

THE EFFECTS OF LOCAL ECONOMIC DEVELOPMENT IN POVERTY ALLEVIATION: A CASE OF LEPELLE-NKUMPI LOCAL MUNICIPALITY, LIMPOPO PROVINCE

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DECLARATION

I, Charles Selemela, declare that this study at the University of Venda has not been submitted previously for any degree at this or another university. It is original in design and in execution, and all reference material contained therein has been duly acknowledged.

Student: Selemela Charles... Date...12/06/2023





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ABSTRACT

The focus of this study is to evaluate the effects of local economic development (LED) in poverty alleviation in municipalities using Lepelle-Nkumpi Local Municipality as a case study. LED is essential as it involves identifying and using primarily local resources and skills to ensure or stimulate local economic growth and community development. Municipalities are responsible to ensure the promotion of LED projects to alleviate poverty. This study was motivated by fact that there is lack of promotion of LED projects, high rate of poverty and unemployment and other socio-economic related issues that is occurring in communities within Lepelle-Nkumpi Local Municipality. Although the Municipality is continuing with the implementation of LED strategies but high rate of poverty and unemployment persist. Lack of capacity, incorrect interpretation or implementation of LED and resource constrains are some of the factors that contribute to failure of LED implementation in municipalities even though they are policies or guidelines in place.

The study adopted a qualitative research approach with the aim of interpreting and analysing the responses in thematic method. The data was obtained through semistructured interviews from the identified municipal officials who are responsible for LED implementation, other municipal officials, economic development agency officials, project beneficiaries, community stakeholders and project leaders. The study used face-to-face interviews as a more natural way of interacting with the respondents. The purposive sampling was appropriate for this study, because the researcher wanted participants who have knowledge about the topic and who can give reliable information which will help to reach the objectives of the study. The study findings revealed LED implementation in Lepelle-Nkumpi Local Municipality is constraints by many factors which hinder it to achieving economic development and poverty alleviation. The Municipality have challenges such as lack of budget, political interference in the allocation of LED projects, double dipping of projects, dependency syndrome of LED projects, LED strategies do not address socio-economic challenges of communities, absence of monitoring and evaluation. Local economic development must contribute effectively on poverty alleviation and should have strong social focus.

KEYWORDS: Local economic development, poverty alleviation, promotion, implementation, strategies.





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LIST OF ACRONYMS

LED : Local Economic Development

IDP : Integrated Development Plan

ANC : African National Congress

DPLG : Department of Provincial and Local Government

CWP : Community Workers Programme

RDP : Reconstruction and Development Programme

SALGA : South African Local Government Association

ASGISA : Accelerated Shared Growth Initiative in South Africa

ISRDS : Integrated Sustainable Rural Development Strategy

GEAR : Growth, Employment and Redistribution Strategy

MSA : Municipal Systems Act

NPSRDF : Northern Province Sustainable Rural Development Framework

LDP : Limpopo Development Plan

LEDA : Limpopo Economic Development Agency

PGDS : Provincial Growth and Development Strategy

SMMEs : Small, Medium and Micro Enterprises

CogHSTA : Department of Cooperative Governance, Human Settlement and

Traditional Affairs

EPWP : Expanded Public Works Programme

NDP : National Development Plan

LBPL : Lower Bound Poverty Lines

UBPL : Upper Bound Poverty Lines

Stats SA : Statistics South Africa





CHAPTER 1: INTRODUCTION AND BACKGROUND OF THE STUDY

1.1 INTRODUCTION

Local economic development (LED) is an outcome based on local initiatives driven by local stakeholders. Local economic development is one of development strategies which utilises grass root-based approach especially in the developing world (Kahika & Karyeija, 2017:159). The concept of LED has gained widespread acceptance internationally as being a locality based response to the socio-economic problems and challenges posed by globalisation (Nel & Rogerson, 2005:22). It can be viewed as an attempt to address increasing socio-economic problems, including low economic growth, high levels of unemployment and high levels of poverty. The approaches to promotion of economic development have been taken by municipalities around the world which include LED. Vosloo (1998:1) argued that LED is being promoted internationally as a local approach that addresses the problems based on alleviation of poverty and filling the gaps that national policy directives have left.

Rodriguez-Pose and Tijmstra (2007) state that LED approaches are taking root across sub-Saharan Africa with much emphasis on economic opportunities. It focuses on community's competitive advantage as a means to identify new opportunities, create jobs, income and develop local infrastructure. Local economic development could be just what South Africa needs as a local approach to local problems that compliment national policy initiatives. In most cases LED is evaluated within the context of development in order to establish a link between LED and poverty alleviation. Local economic development strategies in South Africa form part of a relatively new approach to development (Nel, 2001:45).

Local economic development is also evaluated within the South African context, specifically with regards to the policy context, the historical approach and the challenges to LED implementation. In developing countries LED approaches has to establish a strategy which deliberately focuses on pro-poor LED implementation (Issacs, 2006:iv). According to Hilliard and Wissink (1996:26), LED is a relatively approach to develop and is currently seen as a prominent strategy to tackle the problem of unemployment and poverty in South Africa and to provide a bottom up approach to economic development.





It forms part of the economic and social development mandate given by section 152 of the *Constitution of the Republic of South Africa* of 1996 (Constitution) to local authorities. It was determined that LED has a legal mandate in South Africa and that South African experience shows that role players in the local economy and specifically local governments have developed a wide range of LED strategies to promote the development of the local economy.

Municipalities need to engage with communities and the private sector in prioritising and designing appropriate LED strategies that unlock local potential to attract more investors (Van Rooyen, 2013:251). The municipalities have developed various strategies to deal with challenges of socio-economic conditions in their respective municipalities which included LED plan. The challenges in the implementation of developed strategies and programmes were lack of capital investment, skills shortage and access to market. "It is inevitable that LED is experienced in various forms ranging from urban entrepreneurialism to rural survival strategies. In many cases where LED was in its early stages government and municipalities were often still in the first phases of policy development and application, therefore it would be difficult to claim significant, concrete results" (Tefu, 2002:73). Bartik (2020:1) states that LED strategies and policies must always be aligned to achieve quality job creation and targets individual businesses with the goal of catalysing broader benefits.

1.2 CONTEXT OF THE STUDY

Lepelle-Nkumpi Local Municipality is a Category B municipality situated within the Capricorn District in the Limpopo Province. The Municipality is located 55km south of the District municipality and Polokwane City. The Municipality is predominantly rural. It is divided into 29 wards. However, about 95% of its land falls under the jurisdiction of Traditional Authorities (Lepelle-Nkumpi Local Municipality, 2020-2021: 28). There are quite number of legislations and policies which relevant to this study which affect LED initiatives. The White Paper on Local Government (1998) identifies LED as a strategy towards poverty reduction as it emphasises that promoting growth and addressing poverty and inequality are the key objectives of LED. The LED National Framework of 2006 which aims to support the development of sustainable local economies through integrated government action.





In terms of the Constitution in section 152, municipalities have an important role to play in service delivery and LED implementation. Local economic development as a priority area, it is now compulsory for all municipalities to draw up an annual and five-year Integrated Development Plan (IDP), which plan must contain an LED strategy as stated on Section 26 of Local Government Municipal Systems Act – 2000. In terms of reporting Lepelle-Nkumpi Municipality does not have poverty reduction targets or report on the growth which occurred as a result of projects brought by LED. The municipality has very high level of poverty, with more than 15% of households without any form of income (Lepelle-Nkumpi Municipality, 2021-2026:30). In South African context, LED is viewed as a key macro-economic growth pillar as it seeks to create jobs and new economic opportunities to alleviate poverty. The effect of LED on communities of Lepelle-Nkumpi Municipality has produced less success on poverty alleviation.

1.3 STATEMENT OF THE RESEARCH PROBLEM

Despite the Lepelle-Nkumpi Local Municipality's local development strategy (2019), there are high levels of unemployment in the municipality (45,69%), and resultant low levels of income (from the formal sector). This forced a portion of the population still residing in the area to enter and participate in informal and marginal economic activities. High level of poverty is rife in most rural areas around Lepelle-Nkumpi Local Municipality (Lepelle-Nkumpi Local Municipality, 2013-2018: 24). Although LED is being implemented in the Municipality, but socio-economic challenges are still major problem facing communities. Local economic development implementation often fails due to lack of capacity and resource constraints to manage and promote within rural municipalities (Nel & Rogerson, 2005) cited in Meyer (2014:624).

This study is important since there are more people living in poverty around the Municipality because of the high rate of unemployment in the area and the LED projects initiated does not provide solutions to existence of the problem. Although in the South African context, LED is a key macro-economic growth pillar as it seeks to create jobs and new economic opportunities and to increase income levels to broaden the tax and revenue bases of a municipality, thereby enabling municipalities to pay for services. The effects of LED on poverty alleviation is questionable for communities of Lepelle-Nkumpi local municipality, therefore the researcher will explore more on what went wrong and what need to be done.





It is also alleged that LED is incorrectly interpreted and therefore also incorrectly implemented (Issacs, 2006). However, "because of the presumed effects of LED in terms of economic growth and social upliftment, pressure is placed on municipalities to get appropriate strategies into place as soon as possible," (Isaacs, 2006:iv). For these reasons, the proposed study is set out evaluate the effect of local economic development in poverty alleviation as to determine and investigate ways on promotion of local economic in rural municipalities in order to address the issue of poverty.

1.4 AIM AND OBJECTIVES OF THE STUDY

1.4.1 Aim

The aim of the study is to evaluate the effects of LED in poverty alleviation in municipalities using Lepelle-Nkumpi Local Municipality in Limpopo Province as a case study in order to ensure that poverty alleviation and creating local opportunities are realised through LED initiatives.

1.4.2 Research Objectives

The following identified objectives could lead to a greater understanding of the research problem in its bigger context and through this enhanced understanding contribute towards answering or resolving the research problem.

- To assess the nature and importance of LED in the context of South Africa municipalities.
- To analyse LED approaches and strategies in South African municipalities and at Lepelle-Nkumpi Local Municipality.
- To investigate LED challenges prohibiting poverty alleviation using Lepelle-Nkumpi Local Municipality as a case study.
- To evaluate the role of the Lepelle-Nkumpi Local Municipality in promoting LED for poverty alleviation.
- To propose recommendations for ensuring proper LED implementation regarding poverty alleviation.





1.5 RESEARCH QUESTIONS

The research question as the process of stating the problem of the research, the following questions will give the researcher a deep insight about the research problem being investigated.

- What is the nature and importance of LED in the context of South African municipalities?
- What are LED approaches and strategies in South African municipalities and at Lepelle-Nkumpi Local Municipality?
- What are challenges of LED that prohibits poverty alleviation especially at the Lepelle-Nkumpi Local Municipality?
- What is the role of Lepelle-Nkumpi Local Municipality in promoting LED?
- What are recommendations for ensuring proper LED implementation regarding poverty alleviation?

1.6 JUSTIFICATION FOR THE RESEARCH

The study was motivated by the knowledge gap which seems to exist in terms of lack of information as to why LED seems to have limited success on poverty alleviation and what went wrong. The significance of the study is that, it will go a long way into broadening the knowledge on LED in the Lepelle-Nkumpi Municipality. It may also help in formulating measures to promote and manage economic development and alleviating rural villages poverty. The study will help to increase the existing knowledge and supplements the current literature review that is in place from different researchers and scholars.

This study will also raise awareness for local or rural communities to encourage municipalities to clearly strengthen promotion of LED in order to resolve challenges or problems of socio-economic in rural municipalities. The findings of the study will encourage collaborative effort for Lepelle-Nkumpi Municipality to work together with local communities to find sustainable ways to meet their needs and improve the quality of their lives. Furthermore, will encourage the municipality to clearly promote local ownership, community involvement, local leadership and joint decision-making. The findings of the study are expected to contribute towards a better understanding on effects of LED in poverty alleviation.





1.7 DELIMITATIONS OF THE STUDY

The central focus of this study is to evaluate the effect of LED in poverty alleviation in rural municipalities using Lepelle-Nkumpi Local Municipality as a case study in order to address poverty and limited economic opportunities. According to Nel and Rogerson (2005), in the global context of LED the case of South Africa has attracted remarkable interest as a laboratory for experimentation, innovation and learning. However, noting the number of scholarly research articles on LED in South Africa is relatively limited, especially when compared with the many documented reports available on the South African LED experience (Xusa, 2007). In this study the researcher did not manage to interview all targeted participants due to financial and time constraints. Therefore, out of 50 targeted participants only 42 respondents were interviewed.

The study will not focus on the whole municipality but in a certain geographical area, due to fact that LED projects are scattered in different location. The study may be hampered by factors such as under-qualified persons enter the discussion and the researcher has no control over the quality of the data, which may not be reliable. Therefore, this is evident or motivated by the fact that lack of capacity is aspect which affect the success of LED promotion and implementation. However, study should be complemented by officials who will be able to understand the outcome of research through literature review, data analysed and recommendation.

1.8 OPERATIONAL DEFINITIONS

The following are operational definitions of key concepts which will also be defined within the context of this study. An operational definition will allows the researchers to describe key concepts in a specific way what they mean when they use a certain term.

1.8.1 Local Economic Development

Sebugwawo (2012: 20) defines LED as a "localised response relying on local initiatives and the principle of communities taking ownership of the development process" Freund and Lootvoet (2004:3-4) define LED as an outcomes based local initiative which involves identifying and using primarily local resources, ideas and skills to stimulate economic growth and development in order to create employment opportunities for local residents, alleviate poverty and ensure community empowerment.





For the purpose of this study, LED refers to the process of addressing socio-economic problems including poverty, develop the local community and improve local economic growth.

1.8.2 Development

According to Bryant and White (1982:55), development means increasing the capacity of people to influence their future and needs. According to Korten (1984:5), development can be seen as a process whereby the members of a society increase their potential and institutional capacities to mobilise and manage resources to produce sustainable and justly distributed improvements in their quality of life consistent with their own aspirations. For the purpose of this study development refers to positive social, economic empowerment, political and cultural change which enhances the freedom of human beings to function and to achieve their potential in all spheres of life.

1.8.3 Poverty

De Wet (2005:3) defines poverty as equals to human suffering, although this suffering may be relative, it is still an undesirable state to live in and often goes hand in hand with other pathologies and deviant behaviour. Poverty is the inability of individuals, households or specific communities to have enough resource that meet minimum standard of living. It is measured in relation to income and access to social services (Noble, Ratcliffe, and Wright, 2004:6). In this study poverty is described as a population of Country which is unable to meet basic needs or essentials such as food, clothing and shelter to maintain minimum living standard.

1.9 STRUCTURE OF THE DISSERTATION

Chapter One: Introduction and Background of the Study

This chapter provided the introduction and background to the study. It also explained context of the study, statement of the research problem and justification or significant of the study. The aims, objectives, the research questions and definition of concepts, form part of this chapter.





Chapter Two: Literature Review

This chapter two will provide the discussion of related literature on the research to assist in discovering facts. This chapter will provide theoretical framework on local economic development and poverty perspective.

The literature review was conducted by reviewing journal articles, books and reports on the subject matter and related topics. The knowledge gaps are identified in order to locate the present study accordingly

Chapter Three: Research Design and Methodology

This chapter articulates the research design used for the study. The method used is relevant to the objectives and aim of the study, and as such the phenomenon being investigated received proper and relevant attention. Chapter three will further stipulate the description of the study area, population sampling and data collection methods. This chapter also clarifies qualitative methods as the preferred research methodology used in the study.

Chapter Four: Data Presentation, Analysis and Interpretation.

Chapter four will include data presentation, analysis and interpretation in which the results of the study will be discussed and linked to the theory and literature review in chapter two. Chapter four will present the findings of the study and analysed data using the chosen methods by the researcher.

Chapter Five: Findings, Recommendations and Conclusion.

The last chapter concludes the study by revisiting the aim, objectives, key research questions and the problem statement and synthesizing key findings. It will also explore the effects of LED projects in contribution to poverty alleviation. It is within this chapter that recommendations are made.





CHAPTER 2: LITERATURE REVIEW ON LOCAL ECONOMIC DEVELOMENT

2.1. INTRODUCTION

The previous chapter discussed the introduction, background, context and research problem to the study. In this chapter a review of scholarly literature on LED is done to provide understanding on the LED implementation strategies by municipalities in South Africa. According to Brynard and Hanekom (2006:32), literature is reviewed by looking at the publications which could include scholarly, academic books and articles from experts and authorities in the field directly relating to the research topic. To this end the chapter seeks to provide theoretical framework on LED that directs the discourse of this study while providing for what others have done in similar field of study in order to discover more facts within LED. This chapter will provide theoretical frame on LED, experiences of LED and the different perspectives on LED.

The UN-Habitat (2009:1) view LED as a shared process in which local citizens from sectors work together to stimulate local businesses, producing a resilient and sustainable economy. Malele (2018:2) states that LED assist in creation of decent jobs and improves the quality of life for everyone, including the poor and marginalized. LED is one of the most important tools used globally (e.g. India, South Africa, United States, Zambia etc.) as a way of addressing poverty challenges (Rodriguez-Pose & Tijmstra, 2005). The proponent of LED, Nel and Rogerson (2005:19) argue that the capability of LED to have positive effects on poverty alleviation and stimulate economic growth will depend on resources allocated to LED.

LED requires partnerships to achieve sustainable economic growth that brings economic benefits and advances in the quality of life for benefits of the communities in general (Freund & Lootvoet, 2004; Swinburn, Goga & Murphy, 2006). Nel and Humphrys (1999:277), postulate that "LED as a strategy deals with locally based individuals to use resources to modify and enlarge local economic activity to the benefit of the majority in the local community". Local initiatives may be both self-generated by members' community and develop by any other key stakeholders.





2.2. THEORETICAL FRAMEWORK

Local economic development (LED) is composite and intricate area of study which consist of economic development policy and local infrastructural development policy that form part of vital environment for LED with all sorts of civic initiatives to improve local communities (Kača, Curić & Selma Ikić, 2016: 232). Several academics, government officials and development practitioners in the private and public, as well as the non-governmental sectors agree that LED plays a crucial role in job creation, poverty alleviation and an improvement in standards of living (Abozeid, 2017). Van Rooyen (2013:13) attests that LED is all about development of the communities and has a long history in developmental practice from national, provincial, regional and local government led development growth to more participatory and localised processes.

Effective LED interventions need a good understanding of the causal mechanisms that activate responses such as investment, place marketing, poverty alleviation, job creation and economic partnerships (Van Rooyen, 2013). Those causal mechanisms are certainly theory-laden, as they rely on non-empirical theoretical concepts. Causal mechanisms are invisible through naked eye, but they are required to be postulated and theorised. This entails that there may not be one single correct theory describing these causal mechanisms. Analysts from different theoretical persuasions will assume different concepts and causal relationships (Ritzer, 2010).

2.2.1 Theories of Local Economic Development (LED)

The discipline of LED is a complex mix of concepts and practices (Rowe, 2009:3). The concept of LED is indescribable and applied in different disciplines without common explanation on what LED entails (Sebugwawo, 2012; Trah, 2004). To support this, Van Rooyen (2013:9) agrees with Garidzirai (2018:14) by stating that the complexity is due to the fact that various disciplines like geography, development economics, urban studies, political science and public management highlight different dimensions of the concept of LED. There have been lot of debates around the world by LED practitioners, academics, researchers and scholars on relevant theory of LED. Firstly theoretical framework for LED's origin is established within the base development theories that include amongst others such as the neo-classical economic theory, local





theory and central place theory just to name the few (Blakely, 2003:61-78). In terms of available literature review and practices, LED has no available theory which clearly explains concept of LED. Rowe (2009:3) agrees that there is no dedicated coherent body of theory which adequately explains LED. Although Abrahams (2003:187), notes that there is a large body of literature possibly describing numerous aspects of the theory and practice of LED.

Beer (2009:63) states that there are various LED programmes which are anchored on one or more theories of economic development, but the multiplicity of theoretical perspectives results in misunderstanding among practitioners. This goes beyond a multi- disciplinary approach towards a perspective that realises LED from different points of view but in an interrelated method (Jones, 2009:76). Local economic development theory is referred to as branch of regional development theory that has an intra-area focus (Gomez & Helmsing, 2008). It focuses on actors, structures, and processes of local regional growth as these exist and take place within a defined territory. The following theories will be discussed: neo-classical economic theory; location theory and path-goal theory.

2.2.1.1 The neo-classical economic theory

Blakely and Bradshaw (2002) are of view that neo-classical economic theory offers an equilibrium of economic systems and mobility of capital concepts in LED. The concept provides that all economic systems will reach a natural equilibrium if there is an unrestricted flow of capital. The flow of capital will ensure that all economic systems reach natural equilibrium, for this reason that low wage/ cost poor areas will offer a huge return on investment within the context of LED. The supporters of Neo-Classical theory discourage movement or relocation of firms from one area to benefit the others (Blakely and Bradshaw, 2002: 57). Furthermore, Blakely and Bradshaw (2002: 58) stipulate that some authors of these theory deliver development that limit equal benefit to different groups. Neo-Classical framework displays elements of antagonism as it restricts community interventions and interest in their local business area.

This theory has ability to promote markets within the community and provide the platform to ensure that local resources are utilized in efficient manner to attract capital. To support this, Nel and Humphrys (1999:277) postulate that LED is a strategy in which local communities use resources to modify and expand local economic activities





for the benefit of the majority in a local community. The artificial barriers are the results of low functioning of governmental bureaucracy and lack of a good business environment which are in fact obstacles of LED (Blakely & Bradshaw, 2002:59).

The application of the Neo-Classical framework within the Lepelle-Nkumpi Municipality with consideration of poor socio-economic development status, the municipality should intervene through the implementation of LED approaches and strategies by addressing community challenges such as poverty (Malele, 2018). LED as part of the classical economics is geared towards growth and development. To attract the market of community to be recognised in LED, Ramafamba (2009:16) suggests that training which is complemented by programmes to enhance the value of local people is important approach toward realization of economic development.

2.2.1.2 Path-goal theory

Hersey, Blanchard, and Johnson (2001:111) state that the path-goal theory is referred as one of the popular theories which is most effective because it is based on the achievement of goals and the path towards the goals. Xuza (2007) argues that there are number of academic papers published as case studies on LED contain a record of experiences but there is little emphasis on the theoretical framework or the identification of the elements that contribute to developing the LED concept. Path-goal theory appears to be more appropriate for this study since it seeks to promote collaborative effort to address issues including poverty and reach goals. Hersey et al. (2001) state that path-goal theory leaders are responsible for providing followers with information, support or other resources necessary to achieve their goals.

In the context of this study it implies that Lepelle-Nkumpi Local Municipality should provide full information about LED projects and involve the communities on local economic opportunities which are triggered by LED initiatives in order to achieve poverty alleviation goal. For communities to be actively involved in LED decision-making, projects and implementation, they need to be fully aware of and knowledgeable of what to expect and what is expected of them. Leaders who subscribe to path-goal theories are recommended as they are more dynamic and can apply various approach of flexibility regarding any condition (Malele, 2018:19). The path-goal theory put more emphases on both followers, satisfaction and goal orientation for effective LED strategy implementation.





Although South Africa has many policies relating to LED, and is indeed one of the few countries in the world that even has LED policies, more work at local government level still need to be done before positive effects of LED in poverty alleviation is achieved (Mashiteng, 2017; Malele, 2018:20; Mokoena, 2019). It is contended that local actors are encouraged to take charge of LED within their localities, but they need to work from a common base and understanding of the position of their localities in a globalizing world. If LED is to fight poverty, the ability to do so will be determined by the overall framework conditions, as well as the quality of macro-economic conditions, the institutional landscape and the functioning of markets (Patterson, 2008:40-41).

2.2.1.3 Location theory

Theories of LED draw on a wide range of disciplines such as location theory which derive from the disciplines of Geography and Urban planning. Nel (1999:24) state that the term locality in which LED can occur does not have fixed definition. Locality is term used to describe the place where people live (Nel, 1999:24). Location theory seeks to explain the distribution of activities in space, the aim being to identify the factors that influence the location of individual activities, the allocation of different portions of territory among different types of production, the dividing of a spatial market among producers, and the functional distribution of activities in space (Capello, 2011:3). Tomlinson (2003) agrees with the World Bank Group (2011) that the main purpose of LED is to reduce the level of poverty by building up the economic capacity of a local area through the utilisation of local resources to improve its economic future and the quality of life for all.

Capello (2011:2) is of view that location theory is the oldest branch of regional economics which was first developed in the early 1900s and deals with the economic mechanisms that allocate activities in the communities' space. This theory involves investigation into the location choices of firms and households (Capello, 2011:2). For local community to benefits in LED initiative firms must be close to their households to create opportunities such as jobs. Tassonyi (2005:7) highlights that LED should consider the development of its local setting in order to be prosperous. Further, Tassonyi (2005:7) outline the following building blocks for the success of LED:





- The commitment to impartial participation. Equal access to the market for LED related initiatives.
- Communities must have a civic culture of creativity.
- The municipalities must ensure that availability of financial and technical resources to ensure success and sustainability.
- Accountability mechanisms should be developed and provided by local government.

Location theory tend to address the issue or questions of what economic activities are proximately to the local community, where and why such activities are close to the community. This theory is generally the heart of economic geography and classical economics. In terms of applying this theory to the municipal context, all municipalities must enable competitive services and LED projects to the community to improve their economic activities in their areas.

2.2.2. Evolution of local economic development

LED as a concept date back to the 1960s and 1970s (Pretorius & Blaauw, 2005). However, it was not until the late 1990s that an emphasis on enterprise development, improving infrastructure, building local partnerships, and generally promoting an inclusive and dynamic framework became the dominant strategy (World Bank, 2003). LED has gained widespread acceptance when there was more need to enhance enterprise development and infrastructure (Nel and John, 2006; Rogerson, 2006). LED lately is seen as an approach to tackle development issues in order to improve the standards of living amongst citizens.

The occurrence of LED highlights the dynamics to foster and enhance the success of economic development at a local level (Mbeba, 2014:36). Furthermore, these will uplift the economic activity of local economies so that they can take active participation in the broader national economic activity which in a long run community will be beneficiaries. In other words, it is advisable that local communities take active role in their own development initiatives, which in tend will contribute in reduction of socioeconomic challenges such as poverty (Meyer-Stamer, 2003; Jili, 2019:151). This will in turn enhance economic development and guarantee its sustainability.





The truth is that people are assuming responsibility for their own developmental future through LED as one of the important focuses in academic literature (Stöhr, 1990; Nel, 1999, as cited in Nel & Binns, 2002).

In relation to the above gathered information from various cited literature, it is evident that community driven initiatives are identified as ways in which communities could express their desire and fully participate in community projects for their own development. Poverty alleviation can only be achieved through promotion of local economy to improve standard of living.

2.2.3. Nature of local economic development in South African municipalities

The explanation on nature of LED will provide understanding of LED within municipalities, since municipalities are expected to play significant role in all LED initiatives. However, it noteworthy that municipalities clearly understand the nature of LED as all municipalities are assigned by the Constitution of Republic of South Africa 1996 hereafter be referred to as Constitution to carry all LED initiatives.

2.2.3.1. The nature of LED

LED in nature involves supporting and empowering all local communities, in particular the poor communities (Pillay, 2004). The nature of LED can be traced as derived from three major socio-economic challenges such as poverty alleviation, urban planning and the business-oriented which has been experienced by most developing countries (Meyer-stamer, 2006). Meyer-stamer (2006), believes that LED is being approached mainly from three angles, which are the poverty alleviation, urban planning and the business-oriented angles, which is similar approach within the context of South Africa. LED is a vibrant progression and envisages a mutual relationship between citizens and local authorities so as to generate development that is sustainable in nature.

LED is multifaceted in nature, and development economist researchers lack consensus on what it entails (Sebugwawo, 2012). Although LED is a multifaceted concept, it includes meeting people's needs and these needs can be addressed through the above-mentioned researchers, specifically the development economics (Garidzirai, 2018:14). In order to achieve positive development results that are successful, effective and sustainable, they should be effective LED plans that cover short, medium and long-term strategies.





However, they are main categories of LED initiatives which reflects and forms nature of LED which are namely, community economic development, economic development, overall planning and management of economic and physical development on areas (Helmsing, 2003:69).

2.2.3.2 Analysis on the importance of LED in Local Government

LED is seen as important strategic tool to address socio-economic challenges faced by the local government. According to Mufamadi (2000:1), LED serve as important outcome based local initiative which is driven by local stakeholders for the support of local government economic growth. Municipalities has duty to come up with effective mechanisms that encourage community and business engagement on implementation of LED projects. LED in local government plays active role in identifying and using primarily local resources, ideas and skills to stimulate economic growth and development. The South African government is encouraging people at all spheres of society to participate in economic decision making which explores creativity and builds entrepreneurship at all society.

In noting the apparent challenges that the country faces in job creation and poverty eradication; LED builds a platform for bringing collective effort in working towards sustainable long-term solutions. Xuza (2007) is of the view that South Africa has made substantial mark in LED design, but slight effort on implementation. Xuza as supporter of LED, he is convinced that people working in the field have experienced many different steps of LED but have not taken the time to contemplate on the knowledge created. LED seeks to integrate efforts across sectors, developing both the formal and informal economy, with a view to realizing community goals, such as quality jobs, reduced poverty, environmental sustainability, and the inclusion of marginalized society.

Malele (2018:1) postulate that although LED is regarded as the local government responsibility, there are other role players who could contribute to its success, but who tend to be marginalized. This entails that partnership will forever be key for the success of LED to unlock economic opportunities that strive for business partnership. The advantages of private sector partnerships include access to finance, technological knowledge and entrepreneurial experience and job generation concerns of the public sector (Rogerson, 2010a:443; Nel and Rogerson, 2007).





All spheres of government should take a leading role in creation and encouraging public-private partnership systems in to support South African municipalities. The above discussion highlight the importance of LED in creation of working covenant amongst role players to address developmental issues.

The local government has initiated LED as the strategy with objective of achieving effective job creation, poverty alleviation and skills development (Ramukumba, 2012; Koma, 2014). Local government still consider LED as one of key strategy to resolve the current economic crisis through creation of local markets and poverty alleviation projects which some time fail due to resource constraints. Given the importance of LED, the South African local communities need to turn around their economic and development directions to one that is prosperous and beneficial to their communities and ultimately the country as a whole. LED can be used as one of the tools necessary for reversing the economic injustices imposed on some local communities by the previous apartheid state (Mongake, 2005:20; Human, Lochner & Botes, 2008:56; Mokoena, 2019; 59).

2.2.4. International perspectives on LED

NeI (2001:365) states that in the recent years, LED has been acknowledged internationally, as a key response to major contemporary trends, such as increasing decentralisation of power and decision-making to the local level including local communities. This view implies that LED has gained wider acceptance internationally as an existing change which enhance decentralisation of power and involving more local public participation to decision making (Rodriguez-Pose & Tijmstra, 2005). This it is important as local-level involvement in decision making encourage community participation in all LED initiatives. Globalisation forces, which in a context of the diminishing significance of the nation-state, compel a local-level response, economic change within localities, varying from de-industrialisation to local innovation which needs local leadership initiative, response and direction.

Phillip (2003:3) cited in (Seduma, 2011:9) point out that LED has been followed from an international level through the formation of co-operatives which regularly raised from five distinctive traditions such as consumer co-operatives, worker co-operatives, the credit co-operatives, agricultural co-operatives and service co-operatives, whose beginnings have been associated with the Rochdale pioneers, France, Germany,





many parts of Europe and Denmark. However local communities become active participants in their own development rather than the objects of development to improve their lives. Therefore, the community-driven initiatives are identified as ways in which communities could express their desire to conserve local customs and traditions, and earn a living at the same time (Pretorius & Blaauw, 2008:156-157). Simon (2003) it is essential to be noted that western countries consider LED as significant tool to reduce poverty with community-based initiatives led by co-operatives targeted and other role players.

2.2.5. Local economic development in Africa

In Africa, Rodríguez-Pose and Tijmstra (2005) further recognised the emergence of LED as a result of the constant problems of slow economic growth and poverty, changes in national and international economic environment. Further-more the incapacity of central governments to intervene at the local level effectives and ensure proper LED initiatives must be addressed. Sebugwawo (2011:14) highlight that propoor approach to LED in African countries such as Ghana, Uganda and Zimbabwe is adopted through community-based planning for successful programmes. In Botswana LED is motivated by development initiatives at local level by identifying district development plans involving all the major local stakeholders (Richards & Stetten, 2000:6; Vanvuren, 2003:18; Van Rooyen, 2013; Jili, 2019;).

LED provision methods in Botswana include amongst others for example such as National Micro Credit Scheme which offers financial support to Small, Medium and Micro Enterprises (SMMEs) (Richards & Stetten, 2000:6; Vanvuren, 2003). Furthermore, LED support measures include the Basotho Enterprise Development Corporation Act of 1984, which offers support for small businesses. While Zimbabwe LED support measures encouraging the export industry and many financial and related institutions which are supportive small businesses (Vanvuren, 2003:18-20). Several strategies to LED implementation are similar in African countries which include amongst others for example such as, urban policy reform and decentralisation, local government-driven LED, small business support, informal sector support and also community groups and co-operatives.





2.2.6 Local economic development in the South African context

South African LED practice is about addressing, improving social and economic conditions of the poor (Meyer-Stamer, 2003:10; Freund & Lootvoet, 2004:3-4). Most of the municipalities in South Africa adopted LED as an instrument to realise the development of the local communities for the purpose of empowering them and in other hand resolving issues that they experience relating to development. In South Africa, the practice of LED tends to have been associated with a more distinctive propoor orientation and the degree of national state endorsement of local level. Nel (2001) maintains that in South African context LED is usually applied through local level setting, typically by a combination of partners, to address socio-economic problems and also in turn to respond to economic opportunities.

The Constitution puts more accountability and responsibility on municipalities to facilitate LED. However, this serves as directives to local government in South Africa that municipalities should be the main drivers of LED to eliminate socio-economic issues faced by local communities. Therefore, it can be understood and be viewed that LED is an unfunded mandate for municipalities (CogHSTA, 2006; Mashiteng, 2017:32; Mokoena; 2019:71). However above highlighted Constitutional requirements for municipalities to facilitate LED, and the contrast of the schedule which includes the function of municipalities are important. Triegaardt (2014:3) on the other hand purport that municipalities have a facilitating role in provision of an enabling environment for investment through the provision of infrastructure and quality services, rather than programmes for job creation.

In South Africa, local government serves as main driver for LED development planning with inclusion of other stakeholders such as non-governmental organisation (Rogerson, 2006; Nel, 2001). This is in conjunction with the municipal IDPs and Constitution of Republic of South Africa that local government should take active participation and involvement in all LED initiatives and projects. In this context, a "LED model is adopted by the government and proposed to Parliament as policy makers and LED practitioners in South African municipalities to increase the standard of socioeconomic conditions of their local communities" (Binza, 2010:241). However, it should be noted that LED as a mandate of local government excellence to municipal service delivery need to be implemented correctly (Baldersheim & Ståhlberg 1994:3).





2.2.7 Local economic development in context of Limpopo province

Local economic development in the Limpopo province is well preferred in most of the municipalities as instrument and approach to resolve socio-economic problems. LED in Limpopo province is viewed as bottom up socio-economic instrument within a wider Provincial Growth and Development Strategy (PGDS, 2009) to generate a positive business environment aimed at enhancing and improving their competitiveness with a multi-dimensional and multi-sectoral process over which the skills, resources and ideas of local stakeholders collective to stimulate local economies (Limpopo Growth and Development Strategy, 2004). Limpopo (PGDS, 2009:14) has identified the following five main objectives derived from the national medium term strategic framework confirmed by the technical analysis and recommended for PGDS 2009:

- Creation of decent work and sustainable livelihoods by creating competitive industrial cluster promotion, infrastructure construction, and various national development programmes.
- Advancement of quality of life of citizens through efficient and effective education (including skills development), consistent health care, alert policing, comfortable housing, social grants and sport, with specific emphasis on their own participation in these processes.
- Promote rural development, food security and land reform in order to spread the benefits of economic growth beyond urban areas.
- Advance the effectiveness and efficiency of the developmental state by way of active organisation structuring and recruiting, targeted training and the building of a culture of service and responsibility, integrated development management and co-operation between all organisations in the development process.
- Provision of specific attention and allocate sufficient resources to the highpriority challenges of regional co-operation, sustainable development and climate change, Black Economic Empowerment and the informal economy.

Limpopo Provincial Growth and Development Strategy is a policy of government which serves as tool that seeks to encourage social and economic development though private initiatives (LPGDS, 2004-2014). In context of Lepelle-Nkumpi Local Municipality the increase in investment from a local and foreign perspective into the





region will have a significant impact on economic prosperity and the living standards of the residents (Lepelle-Nkumpi Local Municipality, 2019:7)

2.2.8 Local Economic Development in area of the study

Lepelle-Nkumpi Local Municipality through development forum and LED funds, co-ordinated many community development projects in the Local Municipality (Letsoalo, 2019). These include food gardens (agricultural projects), Women's Co-operatives and Youth Development Projects, among others. These projects aim to help local communities alleviate poverty (Lepelle-Nkumpi Local Municipality, 2021). Their success relies on how they are managed and the extent to which affected communities have been permitted to participate in their conception, planning and implementation. Lepelle-Nkumpi Local Municipality has different community development projects with other projects having funding and supported by different departments such as the Department of Social Development and LED in the municipality (Letsoalo, 2019:26).

2.2.9 The role of municipalities in the promotion of LED for poverty alleviation

Local government's developmental mandate from the Constitution and the White Paper on Local Government (1998), encourages municipalities to seek to address poverty, unemployment and redistribution in their local areas. Municipalities are expected to draft IDP which must contain LED strategies that aim to address poverty since "IDP is regarded as a tool to assist municipalities in achieving their developmental mandates" (Mathebula, 2018:564). According to Van Vuren (2003:11), municipalities can promote LED in their areas in different ways. They assume different roles at different times, and they may play a more direct role in some LED initiatives than in others. Therefore, every effort to grow a local economy will require some input, participation and support from local municipalities. Local authorities can and must play a central role in LED by virtue of their powers and functions on the local level (Netshakhuma, 2006:65).

Municipalities in South Africa have a Constitutional mandate to promote local economic development. Section 153 of the Constitution state that a municipality must structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community.





Municipalities must play active role both as policymakers and as institutions of local democracy and are urged to become strategic, visionary and ultimately influential in the way they operate, (Rogerson, 2006:22). The municipalities continue to adopt the role of developmental local government, which is obligate local authorities towards promoting and capacitating the local people, and hence improving the standard of living through socio-economic development (Mbeba, 2014:91).

Local economic development must be considered with the prominence and priority it deserves in municipalities with problems of economic development becoming central to the development agenda of a locality (Lawrence & Hadingham, 2008:45, as cited in Rogerson, 2010). Craythorne (2003:150) states that LED activities are legally mandatory for every municipality in South Africa as the significant part of the municipal Integrated Development Plan (IDP). For this reason, municipalities must continue to play crucial role in LED as they identify the local needs within a specific area. Local government be facilitator of LED and has a prominent role to enhance community involvement in the progression of pro poor LED through its local initiatives. Local government should be put at the centre of LED initiatives since they are mandated to support development of local communities.

2.2.10. Local economic development approaches in municipalities

There are several approaches to LED adopted by the municipalities in South Africa. It should be noted that approaches as may be taken, a challenge often crops up in the determination of an implementable, effective and sustainable LED strategy (Meyer, 2014b). It worth noting that often the key question asked is what will be the role of local government in the LED initiatives. The following are LED approaches which lay foundation and adopted when municipality play their role in LED:

2.2.10.1 Pro-growth LED

According to Abrahams (2003:191), the objective of the pro-growth LED approach is to make urban localities more competitive, focus on entrepreneurship and poverty reduction. Generally weaker infrastructure and capacity of rural localities means some of the objectives of pro-growth LED would face great difficulty when applied at local areas (Mokoena, 2019). South Africa's leading cities, the mainstream LED practice has been dominated by market-led approaches that have been increasingly geared





towards achieving competitiveness and sustainable high economic growth rates (Nel and Rogerson, 2005 in Rogerson, 2011:159). The market-led is a macroeconomic concept that extends more emphasis to macroeconomic variables (Scott & Pawson, 1999). It is centered on the investment, economic growth and entrepreneurship in a local municipality (Abrahams, 2000). In other words, its aims of this approach is to improve the competitiveness, and promote the infrastructure development and entrepreneurship skills of a region.

Pro-growth LED approaches can be associated with initiatives aimed at increasing economic and business activity in localities (Mokoena, 2019). Place marketing and formation of partnerships can be viewed as pro-growth approaches to LED. Place marketing according to Binns and Nel (2002a:186) can be regarded as a locality-based strategy to re-image and restructure local economies. It is argued that service based economic sectors have received significant impetus from altered consumer preferences, choices, wealth and location mobility. Binns and Nel (2002a) further argue that tapping into economic shifts such as these can have significant potential for areas that are seeking to re-orientate their local economies.

2.2.10.2 Pro-poor LED

According to Abrahams (2003), pro-poor LED proves to be more people centred and favours a bottom up approach to development which is a favourable for South African rural areas. Pro-poor LED is an attempt to identify initiatives that develop the poor to both create and take advantage of economic opportunities. Pro-poor growth is about enabling a pace and pattern of growth that enhances the ability of poor women and men to participate in, contribute to and benefit from growth (Organisation for Economic Cooperation and Development (OECD), 2007). Bond (2001) state that the intention of this approach is to address the needs of the community and involve them in decisions to improve their standards of living. In other words, local residents participate in planning, decision making and implementation of all the plans in a local municipality.

Pro-poor LED enables the poor to be actively involved in different projects to participate in economic opportunities, alleviate poverty and become independent rather than relying on social grants. According to Mokoena (2019:69) the proponents of the pro-poor approach argues that community-based LED strategies are more sustainable and through having communities actively participating in the planning and





implementation of new developments, the benefits will be greater. Local governments have an essential role to play in creating a favourable environment for pro-poor LED for the benefit of local businesses and to enhance job creation. Moreover, local government is required to take a leading role in involving and empowering citizens in the process of implementing and sustaining pro-poor LED (Jili, 2019:11).

2.2.10.3 Lepelle-Nkumpi Local Municipality approaches and strategies

Lepelle-Nkumpi Local Municipality LED strategy forms part of the Municipality's overall strategic plan, as outlined in the IDP in seeking to promote viable local economic activities that benefit the local population, through the creation of employment and poverty alleviation. The strategies and approaches of Lepelle-Nkumpi Local Municipality include creating an enabling environment; agro-processing development; Tourism development especially the potential merging and commercialisation of existing reserves; Mining and mineral beneficiation; Retail and business environment enablement and Marketing (Lepelle-Nkumpi Local Municipality, 2021-2026). The above-mentioned strategies are based on the socio-potential analysis experienced for the economy in Lepelle-Nkumpi Local Municipality and will be discussed as follows (Lepelle-Nkumpi Local Municipality, 2019).

• Create an enabling environment

Lepelle-Nkumpi Local Municipality needs to establish an environment in the area that will enable the attraction of investment and the development of catalytic projects to take place (Lepelle-Nkumpi Local Municipality, 2021-2026). An enabling environment is essential towards providing support for certain activities develop. For LED to take place, it is crucial for an enabling environment to be established which generally provides the foundation for economic development. An enabling environment, understood in its broadest sense, encompasses the whole panoply of national and international policies, measures and institutions in the economic, social, legal and political domains that influence or affect the growth and development prospects of a country. In a local economic context, an enabling environment can be viewed as the key launch pad needed to kick off development in a certain area (United Nation, 2021).





Agro-processing capacity development

The aim of this programme is to capacitate and develop one's own potential to enhance performance. The agro-processing capacity development programme is key towards sustainable development in agro-processing and improving agriculture production, (Urban-Econ Development Economist, 2019). The agro-processing capacity development is concerned with developing the conditions, skills and the ability to manage and facilitate productive change. This programme will make use of the existing infrastructure of the Lebowakgomo Industrial Park as well as any other infrastructure available in and around Lebowakgomo, to contribute to the development the agro-processing sector. The revival of the industrial park and the establishment of a research and development centre would be a catalyst for the economy in Lepelle-Nkumpi Local Municipality Local Municipality in terms of economic growth, job creation and improvement in trade.

• Tourism development

The municipality area has vast amount of natural resources that can scale up the tourism sector if used efficiently. Opportunities for development in the tourism sector include agritourism, recreational activities, adventure, ecotourism, and the promotion of arts, culture and heritage activities (Lepelle-Nkumpi Local Municipality, 2019-2020). Lepelle-Nkumpi Local Municipality has a suitable climate to make the region a pleasant all-year round holiday destination. Natural and cultural resources could be transformed or developed into tourism attractions that create jobs and generate income for the community of Lepelle-Nkumpi Municipality. Furthermore, natural features of the area such as parks and reserves, waterfalls, and other water catchment areas, caves, rock formations and the general unhampered beauty of the region provides infinite potential activities as one of the key enablers for local economic development for Lepelle-Nkumpi Local Municipality.

Mining and mineral beneficiation

Mining is one of key strategy to the economic development of the municipality. The Platinum mining cluster on the Dilokong Corridor that extends through the municipal area is a development priority for provincial government and creates a range of opportunities. This strategic intervention offers key essential elements for mining and beneficiation which include economic linkages (Lepelle-Nkumpi Municipality, 2021).





These economic linkages have potential to develop the mining sector by expanding on the supply and value chains during various stages of production. Strengthening and developing economic linkages has the potential impact to prevent any further leakages from occurring within the municipality.

Retail and business enablement

Retail and business enablement pillar seek to expand and diversify trade in Lepelle-Nkumpi Local Municipality, thereby enabling a favourable ease of doing business. This can be achieved if business support structures are developed to stimulate business development in Lepelle-Nkumpi Local Municipality (Urban-Econ Development economist, 2019:135). Currently, the business environment and structure in Lepelle-Nkumpi Local Municipality needs entrepreneurship support through developing the SMMEs sector which is predominate in the area. This will have a spin off effect towards business growth and the creation of further job opportunities in the area. Lepelle-Nkumpi Local Municipality also needs to market itself to attract investment in the Municipality area through creating an enabling environment which enables the ease of doing business. To mention a few these, include a business information centre, provision of basic amenities near the mall, infrastructure and facilities to support the development of the informal sector trade.

Marketing

The marketing strategic intervention for Lepelle-Nkumpi Local Municipality will play a critical role towards strategically positioning and marketing the Municipality for investment purposes. A gap exists in Lepelle-Nkumpi Local Municipality when it comes to the marketing of local products and SMMEs that are still at a developmental stage. It is of importance that marketing is considered a pillar as this will position Lepelle-Nkumpi towards attracting investment in the area (Lepelle-Nkumpi Local Municipality, 2013). Lepelle-Nkumpi Local Municipality is as an attractive investment location for larger enterprises to establish offices or industries. Lepelle-Nkumpi Local Municipality has many buying leakages as many of its citizen's venture outside the municipality to do most of their shopping. It is of importance that local producers are developed so as keep more business within the Municipality. Strengthening local businesses will lead to a constant growth of SMMEs. The objective of this programme is to develop the SMMEs sector in Lepelle-Nkumpi Local Municipality and promote the municipality as a suitable investment destination (Lepelle-Nkumpi Local Municipality, 2021-2026).





2.2.11. Local economic development strategies and interventions

LED comprises of three strategies which are very important namely, community economic development, locality development planning and enterprise development (Helmsing, 2001). LED regularly assumes the supply and demand sides of economic development, which have evolved and existed in the United States of America, Canada and Europe since the 1960s and they are classified into three waves (Friedman & Ross, 1990, as cited in Musakwa, 2009:41). The world has then since embraced the fourth wave, which focuses on integrating the local economy into the global market, developing human capital and increased use of telecommunications (Clarke & Gaile, 1998:42). The following are three categories of LED strategies or interventions:

2.2.11.1. Community economic development

Helmsing (2001) argue that community economic development (CED) is the process by which local people build organisations and partnerships that interrelate profitable business with other interests and values for example such as skills and education, health, housing and the environment. Therefore, community economic development it is viewed as development from the inside to the outside and its goal is development and empowerment of the individual and community (McLaughlin & Davidson, 1994:38). The main focus of community economic development as a strategy it is to improve the development of the community in general. Community are at the centre of development on this approach.

The micro-enterprise programmes are viewed as the key to community economic development and focus on issues such as credit, training, technical assistance and marketing (Hill, 2007:29). Community economic development is constructed on concept of developing community self-reliance through human resource development, human empowerment and skills development. Therefore, it is one important feature which encourages community participation. The central goal of LED is also to alleviate poverty by improving the skills of disadvantaged communities in order to create sustainable livelihoods for themselves (CogHSTA, 2000b:5). However, community economic development focuses on merging employment training, human services and enterprise development so as to raise access to and the creation of jobs, careers and self-sufficiency for disadvantaged communities.





Van vuren (2003:25) as states, that this strategy aims to provide people in disadvantaged communities to take advantage of prevailing job opportunities and to create new job prospects for these people through the opening of small businesses and enterprises. This strategy also placed emphasises on self-development such starting one is own business.

2.2.11.2. Locality development

Locality development tends to focus more with the physical and built-environment, infrastructure and territorial organisation (Helmsing & Egziabher, 2005, as cited in Hampwaye, 2008:56). Therefore, in LED context it is essential that certain infrastructure, services and socio economic capital are essential for it to succeed, however this is provided through planning and putting in place the infrastructure as well as the capital through local development planning (Helmsing, 2003). However, in other words this would require that LED proper planning, physical planning and development controls, urban planning and design and basic delivery of services which is an important pre-requisite for enterprise development. However this implies that proper overall planning is needed in process of development through local economic development. Local development planning targets is to exploit progressive externalities of LED and diminish clash between stakeholders with different cultures. However, local development is purposefully meant to strengthen and advance attractiveness of an area such that LED goals as poverty reduction are realised (Helmsing & Egziabher, 2005:24).

2.2.11.3. Enterprise development

The enterprise development focuses on improving the local economic base and comprises components such as the provision of business development services and the creation of industrial clusters that enables group learning among enterprises and the generation of a local innovation environment (Helmsing, 2003). Therefore, having a sound economic base has great advantages such that it results in benefits, which include firms supporting each other and reduced transaction costs because of closeness to each other being in a position to lobby for better training and education thus increasing the capacity to learn. According to Musakwa (2009:45), the economic base is improved through attracting foreign direct investment, supporting invention, innovation and diffusion by local firms.





The economic base in other hand can also be enhanced by promotion of small to medium enterprises, however which involves having in place similar services such as finance, transport and freight and promoting industrial clusters (Helmisng, 2001:57). However, LED strategies should not only promote small-scale businesses but should also make them sustainable to win the battle against reduction of poverty and improved economy in general. This implies that LED strategies should eliminate poverty in order people to achieve self-development. It is important that applicable strategies that are set by the municipalities in order to address issues or problems experience by local community to resolve the needs of the community.

2.2.12 Challenges faced in local economic development

According to Mbeba (2011:55), implementation of LED as a development strategy is not without challenges, in that there has been a host of challenges which has been faced by all significant stakeholders in LED. In implementation process/phase of LED lots of challenges are experience d by both local government key stakeholders. Some of the challenges with applying LED are inherent in the nature of the strategies (Malele, 2018). Therefore, those challenges are interlinked and co-dependent policy considerations and range from conceptual ambiguity, planning challenges to policy challenges. There are no LED initiatives that occur without its specific challenge. Challenges associated with LED will be discussed below:

2.2.12.1 Challenge of effective planning methodologies

Oladipo (2008) as cited in Mahlatji (2013:24) assert that successful planning methodologies and implementation of government programmes and projects have been hampered by a number of factors such as lack of qualified manpower which have remained the bane of effective project planning and implementation in government areas. For the successful implementation in LED, there is supposed to be an appropriate methodology to adopt which will map up the way to achieve set LED objectives. In many cases municipalities in the South African context are faced with the challenge of lack of capacity to provide the knowledge on what to do, hence there is need for an LED manual guide. LED champions lack the capacity to develop LED planning methodologies that address the challenges that are unique to their localities (Malele, 2018).





2.2.12.2 Challenge of managing participation at the local level

According to Rogerson (2006:44), participation in LED is largely emphasised on organised sectors, such as the government, private sector, civil societies and organised labour, as these organised institutions at national and provincial level. These institutions at their scale, and in terms of numbers and levels of organization, warrants that the four social partners can partake in summits and negotiations of an economic nature. The design of institutions at a local level is not conducive to social partners being held jointly accountable for decision-making and implementation, (Netshakhuma, 2006). This thus bring to the fore another challenge of Institution building and organisational design to facilitate a new institutionalism approach, which has not yet been addressed in a significant manner by scholars and practitioners of LED.

2.2.12.3 Challenge of addressing poverty through LED

Mashiteng (2017:32) indicate that there are concerns that most of the municipalities in South Africa do not have adequate LED strategies in place to address the issues of poverty, unemployment and inequality. Meyer (2014) concurs with Mashiteng (2017) that municipalities are unable to create consistent economic growth strategy to address the problem of poverty and unemployment. The present socio-economic environment in South Africa of excessively high unemployment rate, deep levels of poverty, a widening gap between rich and poor, there is raging debate between leaders at local levels, about pro-poor strategies versus pro-growth strategies. It is quite plausible to understand where the debate is stemming from as; the different stakeholders hold different views about what LED is. It should be noted that LED must not replace and be confused with social welfare services which offers for numerous services focusing on basic welfare needs and not necessarily economic development (Meyer-Stamer, 2003:15). It is significant that this should not actually be taking place as LED should be about considering both pro-growth and pro-poor strategies.

2.2.12.4 The challenge of local government capacity

One of the major shortcomings of LED implementation is the lack of capacity in as far as human and capital resources within municipalities (Malele, 2018). The traditional focus of local government means that there is effectively cadre of trained LED experts





in the country, especially within small centres, as compared to larger centres who in turn rely on the skills of their current larger and skilled workforce, such as their planners and accountants. Thus, there is the urgent need for training of LED officials and to expose councillors to the concept (Nel, 2001:34). The issues of capacity challenges in local municipalities goes back to the time when the government of South Africa realised that the majority of municipalities were staffed with personnel incapable of carrying out the service delivery mandate (IDASA, 2010 cited in Mashiteng 2017). It is regrettably reported that there are small municipalities that cannot afford to attract better and capable skills (South Africa Local Government Association, 2010). Capacity challenge need to be addressed in order to ensure sustainability of LED.

2.2.12.5 Lack of common understanding on LED

Government and other stakeholders were confused about what LED entailed and could not understand LED objectives and strategies (Garidzirai, 2018:55). Lack of common understanding of what they aim to accomplish, when the literature shows that LED has been variously defined, and different definitions emphasise different variables of what LED seeks to achieve (Nel & Rogerson, 2016; Hogwood & Gunn, 2012; Turok, 2014). Generally, the definition of the LED concept has been contested among academics and practitioners in and outside South Africa, which has resulted in these differences manifesting as different approaches to LED.

The IDPs of most municipalities, and sometimes even the same municipality, thus do not speak the same LED language (Abozeid, 2017). Commonly the delivery of basic services is given priority over LED activities in terms of political support and access to resources. This situation is the result of a lack of understanding of the importance of LED as well as of what can be done and general resulting in limited successes experience in LED (Malele, 2018). Furthermore, a majority of stakeholders cannot interpret LED policies.

2.2.12.6 Increasing urban-rural divide

The urban-rural divide presents a dichotomy in LED, with rural or poorer municipalities finding themselves at a disadvantage (Mashiteng, 2017). Many of the challenges in the social and economic sectors are experienced in previously disadvantaged areas, presenting as inequality, unemployment and poverty (World Bank, 2016c).





For this reason, urban municipalities are experiencing an influx of economic refugees, particularly as the rural municipalities have less opportunity for local people. The differences between the rural and urban areas tend to manifest in employment prospects, real incomes, standards of living and quality of life for individuals (Reddy & Wallis, 2012). The concern that arises in LED performance is how its impact in larger metros differs from the poorer municipalities which are largely rural.

The level of industrialisation tends to vary between municipalities, hence for smaller municipalities, the challenge is attracting and harnessing the right amount of factor endowments to make the area attractive for investors and sometimes even for its own local citizens (Sekhampu, 2010). South Africa Local Government Association (2010:12) further explains that bigger metros always have funds to support the LED initiatives. In addition, the smaller municipalities struggle due to a lack of LED champions who are responsible for LED promotion (Meyer, 2013). Conversely, small towns and rural areas are disadvantaged because there is no proper planning, coordination and lack of funds to push the LED initiative (Garidzirai, 2018: 56). In addition, smaller municipalities generate less revenue as opposed to metropolitan municipalities.

2.2.12.7 Lack of funding on LED

Lack of financial support compromises the success of LED (Mbhele, 2013:145). Lack of funding is a major challenges to all LED initiatives and related projects. All LED initiatives need the provision of funding which will enable local authorities and rural municipalities to drive the LED process. It is also of serious consequence that, the funds that are available at local level are insecure and to alleviate the situation (Mbeba, 2011). However, Patterson (2008:11) maintains that generally LED has few secure funding sources and often relies on charitable donations and public grants and this cause rural municipality not to have effective LED. In turn sometimes this led to process of dependency syndrome. Therefore, lack of availability and access of funds has been a major constraint for most of municipalities especially smaller centres that struggle for funds due to inadequate internal capacity constraints, hence this in turn affect their credit rating, (Development Bank of South Africa, 2008:3). This implies lack of funding of LED in municipalities makes LED project not to be effective as all LED projects need funds starting from their establishment.





2.2.12.8 The limited value of LED projects

There is inappropriateness of municipal financial systems to cover the entrepreneurial projects which are initiated. For an example in Capricorn District municipalities there is limited value on project relating to tourism and agricultural sector (Garidzirai, 2018). Ingle (2003) argues, it is unrealistic to expect municipalities which struggle to supply basic services and collect source of revenue, to be able to effectively manage economic projects. However, many projects, logically, have an agricultural focus specifically at rural area. However, lack of adequate support and the physical distance of the farmlands from communities was a common problem. Therefore, it is for this reason that concerns raised as to whether an agricultural approach (over half of all LED investment) can lay the basis for diversifying the provincial economy has been expressed (Marais et al, 2002). However miserably, as Ingle (2003:10) noted that, it can be argued that the LED programmes are not alleviating poverty and in many cases, it creates hopeless goals to be achieved.

2.2.12.9 Poor Leadership

Mokoena (2019: 71) points out that one of the LED challenges experienced by many South African municipalities is poor leadership. This is illustrated by municipal policy role-players who are failing to integrate community participation mechanisms, processes and procedures in LED processes. LED implementation has met with mixed success and has faced many challenges including lack of visionary leadership which led to ineffective implementation (Malele, 2021:8). Davidson and Mclaghlin (1991:1) cited in Moyo (2007:1) state that the issue of visionary leadership and management regarding the implementation of LED strategies is perceived as innovative whole system thinkers who go beyond the limits of conventional thought in their efforts to truly serve the common good. Councillors determine areas where LED projects will be implemented, without proper assessment of areas with potential (Mokoena, 2019).

2.2.12.10 Challenge of managing active involvement and effective participation at the local level

Poor LED implementation and planning may result in inability to attract more active involvement and participation by the community and other stakeholders. According to Mbeba (2011:57), participation in LED is largely emphasised on organised sectors





such as the government, private sector, civil societies and organised labour at national and provincial level. Lack of participation by the local communities may lead to poor performance of projects and failure of LED initiatives in order to respond to the needs of the community. Insufficient participation has a negative impact on the investment of stakeholders on LED projects. The primary role of LED initiatives is to create common understanding, shared social and economic vision for the community through adopting various participatory approaches to encourage and allow maximum participation by local residents (Mbhele, 2013:15).

2.2.11 LED challenges prohibiting poverty alleviation using Lepelle-Nkumpi Local Municipality as a case study

LED faces several challenges in the Lepelle-Nkumpi Local Municipality noting that number of areas around the Municipality are predominantly rural and require enormous support in order to uplift them economically (Mahlalela, 2014). The Municipality has created LED strategies since 2007, the most recent being the 2021-2026 LED Strategy Review. However, all created LED strategies have similar and persistent problems that the Municipality still facing which entails that LED initiatives still have a long way in making significant effects to address poverty within the municipality. For example, insufficient trained and skilled staff is continuous challenge as outlined from LED strategies as from 2007 to date at Lepelle-Nkumpi Local Municipality.

The capacity challenges facing LED unit is one of set-back for Lepelle-Nkumpi Local Municipality to drastically address poverty (Ariatti, 2013). A key element to the success of LED initiatives is the availability of skills and the competency of workers. As most workers in LED projects within the Municipality are regarded as low to medium skilled, capacity building should form part of all projects (Lepelle-Nkumpi Local Municipality, 2019:150). Mokoena (2019:72) argues that lack of capacity means poor policy implementation, and poor policy implementation means poor service delivery and poor service delivery means negative policy impact on local communities.

Lack of finance is hindering the development of the manufacturing sector in Lepelle-Nkumpi Local Municipality as the capital required to start and maintain a manufacturing business is huge (Lepelle-Nkumpi Local Municiaplity, 2013-2018). This further prohibits SMME's and other manufacturing companies in Lepelle-Nkumpi Local





Municipality to increase their production and market themselves further than their local market. Adequate funding assist municipalities to drive LED process independently and promote effective LED initiatives for purpose of poverty alleviation and economic growth (Khambule, 2018). Lack of finance also encourages informal establishments of farmers which are not attracted to participate in competitive marketplace. To support above statement Rogerson (2013) argues that many local municipalities fail to provide a marketplace for emerging entrepreneurs because of geographical distance and location. Municipal government in South Africa is largely understood in terms of service delivery.

Lepelle-Nkumpi Local Municipality which is predominantly rural have limited revenue capacity to carry out LED projects and programmes. The poor revenue base and none collection makes the municipality 80% dependent on grants. In their previous financial year municipality recorded sizeable increase of more than 63% having recorded 36% in 2019/20 from 23% in 2018/19. Lepelle-Nkumpi Local Municipality had come up with mitigation which include expanding revenue base through collection in identified developing rural villages, starting with property rates, water and refuse removal. The challenge has also been boycotting of payment of services by a certain sector of the residents of Lebowakgomo Township, which is the only area where rates are being collected. Council has developed a credit control policy to deal with the defaulters and is being implemented (Lepelle-Nkumpi Municipality, 2021-2026:91).

Table 2.1: Trends of the rate of revenue collection of Lepelle-Nkumpi local municipality

YEAR	BILLED	ACTUAL	%
		COLLECTED	
2015/2016	R29. 2 m	R4.6 m	16
2016/2017	R83.8 m	R12.2m	14.5
2017/2018	R37.9 m	R7.2m	19
2018/2019	R42m	R9.7 m	23
2019/2020	R41. 9m	R15.2m	36.2

Source: Lepelle-Nkumpi Local Municipality IDP 2021/2026





Many municipalities make use of external consultants to assist them with LED projects implementation including of drafting of LED strategies (Mokoena, 2019). For example, Lepelle-Nkumpi Local Municipality appointed consultants such as Urban-Econ Development Economist and Kayamandi Development Services for reviewing of their LED strategy, developing an implementation plan and monitoring tool, and proposing an organisational structure for their 2013-2019 LED strategy. This is due to lack of skilled officials in possesses of LED expertise, caused by the service delivery traditional role of municipalities (Khambule, 2018). Lepelle-Nkumpi Local Municipality LED officials should be part of the whole process of LED strategies in order to ensure that economic growth is centre of focus which will have positive effects on poverty alleviation. Although appointing private LED consultants are less expensive than establishing LED units. The argument is that private consultants offer access to skills and expertise at a lower cost, moreover, the service is terminal depending on stakeholder satisfaction on outcomes.

Lack of water and other infrastructure is considered as LED challenge that prohibit poverty alleviation (Lepelle-Nkumpi Municcipality, 2013-2018). The above-mentioned challenge affect success of LED projects on agricultural sector. Many of the small-scale farmers are located alongside perennial rivers, but a large proportion of farmers are located away from these rivers. The water supply is not sufficient in terms of irrigation and many small-scale farmers therefore rely on dry-land farming. Furthermore, the main agricultural products only naturally occur in the southern parts of the municipal area and agricultural production and expansion would therefore not be viable development options for the northern areas of the municipality, which have a drier climate (Lepelle-Nkumpi Municipality, 2021).

Lack of financial support and institutions whereby large areas of land are registered in the name of the state and under the custodianship of traditional authorities. As such, small farmers are farming on communal land, to which they cannot get title deed, but only have permission to occupy (Rangoato, 2018; Department of Rural Development, 1913 cited in Moshoene, 2020). Farming on communal land precludes small farmers from obtaining financial support through commercial institutions such as banks, which prevents these farmers from expanding their farming enterprises or obtaining the necessary insets such as specialised machinery (Rangoato, 2018:24). Furthermore, access to funding, even for minor, necessary improvements to public and private





sector products in the tourism industry, is extremely difficult to secure. Financial institutions are also lacking. This constrains affect operation of local businesses, and also results in spending of money outside of the municipality, as residents conduct multi-purpose trips, combining trips to banking facilities with major shopping in the areas surrounding these financial institutions.

Local government officials charged with the responsibility of supervising and monitoring projects lack the exposure of a tough task like LED implementation. Differences in training orientation and lack of collaboration and co-operation compromise roles and standards due to lack of motivation and logistics supports (Oladipo, 2008) cited in Mahlatji (2013:25). The stakeholders must play a very important role in LED practice, but the challenge is the cooperation and coordination of their programmes. Lack of cooperation and coordination among institutional role players has created an impression that the last entity to be established should be capable of doing what others have started and fill the gaps where they have run short (Malele, 2018).

2.2.14 The relationship between LED and poverty

Jili (2019:19) point out that, several studies differ on the explanation and the description of the effects, or the significance, of LED on poverty reduction. However, Karoly and Novaro (2016), see LED as a tool to alleviate poverty and the two concept intertwine. LED has a direct effect on the livelihoods of communities and proper implementation of LED initiatives could foster the social and economic development in local communities. According to Isaacs (2006:34), despite the growing amount of literature available on LED, there seems to be only a limited focus on the contribution of LED to poverty alleviation. LED provides mechanisms to improve the economic activities of the localities, but without the inclusion of social developmental goals, it would seem to be unsustainable.

Rogerson, (2001) as cited in Ramukumba (2012:10) note that LED is an integrated, multi-disciplinary approach aimed at poverty alleviation through pro-poor economic growth; it involves supporting sustainable economic activities in the municipalities and integrating the second economy into the first economy.





However, in the African context, LED goes further than just enhancing economic growth, but prioritises poverty alleviation and greater inclusion of previously excluded groups (Mokoena, 2019: 60

Mashiteng (2017:1) pinpoint that the purpose for introduction of LED was to deal with breaking up the embedded challenges of poverty, inequality and underdevelopment. Through the local municipalities, LED is thus meant to be a speedy localised response to the social and economic challenges facing localities. In the case of Lepelle-Nkumpi Local Municipality, the question to be addressed is whether the municipality's implementation of LED has positive impact in reducing poverty and addressing other socio-economic challenges being faced by communities.

2.2.15 The current LED provision in South Africa

This section reviews the current status of LED delivery in South Africa. The IDP is viewed as the prescribed instrument available to local government to deliver LED, thus specific emphasis is placed on the linkage between the IDP and LED. Local economic development and IDP should always inter-twin. In the process of development especially at local government all LED initiatives and set-goals should be reflected in IDP of the municipality.

2.2.15.1. The link between LED and the IDP

The IDP in South Africa it is the key instrument in the local government system and is a legal requirement for all municipalities in South Africa (Msegana-Ndlela, 2002:2). Municipalities have to prepare 5-year strategic plans (IDP's) linked to the term of office of an elected council and have to be formulated in consultation with communities and key stakeholders. The IDP is a process through which a municipality can establish a development plan for the short, medium and long term. It is important that planning for LED should be part of developing an IDP with the municipality. However, as LED it is an approach taken by most local government in South Africa it is obligation that planning of the LED related projects or initiatives should be reflected on the five year strategic plan of the municipality. Mbeba (2014:91) outlined that, the IDP has been identified as one of the main mechanisms that enables the planning framework with which to incorporate pro-poor LED and development.





2.2.16. LED and Development

It is worthless speaking of LED but forgetting to interlink it with development in general, because LED and development are inter-twinned. Local economic development should be guided by some of development needs in order to be established. For an example a country should first identify its economic and development need before formation of LED initiatives. Therefore, development of local government it is mostly and continually being influence by LED initiatives and projects. For example, the source of revenue they receive from LED projects. A critical factor is the unclear link between LED implementation and development that is comprehensive development, not only promoting economic growth. LED is ultimately about contributing to the overall development of a country and there is need for to adherence of certain process requirements to achieve successful development outcomes (Isaacs, 2006:19).

Issacs (2006) continue to maintain that it is evident from the extensive trial and error attempts found in various examples of development literature emphasising the failures of the past development theories of the past few decades. Bond (2002) posits that LED strategies also enhance development in general ranging from community-based development, infrastructure and municipal services, leak plugging in the local economy, and retaining and expanding local economic activity. However important to note that, "development and maintenance of infrastructure and services is another vital component. If done properly, developmental LED results from the provision of reliable, cost-effective municipal service delivery" (Bond, 2002:10). LED is significance as central driver it expands the local economy in order to enhance the community's quality of life and improve the living conditions of the poor to attain development (Maluti-A-Phofung Local Municipality: Local Economic Development Strategy Report. 2013). Local economic development and development in general cannot be separated for instead, LED and integrated development plan cannot be separated especially at local level.

2.2.17 Legislative and policies of Local Economic Development

There are quite number of legislation and policies that affect the LED initiatives in South Africa. The socioeconomic problems faced in South Africa have led to formulations of many national policies (Garidzirai, 2018: 50). However, some of the policies used in South Africa include the Integrated Sustainable Rural Development





Strategy (ISRDS) of 2000the Reconstruction and Development Programme, and the National Development Plan. Policies that are discussed below were developed by the national government; they shed light on any LED strategy that developed at local government level and provide guidance for LED initiatives. Koma (2014) points out that implementing LED policy not only entails the availability of funds and trained staff but also their commitment and implementation must take place in a professional manner.

2.2.17.1 The Constitution of the Republic of South Africa of 1996

According to Malefane and Mashakoe (2008:5), the constitution is the most vital piece of legislation that guides various laws, policy papers and regulatory frameworks. Section 152 of the Constitution, further stipulates that the objectives of local government are, among others, to provide democratic and accountable government for local communities, to ensure the provision of basic services to communities in a sustainable manner, to promote social and economic development and to encourage the involvement of the community and community organisations in the matters of local government. The Constitution regulates the initiation of LED by the local government. The adoption of the Constitution was a major breakthrough for the system of local government as it brought a new constitutional status and provided mandates for municipalities in respect of directing LED (Koma, 2014) cited in Jili (2019:32).

Shilangu (2019:633) states that the Constitution serves as a foundation for reference to the institutionalization of LED as a strategic function of municipalities. Furthermore, Section 153 of the Constitution stipulates that a municipality must structure and manage its administration, budget and planning processes to give priority to the basic needs of the community and to promote the social and economic development of the community in both national and provincial development programmes. The Constitution places great responsibility on municipalities to facilitate LED. According to Rogerson (2001), LED involves supporting sustainable economic activities in municipalities and integrating the second economy into the first economy.

2.2.17.2 The Reconstruction and Development Programme (RDP)

The starting point for an analysis of policy frameworks for LED and poverty alleviation was the publication of the RDP White Paper in 1994 (Netshakhuma, 2006:56).





The RDP recalls most importantly the developmental and pro-poor responsibilities and accountabilities of local, provincial and national government that we have in South Africa. The RDP's second principle reflects the fundamental centre of LED, (African National Congress, 1994:83). Therefore, Reconstruction and Development Programme (RDP) states that with regard to the delivery of municipal strategies the extent to which LED initiatives contribute towards the livelihood of the local communities should be proven by the upgrading, restoration and maintenance of proper infrastructure and basic provision services delivery to the communities. The central theme of the RDP was to eliminate poverty through rectifying the inequalities and injustices of apartheid (RDP White Paper, 1994:84).

2.2.17.3 The Integrated Sustainable Rural Development Strategy (ISRDS) of 2000

In order to accelerate LED in the rural areas, the government formulated the ISRDS in 2000 as an official/authorised strategy for rural development in South Africa. The ISRDS was launched in 2001 with a time frame of 2001-2010. However, it is aimed at improving the quality of life of rural citizens through reduction of poverty and provision of sustainable livelihoods (Lewis, 2001:3) The Integrated Sustainable Rural Development Strategy outline some of key policy issues which are addition of social safety nets to rural people, building rural infrastructure and access to resources by rural communities. However based on "Integrated Sustainable Rural Development Strategy the government is implementing various programmes targeted at poverty eradication and sustainable economic development" (Netshakhuma, 2006:58).

2.2.17.4 The Growth, Employment and Redistribution Strategy of 1996 (GEAR)

Van vuren (2003:15) states that the Growth, Employment and Redistribution (GEAR) document and strategy of the African National Congress government in 1996 presented numerous objectives that relate to LED. The GEAR policy was introduced during a time when the South African rand was low and one of its aims was to boost the economy of the country. Rogerson (2011) states that since 1996, GEAR has been the central economic programme with the aim to stimulate growth to above 6 percent, which in turn would lead to 500,000 jobs being created. However, GEAR was introduced as an overall strategy to replace the RDP.





The strategy was geared towards focusing on the growth of the private sector and achieving high rates of economic growth. However, it prescribes for the transformation of both the private and public sectors to create sustainable stable economies development and favourable environments to attract and encourage private investment and furthermore increase international interest on business in South Africa (Aliber, 2002:15).

2.2.17.5 Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)

In terms of the Municipal System Act place an emphasis on economic and social development with a LED focus (Nel, 2001). The Act itself obliges municipalities to undertake and take active involvement in developmentally oriented planning. Section 26 (c) of the Municipal Systems Act specifies that the Integrated Development Plan of a local municipality must contain its Local Economic Development aims to highlight the LED strategy formulated through the IDP (Van vuren, 2003). This act also emphasises the Integrated Development Plan as a strategy to implement LED. The regulatory framework for LED has various components ranging from land and zoning, public-private partnerships, business enterprise support and economic linkages. Municipal Systems Act made the pursuit of IDP a compulsory activity for local government and legislated a number of key LED functions and responsibilities (Van der Heijden, 2008:23).

The LED is the core function of IDP and it clearly states the council's vision and goals of local economic development and how it is going to benefit the local communities (Rogerson, 2006). However, IDP and LED are two separated developmental tools that share common characteristics and power influence on municipal. Malefane and Mashakoe (2008:477) further denote that the Act champions LED as a vehicle for addressing spatial inequalities that have been created by apartheid planning. The Act considers municipalities as part of the developmental mission linked to the overall approach to planning and public investment (Shilangu, 2019). The Act further states that local communities must participate in the strategic planning development of municipalities and be consulted on regular basis on issues that affect local development.





2.2.17.6 Local Government Transition Act, 1996 (Act 97 of 1993)

The Local Government Transition Act as mended can be reflected as important post-apartheid local government legislation which requires municipalities to promote and support economic and social development to the citizen (Nel, 2001 cited in Issacs, 2006:48). The above Act compels municipalities to draw up Integrated Development Plan (IDPs) that address various development needs of their constituencies within a process of public participation. In the compiled municipal IDP there must be the draft of all LED initiatives and some of the measure to tackle the development needs of the local communities. However, these plans are considered to be more essential and are conceived as a tool to contribute to the municipalities in achieving their developmental mandates.

2.2.17.7 White Paper on Local Government (1998)

In terms of the White Paper on Local Government, 1998 municipalities have bonded with the responsibility toward the people within their area of jurisdiction and therefore they are accountable for all actions (Issac, 2006:48). The White Paper on Local Government (1998) introduced the concept of "Developmental local government" (Seduma, 2011). The new developmental role of local government was further expressed in the White Paper on Local Government (1998) which indicates that the responsibility of municipalities is to work together with local communities to find sustainable ways to meet their needs and improve their standard of living.

The White Paper on Local Government (1998) also addresses developmental issues and Local Economic Development is seen as an important feature of developmental local government; it also plays a significant role in creating job opportunities and economic opportunities in South Africa. The White Paper on Local Government (1998) indicates that local authorities have the following responsibilities in terms of their requirement to facilitate local economic development:

- To provide marketing and investment support in order to attract potential investment to their locality;
- To provide support to small business support services in order to expand entrepreneurial activities and;





• support the Local Business Support Centre's programme launched by the Department of Trade and Industry (DTI).

Seduma (2011:22) state that White Paper, empowered municipalities to adopt integrated development planning, performance management and local economic development as strategic approaches to democratise development, while at the simultaneously creating an environment advantageous for people and communities to address their socio-economic needs.

2.2.17.8 The Northern Province Sustainable Rural Development Framework (NPSRDF) of 2001

In the case of the Limpopo Province, "the Office of the Premier formulated the NPSRDF in 2001 to provide a provincial context for the effective implementation of rural development and poverty elimination "(Lewis, 2001:5) as cited in (Netshakhuma, 2006:59). The following are main objectives of NPSRDF such as to enhance rural economic development and improve income generating opportunities, consolidate democratic governance and redistribution processes in rural areas, to ensure gender equity, in particular, women and youth empowerment and lastly but not least to build local government capacity to implement development programmes (Lewis, 2001:6-12).

2.2.17.9 The Accelerated Shared Growth Initiative in South Africa (ASGISA)

The Accelerated Shared Growth Initiative in South Africa (ASGISA) has its main objective being to eliminate poverty and unemployment (Seduma, 2011:23). Therefore, Expanded Public Works Programme (EPWP) was aimed at job creation, infrastructure development and service delivery, training and skills development, linked to the IDP and demanding that LED interventions be integrated with the EPWP programmes (DBSA, 2005:30). It important that during all LED initiatives, the relation between IDP and LED interventions be integrated with the EPWP programmes to ensure its sustainability.

The aim of ASGISA is to promote an inclusive economic environment that produces diverse goods and services. Several key strategies were identified by ASGISA that need government in all spheres to intervene in order to accelerate growth (Mokoena, 2019: 62).





These strategies include; infrastructure investment, investment in tourism, small businesses, skills development initiatives and programmes, and youth and women empowerment projects. However, ASGISA was well received by South Africans but it never realised its aim fully and it collapsed.

2.2.17.10 The Broad-Based Black Economic Empowerment Amendment Act (BBBEE) (Act 46 of 2013)

Section 1 (c) of the Broad-Based Black Economic Empowerment Amendment Act (Act 46 of 2013) identifies and covers women, workers, youth, people with disabilities and people living in rural areas, therefore, these groups must be integrated and included in integrated socio-economic strategies developed by any organ of state or public institution. It is aimed at giving ownership and management of financial resources and economic opportunities to the majority of black people in a sustainable and equitable manner to redress the imbalances of the past (Jili, 2019: 32). This policy recognises that South Africa requires an economy that can meet the needs of its citizens in a sustainable manner and it accommodates all those who were oppressed pre-1994. This policy concern in ensuring that all those who were oppressed before 1994 now have access and participate in the economic opportunities.

2.2.17.11 National Development Plan 2030

The National Development Plan (NDP) 2030 highlights the economic vision of South African people in 2030. According to the Plan South Africans want to see themselves as investors, traders, workers living in the thriving economy that offers opportunities. The objective of the plan is to set domestic economy targets aimed by all three spheres of government to achieve within a specified period (Mokoena, 2019). The plan aims to ensure that all South Africans attain a decent standard of living through the elimination of poverty and the reduction of inequality. The NDP is a policy framework geared towards the improvement of South Africa's economic growth and prospects.

It aims to fulfil its objectives of reducing poverty and inequality in South Africa by 2030. The main economic objectives of the NDP are: job creation, a more equitable distribution of wealth and improving education. Karriem and Hoskins (2016) outline a number of goals that the NDP had to achieve by 2030: poverty eradication, inequality reduced and employment increased.





Koma (2014) further states that this plan provides a broader planning framework to inform the formulation of the LED policy. It is of greatest importance for one to note that the National Development Plan is one of the socioeconomic policy pillars in South Africa (Garidzirai, 2018). The National Development Plan is a strategy that addresses socio-economic issues (Zarend, 2013:1). In addressing socioeconomic problems such as poor public health and poverty, the government brought forth a long term plan that should be achieved by 2030.

2.2.17.12 The National Framework for Local Economic Development in South Africa (2006-2011)

In terms of the framework, the evolution of LED policy in the post 1994 South Africa is closely associated with the transition to developmental local government. The framework is aimed at promoting a strategic approach to the development of local economies and a shift away from narrow municipal interests focused only on government inputs into ad-hoc projects. LED is not clearly included in the schedule of municipal functions, and that this might be interpreted as "an unfunded mandate for municipalities" (Mokoena, 2019). It is evident that community based organisations are established by Non-Governmental Organisations as key coordinators of LED initiatives by providing the necessary expertise and networking for donor assistance on localised LED (Nel 2001:78).

2.2.17.13 Limpopo Development Plan (LDP), 2020-2025

The Limpopo Development Plan was developed on the foundations of the Limpopo Economic Growth and Development Plan (LEGDP) 2009-2014 and the Limpopo Provincial Growth and Development Strategy (PGDS) 2004-2008. The two strategies were reviewed in order to maintain positive momentum development and to overcome shortcomings that were revealed during implementation cycles. Limpopo Development Plan (2020-2025) is a provincial blue print to guide integrated development planning and service delivery in the province (Lepelle-Nkumpi Local Municipality, 2021-2026:9). It expatiates on the purpose of the Plan;

- To strive for economic development and transformation to enable the province to address: poverty, inequality and unemployment;
- To outline the development priorities of the province;





- To provide framework for the strategic plans of Provincial Departments, as well as the IDP's and sector plans of district and local municipalities;
- To serve as a single reference point for policy-makers in government, private sector, civil society and donors with regard to developmental priorities for Limpopo.
- To create mechanism for constructive participation of private sector business and organised labour towards the achievement of provincial growth and development objectives

The plan has vision to create Limpopo Province of the future which will create an environment that is mutually beneficial, where rural living and smart cities coexist in harmony. This plan will give municipalities opportunity to expand and execute their developmental mandate supported by the provincial developmental policy (Limpopo Developmental Plan, 2020).

2.2.18 Poverty

According to the Constitution (1996), everyone has the right to have access to adequate housing, and the right to access health care services, including productive health care, sufficient food and water, social security. South Africa has had almost twenty-six years of democracy. Furthermore, it is worth mentioning that most of those constitutional rights have not been adequately attained. Yet the Constitution suggests that those rights are guaranteed and that the state must take reasonable steps, to achieve the progressive realization of those rights (Baloyi, 2013). Poverty is one of obstacle which facing municipalities in South Africa.

2.2.18.1 Global Perspective on Poverty

Roser and Ortiz-Ospina (2019) state that most people in the world live in poverty with almost 85% of the world live on less than \$30 per day, two-thirds live on less than \$10 per day, and every tenth person lives on less than \$1.90 per day. The share of the world's population living below the global extreme poverty line (\$1.90 in consumption per day) has increased intensely in recent decades, from 42 percent in 1981 to 11 percent in 2013 (PovcalNet, 2018). In each of these statistics price differences between countries are taken into consideration to adjust for the purchasing power in each country.





The effects of the coronavirus disease 2019 (COVID-19) pandemic have reversed much of the progress made in reducing poverty, with global extreme poverty rising in 2020 for the first time since the Asian financial crisis of the late 1990s. Even before COVID-19, the world was not on track to achieve the goal of ending poverty by 2030, and without immediate and significant action, it will remain beyond reach.

Poverty is a global issue and remains a subject of much concern to observers (Ruswa, 2018; Nkanyani, 2017:4). The World Bank, which is part of the United Nation, is the main source for global information on extreme poverty today and it has responsibility to sets the International poverty line. The poverty line was revised in 2015 since then, a person is considered to be in extreme poverty if they live on less than 1.90 international dollars (int.-\$) per day. Haydar (2005) state that significant number of people in the world today who live under conditions of extreme poverty and a large portion of them need access to basic needs such as food, water and health care.

According to the United Nations Development Programme (2003), there are three significant perspectives on poverty. In terms of income perspective, a person is designated as poor if, and only when their income level is below the defined poverty line. The line is usually demarcated in terms of having sufficient income for a specific amount of food. The basic needs perspective regards poverty as deprivation of material requirements for minimally acceptable fulfilment of human needs, including food. This idea of deprivation is much deeper than the lack of private income. It also has the consequence of lack of basic health, education, employment and services that have to be provided by states or communities to prevent people from being poor (Baloyi, 2013).

Poverty as a phenomenon that is believed to be multidimensional in nature and its meaning varies from one individual to another (Alkire and Foster 2011; Batana 2013; Bossert, Chakravarty, and D'Ambrosio 2013; Jansen et al. 2015). Therefore, relatively poverty may differ from one country to another country. A person classified as poor in the United States of America may well be defined as relatively well-off in South Africa (Mohr, 2010:166). Most international institutions do not only measure the state of poverty by levels of unemployment only, but also by the lack of access to education, health care and basic services, such as water and sanitation (Sen, 1983; Makgetla 2004).





2.2.18.2 Poverty in South Africa

The current literature provides a clear evidence that many communities still live in extreme poverty even after attainment of democratization in South Africa (Aliber, 2003; Seekings & Nattrass, 2015; Jansen, Mujuta & Yu 2015; Ruswa, 2018). This is regardless of many introduced programmes or efforts to eliminate poverty in the country in the last two decades since South Africa's transition to democracy, the country has experienced considerable success in reducing poverty, both in money terms and in multi-dimensional forms of deprivation such as lack of access to important services such as water and sanitation (South African Human Rights Commission and United Nations International Children's Emergency Fund, 2014:4).

Poverty is understood in many ways, but one resonating conception is that poverty is an adverse and definitely human characteristic that affects all humanity at different levels and in various degrees (Sen, 1983; Lotter, 2011). Wolff, Lamb and Zur-Szpiro (2015) argues that, beyond the reality of poverty being undesirable and toxic, poverty also serves as an evaluative property of humanity, meaning that poverty can be used to proxy the wellbeing of a society. According to Statistics South Africa, (2017) data report reveal that poverty is a lived reality for over half of the population in South Africa. There are three poverty lines adopted by Statistics South Africa which capture different degrees of poverty and allow the country to measure and monitor poverty at different levels (Statistics SA, 2014).

These are a food poverty line, lower bound poverty lines (LBPL) and upper bound poverty lines (UBPL). Statistics SA (2021) report on poverty line measure value state that food poverty line is now R624 per person per month while LBPL is now R890 per person per month and lastly UBPL is now R1, 335 per person per month. According to World Bank Group (2020) approximately 55.5 percent (30.3 million people) of the population is living in poverty at the national upper poverty line in South Africa while 13.8 million (25%) are experiencing food poverty. It is for Bosch (2008:20) state that it is difficult to select an appropriate poverty line based on the reason that a person with an income of R800 can be classified as poor, while a person earning R801 is not.

According to Kgaphola (2015), whilst the democratic government of South Africa has implemented several measures, for example education policy, general pro-poor policies, health policy and employment policy, aimed at alleviating poverty in the





country and creating a better life for all, it can be argued that the tools have not been effective. This due to the fact that extreme poverty still experience by the citizens which has worsen by covid-19 pandemic. However South African still experience the hardship of poverty even after 26 years of political transition; further perpetuating the inequalities in assets, income and exposure to sustainable and life changing opportunities that South Africans have historically been confronted with (Human Science Research Council, 2014:16). Poverty remains one of the greatest societal problems facing policy makers in South Africa.

2.2.18.3 Poverty in Limpopo

The Limpopo province is not immune from this epidemic of poverty. Limpopo province number of people living below the lower poverty line was recorded at 3.1 million in 2020 (Limpopo Socio-Economic Review and Outlook 2021:32) .The disclosed high proportion of the rural population which still living in poverty (Mears & Blaauw, 2010; Sulla & Zikhali, 2018). The most affected group were children and females in Limpopo Province (Statistics South Africa, 2017). Limpopo province is the one of predominantly rural province with roughly 82% of the population living in rural areas, and with the highest poverty rate in the country. The poverty report of 2015 indicated that about 72% of Limpopo's population lived in extreme poverty (Statistics SA, 2017). The causes of poverty is the results of unemployment and underdevelopment.

Wanka and Rena (2019) state that when comparing the level of poverty in Limpopo province with that of the National level it was found that the poverty rate in Limpopo was much higher than the National level. Waghid and Schreuder (2000) stated that the issue of eradicating extreme poverty levels is often focus of government particularly in deep rural communities of KwaZulu-Natal, Eastern Cape and Limpopo provinces.

The high poverty rate in Limpopo can be attributed to the massive shortage of skills which is a manifestation of the generally low educational attainment level in the province (Wanka & Rena, 2019). Limpopo is one of the provinces that has had the largest number of poor people according to the head-count ratio and poverty depth measure (Bosch 2008:35 cited in Mears & Blaauw, 2010:90). In deep rural areas of Limpopo poverty is a reality for many residents.





The implementation of policies for rural development adopted by the democratic government in post-1994 has produce less success stories, since there is high levels of poverty and inequalities in rural areas of Limpopo which still prevails (Malatji, 2020). Poverty is consistently perceived to be higher in rural areas compared to urban areas (Sulla & Zikhali, 2018 cited in Malatji, 2020:3). Local economic development projects can play important part in encouraging rural community participation in economic activities in order to reduce poverty.

2.2.18.4 Poverty in Capricorn District and Lepelle-Nkumpi Municipality

Garidzirai (2020:6) argues that Capricorn District is dominated by a rural area that has experienced absolute poverty, unemployment and stagnant growth. Statistics South Africa (2018) report state that poverty rate in Capricorn District Municipality which is within Limpopo province region, is high at 41.1% and has reached epidemic proportions. Another point to note is that the Capricorn District Municipality is the targeted study region because of extreme poverty in the area, which is estimated at just below 42% (Capricorn District Municipality, 2018). In context of Capricorn District Municipality poverty is constituted by lack of basic needs such as food, clothes, shelter and transport (Garidzirai & Meyer, 2020).

Poverty alleviation should be part of Capricorn District Municipality urgent priority in their LED initiatives to ensure sustainable local economy. Poverty and lack of basic services are the main contributors to the high rate vulnerable people and all municipalities in Capricorn should tackle this syndrome (Lepelle-Nkumpi Municipality, 2021). There is need for appropriate poverty alleviation programmes through health, water, road infrastructure, telecommunication programme which are required to reduce the vulnerability status of communities and to help build community resilience.

Lepelle-Nkumpi Municipality is having challenge of high poverty levels, with more than 15% of households without any form of income (Lepelle-NkumpiMunicipality, 2013:24). Furthermore, in Lepelle-Nkumpi Municipality and Capricorn District Municipality, up to approximately 53% and 58% of households respectively earn less than R19 600 per annum, which amounts to less than R1 600 per month (Kayamandi Development Services, 2013:24; Lepelle-Nkumpi Local Municipality, 2021).





In other words, more than 58% of households earn less than R19 600 per annum, indicating the high poverty levels of the region. A drawback of a predominantly rural municipality such as Lepelle-Nkumpi Local Municipality is high levels of poverty formed because of poverty pockets throughout the rural areas, which may indicate that there is a lack of economic activity that can facilitate growth and lead to the development of the Municipality (Lepelle-Nkumpi Local Municipality, 2019). However, this led to the introduction of community development projects aimed at poverty and unemployment reduction (Letsoalo, 2019). Some of the projects found in the municipality are initiated by community members themselves and others by LED unit in the municipality and other organisations. Although projects have been initiated, but poverty still persist in most rural areas within the municipality.

LED is a government strategy which strives to alleviate unemployment and poverty by funding and supporting community projects. Amongst other responsibilities, local government is expected to stimulate economic growth and ensure local economic development (Kayamandi Development Services 2013:09). According to Statistics South Africa (2020), it is on record that Lepelle-Nkumpi Local Municipality has about 79% of households that have an income of less than R3500 per month (the household subsistence level) or no income at all.

2.2.19 CONCLUSION

In conclusion, LED has gained wider acceptance in South Africa through developmental mandate. As the legislative and approaches has been development and further implemented to tackle development constrains which relate to LED in South Africa. Although LED is implemented in South Africa, they are still challenges which led to its failure due lack of LED practitioners to assist the municipalities in regards to appropriate measure and approaches that must be taken when implementing LED. Planning for LED it requires lots of research based on the socioeconomic issues. First before implementation of LED they must be identification of challenges facing the communities.

Despite government's attempts to fight against poverty in South Africa, as of 2011 45.5% of the population was classified as poor. There is consensus in the literature that poverty remains one of the most pressing economic and social issues in South





Africa, which explains why the South African government has as one of its goals to eliminate poverty by the year 2030 (Mears & Blaauw, 2010). The next chapter discusses the research design and methodology adopted in this study.





CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

While the previous chapter provided literature review underpinning the LED and poverty, this chapter consider research design and methodology. This chapter will explain the research design that was used in the study which is a plan or strategy for the research as alluded by (Neuman, 2011:6). Mashiteng (2017) argues that research design elected influence the data processing methodologies that were applied. Various methodologies that were used to collect and analyse data. In this chapter the research design, methodology and sampling are explained.. It explains the qualitative research method which is adopted, and clearly defines the population and the method of sample selection. It also describes the methods of data collection and analysis.

3.2 RESEARCH METHODOLOGY

Research methodology is referred to as rational approach of methods applied in a field of study (Polit & Beck, 2012). Research methodology focus on research process and the tools to be used. Terre Blanche, Durrheim and Painter (2006) describe research methodology as a study of procedure used in research to create new knowledge. According to Jili (2019:101) research methodology is defined as the "how" of collecting data and processing it within the framework of the research process. There are two basic methodologies for collecting data, namely, the quantitative and qualitative methods. The study adopted qualitative approach with the aim of interpreting and analysing data from the respondents through thematic analysis method. The advantage of using a qualitative research method is that it generates rich, detailed data that leaves the participants' perspectives intact and provides a context for healthy behaviour (Weinreich, 2009:88).

3.3 RESEARCH PARADIGM

According to Creswell (2014:6), research paradigm is a basic set of beliefs that guide the action and underpin the study. Saunders, Lewis and Thornhill (2009:118) define a paradigm as the investigative of social phenomena from which a certain understanding of present phenomena is achieved and an explanation attempted. A research paradigm is also known as a worldview (Mackenzie and Knipe, 2006).





Whitehead, LoBiondo-Wood, and Haber (2012:399) indicate that a paradigm denotes a worldview based on a set of values and philosophical assumptions that are shared by a particular academic community and that guide their approach to research. They are three well known research paradigm which are used by researchers namely: positivist, constructivism and interpretivist paradigm. According to Jili (2019:104) particular paradigms may be associated with particular methodologies. For example, a positivistic paradigm typically assumes a quantitative methodology, while a constructivist or interpretivist paradigm typically utilizes a qualitative methodology.

This study adopted the interpretivist paradigms since interpretivist utilise qualitative method approach. The interpretivist believes that reality is constructed by social actors and people's perceptions of it (Letsoalo, 2019:47). To understand the social world from the experiences and subjective meanings that people attach to it, interpretivist researchers are in favour of interaction and dialogue with the studied participants (Ponterotto, 2005:146). However, the interpretivist holds that reality is constructed in the mind of the individual, rather than an externally singular entity (Hansen, 2004:113). To support this, the interpretivist paradigm assisted the researcher to study the phenomenon by exploring effects of LED in poverty alleviation at Lepelle-Nkumpi Municipality. This paradigm abetted the researcher to understand and interpret the LED initiatives that exist within this municipality and how they address issues such as poverty and unemployment.

3.4 RESEARCH APPROACH

The research approach can be referred to a plan and procedure that consists of the steps of broad assumptions to detailed methods of data collection, analysis and interpretation. There are basically three categories of research design namely; qualitative, quantitative and mixed method research design. The mixed method research design which often referred to as triangulation occur in situation whereby the researcher decides to use both qualitative and quantitative research design. Creswell and Plano Clark (2011:212) point out that mixed methods data analysis consists of analytic techniques applied to both quantitative and qualitative data as well as to the mixing of the two forms of data concurrently and sequentially in a single project or a multiphase phase project. The study adopted qualitative methods in order to obtain





data. Creswell (2014) defines qualitative research as an inquiry exploring and understanding the meaning of a social or human problem.

3.4.1 Qualitative research

Qualitative research refers to an assessment of a situation expressed in words (Monobe, 2001:104). Mason (2005:1) as cited in Munzhedzi (2011:58) argue that the purpose of qualitative research is to describe, explain, explore, interpret and build theory. "Qualitative researchers tend to analyse data inductively in order to prove or disprove hypotheses they had before entering the study. Instead they build the abstractions as the particulars are grouped" (De Vos, 2001:240). Mkata (2010:17) maintain that qualitative research entails a much more sustained contact especially when participant observation is the central method. Qualitative research enabled the researcher to change the data so that a deeper understanding of what was being investigated can be achieved.

According to Jili (2019), qualitative study method also seeks to understand the adequacy and relevance of the initiatives, their impact on people's lives whereby in this case is LED initiatives towards poverty alleviation in the communities of Lepelle-Nkumpi Local Municipality. Qualitative research is highly recommended and most rewarding activity as it engages the interaction between the researcher and the participant to get reliable information from individuals or groups on their feelings (Mason, 2006) cited in Jili (2019:8). The researcher opted for qualitative research method in order to get in-depth information about the effects of LED in poverty alleviation at Lepelle-Nkumpi local municipality. This research method allowed the researcher to interpret and analyse the responses in thematic analysis method.

Qualitative research approach is a methodology used to study phenomena of social action and of which we do not have an understanding. Its emphasis is on providing a inclusive or holistic understanding of the social setting in which the research is conducted. De Vos (2001) is of the beliefs that without the holistic view, there is little value to qualitative research. Qualitative methods is considered as a best way of getting the insider's perspective, the meanings individuals affix to things and events (Maki, 2009). This denotes that they can be applied to study real-life experiences of people, including people's meanings and purposes (Punch, 2005). Qualitative methods are flexible and can be used in a wider range of situations and for a wider





range of purposes. The objective of qualitative design is to explore areas where limited or no information exists (De Vos, 2001).

Qualitative researchers tend to analyse data inductively in order to prove or disprove hypotheses they had before entering the study. Therefore, instead they build the abstractions as the particulars are grouped," (De Vos, 2001:240). To ensure that there is clear exploration and explanation for the effects of LED on poverty alleviation qualitative research methodology was adopted for the purpose of this study. Qualitative approach is relevant to this study because is a way of getting primary information about ideas, feeling, experiences and opinion of the research participants. The research adopted a qualitative approach through conducting interviews in order to gain a deeper understanding of LED challenges that prohibits poverty alleviation at local level within Lepelle-Nkumpi Municipality as case study.

3.5 RESEARCH DESIGN

Levy (2017:10) defines research design as the process of building a structure and a plan for a research project providing the overall framework for collecting data to answer a research question or solve a problem. The research design includes qualitative, quantitative and mixed method, which also reflect the purpose of the inquiry that can be characterised as exploratory, descriptive and explanatory (Marée, 2016:53). The study adopted qualitative research design noting that research designs that are used in qualitative method differ depending on the purpose of the study.

Research design consists of a plan, a roadmap that allows the researcher to test the validity of the hypothesis or answers the research questions, taking into account the factors that researcher believes might affect the relationship between the dependent and independent variables (Webb and Auriacombe, 2006:589). Exploratory research is defined by Burns and Groove (2001:374) as research conducted to gain new insights, discover new ideas, and for increasing knowledge of the phenomenon. An exploratory research design was used in this study through semi-structured interviews to explore more on the effects of LED in poverty alleviation at Lepelle-Nkumpi Local Municipality (Jili, 2019). Creswell (2014) refers exploratory research as a research conducted for a problem that has not been clearly defined. Exploratory research design works best when key informants are interviewed.





The exploratory research design was utilised in order to allow the researcher to make preliminary investigations into the issues governing LED implementation at Lepelle-Nkumpi Local Municipality. The study obtained data through interviews method from officials of Lepelle-Nkumpi, economic development agency, projects beneficiaries and leaders lastly five community stakeholders.

The rationale of the choice of a research design was to enable researchers to explore the effects of LED in poverty alleviation at Lepelle-Nkumpi Local Municipality. A qualitative research approach was used to assess the capability of Lepelle-Nkumpi Local Municipality to drive LED initiatives in line with an exploratory research design. The reason for using an exploratory type of study was to establish all the relevant factors that promote or hamper effects of LED initiatives meant to alleviate poverty, so as to come up with possible approaches to assist with improving service delivery and poverty alleviation within the LED context (Mashiteng, 2017). All municipalities have special LED mandate and further has obligation to deal with issues of poverty, unemployment and inequality at local level.

3.6 POPULATION OF THE STUDY

Neuman (2011:341) explains the research population as "the abstract idea of a large group of many cases from which a researcher draws a sample and to which results from a sample are generalized". On other hand McBurney (2001:248) refers to the population as the sampling frame. A population is the totality of persons, events, organisation units, case records or other sampling units with which the research problem is concerned. White, (2002) in Baloyi (2013:48) describes the population as a collection of objects, events or individuals having some common characteristics that researchers are interested in studying. A population is thus the full group of potential respondents to whom the researcher wants to generalize the findings of the study

In line with above definitions, the population of the study included selected officials from Lepelle-Nkumpi Local Municipality, Limpopo economic development agency officials, councillors, ward committees, community development projects beneficiaries, leaders and lastly community stakeholders. The special focus was more on municipal officials who are directly and indirectly responsible for LED implementation.





These officials were also aware of the strategic challenges and opportunities since they deal with LED activities. The selected officials managed to provide the insight on the effects of LED in poverty alleviation and planned LED programmes within the municipality. The total targets of participation in this study was 50 participants, but researcher managed to interview 42 participants due to time and financial constraints. According to the 2021-2026 IDP, the total filled and funded positions in the municipality stood at 214 (Lepelle-Nkumpi Municipality 2021:101).

3.7 SAMPLE, SAMPLING TECHNIQUE AND SAMPLING FRAME

According to Mkata (2010:20), sampling is one of the important steps in the research plan, because it determines the participants in the research. For the purpose of this study purposive sampling was used. Polit and Beck (2012) defines sample as a smaller collection of elements from the population utilised to gather information. Therefore, not every element of the population had the opportunity to be included in the sample. According to Tongco (2007:147), purposive sampling technique, also called judgment sampling, is the deliberate choice of an informant due to the qualities the informant possesses. This sampling technique is a non-random technique that does not need underlying theories or a set number of informants. The final choice was influenced by the need to keep the quality of the data at acceptable levels. The sampling size for this study was consisted four officials from LED section, including manager of LED, five from Integrated Development Plan, Municipal Manager, finance manager, public participation manager of Lepelle-Nkumpi municipality and five administrators and four wards councillors, four ward committees, five Limpopo economic development agency officials, ten community development projects beneficiaries and ten project leaders lastly five community stakeholders.

3.7.1 Purposive sampling

Tongco (2007:147), state that purposive sampling technique, also called judgment sampling is the deliberate choice of an informant due to the qualities the informant possesses, and it is a non-random technique. In purposive sampling, the researcher selects people or sites who or that can best help him to understand the phenomenon (Creswell, 2003:40). The reason for choosing this sampling method is because participants in this method have knowledge about the topic and can therefore give reliable information which will help to reach the objectives of the study. To support this,





Mkata (2010:20) maintains that purposive sampling technique is characterised by identifying access points or settings where subjects could be more easily reached and by selecting especially knowledgeable subjects. The other reason for selecting purposive sampling was because the sample was not homogenous.

The researcher utilised purposive sampling with the determination of getting information from experienced employees of Lepelle-Nkumpi Local Municipality (municipal manager, LED manager, finance manager and IDP manager), Limpopo economic development agency officials, project leaders and community stakeholders. The total targets of participation in this study was 50 participants. Purposive sampling techniques was adopted in order to ensure that municipal officials who directly involved in LED and municipal officials who have more knowledge and information concerning LED implementation were sampled. The researcher purposively identified the above respondents because have illustrated some feature or process that is of interest for this particular study.

De Vos (2005:328) in Malele (2018:62) who argue in purposive sampling the researcher searches for information-rich key informants, groups, places or events to study. This is supported by Babbie (2010:204) who contends that purposive sampling is a type of non-probability sampling in which the units to be observed are selected on the basis of the researcher's judgment about which one will be the most representative. The study used purposive sampling, which means the members of the sample were selected with a specific purpose in mind which was to represent a particular location, and people's relation to key issues (Maruster, 2013). The main reason for inclusion of the participants is based on their capacity and relevance to inform the research findings. Purposive sampling was used with a mix of different community development projects beneficiaries and leaders selected from different economic clusters. This was intended to also evaluate the effects of LED initiatives projects on poverty alleviation.

3.8 DATA COLLECTION PROCEDURES

Polit and Beck (2004:716) define data collection as the process of gathering information to address a research problem. Data collection is a systematic process of collecting and measuring information from various sources (Terre Blanche, Durreheim and Painter, 2006).





Data collection procedure was done by sending a letter to the municipality and LEDA requesting permission to conduct the study. The LED unit, project managers, beneficiaries, and community stakeholders were all consulted, and permission to interview them was requested. Prior to receiving their agreement to participate in the study, participants met with researchers to discuss the topic under consideration.

This research employs qualitative as data collection methods. The study utilised semi-structured interviews, since this kind of interviews are used to obtain a detailed picture of participants' beliefs or perceptions of a particular topic. Interviews were conducted in English for Municipal officials and stakeholder, however for community development projects beneficiaries and community stakeholders Sepedi was used for those who not understanding English. The reason to select Sepedi as second language for interviews it is because Sepedi is dominant language within areas around Lepelle-Nkumpi Local Municipality.

Primary data

Hox and Boije (2005: 593) define primary data as "original or raw data" collected for a specific research purpose. For the purpose of this study primary data was collected through interviews with officials from Lepelle-Nkumpi Local Municipality, Limpopo economic development agency officials, community stakeholders, projects leaders and beneficiaries in order to determine the existing views regarding LED initiatives, challenges and opportunities. The rationale of using primary data was to gather first-hand information from project implementers, leaders, supporters and to explore their views, feelings, opinions and challenges. This allowed the researcher to obtain important information about LED related issues prohibiting poverty in Lepelle-Nkumpi Local Municipality. The researcher considered interviews as a more natural way of interaction when compared to other data collection instrument methods such as filling out a questionnaire.

Secondary data

Secondary data included the data already gathered by the researcher for purposes other than the completion of a research project (Schutt, 2006). The researcher considered the use of data sources such as journals, articles, books, internet, municipality documents, feasibility study reports, IDP reports, LED unit, municipality





annual reports and other literature that contributed to enriching the findings of this study.

3.8.1 Data collection instruments

The researcher utilised interviews as instruments to collect data and was guided by an interview schedule.

3.8.1.1 Interviews

According to Thomas (2010:24), interview is a method of gathering information through oral quiz using a set of pre-planned core questions. Repko (2008:202) states that there are three types of interviews: structured interview, unstructured interview and semi-structured interview. The data collection instrument that was adopted in this study was semi-structured interviews through face to face interaction. Bryman (2008:196) refers a semi-structured interview to a context in which the interviewer has a series of questions that are in a general form of an interview schedule but is able to vary the sequence of questions. In other hand Repko (2008:202) contends that a semi-structured interview also becomes useful to address very delicate issues and topics. This type of interview assisted the researcher to easily explain questions and also give more information if applicable because both the interviewer and the respondent were available at same place.

The reason for choosing semi-structured interviews is that this method permit flexibility and allowed room for the researcher to make follow-ups on issues raised. The researcher on this type of interview had an opportunity to probe what the respondent says and also managed to explore respondent answers (Malele, 2018). For the purpose of this study semi-structured interviews were conducted with participants. In this study interviews was used, with an interview schedule giving participants the chance to fully explain issues pertaining to LED. The researcher managed to discuss place of interview for respondents in order to ensure privacy.

The interviews were conducted at times determined by the participants in order not to crowd their daily schedules, and to allow for enough time as determined by their availability. The interview views schedule was made up of open-ended questions. The use of semi-structured interviews allowed for greater flexibility and information probing





in an effort to address any apparent gaps and grey areas. The interviews were crucial when conducting research, since they are the source of raw data material.

3.8.1.2 Documentation

The researcher also used the documentations on data collection method. The documentations utilised included policy documents from the municipality, municipal integrated development plan and LED project reports, LED feasibility studies reports, articles, books and government legislations. Terre Blanche et al. (2009: 316) concur that documentations such as letters, newspapers, official documents and books form part of the secondary sources, meaning that the use of documents that contain information about the phenomenon that is being researched, where relevant within the context is Lepelle-Nkumpi Local Municipality.

3.9 RELIABILITY AND VALIDITY

3.9.1 Reliability

Pilot (2006:246) state that reliability is ability, consistency or dependability of an instrument, which is reliable, measures accurately and reflect the time score of the attributes under investigation. Pilot (2006) further contend that reliability is concerned with the findings of the research and relates to the credibility of the findings. In determining whether findings are reliable, several interviews were conducted for reliability. Further to that, observation and semi-structured interviews and document search was utilised to ensure reliability. Reliability in this case means that when the instrument is applied repeatedly to the same sample, it should yield the same results each time when applied. This is supported by Willson-Kristen (2012) who attest that reliability is concerned when the same results or findings are obtained if repeated.

The researcher conducted a pilot study with two participants to determine the reliability. The feedback obtained from the pilot study was utilised to determine the feasibility, reliability, methodology of the research and to validate interview schedule before they can be distributed To support this Nkanyani, (2017) maintain that the main reason for pilot study is to determine whether data collection instrument answer the research question and achieve its main objective. To ensure accuracy which





contribute to reliability collected data were evaluated through comparing audiotapes and transcriptions taken during the interviews.

3.9.2 Validity

The concept of validity is described by a wide range of terms in qualitative studies. This concept is not a single, fixed or universal concept, but "rather a contingent construct, inescapably grounded in the processes and intentions of particular research methodologies and projects," (Winter, 2000:1). Validity refers to the degree to which an instrument measures what it is supposed to measure. The researcher compared the findings with the literature review to ensure validity. The semi-structured face-to-face interviews was used as a valid instrument of collecting data. Although some qualitative researchers have argued that the term validity is not applicable to qualitative research, but at the same time they have realised the need for some kind of qualifying check or measure for their research. In determining whether research findings are reliable, however semi-structured interviews and documentations search were utilised to ensure reliability. The researcher used a check and balance technique to address reliability and validity by performing the research in-person and also by making sure that pertinent participants who work with LED and beneficiaries engage in the project.

3.10 AREA OF STUDY

The study focus area was at Lepelle-Nkumpi Local Municipality, which is located 61km on the southern part of Capricorn District and Polokwane city. According to Statistics SA Census 2022 results, the municipality has an estimated population of 230 350 people with a total of 59 682 households and an average household size of 3.9. The population of Lepelle-Nkumpi has grown by 0.1, which is the second fastest growing population after Polokwane during the last ten years after a sharp decline between 1996 and 2001 when its growth was slower than the rest in the district. There were 30 wards in the municipality with an average size of 8000 people. Wards 22, 15 and 26 were actually the largest, with a population size of more than 10000 each. The predominant language used in the area was Sepedi, which was spoken by 86% of the total population, followed by IsiNdebele and Xitsonga, which were spoken by 4, 5% and 3, 7% of the population, respectively. The population of Lepelle-Nkumpi was dominated by young people of below 35 years old at 69%.





Monday

Manalik of Main Towns

Manalik of Main Towns

Manalik of Main Towns

Manalik of Main Towns

Main Towns

Main Towns

Main Towns

Main Towns

Agricultural Potential

High

Very High

Moderate

Low-High

Low

Very Low-Low

Figure 3.1: Map of Lepelle-Nkumpi Local Municipality

Source: Lepelle-Nkumpi Local Municipality IDP 2017/2018

The motive for selecting the area of study was motivated by a personal observation whereby the researcher noticed that within Lepelle-Nkumpi Municipality there are more people living in poverty with lack of development. This is because of the high rate of unemployment in the area and the LED projects initiated does not provide solution to existence of the problem. However, based on above problems, this led to the researcher to conduct study on the effects of LED in poverty alleviation.

3.11 DATA ANALYSIS

Data analysis is one of the crucial aspects of any research which involve interpretation. Mbhele (2013:125) postulates that this is one of the steps where a researcher can be able to assess and ascertain if the research overarching question has been answered, through the achievement of the aim and objectives. According to Shamoo and Resnik (2003:5), data analysis is the process of systematically applying statistical and/or





logical techniques to describe and illustrate, summarise and recap, and evaluate data. Therefore, various analytic procedures provide a way of drawing inductive inferences from data and distinguishing the signal (the phenomenon of interest) from the noise (statistical fluctuations) present in the data. Data analysis means to pass a judgement, to use reasoning and to reach a conclusion based on evidence available (Neuman, 2003:275). There are three strategies available for analysing qualitative data are induction, grounded theory and thematic analysis.

In the study the researcher adopted qualitative data which was analysed through thematic content analysis in the form of words. The researcher choose to use thematic analysis since this type of analysis is highly inductive in the sense that, the themes emerge from the data and are not imposed upon by the researcher (Downson, 2007:120). The data or information collected was analysed using qualitative thematic analysis to evaluate and examine effects of LED in poverty alleviation within Lepelle-Nkumpi local Municipal area. Thematic analysis is a method of identifying, analysing and reporting patterns (themes) within data. It minimally organises and describes data set in (rich) detail (Letsoalo, 2019:60). This entails that thematic analysis provided the details from data collected. The raw data from interview transcripts and documents will be utilised to interpret and provide conclusions.

Data collected were analysed using description in words and graphs. In order to obtain clear and unambiguous data interpretations (Robson & McCartan, 2011), it was necessary to break the data into manageable themes (Terre Blanche, Durrheim & Painter, 2014). Qualitative analysis in the study was guided by thematic analysis, whereby, transcripts and field notes were reviewed and entered into a database. This was carried out through coding significant statements, which led to identifying themes and drawing conclusions. This is supported by Mashiteng (2017:43) who postulate that thematic data analysis requires that the raw data be transcribed first, therefore the process of coding the data preceded the data analysis.

3.12 ETHICAL CONSIDERATIONS

According to Lo (2009) it is important to observe ethics in conducting a research study in order to ensure the aims of the research are accountable to the public; gain public support for research as well as to ensure that moral and social values representing the specific ethical guidelines of the country are adhered to.





To achieve this, researcher complied with University of Venda research ethical standard policy and request permission to conduct research from University of Venda Research Ethics Committee. Therefore, the researcher again requested the necessary permission to conduct the research in Lepelle-Nkumpi Local Municipality from the Municipal Manager as well as the respondents in the form of written consent for the interviews.

The ethical measures adopted by this study were the following:

Confidentiality: According to Malele (2018:76) confidentiality means that the researcher is able to identify a respondent response, but essentially promises not to make the connection known to the public. All information, including identity of participants and responses during interview, was kept confidential and only used for research.

Anonymity: The respondents' names will not appear in the report in order to apply anonymity and to avoid the likelihood of any views expressed in the report to be linked to them. Regarding the anonymity of the respondents, (Babbie, 2007: 64) stipulates that anonymity is guaranteed in a research project when neither the researcher nor the readers of the findings can identify a person with a given response.

Voluntary participation: The respondents were informed that their participation is voluntary and that they will be free to withdraw without any penalty. They were aslo informed about the purpose of the research and the way the information will be used (Terre Blanche, Durrheim and Painter, 2006). Hence, participation in this was voluntary.

Informed consent: The researcher made use of consent form to get participants consent to be involved in the study. Respondents were asked to sign the consent form. The aim and objective of the study will be explained to the participants.

Avoidance of harm to participants: Letsoalo (2019:18) refers to avoidance of harm as a responsibility of ensuring that the participants are protected from any possible physical and emotional harm. The respondents were assured that information collected (data) will not harm them personally or the municipality as well since it will only be used for academic purposes.





Respect and dignity: The researcher treat all participants with respect, honesty and dignity. Respect for persons involves that prior to their participation in the study participants know what the process of their participation entails (Kumar, 2014).

3.13 LIMITATION OF THE STUDY

Even though all the objectives were achieved, the study has its limitations which did not affect the results. The limitations that researcher encountered in the study had to do with the respondents who might have given untrue opinion during the interviews due to the sensitivity of the research problem. The researcher did not managed to interview all targeted participants due to unavailability of some project leaders and municipal officials. To make up for above limitations, the study envisaged to ensure that there is correspondence between the content of self-gathered primary data, secondary data and the actual facts that exist in the Lepelle-Nkumpi Municipality. The research may be hindered by unforeseen challenges such as delays in issuing permission letter by the municipality for the researcher to conduct research; budget constraints for travelling costs; time constraints to meet with participants and unavailability of some project leaders or members especially for collapsed projects. Some respondents requested postponement of their interviews to another days and it was time consuming and costly because the researcher had to reschedule for another interview meeting.

3.14 CONCLUSION

This chapter discussed the research design and methodology that was used and the reason for a chosen method. The research design was explained and a choice of research methodology for this study was indicated. To this end the qualitative method was used through the collection of data. The interviews were used as method of collecting data. In the next chapter, a data analysis will be done and research results will be interpreted.





CHAPTER 4: DATA PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

4.1. INTRODUCTION

The previous chapter focused on the research design and methodologies that the researcher followed, and which indicated the procedures that were tracked to answer the research questions in this study. The findings are based on data collected from the respondents in terms of the effects of local economic development on poverty alleviation at Lepelle-Nkumpi Local Municipality, Limpopo Province. It presents the data that was collected from participants using semi-structured interviews as discussed in the previous chapter. Face-to-face interviews were conducted with municipal officials; stakeholders and community development projects beneficiaries and leaders as well as community members.

The semi-structured interviews allowed flexibility and gave room for the researcher to make follow-ups with the participants to elaborate on points made when answering research questions. The responses to the interview items are presented and are followed by a brief synthesis of the item and the detailed findings are discussed in chapter five (5) below.

The findings and interpretation of data collected are presented in the following way: municipality officials and stakeholders, followed by the responses from project beneficiaries and leaders. The findings were analysed and presented in the form of themes which emanated from the research questions and objectives. A total number of 42 respondents took part in the study and were all interviewed.

4.2. Section A: Biographic information of the respondents

The researcher in this sub-section presents the biographic details of the respondents who were part of the study.

The information is presented in tables, pie charts and bar graphs with percentages followed by as synthesis of findings. The biographical details of participants are presented in relation to gender; age; educational attainment and number of years in the position as follows:





Table 4. 1: Gender Profile of Respondents

	Gender of Respondents	Frequency	Percentages
1	Male	27	65%
2	Female	15	35%
	Total	42	100%

Table 4.1 present the biographic information of the respondents in terms of gender. A total of 42 participants took part in this study, of the 42 participant 27 (65%) were male whereas 15 (35%) of participants were female. From above information, a conclusion can be drawn that majority of respondents who participated in the study were males than females. The researcher thus suggests more efforts need to be done to empower more women in LED and community development projects roles within the municipality.

Table 4.2: Age Groups of Respondents

	Age of Respondents	Frequency	Percentages
1	18-30 years	3	8%
2	31-40 years	14	34%
3	41-50 years	23	54%
4	51-60 years	2	4%
5	60 years and above	0	0%
	Total	42	100%

The above table 4.2 indicates the age groups of the respondents who participated in this research. The main aim of identifying age of the respondents was to identify different age groups amongst the respondents who participated in this research.





Majority of the respondents 23 (54%) who participated in this study were between the age of 41-50 years of age. Fourteen 14 (34%) of the respondents were between the age of 31-40 and 3 (8%) of respondents were between ages of 18-30 years. Few respondents 2 (4%) were 51-60 years of ages and while above 60 years old have not participated in this study as it is 0%. These findings indicated that generally the youth hardly participated in LED projects or initiatives as the dominant group were adults. This also speaks to the issue of youth unemployment in South Africa whilst youth unemployment is high.

Table 4.3: Number of Years of Working Experience

	Number of years of experience	of working	Frequency	Percentages
1	0 - 1 Year		2	5%
2	2 - 5 Years		15	35%
3	6 - 15 years		17	40%
4	16 - 25 years		8	20%
5	26 years and above		0	0%
	Total		42	100%

Table 4.3 above indicates biographic information of participants who took part in the study in terms of number of years of experience in their positions. Majority of the respondents in this study at 17 (40%) were having 06 to 15 years of working experience in the positions. Fifteen 15 (35%) of the respondents were having 02 to 05 years of experience, while 8 (20%) were having 16 to 25 years working experience. With less participants two 2 (5%) who were having 0 to 01 years of experience. It can be concluded from the above data that majority of respondents who took part in the study were having 06 to 15 years of working experience which constituted 17 (40%) followed by 15 (35%) of the respondents were having 02 to 05 years of experience. It can be suggested that many respondents who took part in the study have an understanding on the effects of Local Economic Development on poverty alleviation.



This is substantiated by the years of experience they have in the LED section and the operations of the Municipality in general.

Table 4.4: Educational Attainment of Respondents

	Educational Attainment	of	Frequency	Percentages
	Respondents			
1	Below Grade 12		8	20%
2	Grade 12		18	42%
3	Certificate/Diploma/Bachelor Degree		11	27%
4	Honours/Masters		3	7%
5	Doctoral			0%
6	Other		2	4%
	Total		42	100%

The above finding reveals that most of respondent who took part in the study at 18 (42%) reported that they have completed secondary education. These respondents alluded that they were unable to acquire tertiary education due to poverty and lack of funds. Eleven 11 (27%) of the respondents reported that they have attended tertiary education to acquire certificates, diplomas and bachelor degrees. While 3 (7%) of the respondents have managed to obtain postgraduate degrees. Eight 8 (20%) of the respondents had only managed to attend education below Grade 12 and 2 which is represented by 4% of the respondents reported that they have obtained other.

The respondents who attended education below matric and majority are from community development projects, ward committees and community stakeholders. These respondents will always require training to participate in LED initiatives. This can be suggested that Lepelle-Nkumpi Local Municipality must promote and if necessary enforce majority of people especially those holding critical positions to further their studies at tertiary institutions for better understanding and implementation of LED.





4.3. ANALYSIS OF DATA COLLECTED THROUGH INTERVIEWS

The researcher used note-ta king and recording during the interview sessions. The study was conducted in order to answer the research questions that arose from the effects of LED on poverty alleviation. The analysis of data and interpretation in qualitative research presents itself in the form of themes, categories, words and interpreted narratives. Mason (2005:1) as cited in Munzhedzi (2011:58) argue that the purpose of qualitative research is to describe, explain, explore, interpret and build theory. In this section, the researcher will present data that was collected through interviews and the information will be presented in a narrative format followed by a brief synthesis.

Table 4:5 Themes and sub-themes on effects of Local Economic Development on poverty alleviation

Item No	Themes	Sub-themes	
1.	An overview and the importance of local economic development in municipalities	 Local Economic Development (LED) The importance of LED within Lepelle-Nkumpi Local Municipality LED contribution to the economic growth at the municipality and unlock opportunity for community participation in the local economy The effectiveness of LED in Lepelle-Nkumpi Local Municipality The issues causing poverty within the Municipality and other municipalities across the country Can LED be used as a strategy for poverty alleviation. Please explain. 	
2.	Local economic development approaches and strategies in municipalities	 LED strategies in Lepelle-Nkumpi Local Municipality Effectiveness of LED strategies in Lepelle-Nkumpi Local Municipality? 	



		•	During planning of LED strategies in Lepelle-Nkumpi Local Municipality, does community get involved Mention any achievement(s) of LED in Lepelle-Nkumpi Local Municipality that contribute to poverty alleviation The challenges associated with the implementation of LED strategies in the Lepelle-Nkumpi municipality
3.	The challenges of local economic development in the municipality	•	The challenges of LED that prevents poverty alleviation in Lepell-Nkumpi Local Municipality How can the identified challenges above be addressed
4.	The roles of municipalities in promotion of local economic development	•	The role of Lepelle-Nkumpi Local Municipality in the promotion of LED for poverty alleviation? The promotion of LED in rural municipalities/Lepelle-Nkumpi Local Municipality? Do you think LED projects has achieved objective of poverty alleviation and promotion of employment in the municipality? Measures do you think should be taken to improve Local Economic Development implementation in the Municipality?



4.4 SECTION B: FINDINGS AND RESPONSES FROM MUNICIPAL OFFICIALS AND STAKEHOLDERS

4.4.1 An overview and the importance of LED in municipalities

4.4.1.1 Local Economic Development (LED)

In this sub-theme the interviewer wanted to understand the respondents level of understanding regarding the concept LED. During the interview, the participants gave their perspective of what LED entails. This motivated by the fact that participants work on LED activities so they are expected to contextualise this concept. This how they expressed it:

Participant 7:

The economic initiatives that are meant to enhance the economic activities in a specific place for better life and income generation. LED serves as a tool to improve the local economy through job creation and sustainability development as part of the fulfilment of the constitutional mandate of municipalities in South Africa.

Participant 20:

LED can be explained in two key aspects which is economic growth and development. In context of economic growth, it refers issues relating to employment and businesses in terms of production of goods and services. In context of development refers to issues of poverty and wealth distribution including addressing inequality in the community.

Participant 19:

LED is a way of creating platform for public participation and focusing at the sustainability in terms of employment. It identifies potential for investors through engagement with different stakeholders.

Participant 10:

Explained LED based in terms section 152 of the Constitution, whereby LED is process to promote social and economic development by providing sustainable services.





Participant 11:

LED is process of uplifting the business in the society. It also involves empowering community to boost the municipality as a whole. LED should put tourism of the municipality at map.

Participant 21:

LED is a means used by the municipality to provide the basic services of the communities through different programme.

Majority of the participants (80%) explained LED within the context of economic development and employment opportunities for purpose of empowering the local economy. One of the participants explained LED in terms section 152 of the Constitution which state LED is process to promote social and economic development by providing sustainable services. LED refers to locally driven development that uses local resources, knowledge and technologies with the aim of directly benefiting the local communities through creation of economic opportunities to generate employment (Leigh and Blakely, 2016). The above information provided by the participants provides the same idea of the concept LED. This implies that most of officials are familiar with meaning of LED, but others some lack a more in-depth understanding of what LED, since 20% of participants did not explained it clearly.

This because 20% participant explained LED as service delivery programme only. It important that municipal officials understand LED to avoid misinterpretation and application of this concept. In addition to above views, assessments and research reveal that most municipalities, especially the poorer performing ones, are principally required to dedicate their energies to providing basic services (CoGTA, 2009). From researcher's perspective, LED is a process whereby local initiatives combine skills, resources and ideas to stimulate local economies to respond innovatively and competitively to changes in the economies.

4.4.1.2 The importance of LED within Lepelle-Nkumpi Local Municipality

The second sub-theme emanated from the importance of LED to find out if the participants are aware of the its significance within the municipality for purpose of economic development to alleviate poverty.





This sub-theme is supported by Malele, (2018) who argues that lack of understanding of the importance of LED as well as of what can be done to contribute to limited successes experience. The participants revealed the following:

Participant 31 argued:

LED offers a benefit that is quite valuable to local residents. It looks at how to bring about economic growth. It examines methods to promote economic expansion. When properly implemented, it helps communities become less dependent on government employment opportunities by encouraging self-employment.

Participant 20:

Job creation within the municipality. Income generation for people who are business owners which they contribute in paying rates to the municipality. LED make people to participate in local economic activities in the municipality.

Participant 10:

The importance should be focused on the creation of conducive environment for economic development and business growth.

Participant 38:

LED promote the conducive environment, to create decent jobs, poverty eradication through sustainable jobs opportunities.

Participant 7:

It is key to better lives of people through job creation and improvement in infrastructure development and services such as water and sanitation.

Participant 3:

It is a basic service delivery programme found within the municipality to serve the local residence with their basic needs such as water, sanitation and electricity.

The results showed that 80% of participants view the significance of LED in the municipality as initiatives meant for job creation, economic growth and poverty alleviation.





Participant 21 indicated that LED creates jobs and deals with issues of basic service delivery. Municipalities ought to promote the conducive environment for businesses and sustainable job opportunities to achieve poverty alleviation goal. While 20% of participants considered LED as basic service delivery programme. LED is also meant to facilitate community and economic development planning. The above view is in line with Mufamadi (2000:1) who indicated that LED serve as important outcome based local initiative which is driven by local stakeholders for creation of employment opportunities and economic growth.

To this end, it can be suggested that LED is an important strategy to the municipality including local residents and local business people because LED is a tool to address socio-economic issues and development. LED can produce the desired economic development if applied correctly. The importance of LED must be realised within the context of alleviation of poverty and unemployment by supporting community projects. The municipalities believe that LED is important and that LED initiatives will help to promote economic growth (Kayamandi Development Services, 2013:09).

4.4.1.3 LED contribution to economic growth at the municipality and unlock opportunity for community participation in the local economy

This type of question was posed to ensure if the respondents are aware of the link between LED and economic growth in the municipalities. This was furthermore asked to examine LED contribution to the economic growth and community participation and the participants revealed the following:

Participant 36:

LED in Lepelle-Nkumpi Local Municipality has not attracted much investments and correct imbalance of economy to allow active community participation.

Participant 11:

LED in Lepelle-Nkumpi municipality does not contribute to economic growth and creation of opportunity for community participation in the local economy because is lacking behind.





Participant 7:

There is still a lot of work to be done. However so far, few initiatives have achieved the objectives but the impact is minimal. The LED projects need to reduce half of poverty so that can be attested that the projects have impacted on the ground or on local communities.

Participant 41:

Through the business exhibition the communities are able to participate through marketing of their locally produced products.

Participant 13:

Most business which derived from LED initiatives spend locally to contribute to the economy and locally produced products are sold within the municipality which allow community participation in local economy. Some of agricultural sectors within the municipality are able to supply their products to local markets such as street vendors or hawkers.

Participant 20:

Yes, because if there are high economic activities through LED projects within the municipality the business will be able to pay rates, revenue, rental and basic services like water which will benefits the municipality.

According to the responses, 70% of the participants said that LED has not made positive impact towards economic growth and community participation in economic activities. This attributed by the fact that many communities still leave in poverty and unemployment. About 30% of the participants claimed that LED had a significant impact on economic growth through the marketing of locally made goods. From the above information, a conclusion can be drawn that LED has not contributed enough towards economic growth and community participation due to socio-economic issues faced by the Municipality such as poverty and unemployment. According to Zulu and Mubangizi (2014), LED is a lifeline for small rural communities by way of stimulating economic growth.





4.4.1.4 Effectiveness of LED in Lepelle-Nkumpi Local Municipality

In order to understand how functional LED within the municipality, each participant was asked to indicate the effectiveness of LED and the following were revealed:

Participant 42 argued:

There is still a room for improvement in LED unit especially on the main business seminars and non-financial support services.

Participant 20:

Currently, LED is inadequate in Lepelle-Nkumpi Municipality due insufficient budget allocation. This due to poor understanding of LED internally in the municipality. The municipality have not yet internalised the understanding of LED to the staff, because is overshadowed by municipal infrastructure services such as water, sanitation and collection of waste. LED unit in Lepelle-Nkumpi Municipality is constrained by inadequate staff which make the programme not to be effective.

Participant 6:

Not much effective due to current political climate which not conducive to LED activities and programmes. There is consistent political interference in the allocation and support of LED projects. Political infighting disturbs process flow of LED.

It was also noticed that political factors impede the institutionalization of LED, particularly by displacing LED's arrangements. This concurs with Mashiteng (2017:27) who alluded that project prioritisation often falls into the hands of politicians, who may have agendas that contradict the LED goals. In the event of LED projects falling to the quick-win and anchor projects trap, municipalities find themselves bending to the whims of the politicians who attempt to quell the communities' mounting unhappiness. (Koma, 2012).

Participant 11:

Not effective in the municipality due to human capacity and financial constraints. Actually, in honest fact is not functional.





Participant 21:

Not much effective, since covid-19 contributed to decline in community participation which restricted people to have gathering to discuss issues of LED. Steering Committees were not able to meet frequently and engage with local leaders.

Participant 30:

LED is doing much, because can't not function alone, therefore other stakeholders such as Limpopo Economic Development Agency, public private partnership and department of agriculture must play role. There is LED forum that deals with issues of development in the Municipality.

The findings revealed that LED within the Municipality is not much effective. This supported by 90% of the participants who indicated that LED is not functional in the Municipality due to internal capacity and financial constraints. Municipality must internalise understanding of LED, so that is not used as basic service delivery programme only. The political interference in LED activities has an intent to destabilise objective of LED. While 10% d the respondents indicated that LED is effective because forums have been set up with many stakeholders to address the developmental challenges. It is of the researcher's observation that LED initiatives are not much visible within the communities. The objective of those LED forums must be to enhance LED activities rather than simply to ensure compliance.

It can be suggested that LED outreach activities should involve all the key role players for purpose of economic development. In line with the above, Jili (2019: 2) mentioned that, local government, communities and stakeholders must understand their contribution as crucial role players in implementation of LED initiatives.

4.4.1.5 The issues causing poverty within the Municipality and other municipalities across the country?

The question was sought to find out if the participants are aware of the causes of poverty in the Municipality to assess their mitigation. This sub-theme was motivated by high reported poverty within the communities in Lepelle-Nkumpi Local Municipality and the participants revealed following:





Participant 20:

The poverty is high due to lack of skills and high unemployment rate is key factors that contribute to poverty. The Lepelle-Nkumpi Municipality communities lacks the necessary capabilities to entice potential investors. Therefore, there are fighting between the communities for the use of the land. For example, when projects in the sector of mining are proposed for implementation, the community conflict discourage the potential investors especially on areas such as Ga-Mphahlele which has minerals such as chrome and platinum.

Participant 10:

Lack of adequate business opportunities, non-seizure of existing opportunities which the municipality conducted feasibility studies on.

Participant 17:

Poverty is caused by lack of capable and skilled communities to attract investors in order to attain employment.

Participant 33:

Lack of skills which is relevant to the current economic transformation which is more knowledge based. Education system which does not match the competitive world and economy. Geographical location of the communities which has been caused by apartheid regime where you find out that the soil where community leave is not conducive. This was also opined by Nnadozie (2013) who states that historically, the apartheid legacy has left high levels of poverty in both rural and urban areas through taking ownership of land and relocate communities.

Participant 11:

Lack of basic service delivery which derived from corruption or corrupt activities within the municipality. High unemployment rate and crime are causes of high rate of poverty in the municipality and other municipalities across the country.





Participant 13:

The causes of poverty within the municipality is result of lack of knowledge, unemployment, skills shortage and lack of investment from financial institutions to inject money in LED projects. Often most communities lack business assurity to obtain the business loans or funds.

Participant 42:

High rate of unemployment and lack of education are contributory factor that influence rate of poverty within the municipality. Lack of knowledge and skills to empower the community start the business. No business transformation from farmers at rural areas from subsistence farming to commercial farming.

Despite the Municipality's continued implementation of LED, unemployment and the high prevalence of poverty continue to be major issues. In relation to the above, 95% of the participants indicated that poverty is caused by lack of unemployment, skills shortage and lack of education. The above statement is in agreement with Lepelle-Nkumpi Local Municipality's local development strategy (2019), which outline that there are high levels of unemployment in the municipality (45,69%), and resultant low levels of income (from the formal sector). However, 5% of the participants argued that poverty is caused by lack of business opportunities and service delivery that exist within the municipality. This suggests that the Municipality does have methods at its disposal for attracting investment.

Although the Municipality conducted feasibility studies on economic opportunities, they are unable to promote them, so that community can implement them for purpose of poverty alleviation. It is researcher's view that the feasibility studies are not adequately informed by the LED plan to address the needs of the people. Lack of business transformation will only benefit the project owners and have no positive effects on the general public as mentioned by the participants. Ineffective LED strategies and failure to transform small businesses sector will have negative effects on initiatives to alleviate poverty. It can be suggested that poverty within the Municipality is as a result of unemployment and skills shortage. Mhe municipality must align their strategies with pro-poor LED approach which support development of poor to both create and take advantage of economic opportunities.





4.4.1.6 Can LED be used as a strategy for poverty alleviation. Please explain.

The sub-theme emanated from the use of LED as poverty reduction for the communities. In order to examine how LED can be used as strategy for poverty alleviation the participants revealed the following:

Participant 21 postulated that:

LED if can be implemented correctly within the municipality can alleviate poverty through provision of knowledge, skills and training to allow community participation in the local economy. LED can be used as a tool to uplift the community development centres.

Participant 6:

LED cannot be used as the lone strategy for reducing poverty; the municipality must also engage other stakeholders in a coordinated effort to do so.

Participant 8:

For each and every Municipality LED is a key component which deals directly with the communities for purpose of economic development and poverty alleviation. The municipality should have LED strategies in place to achieve the objectives of the programmes.

Participant 29:

LED initiatives are geared towards poverty alleviation. Yes, LED is relevant method, but it need to tap into industrialisation activities for achieving mass job creation.

Participant 20:

Yes, agree but the municipality must have a way to link community produced products to the local market. The municipality must implement laws which enforce well established local retailers to buy from local producers. For example, chicken broiler farmers within the municipality must be able to supply their products (eggs etc) to local markets (retailers) such as Shoprite checkers in order to avoid buying leakages by well-established retailers. This method will allow community participation in the economic growth and create jobs.





Lepelle-Nkumpi Local Municipality has many buying leakages as many of its citizen's venture outside the municipality to do most of their shopping. It is of importance that local producers are developed so as keep more business within the municipality. Strengthening local businesses will lead to a constant growth of SMMEs, which will also bring in job opportunities and reduce buying leakages out of the municipality (Lepelle-Nkumpi Municipality IDP, 2021-2026). The above view is in agreement with Rogerson (2013) who highlights that issues of market limitation or lack of access to markets because of geographical location experienced by many small enterprises providing goods and services in rural areas should be dealt with to ensure sustainability of rural entrepreneurs. Rogerson (2013) further proposed that, this can be addressed through expanded access to market opportunities from both private and public-sector procurement.

From above, 100% participants agreed that LED is one of the strategies to alleviate poverty but a municipality should play their role through facilitation of training, skills development and market access. This will assist the communities to be independent rather than relying on grants and unsustainable employment. Consequently, other participants revealed that applicable LED strategies should be geared towards economic opportunities found within the Municipality. Other participants further hold the view that if LED can be implemented correctly it can alleviate poverty. To this end, LED should be able to unlock development opportunities to benefit the communities and business sector.

Matlala and Motsepe (2015) concur with the above participants that LED is an approach for resolving and eliminating poverty by generating employment at the grassroots level. It can be suggested that LED projects initiatives can contribute to the economic development and resolve the issues of unemployment and result in poverty alleviation within disadvantaged communities. The municipality must ensure that they coordinate LED projects meant for poverty alleviation with other social development institutions to achieve the desired outcome. Above responses are in line with the White Paper on Local Government (1998) which identifies LED as a strategy towards poverty reduction as it emphasises that promoting growth and addressing poverty and inequality are the key objectives of LED.





4.4.2. Local economic development approaches and strategies in municipalities

4.4.2.1 LED strategies in Lepelle-Nkumpi Local Municipality

This question was posed to find out if the respondents are familiar with LED strategies in Lepelle-Nkumpi Local Municipality. The respondents indicated the following:

Participant 17:

In 2019 the municipality adopted LED strategy which constituted by the tourism plan; investment strategy which is outdated and workers' strategy for informal hawkers.

Participant 37:

LED Strategy; Investment Strategy; Tourism Strategy.

Participant 6:

Facilitation strategy, the municipality play a facilitating role in economic development through inviting the different stakeholders to resolve development issue in the municipality.

Participant 20:

The municipality has investment promotion strategy which deals with new business opportunities. The second one is retaining existing business strategy in ensuring that business have support from the municipality through basic services such as water and sanitation. This strategy also ensures the development of small business to make sure that business sectors participate in the main stream economy.

Participant 41:

Public participation strategy whereby the main purpose is to promote accountability and allow for the community to engage with the municipality.

Participant 2:

Few LED strategies in the municipality include retaining and expanding business and involving local business (investment strategy).





From the above, a conclusion can be drawn that 80% of the participants are familiar with LED strategies adopted by the Lepelle-Nkumpi Local Municipality LED unit which is investment strategy; tourism strategy; retaining and expanding business. The above strategies are outlined in their adopted IDP and LED plans. The Municipality must ensure that above mentioned strategies are correctly implemented to serve the purpose. Furthermore, 20% of participants exhibited that they are not familiar with the LED strategies adopted by the municipality as some stated strategies which that does not exist. With the analysis provided above, it is clear that other employees cannot efficiently and effectively implement the LED strategies which they do not know or understand. The literature alludes that, knowledge and understanding of the LED is very crucial if economic development needs and goals are to be achieved for municipal communities (Mathebula, 2018:565).

In regard to the above-mentioned strategies, about 75% of participants identified strategy of retaining and expanding business as pivotal, while 35% percent put tourism promotion and investment strategy as priorities. The above-mentioned strategies are in line with Nel and Binns (2003) who uncovered strategies such as tourism promotion, investments, retaining and expanding business can stimulate local economies. To this end, it can be suggested that available LED strategies are sufficient to contribute to the development in the Municipality if can be implemented correctly.

4.4.2.2 The effectiveness of LED strategies in Lepelle-Nkumpi Local Municipality

This question was posed to find out if either LED strategies in Lepelle-Nkumpi Municipality is effective in addressing their developmental issues. The participants revealed the following:

Participant 17:

The municipality have LED strategies in place but to implement them is a constant challenge due to budgetary constraints. Municipality is able to implement strategies that requires the non-financial injection. The ineffectiveness of strategies is also derail by lack of internal capacity to reach out all stakeholders relevant to LED activities.

Participant 6:





Not effective, because LED has not make much positive impact to the communities hence other implemented LED projects have collapsed and are unsustainable. There is no sufficient evidence to show the effects of LED strategies within the municipality. Current LED strategies does not contribute effectively to local economy.

Participant 11:

Comprehensive document on economic opportunities to be seized in the municipal jurisdiction outside the prescripts of section 152.

Participant 34:

LED strategies such as investment promotion strategy is not effective because of land invasion. Retaining of business strategy is not effective due to poor operation maintenance of infrastructure from the municipality. Furthermore, under retaining business strategy other contributory factor for ineffectiveness is hawkers and unauthorised street vendors. For example, hawkers erecting temporary structure in front of permanent structure of retailers. The Lepelle-Nkumpi Municipality SMMEs lack business skills due to capacity constraints.

Participant 39:

LED strategies are good but needs aspiration, implementation from administrators and political buy-in.

Participant 41:

LED strategy are not more effective due to lack of funding. Even although there are strategies that are developed, but they are not always fulfilled their objectives because of budget constraints

Majority of interviewed participants (80%) stated that LED strategies are not effective in Lepelle-Nkumpi Local Municipality because of lack of funding and capacity constraints. In contrast, 20% of the participants indicated that the Municipality is able to implement strategies that requires the non-financial injection. Other participants noted that the Municipality does not have sufficient internal capacity to reach out all relevant investors to play key roles in LED activities. Furthermore, lack of capacity hamper effectiveness of LED as reported on Lepelle-Nkumpi Municipality 2021 IDP





whereby the council has recognised the skills shortage in terms of specialised fields like town planning, financial management and engineering that are essential to enable it to respond to development needs of the areas (Lepelle-Nkumpi Municipality, 2021:101).

The above-mentioned views are in line Nel and Rogerson, (2005) who found out that LED often is not effective due to lack of capacity and resource constraints to manage and promote it within rural municipalities. To this end, it can be concluded that capacity constraints and insufficient funding are major stumbling block for success and effectiveness of LED. However, it should be noted that the Municipality can assume its role on LED without financial support. This is because proper implementation of LED strategies cannot be separated from capable and skilled officials who utilise non-financial methods to achieve LED objectives. The LED strategies should be effective since are considered as the main driver of the municipality's LED agenda.

4.4.2.3 During planning of LED strategies in Lepelle-Nkumpi Local Municipality, does community get involved?

The question was asked to examine the process and adherence of public participation during planning of LED strategies. Public participation is key requirement of LED planning. The participants raised the following views:

Participant 32:

In most cases the communities are only being given the reports without engaging them thoroughly on LED planning issues. There is lack of interaction between community and Lepelle-Nkumpi Municipality LED officials. LED is perceived by the community as a tender programme only rather than economic development programme to promote community development.

Participant 20:

In the planning process community sometimes get involved, since the municipality is required to invite the communities in formulation and review of LED.

Participant 19:





The municipality appoint the service providers to draft LED strategies through visitation of all community clusters within Lepelle-Nkumpi Local Municipality. Those community clusters include: Zebediela, Ga-Mphahlele, Lebowakgomo and Mafefe/Mathabatha.

Participant 18:

Public participation is done to ensure that there are community inputs and comments during planning, but the challenge is lack of attendance during the meetings. The municipality also engage the communities through various forms of communication such as radio and newspaper.

The general feedback from the respondents to this sub-theme implies that 40% participants agrees that the Municipality does involve the communities during planning of LED strategies but there is low attendance. In contrast 60% of the participants reiterated that communities are not usually getting involved in the planning of LED strategies. This due to number of reasons. Participant 32 for instance, indicated that in most cases the communities are only being given the reports not engaging them thoroughly on LED planning issues. This caused by lack of interaction between communities and Lepelle-Nkumpi Local Municipality LED officials. This prompt the propositions according to Mbhele (2013:85) that the involvement of all communities in the planning of LED strategies is crucial if the municipality is to be successful in its endeavours.

Another participant indicated that, the municipality appoint service providers to draft LED strategies through consultation with communities clusters within Lepelle-Nkumpi Local Municipality. This is a result of the traditional role of municipalities in service delivery, which leaves a shortage of qualified officials with LED experience (Khambule, 2018). The municipality should directly be involved in drafting of LED strategies to validate community participation in LED. This implies that there is a strong need for the municipality to promote community participation on the planning of LED strategies to avoid rejection from communities. To this, it can be concluded that, there is challenge of aligning the LED to the involvement of the affected communities in the planning processes. Jili (2019) postulates that lack of community involvement on LED strategies planning process can affect the implementation and sustainability LED activities.





4.4.2.4 Mention any achievement(s) of LED in Lepelle-Nkumpi Local Municipality that contribute to poverty alleviation?

The question was to assess effects of LED on development in term of poverty alleviation within the Municipality.

This sub-theme sought to find out any achievements of LED that contributed to poverty alleviation and the participants revealed the following:

Participant 10:

The response will not be scientific as there is no impact study conducted on poverty alleviation regarding the adopted LED strategy.

The above response implies that the municipality's monitoring and evaluation (M&E) system is inexistent, which has led to the unsustainability of LED projects and programmes. Harrison and Todes (2013) showed that lack of systems thinking is a waste of resources. With no consolidation of reports about LED contribution to poverty alleviation, Crescenzi and Rodriguez-Pose (2011) noted that such disjuncture is bound to scatter the efforts of any other tiers. Malefane (2009:157) further states that lack of internal M&Es instruments is not helpful to municipalities as it exacerbates problems related to LED implementation due to unrecorded, undocumented and unverified results.

Participant 17:

No programme currently which contributed to poverty alleviation, but mining sector have supported small businesses through LED unit within Lepelle-Nkumpi municipality as a facilitator. Most funded small business managed to employ very few communities and contribute to local economy.

Participant 37:

Community Workers Programme (CWP) is one of LED project that deals with poverty reduction which managed to employ 1300 people in Lepelle-Nkumpi municipality. The programme is run through 9 wards out of 30 wards which target poor of the poorest.





Participant 21:

Irrigation project of Ga-Mphahlele area which cost about 7 million but the project has collapsed because of absence of municipal monitoring and evaluation systems in LED projects.

The urgency of LED programmes meant for poverty reduction is highlighted by the level of poverty in the Municipality. With 80% of the participants indicated that LED has not achieved much in terms of poverty reductions, since the impact is minimal. In addition, most of LED projects have collapsed which further deepened poverty. While 20% of the participants noted that CWP and small businesses of which funding was facilitated by the Lepelle-Nkumpi Local Municipality LED unit serves as greatest achievement in attempt to eliminate poverty. Looking at what the participants mentioned, it can be suggested that the Municipality has less recorded achievements of LED programmes that contribute to poverty alleviation.

Therefore, literature point out that failure of LED to have positive impact is regarded as being a direct failure of the municipality to eradicate the high levels of poverty (Pemberton and Goodwin, 2010 and Rogerson, 1999). The community workers programme cannot only be single out as direct achievement for poverty alleviation in the Municipality. Implemented LED projects for purpose of poverty alleviation are not sustainable since some projects have collapsed. The collapsed projects continue to be contributory factors to high rate of unemployment and poverty. It is then suggested that the Municipality must implement LED programmes that effectively produce the desired benefits. In summation, LED is a multidimensional process that addresses improved economic growth, poverty reduction and job creation.

4.4.2.5 The challenges associated with the implementation of LED strategies in the Lepelle-Nkumpi Local Municipality

The reason for this kind of question was sought to find out on specific challenges associated with implementation of LED strategies as there are many constraints in implementation part. The following were revealed by the participants:





Participant 30:

Lack of internal capacity and proper coordination channel between municipality and key LED stakeholders.

Participant 17:

Internal capacity due to fact that only limited officials are working in the LED unit whereas LED it cut across different sectors/department such as mining, agriculture, tourism and housing. No specialisation by LED unit staff in the municipality on different sectors.

Participant 40:

LED strategies in Lepelle-Nkumpi Local municipality are not aligned with district and provincial LED strategy which hampers the coordination of the strategy in the implementation process.

Participant 4:

The inadequate application of planning procedure or policy is one of the serious challenge as compliance may not be monitored effectively and this affect implementation process of LED strategies.

Participant 21:

Resistance to accept change on implementation process of LED strategies and depending on service providers to formulate or draft the LED strategies.

Participant 11:

Lack of capacity of LED officials within the municipality in order improve their unit for purpose of implementing the LED strategies correctly. Lack of infrastructure and training on relevant skills that can capacitate and enhance the performance of LED.

Participant 20:

Internal capacity, inadequate budgetary for LED to functions and misinterpretation of what entails LED.





In responding to the above information 80% of the participants mentioned that internal capacity and lack of coordination between the Municipality and key LED stakeholders is a challenge that affect the implementation process. While 15% of the participants are of view that lack of funding and inadequate budget are main implementation challenges of LED strategies. However, implementation of LED strategies does not only depend on funding it also requires technical expertise to follow prescripts and interpret LED. Whereas 5% of participants believe LED strategies in Lepelle-Nkumpi Local Municipality are not aligned with district and provincial LED strategies which hampers its coordination in the implementation process. Many municipalities regard LED as unfunded mandate, even though there is LED fund offered by the Department of Coperative Governance and Traditional Affairs (CoGTA), the fund alone is inadequate (Mokoena, 2019:71).

Majority of participants seem to be aware of specific challenges associated with the implementation of LED strategies. One of participants indicated that lack of capacity affect correct implementation of the LED strategies. In summation of above responses, it can be suggested that challenges of internal capacity affect the progress of LED activities in the Municipality. The above responses concur with Malele (2018) who argues that one of the major shortcomings of implementation of LED strategies is the lack of capacity in as far as human and capital resources are concerned. From this, it can be inferred that competent authorities are necessary for the successful implementation of LED strategies.

4.4.3. The challenges of local economic development in the municipality

4.4.3.1 The challenges of LED that prevents poverty alleviation in Lepell-Nkumpi Local Municipality

The question was sought to find out from the participants if they are aware of any challenges relating to LED initiatives that prevent poverty reduction in the Municipality and the participants revealed the following:

Participant 11:

LED unit performance is unsatisfactory or lacking behind and furthermore no sufficient resources to address poverty through LED initiatives within the municipality.





Participant 17:

Political interference on LED activities whereby if specific councillor is not interested in the projects that LED unit is implementing may stop to mobile the communities to support the projects. Even though the purpose of the projects is to alleviate poverty they often became compromised and end up not serving the purpose. Some of LED projects which are implemented need political buy-in from councillors to avoid sabotage.

Mayer (2013) asserts that without LED champions, the majority of LED long-term programs will fail because politicians frequently control council budgets, and without political support, admirable projects risk being scaled back and shelved year after year.

Participant 6:

The challenge of political inference in the allocations of LED projects and programmes to the rural communities. This is further complimented by the culture of persistent political biasness in LED activities by the politicians.

Participant 30:

Lack of identification of economic opportunities within the municipality, dependency syndrome of LED projects to government institutions and double dipping of funding. Conflict of interests of government or municipal officials which hamper progress and growth of initiated LED projects intended to resolve poverty.

Participant 34:

The main challenge includes lack of internal capacity and poor networking with relevant development partners or inability to network. No mechanism in place to identify the stakeholders or development partners which municipality must engage and formalise their agreements for purpose of economic development. For example, LEDA which is a key stakeholder own Lebowakgomo Industrial area but Lepelle-Nkumpi municipality LED unit has not been able to engage LEDA in order to make sure the industrial area became functional or municipality joint hands together with LEDA to make it functional so that community can benefit from the industrial area.





Participant 2:

The municipality often implement basic service (housing, water, electricity, etc.) delivery focussed projects, and they fail to identify key role players of poverty alleviation and job creation through their LED initiatives. Collaborative relationship with key LED stakeholders is not much valued.

From the difficulties outlined above half of participants (50%) noted that political interference by council members in LED projects and activities is viewed as a serious tumbling block for LED to alleviate poverty. Most LED projects meant to achieve objective of poverty alleviation failed because of political interference in allocation of projects. This view concurs with Mokoena (2019:71) who postulate that councillors determine areas where LED projects will be implemented, without proper assessment of areas with potential. However, 30% of participants are of view that inability to identify economic opportunities and inactive stakeholder relations with development partners are challenges that prevent LED to reduce poverty. It is worth mentioning that the municipality cannot deal with issues of poverty alone it need to partner with NGOs and other role players with interest in LED.

While 20% of the participants reiterated that on challenge of insufficient resources (budget and capable staff) and dependency syndrome of LED projects to government institutions. The implemented LED projects should be sustainable for purpose of poverty alleviation and economic development. The above finding are in line with Mashiteng (2017:27) who hold view that project prioritisation often falls into the hands of politicians, who may have agendas that contradict the LED goals. To this end it can be suggested that political interference must be avoided at all cost and, instead politicians must support LED as a tool alleviate poverty in the communities.

4.4.3.2 How can the identified challenges above be addressed?

This question is a sub-theme that emerged from challenges of LED that prevents poverty alleviation in order to find out solutions in place by the municipality or participants on above mentioned challenges. The participants releveled the following:

Participant 10:





There need to be strengthen partnership between public and private sector to unlock resources, investments and link them to economic opportunities through LED strategy.

Participant 17:

Provision of LED training and robust engagement with different politicians on the importance of LED for purpose uplifting local economy and poverty alleviation. Promoting specialisation within the LED unit.

Participant 31:

Municipality must increase their spending pattern which they will account for in order to receive budget incremental from National Treasury. Provision of training to improve the performance of the municipality to implement LED projects. Conducting of ethics workshop with the politicians to eliminate political interference during awarding of projects, funding and tenders relating to LED activities. The municipality must be financially sustainable and stop depending on grants to perform their functions.

Participant 30:

There must be effective stakeholder collaboration on planning and collating of resources on projects. Implementation of monitoring and evaluations on LED projects and enterprise programmes to ensure the relevance of the municipal economic development programmes.

Participant 40:

During LED forums the municipality must promote culture selfless and provision of basic services. The municipality must develop a healthy collaborative relationship with development partners and key role players in LED initiatives to identify economic opportunities through their adopted LED strategy.

Participant 20:

The challenges can be addressed through for proper spatial planning to connect two communities/households' settlements to growth within the same direction to create a demand for establishment of shopping complex. For example, number of households is considered before building a complex.





Participant 6:

The municipality must implement LED projects which attract investment and exports of the locally produced products to reduce poverty. There must be consistent active engagement with the councillors, community forums and communities on issues of LED.

In order to attract investment, resources, and joint effort during LED planning, 60% of participants indicated that municipalities need to strengthen relationships with stakeholders. Formation of economic development partnerships is compulsory for LED unit. Therefore, this entails that municipality must implement LED projects which are aligned with their development partners and key role players in LED to eliminate poverty. While 30% participants indicated that LED training and robust engagement with different councillors or politicians on the importance of LED for development and poverty alleviation must be emphasised. This propositions according to SALGA (2010) that municipalities must have the ability to establish LED networks with relevant development partners. The culture of selfless and good ethical conduct by the municipal officials need to be instilled through different intervention such as forums or workshop.

In addition 10% of participants argued that the municipality must be able to have capacity to link and identify the economic opportunities through LED strategy. Other participant revealed that LED challenges must be addressed through proper spatial planning to connect communities. The above views must be supported through implementation of monitoring and evaluations on LED projects and enterprise programmes which are relevant to the municipal economic development programmes. The literature review alludes to the fact LED governance cannot be pin down on stakeholder participation without addressing a challenge of institutionalism (Khambule, 2018 cited in Mokoena 2019:72). To this end it can be suggested that, LED strategies must represent values, goals and interests of private sector, developmental partners and civil society to succeed.

4.4.4 The roles of municipalities in promotion of local economic development

4.4.4.1 The role of Lepelle-Nkumpi Local Municipality in the promotion of LED for poverty alleviation





The sub-theme emerged from promotion of LED initiatives to eliminate poverty. This question was asked to check role of the municipality on LED implemented initiative that meant to address issues of poverty. The following were revealed by the participants:

Participant 4:

The municipality do not play much role in promotion of LED through tourism attraction in existing project to improve the economic capacity.

No visible programmes intending for poverty alleviation as poverty still persist or is dominant in areas within the municipality.

Participant 10:

Facilitation role is prime as directed by section 152 of the Constitution.

Participant 20:

Municipality play market linkages and information sharing through community outreach programmes. Poverty alleviation is the key area which LED tries to correct. Rural communities who are living in poverty should be given priority. The municipality has some projects to assist but are not more effective.

Participant 8:

The municipality must promote conducive environment for businesses to operate smoothly for purpose of job creation. The municipality must assist in ensuring that business sector gets services in terms of permit to legally operate their businesses.

Participant 23:

The role municipality in LED is through coordination, promotion, training and capacity building and market linkages. However, the municipality is not playing effective role in up-dating stakeholders of significance of LED and contribution towards local businesses in informal and informal sector.

Participant 33:





Creating platform for SMMEs to grow and exhibition for SMMEs for purpose of marketing their locally produced products. This approach can have a positive impact in terms of poverty alleviation. The literature supports these findings by revealing that local businesses such as SMMEs serve as an enabling pillar of economic growth within society and strengthen pro-poor LED (Munzhedzi, 2015).

Participant 7:

The municipality must host LED seminars, business seminars and investments conference to unlock the opportunities to the local communities to participate in economic activities to be self-reliant. The municipality should have continuous and more sustainable stakeholder collaboration on LED projects.

The finding revealed that 80% of the participants are of view that municipality must play a facilitating role in creation of conducive environment for businesses operations. Majority of participants understand the role of municipality in promotion of LED through business sector context in enabling opportunities for communities to participate in economic activities. While 10% of participants argued that the role municipality in LED is to coordinate, train and strengthen capacity building of local communities for purpose of development. In contrast 10% of participants are of different views that municipality does not play much role in promotion of LED due to unsustainability of LED projects and programme for poverty alleviation. Koma and Kuye (2014) mentioned that municipalities assume their different role in promotion of LED through facilitation, coordination in enhancing local business growth, job creation and poverty eradication.

In addition to the above-mentioned roles, the municipalities are also expected play linking and monitoring for economic opportunities led by their LED strategies. The outputs of role of municipality in promotion of LED must contribute to standard of living and conducive platform for community economic development. It is of the researcher's view that each municipality can positively promote LED through utilising the resources efficiently and effectively to achieve local economic growth, job creation and elimination poverty. Furthermore, literature alludes that local government objectives are to create a democratic environment for decision making and participation, promote accountability and lastly alleviation of poverty (Susan & Pieterse, 2002).





4.4.4.2 What should be done to promote LED in rural municipalities/Lepelle-Nkumpi Local Municipality

The question was asked as to find out measures to promote LED in rural municipalities/Lepelle-Nkumpi Local Municipality and the participants revealed the following:

Participant 26:

Implementation of awareness campaign to educate the communities about the importance of LED, allocating enough funds and the municipality must develop LED unit staff through quarterly training to update skills of employees. Appointment of qualified people run LED unit.

Participant 17:

To promote LED within the municipality collaborative relationship should be strengthened with the traditional leaders in order to unpack issues of economic development. Campaign is also one of key pillar to promote LED in rural municipalities so that community deep villages may participate in local economic development activities.

Participant 21

LED community campaign and education. Continuous information sharing sessions to empower local community.

Participant 8:

The provision of infrastructure within the municipality for rural communities to access the local markets. Frequent LED information sharing with the rural communities and encouraging community participation.

Participant 6:

The LED outreach programmes of the municipality must visit the educational sectors to popularise LED activities and programmes. The municipality must implement more LED forums and invite all the relevant stakeholders.





Participant 22:

The municipality appointed the service providers to conduct the feasibility studies such as aquaculture, farm stay, juice processing plant, Mafefe tourism, slate excavation and organic farming. The municipality must ensure that feasibility studies coordinated to relevant sectors to attract investors for purpose of implementation. This can also be done through awareness campaign, LED forum and IDP consultation with communities. Projects that are geared toward LED and poverty alleviation should be supported by all role players and budgets must be in place.

Participant 14:

it is very important that training is provided to LED official to realise their facilitation role in promotion of LED in Lepelle-Nkumpi municipality.

The municipality has an outstanding role to play in dissemination of information about LED to the communities within Lepelle-Nkumpi areas. This is supported by the finding from 75% of participants who indicated that LED within the municipality can be promoted through conducting awareness campaign and education programmes about the LED. It is researcher's judgement that the public participation by rural communities' on municipal LED activities is not effective. This cultivate perceptions to the communities to consider the municipality as only basic service delivery institution as opposed to being a centre of the social and economic development of the communities. The above points is supported by Garidzarai (2018:162) who argues that municipalities must foster LED awareness campaigns to market their LED strategies such tourism which may boost economic growth.

The findings also revealed that 20% of participants believe that capacity building of LED officials through training may enhance LED initiatives within the Municipality. While 5% participants believe that adequate funding is requirement for the promotion of LED. However, the municipality can also promote LED empowering communities with information about LED. The other participant believe that municipality must ensure that feasibility studies are coordinated to relevant sectors to attract investors for purpose of implementation. To this end it can be suggested that good financial management, community involvement, and renewed stakeholder engagement are essential components of LED promotion.





4.4.4.3 Do you think LED projects has achieved objective of poverty alleviation and promotion of employment in the municipality?

This sub-theme was sought to establish if the implemented LED projects within Lepelle-Nkumpi municipality has achieved objective of poverty alleviation and promotion of employment. The following were revealed by the participants:

Participant 20:

No, most LED projects have collapsed due to lack of collective agreement, management and internal difference. The collective LED projects within the municipality are not sustainable.

Participant 13:

No, currently the impact is minimal on poverty alleviation due to unsustainability of LED projects. LED implemented projects by the municipality are unsustainable and the municipality often fail to identify the potential projects which have long term sustainability.

Participant 8:

No, LED projects had minimal impact and only created employment for only the owners. Most projects have not grown enough to create employment opportunities to the communities.

Participant 11:

The LED project such as CWP has created minimal employment but there still room for lot of improvement to ensure that it spread across all wards. Currently the programme is implemented in nine wards out of thirty within the municipality. Community Workers Programme is one of LED project that deals with poverty reduction which managed to employ 1300 people in Lepelle-Nkumpi Local Municipality.

In relation to above responses 95% of participants indicated that LED projects has not achieved objective of poverty alleviation and promotion of employment in the municipality. The reasons are because of collapsed LED projects due to lack of collective agreement and unsustainability of the projects.





In contrast 5% of the participants believe that LED project such as community workers programme has produced minimal employment opportunities and promoted LED as economic development tool. The findings seek to imply that only one project is currently active within LED unit which serve as reference for creation of employment even though project has not managed to reach all communities within the municipality. Furthermore, is obvious that there are no innovative ideas emerging from the LED unit because the majority of these LED projects have collapsed and without rehabilitation.

From above information, a conclusion can be drawn that LED projects have not achieved objective of poverty alleviation and employment creation. This may be attributed by f factors such as lack of internal capacity, monitoring and market linkage failure of LED projects produced products. There are, however many opportunities in manufacturing sector that could be seized by the municipality through creation of targeted scheme that look in assisting the small enterprise through resourcing and training of staff. It can be suggested that, the procurement powers of the municipality can be used to procures goods from enterprises that has been supported through above mentioned interventions.

4.4.4.4 Measures do you think should be taken to improve Local Economic Development implementation in the Municipality

The question was sought to find out what measures should be applied to improve LED implementation in the municipality and participants revealed the following:

Participant 20:

In order to improve LED implementation there must be appointment of qualified and relevant LED practitioners within the municipality, who will be able to build strong partnership with the external development agencies such as SEDA or LEDA. Furthermore, allocation of sufficient budget within LED unit to perform its function effectively.

Participant 19:

LED unit should not be used as deployment centre or dumping side at the municipality, rather expert should be appointed on the position of LED in order to improve the unit. Because LED need qualified people who interpret, understand economic dynamics





and are able to identify investment opportunities. All municipalities should consider LED as a key element for economic condition of the municipality.

Participant 32:

To ensure successful implementation qualified officials who can be able to correctly interpret LED and, furthermore training of staff should be conducted in order to eliminate any anticipated LED implementation challenges. The qualified official will have the ability to identify the LED strategies that are suitable to the economic potential of the municipality.

Participant 21:

The community and internal staff should be educated about LED. The new councillors which serves under LED forums committee should be orientated and trained about LED process, procedure and the importance of linking LED activities to foster community participation. The reason is because councillors are field workers which work closely with the communities and they are aware of their developmental needs.

As per above information provided 75% of the participants indicated that municipality must appoint the qualified LED officials or practitioners who have capacity to run LED unit. In support of above statement other participant mentioned that LED unit should not be used as deployment centre or dumping side because LED requires proper interpretation and implementation. While 25% of participants hold the view that training of LED officials and provision of education is necessary to improve the implementation process of LED. This intervention should also be extended to the councillors and communities in order to support implementation of LED activities within their areas. participants further maintained that allocation sufficient budget within LED unit will contribute to successful implementation.

The literature review alludes to the fact that qualified officials with adequate LED skills are crucial for the effective implementation of LED initiatives and policies (Jili, 2019:85). In addition, various capacity-building initiatives should be developed and customized to cater for the generic skills development of LED implementers in the municipality. It appears that the appointment of qualified LED practitioners, management and skills development still need to be given top priority.





To this end it can be suggest that Lepelle-Nkumpi municipality must play active role through support of resource for effective LED implementation. However, if LED is properly implemented has a vast contribution to make in the communities.

4.5 Section C: Findings and responses from the project beneficiaries, leaders and community stakeholders

4.5.1 Are you aware on any Local Economic Development (LED) initiatives and projects found within the Lepelle-Nkumpi Local Municipality

The sub-theme was sought to find out from participants if there are aware of LED initiatives found within their municipality. The participants revealed the following:

Participant 16:

Firstly, I am aware of the projects in the field of agriculture sector since my project is about agricultural farming. The other project is Mafefe agricultural project which has collapsed after mismanagement of funds. The municipality supported our projects through funding by different stakeholders.

Participant 5:

Not ware of LED initiatives and projects of the municipality within my communities, i only associates municipality with the provision of basic services such as water, sanitation and waste removal. The reason that I not aware of this projects is because municipality sometimes is selective when implementing LED projects.

Participant 1:

Yes, but only projects found within my agricultural industry which is animal farming of which Lepelle-Nkumpi Local Municipality promised to build pigs Abattoir for my project after establishment it. The other LED initiatives and project that I am aware of, is community workers programme run at selected wards.

The finding revealed that 80% of the participants are not aware of other LED initiatives and projects that are found in the municipality. This is because according to participants most of projects were financially supported by various government departments and private sectors, and this institution are visible in supported projects.





While 20% of the participants are aware of the initiatives because they have received the support from LED projects initiated by the municipality. The study revealed that majority of past and current community development projects were initiated by community members themselves with the intention of alleviating poverty and unemployment.

The activities of most mentioned projects are within agricultural sector. Other participants indicated that majority of LED projects such as Mafefe agricultural project, Itsoseng bakery project and Ga-Mphahlele irrigation project have collapsed. This finding corroborates the study conducted by (Hurly, Sibiya, Nicholson & king 2015:15) which outline that most LED projects collapse due to lack of capitals and declining productivity of crop land and lack of management which lead to the failure or termination of the projects. It can be suggested that municipality must conduct outreach activities on LED to reveal opportunities that can be seized by the communities.

Furthermore, implemented LED projects must be made known to the communities to cater all economic sectors such as mining, tourism, enterprise, investment and agriculture which municipality conducted feasibility studies on. When communities are aware of LED projects will participate. To support this, a study by Sol Plaatje Local Municipal (2008) used a survey to identify the key economic sectors contributing to LED. The study identified four major economic sectors, namely agriculture, manufacturing, tourism and SMMEs. It was found that the tourism created about 510 through the LED projects while manufacturing created 82 permanent jobs in Sol Plaatje Local Municipal (Garidzirai, 2018:45). In addition, agricultural sector created 20 jobs while SMMEs accounted for about 100 jobs.

Figure 4.1: Sample of active LED supported projects for communities within Lepelle-Nkumpi Local Municipality









Source: Self-cited/Constructed by the researcher

4.5.2 LED contribution to the economic growth at the municipality and unlock opportunity for community participation in the local economy

This type of question was posed to ensure if the respondents are aware of the link between LED and economic growth in the municipalities This was furthermore, asked to examine LED contribution to the economic growth and community participation and the participants revealed the following:

Participant 36:

LED in Lepelle-Nkumpi Municipality has not attracted much investments and correct imbalance of economy to allow active community participation.

Participant 11:

LED in Lepelle-Nkumpi does not contribute to economic growth and opportunity for community participation in the local economy because is lacking behind.

Participant 7:

There is still a lot of work to be done. However so far few initiatives have achieved the objectives but the impact is minimal. The LED projects need to reduce half of poverty so that can be attested that the projects have impacted on the ground or on local communities.

Participant 41:

Through the business exhibition the communities are able to participate through marketing of their locally produced products.





Participant 13:

Most business which derived from LED initiatives spend locally to contribute to the economy and locally produced products are sold within the municipality which allow community participation in local economy. Some of agricultural sectors within the municipality are able to supply their products to local markets such as street vendors or hawkers.

Participant 20:

Yes, because if there are high economic activities through LED projects within the municipality the business will be able to pay rates, revenue, rental and basic services like water which will benefits the municipality.

From the above responses 70% of the participants said that LED has not made positive impact towards economic growth and community participation in economic activities. This attributed by the fact that many communities still leave in poverty and unemployment. Approximately 30% of the participants indicated that LED has contributed to high economic activities through marketing of the locally produced products. From the above information a conclusion can be drawn that LED has not contributed enough towards economic growth and community participation due to socio-economic issues faced by the municipality such as poverty and unemployment. The literature review according to Zulu and Mubangizi (2014) considered LED to be a lifeline for small rural communities by way of stimulating economic growth.

4.5.3 Municipal communities' involvement on LED planning, strategies and training

This sub-theme emerged in order to find out if the municipality involve the communities on LED planning and strategies. The following were revealed by the participants:

Participant 2:

The municipality does not necessarily involve us during the LED planning and strategies, but I was once called to complete application form for grant that support the SMMEs through LED initiatives. The municipality managed to provide equipment for the project even though that was not sufficient.





Participant 15:

As the project leader the municipality only started to formally engage the project that I am running after realising my potential through people of LEDA. The municipality never invited us on LED planning and strategies in order for us the community to have inputs that will respond to developmental needs and promote the service delivery within the municipality.

Participant 5:

To certain extend the municipality managed to provide the equipment such as tables, chairs and fridges for my Poultry Farming project. The municipality does not involve us as the community, but they play supporting role through LED initiatives by inviting the communities to the business communities' seminars and training with key development stakeholders such as LEDA; South African Revenue Service etc.

Based on the findings received 90% participants indicated that municipality does not involve the communities during LED planning and strategies. Majority of participants indicated that municipality only provide them with resources and link them to development partners or stakeholders. The participants realised their involvement in LED as recipients of resources rather than participants. This finding was confirmed by municipal official within LED who indicated that each quarter the municipality visit only one community cluster within Lepelle-Nkumpi to discuss issues of LED. While 10% of respondents that during IDP programme municipality involve them. Furthermore, municipality also assist them to receive training conducted by the key stakeholders.

In relation to above information, a conclusion can be drawn that are not involved in LED planning but in certain instances receive support from LED initiatives.

It is of the researcher view that community involvement in LED planning can enhance public participation on the municipal LED initiatives. Meyer (2014) support above idea that LED strategic planning must consist of private sector and local communities, whereby the local government must take a leading role.

4.5.4 What can be done to ensure that LED projects alleviate poverty





The sub-theme was sought to find out from the participants on process or procedure that can be undertaken to ensure that LED projects alleviate poverty and the participants revealed the following:

Participant 5:

The municipality must put monitoring and inspection measure in place to ensure that funded LED projects are sustainable and funding are accounted for. The municipality must ensure that most LED projects focus more on manufacturing to attract the investment and provide employment to the local people to alleviate poverty. They must be incubation centres to market the LED projects.

Participant 18:

Most of the projects are temporarily and provide cash flow for a minimum period of time. For the communities to be above poverty line LED projects should be sustainable and provide necessary skills development to the communities to be self-sufficient. The projects must be formulated in a way that they meet the developmental needs of the communities.

Participant 33:

The implemented LED projects must match skills capacity of the identified communities to provide the employment opportunities. The capacities and competencies of project leaders developed must be developed through different intervention such as financial management, project management and marketing. LED assist in enhancement of the standard of living for the community all funds allocated to the initiated projects must be accounted and training of project leaders must be given priority.

Almost 70% participants indicated that monitoring and promotion of accountability on allocated funds for LED projects may enhance the success of LED to alleviate poverty. This will contribute to the sustainability of the projects which will ensure that projects beneficiaries are not dependent on the government for source income for living. The project leaders must be capacitated in order to manage the projects while complimented by the monitoring programme of the municipality.





In contrast 30% of participants indicated that most LED projects should focus on manufacturing to attract investment and promote employment to achieve goal of poverty alleviation. It is researcher's view that Lepelle-Nkumpi Local Municipality should cultivate a culture of financial responsibility and project monitoring. This will eliminate projects challenges and bring the success stories of LED initiatives. To this end it can be concluded that all implemented LED projects are required to be economically viable and respond to communities needs such as development in terms of skills and environment.

4.5.5 Measures that can be taken to enhance LED related projects

This sub-theme was sought find out proposed measures to improve LED related projects. The following were revealed by the participants:

Participant 1:

The municipality must cluster group LED related project together, so that project leaders and beneficiaries will be able to learn and share from each other in order to achieve the desired goals. This will permit sharing of cross functional knowledge for problem solving to make better informed decisions about LED activities. The valuable inputs about projects can be sourced from this initiative.

Participant 3:

The municipality must not just implement LED projects to the communities and think that they have achieved their objective. There is need for LED unit to provide advisory role and often revisit the projects to evaluate their progress while is still at early stages. For example, some LED projects after receiving funding were neglect thinking that project leaders and beneficiaries will sustain the project.

Participant 15:

The municipality should encourage partnerships and have the capacity to facilitate private investment in sustainable LED projects. Furthermore, municipality coordinate the process ensuring that produced products of LED projects are tested to create path to be marketed at local retailers or store. Workshops and adequate funding is also necessary to achieve objective of LED projects.





The above key findings highlights that 60% of participants believe that LED projects can be improved through clustering of projects and provision of guidance to project leaders. To cluster projects together will expertise inputs and functional knowledge to alleviate unforeseen challenges in LED activities. This calls for the LED projects to be performed using recent production methods and joint effort by workers to reduce costs of projects consultants (Garidzirai, 2018:26).

Furthermore, Municipality must identify the projects that need urgent intervention during early stages of project execution. In contrast 40% of the participants indicated that municipality must serve as benchmark to coordinate marketing and approval products of LED projects. To achieve these other participants indicated that municipality should encourage partnerships with relevant regulatory authority of products. It is the researcher's view that municipality can improve LED initiatives through designing economically sound LED projects. There must also be a link (relation or logical sequencing) between the LED strategies and the LED projects to ensure their sustainability. This will ensure that LED strategies respond to economic constraints of the locality.

4.6 CONCLUSION

This chapter presented the analysis and interpretation of collected data by discussing the sampled population's responses through qualitative method. This chapter has incorporated the literature and the theory framing on the findings of the study. Interviews were conducted with 42 of the 50 initially identified participants, all of whom were engaging and forthcoming with information. The contributions of the participants addressed broad issues and gave deep insights into important matters pertaining to LED. The results presented and discussed above give valuable insight into the participants' knowledge and experience, as well as their respective perspectives on the effects Lepelle-Nkumpi Local Municipality's LED on poverty alleviation. The next chapter will present findings, recommendations and conclusion.





CHAPTER FIVE: FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1. INTRODUCTION

The previous chapter dealt with data analysis, presentation and interpretation of findings. In this chapter, synthesised discussions of findings and recommendation on the effects of local economic development (LED) in poverty alleviation will be documented. This chapter outlines the recommendations in terms of future researches as well as conclusion on the findings of this study, which attempted to address the objectives set in chapter one. The researcher was motivated by a personal observation to conduct research whereby he noticed and observed that the Integrated Development Plan (IDP) indicates that there is a high rate of unemployment and poverty in Lepelle-Nkumpi Municipality amongst the youth and community members despite implementation of LED projects in the community.

5.2 OVERVIEW OF THE STUDY

The study sought to evaluate the effect of LED in poverty alleviation. This study was conducted in order to answer research question that arose from the nature and importance of LED in the context of South African municipalities; LED approaches and strategies in South African municipalities and Lepelle-Nkumpi local municipality; the challenges of LED that prohibits poverty alleviation especially at the Lepelle-Nkumpi local municipality; the role of Lepelle-Nkumpi local municipality in promoting LED. The study reviewed the literature which is relevant to the effects of LED in poverty alleviation. The study adopted qualitative research approach with the aim of interpreting and analysing data from the respondents through thematic analysis method. The specific objectives of the study were:

- To assess the nature and importance of LED in the context of South Africa municipalities.
- To analyse LED approaches and strategies in South African municipalities and at Lepelle-Nkumpi Local Municipality.
- To investigate LED challenges prohibiting poverty alleviation using Lepelle-Nkumpi Local Municipality as a case study.
- To evaluate the role of the Lepelle-Nkumpi Local Municipality in promoting LED for poverty alleviation.





 To propose recommendations for ensuring proper LED implementation regarding poverty alleviation.

5.3. SUMMARY OF FINDINGS

This section of the study presents the major findings which are based on research objectives of the study and are summarised as follows:

5.3.1 Findings on importance of LED in the context of Lepelle-Nkumpi Municipality and South Africa municipalities

The study found that participants view the significance of LED in the municipalities as initiatives meant for job creation, economic growth and poverty alleviation. The study revealed that Lepelle-Nkumpi Local Municipality does not fully promotes the conducive environment for businesses and sustainable job opportunities to achieve poverty alleviation goal. It was revealed that LED serves as a tool to improve the local economy through job creation and sustainability development as part of the fulfilment of the constitutional mandate of municipalities in South Africa. The study found that LED is viewed as an important tool to promote community participation in the local economic activities. In contrast the study also discovered that LED in Lepelle-Nkumpi Municipality is often overshadowed by basic service delivery programme which contributed to less success stories of LED within the Municipality.

5.3.2 Findings on LED approaches and strategies in South African municipalities and at Lepelle-Nkumpi Local Municipality.

In South Africa, there are two well-known approaches to LED which are progrowth/market-led and pro-poor. Pro-growth focuses on the investment, economic growth and entrepreneurship whereas pro-poor is people-centred and develop the poor as discussed on chapter two. The study found that most largely rural municipalities in South Africa such as Lepelle-Nkumpi Local Municipality have adopted pro-growth and pro-poor approach because most local communities are poor within their locality. The study discovered that current LED strategies of Lepelle-Nkumpi Local Municipality relates to pro-growth LED approach as opposed to pro-poor. This include amongst others such as things as creating an enabling environment to attract development especially investment: tourism the potential merging commercialisation of existing reserves. The findings suggest that LED strategies of





Lepelle-Nkumpi Local Municipality must also be informed by pro-poor LED approach to eliminate poverty. The study finds out that pro-growth is mainly practiced in developed urban areas while the pro-poor approach is practiced in developing rural areas.

The study found that Lepelle-Nkumpi Local Municipality's LED investment strategy is outdated as revealed by the participants and investigated by the researcher. This because of lack of internal capacity within the municipality to ensure that all LED strategies are responding to investors needs to promote conducive environment for development. The Municipality has LED strategies in place but to implement them is a constant challenge due to budgetary constraints and capability of an LED unit. However, the Municipality is able to implement strategies that requires the non-financial injection. The study reveals that lack of water and other infrastructure is also considered as LED challenge that prohibit poverty alleviation.

Although the Municipality conducted feasibility studies on economic opportunities to guide LED strategies, they are unable to promote and implement them for purpose of poverty alleviation. A clear blueprint that directs LED approach and strategies must be known to and supported by the appropriate stakeholders if the Municipality is to conduct integrated programmes. Yet this study found that feasibility studies conducted by the Municipality are not adequately informed by the LED plan to address the needs of the people. The LED strategies should be effective since they are considered as the main driver of the municipality's LED agenda.

Retaining of business strategy is not effective due to poor operation maintenance of infrastructure from the Municipality. The participants revealed that LED strategies in Lepelle-Nkumpi Local Municipality are not aligned with district and provincial LED strategy which hampers the coordination of the strategy in the implementation process. The above statement concurs with Mokoena (2019:71) who argues that there is no common LED understanding between provincial, district and local municipalities, even though the legislation demands alignment of strategies and policies. The data collected reveals that approaches and strategies implemented by the Lepelle-Nkumpi Local Municipality are not effective as they fail to address issues of poverty or socioeconomic issues facing by most communities around the municipality.





5.3.3 Findings on LED challenges prohibiting poverty alleviation using Lepelle-Nkumpi Local Municipality as a case study

The study revealed that the challenge of political interference on LED activities whereby if specific councillor is not interested in the projects that LED unit is implementing may stop to mobilize the communities to support the projects. The study found that even though the purpose of the projects is to alleviate poverty they often became compromised and end up not serving the intended purpose. It is worth noting in the study that some of LED projects which are implemented need political buy-in or support from councillors to avoid sabotage. On the other hand, the study also found that the Council does not understand what its role is on LED since they often rely only on incapacitated LED unit in the municipality.

The study found that no sufficient resources to address poverty through LED initiatives within the Municipality. The Lepelle-Nkumpi Local Municipality does not have sufficient capacity to mobilize and channel resources from stakeholders to LED activities. The study found that LED unit in the Municipality is not able to realise their facilitation role to attract the investors and development partners who can be able to inject funds in projects meant for poverty alleviation. Although the study discovered that for the current fiscal year of 2022/2023 Lepelle-Nkumpi Local Municipality is operating with zero budget in LED programmes but that does prohibit non-financial support to meet LED objectives. Project managers tasked with overseeing and monitoring projects lack experience with undertaking LED implementing.

It was revealed in the study that lack of identification of economic opportunities within the Municipality, dependency syndrome of LED projects to government institutions and double dipping of funding are some of the challenges. The study found through the participants that conflict of interests of government or municipal officials prohibit growth of initiated LED projects intended to resolve poverty. Poor networking with relevant development partners or inability to network was detected in this study as a challenge of the municipality. The participation of relevant stakeholders from the public and business sectors is essential for LED's success.





5.3.4 Findings on the role of the Lepelle-Nkumpi Local Municipality in promoting LED for poverty alleviation

The study discovered that the Municipality still has significant difficulties in fostering LED. This is evidenced by various projects that demonstrate how little the Municipality is doing to play a crucial role in reducing poverty. Due to ongoing difficulties such as assuring the sustainability of LED projects, the role of a municipality in other LED-related activities is not as successful. It is also evident on the study that, lack of coordination between municipality and stakeholders is one of factors that cause municipality not to play much role in promotion of LED. The study discovered that lack of proper planning, municipal incapacity and lack of participation by the communities' further affect LED activities negatively. Researcher found that the Municipality has an outstanding role to play in dissemination of information about LED to the communities within Lepelle-Nkumpi areas. The absence of their role in LED cause confusion whereby communities consider the municipality as only basic service delivery institution as opposed to being a centre of the social and economic development of the communities.

Lepelle-Nkumpi Local Municipality was found to have a minimal impact in promotion of LED through tourism attraction in existing projects meant to improve the economic capacity. The study through its participants further reveal that no visible programmes intending for poverty alleviation as poverty still persist in areas around municipality. The municipality's monitoring and evaluation (M&E) systems were also found to be insufficient, which has led to the unsustainability of LED projects and programmes. This concurs with Harrison and Todes (2013) who stated that lack of systems thinking on LED is waste of resources. It was revealed that the Municipality is playing a role in implementation of CWP as one of LED project that deals with poverty reduction which managed to employ 1300 people in Municipality. The programme exist within 9 wards out of 30 wards which target poor of the poorest.

The study revealed that the municipality's role in LED is through coordination, promotion, training and capacity building and market linkages. However, the municipality is not playing effective role in up-dating stakeholders of the significance of LED and contribution towards local businesses in informal and informal sector. The





Municipality is creating platform for SMMEs to grow and exhibition for SMMEs for purpose of marketing their locally produced products.

The study found out that the Municipality often fail to play their role on identifying the potential projects which have long term sustainability. This is supported by Lepelle-Nkumpi Local Municipality IDP of 2021 whereby the council has recognised the skills shortage on specialised fields like town planning, financial management and engineering that are essential to enable municipality to respond to development needs of the local people (Lepelle-Nkumpi Local Municipality, 2021:101)

5.3.5 Finding on measures to ensure proper LED implementation regarding poverty alleviation

The findings revealed that workshops should be organized to make an in-depth discussions of LED implementation strategy. For the communities to be above poverty line the implemented LED projects should be sustainable and provide necessary skills development to the local communities to be self-sufficient. The study suggests that Lepelle-Nkumpi Local Municipality must have LED implementation plan and guide which contains projects that will make positive impact on poverty alleviation. The information collected suggest that consultation, proper planning and effective participation between communities and municipality is key to successful LED implementation. For the purpose of poverty reduction, LED implementation must take the shape of initiatives that prioritize giving local residents access to economic opportunities.

The researcher discovered through his study that most of the respondents attested that there should be awareness campaigns, regular training and *imbizos* to capacitate the communities with knowledge about significance of LED projects for poverty alleviation. The communities' needs must be analysed first to ensure that LED implementation respond to developmental needs of local people for purpose of poverty alleviation. The results suggested that in order to implement LED properly, the municipality must choose knowledgeable LED practitioners who can forge strong relationships with outside development organizations like Small Enterprise Development Agency and Limpopo Economic Development Agency. The green economy which encourages the sale of locally produced goods at neighbourhood markets must be strongly promoted.





It appears that the appointment of qualified LED practitioners, management and skills development still need to be given top priority. To sum up, the finding suggests that buy-in from council and other departments is of fundamental importance, as the municipality alone cannot succeed in this undertaking implementation of LED. Municipalities often lack the resources to implement LED and this can be addressed through better coordination and support from other spheres of government, capacity building and partnerships. The study propose that municipality must coordinate some of their LED projects meant for poverty alleviation with the Department of Social Development. It was revealed that the municipality must put monitoring and evaluation measure in place to ensure that funded LED projects are supportable and funding are accounted for. The municipality must ensure that most LED projects focus more on manufacturing to attract the investment and provide employment to the local people to alleviate poverty.

5.4 SYNTHESIS OF THE RESEARCH FINDINGS

The most important findings of this research study from research interviews can be summarised as follows:

- The study found that LED in Lepelle-Nkumpi Local Municipality does not contribute
 to economic growth and creation of opportunity for participation in the local
 economy because is lacking behind. This is because of financial constraints and
 ineffective community participation of LED processes.
- Conducted feasibility studies of Lepelle-Nkumpi Local Municipality are not implemented or channelled to relevant sectors in the municipality to attract investors and communities for implementation.
- Duplication of funding for LED projects whereby the Municipality and other department or development provide funding to same projects often to ensure sustainability.
- The implemented LED projects are not matching skills capacity of the identified communities to provide the employment opportunities.
- The challenge of consistent political interference in the allocation and support of LED projects meant for development and poverty alleviation.





- LED unit is utilised as deployment centre or dumping side at the municipality and failure of the municipality to appoint expert in the LED unit to improve LED processes.
- The municipalities and communities mentioned that monitoring and evaluation of projects is still a challenge and reviewing of LED projects is sometimes not done and that leads to the failure of projects.
- The Municipality has a list of projects plan which have been there for years but are not being implemented due to lack of funding and clarity of concepts in the main.
- The communities are not trained on LED programmes, they are only provided with the reports on LED activities.
- Lack of training on LED officials to ensure proper implementation of LED.
- Confusion on LED and service delivery programme by the communities which is detected mostly in community meetings conducted by the Municipality due to lack of knowledge and information on LED.
- It was revealed that causes of poverty within the municipality is result of lack of knowledge, unemployment, skills shortage and lack of investment from financial institutions to inject money in LED projects.
- Lack of community participation on LED process.
- The current Lepelle-Nkumpi Local Municipality LED strategies does not contribute
 effectively to local economy since the communities are not effectively involved the
 economic activities as revealed through poverty statistics in the Municipality.
- LED strategies in the Lepelle-Nkumpi Local Municipality are not aligned with district and provincial LED strategy which hampers the coordination of the strategy in the implementation process.
- Most of the participants indicated that there is poor relationship between the municipality, communities and stakeholders Involved in LED.
- Lack of identification of economic opportunities within the municipality, dependency syndrome of LED projects to government institutions and double dipping of funding.
- Conflict of interests of government or municipal officials which hamper progress and growth of initiated LED projects intended to resolve poverty.
- Participants revealed in the study that there are poor networking with relevant development partners or inability to network. No mechanism in place to identify the





stakeholders or development partners which municipality must engage and formalise their agreements for purpose of economic development.

- Participants revealed in the study that most LED projects have collapsed due to lack of collective agreement, management and internal differences.
- The finding revealed that LED within the municipality is not much effective. This supported by the participants who indicated that LED is not functional in the municipality due to internal capacity and financial constraints.
- Community lack information or not informed on LED initiatives and projects of the municipality.
- Majority of LED projects are found within the agricultural sector.
- The participants in the study revealed that Community Workers Programme is one
 of LED project that deals with poverty reduction within Lepelle-Nkumpi Local
 Municipality which managed to employ 1300 people in Lepelle-Nkumpi local
 municipality.
- Lack of community and stakeholder participation on LED planning and strategies with Lepelle-Nkumpi Local Municipality.

5.5. RECOMMENDATIONS

The following recommendations are made based on research problem and issues that were raised in this study:

5.5.1 Enhance monitoring and evaluation of LED projects

The data collected revealed that few projects have been implemented around Lepelle-Nkumpi Local Municipality but due to absence of monitoring and evaluation they have since collapsed. The Municipality must establish other LED projects that benefits all local communities. Municipalities need to assist in the monitoring of state funded projects and integrate their update reports during its community participation programmes for the projects to be held accountable on the utilisation of public funds and resources. As the data collected reveal that some projects are not monitored in accordance with the existing guidelines. It is a prerequisite that a municipality must strengthen monitoring of LED projects as these will promote the role of the municipality in LED related projects. The projects that are implemented in the community should be monitored effectively and efficiently by the project leaders as well. The Municipality must also play significant role in ensuring that project leaders and beneficiaries contribute to sustainability of LED projects.





5.5.2 Appointment of qualified candidates in LED units

The findings of the study discovered that there are capacity constraints in Lepelle-Nkumpi Local Municipality in LED unit. It is very important that well capacitated candidates must be appointed in order to assist in facilitation of the promotion of LED around the municipality. The qualified officials will be able to implement LED initiatives, identify the sectors that contributed to employment, economic growth and poverty reduction. It is recommended that officials that are appointed must have relevant qualifications and experience in field of LED. These people will be able to understand process and procedure necessary for LED implementation. Lepelle-Nkumpi Local Municipality must appoint a champion or driver of LED programmes whose objective is to promote and accelerate the implementation of the LED projects that will make positive impact to developmental needs and poverty alleviation in the communities. Munipalities must stop cadre deployment especially at critical functions.

5.5.3 Encouragement of popular participation in LED

As the data gathered has shown that there is need to encourage participation by the different stakeholders through LED activities or projects. Stakeholder participation is important for the successful implementation of development programmes. Partnership with young people, businesses and community organisations must be strengthened in order to address the problem of unemployment. The participation and involvement of all supporting structures, role players and stakeholders is key to fostering proper implementation of LED. However, as stated by section 195 (1) of the Constitution of the Republic of South Africa that "Public Administration must be governed by democratic values and principles enshrined in the Constitution including, people's needs must be responded to and the public must be encouraged to participate in policy making" (Bekker, 1996:68, as cited in Netshakhuma, 2006). The municipalities must strive to build community and councillors relationship which will ensure political stability and effective participation in LED programmes. These programmes must prioritize the requirements of the communities and their continued development.

5.5.4 Training and Capacity Development

From data collected it is evident that there is a need for establishment of training and skills development in the LED programmes. It is significant that training is provided to LED officials more often in the municipalities to empower the officials and for the





purpose of skills development. A need to enhance the capacity of councillors in particular so as to deepen their understanding of LED was found to be critical.

The study found that, this will improve the municipality's capacity to lead LED efforts by elevating the LED function inside the municipality. Political interference on allocation projects must be eliminated instead politicians must leverage their power for LED's benefit. The local government should invest in its people. It should come up with long-term goals of creating an employment base through educating and training its own residents.

5.5.5 Community Education on LED

From the literature discussion in this study as well as the findings of this study it became clear that most people in rural communities are not engaged in LED activities because they do not completely comprehend what LED is. Therefore, it is advisable that communities must be made aware of LED and its significance through road shows that highlight the advantages of taking part in LED initiatives. LED initiatives can respond to local needs when the local communities have knowledge and understanding of what LED entails. Community education is key for achievement of any local development.

5.5.6 Ensuring that LED strategies implemented address poverty

From the data collected it is evident that strategies implemented in Lepelle-Nkumpi Local Municipality do not effectively address the issues of poverty in areas around the municipality. Poverty alleviation can be achieved through the implementation of LED strategies, that deeply involve the poor population developmental needs. Therefore, research need to be conducted first before the implementation of strategies in order to identify socio-economic issues facing the rural communities. This will afford the municipality an opportunity to develop solution for socio-economic issues of the local communities to promote development.

5.5.7 Requesting other source of funding

From the data collected it is evident that lack of funding is a serious challenge to LED activities. Therefore, there is a need for the municipality to inform the national government to increase means of funding in LED activities in order the municipality to run all programmes and projects of LED smoothly.





The economic development priorities of the municipality must be understood by all stakeholders and accommodated in the budget processes of the municipality. Given the finance shortfall worry, it is obvious that the government and other donor organizations should establish funding channels for LED operations. Funding must also be requested from business sector.

5.5.8 Establishment of Lepelle-Nkumpi Economic Development Agency

Lepelle-Nkumpi municipality must establish economic development agency as part of its LED strategy implementation. This will help to manage the implementation of the LED Strategy in the municipality. The agency can assist the municipality to accelerate economic growth, development and job creation for the purpose of poverty alleviation. There are lot of economic opportunities in tourism, mining and agricultural sectors within the Lepelle-Nkumpi Local Municipality but due to capacity constraints opportunities are not realised. The agency can help in providing business intelligence as well as research and development towards innovative solutions for economic development.

5.6. RECOMMENDATION FOR FURTHER RESEARCHER

The future studies can add more local municipalities within Capricorn district for comparison on the impact of LED on poverty alleviation in order to discover success and failures. There is a need for continuous comprehensive research for failure or causes of municipalities not to effectively promote LED for purpose of poverty alleviation. This will help reduce socio-economic problems and challenges of development in local areas, and provide basic understanding on the role that municipality must strengthen in promotion of LED which will results into solution to address issues of poverty and high rate of unemployment. There is a need for an indepth research on the challenges of LED implementation and strategies to find solution for challenges. Proper mitigation of challenges will allow LED to contribute to building up the economic capacity of a local area to improve its economic future and the quality of life for all.

5.7 CHAPTER SUMMARY

The research study comprised of five chapters (05). The first chapter provided an introduction and background to the study about the local economic development.





In order to address this research problem of the study, research questions were raised. The main objective of chapter one was to contextualise the study and also explain the relevance and significance of the study. The set objective of the chapter was realised. The background to the study has played a pivotal role in introducing the study and the reason the study was undertaken. The special focus in this chapter has been placed on the rationale of the study, aim of the study, specific objectives of the study with critical research questions was set out as well. The significance of the study, delimitation of the study was addressed. The preliminary literature review, definition of major concepts was discussed. Lastly, the organisation of the study was provided.

Chapter two of the research critically analysed the literature that was thought to be pertinent to the study. Mouton (2001: 86) as cited in Munzhedzi (2011: 94) postulate that it is paramount that every research project begins with a review of the existing literature in a particular field of study. The researcher discussed the theoretical framework and theories of local economic development. The researcher felt necessary to discuss analysis on the importance of LED in local government; international perspectives on LED and LED in Africa, South Africa, Limpopo province and finally within the area of study was discussed. The LED approaches and strategies were discussed even outlined the one for Lepelle-Nkumpi municipality. The researcher further presented the challenges faced in local economic development and legislatives governing LED implementation. The researcher discussed the relationship between LED and poverty. The literature on poverty in South Africa, Limpopo and Lepelle-Nkumpi municipality was discussed. Most of authors are in agreement that when LED is implemented correctly can alleviate poverty and respond to the developmental needs of the communities.

The objective of Chapter three was to discuss the methodology used to collect data and how such data is analysed. The data collected assists in providing a solution to the research problem of this study. This chapter of the study provided research design and methodology that was used which is qualitative method. The sampling together with the sampling size was also provided. This study focused on Limpopo Province but for this study, the research was conducted in Lepelle-Nkumpi Local Municipality. Purposive sampling was appropriate for this study, because the researcher wanted participants who have knowledge about the topic and who can give reliable information





which will help to reach the objectives of the study. Data collection method which serves as instrument to collect data was provided. The researcher used interviews as method to collect data on targeted participants of the study. This study used thematic content analysis as method of data analysis. The research ethics were followed on this study.

Chapter four of this study discussed data presentation, interpretation and analysis of data collected by discussing the sampled population's responses as a way of providing an understanding on the nature of the research findings to the effects of LED on poverty alleviation. Through this chapter data on the effects of LED in poverty alleviation was collected by using qualitative method. The qualitative data analysis method was applied. This study used semi-structured interviews to explore more on the effects of LED in poverty alleviation at Lepelle-Nkumpi Municipality. The thematic content analysis help the researcher to formulate the responses into themes. The chapter was divided into three (03) sections namely biographic information of the respondents; findings and responses from municipal officials and stakeholders; findings and responses from project beneficiaries, leaders and community stakeholders.

Chapter five of the study presented research findings, synthesis of the study, conclusion, recommendations of the study and recommendations of future research studies. The study provided objectives of the research which benchmarked the realisation of the main aim of the study. The major findings of the study and synthesis were presented which focused on the research findings from the interview guide and research questions. Municipalities must play an active role in LED in order to improve their respective local economies. However, if the municipality does not play an active role in LED, some of the local communities will remain poor as there is a need for the municipalities to empower communities and contribute toward development of the people. The population of around Lepelle-Nkumpi Local Municipality is characterised by poverty and high rate of unemployment as evident from data collected (discussed in Chapter one (section 1.3)). The municipality should address the problems of shortage of staff and ensure training of officials in order to promote LED implementation. The Municipality must strengthen facilitation role of all related LED activities and programmes.





5.8. CONCLUSIONS

In conclusions it is evident through the study that LED is the process of improving local economic growth, employment and poverty alleviation. The study was about the effects of LED in poverty alleviation. The Constitution requires local government to take the lead in fostering social and economic development of the local communities. From the study, it is clear that the Municipality always implement the strategies to LED, but those strategies do not necessarily address socio-economic issues as there is still lot of challenges the municipality encountering. The elimination of political interference in LED projects can only be achieved through training of councillors and administrators within the Municipality. The implementation of strong monitoring of LED initiatives can contribute to success of LED activities.

The approaches that are applied in LED should be suitable for problems and challenges that the communities experience towards development. Clearly there is need for a municipality to review its LED approach and strategies to ensure that all developmental issues of the community members that must be addressed through LED are achieved to improve local economy. However, it is important that a municipality plays a key role in job creation to improve economy. Therefore, also by providing good quality cost-effective services and by making the local area a pleasant place to live. The Municipality should ensure sustainable LED that involves the entire community. Success promotion and implementation of LED can be achieved through appointment of qualified officials.





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UHDC APPROVAL FOR MASTER PROPOSAL LETTER

ANNEXURE A

UNIVERSITY OF VENDA

OFFICE OF THE DVC: RESEARCH AND POSTGRADUATE STUDIES

TO :

MR/MS C. SELEMELA

FACULTY OF MANAGEMENT, COMMERCE AND LAW

FROM:

PROF. N.N FEZA

DVC: RESEARCH AND POSTGRADUATE STUDIES

DATE:

12 OCTOBER 2022

DECISIONS TAKEN BY UHDC OF 12TH OCTOBER 2022

Application for approval of Masters Proposal Report in the Faculty of Management, Commerce and Law: C, Selemela (21016335)

Topic: "The Effects of Local Economic Development in Poverty Alleviation: A Case of Lepelle-Nkumpi Local Municipality, Limpopo Province."

Supervisor

Co-supervisor

UNIVEN

Dr. N.E Mathebula Dr. P.H Munzhedzi

UHDC approved Masters proposal

PROF. N.N FEZA
DVC: RESEARCH AND POSTGRADUATE STUDIES



ETHICAL CLEARANCE CERTIFICATE

ANNEXURE B

ETHICS APPROVAL CERTIFICATE

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RESEARCH AND INNOVATION OFFICE OF THE DIRECTOR

NAME OF RESEARCHER/INVESTIGATOR: Mr C Selemela

STUDENT NO: 21016335

PROJECT TITLE: The effects of local economic development in poverty alleviation: A case of Lepelle-Nkumpi Local Municipality, Limpopo Province.

ETHICAL CLEARENCE NO: FMCL/22/PDN/05/2707

SUPERVISORS/ CO-RESEARCHERS/ CO-INVESTIGATORS

NAME	INSTITUTION & DEPARTMENT	ROLE
Dr NE Mathebula	UNIVEN, Public and Development Administration	Supervisor
Dr PH Munzhedzi	UNIVEN, Public and Development Administration	Co -Supervisor
Mr C Selemela	UNIVEN, Public and Development Administration	Investigator – Student

Type: Maters Research

Risk: Minimal risk to humans, animals, or environment (Category 2) Approval Period: July 2022 - July 2024

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

White this estince approval is budget to all declarations, undertaking and agreements incorporated and signed in the application form, please note the following.

The project leader (principal investigator) must report to the presention formation the REC:

Annually for as otherwise requested to under projects, and upon completion of the project.

Within 48hrs in case of any advarse event for any matter that incorpors exond ethical principles) during the course of the project.

Annually a number of projects may be randomly selected for an enternal audit.

The approval applies strictly to the protocol as choulated in the application form. Would any chariges to the protocol be deemed necessary during the course of the project, the project leader must apply for approval of Diana changes, it the REC. Would there be deviated from the project project without the necessary approval of such thanges, the attice approval industriate in during the course of the project proposal indicates that the project may be estated. Would the project have to continue after the explicy date; a new application must be made to the REC and new approval proposal before or on the explicy date.

In the interest of ethical responsibility, the DEC results the right to:

Request access to any information or date at each time during the course or after completion of the project,

To ask further questions; Suck additional information: Require further modification or monitor the conduct of your research or the informed withdraw or postpone approval if:

To ask further questions; Suak editional information: kequite turner modification or monitor me conduct or your tesearch or the mire consent process.

which away postpone approve if:
Any unathical principles or practices of the project are revealed or aurepeated.

It becomes apparent that any resevant information was within-the front the REC or that information has been false or misrepresented.

The required annual report and reporting of adversulation was not dune timely and accurately.

New institutional rules, nadonal legislation or international conventions A it necessary

UNIVERSITY OF VENDA, RESEARCH ETHICS COMMITTEE Date Considered: July 2022

Name of the RESSC Chairperson of the Committee: Prof TS Mashau

Bullestian Signature

UNIVERSITY OF VENDA OFFICE OF THE DIRECTOR RESEARCH AND INNOVATION 2022 -07- 2 7

> Private Bag X5050 Thohoyandou 0950



PERMISSION LETTER TO CONDUCT RESEARCH

ANNEXURE C



FACULTY OF MANAGEMENT, COMMERCE AND LAW DEPARTMENT OF PUBLIC AND DEVELOPMENT ADMINISTRATION

P/bag X 5050, Thohoyandou 0950 Tel: 015 962 8022/ 0767786863

Email: Erasmus.Mathebula@univen.ac.za

From : Dr NE Mathebula

To : Office of the Municipal Manager (Lepelle-Nkumpi Local Municipality)

Date : 25 Oct. 21

RE: Request to conduct a study for Mr C Selemela (21016335)

The above matter refers:

- Mr Chares Selemela Student Number 21016335 is registered for the Degree of Master of Administration in Public Administration at the University of Venda under the supervision of Dr NE Mathebula and Dr PH Munzhedzi.
- His study is titled 'The Effects of Local Economic Development in Poverty Alleviation: The Case of Lepelle-Nkumpi Local Municipality, Limpopo Province (See attached Proposal).
- I therefore as the Study Leader, humbly and respectfully request through the Office of the Municipal Manager, for Mr Selemela to be granted permission to collect data from Municipal Officials.
- A consent form which guarantees anonymity, confidentiality, voluntary participation amongst other research ethical considerations will be provided to participants before partaking on this study.
- 5) The findings of the study will greatly contribute towards aiding LED within the Municipality and ensuring poverty reduction thereof. These findings will further be generalised to other municipalities in the Province and South Africa as a whole.
- It is in this line that I make this respectful submission for permission to conduct the study and hoping that approval is granted.

Thanking you 25 Oct. 21 2021_

Supervisor Date



PERMISSION LETTER TO CONDUCT RESEARCH

ANNEXURE D



UNIVERSITY OF VENDA FACULTY OF MANAGEMENT, COMMERCE AND LAW

Department of Public and Development

Administration

Date: 25 February 2022

From: Dr NE Mathebula (Lecturer: Public & Development Administration)

The CEO: Limpopo Economic Development Agency

REQUEST FOR PERMISSION TO CONDUCT RESEARCH: SELEMELA CHARLES

- 1. The above matter bears reference.
- 2. I hereby request for permission to conduct research at LEDA.
- 3. I have registered for a Master of Administration Degree (Public Administration) with University of Venda.
- 4. My research topic is "The effects of local economic development in poverty alleviation: A case of Lepelle-Nkumpi Local Municipality, Limpopo Province".
- 5. LEDA as contributor to economic development, the researcher feel is necessary to request permission to conduct interview with some of LEDA officials who are responsible for LED, development sustainability and poverty alleviation etc.
- 6. The data collection methods will include an interview with Manager and sampled LEDA officials within area of Lepelle-Nkumpi Local Municipality. The information gathered will solely be for research purposes and the ethical considerations of a research will be adhered to at all times.





- 7. The findings and recommendation made out of this survey will help other municipalities in South Africa in particular Limpopo Province, on effective implementation of LED for purpose of addressing poverty and unemployment.
- 8. LEDA will be favoured with copy of my dissertation after completion for your ease of reference.
- 9. Attached please receive the request letter from the University.

Thanking you

Dr NE Mathebula

25 February 2022

Supervisor Date

Thatse !



ANNEXURE E

PERMISSION LETTER TO CONDUCT RESEARCH FROM LEPELLE-NKUMPI LOCAL MUNICIPALITY



LEPELLE-NKUMPI LOCAL MUNICIPALITY

Postal Address Private Bag X07 CHUENESPOORT 0743

Controlly Company Comments

www.lepella-cktampi.gov.za

Physical Address 179 BA Civic Ceatre LEBOWAKGOMO, 9737 Tel : (#27)/5 633 4500. Fax : (#27)/ 5 638 6896

Enquiry: Ms Mpho Mphahlele

Attention: Nr. C Selemela Student No: (21016335)

Dear Sir

APPROVAL TO CONDUCT RESEARCH TITTLE: THE EFFECTS OF LOCAL ECONOMIC DEVELOPMENT IN POVERTY ALLEVIATION: THE CASE OF LEPELLE-NKUMPI LOCAL MUNICIPALITY

Your letter dated 05 October 2021 bears reference.

Municipality hereby grants you permission to conduct research at Lepetie-Nkumpi Local Municipality for your Master of Administration in Public Administration at the University of Venda as requested. We hope that the research will be conducted with strict adherence to all the human rights and research ethics and that once published, it will also benefit our local community.

Wishing you all the luck in your academic endeavours.

Kind regards,

MANKGA K.G (MS.) ACTING MUNICIPAL MANAGER |||03|2º DATE

MUNICIFAL CALL CENTRE NUMBER: 0000 222 011

"Motho ke motho ka batho"



ANNEXURE F

PERMISSION LETTER TO CONDUCT RESEARCH FROM LIMPOPO ECONOMIC DEVELOPMENT AGENCY

HEAD OFFICE

PO Box 760 Lebowakgomo 0737

Tel: +27 15 633 4700 www.lieda.cu.za

14 March 2022

Enquiries:

Ms R M Masemola

Interim Executive Manager Enterprise Development and Finance

Ref: Permission to conduct Research

Mr Charles Selemela University of Venda

Dear Mr Selemela

PERMISSION TO CONDUCT ACADEMIC RESEACH AT LEDA

It is our pleasure to inform you that your request to conduct academic research at LEDA has been approved.

Approval is granted with the following ethical principles:-

- Respect for LEDA staff- Respect the LEDA staff and treat them fairly.
- 2) Legality- Know and obey relevant regulations and institutional policies.
- 3) Honesty Strive for honesty in all scientific communications.
- 4) Integrity- Keep your promises and agreements; act with sincerity; strive for consistency of thought and
- 5) Respect for Intellectual Property- Honour patents, copyrights, and other forms of intellectual property. Do not use unpublished data, methods, or results without permission.
- 6) Confidentiality- Protect confidential communications and information.

Please liaise with Ms Masemola for all administrative arrangements and communications. She can be contacted on: Maria.Masemola@lieda.co.za or 015 387 3000 or 082 906 2748

Best wishes with your research.

Interim Executive Manager: Corporate Services

Registered address. Enterprise Daystopment House, Mass Road, Lebowsky error, 0737, South Africa

Mr PM Makwans (Chairman)

Mr PM Makwans (Chairman)

Mr CC Nkadimang (Deputy Chairmans & M Maphutha Adv TM Neube Mr MS Ralebo, Ms N Magadagela CA(BA) Mr AC Chikane Mr IM Rathumbu

Mr TR Makhuwha (CED) Mr F Magdi (CFO) Mr NB Mokohane (Interim COO)

Company Secretary: Ms. C Mokoma





CONSENT FORM ANNEXURE G

RESEARCH ETHICS COMMITTEE

UNIVEN Informed Consent Appendix F

LETTER OF INFORMATION

Title of the Research Study : The effects of local economic development in

poverty alleviation: A case of Lepelle-Nkumpi Local

Municipality, Limpopo Province

Principal Investigator/s/ researcher : (Selemela Charles, Bachelor of Administration

Honours (Public Admin); Bachelor of Administration;

Advance Certificate in Sourcing and SCM

Co-Investigator/s/supervisor/s : (Dr. NE Mathebula, BADMIN; BADHON; MPAD;

DADMIN)

(Dr. PH Munzhedzi BADMIN; BADHON; MPAD;

DADMIN))

Brief Introduction and Purpose of the Study:

I am Selemela Charles, a student in Master Administration (Public and Development Administration) candidate in the Department of Public and Development Administration at University of Venda, researching on the effects of local economic development in poverty alleviation: A case of Lepelle-Nkumpi Local Municipality, Limpopo Province. The study is supervised by Dr. NE Mathebula and Co-supervisor is Dr PH Munzhedzi. Below is a summary of what the study is all about so that you can make an informed decision about your participation.

The purpose of the study is to evaluate the effects of local economic development in poverty alleviation: A case of Lepelle-Nkumpi Local Municipality, Limpopo Province. The study findings are expected to contribute towards a better understanding on effects of LED in poverty alleviation. The research will inform action, issues on effects of LED, increase public awareness and contribute to developing knowledge in a field of LED. In the context of Lepelle Nkumpi Municipality the research seek to encourage the municipality to contribute in improving quality of life of communities, create new economic opportunities and fight poverty, strengthen collaborative relationship with local communities in order for people to understand the processes of LED and use it effectively to access economic opportunities for the improvement of their own lives. The findings of the study will greatly contribute towards aiding LED within the Municipality and ensuring poverty reduction thereof. In order to collect data for the study, the researcher plans to interview beneficiaries or participants of the community development projects, other stakeholders and municipal officials that are responsible for LED.

Outline of the Procedures : (Responsibilities of the participant, consultation/interview/survey details, venue details, inclusion/exclusion criteria, explanation of tools and measurement outcomes, any follow-ups, any placebo or no treatment, how much time required of participant, what is expected of participants, randomization/ group allocation) a. Procedure





As one of the possible participants of the study, the researcher hereby seeks your permission. Kindly note that:

- i. Participation in this study is voluntary, you have the choice to discontinue with the interview at any stage should you feel uncomfortable without providing any reason.
- ii. You have the right to choose the place of the interview within the area of Lepelle-Nkumpi Local Municipality where confidentiality will be possible.
- iii. With your permission, the interview will take 45-60 minutes long.
- iv. Participants are allowed to give their own views and opinions in their own words.
- v. The interview will be audio-recorded.
- b. Confidentiality

All information, including your identity and responses in this interview, will be kept confidential and only used for research. All audio-recorded materials, transcripts of the interview and completed interview schedules will be safely stored in a locked cabinet in the researcher's office and in a computer which is pass word protected. The individual interviews will be conducted in a quiet place to avoid interruptions. The researcher will maintain anonymity as far as possible during the research process.

c. Deception of respondents

You as the participant will be briefed about the aim of the research and no information will be withheld from you in order to allow you to make an informed decision regarding your participation in the research and to ensure no deception.

Risks or Discomforts to the Participant: No risks identified on this research that may

cause huma harm

Benefits: The findings of the study will greatly contribute

towards aiding LED within the Municipality and

ensuring poverty reduction thereof.

Reason/s why the Participant May Be Withdrawn from the Study: Participants have right to withdraw from the project at any time with no negative consequence. No adverse consequences for the participant should they choose to withdraw

Remuneration

Costs of the Study

Confidentiality

: You will receive no payment or remuneration for participation is voluntarily. You are welcome to ask the researcher any questions before you decide to give your consent. You are also welcome to contact me or my study leader if you have any further questions concerning your participation in the study.

: There will be no cost to you as a result of your participation in this study.

: All information, including your identity and responses in this interview, will be kept confidential and only used for research. All audio-recorded materials, transcripts of the interview and completed interview schedules will be safely stored in a locked cabinet in the researcher's office and in a computer which is pass word protected. The individual interviews will be conducted in a quiet place to avoid interruptions. The respondents real names will not be mentioned in the study and the information they provided will only be used for research or study purposes. The researcher will maintain anonymity as far as possible during the research process.

: The researcher will guarantee all respondents that they will be no research-related injury or adverse

Research-related Injury





reaction, however in case of unforeseen injury or adverse reaction there is no compensation.

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

(Supervisor: Dr. NE Mathebula and details tel no: 015 962 8022) Please contact the researcher (tel no.076 9045 087), my Co-supervisor: Dr. PH Munzhedzi (tel no. 015 962 8000) 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, (name of researcher), 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
l,			
(Name of researcher) herewit	th confirm that the abov	ve participant has be	een fully
Informed about the nature, co	onduct and risks of the	above study.	





Full Name of Researcher		
	Date	Signature
Full Name of Witness (If app	olicable)	
	Date	Signature
Full Name of Legal Guardian	n (If applicable)	
	Date	Signature

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/

Department of Health. 2006. *South African Good Clinical Practice Guidelines*. 2nd Ed. Available at:

http://www.nhrec.org.za/?page_id=14





ANNEXURE H

INTERVIEW GUIDE: FOR MUNICIPAL OFFICIALS AND OTHER STAKEHOLDERS

Appendix A:

The effects of Local Economic Development on poverty alleviation: A case of Lepelle-Nkumpi Local Municipality, Limpopo Province

Dear Respondent

It will be appreciated if you can take some time to respond to the questions which are aimed at soliciting perceptions and views from a sample on the role of LED on poverty alleviation in the Lepelle-Nkumpi Local Municipality.

The information sought is only for academic research for the fulfilment of Master of Administration (Public Administration) on the abovementioned thematic area being conducted by **Selemela Charles** attached to the University of Venda. In terms of the research ethics of the University, respondents are not supposed to identify themselves to ensure the principle of anonymity and confidentiality. Therefore, no name or any other means of identification of respondents that have participated in this survey can be revealed. Respondents are humbly requested to complete all sections as provided for. Participation in this research is voluntary and participants are free to withdraw from the process at their own will.

Section A: biographic information of respondents

Please answer the following questions by putting a cross (x) on the appropriate answer in the box.

1.1 Gender Profile of respondent

Male	Female	

1.2 It will be important to associate the responses with the position of the person.

What is your position in the municipality?





1. LED Officer	
2.LED Supervisor	
3. LED Director	
4.Community development	
5. Community development	
6. Community development	
7. Other (specify)	

1.2. Please indicate your age category

18-25	25-30	30-35	35-40	40 years and
years	years	years	years	above

1.3. Level of education

Below Grade 12	Grade 12	Diploma/	Honour/	Doctoral
		Bachelors	Masters	
		Degree		

1.4 Years residing at Lepelle-Nkumpi Local Municipality

Below 5	5-10	10-15	15- 20	20 years and
				above

1.5 Years of working experience

Less than a year	
Between 1 and 3 years	
3 to 7 years	
7 years to 15	
15 to 25 years	
25 years and above	

1.6. Please indicate your Institution

Lepelle-Nkumpi	LEDA	Other
Municipality		departments

Section B: Interview questions

2. AN OVERVIEW AND THE IMPORTANCE OF LOCAL ECONOMIC DEVELOPMENT IN MUNICIPALITIES

- 2.1 What is your understanding of Local Economic Development (LED)?
- 2.2 How important is LED within Lepelle-Nkumpi Local Municipality?





- 2.3 Does LED contribute to the economic growth at the municipality and unlock opportunity for community participation in the local economy?
- 2.5 How effective is LED in Lepelle-Nkumpi Local Municipality?
- 2.6 Does the LED unit in Lepelle-Nkumpi Local Municipality has full support from other stakeholders and municipal officials?
- 2.7 Are you able to gauge and understand poverty levels in communities under Lepelle-Nkumpi Local Municipality?
- 2.8 In your understanding, what are some of the issues causing poverty within the Municipality and other municipalities across the country?
- 2.9 How does LED projects take communities around Lepelle Nkumpi Municipality out of the poverty line?
- 2.10 Can LED be used as a strategy for poverty alleviation. Please explain.

3. LOCAL ECONOMIC DEVELOPMENT APPROACHES AND STRATEGIES IN MUNICIPALITIES

- 3.1. What are LED strategies in Lepelle-Nkumpi Local Municipality?
- 3.2 How effective are LED strategies in Lepelle-Nkumpi Local Municipality?
- 3.3 During planning of LED strategies in Lepelle-Nkumpi Local Municipality, does community get involved?
- 3.4 Mention any achievement(s) of LED in Lepelle-Nkumpi Local Municipality that contribute to poverty alleviation?
- 3.5 What, in your view, should be done to improve the LED strategies in the municipality for the purposes of alleviating poverty?
- 3.6 What are specific challenges associated with the implementation of LED strategies in the Lepelle-Nkumpi municipality

4. THE CHALLENGES OF LOCAL ECONOMIC DEVELOPMENT IN THE MUNICIPALITY





- 4.1 What are challenges associated with the implementation of LED in your municipality?
- 4.2 What are challenges of LED that prevents poverty alleviation in Lepell-Nkumpi Local Municipality?
- 4.3 How can the identified challenges above be addressed?

5. THE ROLES OF MUNICIPALITIES IN PROMOTION OF LOCAL ECONOMIC DEVELOPMENT

- 5.1 What is the role of Lepelle-Nkumpi Local Municipality in the promotion of LED for poverty alleviation?
- 5.2. What should be done to promote LED in rural municipalities/Lepelle-Nkumpi Local Municipality?
- 5.3 Do you think LED projects has achieved objective of poverty alleviation and promotion of employment in the municipality?
- 5.4 What measures do you think should be taken to improve Local Economic Development implementation in the Municipality?





ANNEXURE I

INTERVIEW GUIDE: FOR COMMUNITY PROJECT BENEFICIARIES AND LEADERS

Appendix B:

The effects of local economic development in poverty alleviation: A case of Lepelle-Nkumpi Local Municipality, Limpopo Province

Dear Respondent

It will be appreciated if you can take some time to respond to the questions which are aimed at soliciting perceptions and views from a sample on the role of LED on poverty alleviation in the Lepelle-Nkumpi Local Municipality.

The information sought is only for academic research for the fulfilment of Master of Administration (Public Administration) on the abovementioned thematic area being conducted by **Selemela Charles** attached to the University of Venda. In terms of the research ethics of the University, respondents are not supposed to identify themselves to ensure the principle of anonymity and confidentiality. Therefore, no name or any other means of identification of respondents that have participated in this survey can be revealed. Respondents are humbly requested to complete all sections as provided for. Participation in this research is voluntary and participants are free to withdraw from the process at their own will.

Section A: biographic information of respondents

Please answer the following questions by putting a cross (x) on the appropriate answer in the box.

1.1 Gender profile of respondents

Female	Male	

1.2 Please indicate your age category

18-25 years	25-35 years	35-45	45- years and	
		years	above	

1.3 Level of education



Gradel-4	Gr	rade 5-9	Grade	College	University	Other	
			12				

1.3 Years residing at Lepelle-Nkumpi Local Municipality

Below 5	5-10	10-15	15- 20	20 years and
				above

1.4 Marital status

Single	Married	Divorced	Widowed	Other	
				(Specify)	

1.5 Employment status

Employed	Unemployed	Self-employed	Other (Specify)

Section B: Interview questions

2. AN OVERVIEW AND THE IMPORTANCE OF LOCAL ECONOMIC DEVELOPMENT IN MUNICIPALITIES

- 2.1. Are you aware on any Local Economic Development (LED) initiatives and projects found within the Lepelle-Nkumpi Local Municipality?
- 2.2 Does LED contribute to the economic growth at municipality and unlock opportunity for community participation in the local economy?
- 2.3 To what extent does the Municipality support local projects for poverty alleviation?
- 2.4 As project beneficiary or leader, does the Municipality involve communities on LED planning? Please explain.
- 2.5 What is status of poverty in your community?
- 2.6 What are achievements of LED initiatives in your community?

3. LOCAL ECONOMIC DEVELOPMENT APPROACHES AND STRATEGIES IN MUNICIPALITIES

3.1 Have you received any training in regard to LED approaches and strategies used by Lepelle-Nkumpi Municipality?





- 3.2 During planning of LED strategies in Lepelle Nkumpi Local Municipality, do communities get involved?
- 3.3 What can be done to ensure that LED projects alleviate poverty?
- 3.4 Does the Municipality support small businesses? Please explain.

4. THE ROLES OF MUNICIPALITIES IN PROMOTION OF LOCAL ECONOMIC DEVELOPMENT

- 4.1 Explain the state of poverty in Lepelle-Nkumpi Local Municipality?
- 4.2 What is the role of Lepelle-Nkumpi Local Municipality in promotion of LED for poverty alleviation?
- 4.3. What is the role of the Lepelle-Nkumpi Municipality's LED strategies in poverty alleviation?
- 4.4. In your own view, what measures can be taken to enhance LED related projects?
- 4.5 Do you think LED projects have achieved the objectives related to poverty alleviation and employment opportunities?





Annexure J

Interview guide (Northern Sotho version)

TLHAHLO YA POTŠIŠOTHERIŠANO GO PROTŠEKE YA SETŠHABA, BAJALEFA LE BAETAPELE

Dilo tšeo di ka go hlongwa/dirwa go tliša diphetogo go letseno la sediko go fedišeng bohloki. Go lebeletšwe masepala wa Lepelle-Nkumpi nageng ya Limpopo Probense.

Nka thaba ge o ka tšea nako ya gago, wa fetola dipotšišo tšeo ka maikemišetšo a tšona e le go kgopela dikgopolo tša lena, go lebeletšwe tsela yeo bohlaki bo ka fedišwago ka gona go masepala wo o kgethilwego wa Lepelle Nkumpi.

Dikgopolo/ kakanyo tša lena di hlokagala fela ka lebaka la dinyakišišo tša dithuto, go phethagatša lengwalo la masetase (Public Administration) go seo se boletšwego pele? E dirwa ke Selemela Charles go tšwa (UNIVEN). Go ya ka mabaka le melao ya dinyakišišo tša Yunibesithi, babotšišwa ga ba swanela go tšweletša maina a bona goba go dira tsela ya go tšweletša boitsebišo bja bona, se e le go kgonthišiša molao wa go se itšebiše le go iphihla/fihlwa. Ka fao ga go na le leina la mmotšišwa/ tsela ya boitsebišo ya mmotšišwa le yo tee yeo e tla go tšweletšwa go bao ba kgathilego tema ka gare go potšišotherišano ye le tla go tšweletšwa.

Ka boikokobetšo babotšišwa ba kgopelwa go tlatša dipotšišo ka moka tšeo ba di botšišwago. Babotšišwa ga ba gapeletšwe go tšea karolo ka gare go dinyakišišo tše, yo mongwe le yo mongwe o dira ka moya wa botho, ebile yo a nyakago go katakatela morago o dumeletšwe go dira bjale.

Go karabo yeo e kgethwago bontšha ka go bea leswao le (x) kgauswi le karabo ya gago.

Karolo ya A: Boitsebišo bja mmotšišwa

1.1 Bong bja mmotšišwa

mosadi	monna	

1.2 Mengwaga

18-25	25-35	35-45	45 goba
			go feta

1.3 Maemo a thuto

Kereiti1-	Kereiti	Kholetšhe	Yunibesithi	Tše
11	12			dingwe

1.4 Mengwaga yeo o e dutšego masepaleng wa Lepelle Nkumpi





Ka fase ga 5	E 10	10 15	15 00	20 goba go feta
T Na lase da sit	5-10	10-15	15-20	70 000a 00 leia
Tia lace ga e	0.0	10.0	1 .0 20	Lo goda go lota

1.5 Tša lenyalo

Ga wa	Nyetšwe	Hladile	Mohlolo(gadi)	Tše	
nyala/nyalwa				dingwe	

1.6 Tša mošomo

Wa šoma	Ga o šome	Wa ipereka	Tše	
			dingwe	

KAROLO YA B: DIPOTŠIŠO TŠA POTŠIŠOTHERIŠANO

2. KA KAKARETŠO TŠWELETŠA BOHLOKWA BJA TLHABOLLO YA EKONOMI YA SELEGAE GO MASEPALA

- 2.1 Na o itemogela protšeke tšeo di hwetšagalago metseselegaeng ka fase ga masepala wa Lepelle Nkumpi.
- 2.2 Na tlhabollo ya ekonomi ya selegae e na le seabe go godiša/hlabolla masepala, gammogo le go hlola menyetla go setšhaba go ikonomi ya bona?
- 2.3 Masepala o ikgafa bokakang go thekga diprotšeke tša selegae/tša kgauswi go fediša bohloki?
- 2.4 Bjalo ka mojalefa/moetapele wa protšeke na masepala o ama setšhaba ge ba beakanya lenaneo la bona la tlhabollo ya ekonomi ya selegae. Hlaloša ka botlalo.
- 2.5 Bodiidi bo maemong a fe setšhabeng sa geno?
- 2.6 Na ke diphihlelelo di fe tšeo tlhabollo ya ikonomi ya selegae e di dirilego setšhabeng sa geno?

3. MAANO A GO ŠOMA LE TSELA YA GO DIRA DILO GO TLHABOLLO YA IKONOMI YA SELEGAE GO MASEPALA

- 3.1 Na o ile wa amogela tlhahlo lefapeng la tlhabollo ya ikonomi ya selegae go mekgwa ya go dira dilo le maano a go šoma?
- 3.2Ka nako ya go beakanya maano a go šoma go masepala wa Lepelle Nkumpi, na setšhaba le sona se a akaretšwa na?
- 3.3 Ke eng seo se ka go dirwa go kgonthišiša gore diprotšeke tša tlhabollo ya ikonomi ya selegae di ka tloša bodiidi?





3.4 Na masepala o thekga dikgwebo potlane/tše nnyane. Hlaloša?

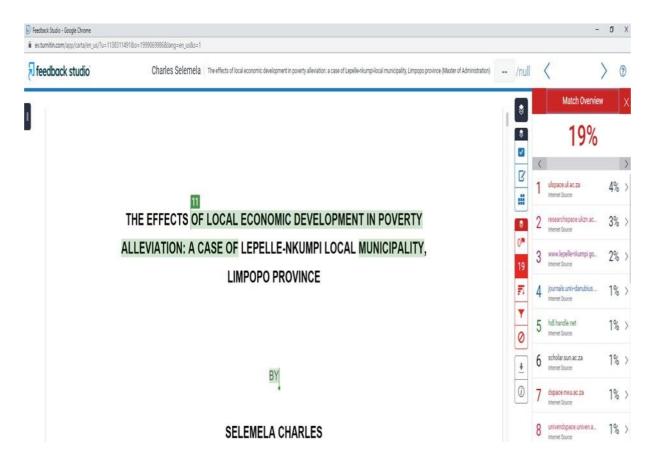
4. MAIKARABELO A MASEPALA GO HLATLOŠA TLHABOLLO YA IKONOMI YA SELEGAE.

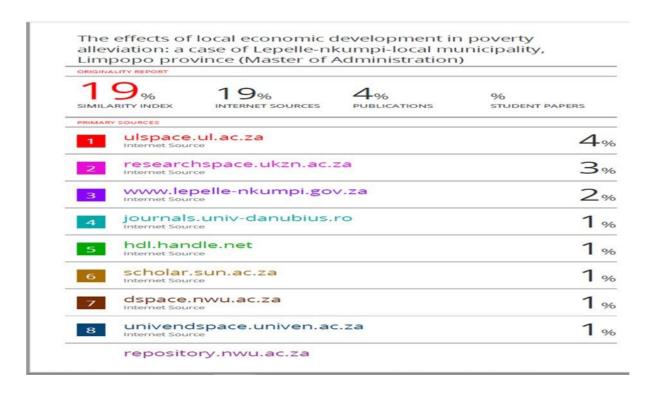
- 4.1 Hlaloša maemo a bohloki masepaleng wa Lepelle Nkumpi.
- 4.2 Masepala wa Lepelle Nkumpi o tšeo maikarabelo a fe go hlatloša tlhabollo ya ikonomi ya selegae mabapi le go tloša bohloki.
- 4.3 Go ya ka wena, ke magato a mohuta mang a ka go latelwa go maatlafatša/hlatloša protšeke tša tlhabollo ya ikonomi ya selegae.
- 4.4 Na o gopola gore protšeke tša LED di atlegile go tšweletšeng maikemišetšo a bona go fedišeng bodiidi? Le go hlola dikgoba tša mešomo?





TURNITIN REPORT ANNEXURE K











EDITORIAL LETTER

ANNEXURE L

LANGUAGE EDITING CERTIFICATE



G9NTY CONSULTANTS PTY LTD

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To whom it may concern

I hereby confirm Language editing of dissertation (The Effects of Local Economic Development in Poverty Alleviation: a Case of Lepelle-Nkumpi Local Municipality, Limpopo Province) by C Selemela (student number: 21016335).

Edits done to the dissertation includes but not limited to the following:

- o Grammar, phrases, and spelling
- o Formatting
- Consistency of tables and table of content
- o Flow of narratives.

Please feel free to contact me should you have any enquiries.

Kind regards

Cecile van Zyl

Language practitioner