capacity are vital as a way to strengthen LED strategy. Furthermore, the study revealed that 38 (38%) respondents affirmed that the relationship between the municipality and traditional leaders must be harmonious.

From the interview with the participants, the study revealed that the funds for community development projects are a challenge within the Municipality. The study also revealed that there is a shortage of land as most land is owned by traditional leaders, and land ownership is through Permission to Occupy (PTO) arrangements. The study also asserted that the policies of LED in the Municipality are outdated. Also, the study found that community participation is a problem as a key to LED projects. The study also found that there is poor management of businesses by SMME, hence TLM conducts training for SMME's every year through relevant stakeholders. The study stressed that there is a problem with a lack of technical capacity and skills for officials. The study went further and revealed that LED projects are not being implemented. It was also found that another challenge with LED involved infrastructural development; namely, road networks, water, and sanitation, which are an obstacle in implementing community projects.





During the collection of data, the researcher found that there is a challenge in the selection of sustainable projects with low economic impact. The results showed that the Municipality prioritises basic needs, such as water, electricity, and housing. The LED receives little attention with regard to funds. The researcher also found that the LED strategy in use is outdated and also explained that it is not informed by the 2016 Local Government Demarcation. The study revealed that corruption is serious in the Municipality. Furthermore, there is a problem of red tape that affects effective LED as the channel procedures is too long. In addition, the study found a lack of community awareness on what LED is all about. Moreover, it was shown that where the Municipality has funded a project, the leaders misused the funds, and the project had collapsed. In addition, theft and vandalism were rife as the Municipally did not provide security.

### 5.2.2.1 Study findings on the effects of Local Economic Development on communities

The study revealed that the effects of LED are job creation and poverty alleviation. It was further found that LED results in food security. On the other hand, the study found that LED has a positive effect on investment. Furthermore, the study showed that that productive partnership becomes a reality within the community. On the one hand, it was found that community members can start LED projects.

The researcher also found that there will be business opportunities. During the interview, it was revealed that the effect of LED will lead to a differentiated approach to LED support. The study found that it brings infrastructural development to local people and contributes to their wellbeing. The study found that development brings prosperity to local people. It was revealed that the positive effects of LED are community development and reducing dependency. It was further found that money circulation will stimulate the local economy. Furthermore, it was discovered that it leads to strong and independent entrepreneurs. In addition, the study also revealed that empowered community members take part in their development through projects. On the other hand, the study showed that team leaders such as steering committees and chairperson are identified as the result of LED. The researcher further found that research can be conducted from LED projects. In addition, community members are trained through being involved in LED projects. Moreover, the study showed that locals deliver adequate services due to the acknowledged needs of the communities.

# 5.2.3 Major Study findings of the study on the importance of local economic development projects in the communities of TLM

The third objective of the study was to determine the importance of Local Economic Development projects in the communities of Thulamela. The study revealed that 46 (46%) of





the respondents strongly agreed that LED projects are important to the community. The researcher discovered that 42 (42%) of respondents agreed that LED is a way to achieve the aims of LED. The study showed that 46 (46%) of respondents strongly agreed that LED contributes greatly to the stimulation of the local economy. It was further found that 46 (46%) strongly agreed that community members are part of their development. Furthermore, 48% of the respondents revealed that Location Theory is vital in promoting LED.

With regard to the question, the study found that LED is important to create jobs and alleviate poverty. The study also revealed that LED helps to reduce unemployment. The researcher found that LED stimulates the local economy. It was further revealed that stakeholders can gain skills and receive training and education from LED projects. The study further indicated that there will be an accelerated shared and inclusive economy. The study also found that LED is important, as it creates an economic spanner to local communities. furthermore, it was that LED is important for the provision of food security.

The study, further it was revealed that the LED strategy is an appropriate avenue for economic development. It was further found that there will be business opportunities as well as investment opportunities through incentives packages emanating from the LED. The researcher discovered that LED promotes small-scale entrepreneurs to grow and promotes sound cohesiveness. While collecting the data the study revealed that it ensures that citizens have jobs and communities are part of their development. It was further found that local resources such as land can be used to benefit everyone. Furthermore, community members are trained by being involved in LED. In addition, citizens gain an education, and research is conducted from LED projects. Moreover, there will be a good relationship amongst communities through engagement. It was further found out that it will result in reduced hunger. This shows that LED leads to job creation, poverty alleviation, and stimulation of the local economy.

# 5.2.4 Major study findings on the strategies to enhance Local Economic Development for community development projects.

The last objective of the study was to suggest and recommend strategies to enhance local economic development for community development projects. The study revealed that 41 (41%) respondents agreed that traditional leaders must be actively involved in LED. The findings showed that 46 (46%) respondents strongly agreed that stakeholders must be encouraged to actively participate in LED. It was also revealed that 58 (58%) respondents strongly agreed that partnerships should be formed amongst various stakeholders. Furthermore, the researcher found that 46 (46%) agreed that projects should be monitored





and evaluated. Lastly, the findings revealed that 52 (52%) respondents agreed that the Municipality should provide funding for LED projects.

On the question regarding the strategies to enhance LED, the researcher found that this is through effective public participation in LED. It was reported that the Municipality should provide funding for LED projects. The study also found that the relationship or partnership can be enhanced through, provincial and national exhibitions to showcase businesses. The study also found that skills development is crucial and training for placement services to capacitate SMMEs. It was further, revealed that LED enhances marketing platforms and investment support for doing an exhibition for business people to showcase. Furthermore, the study findings showed that marketing and investment support of the Municipality are enhanced. The results showed that LED promotes the promotion of labour-intensive projects, which is vital, and human resources are needed to facilitate projects. The researcher also found that LED supports and promotes tourism through developing local tourist sites and facilities.

The findings further revealed that there should be a time-frame for the implementation of projects, to reducing postponing projects. Furthermore, the study showed that the development and execution of projects aimed at the development of LED projects need to be enhanced. The study revealed that effective training and skills development amongst the stakeholders are important aspects of LED. In addition, the research revealed that the SMMEs must be developed around TLM, playing an advisory role in monitoring and evaluating. Moreover, the researcher found that there must be support for emerging businesses as well as policies that favour those small contractors. The study further found discover that there has to be support for tourism as a way to stimulate the local economy. Furthermore, it was revealed that monitoring and evaluation in LED projects must be enhanced. However, it was also found that there must be a time frame for the implementation of projects. The researcher also found that LED policies must be updated and projects must be implemented.

# 5.2.5 Findings on the existence of local economic development projects in Thulamela Local Municipality.

The researcher found that there LED projects that exist in TLM. It was further revealed that there are projects that focused in farming. The farming projects found included, agricultural farming and poultry farming. Although agricultural farming it varies based on their cultivation preferences. The study showed that other farmers, focused on cabbage, muxe, avocados, bananas, and litchis and other products. The study further discovered that there are many areas wherein crèche exist in TLM. Furthermore, the study showed that there are tourists site in TLM which consisted of the lodges and resorts. The study found that farming is prevalent in TLM.





### 5.3 RECOMMENDATIONS

This section presents the recommendations of the study. The recommendations arose from the major findings on Local Economic Development as a strategy to enhance community development projects, under the themes challenges militating TLM in achieving effective LED for community development projects, the importance of LED in TLM, strategies, and recommendations on LED as a strategy to enhance community development projects in TLM.

# 5.3.1 Recommendations on Local Economic Development as a strategy to enhance community development projects in TLM.

The researcher recommends that TLM should consider the LED strategy as a master strategy addressing community development projects. Furthermore, the municipality needs to realise that LED as a strategy, can be used to identify economic needs, consider effective alternatives and prioritise needs and find the best way to implement projects. It is recommended that the strategy be executed, However, it requires, resources, including human and financial resources. Therefore, it can be said that funds must be reserved to implement projects and officials must be employed to execute the projects. The Municipality must also strengthen its role in LED. This can be achieved by creating a conducive and environment that enables community development projects to take place. Projects will result in job and poverty alleviation.

On the question on LED as a strategy to enhance community development projects, the researcher recommends that the TLM must have a platform that focuses on youth that holds regular training for entrepreneurship. NYDA, as a TLM institution, must reach out to local people, and support them in their business/projects that are aimed at improving the community. It is further recommended that projects that are aimed at job creation and poverty alleviation must be supported by the Municipality so, that they can expand. Based on the findings the researcher recommends that all stakeholders should be engaged community in projects, the Municipality and its representatives, such as ward committee leaders, ward councillors, and civic organisation. Furthermore, it is recommended that everyone should ensure that people are aware of LED. The Municipality must close the gap that exists between the stakeholders, that are involved in LED, to have effective LED that benefits all community members. The Municipality should also prioritise low-income families by employing them in projects funded by the Municipality. This will result in jobs and little increased incomes. Skills in LED should be improved as stakeholders participate effectively, as different people share their skills which, can also be transferred to others.





# 5.3.1.1 Recommendations on how Local Economic Development be adopted as a strategy to stimulate the local economy of TLM?

The Municipality must ensure that the LED strategy plans are implemented timeously and address economic needs. This will result in job creation and reduced poverty. The Municipality must also provide support to emerging businesses, such as funding and information based on business criteria. This will also help in the growth of the local economy. It is recommended that officials must have relevant skills such, as problem, solving, leadership, management, communication, and organisational skills, as they form part of the effective LED implementation. It is believed that when SMME's are supported locally, Black Africans will individually learn to support other black people businesses. This is because many Africans do not purchase products from other people, but rather from Indians shops. Blacks must also learn to support other Blacks, even to start new businesses, as Indians do for their relatives.

Based on that, LED can be used to create a conducive business environment for a newly-developed area to develop new community projects. It is also true that vast land belongs to the traditional leaders. This means that the Municipality must work with traditional leaders to access land. Traditional leaders should also be willing to work with their people to use the land for projects to benefit everyone. There is even deserted land that belongs to the Municipality, that is not being used. The Municipality can use such land rather than seek land that already belongs to others. Tourism, agriculture, manufacturing, and commercial activities must be prioritised by the Municipality.

# 5.3.2 Recommendations on the challenges militating TLM to achieve Local Economic Development for community development projects.

Based on the question on the challenges militating TLM, it was found that funding is the main challenge hindering LED project implementation. As it provides funding for LED projects, the Municipality must ensure that existing and new projects are funded and the information is clear. The Municipality should also ensure that the projects funded benefit community members, rather than individuals. As municipal officials stated funding is a major problem. Therefore, the Municipality must liaison with external donors who are willing to fund some projects. Many participants stated that funding is unavailable, though some stated that it is available.

The researcher suggests that communities must be made aware of the available funding, so they can get assistance. The land is available, but to access it is not accessible as it belongs to the traditional leaders. The Municipality must create a harmonious relationship with and owners which would enable it to acquire land with ease for projects, including agricultural





farming. It was also found that the policies are outdated. The researcher recommends that the Municipality must update policies, that address the current economic needs of society. Projects that are developed must be sustainable and cater to the community's economic needs. As some projects exist, the Municipality must provide skills programmes, at all levels to empower people to have the projects that grow to be big. Skills development must be improved, not only for those who run the projects but also Municipal officials.

The municipality must also prioritise economic aspects, and provide funds for such challenges in the area of SMME's. As the Municipality has already started working with the provincial government in providing training for SMME, it must ensure that this training does not collapse, and is extended to other partners. Stakeholders must be encouraged to attend SMME training that is held yearly by the Municipality to improve and empower them. The Municipality must also work with private owners of large projects, that will help in finding guidance and information regarding LED. An example would be established farmers, who have been in the industry for a long time and are doing well. They can help the new farmers in the area of farming.

The study revealed that community participation is a challenge. Therefore, that the Municipality through its selected members, must ensure effective community participation. The decisions that must be taken towards local economic development, should be made considering the input of citizens. This would allow them to express their views and perspectives on development. Through the *Imbizos* that exist within the Municipality, a platform should be used to address the needs of the society. As the world is faced with COVID 19, the Municipality must promote participation electronically. Red tapes, and bureaucratic government, that still exist in the Municipality must be changed, as there is a need to respond to the high rate of unemployment and poverty before it escalates. The Municipality must also investigate all corruption and those who are involved must be brought to justice and they should pay back state money.

The information must be provided to all stakeholders of LED, through media, such as television, radio, and news-letter from the Municipality, to make all people aware of the concept of LED and its importance. Clear communication was found to be a challenge that hampers LED. Therefore, the Municipality must ensure that any information is communicated to all the stakeholders.





### 5.3.2.1 Recommendations on the effects of Local Economic Development in communities

As LED's effects are job creation and poverty alleviation, it is recommended that the Municipality must ensure that unemployment and poverty are decreased through the LED. The Municipality must also support those who provide food security as it will help the Municipality in delivering services. To enhance partnerships, the Municipality must form a partnership with other SMME's that exist in the Municipality, as well as with NGOs, private institutions, and other interested influential people, who will support community projects. The Municipality must also play a leading role in some projects, as other collapses because of lack of leadership and other required skills for effective projects. It is recommended that people must also be self-motivated to start projects so that it becomes easier for the Municipality to support them.

## 5.3.3 Recommendations on the importance of Local Economic Development projects in the communities of Thulamela Local Municipality

With regard to the importance of LED, the researcher recommends that the Municipality must consider LED projects as essential concerning job creation and poverty alleviation. The municipality must also consider an LED strategy as a way in which citizens are brought together for social and economic harmony. LED must be perceived as a way in which communities engage themselves in finding solutions to identified economic needs, with the support of the TLM. The study also suggests that the Municipality should make an effort to ensure inclusive LED for the benefit of all.

It can also be stated that the LED is as important as it provides local people with food security. The Municipality should, therefore, ensure that infrastructure, as well as water and sanitation, are available. This will help in home gardening and in providing food security. The researcher also recommends that the Municipality must ensure that they invest in SMMEs; the small projects they will expand and the Municipality will be able to deliver some services to local people. The TLM must also create a platform wherein they educate people on the importance of entrepreneurship so that they can start their businesses. More businesses in the rural communities will attract investors to the Municipality, as investors are often willing to expand, but are reluctant to do so due to lack of business; they find no interest to remain in the Municipality. This will help where TLM is unable to deliver the services to the community members. TLM should also determine the market competition and introduce new products. This will influence the communities to consider selling such goods and services.





TLM should create an enabling environment for encouraging new businesses to invest in the area, encouraging existing businesses to expand rather than decrease. It is also recommended that the Municipality must promote and ensure that there is support for entrepreneurs, as this plays a crucial role in developing the local economy. Local resources, skills, land, human resources must all take part in the development of their communities to improve the standard of living of community members.

LED also results in effective partnerships. It is recommended that partnerships are a way to develop successful projects. The Municipality must therefore form a partnership with other institutions, such as the relationship with the central and the provincial government, NGOs, Private sector. The private sector is known to provide quality services. Therefore, this will help the Municipality in ensuring that projects are planned and implemented in such a way that it provides quality services to the end-users, and create jobs and alleviate poverty, as well as stimulate the local economy. The Municipality must also provide training for SMME, and ensure that this training does not collapse.

The TLM alone cannot create adequate jobs and alleviate poverty; it will require taking on board other interested parties. Therefore, when it partners with other institutions from outside its jurisdiction, it will be able to promote the local economy. TLM should also work with the traditional leaders, as they control the land, which can be used for business purposes and develop community projects. Through partnering with businesses from either around TLM or outside will attract investors and this will result in an advanced economy. It is recommended that TLM must work with private owners of large projects, that will help in finding guidance, and information regarding LED.

LED provides people with education and research is being conducted from LED projects. Therefore, the government should be in a position to consider the data from research on the challenges affecting LED and the mechanisms for effective LED projects, as well as the recommendations provided. Those studies will help in identifying and finding measures to close the missing information on LED effectiveness.

# 5.3.4 Recommendations on the strategies to enhance Local Economic Development for community development projects.

Regarding the question on the strategies, the researcher recommends that community participation should be made in such a way that citizens submit their inputs. The Municipality must consolidate the inputs into their projects and present them to community members. This will prevent a conflict of interest during meetings that often-times end up with no common ground. It is also recommended that the Municipality must provide funding for projects that are





sustainable and able to employ people rather than to fund a single person. Training should be conducted regularly among project coordinators to familiarise the communities with any project that may be established. Through the training that the Municipality is already offering yearly to SMME's, it can improve the skills of stakeholders. Therefore, it must be strengthened. Municipal officials must be capacitated to be able to implement their projects.

Emerging businesses can be supported by helping them draw business proposals that will address all the opportunities and weaknesses. This will help in determining whether a business be sustainable in such an area. They can also be supported in connecting them with institutions that fund such business ideas. Tourism sites, as seen as one of the main economic sectors in TLM, must provide support as they have been affected by COVID 19. Tourism sites are crucial as they attract many tourists who are willing to pay to experience the beauty. This creates jobs for local people in various areas, with regard to their skills. The tourism sites need to be supported, as they lost business during the pandemic. This has led to many people losing jobs. For agriculture as one of the main economic industries, the Municipality must support farmers, not only financial but also in agricultural knowledge regarding products that can be sold to retailers such as Shoprite and Pick and Pay.

LED is perceived as a strategy that guides planning, budgeting, and implementing projects. The Municipality must therefore ensure that the LED planning structure is up to date, to meet the changing economic needs of the society. Planning should consist of all aspects that lead to the implementation of sustainable projects.

The information must be provided to all stakeholders of LED through media, such as television, radio, newsletters, and the Municipality websites from the Municipality, to make people aware of LED and its importance. Projects are only available in paper form. However, they are not implemented. Therefore, it is recommended that the projects must be implemented timeously, without being postponed for years. The municipality must consider projects in the sense of an investment that will have good returns. The Municipality must also play an active role in monitoring and evaluating projects that have been implemented. It is recommended that the Municipality must ensure that tenders and procurement policies include Africans and women, as they have been previously disadvantaged.

# 5.3.5 Recommendations on the existence of local economic development projects in Thulamela Local Municipality.

As indicated in chapter four, 4.26. from Figure 4.27, the farms are located in areas where there are animals that can destroy crops. The Municipality must support farmers by providing effective security and through working together with the farmers. Some of those farmers do





not have enough water pumps. Therefore, the Municipality can help farmers through provide water pumps, so that it can be easy for farmers to irrigate crops. It is recommended that the Municipality should also help provide the needed chemicals for products such as cabbages, against insect pests that may prey to such crops. The Municipality through their training programmes, can also play a role in training farmers on how to grow their crops successfully. The researcher recommends that the Municipality helps in poultry farming by extending chicken coops. Please refer to Figure 4.28. It is also recommended that the Municipality should support them as shown in figure 4.30. Day-care centres can be supported by providing basic needs. For example, through facilities used at crèche, food, and toys for children. They can also train caretakers, so they can deal with children with special needs.

The results of LED are job creation and income generation. When these happen, TLM's local economy will be stimulated and the generated income will help in reducing poverty. The TLM must be in a position to equip the citizens with, training, skills, and the capacity needed to perform the required jobs. Community projects will help people gain knowledge, skills, and innovation, and put them in a position of being employable gain at businesses. The projects developed will help them earn income and reduce poverty. Often-times projects start with few people but expand and employ many people in the process. Therefore, at TLM, projects must be long-run rather than short-term.

#### 5.5 RECOMMENDATIONS FOR FUTURE STUDIES

The main aim of the study was to examine the role of Local Economic Development as a strategy to enhance community development projects in the Thulamela Local Municipality. The research focused on a single municipality under Vhembe District in Limpopo Province. The study recommends that similar research to this should be conducted in all municipalities of South Africa, to establish the role of LED projects in the communities. The research findings can be used by the Municipality to find solutions for effective LED. All the involved stakeholders should provide data that is accurate and relevant for future researchers to help in finding ways to promote LED projects as well as give recommendations on those who are yet to conduct studies. The confidentiality and privacy of the participants must always be maintained.

#### 5.6 LIMITATIONS OF THE STUDY

The limitation of the study was that one of the IDP officials refused to participate in the research. However, the official was replaced by a public participation officer, who also had the necessary information for the accuracy of the study. Furthermore, the study was envisaged to have fifteen (15) traditional leaders, however, due to COVID- 19, they were reduced to ten (10), but adding five ward committee members in their place. Approval to conduct the study in





the Municipality was sent in March 2020 but it was approved at the beginning of September 2020 due to the lockdown that was imposed at the end of March. Some of the questionnaires took time to be returned to the researcher thus prolonging the process of finalising the study. Participants were not easy to meet even after some of the lockdown rules had been relaxed, they were either too busy or not available at an agreed time. For chapter four, the study had intended to take pictures of some of the projects, such as lodges and the brickyards however, it was no longer possible, some because of the timeframe. It would also have served as a piece of empirical evidence, thus adding to more evidence in chapter four, and as data was collected electronically. The good thing is that despite all these limitations, the researcher was able to receive all the questionnaires back.

#### 5.7 CONCLUSION

The objective of the study was to examine the importance of LED in enhancing community development projects. Projects are crucial in TLM communities, as indicated in chapter four. It can be concluded that LED is a strategy for creating jobs and alleviating, based on the findings of the research. The study also revealed that effective planning, participation, technical skills, and funding to name a few, are ways to achieve LED. The resources available must be used to ensure that jobs are created. Skills and capacity amongst the officials are vital for planning, as well as implementation in LED.

Although the planning structure is available, it was found, stated that it is outdated. The challenges of participation and funding, as well as skills, impede LED. The policies of the LED must be structured and adhered to. This will help in addressing the current issues and lead to successful projects that enhance economic issues. The issue of funding is linked to the National Government that does not provide funding to the Thulamela Local Municipality. Therefore, projects, are postponed years, as there is no funding to implement them. Traditional leaders as the custodian of the land must be actively involved in LED. SMMEs, be also be provided with necessary the training programmes to equip and empower them to expand.

Projects that are in existence, can employ a few people, both, in agriculture, tourism, and child care. Thus, the Municipality must ensure that those projects create jobs and alleviate poverty. These projects need funding and support, to be sustainable. This is because projects can respond to economic issues of unemployment and poverty on behalf of the Municipality. The support that Municipality can offer may include improving roads, funding, and training. The development of infrastructures such as electricity and water is also crucial in LED. This is because some projects need electricity to operate. On the other hand, agriculture projects need water for irrigation. The study concludes that individuals must start projects independently, as they tend to be more effective than in a group. Dependence on government,





is no solution to poverty and job creation, as it fails to provide such, but starting a business or project can help in that regard.

Due to the many challenges that the municipality is faced with in achieving LED, it must thrive to succeed, with its communities. This is because as poverty and unemployment are increasing, and the government cannot create enough jobs to accommodate all unemployed people. Projects are, therefore, essential. As the municipality fails to establish a new project they must then help those individuals who have started them. It is said that Municipality does not create jobs but provides a conducive environment for LED. LED can be used as a way to close the gap that exists between the communities, which see the Municipality as a source of employment, and the Municipality that considers the people as part of their development. Communities must be self-entrepreneurs, to be able to meet their own needs and be able to provide for themselves. Dependence on government does not necessarily help instead, dependence leads to strikes against the government when there are no jobs. Individuals must on their own be self-empowered to have some projects. As much as politics has taken over the Municipality, therefore, the administration of the Municipality fails to implement policies to promote the general welfare of the citizens. The issue of politics leads to any conflict of interest, because of the power that the politicians have in the Municipality, therefore projects may not have much attention.

The study aimed to examine the role of LED in enhancing community development projects in TLM, as outlined in chapter one. This aim has been fulfilled. In an attempt to successfully respond to the research problem. Appropriate research objectives were raised. All the objectives of the study have been adequately addressed as discussed in chapter two. The set objectives have helped and guided the study to develop an informed and appropriate conclusion and make recommendations. The objectives of the study were achieved as the recommendations provided are based on the results and literature indicated. They provide recommendations on how LED can be achieved when the results are used amongst stakeholders. The recommendations provided in the study may help the TLM in addressing the challenges facing the Municipality in implementing effective LED.



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#### ANNEXTURE A

#### **RESEARCH APPROVAL BY UHDC**

### **UNIVERSITY OF VENDA**

#### OFFICE OF THE DEPUTY VICE-CHANCELLOR: ACADEMIC

TO MS T. NGOBENI

SCHOOL OF MANAGEMENT SCIENCES

FROM: PROF. J.E CRAFFORD

**DEPUTY VICE-CHANCELLOR: ACADEMIC** 

DATE: 21 JANUARY 2020

DECISIONS TAKEN BY UHDC OF 21st JANUARY 2020

Application for approval of Masters Proposal Report in Management Sciences:

T. Ngobeni (15001294)

Topic: "The role of Local Economic Development as strategy to enhance Community Development Projects: A Case of Thulamela Local Municipality."

Supervisor UNIVEN Dr. M.M Nekhavhambe

Co-supervisor UNIVEN Dr. E. Mahole

**UHDC** approved Masters proposal

PROF. J.E CRAFFORD

DEPUTY VICE-CHANCELLOR: ACADEMIC



#### ANNEXURE B

#### **RESEARCH ETHICS**

ETHICS APPROVAL CERTIFICATE

RESEARCH AND INNOVATION OFFICE OF THE DIRECTOR

#### NAME OF RESEARCHER/INVESTIGATOR: Mr T Ngobeni

STUDENT NO: 15001294

PROJECT TITLE: The role of Local Economic Development as a strategy to enhance community development projects: A case of Thulamela local Municipality.

#### PROJECT NO: SMS/20/PDN/04/0805

#### SUPERVISORS/ CO-RESEARCHERS/ CO-INVESTIGATORS

NAME	INSTITUTION & DEPARTMENT	ROLE
Dr MM Nekhavhambe	University of Venda	Supervisor
Dr E Mahole	University of Venda	Co - Supervisor
Mr T Ngobeni	University of Venda	Investigator - Student

Type: Masters Research Risk Level: Straightforward research without ethical problems Approval Period: May 2020 – May 2022

The Research Ethics Social Sciences Committee (RESSC) hereby approves your project as indicated above.

- in the reflect approval is subject to all declarations, undertaking and operaments incorporated and signed is the application form, piecase note the wing.

  The project leader (principle investigater) must report in the project condition to the REC.

  Annualty (or as otherwise requirement) on the project, and upon completion at the project.

  Annualty (or as otherwise requirement) on the project, and upon completion at the project.

  Annualty (or as otherwise requirement) as the condition of the project and upon completion at the project.

  Annualty (or as otherwise requirement) as the condition of the project in the project of the project.

  Annualty or unable of project in the project in the

#### ISSUED BY: UNIVERSITY OF VENDA, RESEARCH ETHICS COMMITTEE Date Considered: May 2020

Name of the RESSC Chairperson of the Committee: Mashav Takalani Samuel

SIgnature:

Director Research and Innovation

Signature:

Date 26 May 2020 OF VENDA DIRECT 14
RESPONDED TO THE PROPERTY OF

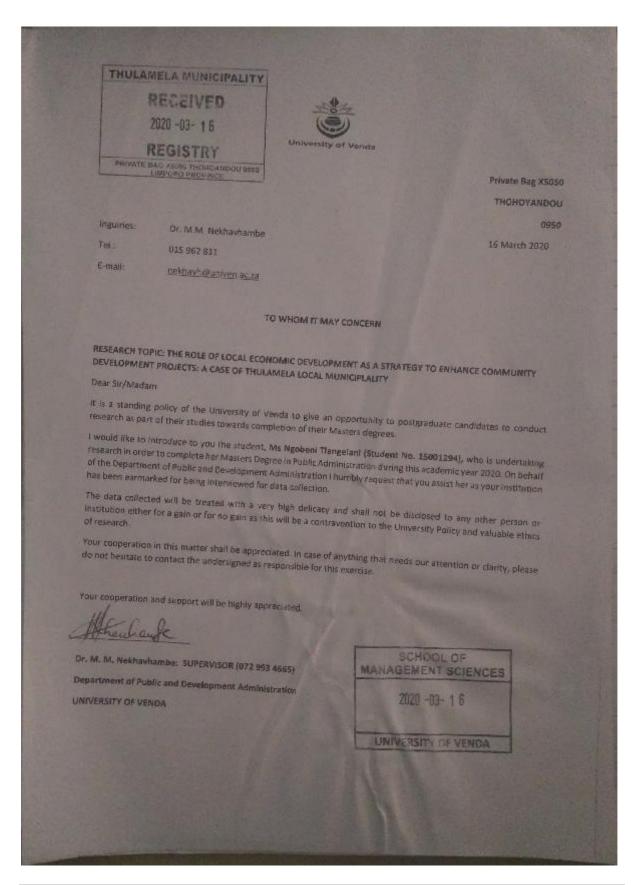
Tanhayana ap D

Date: 26 May 2020 7 5



#### **ANNEXURE C**

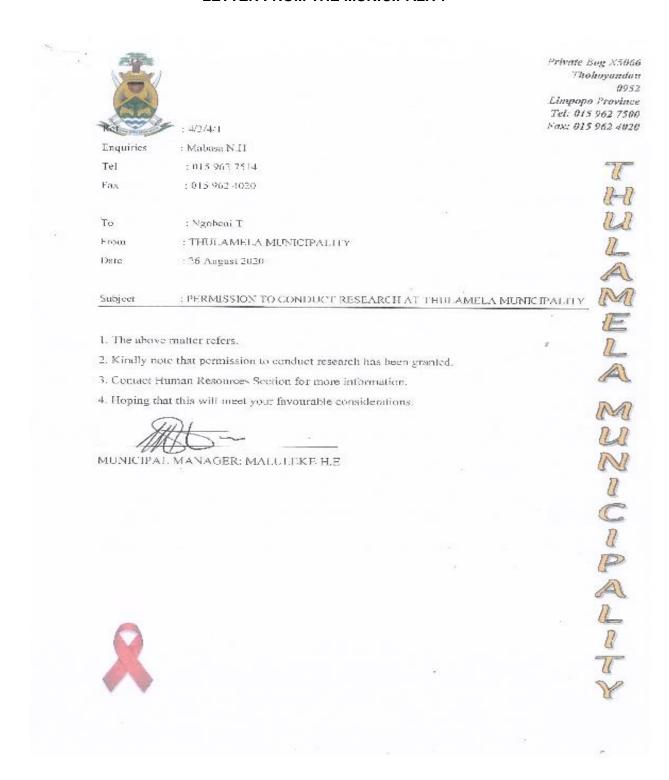
#### LETTER FROM SUPERVISOR FOR THE COLLECTION OF DATA





#### ANNEXURE D

#### **LETTER FROM THE MUNICIPALITY**





#### ANNEXURE E

#### LETTER FORM THE TRIBAL COUNCIL

P O box 5639

Thohoyandou

0950

27 August 2020

### SUBJECT: Permission to collect data: at Duthuni Tshiawelo

- The above matter refers
- We are giving permission Ngobeni Tlangelani, student number ,15001294 an initial to collect the data in our area.
- Participation is done through informed consent. And participation voluntary, participants can withdraw at anytime they wish to, without any penalty.
- We as the council believe that the study will reach its objective

Yours sincerely

Nevhutanda T

Signature

Traditional council

Denhulenoig

Date

27 August 2020





#### ANNEXURE F

#### **INFORMED CONSENT**

## RESEARCH ETHICS COMMITTEE UNIVEN Informed Consent

#### Appendix B

#### LETTER OF INFORMATION

**Title of the Research Study**: The role of Local Economic Development as a strategy to enhance Community Development Projects: A case of Thulamela Local Municipality.

Principal Investigator/s/ researcher : (Ngobeni Tlangelani, Honours Degree)

**Co-Investigator/s/supervisor/s** : (Dr MM Nekhavhambe, Doctorate)

Brief Introduction and Purpose of the Study: International, researchers, development practitioners and stakeholders recognise the importance of Local Economic Development (LED) in creating jobs, alleviating poverty and improving the quality of life of people. The purpose of this study is to examine local economic development (LED) as a strategy to enhance community development projects in the Thulamela Local Municipality as well as the effects of effective LED

**Outline of the Procedures** : (Interview will be scheduled with municipal officials as well as members of the community who are involved in the LED projects. Meetings will be in the Thulamela Local Municipality as for officials, during community meetings and self-administered questionnaires.)

Risks or Discomforts to the Participant: (None)

Benefits : (Publications of the final research

and copy will be given to the participants)

Reason/s why the Participant May Be Withdrawn from the Study:(If they do not feel comfortable in participating)

Remuneration : (None?)
Costs of the Study : (No?)

**Confidentiality** : (personal detail of participants will not be

disposed)

Research-related Injury : (yes?)

Persons to Contact in the Event of Any Problems or Queries:

(Dr MM Nekhavhambe and HOD at the Department of Public and Development Administration) Please contact the researcher (0792868085.), my supervisor (015 962 8711.) or the University Research Ethics Committee Secretariat on 015 962 9058. Complaints can be reported to the Director: Research and Innovation, Prof GE Ekosse on 015 962 8313 or Georges Ivo.Ekosse@univen.ac.za



#### General:

Potential participants must be assured that participation is voluntary and the approximate number of participants to be included should be disclosed. A copy of the information letter should be issued to participants. The information letter and consent form must be translated and provided in the primary spoken language of the research population

#### **CONSENT**

Statement of Agreement to Participate in the Research Study:

- I hereby confirm that I have been informed by the researcher, (*Ngobeni Tlangelani*), about the nature, conduct, benefits and risks of this study Research Ethics Clearance Number: .
- I have also received, read and understood the above written information (Participant Letter of Information) regarding the study.
- I am aware that the results of the study, including personal details regarding my sex, age, date of birth, initials and diagnosis will be anonymously processed into a study report.
- In view of the requirements of research, I agree that the data collected during this study can be processed in a computerized system by the researcher.
- I may, at any stage, without prejudice, withdraw my consent and participation in the study.
- I have had sufficient opportunity to ask questions and (of my own free will) declare myself prepared to participate in the study.
- I understand that significant new findings developed during the course of this research which may relate to my participation will be made available to me.

Full Name of Participant	Date	Time	Signature
I,			
(Name of researcher) herewith Informed about the nature, co			•
Full Name of Researcher			
	Date		Signature
Full Name of Witness (If applic	able)		
	Date		Signature
Full Name of Legal Guardian (I	f applicable)		





Signature
oignai

#### Please note the following:

Research details must be provided in a clear, simple and culturally appropriate manner and prospective participants should be helped to arrive at an informed decision by use of appropriate language (grade 10 level- use Flesch Reading Ease Scores on Microsoft Word), selecting of a non-threatening environment for interaction and the availability of peer counseling (Department of Health, 2004)

If the potential participant is unable to read/illiterate, then a right thumb print is required and an impartial witness, who is literate and knows the participant e.g. parent, sibling, friend, pastor, etc. should verify in writing, duly signed that informed verbal consent was obtained (Department of Health, 2004).

If anyone makes a mistake completing this document e.g. a wrong date or spelling mistake, a new document has to be completed. The incomplete original document has to be kept in the participant's file and not thrown away, and copies thereof must be issued to the participant.

#### References:

Department of Health: 2004. Ethics in Health Research: Principles, Structures and Processes

http://www.doh.gov.za/docs/factsheets/guidelines/ethnics/

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http://www.nhrec.org.za/?page\_id=14





#### ANNEXURE G

#### LETTER TO RESPONDENTS

Enquiries: Ngobeni T. P. O. Box 342

Cell: 0792868086/ 083662604 MALAMULELE

Email: NgobeniTlangieB@outlook.com 0982

08November 2019

Dear Sir/Madam

I, Ngobeni Tlangelani, am a registered student at the University of Venda, a doing Master of Administration degree. I am required to conduct research in order to complete my studies. My research topic is "Local Economic Development as a strategy to in enhance community Development": A case of Thulamela Local Municipality.

I humbly request you to be part of the study through participation, whereby you will provide the information regarding the research topic stated above. The information that will be provided will not be **disclosed** to others but kept and confidential, and will be used for the academic purposes only.

Yours sincerely.	

**NGOBENI TLANGELANI** 

STUDENT NUMBER: 15001294





#### ANNEXURE H

#### **DATA COLLECTION INSTRUMENTS**

#### **QUESTIONNAIRE**

## THE ROLE OF LOCAL ECONOMIC DEVELOPMENT: AS A STRATEGY TO ENHANCE COMMUNITY DEVELOPMENT PROJECTS: A CASE OF THULAMELA LOCAL MUNICIPALITY

The purpose of this research study is to examine the Local Economic Development as a strategy to enhancing community development projects: A case of Thulamela Local Municipality (TLM). I humbly request you to be part of this study by providing your perspective in the importance of local economic development projects Thulamela communities. Note that there is no right or wrong answer. Please put a cross (**X**) in the box that applies to you below:

#### **SECTION A: BIOGRAPHICAL DETAILS**

1. Gender of Respondent	
Male	
Female	
	l
2. Age of Respondent	
Less than 30 years	
31-40 years	
41-50 years	
51-60 years	
61 and older	
3. Category of Respondent	
Traditional leader	
Thulamela Local Municipality official	
Thulamela Local Municipality community member	
Other (specify)	
	1



4. Educational Qualifications of Respondent

Below Grade 12	
Grade 12	
Certificate	
Diploma/ Degree	
B.Tech/ Honour's Degree	
M.Tech/ Master's Degree	
D.Tech/ Doctorate	
If Other (Please Specify)	

5. Language Group of Respondent

or many suger or cup or respondent	
Venda	
Tsonga	
If Other (Please Specify)	



# SECTION B: ROLE OF LOCAL ECONOMIC DEVELOPMENT: AS A STRATEGY TO ENHANCE COMMUNITY DEVELOPMENT PROJECTS: A CASE OF THULAMELA LOCAL MUNICIPALITY

Item No.	Local Economic Development as a strategy to enhance community development projects.	Place an X in the box th		that		
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
6.	Local economic development is a strategy for improving community development projects.					
7.	Local economic development can alleviate poverty.					
8.	Local economic development can create job opportunities					
9.	The LED strategy provides regularly training to project coordinators.					
10.	The municipality has a clear channel of communication with regard to LED projects.					



Item No.	Challenges militating Thulamela Municipality to achieve effective Local Economic Development for community development projects.	Place an <b>X</b> in the box that applies to you		that		
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
11.	The Local Economic Development (LED) provides funding					-
	to implement community development projects.					
12.	Planning structure influences effectiveness of the Local					
	Economic Development strategy.					
13.	Stakeholders participate actively in LED and their inputs are					
	considered in decision making of LED in the municipality					
15.	Skills and administrative capacity need to be strengthened					
	in LED.					
16.	Harmonising relationship between the municipality and					
	traditional leaders enhance LED project in the communities.					

Item No.	The importance of local economic development projects in the communities of TLM.	Place an <b>X</b> in the box to applies to you		that		
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
17.	Local Economic Development projects are important in the communities					
18.	Cordial partnership reflects/shows the importance of stakeholders put on LED					
19.	Local economic development contributes greatly in the stimulation of local economies					
20.	Location theory is vital in promoting local economic development					
21.	Community members are part of their own development (reducing dependency)					



Item No.	Community development projects strategies for the enhancement of LED.	Place		X in the	he box	that
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
22.	Traditional leaders play an important role in Local Economic Development					
23.	Stakeholders should be encouraged to participate in local economic development					
24.	Municipalities should form partnerships with other stakeholders for the success of LED projects					
25.	Monitoring and evaluation should be made on projects implemented					
26.	Local municipality should fund the existing and new LED projects					



#### ANNEXURE I

### RESEARCH INSTRUMENT

#### **INTERVIEW SCHEDULE**

## THE ROLE OF LOCAL ECONOMIC DEVELOPMENT: A STRATEGY TO ENHANCE COMMUNITY DEVELOPMENT PROJECTS: A CASE OF THULAMELA LOCAL MUNICIPALITY

The purpose of this study is to examine the role of Local Economic Development as a strategy to enhance community development projects. I humbly request you to be part of the study by providing your perspective on the importance of Local Economic Development, as to improve the effectiveness of community development projects. Note that there is no right or wrong answer. Please put a cross (**X**) where you feel it is appropriate.

#### **SECTION A: BIOGRAPHICAL DETAILS**

1. Gender of Participant	
Male	
Female	
	<u>,                                      </u>
2. Age of Participant	
Less than 30 years	
31-40 years	
41-50 years	
51-60 years	
61 and older	
3. Category of Participant	-
Traditional leader	
Thulamela Local Municipality official	
Thulamela Local Municipality community member	
Other (specify)	
<u> </u>	



4. Educational Qualifications of Participant

Below Grade 12	
Grade 12	
Certificate	
Diploma/ Degree	
B.Tech/ Honour's Degree	
M.Tech/ Master's Degree	
D.Tech/ Doctorate	
If Other (Please Specify)	

5. Language Group of Participant

Venda	
Tsonga	
If Other (Please Specify)	



# SECTION B: ROLE OF LOCAL ECONOMIC DEVELOPMENT: AS A STRATEGY TO ENHANCE COMMUNITY DEVELOPMENT PROJECTS: A CASE OF THULAMELA LOCAL MUNICIPALITY

Please answer the following questions:

6				Economicts in Thul		-	-		community
6.1.	econ	omy o	f TLM?	(Yes or No	, Please	Motivate	e).		stimulate the
7. <b>W</b> I	hat are	the cl	hallenge		hulamel	a Munici	pality in a		cal economic
7.1.	What	are th	e effect	s of Local	Econom	nic Devel	opment ir	n communiti	es?



8.	What is the importance of local economic development projects in the communities of TLM?	
••••		
	What are the strategies for enhancing local economic development for community development projects?	
••••		

THANK YOU VERY MUCH FOR YOUR TIME AND CONTRIBUTION.



#### ANNEXURE J

#### **TURNITIN REPORT**



### **Digital Receipt**

This receipt acknowledges that Turnitin received your paper. Below you will find the receipt information regarding your submission.

The first page of your submissions is displayed below.

Submission author: Tlangelani Ngobeni

Assignment title: Infusing Ubuntu as a principle towar...

Submission title: Local Economic Development as a s...

File name: Number\_14014018\_Maters\_Resea...

File size: 10.27M
Page count: 202
Word count: 56,884
Character count: 329,950

Submission date: 12-Mar-2021 11:42AM (UTC+0200)

Submission ID: 1531076354



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#### ANNEXURE K

#### **EDITORIAL LETTER**

