A PRIVATE SECTOR-INCLUSIVE GOVERNANCE FRAMEWORK FOR LOCAL ECONOMIC DEVELOPMENT IN RURAL AREAS OF LIMPOPO PROVINCE IN SOUTH AFRICA

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DECLARATION

I, Albert Jeleni, hereby declare that this thesis for the Doctor of Philosophy Degree in Rural Development (PhDRDV) submitted, to the Institute for Rural Development, in the School of Agriculture, 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 have been duly acknowledged.

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ABSTRACT

Local Economic Development (LED) remains globally recognized as a critical instrument for building inclusive and globally competitive local economies by stimulating job creation, diversifying local economies, and broadening municipal revenue bases. The concept of LED was born out of the realisation that while economic development intent and principles (that of constructing and realising a sustainable future) are universal, the outcomes are bounded by national policies and priorities and are determined by specific local societal, environmental, and business characteristics and interactions, which, if not balanced properly, can distort/contradict economic development intent and principles, leading to inefficient economic development. LED therefore seeks to address these distortions by aligning universal principles with localised realities, while maintaining adherence to free-market economic principles and ensuring that local development interventions do not unduly disrupt market dynamics. Its effectiveness hinges on capturing grassroots knowledge—honouring local expertise and traditions—and innovating on these insights to realign local economic outcomes and maximise wellbeing in line with national imperatives and global agendas.

However, in South Africa, particularly in the rural context of the Limpopo Province, LED implementation continues to face significant challenges. These are primarily rooted in systemic governance shortcomings, the exclusion of private sector participation, and the enduring legacy of state-centric approaches that have perpetuated poverty, high unemployment, and spatial inequalities stemming from apartheid-era development patterns. Rural Limpopo reflects these conditions acutely, with unemployment exceeding 45%, inequality exceeding Gini coefficient of 0.59, poverty levels surpassing 67%, less than 8% of municipalities received clean audits, and municipalities being heavily reliant on subsidies & bailouts, further exacerbated by inadequate infrastructure and weak institutional capacity.

To counter these challenges, South Africa has consistently looked to Local Economic Development (LED) as a solution and has recently developed an innovation-driven National Framework for LED 2018–2028. The 2018–2028 LED Framework is robust in principle, anchored on forward-looking pillars designed to spur innovation, inclusivity, and institutional resilience at the municipal level. Yet, in practice, few municipalities have successfully implemented it, particularly the enabling pillars. This disconnect stems from weak institutional capacity, poor integration into municipal planning, and the low prioritisation of LED by local governments. Crucially, there has also been significant under-inclusion of the private sector, despite its vital role

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in driving innovation, investment, and job creation. Without active collaboration with private businesses—especially SMMEs—municipalities struggle to leverage innovation-driven strategies effectively, leaving the framework's transformative potential largely untapped. Moreover, failure to implement the LED framework hinders the localisation of the Sustainable Development Goals (SDGs), weakening multi-stakeholder partnerships—including government, civil society, and the private sector—that are essential for achieving the SDGs.

To investigate these challenges, this study employed a mixed-methods research approach, integrating quantitative surveys and qualitative focus group discussions conducted across all five districts of Limpopo Province to develop a private sector-inclusive governance framework. The research identified three critical governance failures that inhibit LED outcomes: (i) persistent ambiguity regarding the roles and responsibilities of key ecosystem actors—government, private sector, and civil society; (ii) misalignment between national strategic frameworks and local operational realities; and (iii) epistemic disparities that result in the underutilisation of private sector expertise, capital, and entrepreneurial capacity. These governance failures are further compounded by a fundamental conceptual ambiguity surrounding LED itself. Within the South African context, LED is frequently conflated with adjacent paradigms such as socio-economic development, socio-political development, social entrepreneurship, and entrepreneurship development. This lack of definitional clarity contributes to fragmented interventions, duplication of efforts, and missed opportunities for integrated and inclusive local development. As a result, LED implementation remains inconsistent, often disconnected from territorial needs, and inadequately aligned with the potential contributions of the private sector.

To redress these deficiencies, the study developed a Private Sector-Inclusive Governance Framework for LED, structured around three interrelated platforms. The first platform—the Multi-Stakeholder Platform ("WHO")—formalizes the roles of stakeholders, institutionalizes collaboration within economic principles, and establishes shared decision-making structures. The second platform—allows setting of objectives and the respective Monitoring, Evaluation, and Adaptive Capacity Platform ("WHY")—anchors LED processes in objective-based continuous learning, performance tracking, and adaptive management, aligning with the six pillars of the South Africa's National LED Framework (2018–2028) and the global Sustainable Development Goals (SDGs). The third platform—the Standardization and Implementation Platform ("HOW")—allows for the selection of appropriate LED elements, it applies a project management-oriented approach to guide LED operationalization, including value chain optimization across all sectors

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and industries. Crucially, the framework asserts that the actors (government, private sector and civil society) must operate within the principles of a free-market economy, wherein the state plays an enabling rather than interventionist role. Accordingly, local governments are encouraged to institutionalise mechanisms that promote inclusive Public-Private Partnerships (PPPs), leverage Corporate Social Responsibility (CSR) initiatives, and invest in Public Goods Services (PGS) to stimulate sustainable economic growth.

The framework reconceptualises LED governance not as a substitute for market processes but as a catalyst. Free-market principles—fair competition, limited distortion, and entrepreneurial innovation—are foundational to the proposed model. The framework mandates the use of market diagnostics and cost-benefit analysis to determine the most efficient delivery mechanism—prioritising private sector-driven hybrid approach where viable, and public provision only where market failure exists. Wherefore, municipalities are repositioned as enablers of competitive innovative ecosystems, investing in public goods and unlocking market participation through regulatory clarity, digital access, and transparent procurement. This approach discourages the state from running parallel or competing programmes that undermine private sector participation, and instead calls for a governance model that incentivises market-based solutions and fosters long-term enterprise development.

The proposed framework allows stakeholders to systematically select development objectives (the WHY) from multiple typologies (including innovation-driven, infrastructure-led, social cohesion, and sustainability objectives), choose the leadership style (the WHO) from among state-led, private sector-led, private sector-driven hybrid, state-driven hybrid, and civil society-driven hybrid models, and implement LED through specific elements (the HOW) such as anchors, intermediaries, infrastructure, governance networks, and citizen engagement

Empirical findings demonstrate that only 35% of rural municipalities currently engage private sector actors meaningfully in LED governance, despite the private sector's essential role in mobilizing financial resources, driving innovation, and facilitating scalable development. This study proposes an innovation-driven, private sector-driven hybrid approach, and knowledge-based governance framework for Local Economic Development (LED) in rural Limpopo, South Africa. Engaging 366 respondents—including 47.5% from the private sector and over 70% with post-school qualifications—it revealed that despite 92.4% awareness of municipal institutions,

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only 37.9% participated in LED processes, underscoring the limited leadership role of local businesses. A review of 27 global LED frameworks showed universal emphasis on sustainability and equity, but fewer than 50% integrate innovation and adaptive governance elements.

The study further illuminates recurring local impediments included corruption (14.8%), funding shortages (11%), and skills gaps (12.3%). Sectors like mining and agriculture exhibited strong value-chain comprehension, whereas digital integration and advanced manufacturing capabilities remain weak. Despite 60.8% of respondents recognizing corporate support for SMMEs, only 24.1% reported tangible engagement, indicating missed opportunities for public–private synergy. These findings carry significant implications for Limpopo and broader South African LED strategies. An innovation-driven LED model would leverage private sector dynamism and foster knowledge-based value chains, aligning with Limpopo's development objectives to become more industrialised, labour-absorbing, and globally integrated.

To unlock this potential, LED policy must embed mechanisms for strengthened collaborative governance, streamlined funding, targeted capacity-building, and proactive private sector participation. Such a transformation could drive inclusive growth, reduce rural inequalities, and align with national priorities articulated in South Africa's LED Framework and Limpopo Development Plan.

The proposed framework conceptualises LED as a multi-objective optimisation problem, where local maxima are identified, filtered through Pareto dominance, and integrated into a global Pareto front—thus transforming local successes into globally relevant solutions. Accordingly, it incorporates a mathematical modelling component designed to operationalise this optimisation process and guide decision-making. Essentially, the framework proposes that LED strategy design should be systematic and iterative—a process optimization exercise that begins by selecting desired outcomes (e.g., innovation, jobs, sustainability) in the "WHY" Platform. From there, leadership style (state-led, private-led, community-led, or hybrid) is chosen in the "WHO" platform, and lastly the enabling elements (anchors, intermediaries, infrastructure, networks) are chosen in the "HOW" platform, considering local capacity and realities. Importantly, the approach remains adaptive, acknowledging that desired elements may not always be present, necessitating either phased development or immediate pragmatic choices.

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The framework offers a cohesive blueprint for South African municipalities to effectively implement the national innovation-driven LED Framework 2018-2028. South Africa having chosen innovation to drive LED, this proposed governance framework allows a logical selection of the innovation-driven, private sector-driven hybrid, and knowledge-based approach, positing that a sustainable Local Economic Development (LED) governance process must recognise the interdependent triad of innovation, private sector leadership, and knowledge intensity to be succesful. Innovation, as a driver of LED, requires an enabling environment that fosters private sector leadership, which, in turn, presupposes a knowledge-based economic governance architecture. This ensures LED is not aspirational but practically executable, grounded in clear mechanisms, data-informed strategies, and cross-sector collaboration.

Moreover, the proposed governance framework offers a replicable pathway for translating policy into practice, unlocking LED's full transformative potential, which is locally grounded, but globally relevant. Wherefore, from the policy perspective this study provides a comprehensive blueprint to transform South Africa's rural LED by addressing critical shortcomings in the National Framework for Local Economic Development (LED) 2018–2028. First, it identifies the need to reposition the private sector as lead co-creators—rather than peripheral participants—by formally embedding business chambers and forums into Integrated Development Plan (IDP) processes and making private sector consultation and leadership mandatory. Second, it introduces a practical governance framework aligned with the DST's Innovation-for-LED (ILED) initiative and which must be piloted through the District Development Model (DDM). This model incorporates multi-stakeholder platforms, standardized project tools, and performance monitoring systems, offering municipalities a scalable structure to boost coherence and accountability.

Implementation hinges on building institutional capacity in rural municipalities. The study recommends targeted training programs for LED officials covering stakeholder engagement, value-chain facilitation, project management, and digital monitoring tools. It further proposes institutionalizing public-private dialogue (PPD) platforms co-chaired by private sector actors and universities, guided by clear protocols on frequency, scope, and follow-up. These platforms would serve as engines for knowledge management and innovation.

On the fiscal front, the study advocates for performance-linked grants and competitive LED innovation funds to incentivize municipalities to achieve measurable private sector participation,

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such as procurement localization rates, co-infrastructure investments, and job creation via PPPs and CSIs. It also underscores the role of development partners and civil society in supporting framework adoption, recommending targeted piloting in Limpopo districts with international donor and institutional technical assistance.

Institutional realignment is another key finding: responsibility for LED must shift from CoGTA and CoGHSTA to an economic development ministry—either via reinstating the Department of Economic Development or a reassignment to DTIC. At provincial level, LED oversight should align with Economic Development, Tourism, and Environment departments, with formal coordination mechanisms to link provincial, municipal, and national policy. Further, the Department of Small Business Development (DSBD) and its agency Small Enterprise and development Agnecy (SEDFA) currently perform welfare-style interventions—providing equipment and starter goods to micro/informal enterprises—which aligns more with social protection than market-based enterprise development. These micro-targeted supports overlook medium and large firms, which are vital for CSI, PPPs, and value chain integration critical to local economic development. Consequently, DSBD and SEDFA's current mandate is misaligned with the NFLED's private-sector growth objectives. Their national coordination role would be better housed under a re-established Economic Development department or within DTIC, which has stronger linkages to industrial strategy and larger enterprises essential for transformative LED.

Finally, the study links LED reform to the SDGs—particularly Goals 8, 9, and 17—by embedding SDG-aligned indicators into municipal LED metrics and enhancing transparency, innovation, and data-driven decision-making. This positioned framework supports inclusive, private-sector-driven hybrid growth, transforming LED from a bureaucratic process into a dynamic engine of rural transformation.

Keywords: *Local Economic Development, Private Sector-Driven Hybrid, Governance Framework, Private Sector Inclusion, Rural Development, Public-Private Partnerships, Shared Value, Epistemic Governance, Innovation, Knowledge Management, Limpopo Province, South Africa.*

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ABBREVIATIONS

ADB	African Development Bank
ASGISA	Accelerated and Shared Growth Initiative for South Africa
B-BBEE	Broad-Based Black Economic Empowerment
BC	Business Chambers
CLGF	Commonwealth Local Government Forum
CoGTA	Department of Cooperative Governance and Traditional Affairs
CSI	Corporate Social Investment
CSR	Corporate Social Responsibility
DDM	District Development Model
DPME	Department of Planning, Monitoring, and Evaluation
ECLAC	Economic Commission for Latin America and the Caribbean
EPWP	Expanded Public Works Programme
EU	European Union
FAO	Food and Agriculture Organization
GDP	Gross Domestic Product
GEAR	Growth, Employment and Redistribution Programme
GF	Governance Framework
GIZ	German Development Agency
ICSP	Intermediate City Support Programme
IDP	Municipal Integrated Development Plan
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
ILO	International Labour Organization
IMF	International Monetary Fund
ISRDS	Integrated Sustainable Rural Development Strategy
ITU	International Telecommunication Union
LED	Local Economic Development
LEPs	Local Enterprise Partnerships (UK)
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NEDLAC	National Economic Development and Labour Council
NGO	Non-Governmental Organization

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NLGN	New Local Government Network
NSSD	National Strategy for Sustainable Development
OECD	Organisation for Economic Co-operation and Development
PFMA	Public Finance Management Act
PGS	Public Goods Services
PPPs	Public-Private Partnerships
PS	Private Sector
RDP	Reconstruction and Development Programme
SDGs	Sustainable Development Goals
SEZs	Special Economic Zones
SMMEs	Small, Medium, and Micro Enterprises
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UN-Habitat	United Nations Human Settlements Programme
UNIDO	United Nations Industrial Development Organization
USA	United States of America
WEF	World Economic Forum
WRI	World Resources Institute

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CHAPTER 1 INTRODUCTION

1.1 Background

Designing such a framework is particularly crucial for rural areas, which often differ significantly from urban centres and require approaches sensitive to their unique characteristics. Rural communities in South Africa confront severe economic development challenges such as inadequate infrastructure, limited access to basic services, and scarce employment opportunities. LED was introduced as a tool to redress apartheid's inequalities through initiatives focused on economic growth, redistribution, and social welfare. The initial National LED Framework responded to past failures of disparate local initiatives by emphasising "partnerships" and collaboration.

The NDP represents a long-term, holistic strategy for South Africa's development, not only targeting economic growth but also social equity, environmental sustainability, and improved governance. The 1996 GEAR policy focused on macroeconomic stability and did not strongly incentivise private investment in marginalised areas (Khambule, 2023). By the early 2000s, even progressive initiatives like urban renewal in Johannesburg concentrated on formal business districts and commercial zones, often neglecting adjacent township economies where private investment remained scarce (Bénit-Gbaffou, 2016). Weak monitoring and evaluation systems—persisting into the 2020s—meant that private sector commitments to community development were not always fulfilled, undermining trust (Khambule & Nzimande, 2021).

This conceptual overlap can cause LED programmes to become catch-all solutions tasked with solving a broad range of socio-economic problems beyond their core economic mandate. Such ambiguity dilutes the strategic focus of LED, making it harder to set clear priorities or measure success. The result is frequently fragmented efforts and siloed planning, where LED initiatives are not well coordinated with broader development programmes (UNDP, 2023). The DDM aims to break down silos by having all stakeholders co-create a single plan for each district.

Traditional state-centric LED frameworks often overlook the private sector's critical role in driving local economic growth, entrepreneurship, and innovation (Khambule & Nzimande, 2021). Top-down approaches to LED, where government authorities unilaterally plan and implement projects with little input from businesses or communities, have been widely criticised for yielding limited sustainable outcomes (De Jager, 2021). This calls for an LED

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governance approach that not only engages the private sector meaningfully but also improves stakeholder coordination and accountability mechanisms. Kenya's Vision 2030 (2008) relies on PPPs for infrastructure development and special economic zones, contributing to several years of solid GDP growth (albeit with continuing challenges such as youth unemployment). Malaysia's Regional Economic Corridors (initiated in 2006) attracted substantial private investment and created jobs, though with concerns about equitable distribution.

These examples illustrate that "private sector-driven hybrid LED can be effective", though the scale and inclusivity of benefits vary by context. Given this context, it became evident that a new approach was needed to unlock the potential of LED in South Africa's rural areas. Ultimately, by more effectively harnessing private sector involvement, such a framework seeks to promote sustainable economic growth and development in rural communities.

1.2 Statement of the Research Problem

While Local Economic Development (LED) is widely regarded as a vital tool for sustainable economic development, the implementation of LED in rural areas has often been unsuccessful. A core reason identified is that traditional LED governance frameworks have tended to overlook the critical role of the private sector in local economies. In South Africa's rural municipalities – as in many other developing contexts – LED initiatives have largely been driven by government, sometimes in partnership with civil society, but with only limited private sector engagement. This imbalance has led to suboptimal outcomes in achieving LED objectives such as job creation, poverty reduction, and economic diversification (Khambule & Nzimande, 2021). In effect, local governments often lack the resources, innovation capacity, and market linkages that private businesses can bring, resulting in LED programmes that struggle to make a significant impact.

This problem is not unique to South Africa. Studies across Africa and other parts of the world indicate that excluding the private sector from local development processes undermines effectiveness. Private sector participation is essential for LED governance, as evidenced by experiences in countries such as Nigeria and Kenya, where public-private collaboration has improved development project outcomes (Omojolaibi et al., 2022). Globally, development agencies such as the United Nations Development Programme (UNDP) have also highlighted the need for LED frameworks that harness private sector strengths, signalling a broad recognition that more inclusive approaches are required (UNDP, 2023). In short, there is a gap between the theory of LED as a collaborative endeavour of government, business, and community, and the practice which often remains government-centric.

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Traditional top-down approaches to LED governance – where government planners make decisions with minimal input from businesses or community stakeholders – have been widely critiqued for limited effectiveness (De Jager et al., 2021). Such approaches can result in misaligned projects, lack of local buy-in, and missed opportunities for constructive collaboration. Common symptoms of this problem include poor coordination among stakeholders (each actor working in isolation), weak implementation of LED initiatives (plans that are never realised or maintained), and inadequate monitoring and evaluation (so failures repeat, and successes are not scaled). Without private sector buy-in and leadership, local initiatives often suffer from insufficient funding, lack of entrepreneurial drive, and low sustainability once initial public funding ends.

Given these challenges, there is a clear need to develop more effective LED governance frameworks that actively incorporate the private sector as a key partner. An inclusive framework would facilitate better stakeholder coordination, leveraging the unique capabilities of businesses (such as efficiency, innovation, and investment capital) in tandem with public sector support and community involvement. It would also establish stronger mechanisms to monitor progress and ensure accountability, thereby keeping LED efforts focused on achieving tangible outcomes in sustainable economic growth. In the context of rural areas – which often have thin markets and weak institutional capacity – engaging the private sector is especially critical to introduce new economic activities, improve productivity in traditional sectors, and integrate local economies with broader markets.

The specific research problem addressed by this study, therefore, is the lack of an effective governance framework for LED in rural areas of Limpopo Province that includes and empowers the private sector. Existing LED frameworks and practices in Limpopo (and similar rural regions) have been criticised for their limited effectiveness in spurring sustainable development, due largely to insufficient private sector participation and leadership. Despite policy intentions for partnership, on-the-ground LED in these areas remains predominantly government-led, with businesses playing a peripheral role. This shortcoming has contributed to ongoing high unemployment, poverty, and economic stagnation in many rural communities. The problem manifests as a cycle where local governments attempt to drive development on their own, fall short due to capacity and resource constraints, and private actors remain on the sidelines or disinterested, further reinforcing underdevelopment. This situation is a cause for concern not only locally but also as a general development challenge: it reflects a global puzzle of how to effectively mobilise private sector resources for local public good. Addressing this

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gap – by reimagining LED governance to fully include the private sector – is the central challenge that this research undertakes to solve.

1.3 Research Objectives and Associated Research Questions

Given the research problem outlined in the preceding section, this study was guided by an overarching aim of formulating a private sector-inclusive LED governance framework for rural Limpopo. To achieve this aim, five specific research objectives were identified. Each objective was paired with corresponding research questions that the study sought to answer. This structured pairing ensured that all critical aspects of the research problem were investigated systematically – beginning with diagnosis of current challenges, followed by the review of governance frameworks, exploration of the benefits of private sector participation, and culminating in the development and evaluation of a proposed governance model.

The first two objectives focus on understanding the current landscape. Objective 1 seeks to identify the generic and sector-specific barriers that hinder private sector participation in LED initiatives, with particular focus on variation across industries such as mining. Objective 2 explores the existing governance frameworks, assessing their historical and contemporary effectiveness in achieving local economic outcomes in rural municipalities of Limpopo.
The next two objectives shift the study's focus towards solution design. Objective 3 examines the potential value – both economic and socio-environmental – of involving private sector actors more actively in LED. Objective 4 builds on these insights by developing a governance model that is not only theoretically sound but also context-sensitive and practical for rural areas of Limpopo.

Finally, Objective 5 evaluates the perceived effectiveness of the proposed framework by engaging stakeholders across sectors. This evaluative step ensures that the framework aligns with local realities, accommodates diverse interests, and can generate sustained impact.
Together, these five objectives and their associated research questions served as a roadmap for the research process – from problem diagnosis through to framework development and validation. **Table 1.1** below presents these objectives alongside their respective research questions.

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Table 1-1: Research Questions/Hypotheses

Objective	Research Questions
1. To identify the challenges faced by the private sector in participating in LED initiatives in rural areas of Limpopo Province	a) What are the generic and specific challenges faced by the private sector in participating in LED initiatives in rural areas of Limpopo Province? b) How do these challenges vary across different sectors and industries – with a zoom into the mining sector? c) What are the barriers to private sector participation in LED initiatives, and how can they be addressed?
2. To review existing governance frameworks for LED and assess their effectiveness in promoting economic development	a) What are the key features of existing governance frameworks for LED in rural areas of Limpopo Province? b) How effective have these frameworks been in promoting economic development in the past? c) What are the strengths and weaknesses of these frameworks, and how can they be improved?
3. To explore the potential benefits of private sector participation in LED initiatives	a) What are the potential economic benefits of private sector participation in LED initiatives in rural areas of Limpopo Province? b) How do these benefits compare to the costs of private sector participation? c) What are the social and environmental benefits of private sector participation, and how can they be maximized?
4. To develop a private sector-inclusive governance framework for LED in rural areas of Limpopo Province	a) What are the key components of an effective private sector-inclusive LED governance framework? b) How can the framework be tailored to the specific needs and challenges of rural areas in Limpopo Province? c) What are the key considerations in implementing the framework, and how can it be sustained over time?
5. To evaluate the perceived effectiveness of the proposed framework in promoting sustainable economic growth and development	a) How effective is the proposed private sector-inclusive LED governance framework in promoting economic growth and development in rural areas of Limpopo Province? b) What are the strengths and weaknesses of the framework, as perceived by different stakeholders? c) What changes or improvements could be made to the framework to enhance its effectiveness?

1.4 Justification

The significance of this study is rooted in both the pressing practical needs of rural economic development in South Africa and a theoretical gap in the LED literature. In South Africa, and Limpopo Province in particular, there is an urgent need for a governance framework that meaningfully includes the private sector in LED initiatives. The country continues to grapple with deeply entrenched problems of poverty, inequality, and unemployment, which are especially acute in rural areas (Mpembe, 2025; Ramolobe & Khandanisa, 2024). These challenges are compounded by globalisation, climate change, and digitalisation—forces that simultaneously introduce new hurdles and new opportunities for rural development. To tackle such multifaceted issues, collaborative approaches to LED have been endorsed at the highest policy levels, aligning with the global Sustainable Development Goals (SDGs). The practical relevance of this study lies in its direct response to these conditions: it aims to provide a framework that can harness the underutilised potential of the private sector to drive inclusive growth in rural communities.

Local Economic Development is widely acknowledged as a critical tool for stimulating job creation, broadening the local tax base, and diversifying economies (Department of Cooperative Governance and Traditional Affairs [CoGTA], 2018). In theory, LED should be one of the most effective approaches for achieving sustainable development at the community level. However, in practice successful LED programmes in rural South Africa remain rare. Many LED initiatives in these areas have underperformed or failed outright. Contributing factors, as identified earlier, include poor collaboration among stakeholders, lack of appropriate coordination mechanisms, insufficient business and entrepreneurial skills in LED teams, and weak implementation and follow-through. Particularly, the absence of robust private sector engagement mechanisms means LED efforts often lack innovation, efficiency, and scale. The justification for this study is thus strongly tied to addressing these gaps: by proposing a governance framework that is inclusive of the private sector, the study seeks to improve the design and outcomes of LED programmes.

From a policy and historical perspective, South Africa has made numerous attempts to invigorate local economies, especially after apartheid. Important policy documents (e.g., the 1998 White Paper on Local Government) and frameworks envisioned public-private partnerships (PPPs) and other forms of collaboration as engines for development. In reality, many of these collaborations did not live up to expectations. As discussed, they often prioritised investor interests without sufficient safeguards for community benefits (Khambule, 2023; Marais, 2020). Over time, this led to missed development opportunities—for instance,

municipal LED projects sometimes sidelined small enterprises and community initiatives that could have yielded more inclusive growth (Rogerson, 2021).

Historical analysis reveals persistent issues such as policies that were not geared towards pro-poor LED (e.g., GEAR's macroeconomic focus) and projects that bypassed marginalised areas (Bénit-Gbaffou, 2016; Turok, 2014). Additionally, where PPPs were attempted, the lack of enforceable commitments to community outcomes often resulted in either fragmented efforts or exploitative arrangements that did not substantially alleviate local poverty (DCOG, 2021; Khambule & Nzimande, 2021). These shortcomings underscore why a fresh approach is needed. By learning from these past limitations, the proposed framework explicitly seeks to ensure that private sector involvement is channelled towards community-oriented outcomes, with clear roles, accountability, and mutual benefits defined for all parties.

Another justification for the study is the observed conceptual confusion surrounding LED in practice. As noted, LED tends to overlap with various other development initiatives, causing ambiguity in implementation (PubPDF, 2023). This confusion has practical consequences: it can lead to scattered efforts, inefficient use of resources, and inability to measure success clearly. Recent government measures like the District Development Model (DDM) aim to fix coordination issues, but they do not necessarily clarify how the private sector should be involved in LED at the local level. Thus, a framework that distinctly outlines the involvement of private actors can fill a crucial gap—providing clarity on the purpose "WHY", process "HOW", and participants "WHO" of LED initiatives. By sharpening the focus of LED and delineating the contributions of businesses, the framework can help municipalities avoid the trap of trying to do everything (and achieving little). It can transform LED initiatives from unfocused wish-lists into targeted, realistic strategies that leverage the comparative advantages of each stakeholder group.

Focusing on Limpopo Province specifically, the need for this research becomes even more pronounced. Limpopo is predominantly rural (roughly 80% of its over 6 million residents live in rural areas) and struggles with some of the highest poverty and unemployment rates in the country—poverty levels exceed 60%, and unemployment is around 44% (Mpembe, 2025; Ramolobe & Khandanisa, 2024). The province's economy relies heavily on agriculture (which employs a significant portion of the population but contributes only a small fraction of GDP), indicating low productivity and underinvestment in that sector. Infrastructure deficits are widespread: for example, about 65% of households lack access to piped water, and many communities depend on subsistence farming (Ramolobe & Khandanisa, 2024). Given these conditions, traditional LED approaches have had limited success.

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The province has attempted large-scale projects like the Musina-Makhado Special Economic Zone (SEZ)—a major PPP aimed at industrialisation—but progress has been slow due to funding gaps and bureaucratic hurdles. Moreover, local procurement is weak; only roughly one-third of municipal procurement spending goes to local businesses, which means opportunities to stimulate local enterprise are being missed. Compared to more urban provinces (such as Gauteng or Western Cape, which have more robust PPPs and attract large investments), Limpopo's engagement with the private sector is minimal (Workplace Fundi, 2024; Ang'ana & Amaeshi, 2024). This study is practically justified as it directly addresses Limpopo's context: it seeks to propose mechanisms to strengthen PPP frameworks, improve local business involvement, and adapt national LED strategies to the rural realities of Limpopo. By doing so, the research aims to unlock Limpopo's untapped economic potential, learning from successful models in other regions (for example, Kenya's Lake Turkana Wind Power project or Gauteng's transit PPPs) to inform local action (Africa Sustainability Matters, n.d.).

On the academic and practical front, this research is important because it addresses a critical gap in the existing body of knowledge on LED governance, particularly in rural South African settings. While there is extensive literature on LED in general, there has been little focus on frameworks that systematically integrate the private sector in a rural governance context. By developing a model that features private sector inclusion, the study contributes new insights into how local governance can be structured to be more participatory and outcome-oriented. The framework proposed in this thesis takes a project management-oriented approach at the operational level, clearly defining the "who", "what", "why", "how", "where", and "when" of LED initiatives. Maintaining the author's academic voice, we emphasise that the key actors in LED are the private sector, government, and civil society—and all must collaborate, leveraging their respective strengths.

The design of the framework draws on the six pillars of the National LED Framework (2018–2028) (which include elements like enabling environment, enterprise support, infrastructure, etc.), ensuring that it is aligned with national policy while innovating in the aspect of governance inclusion. Crucially, the framework underscores that all actors must respect the principles of a free-market economy; that is, while pursuing development goals, interventions should not unduly compete with or crowd out private enterprise but rather support and guide it. This perspective is essential in South Africa's mixed economy, suggesting that local governments should leverage tools like PPPs, corporate social responsibility (CSR) contributions, and public-good provisions in ways that complement the private sector rather than substitute for it.

In terms of practical benefits, the private sector-inclusive governance framework developed by this study offers several potential advantages for rural development:

1. **Enhanced Multi-Stakeholder Collaboration:** The framework establishes formal platforms (such as LED forums or councils) for regular engagement between local government, private businesses (from large companies to small traders), community representatives, and NGOs. This multi-stakeholder collaboration can mobilise resources and expertise through PPPs for projects in infrastructure, agriculture, education, and more. It also institutionalises community engagement in decision-making, which fosters local ownership of development initiatives and ensures that projects are attuned to the needs of the people. Additionally, by bringing in companies' CSR initiatives (many of which already target areas like education, health, and small business support in rural South Africa), the framework can better coordinate these efforts with municipal development plans, avoiding duplication and maximising impact.
2. **Adapting to Globalisation:** By involving the private sector, rural areas can better connect to global value chains. For instance, agribusiness firms can help farmers meet export standards, or tourism operators can market local attractions internationally. Private sector partners can facilitate access to new markets and introduce technologies and practices that improve competitiveness (OECD, 2021). In terms of supply chains, businesses can provide training, technology, and financing to local producers, enabling them to integrate with larger markets (World Bank, 2020). In short, an inclusive framework can help rural communities leverage globalisation to their advantage, rather than be left behind by it.
3. **Building Climate Resilience:** Rural economies are often highly vulnerable to climate change (e.g., farming communities affected by droughts or floods). The framework's inclusive approach encourages climate-smart practices by engaging private partners in sustainable initiatives. Agribusiness companies or energy firms, for example, can invest in precision farming, renewable energy projects, or climate-resilient infrastructure in rural areas (Food and Agriculture Organization [FAO], 2021). Moreover, it can promote green investments such as water conservation systems or carbon credit markets in which the private sector finances innovations that help communities adapt to global warming (UNDP, 2021). These actions contribute to environmental sustainability while also opening new economic opportunities for rural residents.
4. **Leveraging Digitalisation:** The inclusion of technology companies and telecom providers under the framework can help bridge the digital divide facing many rural areas. Private investment in internet infrastructure and digital literacy programmes can

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vastly improve rural connectivity (International Telecommunication Union [ITU], 2022). This would enable e-commerce, mobile banking, and other digital services to take root in rural Limpopo, connecting local entrepreneurs to broader markets and financial systems (World Economic Forum, 2020). Digital tools can also improve the delivery of education and healthcare services, indirectly boosting the quality of human capital in these communities.

In summary, this research is justified on multiple grounds. It addresses a practical development imperative by seeking solutions for more effective LED in disadvantaged rural areas. It fills a conceptual and empirical gap by focusing on governance structures that include the private sector, an aspect under-explored in LED studies. And it promises tangible benefits: if the proposed framework is adopted or piloted, it could lead to more coordinated, inclusive, and adaptive LED initiatives—ultimately contributing to poverty reduction, economic growth, and improved well-being in rural Limpopo and similar contexts. The findings of this study will be valuable to policymakers (for designing better LED programmes and policies), LED practitioners (for implementing projects with the right partnerships and processes), and the private sector (for understanding how they can engage in local development in a structured, mutually beneficial way). By illuminating the potential benefits and offering a concrete model for private sector participation in LED, this research aims to inform future practice and further research on collaborative governance for development.

1.5 Theoretical Framework of the Study

To effectively investigate and address the research problem, the study is grounded in a theoretical framework that integrates concepts from both “development governance”, “knowledge management / epistemology”, “Stakeholder typology”, “Arnstein’s ladder of participation”, and “Power–interest matrices”.

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The purpose of adopting this theoretical framework is to guide the development of an implementable LED strategy that achieves the SDGs and NDP goals in rural communities through private sector-inclusive governance. Local economic development (LED) is widely understood as a process of strategic planning through which local actors collaborate to improve their community's economic future (Swinburn et al., 2006; Zia-ud-Din et al., 2023). This process can be described as a continuous cycle involving stakeholder identification (the "who"), purpose definition (the "why"), and strategic planning (the "how")—all grounded in the principles of participatory governance and public policy (Voets et al., 2021; Organisation for Economic Co-operation and Development [OECD], 2021). Wherefore, the framework is built on the premise that achieving sustainable LED outcomes requires understanding not only "what" needs to be done, but most importantly "who" is affected and needs to be involved, "why" it needs to be done, and "how" it can be done. These dimensions correspond to fundamental questions of agency (who), purpose (why), and process (how) in any project or strategy. In the context of this study, they align with the need to clarify the stakeholders involved ("who" should be part of the process), the rationale behind inclusive LED ("why" we need inclusivity and what goals it serves), and the methods and strategies to achieve it ("how" to implement LED effectively).

1.5.1 Overview of guiding theories

Various international bodies—such as the World Bank, UNDP, ILO, OECD, and the European Commission—have proposed methodologies for LED strategy development, typically involving iterative steps like stakeholder engagement, economic diagnosis, strategy formulation, implementation, and monitoring. Despite differences in terminology, most approaches emphasise: Participatory planning (involving key stakeholders from the outset). Data-driven analysis of the local economy (identifying strengths, weaknesses, opportunities, threats). Knowledge management (KM) is relevant here because formulating an LED strategy is fundamentally about managing knowledge: combining various stakeholders' insights, understanding local conditions, and making informed decisions.

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Effective LED planning can be seen as a KM exercise: it requires bringing together affected and/or knowledgeable stakeholders (e.g., civil society, government, and private sector), collecting information about the local economy and sharing through consultations or forums, and using that collective knowledge to design interventions. In particular, theories of knowledge creation and use (epistemic theories) highlight the importance of including diverse knowledge systems (including private sector) in decision-making (Goldman, 2010). For instance, when local (indigenous or experiential) knowledge is undervalued in policy design, it leads to epistemic injustice and solutions that fail to resonate with the community (Fricker, 2007). Conversely, approaches like participatory action research (PAR) embody epistemic pluralism: they empower local stakeholders to co-create knowledge and strategies, ensuring that development initiatives are grounded in local reality (Reason & Bradbury, 2008). A case in point: in rural Ghana, researchers found that integrating indigenous agricultural knowledge with modern farming techniques significantly improved crop yields and community resilience (Briggs, 2005). This illustrates how epistemic collaboration—recognising and combining knowledge from different sources—can enhance development outcomes. Likewise, feminist epistemology (Harding, 1992) emphasises that who gets to contribute knowledge (for example, including women's perspectives) will shape whose interests are served in development, reinforcing the need for inclusive processes. Scholars like Amartya Sen, through the Capability Approach, argue that development should be seen as expanding people's freedoms and capabilities, which requires qualitative knowledge of people's values and context (Sen, 1999; Nussbaum, 2011). For example, a participatory budgeting initiative in Bolivia led to improved fiscal transparency and poverty reduction by aligning spending with local priorities (Sintomer et al., 2008). Intriguingly, a theoretical framework that encapsulates these facets is Kruglanski's Lay Epistemic Theory (LET)—which addresses how people form knowledge and make judgments. According to Kruglanski et al. (2009), knowledge formation can indeed be analysed in terms of "who" (the authority or source of knowledge one trusts), "why" (the need for closure or motivation for knowledge), and "how" (the cognitive process of integrating information). Lay Epistemic Theory provides a unifying lens to understand diverse phenomena—from how attitudes and stereotypes form to how stakeholders are persuaded or influenced—by focusing on these three elements. For example, Collaborative Governance theory (OECD, 2021) emphasises the importance of stakeholder partnerships, trust-building, and shared learning—essentially acknowledging that knowledge must be shared and co-created for solutions to be effective. Public Value Theory (Bryson et al., 2022) underlines aligning public initiatives with what communities' value, which again requires understanding who the actors and their local knowledge and preferences are. Network Governance (Rhodes, 1997) highlights the role of informal relationships and knowledge exchange across interconnected actors. All these governance perspectives reinforce the idea

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that inclusive knowledge production and sharing are central to effective LED. They also show that engaging multiple stakeholders (multi-actor governance) and multiple tiers of government (multi-level governance) inherently involves negotiating different sources of knowledge and expertise. The following subsections discuss in detail the theoretical underpinnings of each facet—drawing particularly on Lay Epistemic Theory's concepts of "need for cognitive closure", "parametric judgment processes", and "epistemic authority"—which we analogise as the "why", "how," and "who" of epistemic (knowledge-related) behaviour.

1.5.1.1 The ''who'' of epistemic behaviour

This concept represents the "who" of epistemic behaviour, as it focuses on "who" people look to for information, guidance, or validation when forming their own beliefs or making decisions. In any social context, people do not gather all information firsthand; they often rely on knowledge that comes from others. Epistemic authority is essentially about "whose knowledge carries weight" (Kruglanski et al., 2009). Kruglanski's formulation suggests that individuals have a hierarchy of epistemic authorities—some sources they inherently trust more than others—and this can vary by domain. This hierarchy is influenced by perceived expertise, past reliability, or social status (Alavi & Leidner, 2001; Kruglanski et al., 2009). In the setting of local economic development governance, understanding epistemic authority is crucial because it shapes "whose opinions drive decisions".

In a typical LED forum, there might be local government officials, business owners, community representatives, and perhaps academic or NGO experts. On one hand, having respected authorities can streamline decision-making—if an expert economist presents a plan, people may rally behind it. Community members might defer to officials even if they have reservations, or small entrepreneurs might not voice ideas if they sense that only big investors' opinions matter. In rural development contexts, trust is a key component of epistemic authority. Conversely, a trusted local NGO or a traditional leader might wield significant epistemic authority in community discussions because they are seen as being "on our side" or particularly knowledgeable about local realities. If individuals have a high need for closure (as discussed in the following subsections) and there's a strong epistemic authority offering an answer, they may be especially prone to just accept it.

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To cultivate this trust, governance frameworks should incorporate transparency and accountability measures, such as publicising meeting outcomes, demonstrating how community input influences decisions, and establishing clear rules to prevent conflicts of interest. Furthermore, the concept of epistemic authority plays a pivotal role in shaping public opinion and guiding collective action. For instance, endorsements from respected academics or community leaders can significantly influence the acceptance and success of development strategies.

Conversely, a lack of trust in municipal LED units can lead to stakeholder disengagement, hindering implementation efforts. Therefore, establishing multi-stakeholder councils with shared leadership between public officials and private sector representatives can symbolise and enact a partnership approach, reinforcing the collective ownership of LED initiatives. The theoretical insight is that people's deference to certain knowledge sources must be acknowledged; a good framework will use that to its advantage (by engaging credible champions for LED) while also safeguarding against potential downsides (by encouraging critical discussion and multiple sources of expertise).

1.5.1.2 The ''why'' of epistemic behaviour

The "need for cognitive closure" refers to an individual's desire for a firm answer to a question and an aversion to ambiguity or uncertainty. In psychological terms, it is a motivational drive that compels people to seek definite knowledge and to do so perhaps quickly. This construct represents the "why" of epistemic behaviour because it addresses why individuals are motivated to attain knowledge or reach decisions. People high in need for closure crave certainty; they want to reduce indecision and often feel uncomfortable with prolonged ambiguity. Kruglanski's work frames this as a key driver behind how much information people gather and how open-minded they are before "freezing" on a conclusion.

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The need for closure operates at multiple levels of human interaction. At an individual level, it affects how a person forms social judgments and attitudes—someone with a high need for closure might leap to conclusions or rely on stereotypes to avoid dealing with uncertainty. Interpersonally, it can influence communication and negotiation; for instance, a negotiator desperate to close a deal might concede too quickly or ignore complex options. At a group or community level, a high collective need for closure can push a community to seek consensus rapidly, perhaps adopting the first seemingly workable solution and resisting further deliberation. Essentially, this concept illuminates the motivational underpinnings of knowledge formation: it explains "why" people either engage deeply with an issue or choose the quickest path to a decision.

In high-stakes or pressured environments—such as crisis situations or urgent policy problems—the need for closure tends to increase. In the context of local economic development, one can see how this plays out. Rural communities facing persistent crises like high unemployment or failing crops may develop a strong desire for immediate solutions. Policymakers and community leaders under public pressure might exhibit a high need for closure, seeking quick, definitive fixes to complex problems. For example, confronted with widespread joblessness, local officials might jump at a proposal to invite a single large employer (like a mine or factory) to the area as a silver bullet solution, rather than engaging in a drawn-out process of developing diversified, sustainable economic plans. Such decisive action can be gratifying in the short term—it appears to offer a clear answer and hope. However, as research suggests, hasty decisions driven by a need for closure can overlook long-term sustainability and alternative strategies. In the example, courting one big investor might bring jobs quickly, but if it fails or has negative side effects (environmental damage, dependence on one industry), the community could be worse off.

People with a high need for cognitive closure often rely on heuristics (mental shortcuts) and may give insufficient consideration to dissenting perspectives or new information. This can hinder innovation and adaptive problem-solving—crucial elements for LED, which often requires thinking outside the box and adapting global ideas to local context. In rural LED initiatives, if leaders or committees "seize and freeze" on an initial plan without thorough analysis (a tendency linked to high need for closure), they might miss out on more effective solutions that would have emerged from a longer collaborative process.

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Understanding the role of the need for closure is important for designing the governance framework because it highlights the importance of balancing decisiveness with deliberation. On one hand, a framework must encourage timely decision-making (communities cannot deliberate indefinitely without action). On the other hand, it must guard against premature closure on ideas that haven't been fully vetted. The framework thus includes processes that allow for adequate information gathering and stakeholder input—addressing stakeholders' "why" (their urgency and motivations) but also structuring the decision process so that it does not cut off discussion too early. For example, establishing a step-by-step LED planning cycle with designated phases for consultation, option analysis, and reflection can ensure that even decision-makers with a high need for closure cannot short-circuit the process without at least considering necessary information.

In summary, the "why" of epistemic behaviour—the need for cognitive closure—is a double-edged sword. It provides the drive and urgency that can propel LED actions (no progress would be made if stakeholders were forever content with ambiguity), but if not managed, it can lead to superficial or misguided decisions. The theoretical insight here is to design LED governance in a way that harnesses stakeholders' motivation for progress while mitigating the risks of rushing to judgment. By doing so, the framework will foster a culture where decisions are purposeful and timely, yet remain open to evidence and reflection—achieving a balance between urgency and thoughtful planning.

1.5.1.3 The ‘‘how’’ of epistemic behaviour

The "parametric unimodel of human judgment" offers insight into "how" individuals process information to form judgments and decisions. This concept, developed by Kruglanski and colleagues, challenges the idea that humans have two entirely distinct cognitive systems (often framed as System 1: fast, intuitive thought; and System 2: slow, analytical thought). In essence, whether we make quick intuitive judgments or careful analytical ones, we are using the same fundamental cognitive machinery, just in different modes. Under the unimodel, factors that earlier dual-process theories labelled as triggers for either "heuristic" or "systematic" processing (like time pressure, personal relevance, etc.) are seen as influencing parameters (conditions) within one flexible system.

It suggests that stakeholders—whether they are community members evaluating a project or officials planning one—will integrate information in various ways depending on circumstances, but fundamentally they are capable of understanding complex issues if information is presented appropriately and if they are motivated to engage deeply.

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Conversely, if meetings are rushed, data is too technical or overwhelming, or people do not see the personal relevance of discussions, they may default to cursory processing ("fast" judgments), relying on biases or the opinions of a few vocal leaders.

In local economic development, integrating diverse forms of knowledge is crucial—this includes quantitative data (like employment statistics, budget figures) and qualitative insights (like community testimonies, anecdotal evidence from local businesses). The parametric unimodel suggests that people do not process these different types of information in isolation or through separate mental channels; rather, they combine them into a cohesive understanding of the issue. They might have "statistical reports" on expected economic benefits and "stories" from farmers about their experiences. In practice, this could mean presentations that pair data with case studies, or discussion formats that explicitly ask participants to reflect on how empirical evidence and personal experiences align or differ.

Rather than treating one as "hard data" and the other as "just anecdote," the framework could integrate them—perhaps through a multi-criteria decision analysis that assigns weight to both economic and social criteria—enabling decision-makers to see a fuller picture. Research by Kruglanski & Gigerenzer (2011) indeed argues that combining diverse knowledge sources often improves decision quality. In LED committees, stakeholders might unconsciously give more weight to information that aligns with their interests (e.g., a business owner might emphasise data that shows benefits to the private sector, whereas an NGO representative might focus on data about community welfare).

Recognising this, the framework should incorporate checks and balances—for instance, explicitly reviewing both positive and negative scenarios of a proposed project, or having a neutral facilitator to ensure all sides of an argument are considered. Strategies include standardising certain decision-making procedures (so that thorough analysis is routine), promoting evidence-based discussions, and training stakeholders in critical thinking skills (so they can handle complex information effectively). A well-designed process can help translate knowledge into action more effectively, ensuring that LED strategies are informed by a wide range of insights and not derailed by shallow thinking or one-dimensional analysis.

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1.5.1.4 Shared value and Well-being for measuring LED Effectiveness

Local Economic Development (LED) is a multidimensional process aimed at enhancing economic vitality, social cohesion, and environmental sustainability in specific localities. However, measuring its effectiveness remains a challenge due to the inherent need to balance diverse developmental objectives—such as poverty alleviation, job creation, inclusion, and ecological preservation (Pike et al., 2021).

Traditional metrics such as Gross Domestic Product (GDP) have dominated development evaluation, but they are increasingly critiqued for failing to capture the full spectrum of human well-being (Stiglitz et al., 2020).

GDP's narrow focus on market transactions does not reflect critical dimensions such as social equity, quality of life, or environmental health. For instance, a project that increases local income through pollution-intensive activities might raise GDP but erode long-term community well-being. In response to these limitations, more holistic frameworks have emerged, notably the "Shared Value" approach and the "Well-being Economy" paradigm.

The concept of Shared Value, popularised by Porter and Kramer, emphasises that businesses can generate economic value in ways that also produce social benefits. Rather than treating social impact as external to core operations, this approach integrates societal improvement into corporate strategy—whether through inclusive value chains, local employment, or environmentally sustainable production. In the LED context, shared value aligns with public goals by encouraging the private sector to co-create solutions that serve both commercial and community interests (Rizzi et al., 2021).

Meanwhile, the Well-being Economy reframes development success in terms of citizens' capabilities, health, dignity, and environmental harmony. This approach has been championed by the OECD and several national governments (e.g. New Zealand, Scotland, and Finland), which have integrated well-being indicators into their budgeting and policy processes. These metrics include community belonging, ecological sustainability, access to basic services, and subjective life satisfaction—elements that are highly relevant in rural LED settings (Wellbeing Economy Alliance, 2022).

In South Africa's rural context, a shared value and well-being approach provides an important corrective to purely economic evaluations. For instance, an LED initiative that supports youth cooperatives in agro-processing may deliver moderate financial returns but yield high well-being dividends in terms of empowerment, local pride, gender inclusion, and skills development. Similarly, renewable energy projects that reduce diesel dependency can improve environmental health while creating sustainable rural jobs.

For the proposed LED governance framework, integrating shared value and well-being indicators allows for a more nuanced and accountable evaluation. Rather than solely tracking outputs such as investment amounts or jobs created, the framework can monitor broader outcomes, such as community ownership, environmental impact, and the inclusivity of economic gains. This supports adaptive management and reinforces long-term developmental integrity.

In summary, effective measurement of LED outcomes requires a shift beyond narrow economic indicators. The integration of shared value and well-being metrics into the governance framework ensures that LED initiatives are assessed not just by profit or productivity, but by their contribution to human flourishing and ecological resilience. This multidimensional approach to evaluation strengthens LED's alignment with the SDGs and the principles of inclusive, sustainable development.

1.5.1.5 Mathematical modelling for LED

Local Economic Development (LED) programmes are intended to facilitate inclusive economic growth, enhance employment opportunities, and improve spatial and economic resilience at the municipal level. However, the local economy behaves as an open, non-linear, and path-dependent system, meaning that intuitive planning approaches often overlook crucial feedback loops, interdependencies, and cross-border spillovers (Bassi & Ecchia, 2022). Consequently, LED interventions that are not based on rigorous modelling can generate unintended outcomes or fail to optimise resource allocation.

Embedding mathematical modelling in LED governance helps to formalise assumptions about agents, markets, and infrastructure, and allows policymakers to simulate alternative policy scenarios before implementing them. This capability supports evidence-based decision-making by stress-testing proposed LED strategies in silico—reducing risk and improving planning precision (Crookes, 2024). Advances in computational capacity, the availability of micro-level geocoded data, and developments in Bayesian and input–output modelling techniques have made such tools increasingly accessible to local governments (Esteban et al., 2024; Fernandez et al., 2023).

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Mathematical models offer particular value in contexts like rural Limpopo, where resources are scarce and policy decisions must balance competing objectives. For example, LED planners can use dynamic input–output models to estimate the local employment multipliers of infrastructure investments or social accounting matrices (SAMs) to identify linkages between smallholder agriculture and regional processing sectors. In such settings, models act as “living dashboards” that can track outcomes over time, detect deviations, attribute causal effects, and issue early warnings when interventions stray from intended targets (Lee, 2025).

By integrating modelling into LED governance, municipalities can also improve transparency and stakeholder coordination. For instance, structured models can show how a proposed intervention will affect different sectors, income groups, or environmental variables, thereby promoting inclusive dialogue among public officials, community representatives, and business actors. Furthermore, regular scenario analysis allows LED forums to remain adaptive—updating priorities as new data and conditions emerge.

Despite its advantages, the uptake of modelling in LED remains uneven. Barriers include insufficient technical capacity within municipal administrations, fragmented or poor-quality datasets, and institutional scepticism about technical tools. To overcome these constraints, the framework proposed in this study recommends inter-municipal data collaboratives, training fellowships, and partnerships with universities or research centres to build modelling expertise (LEDA, 2022). As municipalities increasingly embrace digital transformation and performance-based planning, mathematical modelling should become a core pillar of LED implementation.

In summary, mathematical modelling strengthens LED governance by enhancing transparency, accountability, and responsiveness. It complements participatory processes with empirical rigour and allows local governments to plan, monitor, and adapt initiatives with greater confidence. When embedded into routine LED practice, such models help ensure that scarce resources are deployed effectively and equitably—thus supporting more robust and inclusive rural development.

1.5.2 Components of the theoretical framework

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Drawing from the theoretical discussion, the study's framework is constructed around three core components, each corresponding to one of the critical dimensions—"who," "how," and "why"—necessary for an inclusive LED governance approach. The premise is that an effective private sector-inclusive LED framework must simultaneously address "who" is involved in decision-making, "why" stakeholders are motivated and capacitated to participate (including aligning with policy and purpose), and "how" LED processes are standardised and implemented. These components emerged from recognising the need for inclusivity and knowledge integration as foundational to the framework. In other words, to operationalise inclusivity, the framework breaks it down into ensuring inclusive participation (who), inclusive capacity/purpose (why), and inclusive and sound processes (how). The three components are defined as follows:

The Multi-Stakeholder Platform – the "WHO":" This component focuses on the structures and mechanisms for "inclusive decision-making", ensuring that all key stakeholders (especially the private sector, alongside government and civil society) have institutionalized roles in LED governance. It addresses the question of "who" is at the table and how they collaborate. Further that the platform ensures inclusivity while respecting economic principles, and rather leverages Public-Private Partnerships (PPPs), Corporate Social Responsibility (CSR), and Public Goods Services (PGS) to create an enabling environment (Soga & Vyas-Doorgapersad, 2021; Khoza & Nel, 2022; UNDP, 2021).

The Objective Setting, M&E and adaptive Capacity Building Platform – the "WHY":" This component is concerned with the "motivations, monitoring and evaluation, and capacity and enabling environment" behind LED efforts. It encapsulates "why" the LED programs are needed and beneficial, strengthening the rationale for stakeholders to engage and making sure the overarching purpose (sustainable development) is kept in focus. It includes building the necessary skills and knowledge among stakeholders, and monitoring and evaluating to allow for refining policies or guidelines so that everyone is working towards a common vision. Essentially, it enhances purpose and governance capabilities to attract private sector investment and leveraging on Digital Governance Enablers and Incentives for Digital Transformation to ensure transparency and efficiency (African Development Bank, 2023; Mutula, 2020; Tshwane, 2021)

The Standardization and implementation of LED Platform – the "HOW":" This component deals with the "processes, tools, and norms" that guide LED planning and execution. It emphasizes adopting best-practice methodologies (inspired by approaches like the inside-out development strategy) and ensures that LED initiatives follow a coordinated, step-by-step approach. It answers "how" LED activities are carried out effectively and consistently. This also draws from the fact that the national LED framework 2018-2028 aims to standardize and enhance the contextualization of LED, and adherence to project management procedures and policies is seen as key to successful LED implementation (Soga & Vyas-Doorgapersad, 2021; Mabunda & Ndou, 2019)

These components are interrelated and together form the comprehensive theoretical framework for the private sector-inclusive LED governance model. Each component is informed by specific theories and considerations (as discussed in section 1.5.1) and corresponds to a major part of the proposed solution. In the subsequent sub-sections, each component is elaborated on, including the theoretical inspirations and practical elements that define it.

1.5.2.1 The Multi-Stakeholder Platform - the "WHO"

The "Multi-Stakeholder Platform" component of the framework addresses the governance structure through which various actors participate in LED. It directly responds to the question of "who" is involved by creating a formal "decision-making body or forum" that brings together representatives from the private sector, local government, civil society, and potentially other groups (such as traditional authorities or academia) on equal footing. The rationale is to move away from state-centric or ad-hoc decision-making towards an "inclusive governance model". This platform is essentially the embodiment of collaborative governance at the local level.

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In designing the multi-stakeholder platform, a critical consideration is identifying and "engaging all relevant stakeholders" – particularly those who have been traditionally excluded or underrepresented. The "Stakeholder Identification and Salience Framework" by Mitchell, Agle, and Wood (1997) is instructive here, see **Figure 1.1**. It suggests prioritizing stakeholders based on their power to influence, the legitimacy of their relationship to the issue, and the urgency of their claims. Applying this to rural LED in Limpopo: local businesses (from big corporations to informal traders) clearly have a stake and resources (power), communities and civil society have legitimacy and urgent needs, and local government has formal power and responsibility. A successful platform ensures that stakeholders with high salience (like key industry players or significant community groups) are given a voice, but it also does not ignore those with lower immediate power who nonetheless are affected by LED outcomes (e.g. youth or marginalized groups).

South Africa's context of a "participatory democracy" provides a supportive backdrop for such a platform. The country's governance ethos, enshrined in legislation and structures like the National Economic Development and Labour Council (NEDLAC), expects government, business, and civil society to work together on development issues. NEDLAC, at the national level, is an example where representatives of these sectors negotiate and plan on economic matters. The multi-stakeholder LED forum at the municipal or district level can be seen as a localized NEDLAC – a space for structured interaction and co-decision-making among the "three pillars" of society plus community members. Indeed, many municipalities in South Africa have LED forums or steering committees, but their effectiveness varies; this framework aims to strengthen that concept by clearly defining roles and improving representativeness and leadership.

In practice, the "Multi-Stakeholder Platform" would involve establishing a council or committee (for example, a "Rural LED Council") where each stakeholder group selects representatives. It could be co-chaired by a senior municipal official (to ensure linkage with government policy and resources) and a respected private sector leader (to ensure business buy-in and leadership), reflecting the power-sharing intent. This co-chairing model also leverages "epistemic authority": having a private sector co-chair signals that business knowledge is valued on par with government authority. Sub-committees might be formed for specific sectors or issues (agriculture, tourism, infrastructure, etc.), again mixing stakeholders, to delve into technical details and report back to the main platform.

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The theoretical underpinnings here include “stakeholder theory” and “network governance”. Stakeholder theory (Freeman el al., 2023) reminds us that stakeholders’ involvement can lead to better outcomes because those with interest and influence are part of crafting solutions. Network governance theory indicates that in complex environments, networks of actors often self-organize to tackle problems, and the role of formal structures can be to legitimize and guide these networks. By creating a formal platform, the framework provides a venue for the network of LED actors to coordinate their actions, reducing duplication and conflict. It serves as a hub for knowledge sharing – consistent with the knowledge management emphasis, as stakeholders bring different information and perspective to the table.

One challenge in multi-stakeholder settings is “ensuring effective participation” rather than just token presence. Power imbalances can persist if not consciously managed. To counteract this, the framework can adopt rules such as consensus-based decision-making or rotational leadership in subcommittees, so that no single party dominates discussions. Training or orientation could be provided to all members on how to collaborate and communicate across sectoral cultures. For instance, community representatives might need some training in reading basic financial reports, while business representatives might need orientation on local government procedures – levelling the field in terms of knowledge so that discussions are meaningful for all.

A practical outcome of the multi-stakeholder platform would be the development of a “shared LED strategy or action plan” for the area. By deliberating together, the stakeholders can agree on a common vision (the “why”), allocate responsibilities (who does what), and coordinate timelines (when things should happen). This joint plan would have greater legitimacy and commitment than a municipal plan written in isolation, because each stakeholder group has co-authored it. Moreover, as circumstances change, the same platform would meet regularly to monitor progress, address new issues, and adjust strategies – providing continuity and adaptability.

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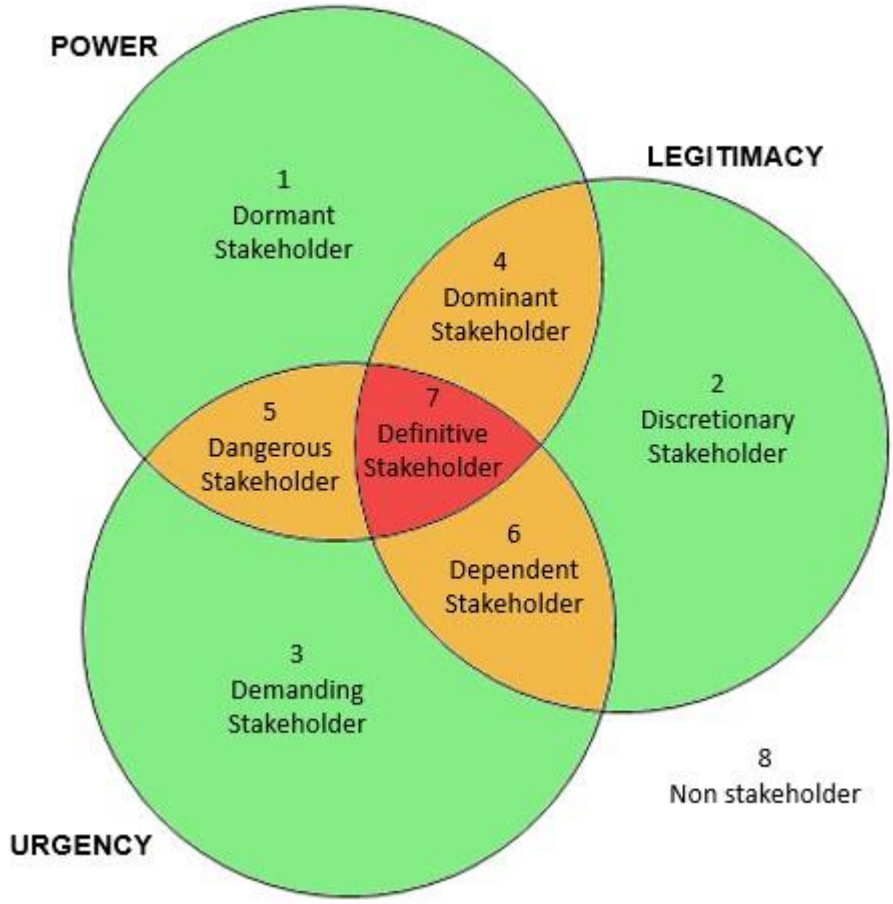


Figure 1-1: Stakeholder typology based on individual stakeholder attributes.

Taken from https://www.stakeholdermap.com/stakeholder-analysis/stakeholder-salience.html adapted from Mitchell *et al*., 1997, p. 874.

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In summary, the “Multi-Stakeholder Platform (WHO)” is about creating an “institutional space for inclusive governance”. It is theoretically grounded in collaborative governance and stakeholder inclusion, and practically, it aims to organize stakeholders in a structured, ongoing partnership. By doing so, it tackles one of the root causes of LED failure: the lack of coordinated and inclusive action. With all key players actively engaged and accountable within a single framework, LED initiatives in rural Limpopo would have a far better chance of being responsive, well-supported, and sustained over time.

Based on the understanding of the SA democracy; the global interactions between government, private sector and civil society; and the Stakeholder Identification and Salience Framework, developed by Mitchell, Agle, and Wood (1997), the Multi-Stakeholder Platform of the theoretical framework for a private sector-inclusive governance framework was developed as depicted in **Figure 1.2**.

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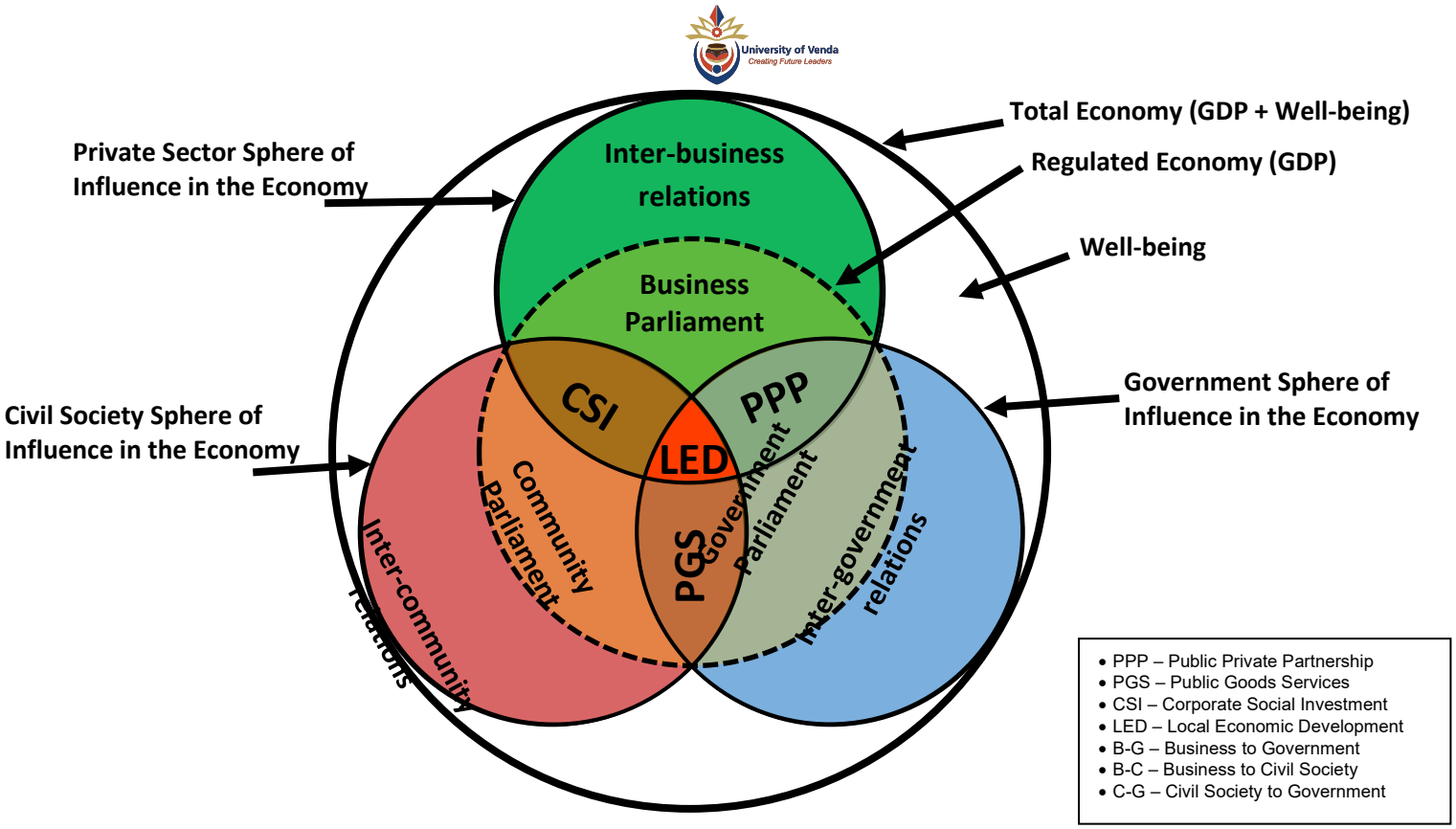


Figure 1-2: the Multi-Stakeholder Platform component of the theoretical framework.

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The Multi-Stakeholder Platform component of the theoretical framework conceptualizes the economy as comprising two spheres: the free market and the regulated market (Brinkerhoff, 2011). The regulated sphere is influenced by three primary stakeholders—government, private sector, and civil society—with their interactions occurring at individual and overlapping intersections (Bäckstrand, 2006). At the intersection of the private sector and government, Public-Private Partnerships (PPP) emerge as a governance mechanism to deliver public infrastructure and services (Hodge & Greve, 2007). Conversely, Corporate Social Investment (CSI) principles govern the collaboration between the private sector and civil society, emphasizing ethical and sustainable business practices (Carroll & Shabana, 2010). The intersection of government and civil society is regulated by Public Goods Services (PGS), which prioritize equitable access to essential services such as healthcare and education (Stiglitz, 1999).

Local Economic Development (LED) represents the tripartite convergence of government, private sector, and civil society spheres, where PPP, CSI, and PGS mechanisms collectively address socio-economic challenges to create a condusive environment (Rodriguez-Pose & Tijmstra, 2009). For instance, LED initiatives often integrate PPPs for infrastructure, CSI for community empowerment, and PGS for welfare provision (Pieterse, 2010). The free market sphere, distinct from regulated interactions, facilitates direct trade between stakeholders, such as government procurement from the private sector or civil society organizations engaging in market-driven social enterprises (Friedman, 1962; Sen, 1999). These transactions operate under minimal regulatory constraints, relying on supply-demand dynamics and voluntary agreements (Williamson, 2000).

1.5.2.2 Objective Setting, M&E and adaptive Capacity Building Platform - the “WHY”

The “Monitoring and Evaluation (M&E) and adaptive Capacity Building Platform” corresponds to the “why” dimension of the framework – essentially addressing the objective & goals, monitoring & evaluation, and enabling conditions for adaptive learning. Selecting objectives & goals, an appropriate monitoring-and-evaluation (M&E) approach, and an adaptive-capacity-building method should be treated as an integrated, iterative system rather than three isolated design choices (Rogers & Macfarlan, 2020).

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One major issue in South African local governance, identified earlier, is the "policy-implementation gap". There is no shortage of good policies and strategies on paper (from national down to local level), but executing them is often problematic due to various factors: capacity constraints, coordination failures, corruption, etc. This platform explicitly targets those issues. It asks: "Why have previous LED efforts failed or underperformed, and what needs to change so that this framework can succeed?" The answers often lie in building capacity and reforming certain practices or policies.

Local authorities and private sector actors must translate broad LED visions into concrete, measurable objectives, track progress credibly, and invest in the skills and systems needed to adapt amid uncertainty (DSTI, 2020). A fragmented approach often produces misaligned indicators, weak feedback, and stagnation, whereas an integrated loop can sustain inclusive growth (OECD, 2021).

"Capacity building" in this context means strengthening the ability of all ecosystem partners to fulfil their roles in the LED framework. For government officials, it could mean training in public-private partnership management, project management, or community facilitation. For small business owners or community representatives, it might involve training in business planning, understanding municipal processes, or leadership and negotiation skills. The framework could incorporate workshops, exchange programs (learning from other municipalities or countries with successful LED), and mentorship arrangements (for example, experienced entrepreneurs mentoring local youth startups) as part of its activities.

Moreover, capacity is not just about individuals, but also "institutional capacity". This might involve improving data systems (so that planning decisions are based on solid evidence), creating or strengthening units within municipalities specifically dedicated to LED and partnership management, or developing local financing instruments for LED projects. For instance, if one barrier is that municipal officials are not familiar with how to engage the private sector, the framework might establish a "guideline or toolkit for PPPs in rural LED", complemented by training sessions with case studies of successful PPPs in similar environments.

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The “why” also includes motivating stakeholders. A key part of motivation is showing the “benefits” of the new approach. This platform would thus also emphasize quick wins and communication of successes (to keep people invested in the process). For example, if a small pilot project under the new framework succeeds – say, a community market built with joint funding – it should be showcased and the lessons disseminated. This builds confidence (or epistemic trust) in the new framework.

On the adaptation site or “policy reforms” side, the framework recognizes that certain policy or regulatory changes may be needed to enable the private sector-inclusive approach. For example, if local bylaws or red tape significantly impede business initiatives (like a cumbersome process to get permits for a community project), the framework’s stakeholders can advocate to streamline those. The platform might work on aligning local LED plans with provincial and national policies to ensure support and avoid contradictions. It might also push for new policies: perhaps incentives for businesses that invest in community projects, or the establishment of special economic zones adapted for rural settings, etc., depending on identified needs.

A specific example in the context of this study: The South African government has various initiatives (like the District Development Model, or funding programs through agencies like SEFA or SEDA for small enterprises). The capacity building platform would ensure that Limpopo’s rural LED actors are aware of these and know how to tap into them. If they find existing programs are not accessible or adequate, they would formulate proposals to reform them or to introduce new supportive measures. This way, the framework is “not static” – it interacts with higher-level policy, advocating for the rural perspective.

Recall that earlier, common causes of poor policy implementation included lack of coordination, political interference, and corruption. The multi-stakeholder nature of our framework itself helps coordination (bringing folks together), and transparency in the forum can reduce certain kinds of corruption (decisions are made in a more open setting). However, further safeguards may be needed. As part of capacity and governance reform, the framework could support measures like “establishing clear accountability mechanisms” (e.g., public progress reports, audits of LED funds, community scorecards for LED projects). By building a culture of accountability and capacity, the framework addresses the “why” by ensuring stakeholders are genuinely empowered and have confidence that their efforts will lead to results.

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The inclusion of “adaptation or policy reforms” also acknowledges that “contextual adaptation” is necessary. Not all national prescriptions work well in rural Limpopo – the framework participants can identify which policies are not fitting or are absent and lobby for change. For instance, if national infrastructure grants don’t reach certain villages due to criteria issues, the LED council could petition for criteria changes or special consideration.

This component aligns with theories of “organizational learning and adaptive governance”. It ensures that the governance framework itself learns and evolves. The presence of a capacity and policy platform institutionalizes a continuous improvement loop: it can review each cycle of LED implementation and recommend adjustments in training, processes, or rules.

Finally, linking back to “theoretical justification”, one can see this platform as putting into practice the idea of “epistemic inclusivity and justice”: It actively works to remove barriers (knowledge gaps, power imbalances) that previously kept certain actors from full participation. By doing so, it increases the diversity of knowledge and ideas feeding into LED (making it richer and more robust). It also strongly resonates with “public value theory” – making sure LED delivers on public value requires that the public (community) and their values are integrated, which only happens if they have capacity to engage and the institutional channels to effect change.

In summary, the “Capacity Building & Policy Reforms Platform (WHY)” is about creating an “enabling environment” for the LED framework to function. It justifies and sustains the framework by ensuring that all stakeholders are equipped and that the rules of the game are supportive of collaborative, private sector-inclusive LED. It addresses the deeper reasons why previous efforts fell short and tries to correct them. By strengthening human and institutional capital and aligning policies with practice, this platform helps secure the long-term success and scalability of the governance framework, thus reinforcing “why” this approach is the right path for rural development in Limpopo and beyond.

Wherefore, the theoretical framework for the Objective Setting, M&E and adaptive Capacity Building Platform (the “WHY”) is inspired by the need to integrate at the local government as proposed by Meyer, 2014 (see **Figure 1.3**) , and also by the need to have a continuous cycle where 1) Co-created objectives and goals define desired change; 2) M&E tracks progress, tests assumptions and surfaces emergent issues; 3) Adaptive-capacity interventions close capability gaps revealed by evidence, as proposed by Mfitumukiza *et al.* (2020) (see **Figure 1.4**). Combining the two, the proposed Theoretical framework for the Objective Setting, M&E and adaptive Capacity Building Platform component is depicted in **Figure 1.5.**

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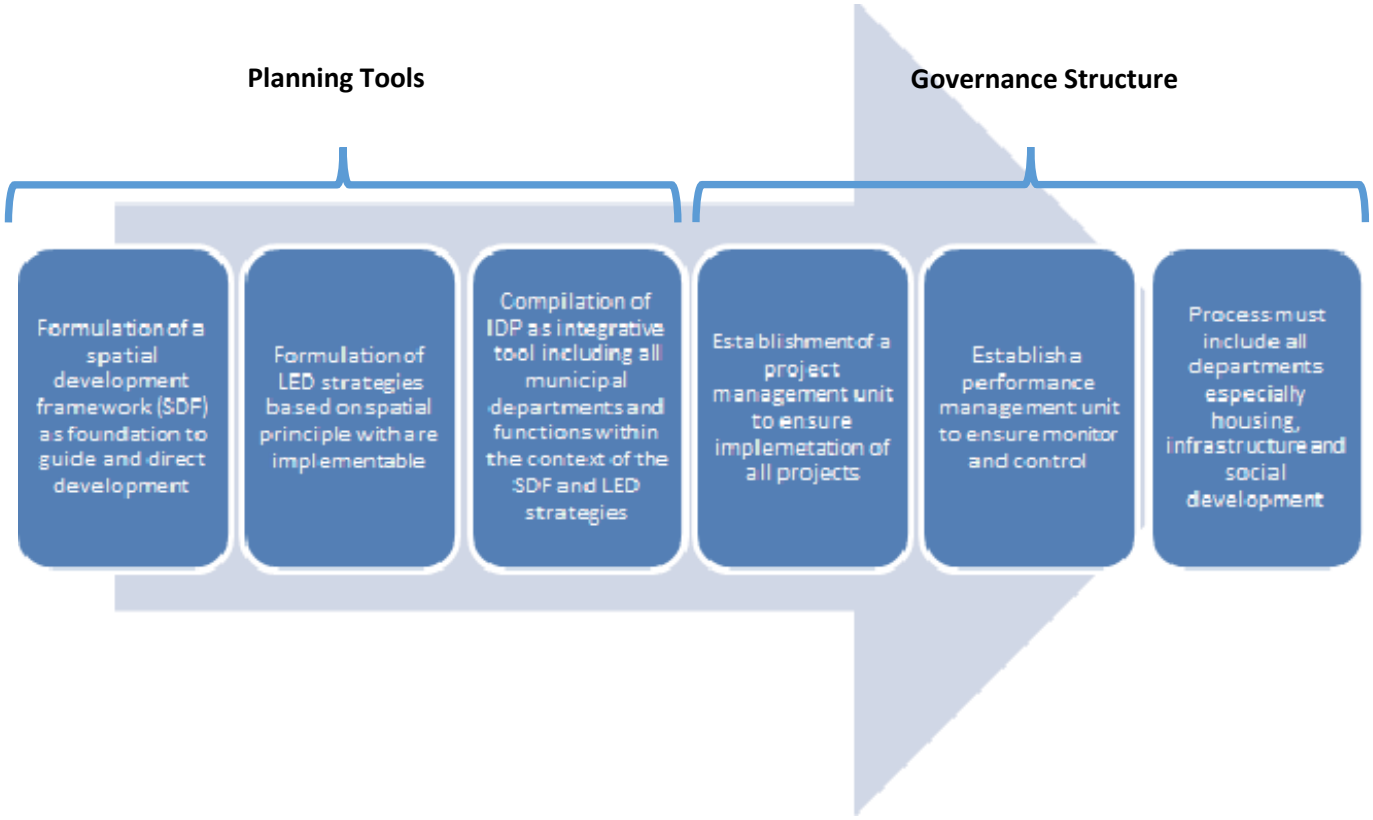


Figure 1-3: Integration of the LED function at the local government sphere (Meyer, 2014)



Figure 1-4: The adaptation process and its enabling factors (Mfitumukiza *et al*., 2020)

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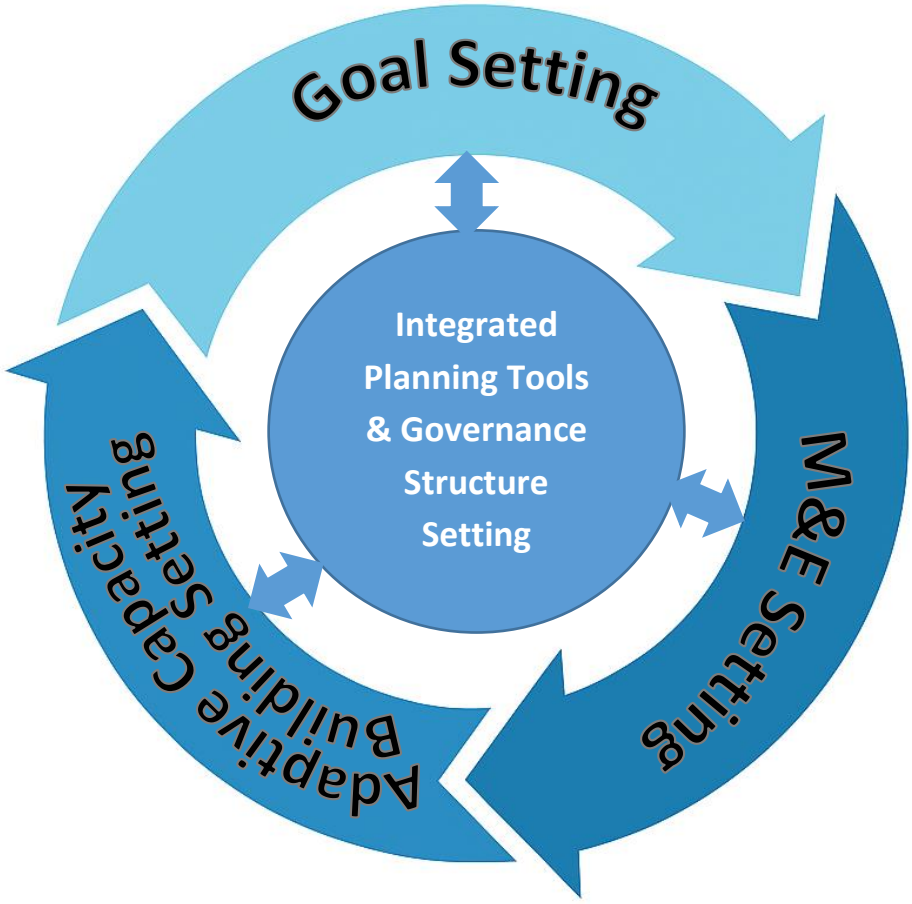


Figure 1-5: Theoretical framework for the Objective Setting, M&E and adaptive Capacity Building Platform

1.5.2.3 The Standardization and implementation of LED Platform – the "HOW"

The "Standardization and Implementation Platform" of the framework corresponds to the process dimension – the "how" – ensuring that LED initiatives are carried out using clear, effective, and replicable methods. This component is inspired by the need for a consistent approach to LED planning that can be tailored to local context but still follows "best practices" and complies with broader guidelines (like the National LED Framework's pillars, the NDP and SDGs). In other words, while the multi-stakeholder platform gets everyone around the table, the Objective Setting, M&E and adaptive Capacity Building Platform develops a common goal, and the standardization platform gives them a "roadmap and toolset" for what to do together.

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One of the inspirations for this component is the ""inside-out" development approach". The inside-out approach emphasizes leveraging local assets, knowledge, and capacities to drive development, as opposed to the "outside-in" approach of relying primarily on external investments or top-down policies (Pike *et al.*, 2016). In the context of Limpopo's rural LED, an inside-out approach means the framework encourages stakeholders to first look at what the community "already has" – be it natural resources, cultural heritage, human skills, or existing institutions – and build strategies outward from those strengths. This aligns with the principle of "self-reliance and resilience". For example, if a municipality has fertile land and a base of small farmers, the LED strategy might prioritize agro-processing or farmer cooperatives, rather than, say, trying to attract an unrelated industry from outside. By focusing on internal strengths, communities develop in ways that are more sustainable and rooted in local identity.

Standardization in this framework does not mean a one-size-fits-all solution imposed on every community, but rather a "standard process" to be followed. Much like how international development agencies have logical frameworks or project cycles, the LED governance framework would institutionalize a step-by-step process. A typical standardized LED cycle could include: "Stakeholder Mobilization" (already covered by the multi-stakeholder platform), "Economic Assessment" (doing a thorough SWOT analysis, possibly using a template so that no key factor is overlooked), "Strategy Formulation" (setting a vision, goals, and identifying programs/projects, again perhaps guided by a checklist that ensures all sectors and cross-cutting issues are considered), "Implementation Planning" (clarifying resources, roles, timelines, using project management techniques), "Execution" (with progress tracking tools), and "Monitoring & Evaluation" (using agreed indicators and feedback methods). This cycle would be documented as a local LED guideline or manual, and training would be provided to stakeholders on how to execute each stage.

By "adhering to project management principles and national policy guidelines", the framework ensures coherence and quality control. For instance, the National LED Framework (2018–2028) for South Africa outlines six pillars: enabling economic environment, developing hard and soft infrastructure, enterprise support and business competitiveness, etc. The standardization should align actions to these pillars so that local projects collectively advance provincial and national objectives. It also addresses the problem that many LED plans historically were just wish-lists – through standardization, plans must be evidence-based and realistic. The inclusion of "monitoring and evaluation (M&E)" mechanisms ensures that there are feedback loops to learn what works and what doesn't, supporting continuous improvement.

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A conceptual tool mentioned in the theoretical discussion is the “Golden Circle (Why-How-What)” concept by Simon Sinek (2009). **Figure 1.6** demonstrates the Sinek inside out model based on the Why How and what. While Sinek’s work is more oriented to leadership and organizational purpose, it reinforces the idea that any strategy (including LED) should start with the “why” (purpose), then figure out “how” (process), and then “what” (concrete actions or products). In our framework, we've clearly delineated the “why” as the inclusive and sustainability goals, and the “how” is this standardized process; the “what” will be the actual LED projects and initiatives chosen by the stakeholders. Sinek’s emphasis on having a clear purpose helps ensure that the standardized processes do not become a bureaucratic exercise but remain connected to motivating goals. It also stresses consistency between values and actions – the framework’s processes should reflect its inclusive values (for example, by always including stakeholder consultation as a step, we live the value of inclusivity).

Other scholars have gone further to expand on the inside out approach to five key points, i.e. 1) considering its application to “you” (the individual or organization), 2 considering the required skills & processes, 3) considering the marketing and communication, 4) considering the industry and competition, and 5 considering the customers. The five key points are demonstrated in **Figure 1.7**. The Inside-Out Approach also considers customers, but with a focus on aligning their needs with what you can uniquely offer. By understanding customer preferences and expectations, you can tailor your strengths to meet or exceed their demands. This alignment ensures that your internal capabilities are directly addressing customer pain points, creating value that competitors cannot easily replicate. As Prahalad and Ramaswamy (2004) discuss, aligning internal strengths with customer needs is key to creating unique value and fostering long-term relationships.

Another source of standardization comes from local government regulations and planning requirements. Municipalities in South Africa are required to have Integrated Development Plans (IDPs) which include LED components. The framework can help standardize how LED is integrated into these statutory plans – for example, ensuring that LED projects have proper feasibility studies and community consultation as part of their IDP inclusion.

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To operationalize this component, the framework might introduce specific “tools and templates”: e.g., a standard template for conducting a local economic diagnostic (covering demographics, key industries, infrastructure status, etc.), or a template for evaluating project proposals (scoring them on criteria like economic impact, job creation potential, alignment with SDGs, and stakeholder support). It might also promote use of technology for data gathering and sharing, such as an LED project dashboard accessible to all stakeholders that shows progress.

Crucially, the “implementation” part of this component recognizes that having a plan is not enough – execution on the ground is often where LED falters. Therefore, this aspect of the framework would stress building local capacity to implement (overlapping with the next component on capacity building) and potentially leveraging external support in a structured way. For instance, if a particular LED project requires expertise not available locally, the framework could standardize the process of seeking partnerships or funding from outside (like applying to provincial development programs or engaging academic institutions for technical advice). By doing this systematically rather than ad hoc, communities can avoid reinventing the wheel each time and reduce delays and mistakes in project rollout.

The “parametric” nature of the unimodel suggests that while the same process framework is used, the depth and breadth of analysis can be adjusted as needed. For a small project, the planning might be simpler, whereas for a large multi-year initiative, it would be more detailed – but in both cases, the same principles apply. This flexibility ensures the framework is not too rigid.

In summary, the “Standardization and Implementation Platform (HOW) provides the “operational backbone” of the LED governance framework. Theoretically, it is underpinned by knowledge management (ensuring knowledge is gathered and used systematically) and by the inside-out approach (ensuring processes start from local context). Practically, it introduces consistent planning and implementation practices. By having this component, the framework aims to overcome common pitfalls like disorganized efforts, lack of follow-through, or inconsistent approaches that make learning and replication difficult. It brings discipline to LED efforts, which, when combined with the creativity and input from the multi-stakeholder platform, can significantly improve the chances of LED initiatives succeeding and being scaled up. Using **Figure 1.6** and **Figure 1.7**, the conceptual framework for the Standardization and implementation of LED Platform was developed to be as in **Figure 1.8**. This is framed around the six pillars of LED in South Africa.

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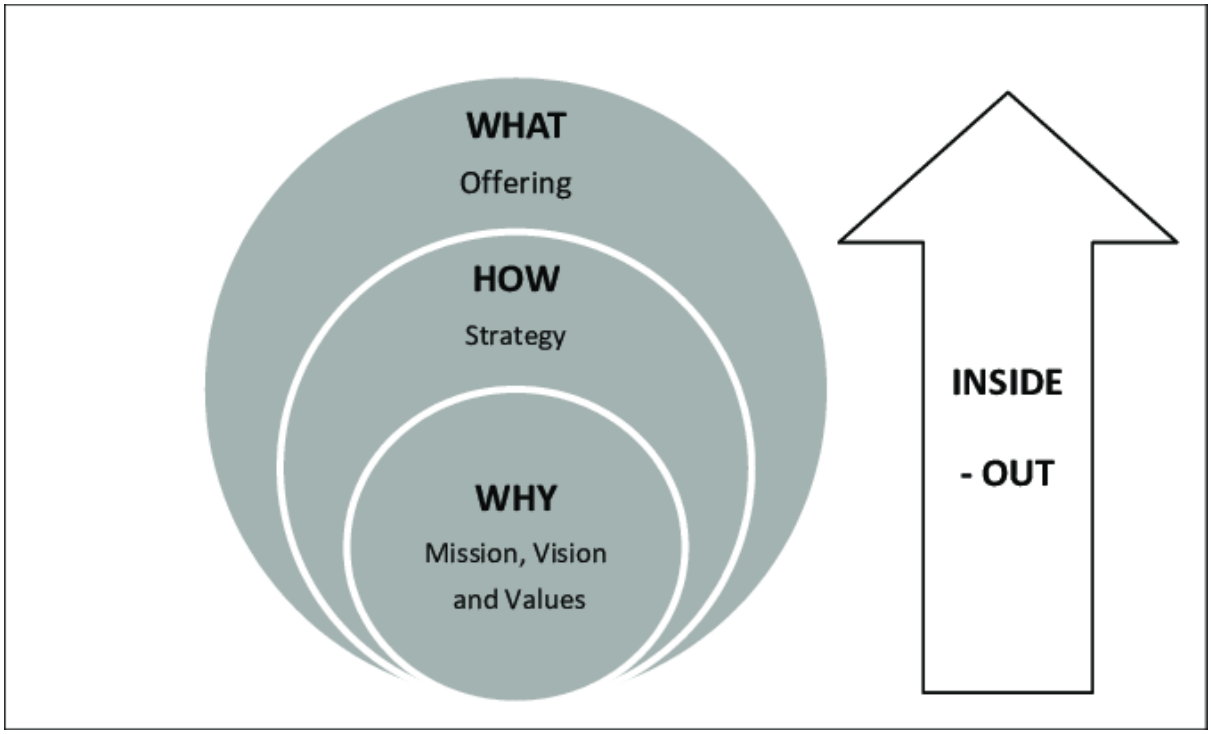


Figure 1-6: The Inside Out Approach based on Why How and What, adapted from Sinek 2009

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Figure 1-7: Inside out approach bases on 5 key points.

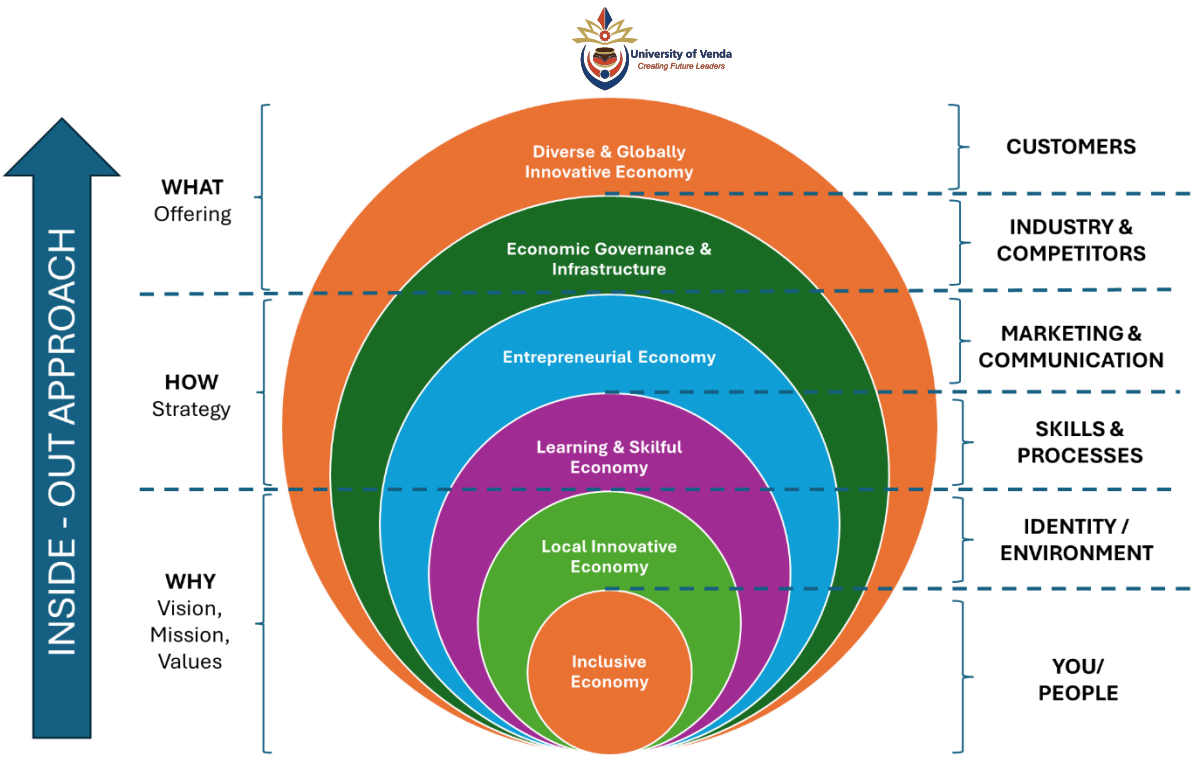


Figure 1-8: Standardization and implementation of LED Platform

1.5.3 Consolidated theoretical framework

Local economic development (LED) is widely understood as a process of strategic planning through which local actors collaborate to improve their community's economic future (Swinburn, Goga, & Murphy, 2006). This process can be described as a continuous cycle involving stakeholder identification (the "who"), purpose definition (the "why"), and strategic planning (the "how") – all grounded in the principles of participatory governance and public policy (World Bank, 2012; Ansell & Gash, 2008), see illustration in **Figure 1.9**. Around the world, governments and communities have increasingly embraced this cycle to ensure that development initiatives are inclusive, goal-driven, and sustainable (Mansuri & Rao, 2013; Arnstein, 1969). In combining the theoretical frameworks of the Multi-Stakeholder Platform – the "WHO", The Objective Setting, M&E and adaptive Capacity Building Platform – the "WHY":" and the Standardization and implementation of LED Platform – the "HOW" a consolidated theoretical framework for private sector-inclusive framework can be depicted as in **Figure 1.10**.

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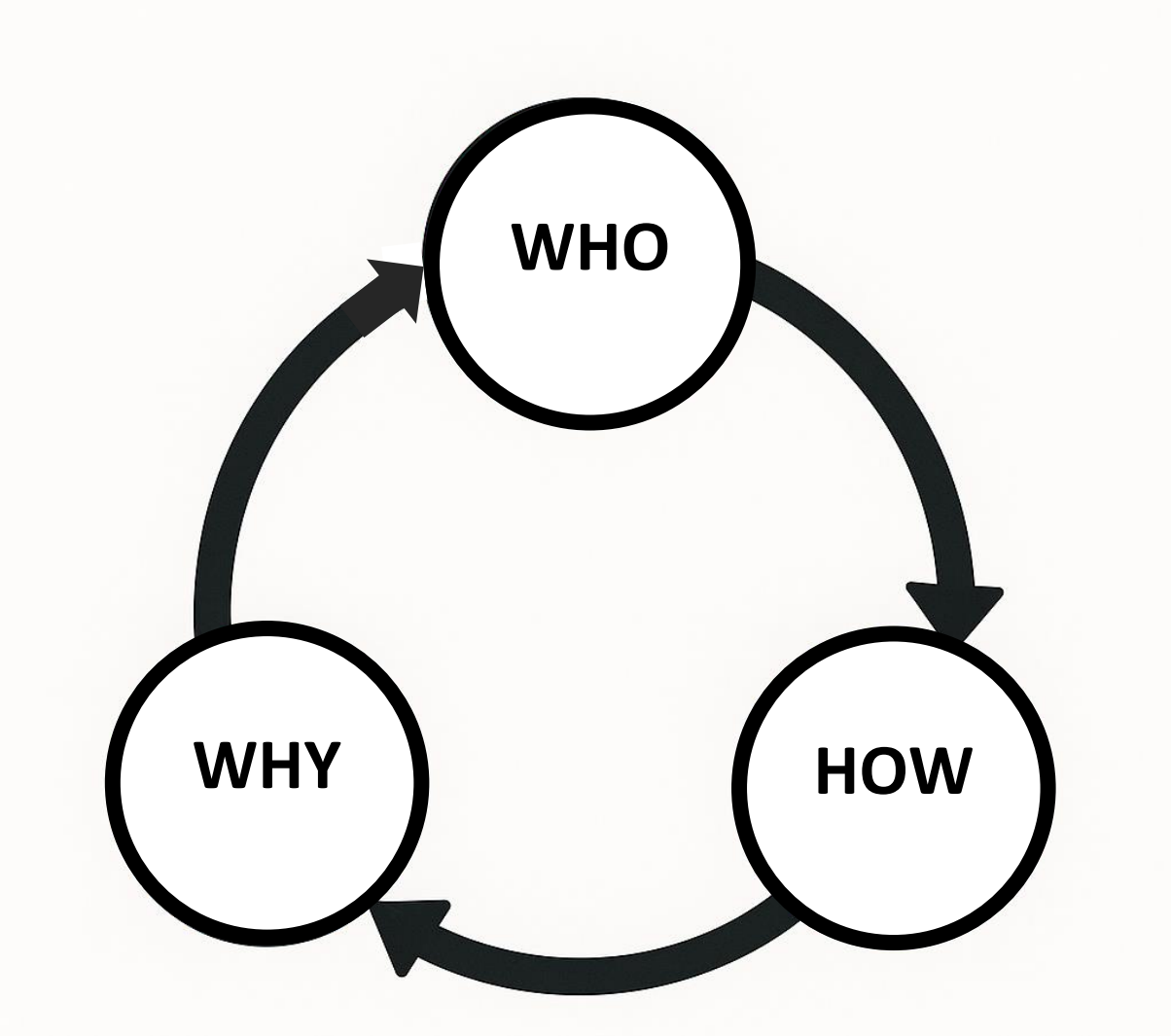


Figure 1-9: continuous cycle involving stakeholder identification (the "who"), purpose definition (the "why"), and strategic planning (the "how")

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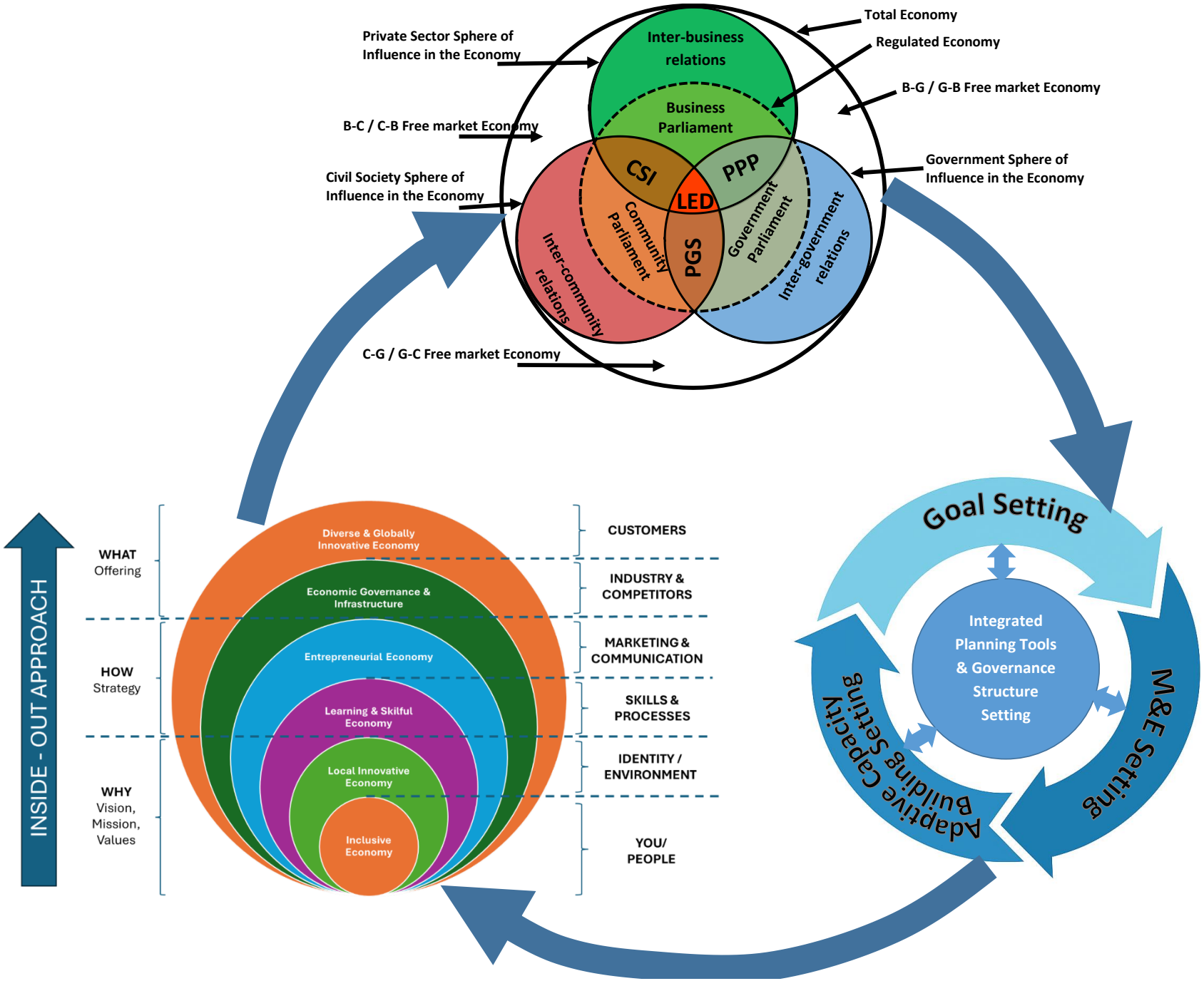


Figure 1-10: Theoretical framework for the Private Sector Inclusive Governance Framework

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1.5.4 Process and Mathematical Model of the theoretical Framework

Mathematical modelling turns LED governance into an evidence-driven, transparent, and adaptive process: by codifying local data and expert assumptions in openly inspectable equations, it lets stakeholders stress-test policy mixes before money is spent, shows residents exactly how proposed actions will ripple through jobs, incomes, and the environment, and then supplies a live yard-stick against which progress and remedial actions can be judged. Hence the development of a private sector-inclusive governance framework would be incomplete without the mathematical modelling roadmap. Based on the theoretical framework, the process model is a presented in **Figure1.11**, and the theoretical mathematical model is presented in **Figure 1.12.**

The process model shows how the three components of the framework interact in a continuous loop in search of a time and situation specific optimal LED solution. As demonstrated in Figure 1.11, starting from the “WHO” component where first the nature, relationship and capacity of stakeholders is assessed, followed by the assessment of the wellbeing of the stakeholders, community and the environment, which is followed by the assessment of the level of hierarchy of needs which would then complete the state of the “WHO”. The “WHO” outcome is used to feed into the “WHY” component where first the common goal is established, followed by a monitoring plan, which is the followed by adaptive capacity plan culminating in the full assessment of the “WHY” component. The outcome of the “WHY” component is then fed into the “HOW” component, where the first step is the articulation of the vision, mission and objectives in a standard strategic and project management focus, followed by the building of skills and entrepreneurial capacity to be able to achieve the objective and followed by outlining the impact areas desired.

The process model must be able to be reduced into a mathematical model as depicted in **Figure 1.12**, Mathematical LED Process Model flow-chart is described as follows:

1. **Data Sources (left column)** – The cycle starts with raw evidence: municipal accounts, household surveys, GIS land-use layers, energy-grid logs, firm-level tax data, etc. Reliable baseline information is the fuel for every subsequent step.
2. **Modelling Layer (centre block)** – Five complementary mathematical techniques turn those data into the following structured insight, also as depicted in **Table 1.2**:
    a. Input-Output & Social Accounting Matrix
    b. System Dynamics
    c. Agent-Based Modelling

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d. Spatial Econometrics
e. Differential-Equation / Hybrid models

3. **Optimisation & Scenario Analysis (green box)** – Here you plug the models into a meta-heuristic or other search engine to find the budget, sector mix or spatial targeting that **maximises multiple objectives** (e.g., jobs, equity, carbon cuts) subject to real-world constraints.
4. **Policy Design & Implementation (blue box)** – Planners convert the "best" scenarios into concrete LED projects: incentive packages, industrial-park layouts, skills grants, transport upgrades.
5. **Monitoring & Evaluation (teal box with check-mark)** – Actual outcomes are tracked against the baseline forecasts. Deviations feedback (looping arrow) into the data warehouse, closing the learning cycle and prompting model recalibration or policy adjustment.

The thick arrow encircling the diagram underscores that LED is not a linear once-off study. It is a continuous, evidence-driven learning loop where data, models, optimisation, action and feedback reinforce one another.

Table 1-2: Mathematical techniques data structured insight

Item	Model family	Key question answered	Typical outputs
1.	**Input-Output & Social Accounting Matrix**	"What are the direct, indirect and induced ripple-effects of a shock?"	Sector multipliers, job-creation estimates
2.	**System Dynamics**	"How will stocks and flows (population, water, roads) co-evolve over 10–30 years?"	Time-series scenarios, feedback-loop diagnostics
3.	**Agent-Based Modelling**	"How do thousands of heterogeneous households and firms behave and interact?"	Emergent patterns (e.g., SME survival, informal trade)
4.	**Spatial Econometrics**	"How does growth (or decline) in one municipality spill over to its neighbours?"	Spatial-lag coefficients, hotspot maps
5.	**Differential-Equation / Hybrid models**	"What is the long-run path of interconnected regions under capacity constraints?"	Convergence/divergence trajectories, carrying-capacity tests

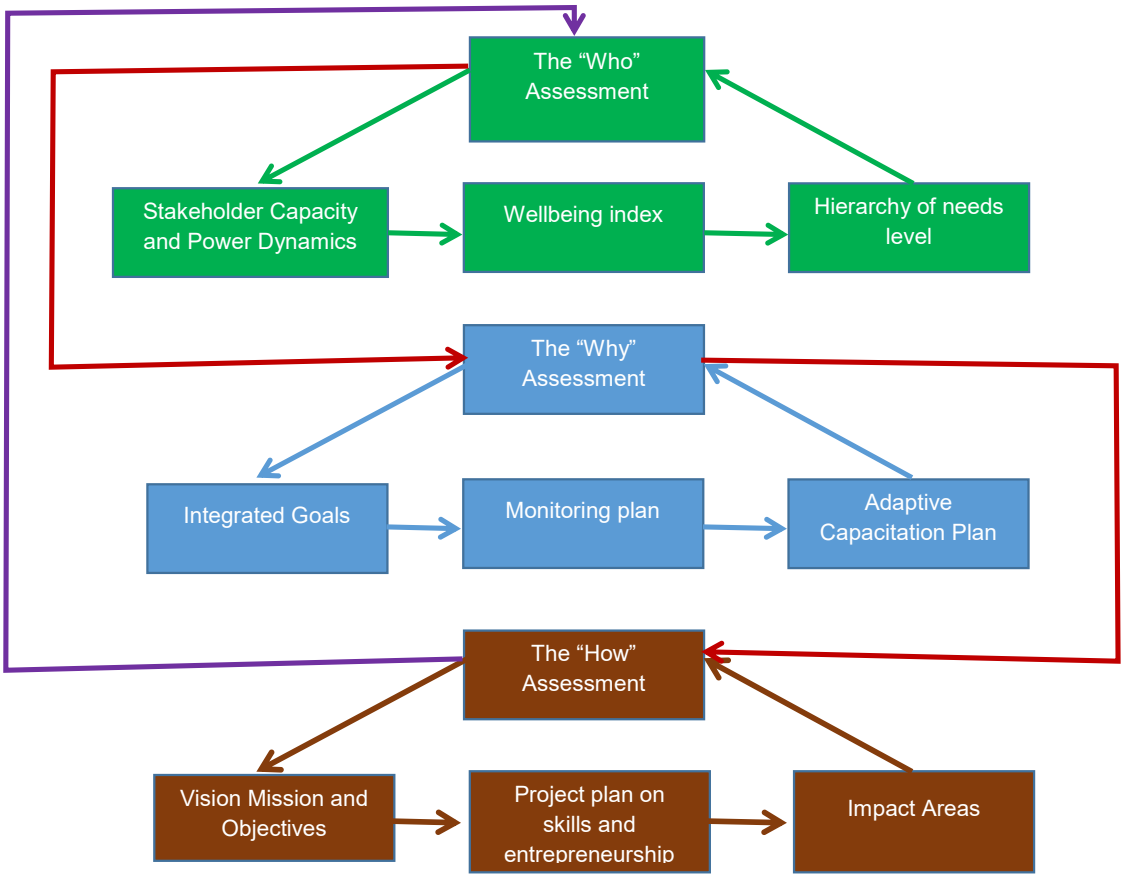


Figure 1-11: Theoretical Process Flow of the theoretical framework

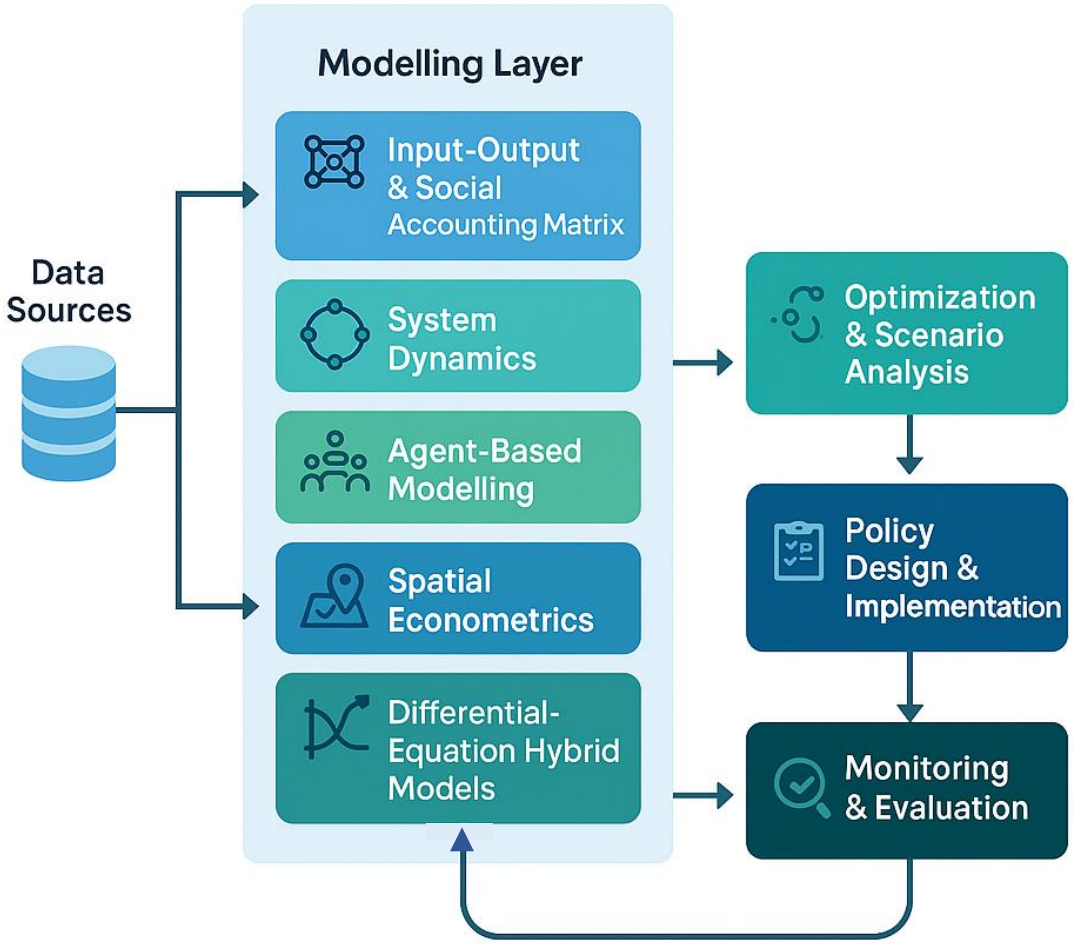


Figure 1-12: Mathematical model framework flowchart.

1.6 Operational Definitions of Key Terms and Concepts

In discussing this study, several key terms and concepts are frequently used. For clarity and consistency, we provide the following operational definitions as they are applied in the context of this research:

1. "Governance:" A multifaceted concept referring to the systems, institutions, structures, processes, and traditions through which a group or society exercises authority, allocates resources, and coordinates action. It encompasses not only formal government institutions but also informal arrangements and relationships. In this study, "governance" is viewed as the way public or private affairs are managed at all levels, emphasizing decision-making processes, stakeholder interactions, leadership behaviour, and accountability mechanisms (adapted from Kauzya, 2003).

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2. “Local Governance:” The exercise of authority and the conduct of public affairs at the local community or municipal level. “Local governance” involves planning, implementing, and monitoring local initiatives with the active consideration of local needs, priorities, and participation. It signifies a governance approach where local populations and institutions (municipal councils, traditional leaders, community organizations, etc.) play central roles in decision-making, ensuring that outcomes align with the well-being and interests of the local populace (Ogunnubi, 2022; Kauzya, 2003).
3. “Governance Framework:” A structured system or blueprint that outlines how governance is to be conducted. A “governance framework” provides standardized practices, roles, and processes for decision-making, oversight, and accountability within an organization or a multi-actor partnership. It serves as a guiding architecture that clarifies expectations, objectives, performance measures, risk management, and communication protocols among all involved parties (Clifton & Dhar, 2013). In the context of this study, it refers specifically to the design of institutions and processes that guide LED collaboration among stakeholders.
4. “Local Economic Development (LED):” An ongoing process by which local governments, community-based groups, the private sector, and other actors work collaboratively to stimulate economic activity and improve quality of life in a defined area. “LED” involves identifying and harnessing local resources, ideas, and opportunities to create jobs, increase incomes, build skills, and expand the local tax base. This study adopts an inclusive definition of LED as “an adaptive and responsive process where government, public entities, citizens, businesses, and non-governmental partners collectively create better conditions for innovation-driven, inclusive economic growth characterized by knowledge transfer, capacity building, employment generation, and revenue enhancement at the local level” (CoGTA, 2018, p. 14–15). The ultimate aim of LED in this context is to improve the economic future and life quality for all residents in the community.
5. “Private Sector:” The segment of the economy owned and operated by individuals and companies for profit, rather than by the government. In this study, the “private sector” encompasses all for-profit businesses – from large corporations to Small, Medium, and Micro Enterprises (SMMEs) and informal traders – that operate in or impact the local economy. We adopt the UNDP (2018) characterization: “the private sector is a basic organizing principle of economic activity in a market-based economy, where private ownership, market competition, and private initiative drive production and innovation”. Notably, the private sector here is considered a key stakeholder in LED, responsible for investment, entrepreneurship, and job creation.

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6. “Rural Areas:” For the purposes of this research, “rural areas” refer to regions or communities that are outside the urban centres and are characterized by low population density and a large share of land used for agriculture or natural resource-based activities. We follow the classification used in Limpopo Province (Malatji, 2020), which defines:
   6.1. “Predominantly rural area:” a local municipality where more than 50% of the population lives in rural settlements. “Significantly rural area:” a local municipality with about 15%–49% of its population in rural settlements. “Predominantly urban area:” a local municipality with less than 15% rural population.
   6.2. By this classification, out of 25 local municipalities in Limpopo, 19 are predominantly rural and 5 are significantly rural (with only 1 predominantly urban). In our context, “rural areas of Limpopo” focus on those predominantly or significantly rural municipalities – areas which often face distinctive challenges like limited infrastructure, dispersed settlements, and a heavy reliance on agriculture or natural resources.

7. “Private Sector-Inclusive Governance Framework:” A tailored model of governance that explicitly incorporates private sector actors as key partners in planning, decision-making, and implementation of development initiatives. A “private sector-inclusive governance framework” in this study refers to the proposed system whereby businesses (alongside government and community actors) are integrated into the LED governance process – from shaping strategies to executing and monitoring projects. This framework is designed to align private incentives with public objectives, fostering equitable growth by leveraging private sector strengths (innovation, efficiency, capital) in constructive collaboration with public planning and community engagement (UN-Habitat, 2016). It implies a shift from government-led or civil society-led models to a more balanced, partnership-driven model.
8. “Challenges (Generic/Specific):” Within the study, “challenges” denote obstacles that hinder effective LED. “Generic challenges” are broad issues common across many contexts or sectors, such as inadequate infrastructure, limited funding, or skills deficits. “Specific challenges” are particular to certain sectors or localities – for instance, regulatory hurdles unique to the mining industry or market access issues for remote agricultural communities (World Bank, 2018; Limpopo Provincial Government, 2019). Identifying both generic and specific challenges allows for targeted solutions in the framework (some interventions will address general problems, while others will be custom-fit to sector-specific needs).

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9. “Barriers to Participation:” Factors that prevent or discourage stakeholders – especially private sector players – from engaging in LED initiatives. “Barriers to participation” can include excessive bureaucracy, high financial risks, lack of incentives (why should a business invest time/resources in LED?), misalignment of LED projects with business interests, or past negative experiences leading to mistrust. In this study, barriers might also encompass legal or policy constraints and information gaps. Understanding these barriers is crucial to designing the framework to be inviting and accessible for private sector partners (Porter & Kramer, 2011).

10. “Economic Benefits vs. Costs:” When evaluating private sector participation in LED, “economic benefits” refer to the positive monetary or financial outcomes (like job creation, increased income levels, growth in local GDP, new investments), as well as improvements in economic indicators such as productivity. “Costs” include the financial expenditures and potential risks or losses borne by stakeholders (particularly businesses), such as the cost of investing in a project, opportunity costs of capital, or operational risks. The study examines how the benefits of private involvement compare to the costs, to ensure that the proposed framework offers a net positive value proposition for private actors (Todaro & Smith, 2015; Besley & Ghatak, 2014).
11. “Social and Environmental Benefits:” “Social benefits” are non-economic improvements in community well-being that result from LED (e.g., better education and health outcomes, reduced inequality, empowerment of marginalized groups). “Environmental benefits” refer to positive ecological outcomes (e.g., sustainable use of resources, reduced pollution, conservation of biodiversity) that may come from inclusive, responsible LED practices. The framework is concerned with maximizing these benefits – for instance, ensuring that LED projects are inclusive of women and youth (social benefit) or promoting green technologies in agriculture (environmental benefit) (Sen, 1999; WCED, 1987).
12. “Stakeholders:” Individuals, groups, or organizations with a vested interest in the outcomes of LED. “Stakeholders” in this study include but are not limited to local government officials and entities, private businesses and investors, community members and their representatives, non-governmental organizations (NGOs), civil society groups, academic or research institutions, and traditional leaders. Each stakeholder has its own interests, resources, and influence. Recognizing stakeholders (and their salience in terms of power, legitimacy, urgency as per Mitchell *et al.*, 1997) is a core part of the framework design (Freeman el al., 2023). The term “ecosystem partners” is also used to emphasize that these stakeholders operate as part of an interconnected system influencing LED.

13. “Effectiveness of Frameworks:” In evaluating LED frameworks, “effectiveness” refers to the degree to which they achieve their intended outcomes (such as economic growth, employment, poverty reduction, stakeholder satisfaction) and do so in a sustainable, efficient manner. It can be measured through indicators like growth rates, job numbers, volume of private investment mobilized, diversity of the local economy, etc. The “perceived effectiveness” also matters – stakeholders’ views on whether the framework is working can influence their continued support. Key here is how well the framework promotes collaboration and results compared to previous approaches (UNDP, 2014 is an example of guidance on measuring such impact).
14. “Strengths and Weaknesses of Frameworks:” “Strengths” are the features of an LED framework that give it advantage or make it work well (e.g., strong stakeholder buy-in, flexibility, clear legal backing, robust M&E). “Weaknesses” are the limitations or flaws (e.g., complexity, high resource requirements, exclusion of some groups, lack of enforcement mechanisms). By analysing strengths and weaknesses of existing frameworks, the study informs the design of the new private sector-inclusive framework to amplify strengths (like collaborative governance, adaptive policies) and mitigate weaknesses (like accountability gaps or rigidity) (Ansell & Gash, 2008; Bovens, 2010).
15. “Implementation Considerations:” Practical factors that need to be addressed to turn a proposed framework or plan into reality. “Implementation considerations” in this study include ensuring sustainable funding for LED projects, building capacity as noted, fostering ongoing stakeholder alignment and communication, and adaptability to local contexts and changing conditions. They also involve setting up proper governance for the implementation phase itself (who drives the process, how decisions are made on the fly, etc.) (Bryson *et al*., 2015). Essentially, these are the on-the-ground realities that can make or break the operationalization of the framework.
16. “Mining Sector (in context):” The portion of the private sector comprising mining and mineral extraction enterprises operating in Limpopo. The “mining sector” is highlighted in some research questions due to Limpopo’s mineral resources and the sector’s significant economic role. It faces unique challenges (stringent environmental regulations, need for large capital, community relations issues) but also offers unique opportunities (jobs, local procurement, infrastructure investment). In LED, mining companies can be both major contributors and partners if engaged properly (South African Dept. of Mineral Resources, 2018).

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17. “Sustainable Economic Growth:” Economic development that is enduring and balanced, meeting present needs without compromising the ability of future generations to meet their needs. “Sustainable economic growth” in rural Limpopo implies growth that is economically viable, environmentally sound, and socially inclusive. It is growth that not only increases output but does so equitably and with stewardship of natural resources, consistent with principles of sustainable development (United Nations, 2015 – SDGs framework).
18. “Inclusive Governance:” Decision-making processes that deliberately include a wide spectrum of stakeholders, especially those who are often marginalized (e.g., small businesses, women, youth, minority groups). “Inclusive governance” ensures transparency, accountability, and responsiveness to community needs. In our context, it means governance of LED that does not exclude any major group and that values their input in shaping outcomes (OECD, 2015). This term underscores that the governance framework strives for equity in participation and benefit-sharing.
19. “Private sector-driven hybrid LED models: LED initiatives positioning private enterprises as the principal drivers of LED initiatives, taking the lead in project conceptualisation, financing, and implementation. However, these efforts operate within a supportive regulatory environment and include structured partnerships with government and community stakeholders to ensure developmental alignment and social legitimacy.
20. “Private Sector-Led LED:” LED initiatives in which private sector actors take a leading role in driving economic projects or strategies, often with support- “Private Sector-Led LED:” Local economic development initiatives in which businesses, corporations, or entrepreneurs take the lead in driving economic growth through investment, enterprise, and innovation at the local level. In a “private sector-led LED” model, market-driven solutions are foregrounded – for example, private companies spearheading projects that create jobs, provide services, or develop infrastructure – while still aligning these efforts with broader socio-economic goals of the community (World Bank, 2020). This approach assumes the private sector will act as the primary engine of local development, with government and other actors playing supporting or facilitating roles.
21. “State-Led LED:” An approach to local economic development where government agencies or public institutions are the primary drivers. “State-led LED” often involves public-sector initiatives such as infrastructure projects, policy interventions, or service delivery programs aimed at economic development. This model typically focuses on addressing systemic inequalities and providing public goods (e.g., roads, schools, utilities) in underserved regions, under the assumption that a strong guiding hand by the state is needed to steer development (UNDP, 2014). In practice, state-led LED can include programs like public works employment schemes, government-driven industrial hubs, or municipal enterprise projects.

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22. “Private Sector Inclusion:” The practice of systematically integrating private sector actors into governance structures and planning processes for LED. “Private sector inclusion” means that businesses are not merely consulted but are embedded in the decision-making framework – their expertise, resources, and perspectives are actively used in planning and implementing LED initiatives. The concept involves balancing profit motives with public welfare by creating mechanisms (such as partnership forums, MOUs, or co-management arrangements) where private entities collaborate with public and community stakeholders on an equal footing (UN-Habitat, 2016). In this study, private sector inclusion is a core principle, ensuring that the governance framework harnesses business innovation and efficiency for community benefit.
23. “Private Sector Participation in LED:” The active involvement of private businesses in executing and supporting local economic development activities. “Private sector participation” can take many forms – such as companies investing in local projects, firms entering into public-private partnerships (PPPs) to deliver services or build infrastructure, industries sponsoring training programs (as part of skills development), or local enterprises coordinating in cooperative structures. This participation implies that the private sector contributes not just funding, but also managerial know-how, technology, and market access to LED efforts (Porter & Kramer, 2011). The study examines how enhancing such participation (e.g., encouraging mining companies to partner in community development or retailers to source from local producers) can improve LED outcomes.
24. “Promoting LED:” A broad term for strategies and actions aimed at stimulating and accelerating local economic development. “Promoting LED” involves initiatives like fostering entrepreneurship (e.g., business incubators, start-up grants), improving infrastructure (e.g., roads, internet connectivity), enhancing education and vocational training, simplifying business regulations, and encouraging investment in the local area. All these efforts are intended to create a more enabling environment for economic activity. In rural Limpopo, promoting LED means tackling systemic barriers to growth (such as lack of finance or markets for rural products) and implementing measures to build a more resilient and diversified local economy (Rodríguez-Pose & Tijmstra, 2009).

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25. “Development:” A multidimensional process aimed at improving the overall well-being of a society. “Development”, in this study’s context, refers not just to economic growth but also to social progress and environmental sustainability. It encompasses enhancing living standards, expanding individual and collective opportunities (freedoms and capabilities), and building local capacity for self-sufficiency (Sen, 1999). In practical terms, development in rural Limpopo includes boosting incomes and employment (economic dimension), reducing poverty and inequality and improving services like healthcare and education (social dimension), and managing natural resources wisely while mitigating negative environmental impacts (environmental dimension). It implies a long-term transformation that empowers communities and improves quality of life holistically.
26. “Ecosystem Partners:” The diverse set of stakeholders that collectively form the local economic development ecosystem. “Ecosystem partners” include private businesses (from small enterprises to large corporations), government entities (local, provincial, and national departments or agencies), civil society and non-profit organizations, academic and research institutions, traditional leadership structures, and local community groups. These partners each bring unique resources and perspectives – for instance, businesses bring investment and innovation, government brings policy and public funding, communities bring local knowledge and mobilization, and so forth. The term underscores that successful LED arises from “synergy” among these actors, where coordination and collaboration (sharing resources, aligning objectives) allow the group to address complex challenges that no single actor could tackle alone (Bryson *et al*., 2015). In the proposed framework, creating effective collaboration among ecosystem partners is a central goal.
27. Governance framework for local economic development - Governance framework for local economic development is taken to refer to the following critical points: LED Regulatory frameworks, such as the establishment of various focal persons and steering committees, decentralization of power and authority across district and local municipalities, and organizational platforms by which various stakeholders, mainly the community and the private sector, are organized and engaged. (Woldesenbet *et al.*, 2020)

1.7 Outline of the Thesis

This thesis is organized into six chapters, each addressing a distinct aspect of the research and building towards the development of the private sector-inclusive LED governance framework:

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1. Chapter 1: Introduction – ("Current Chapter") this chapter has provided the background of the study and introduced the research problem, highlighting the need for a governance framework that includes the private sector in rural LED. It outlined the justification/rationale for the study, clearly stated the research objectives and associated questions, and described the theoretical framework guiding the inquiry. Key terms and concepts used throughout the thesis were defined to ensure clarity. In sum, Chapter 1 establishes the context, purpose, and scope of the research.
2. Chapter 2: Literature Review – The second chapter delves into existing literature related to local economic development and the inclusion of the private sector in governance, especially in rural communities. It examines the conceptual evolution of LED globally and within South Africa, tracing how LED thinking has shifted from government-led, infrastructure-focused approaches to more collaborative and innovation-driven models. The literature review covers the current state of LED governance frameworks and their effectiveness, both internationally and in the South African context, identifying successes and shortcomings. It also explores divergent views and debates in LED theory and practice (such as pro-poor vs. pro-growth orientations, or the role of small enterprises vs. large investors). By critically analysing these sources, Chapter 2 highlights knowledge gaps and lessons learned, thereby situating the study within the broader academic and policy discourse on LED. This review lays the theoretical and empirical foundation for why a new private sector-inclusive framework is warranted.
3. Chapter 3: Research Methodology – This chapter explains the study area and the research design adopted to achieve the objectives. It describes the research paradigm and approach (for instance, whether the study used a qualitative, quantitative, or mixed-methods strategy) and justifies why this approach is suitable. The chapter details the population and sampling procedures – i.e., who the respondents or participants were (such as local officials, business owners, community leaders in Limpopo's rural areas) and how they were selected. It also outlines the data collection instruments (for example, structured questionnaires, interviews, focus groups) and the process followed to gather data in the field. The methods of data analysis are described, including any statistical techniques, coding processes, or analytical frameworks used to interpret the information and answer the research questions. Additionally, Chapter 3 discusses ethical considerations and how issues of informed consent, confidentiality, and integrity were handled throughout the research process. Overall, this chapter provides a transparent account of how the research was conducted and how validity and reliability were ensured.

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4. Chapter 4: Results and Discussion – The fourth chapter presents the findings of the research and discusses them in relation to the objectives and existing literature. It is typically structured around the key themes or the specific research objectives. For each objective, the chapter synthesizes what the data revealed – for example, identifying what challenges the private sector faces in participating in rural LED (Objective 1), or summarizing stakeholder feedback on the proposed framework's effectiveness (Objective 5). Quantitative data might be presented in tables or figures (with accompanying analysis of trends or patterns), while qualitative insights might be conveyed through thematic analysis and direct quotes from participants. The "discussion" component interprets these results: it explains what the findings mean for rural LED governance and how they confirm, expand upon, or contradict the literature reviewed in Chapter 2. For instance, if the results show a particular weakness in existing LED forums, the discussion would relate that to literature on collaborative governance. Chapter 4 thus not only catalogues results but also provides analysis – linking back to the hypothesis or research questions and assessing the implications for the proposed private sector-inclusive framework.
5. Chapter 5: Analysis of the Proposed Framework – In this chapter, the thesis brings together the research findings to craft and examine the proposed governance framework. It provides a detailed description of the "Private Sector-Inclusive Governance Framework for LED" developed by the study, explaining its components (the "who, how, why" platforms described in Chapter 1) and the rationale behind its design. The chapter then analyses the framework's potential effectiveness by considering how it addresses the challenges identified earlier and how it leverages best practices from literature. Essentially, Chapter 5 is where the study's contributions crystallize: it translates insights into a tangible framework and then critically evaluates this framework. This evaluation might include stakeholder perspectives (e.g., how do local officials or business leaders perceive the framework's feasibility and usefulness, as gathered from validation workshops or interviews) – aligning with Objective 5. Strengths and limitations of the framework are discussed, and any necessary refinements are proposed. By the end of this chapter, the reader should understand how the new framework works and why it is expected to improve LED outcomes in rural Limpopo.

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6. Chapter 6: Synthesis and Recommendations – The final chapter provides a summary of the major findings and reflects on the study's overall contribution to knowledge and practice. It draws "conclusions" by revisiting the research objectives and questions – indicating to what extent each was addressed and what was discovered. Key takeaways and insights are highlighted, emphasizing how the study contributes to the body of knowledge on LED governance. The chapter also outlines the "contributions of the study", including theoretical contributions (for example, extending understanding of collaborative governance in rural contexts) and practical contributions (such as a framework that can be adopted or piloted by policymakers). Following the conclusions, the chapter offers "recommendations" for future action: these may be policy recommendations (e.g., for government or development agencies in South Africa to adopt elements of the framework or to create enabling policies), practical recommendations for implementation of the framework in Limpopo (including any pilot programs or capacity-building initiatives needed), and suggestions for future research (identifying any unanswered questions or new questions that arose, and proposing how researchers could build on this work). The thesis then ends with any necessary references and appendices. Appendices might include supplementary materials like survey instruments, detailed data tables, or additional case study information, and the references list all sources cited throughout the thesis, ensuring the academic rigor of the work.

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CHAPTER 2 LITERATURE REVIEW

2.1 Introduction

This chapter reviews existing literature towards developing a "*Private Sector-inclusive Governance Framework for Local Economic Development (LED) in Rural Areas of Limpopo.*" It examines the role of the private sector in LED, assessing existing governance frameworks and their implications for collaborative implementation of LED initiatives in rural areas. The literature is reviewed to critically examine the conceptual, empirical, and theoretical foundations that underpin the development of a private sector-inclusive governance framework for Local Economic Development (LED) in rural areas of Limpopo Province, South Africa. The structure of the literature review is deliberately aligned with the five research objectives outlined in Chapter 1, ensuring that the inquiry remains thematically coherent and analytically focused.

The review begins by exploring the conceptual and contextual background of LED followed by challenges faced by the private sector in participating in LED initiatives (Objective 1), which is followed by an assessment of existing LED governance frameworks and their effectiveness (Objective 2). It then evaluates the potential economic, social, and environmental benefits of enhanced private sector inclusion (Objective 3), before examining international and local models that inform the formulation of a responsive and context-specific governance framework (Objective 4). Finally, the review investigates methodological and theoretical perspectives for evaluating the effectiveness of such frameworks (Objective 5). In doing so, the chapter not only highlights gaps in existing literature but also grounds the study within a robust conceptual and empirical foundation that informs the design, implementation, and validation of the proposed framework.

Essentially, the chapter explores the conceptual evolution of LED, transitioning from infrastructure-driven efforts in the 1960s to current models emphasising innovation, sustainability, and private sector-driven hybrid LED. It emphasises LED's role in addressing poverty, inequality, and unemployment within the context of the UN Sustainable Development Goals (SDGs) and South Africa's National Development Plan (NDP) Vision 2030. The review highlights LED's potential to foster inclusive growth, environmental sustainability, and reduce spatial disparities, particularly in economically constrained rural areas (United Nations, 2015; National Planning Commission, 2012).

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However, it critically analyses challenges in rural South African LED initiatives, noting failures often arising from poor understanding of the concept of LED, poor planning, inadequate funding, limited community participation, and weak governance structures. These shortcomings perpetuate poverty, undermine community trust, and contribute to social and environmental problems. The chapter advocates for a comprehensive approach, emphasising enhanced stakeholder engagement, better resource allocation, and improved institutional capacity (Nel & Rogerson, 2021; Atkinson, 2023).

The discussion further addresses diverse governance frameworks underpinning LED, including strategic, participatory, institutional, and sectoral models. It identifies strengths and weaknesses, specifically concerning stakeholder inclusion, contextual adaptability, and resource constraints. The review argues for more inclusive governance models that effectively engage private entities, civil society, and local communities (OECD, 2021; World Bank, 2022).

Lastly, the chapter underscores the significant yet often constrained role of the private sector in LED. Structural barriers, such as limited finance access, transparency issues, and insufficient inclusion in planning processes, hinder private sector involvement. Strengthening collaboration among private sector actors, government, and civil society is proposed to create conditions conducive to private investment and innovation, facilitating sustainable and inclusive rural economic growth (Rogerson, 2023; Khambule & Nzimande, 2022).

2.2 Conceptual and Contextual Background of LED

2.2.1 Overview

There are several definitions for Local Economic Development (LED), coined by different developmental organisations which tend to emphasise elements aligned with their specific mandates. Its primary role is to create a conducive environment fostering innovation, attracting investment, and ensuring equitable opportunities for all stakeholders (OECD, 2020). By addressing systemic barriers and aligning policies with local needs, LED enables regions to capitalise on their unique strengths while mitigating vulnerabilities (UN-Habitat, 2022). For instance, improved rural roads in Ghana increased agricultural trade by 25%, directly boosting local incomes (IFAD, 2019). Such initiatives enhance productivity and empower marginalised groups, fostering inclusive growth (UNDP, 2021). Access to finance, mentorship, and regulatory simplification can significantly increase SME survival rates. For instance, India's National Rural Livelihoods Mission lifted 37 million women out of poverty through collective entrepreneurship (NITI Aayog, 2021).

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Climate-resilient infrastructure and green industries protect communities from shocks while creating jobs. Costa Rica's reforestation programmes, for example, boosted eco-tourism revenue by $2 billion annually while restoring biodiversity (UNDP, 2020).

In Medellín, Colombia, PPPs transformed the city's metro system, reducing crime and unemployment by 40% within a decade (UNESCO, 2019). Such collaborations ensure development projects are financially viable and socially impactful (IMF, 2021). Weak governance, corruption, and inadequate funding often hinder LED efforts (Transparency International, 2022). For example, Nigeria loses $15 billion annually to corruption in local projects, stifling development (NEITI, 2021). By fostering collaboration and addressing systemic challenges, LED empowers communities to achieve self-reliant, resilient growth (World Bank, 2023). For this study, we adopt South Africa's definition of LED, which according to CoGTA (2018: pp. Key features include being territorial, stakeholder-driven, process-oriented, multidisciplinary, outcomes-based, an approach, and innovation-driven."
Local economic development (LED) in South Africa has faltered due to systemic barriers, including the lack of meaningful private sector inclusion. Post-apartheid policies, such as the 1998 White Paper on Local Government, envisioned public-private partnerships (PPPs) to drive growth, but collaborations often prioritised corporate profitability over community needs (Bond, 2000; Binns & Nel, 2002). For instance, mining towns in the 2010s channelled LED resources towards large firms, sidelining small businesses and grassroots entrepreneurship (Marais, 2013). This exclusion limited access to private sector expertise, investment, and innovation critical for sustainable development (Rogerson, 2010).

Historical timelines highlight persistent gaps: the 1996 Growth, Employment, and Redistribution (GEAR) policy prioritised macroeconomic stability, discouraging private sector engagement in pro-poor LED (Bond, 2000). By the 2000s, municipalities like Johannesburg's urban renewal projects focused on commercial zones, neglecting township economies where private investment was scarce (Bénit-Gbaffou, 2016). Weak monitoring systems, as seen in the 2020s, failed to hold private actors accountable for equitable outcomes (Khambule & Nzimande, 2021). Together, these factors reflect a systemic undervaluing of inclusive private sector participation, undermining LED's transformative potential.

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This conceptual overlap complicates municipal policy implementation, turning LED initiatives into catch-all solutions for poverty alleviation and basic services beyond their economic mandate (Pubpdf.net, 2023). Such ambiguity risks diluting strategic focus and accountability, causing confusion among local actors regarding LED's true purpose (Pubpdf.net, 2023). To address this, South Africa introduced the District Development Model (DDM) in 2019, aiming for integrated planning and overcoming departmental fragmentation (UNDP, 2023). Nevertheless, municipalities continue struggling with LED's conceptual ambiguity, blending pro-poor and pro-growth objectives without clear strategic orientation (SACN, 2019). LED strategies frequently become unrealistic wish-lists dependent on external support, disconnected from local capacities (SACN, 2019).

Consequently, policy incoherence occurs horizontally across departments or vertically with national priorities (SALGA, 2019). Countries worldwide have implemented private sector-driven hybrid local economic development (LED) policies with varying success. Brazil's Local Productive Arrangements (APL) policy (2004) promotes SMME clusters to enhance competitiveness through training, technology hubs, and public-private coordination. Evaluations show 17% SMME job growth and a 90% export increase for participant firms. The UK's Local Enterprise Partnerships (LEPs) (2011), business-led regional boards, have created 180,000+ jobs and leveraged £15 billion in private investment. Private sector-driven hybrid LED has proven effective globally, though scale and inclusivity vary.

2.2.2 Importance of LED

In South Africa, the LED framework is pro-poor who are largely in the rural areas. Rural areas are remarkably heterogeneous and are categorised as rural formal and tribal authority areas (Meyer, 2014; Malatji, 2020). According to Malatji (2020), rural areas are divided into three types: 1) predominantly rural area (local municipality with >50% rural population), 2) significantly rural area (15–49% rural population), and 3) predominantly urban area (<15% rural population).

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Local Economic Development (LED) is a critical driver of sustainable development, particularly in addressing poverty, inequality, and unemployment, central to the United Nations Sustainable Development Goals (SDGs) (United Nations, 2015). The SDGs emphasise inclusive and sustainable economic growth (Goal 8), reduced inequalities (Goal 10), and sustainable cities and communities (Goal 11) (United Nations, 2015). LED aligns with these goals by fostering community-driven economic initiatives that empower local populations, particularly in underserved rural areas (Nel & Rogerson, 2016). In South Africa, the National Development Plan (NDP) Vision 2030 underscores LED as a mechanism to address spatial inequalities and promote economic inclusion (National Planning Commission, 2012). This literature review explores LED's importance in the context of the SDGs, the NDP, and its relevance to rural areas.

One primary reason LED is vital is its potential to reduce poverty and inequality, key objectives of both the SDGs and NDP. LED initiatives like small-scale agriculture, local entrepreneurship, and community-based tourism create jobs and generate income for marginalised communities (Rogerson, 2014). For example, the NDP highlights agriculture's potential to create one million jobs by 2030 in rural areas where it is a primary livelihood (National Planning Commission, 2012).

Moreover, LED promotes environmentally sustainable practices integral to the SDGs. In rural areas, LED initiatives advance sustainable agriculture, renewable energy projects, and conservation efforts, ensuring economic development does not cause environmental degradation (FAO, 2018). Community-led renewable energy projects like solar installations provide clean energy while creating local employment (Department of Environmental Affairs, 2019), aligning with the NDP's vision of a low-carbon economy (National Planning Commission, 2012).

LED addresses spatial inequalities, a significant challenge in South Africa. By focusing on local economies, LED decentralises economic activities, bridging gaps between urban and rural areas (Nel & Hill, 2013). The NDP advocates rural infrastructure development (roads, telecommunications, water supply) to enable economic activities and improve quality of life (National Planning Commission, 2012), consistent with SDG 9 (resilient infrastructure).

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Furthermore, LED fosters community participation and empowerment essential for sustainable development. South African LED initiatives involve local communities in planning and implementation, ensuring projects address specific needs (Petersen, 2013). The NDP advocates local economic development agencies to facilitate community-driven projects (National Planning Commission, 2012), aligning with the SDGs' "leave no one behind" principle (United Nations, 2015).

In summary, Local Economic Development is a powerful tool for achieving the SDGs, realising the NDP Vision 2030, and addressing rural South Africa's unique challenges. By reducing poverty and inequality, promoting sustainable practices, addressing spatial disparities, and fostering community participation, LED contributes to inclusive economic growth (Rogerson, 2014; Nel & Rogerson, 2016). As South Africa strives for prosperity and equity, LED must remain central to its development strategy, particularly in rural areas needing urgent economic transformation (National Planning Commission, 2012).

The significance of rural development in developing countries is widely recognised, but implementing rural development programmes is challenging. The 2017 Global Multidimensional Poverty Index (MPI) reveals large economic and social gaps between urban and rural populations in developing countries. Rural areas are being left behind, as multidimensional poverty remains concentrated there, indicating limited outcomes from past rural development efforts.

Local economic development (LED) is a complex process influenced by diverse regional factors. These factors drive economic growth, affecting a locality's ability to attract and retain businesses, generate jobs, and improve residents' quality of life.

2.2.3 South African Market and Democratic Context

South Africa's socio-economic and political architecture is defined by a mixed-market economy underpinned by constitutional democracy. The Constitution (1996) mandates the state to redress past injustices and promote socio-economic transformation, asserting principles of social justice, economic development, and participatory governance (Constitution, 1996, Preamble; Section 1(d)). This aligns with a hybrid market system merging capitalist enterprise with state intervention to drive equitable development (OECD, 2021).

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The present market system is shaped by apartheid-era legacies, which institutionalised racial exclusion and entrenched economic inequalities. These disparities necessitate state intervention through redistributive mechanisms like taxation, social grants, and public service provision (Seekings & Nattrass, 2005; National Treasury, 2020). The state's role is constitutional, with Sections 26 and 27 guaranteeing access to housing, healthcare, and social security (Constitution, 1996).

To dismantle economic exclusion, policies like Broad-Based Black Economic Empowerment (B-BBEE) target ownership, skills development, and enterprise development among historically disadvantaged groups (Department of Trade, Industry and Competition, 2019). Section 9(2) permits "legislative and other measures" to advance persons disadvantaged by past discrimination (Constitution, 1996).

Despite redistributive efforts, the private sector remains central to economic growth, contributing significantly to GDP, employment, and investment (World Bank, 2022). However, structural constraints—high unemployment, unreliable energy supply, and regulatory uncertainty—suppress investor confidence (IMF, 2021; OECD, 2021). Slow transformation in corporate ownership and leadership persists, highlighting racial and gender disparities (South African Government, 2023).

Efforts to foster public-private cooperation include initiatives like the Public-Private Growth Initiative (PPGI), facilitating dialogue to stimulate investment and inclusive growth (Ramaphosa, 2019). Such collaborations signify the importance of tripartite engagement—government, private sector, and civil society—in addressing development challenges (South African Government, 2023; World Bank, 2023).

Civil society serves as a mediator between state and citizens. NGOs, trade unions, and community-based organisations play watchdog, advocacy, and service delivery roles, especially where state capacity is limited (Habib, 2013; Kameri-Mbote, 2018). These entities exercise constitutional rights to freedom of expression and assembly (Sections 16 and 17), contributing to health, education, and housing outcomes (Kameri-Mbote, 2018).

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South Africa's participative democracy enables citizen engagement through electoral participation, public consultations, and legislative petitions (Constitution, 1996, Section 59(1)(a)). Institutions like the National Economic Development and Labour Council (NEDLAC) operationalise participatory governance by co-developing socio-economic policy with stakeholders (National Planning Commission, 2012; NEDLAC, 2023). The National Development Plan (NDP) 2030 exemplifies this approach (National Planning Commission, 2012; South African Government, 2023).

Participative democracy faces systemic challenges including political corruption, administrative inefficiency, and low public trust (Transparency International, 2022). These deficits impair participatory mechanisms and disproportionately affect marginalised communities (Freedom House, 2023). Enhancing participatory governance requires strengthening institutional capacity, expanding civic education, and using digital platforms (South African Human Rights Commission, 2020).

The intersection of South Africa's market system and participative democracy is pivotal to socio-economic transformation. Tripartite engagement remains essential to addressing structural inequalities and ensuring democracy delivers equitable outcomes (OECD, 2021; South African Government, 2023; World Bank, 2023). Local economic development (LED) requires strategic integration of public-private partnerships (PPPs), corporate social investment (CSI), and public goods provision, underpinned by commitment to free market integrity.

PPPs mobilise private sector resources for public infrastructure and service delivery, bridging fiscal gaps and distributing risks (OECD, 2012; Grimsey & Lewis, 2004). CSI entails strategic deployment of corporate resources toward societal objectives like education and skills development, strengthening labour markets and economic resilience (Porter & Kramer, 2011). This generates long-term value by enhancing human capital and building trust (Nelson & Zadek, 2000; Carroll & Shabana, 2010).

Public goods provision—physical infrastructure, public safety, sanitation—remains a state role in enabling LED. Public goods reduce transaction costs and mitigate market failures (Samuelson, 1954; Stiglitz, 1989), stimulating entrepreneurial activity (North, 1990). Successful integration of PPPs, CSI, and public goods must avoid distorting market dynamics. Excessive government intervention can suppress entrepreneurial initiative (Friedman, 1962). The state's role should be facilitative—ensuring property rights, enforcing contracts, maintaining macroeconomic stability, and setting predictable rules (Rodrik, 2004).

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In summary, fostering LED requires a synergistic approach involving PPPs, CSI, and public goods provision within a market-friendly policy environment.

2.3 Objective 1: Barriers to Private Sector Participation in LED

2.3.1 Evolution and Typologies of LED Leadership

Rather than existing in isolation, these leadership types often overlap or coexist, reflecting changing governance paradigms, ideological shifts, and the socio-economic context of different regions (Mawdsley, 2014; Rogerson, 2010). Governments played the central role in directing industrialisation, providing public infrastructure, and ensuring social welfare. South Africa's democratic transition initially flirted with a strong state-led vision through the Reconstruction and Development Programme (RDP), aiming to address historical inequalities through public investment in basic services and community upliftment. However, the adoption of the Growth, Employment and Redistribution (GEAR) strategy in 1996 marked a significant shift towards private sector-led development, prioritising fiscal discipline and market-oriented reforms (Republic of South Africa, 1996; Rogerson, 2010).

Despite this policy orientation, South Africa's LED outcomes have often been uneven, with persistent socio-economic divides along geographic and racial lines. Within this spectrum, three principal forms of hybrid LED leadership can be distinguished: State-driven hybrid models are characterised by government assuming a leadership role in initiating and coordinating development projects while actively engaging the private sector and communities. An example is South Africa's Garden Route Film Office, which was spearheaded by municipal authorities seeking to catalyse local economic benefits through film production, although it encountered challenges related to capacity and coordination (Kamara, 2016). South Africa's Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) is a notable example, where private investors have driven renewable energy projects, albeit facing scrutiny over localisation targets and community trust issues (Eberhard & Naudé, 2017; Nel & Komendantova, 2018).

A prominent example is the Alexandra Renewal Project, where local stakeholders played a central role in defining development priorities, though efforts were often challenged by issues of complexity, coordination, and scalability (Sinwell, 2008; Kamara, 2016).

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Kenya's Vision 2030 integrates public-private partnerships (PPPs) to deliver infrastructure and promote special economic zones, combining government leadership with private investment. However, implementation has often faced capacity constraints, policy incoherence, and uneven results across municipalities (Rogerson, 2010). While often small in scale, community-led models can produce highly resilient local economies, though sustainability may be threatened by limited access to finance, skills, and broader market connections (ODI, 2006).

Political contexts significantly influence LED model prevalence: strong centralised regimes favour state-led approaches (Mawdsley, 2014); neoliberal climates favour private-sector alternatives (Republic of South Africa, 1996; Rogerson, 2010); coalition-oriented governments enable hybrid forms (Ansell & Gash, 2008; Kamara, 2016); and participatory political styles underpin community-led and distributed leadership (Sinwell, 2008; Ansell & Gash, 2008). **Table 2.1** summarises the various leaderhip challenges.

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Table 2-1: Comparison Table of LED Leadership Styles

Item	Leadership Style	Definition	Primary Actor(s)	Reason for Emergence	Strengths	Challenges
1.	State-led	Government-led model focused on state planning and infrastructure	Central or local government	Emerged from developmental-state belief in state capacity to shape industrialisation and equitable growth	Promotes coordinated development and resource allocation	Suffers from bureaucratic inefficiencies, political capture, and weak local engagement
2.	Private sector-led	Market-driven model emphasising entrepreneurship and innovation	Businesses, entrepreneurs	Arising from neoliberal ideology privileging market efficiency and deregulation	Encourages innovation and flexible economic responses	May deepen inequalities and exclude marginalised communities
3.	State-driven hybrid	Government-led initiative involving private & community partners	Government, private firms, community organisations	Developed to combine scale of state with agility of private sector and rooted legitimacy through communities	Enables resource mobilisation and contextual relevance through stakeholder integration	Bureaucracy, low private agility, and potential tokenistic involvement
4.	Private sector-driven hybrid	Private sector leads or co-leads LED initiatives within structured partnerships	Businesses, government, communities	Emerging to foster innovation-led growth under enabling public frameworks and community legitimacy	Encourages swift execution, innovation, and market responsiveness with social legitimacy	Requires effective governance to align business objectives with inclusive development goals and avoid elite capture.
5.	Community-driven hybrid	Grassroots-led model with institutional support and private input	Community groups, government, private sector	Evolved to embed development within local contexts and empower grassroots with multi-sector support	Ensures local ownership, empowerment, and social alignment	Faces funding scarcity, limited technical capacity, and scalability barriers
6.	Community-led	Locally owned and participatory development model	Co-operatives, NGOs, residents	Rooted in participatory development theory valuing local agency and democratic decision-making	Builds democratic engagement and community accountability	Often lacks sustained resources, capacity, and market integration
7.	Distributed	Networked leadership across multiple actors	Institutions, networks, NGOs	Emerged to manage complexity through polycentric governance and shared leadership responsibilities	Harnesses collective intelligence and adaptability	Suffers from coordination issues and accountability dilution
8.	Entrepreneurial	Innovation-driven, opportunity-focused leadership	Individual and institutional innovators	Derived from recognition that LED requires proactive risk-taking and niche identification by local actors	Drives creative solutions and competitiveness	Prone to risk, may neglect long-term social goals, and require robust institutional support

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2.3.2 State of Private Sector Exclusion in LED initiatives

This legacy of exclusion created structural challenges that the democratic government would later have to confront – including stark spatial inequality, deficient infrastructure in townships, and an underdeveloped black SME sector. The 2000s saw a clearer institutionalisation of LED and recognition that unlocking private sector resources was essential for local development. One landmark policy move was the introduction of a formal Public-Private Partnership framework in 1998, facilitating joint projects where private entities could finance, build, and operate infrastructure for public use. Cumbersome approval processes, capacity constraints in municipalities, and perceived political/regulatory risks have further deterred private investors from local projects (SALGA, n.d.).

The PPP projects concluded in South Africa span sectors such as transport, health, water, and tourism facilities (National Treasury, n.d.). Going forward, addressing procedural bottlenecks and building trust will be crucial to leverage more private investment – a theme revisited in the conclusion. Such private contributions complement government's large education budget (over 5% of GDP) and help address quality gaps, especially in poorer provinces. There remains significant scope to better coordinate CSI with local government priorities so that private resources can more directly complement and amplify public social investments. Additionally, large corporations often favour established suppliers, making it hard for new small businesses (especially black-owned SMMEs in outlying areas) to secure contracts.

Many township entrepreneurs still cite red tape, crime, and lack of infrastructure as constraints that neither government nor big business has adequately addressed (International Finance Corporation, 2023). When assessing private sector involvement in LED, it is useful to compare South Africa with other countries and regions. Unemployment among youth entrepreneurs remains dauntingly high, whereas some peer countries with active private sector-driven microfinance and incubation networks have seen more success in cultivating start-ups (OECD, 2021). On a positive note, South Africa's banking sector is highly developed and profitable, which could be harnessed more for SME lending. Despite policy intentions to foster inclusive development, elements of private sector exclusion persist in South Africa's local economies. In many poor municipalities and townships, there is still scant direct investment by large companies beyond retail outlets or mining extraction (Auditor-General South Africa, 2023).

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This capacity deficit means many LED initiatives remain rudimentary (e.g., small public works projects) and do not leverage private innovation or funding. Many townships and rural areas lack consumer spending power, have high crime rates, or poor logistics – factors that cause big business to bypass them (Spatial Planning Commission, 2023). Overcoming this requires creative LED strategies (like special incentives for township investment, improving security and infrastructure in those areas, aggregating demand through cooperatives, etc.). This perception can fuel tensions and protests (such as community unrest around mines), which in turn make the business environment even more volatile. As experts recommend, creating a fast-track mechanism for smaller municipal PPP projects (e.g., in water provision or waste management) would help (JOLGRI, 2023). Enacting a dedicated Municipal PPP Act or regulations could clarify processes and timelines, reducing the uncertainty that currently surrounds local partnerships.

Measures should include rigorous training programs for municipal officials in contract management, transparent procurement, and financial planning related to PPPs. Incentivize Local Investment and Enterprise Development: The government can introduce or expand incentives for companies to invest in underdeveloped areas (National Treasury, 2023). Leverage Corporate Social Investment Strategically: While CSI in South Africa is sizable, it can achieve greater impact if better aligned with local development plans (BizCommunity, 2023). Social compacts – agreements between communities, local government, and companies on development commitments – should be standard practice, especially in resource extraction areas.

2.4 Stakeholder Inclusive Governance in LED

2.4.1 Overview

Stakeholder engagement is widely recognized as a pivotal component in the formulation and implementation of successful local economic development (LED) strategies (Theron, 2008). The inclusive participation of diverse actors—ranging from governmental institutions, the private sector, civil society, to local communities—ensures that economic policies and initiatives are responsive to the needs and aspirations of affected populations and are grounded in local realities (Nel & Rogerson, 2005). Such participatory processes contribute to the legitimacy and sustainability of development interventions by fostering a sense of shared ownership and promoting accountability and transparency (World Bank, 2001).

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In the South African context, the principle of stakeholder engagement is institutionalized within the national policy architecture, notably through the White Paper on Local Government (1998), which emphasizes participatory governance and mandates municipalities to act as catalysts for LED (Republic of South Africa, 1998). This policy imperative is particularly salient in post-apartheid South Africa, where entrenched socio-economic challenges such as widespread unemployment, persistent inequality, and spatial disparities necessitate inclusive and context-specific development approaches (Rogerson, 2010).

Effective stakeholder engagement allows local governments to identify and prioritize community needs, allocate resources more efficiently, and design interventions that reflect and address the unique socio-economic landscapes of localities (Petersen, 2014). Moreover, it facilitates the building of trust and social capital, both of which are essential for fostering long-term economic resilience and social stability (Putnam, 1993). Engagement processes also enable ongoing dialogue and feedback mechanisms, thereby enhancing the monitoring, evaluation, and adaptability of LED initiatives (Cloete & Meyer, 2006).

Empirical evidence of effective stakeholder engagement in South Africa is exemplified by the eThekwini Municipality's Integrated Development Plan (IDP), which systematically incorporates consultation with local businesses, non-governmental organizations (NGOs), and community representatives in shaping its LED priorities (eThekwini Municipality, 2019). As a result of these consultative processes, targeted interventions—such as support for small enterprises and informal economic actors—have contributed to employment creation and local economic empowerment (Harrison, Todes, & Watson, 2008).

Despite these successes, several impediments hinder the realization of meaningful stakeholder engagement. These include limited institutional capacity within municipalities, political interference, and the lack of effective coordination among stakeholders (Van Donk *et al.*, 2008). Addressing these challenges necessitates the strengthening of institutional frameworks, the implementation of capacity-building initiatives, and the cultivation of trust through transparent and consistent engagement practices (Swinburn, Goga, & Murphy, 2006). Given South Africa's historical legacy of exclusion and inequality, stakeholder engagement is not only a strategic imperative but also a moral and developmental necessity (Bond, 2000). The legacy of apartheid has produced entrenched economic disparities, with many communities still excluded from mainstream economic processes (Rogerson, 2010). Stakeholder engagement provides a platform for historically marginalized groups to influence and shape development strategies, thereby promoting social inclusion and redressing historical injustices (Nel & Rogerson, 2005).

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Participation in local development processes empowers communities, fosters social cohesion, and enhances the sustainability of development interventions (Putnam, 1993). Furthermore, stakeholder collaboration facilitates the pooling of resources and expertise, which is crucial in resource-constrained environments like South Africa (Rodriguez-Pose & Tijmstra, 2007). The private sector can provide innovation and investment, while government institutions contribute regulatory frameworks and infrastructure. NGOs and community-based organizations (CBOs) often act as intermediaries, ensuring the inclusion of marginalized voices in development processes (Binns & Nel, 2002).

Stakeholder engagement is essential for the success of local economic development, particularly within the complex socio-economic landscape of South Africa. Meaningful engagement facilitates inclusive development, fosters community empowerment, and promotes equitable growth. To realize its full potential, however, it is crucial to address structural and institutional barriers that impede effective participation, thereby ensuring that all stakeholders are genuinely involved in shaping development trajectories.

Addressing the challenges and overcome accompanying complexities in Local Economic Development (LED) necessitates integrating stakeholder engagement theories. This chapter discusses three identified relevant theories, i.e. 1) Arnstein's Ladder of Citizen Participation, 2) Mitchell, Agle, and Wood's Stakeholder Salience theory, 3) Johnson, Scholes, and Whittington's Power-Interest Matrix.

2.4.2 Arnstein's Ladder of Citizen Participation

The Arnstein Ladder of Citizen Participation, developed by Sherry Arnstein in 1969, provides a framework for understanding the levels of stakeholder involvement, ranging from non-participation to citizen control, which is highly relevant to LED initiatives (Arnstein, 1969). At the base of the ladder, "manipulation" and "therapy" represent non-participatory approaches where stakeholders are merely informed or placated, often leading to disengagement and mistrust (Arnstein, 1969).

In the context of LED, such approaches can hinder the development of locally relevant strategies, as they fail to leverage the insights and expertise of community members (Bovaird, 2007). **Figure 2.1**, shows the Arnstein's Ladder – Degree of Citizen Participation where each ladders number has the following meaning:

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1. Manipulation and Therapy. Both are non-participative. The aim is to cure or educate the participants. The proposed plan is best, and the job of participation is to achieve public support through public relations.
2. Informing. A most important first step to legitimate participation. But too frequently the emphasis is on a one-way flow of information. No channel for feedback.
3. Consultation. Again, a legitimate step attitude surveys, neighbourhood meetings and public enquiries. But Arnstein still feels this is just a window dressing ritual.
4. Placation. For example, co-option of hand-picked 'worthies' onto committees. It allows citizens to advise or plan ad infinitum but retains for power holders the right to judge the legitimacy or feasibility of the advice.
5. Partnership. Power is in fact redistributed through negotiation between citizens and power holders. Planning and decision-making responsibilities are shared e.g. through joint committees.
6. Delegation. Citizens holding a clear majority of seats on committees with delegated powers to make decisions. Public now has the power to assure accountability of the programme to them.
7. Citizen Control. Have-nots handle the entire job of planning, policy making and managing a programme e.g. neighbourhood corporation with no intermediaries between it and the source of funds.

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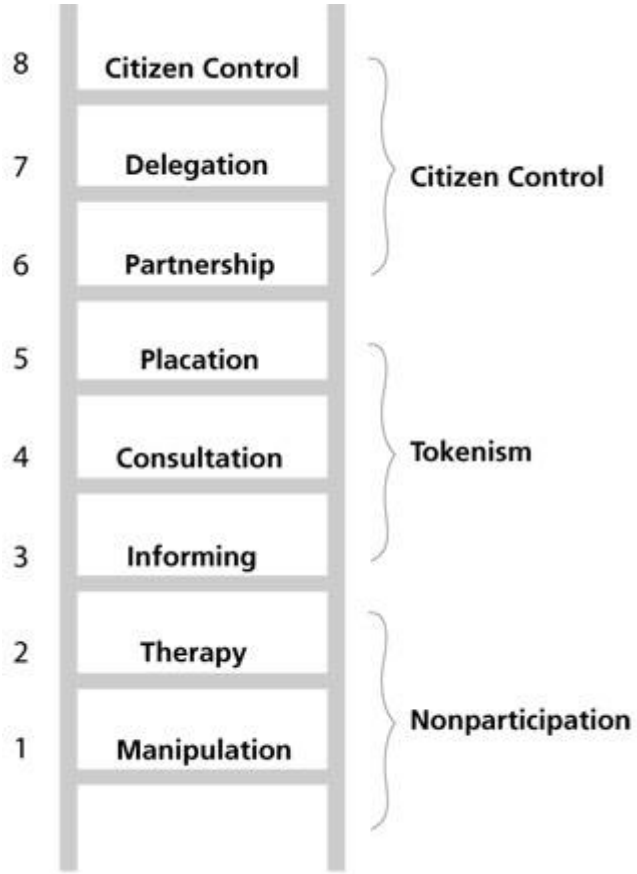


Figure 2-1: Arnstein's Ladder – Degree of Citizen Participation

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Moving up the ladder, "informing," "consultation," and "placation" represent tokenistic forms of participation where stakeholders are given a voice but lack real influence over outcomes (Arnstein, 1969). While these levels may appear inclusive, they often result in superficial engagement that does not address the root causes of economic disparities (Pretty, 1995). For LED to be effective, stakeholders must be empowered to actively shape policies and programs, ensuring that development initiatives align with local needs and priorities (Mansuri & Rao, 2013). This requires moving beyond tokenism to higher levels of participation, such as "partnership," "delegated power," and "citizen control," where stakeholders share decision-making authority and have the capacity to implement solutions (Arnstein, 1969).

At the "partnership" level, stakeholders collaborate with local governments and development agencies to co-create strategies, fostering a sense of ownership and accountability (Reed *et al.*, 2009). This collaborative approach is particularly important in LED, as it ensures that economic policies are context-specific and address the unique challenges faced by local communities (Rodríguez-Pose, 2013). For example, involving local businesses, community organizations, and residents in the planning process can lead to the identification of untapped economic opportunities and the development of innovative solutions (Bovaird, 2007). Furthermore, partnerships can enhance the legitimacy of LED initiatives, as stakeholders are more likely to support and participate in programs they have helped design (Mansuri & Rao, 2013).

The highest rungs of Arnstein's ladder, "delegated power" and "citizen control," represent transformative levels of participation where stakeholders have significant authority over decision-making and implementation (Arnstein, 1969). In the context of LED, this could involve community-led initiatives such as cooperatives, local investment funds, or participatory budgeting processes (Fung & Wright, 2003). These approaches not only empower communities but also build local capacity, ensuring that economic development is sustainable and resilient (Rodríguez-Pose, 2013). However, achieving these levels of participation requires significant investment in capacity-building, trust-building, and institutional support, as well as a willingness among traditional powerholders to share control (Mansuri & Rao, 2013).

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In summary, stakeholder engagement is essential for effective local economic development, and the Arnstein Ladder provides a valuable framework for understanding and improving participation processes (Arnstein, 1969). By moving beyond tokenistic approaches and embracing higher levels of participation, local governments and development agencies can create more inclusive, equitable, and sustainable economic strategies (Reed *et al.*, 2009). Ultimately, empowering stakeholders to take an active role in shaping their economic future is not only a matter of fairness but also a practical necessity for achieving long-term development goals (Rodríguez-Pose, 2013).

2.4.3 Stakeholder Typology

Stakeholder theory has undergone significant evolution since its inception, with Mitchell, Agle, and Wood's (1997) stakeholder typology emerging as a pivotal framework for categorizing stakeholders based on three key attributes: power, legitimacy, and urgency (see Figure 2.2). This typology has become a cornerstone in stakeholder theory, providing a structured approach for organizations and policymakers to identify and prioritize stakeholders across various contexts, including local economic development (LED) initiatives (Freeman el al., 2023; Donaldson & Preston, 1995).

Mitchell, Agle, and Wood (1997) define power as a stakeholder's capacity to influence an organization or initiative, which can be exercised through coercive, utilitarian, or normative means. The combination of these attributes allows for the classification of stakeholders into seven distinct categories: dormant, discretionary, demanding, dominant, dependent, dangerous, and definitive stakeholders (Mitchell et al., 1997). Dormant stakeholders possess power but lack legitimacy and urgency, often maintaining latent influence without active engagement (Mitchell et al., 1997). Demanding stakeholders exhibit urgency without power or legitimacy, rendering their claims largely ineffective.

Dangerous stakeholders, characterized by power and urgency without legitimacy, can pose risks to initiatives through disruptive or coercive actions. Finally, definitive stakeholders possess all three attributes and are accorded the highest priority in strategic decision-making. Local governments often function as dominant stakeholders, wielding both power and legitimacy as the primary agents responsible for initiating and overseeing development processes (Pike et al., 2006). The private sector, particularly investors, often assumes a dominant or even definitive role, leveraging financial resources and institutional legitimacy to drive project execution and influence outcomes (Carter & Harman, 2000).

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Such an approach not only enhances project outcomes but also contributes to building trust and social capital within the community (Putnam, 2000). Marginalized groups, such as low-income communities or minority-owned businesses, often lack power but possess high legitimacy and urgency in their demands for economic opportunities (Agyeman & Evans, 2004). By recognizing these groups as dependent or demanding stakeholders, policymakers can prioritize their needs and ensure that development initiatives are equitable and socially just (Sen, 1999). This is particularly important in urban renewal contexts, where local residents face significant and immediate impacts but often lack the power to assert their interests (Healey, 1997). Mitchell's stakeholder typology offers a robust framework for analysing and engaging stakeholders in LED initiatives. As local economies grapple with complex challenges such as globalization, technological change, and climate change, the application of this typology will remain a critical tool for fostering sustainable and equitable development (Sachs, 2015).

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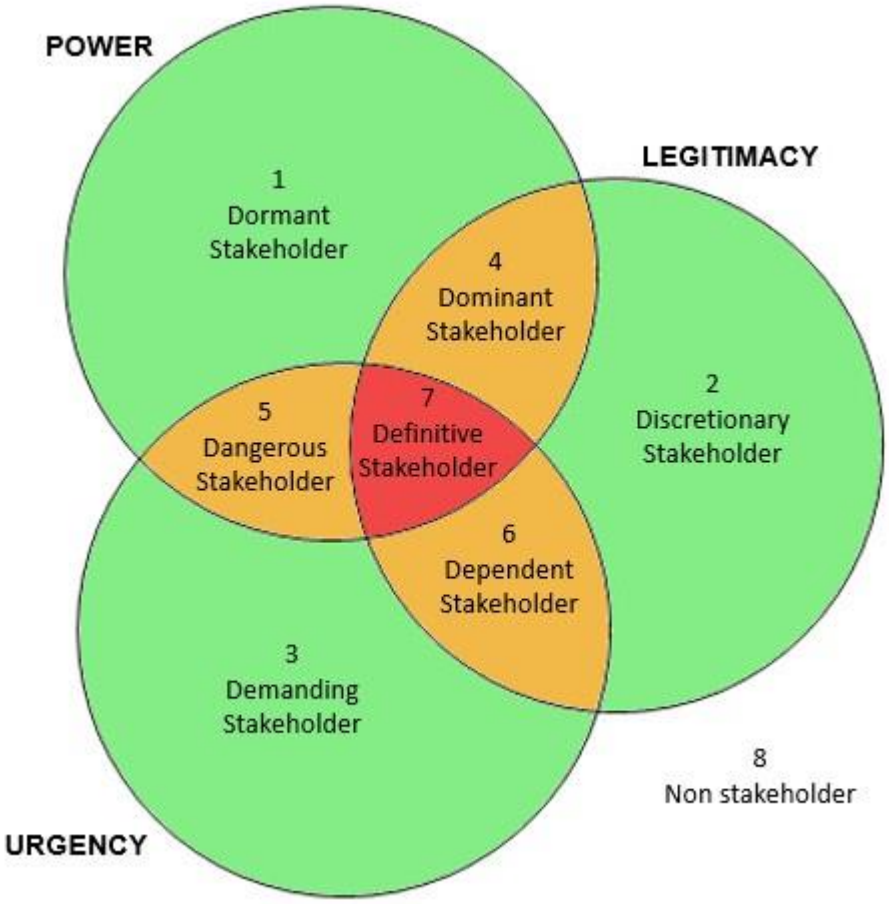


Figure 2-2: Stakeholder typology based on individual stakeholder attributes. Taken from https://www.stakeholdermap.com/stakeholder-analysis/stakeholder-salience.html adapted from Mitchell *et al.*, 1997.

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2.4.4 Stakeholder Power vs Interest

This broad definition underscores the importance of identifying and engaging stakeholders to ensure organizational success. Power can derive from various sources, including formal authority, control over resources, expertise, or social influence (French & Raven, 1959). For example, government regulators wield significant power due to their authority to enforce laws, while major investors exert influence through their financial contributions (Post, Preston, & Sachs, 2002). Recognizing varying levels of interest helps organizations tailor communication and engagement strategies to meet stakeholder needs effectively.

The Power-Interest Matrix is a strategic tool used to categorize stakeholders based on their level of power and interest (Johnson et al., 2008) as shown in Figure 2.3. Examples include major investors, top executives, and regulatory bodies (Freeman el al., 2023). High Power, Low Interest: These stakeholders have significant influence but limited engagement. Organizations should keep them informed to prevent potential issues (Mitchell et al., 1997). Low Power, High Interest: These stakeholders are highly invested but lack significant influence. Organizations should address their concerns to build long-term support (Bourne & Walker, 2005).

By prioritizing stakeholders based on their power and interest, organizations can anticipate potential risks, such as regulatory penalties or reputational damage, and address stakeholder concerns proactively (Mitchell et al., 1997). Additionally, stakeholder analysis provides valuable insights for strategic decision-making, ensuring that organizations make informed and sustainable choices (Johnson et al., 2008). Stakeholder dynamics are often fluid, with power and interest levels changing over time due to factors such as social media activism or shifting priorities (Ackermann & Eden, 2011; Post et al., 2002).

Conflicting interests among stakeholders can also create tension, requiring organizations to navigate delicate trade-offs (Freeman el al., 2023). For example, in local economic development, balancing the interests of powerful corporations and marginalized communities can be particularly challenging (Arnstein, 1969). To address these challenges, organizations should adopt dynamic and inclusive stakeholder management strategies. Regular updates to stakeholder maps ensure that engagement strategies remain relevant (Bourne & Walker, 2005).

Stakeholder power-interest analysis is particularly relevant in local economic development, where diverse stakeholders, including government agencies, businesses, and community groups, interact (Bryson, 2004).

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For instance, in urban revitalization projects, property developers and municipal authorities often drive decision-making, while marginalized communities may lack influence (Healey, 1997).

Effective stakeholder management in this context requires inclusive governance structures and participatory mechanisms, such as public consultations, to ensure equitable outcomes (Fung, 2006; Reed et al., 2009). The Power-Interest Matrix provides a practical framework for categorizing stakeholders and developing tailored engagement strategies (Johnson et al., 2008).

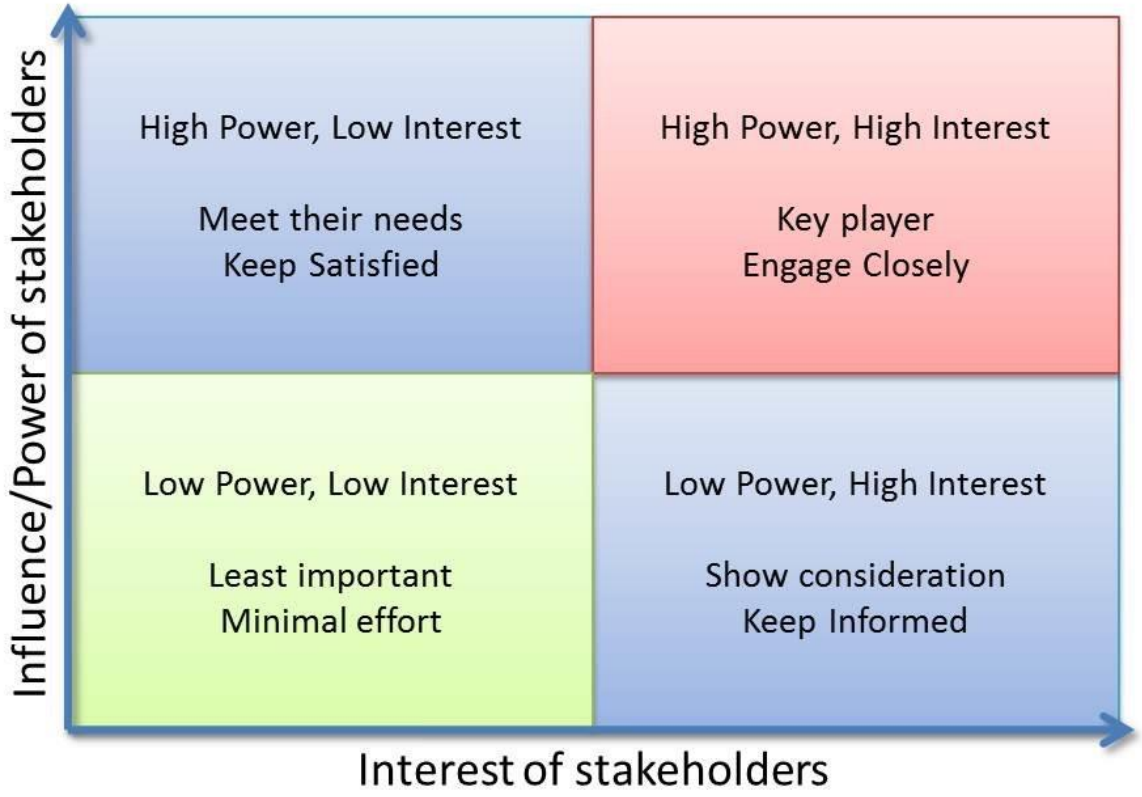


Figure 2-3: Stakeholder power/interest matrix adjusted from Johnson.

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2.4.5 Implications of Stakeholder Misclassification

The three theories are seen as necessary to ensure inclusion of stakeholders, while each has its purpose as summarized below, it is further demonstrated that they need to work together. Summary of the theories are as follows:

1. Arnstein's Ladder of Citizen Participation (1969) provides a hierarchical model for evaluating participation quality, ranging from non-participatory approaches (e.g., manipulation, therapy) to transformative citizen control (Arnstein, 1969). Higher rungs, such as partnership and delegated power, align with sustainable LED outcomes by fostering collaborative decision-making (Reed *et al*., 2009; Rodríguez-Pose, 2013).
2. Mitchell, Agle, and Wood's (1997) Stakeholder Salience theory complements this by categorizing stakeholders based on power, legitimacy, and urgency, enabling policymakers to prioritize definitive stakeholders (high power, legitimacy, urgency) while mitigating risks posed by dangerous stakeholders (high power, urgency, low legitimacy) (Mitchell *et al*., 1997).
3. Johnson, Scholes, and Whittington's (2008) Power-Interest Matrix further refines engagement strategies by mapping stakeholders into quadrants, such as Key Players (high power, high interest) requiring active collaboration and dependent stakeholders (low power, high interest) needing advocacy (Johnson *et al*., 2008).

These frameworks intersect dynamically: definitive stakeholders (Stakeholder Salience) often correspond to Key Players (Power-Interest Matrix) and demand partnership-level engagement (Arnstein's Ladder) (Bryson, 2004; Arnstein, 1969). For example, in South Africa's eThekwini Municipality, community-led cooperatives (citizen control, per Arnstein) have driven employment growth by integrating private sector stakeholders (definitive/Key Players) through participatory planning (eThekwini Municipality, 2019; Harrison *et al*., 2008). Conversely, misaligned engagement—such as relegating powerful stakeholders to tokenistic consultation—risks project failure by eroding trust and collaboration (Mansuri & Rao, 2013; Nel & Rogerson, 2005).

Stakeholder misclassification undermines LED efficacy by distorting engagement strategies. For instance, misidentifying a multinational corporation (MNC) as low power and low interest—rather than a definitive stakeholder (high power, legitimacy, urgency)—can trigger adverse outcomes (Mitchell *et al*., 1997; Johnson *et al*., 2008).

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In a South African LED initiative, a municipality erroneously categorized an MNC as a "Monitor" (low power, low interest), limiting engagement to superficial informing (Arnstein, 1969; Johnson *et al*., 2008). This misclassification led the MNC to withdraw expansion plans, citing exclusion from decision-making, thereby stalling job creation (Rogerson, 2010; Bond, 2000). The MNC's subsequent opposition delayed project approvals, illustrating how dangerous stakeholders (high power, urgency) can emerge from neglect (Mitchell *et al*., 1997; Bryson, 2004). Resource misallocation followed, as the municipality invested in irrelevant infrastructure, overlooking the MNC's logistical needs (Petersen, 2014; Theron, 2008).

Such errors reflect a failure to apply Stakeholder Salience and Power-Interest frameworks dynamically, as shifting economic conditions can elevate urgency or legitimacy (Mitchell *et al*., 1997; Ackermann & Eden, 2011). Proactive reassessment and participatory workshops could have averted these issues, ensuring the MNC's partnership-level engagement (Arnstein, 1969; Reed *et al*., 2009). The case underscores that misclassifying high-power stakeholders risks economic losses, reputational harm, and policy failure, particularly in contexts like South Africa, where private sector collaboration is vital for redressing inequality (Nel & Rogerson, 2005; World Bank, 2001).

2.5 Objective 2: Assessment of Existing LED Governance Frameworks

2.5.1 Institutional Arrangements for LED in South Africa

ED supports small, medium, and micro-enterprises (SMMEs), while LED emphasises place-based economic strategies at municipal levels. The National Development Plan (NDP) 2030 positions SMMEs as drivers of job creation, projecting that 90% of new jobs should originate from this sector (National Planning Commission, 2012). Concurrently, the Constitution (1996) mandates municipalities to promote socio-economic development, embedding LED as a core local government function (Republic of South Africa, 1996). This section analyses these institutions, their roles, interrelationships, and gaps, while drawing comparative insights from global models. SMMEs contribute up to 60% of jobs in emerging economies (World Bank, 2020). In South Africa, ED is tied to redressing historical inequalities through Broad-Based Black Economic Empowerment (B-BBEE) policies (Department of Trade, Industry and Competition [DTIC], 2020).

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LED involves local actors collaborating to leverage unique assets for economic growth. Debates centre on "pro-growth" versus "pro-poor" approaches, with South Africa adopting a hybrid model balancing competitiveness and inclusion (Rogerson, 2010). Multi-level governance theories highlight coordination challenges in South Africa's decentralised system (Juta & Co., 2021). National Institutional Landscape - Key Departments and Agencies Department of Small Business Development (DSBD): Established in 2014, DSBD leads SMME policy, overseeing agencies like the Small Enterprise Development and Finance Agency (SEDFA). Its National Integrated Small Enterprise Development (NISED) Framework aims to unify cross-sectoral efforts (DSBD, 2023).

Department of Cooperative Governance (DCOG): Custodian of LED, providing frameworks like the Revised National LED Framework (2018–2028) and driving the District Development Model (DDM) to harmonize planning (DCOG, 2018). Sector Departments: Agriculture, Tourism, Transport, Presidency and others run sector-specific ED initiatives. Municipal LED units face capacity disparities: metros like Johannesburg run robust programs, while rural municipalities lack resources (Rogerson, 2018). The Integrated Development Plan (IDP) mandates LED integration, yet implementation is often hampered by budget constraints and political priorities (Juta & Co., 2021). However, monitoring and evaluation (M&E) remain weak, with no unified system to assess combined impacts (World Bank, 2020).

Comparative Perspectives Global North: The U.S. Small Business Administration (SBA) centralizes SME support, while municipalities handle LED. Global South: Brazil’s SEBRAE, a unified SME agency, highlights the benefits of stable funding and autonomy. Malaysia’s SME Corp, backed by a Prime Minister-led council, reduces duplication (OECD, 2020). South Africa’s reforms, like SEDFA, mirror these models but require sustained political will. It established theoretical frameworks, highlighting that successful outcomes require fostering enterprises and enabling local environments—a dual imperative recognised in South African policies.

The mapping of national departments (DSBD, DTIC, DCOG) and agencies (SEDFA, IDC, NEF) shows commitment to addressing ED/LED from multiple angles. However, analysis uncovered persistent gaps: overlapping mandates (e.g., DSBD vs. DTIC), programme duplication, and misalignment between government spheres. These changes are promising but require sustained effort to realise benefits. Compared to global best practices, South Africa has implemented key components (dedicated SME ministry, LED policy framework) but effectiveness is blunted by fragmentation. International experiences suggest clearer role delineation and empowered local structures are key.

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2.5.2 LED Governance Frameworks

2.5.3 Overview

A governance framework serves as a guidance system that incorporates standardized management practices tailored to an organization's needs. It establishes mechanisms for clear communication and oversight of expectations, objectives, performance, risk appetite, and reporting requirements, ensuring these elements are effectively conveyed to relevant stakeholders within the organization (Clifton and David, 2013). Essentially, Governance frameworks are critical structures that guide decision-making, resource allocation, and accountability within organizations, governments, and institutions.

In many countries, there is a lack of legally binding frameworks for local economic development (LED) or clear rules specifying the roles of different government levels and stakeholders in LED initiatives. Globalization has heightened the importance of local solutions to address local challenges, prompting many nations to adopt decentralization policies and establish multi-tiered governance systems. However, the roles and responsibilities of various government levels vary widely, leading to significant differences in LED governance frameworks across countries (Kiss & Rácz, 2019; Shannon, 2018).

Local Economic Development (LED) governance frameworks vary widely in structure and focus, depending on their intended purpose and audience. These frameworks can be classified into strategic, participatory, institutional, sectoral, and integrated approaches, each addressing specific governance challenges (Bovaird & Löffler, 2009). Strategic frameworks focus on long-term planning and goal alignment, ensuring organizations adapt to changing environments while staying true to their vision and mission (Bryson, 2018). Participatory frameworks emphasize inclusivity and stakeholder engagement, fostering transparency, accountability, and legitimacy by involving diverse voices in decision-making (Fung, 2006). Institutional frameworks rely on formal structures, rules, and norms to ensure stability and predictability in governance practices (North, 1990). Sectoral frameworks are tailored to specific areas like health, education, or the environment, addressing unique challenges within these domains (Pierre & Peters, 2000). Integrated frameworks combine these approaches to create a holistic system capable of addressing complex, interconnected governance challenges (Kooiman, 2003).

These frameworks also generally fall into two categories: formal governance frameworks and project-focused guides, each designed to address specific economic, social, and environmental challenges at the local level (World Bank, 2013; ILO, 2015).

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Formal governance frameworks are comprehensive policy documents that provide strategic direction for LED initiatives. They typically include high-level policy recommendations, such as inclusive growth and sustainable development, along with clear strategic objectives like job creation and poverty alleviation (OECD, 2018). These frameworks are supported by detailed action plans, monitoring and evaluation mechanisms, and case studies to illustrate successful applications (South African Government, 2018; UN-Habitat, 2015). Capacity development is a key focus to ensure the sustainability of LED efforts, and these frameworks are often presented as policy documents, operational manuals, or academic books (Blakely & Leigh, 2013).

Project-focused guides, on the other hand, are practical resources designed to support the implementation of specific LED initiatives. They typically begin with an introduction and objectives, such as poverty reduction or community empowerment, followed by step-by-step methodologies and implementation guidelines (Practical Action, 2016; GIZ, 2018). These guides often include toolkits, templates, checklists, and case studies to simplify implementation and provide practical insights (IEDC, 2018). Monitoring frameworks are also included to ensure project success, and these guides are usually structured as toolkits, reports, or practical manuals (WRI, 2020).

Hybrid frameworks combine elements of both formal governance and project-focused guides, offering a balanced approach that integrates strategic policy recommendations with practical tools (UNIDO, 2017). These frameworks include policy frameworks, implementation strategies, toolkits, case studies, and capacity-building tools, making them ideal for aligning long-term goals with immediate actions (African Development Bank, 2016).

In summary, the structure of LED governance frameworks is shaped by their purpose and intended audience. Formal frameworks provide strategic direction, while project-focused guides offer practical implementation tools. Hybrid frameworks bridge the gap between these two approaches, offering a comprehensive strategy for achieving sustainable and inclusive local economic development (Cities Alliance, 2017). Understanding these structures is essential for the effective implementation of LED initiatives (NLGN, 2019). The following subsections will get deeper into the various approaches and categories specific to identified governance frameworks.

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2.5.4 Existing LED Governance Frameworks

2.5.4.1 Overview

Section 2.4.2 identifies existing LED governance framework and give a background of their existence and their attributes as detailed in the following subsections.

2.5.4.2 Global View and Evolution of LED Governance Frameworks

LED governance frameworks have undergone significant evolution over the past few decades, shaped by the contributions of international organizations, governments, and academic institutions. These frameworks aim to promote sustainable economic growth, reduce poverty, and enhance community resilience at the local level (World Bank, 2003; UNDP, 1997). This section explores the historical development, interconnections, and adoption of LED frameworks globally.

The foundations of LED governance frameworks were laid in the 1970s and 1980s. The World Bank pioneered early efforts by emphasizing poverty alleviation and infrastructure development, with its framework focusing on decentralization, community participation, and public-private partnerships (World Bank, 1975; World Bank, 2003). For instance, in Brazil, the World Bank supported slum upgrading and local entrepreneurship initiatives in the 1990s (World Bank, 1995). Similarly, the International Labour Organization (ILO) introduced LED concepts in the 1970s, focusing on employment generation and informal sector development, with a framework emphasizing decent work and inclusive growth (ILO, 1972; ILO, 2005). In South Africa, the ILO supported LED initiatives to address unemployment and inequality (ILO, 2008). The United Nations Development Programme (UNDP) also contributed by promoting sustainable human development in the 1980s, integrating poverty reduction, environmental sustainability, and governance into its framework (UNDP, 1987; UNDP, 1997). For example, in Bangladesh, the UNDP empowered women and marginalized communities through LED projects (UNDP, 2000).

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The 1990s and 2000s saw the expansion and institutionalization of LED frameworks. The Organisation for Economic Co-operation and Development (OECD) introduced a framework focusing on regional competitiveness and innovation, emphasizing knowledge-based economies and governance (OECD, 1999; OECD, 2005). In Finland, the OECD's framework guided regional development policies (OECD, 2007). The European Union (EU) also developed its LED framework in the 1990s, focusing on cohesion policy, social inclusion, and sustainable development (EU, 1994; EU, 2007). In Poland, the EU supported rural LED projects (EU, 2010). Academically, Blakely and Leigh (2013) introduced a framework emphasizing asset-based development, participatory governance, and sustainability, which informed LED initiatives in post-industrial cities in the United States (Blakely & Leigh, 2013).

In recent years, LED frameworks have evolved to address contemporary challenges such as urbanization, youth employment, and climate resilience. The South African Government developed a national LED framework (2018–2028) focusing on inclusive growth, innovation, and partnerships, which supported projects in Cape Town townships (South African Government, 2018; South African Government, 2020). UN-Habitat's framework, emerging in the 2010s, emphasizes urban planning, resilience, and inclusivity, with projects in Kenya's informal settlements (UN-Habitat, 2012; UN-Habitat, 2018). The Asian Development Bank (ADB) and African Development Bank (African Development Bank) have also developed frameworks focusing on infrastructure, regional integration, and youth employment, with case studies in the Philippines and Rwanda, respectively (ADB, 2015; African Development Bank, 2016; ADB, 2019; African Development Bank, 2020).

Interconnections between frameworks are evident. The World Bank's emphasis on decentralization influenced the UNDP and EU frameworks (World Bank, 2003; UNDP, 1997; EU, 2007). The ILO's focus on decent work was integrated into the South African and African Development Bank frameworks (ILO, 2005; South African Government, 2018; African Development Bank, 2018). Blakely and Leigh's academic framework informed practical applications in the US and UK (Blakely & Leigh, 2013; NLGN, 2015).

LED governance frameworks have evolved from localized poverty alleviation efforts to comprehensive strategies for sustainable development. These frameworks have learned from each other, incorporating elements of decentralization, inclusivity, and innovation. Recent frameworks reflect a growing emphasis on urbanization, youth employment, and climate resilience, highlighting the need for global collaboration to address emerging challenges (African Development Bank, 2018; UN-Habitat, 2016).

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2.5.4.3 South African LED Governance Framework

The Framework's aspirational language remains insufficiently precise for practical execution, resulting in municipalities producing strategic documents that resemble wish lists rather than focused economic interventions (Author, 2025). While it acknowledges the lack of technical expertise and human resources, its recommendations are generalised, such as proposing "training," without prescribing specific resource plans, enforceable performance requirements, or standardised skill development pathways (CoGTA, 2018; Author, 2025). However, this layering of policies creates complexity without offering practical guidance on translating national objectives into local actions, especially in diverse contexts such as rural Limpopo compared to urban metros like Johannesburg (Author, 2025). Monitoring and evaluation (M&E) is another area where the Framework's intentions fall short of operationalisation. This omission is critical, as your research shows poor digital integration in rural municipalities, where platforms for procurement, public participation, and data collection remain largely absent (Author, 2025). Without explicit guidance on adopting digital tools, municipalities risk missing opportunities to improve efficiency, transparency, and stakeholder engagement (Author, 2025). Addressing these gaps through targeted reforms—such as defining LED in law, mandating private sector-driven hybrid councils, developing national LED capacity programmes, and institutionalising digital tools—could transform the Framework from an aspirational document into a practical guide capable of driving inclusive and sustainable local economic development in South Africa (Author, 2025). Historically, many South African towns and cities were economically reliant on single industries, such as mining or agriculture, rendering them vulnerable to global market fluctuations (Rogerson, 2014). By reducing dependence on single industries, this pillar aims to build more resilient local economies capable of withstanding economic shocks. The LED framework builds on these efforts by ensuring that all residents, regardless of race, gender, or location, have access to economic opportunities. By equipping individuals with relevant skills, this pillar aims to enhance productivity and innovation within local economies. SMMEs are recognized as key drivers of job creation and economic growth in South Africa (Berry et al., 2002). However, many SMMEs face challenges such as limited access to finance, markets, and technical support (Fatoki & Chindoga, 2011). Additionally, it highlights the importance of investing in infrastructure such as roads, electricity, and water supply to support economic activities (National Planning Commission, 2012). The National Framework for LED (2018-2028) provides a comprehensive approach to achieving inclusive and sustainable economic growth through its six pillars. While challenges remain, the implementation of these pillars offers a promising pathway toward achieving South Africa's developmental goals.

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2.5.4.4 Identified LED Governance Frameworks

Its participatory structures enhance social dialogue, but the durability of outcomes relies heavily on local institutional capacity, which varies widely, especially in informal or rural economies (ILO, 2006). While the framework balances enterprise growth and labour protection, it struggles to extend formal protections into informal sectors, limiting its reach (ILO, 2006). Dependence on weak institutions means progress stalls where governance systems are under-resourced (UNDP, 2016), suggesting it needs more institutional embedment and funding consistency.

EU CLLD/LEADER (2014+) - The CLLD/LEADER approach empowers rural development through bottom-up Local Action Groups, fostering grassroots innovation and inclusion (EC, 2020). Its demand for targeted capacity-building supports municipal and LAG staff to enhance delivery quality (Timisoara report, 2023). Yet, high administrative complexity and bureaucracy hamper implementation, with practitioners warning of disproportionate evaluation efforts versus small-scale outcomes (LDnet, 2017; Kah et al., 2023). The framework's holistic, participatory approach enhances social capital and ensures economic initiatives align closely with community needs (Leigh & Blakely, 2017). However, critiques note challenges in scaling beyond hyper-local contexts and securing substantial financial backing—particularly when regional or global economic forces dominate (Leigh & Blakely, 2017; Nel, 2001).

Regions lacking governance capacity, financial resources, or institutional partnerships often struggle to implement the framework effectively (Nel, 2001). Yet, long-term sustainability has been inconsistent—policy shifts reduced funding or bureaucratic support, and complex implementation limited technical oversight in less-capacitated municipalities (SciELO, 2018). Critics also highlight elite capture, limited scalability to larger budgets, and underrepresentation of the poorest (SciELO, 2018). It leverages partnerships and environmental goals to address deep regional disparities, particularly in the Amazon (Atlas Report, 2023; Climate Policy Initiative, 2024). The heavy PPP orientation raises concerns over risk allocation to public sectors lacking regulatory oversight (Economist Impact, 2024).

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Additionally, without deep-rooted cultural change or local buy-in, metrics may encourage box-ticking rather than genuine reforms. County-led agenda setting fosters alignment with local needs, flanked by national guidance and periodic evaluation cycles. However, devolved counties exhibit stark capacity disparities—counties with weaker governance systems face delays in planning, procurement, and execution (World Bank, 2014). The rollout of green ICT initiatives has been slow due to skills shortages and limited budgets. Smaller or less-developed areas struggle to identify unique niches without external support, resulting in policy imitation rather than differentiation (Balland & Boschma, 2018).

Strengths include better local service targeting and compact urban-rural integration via decentralised investment models (Park & Lee, 2023). While some provinces swiftly execute projects, others lack technical staff and financial bandwidth to sustain momentum. However, critics argue it may reinforce large incumbents while neglecting SMMEs or peripheral innovation actors (Stimson Center, 2025; Digital Watch, 2025). Investments have boosted quality of life, economic diversification, and connectedness—raising rural internet coverage from 86% to over 90% by 2021 (OAG, 2023). Long-term outcomes remain contingent on sustained funding, local capacity, and coherent data-driven performance measurement (ISED, 2024; OECD, 2023). While conceptually strong, local execution falters—municipalities underfund LED, lack institutional capacity, and often fail to integrate national pillars into strategy (Richtmann, 2021; Wits, 2023). It is technically robust with a strong equity lens, but impact requires stronger integration into local planning cycles and consistent funding streams. However, CUI remains advisory—its influence is confined without stronger municipal policy alignment and dedicated implementation funding (Urban Institute, 2022).

While the organization excels at practical, innovative development, many projects remain small in scale and struggle to influence regional or national policy frameworks. Sustainable expansion requires stronger alignment with formal institutions, diversified funding beyond charitable sources, and mechanisms linking local innovation to broader development agendas. If addressed, PDM can deeply decentralize service delivery; without it, gains may remain limited and inequitable. It deepens integration and innovation at community levels, building on LEADER's bottom-up Local Action Groups (Copus & Dax, 2020).

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2.5.5 Weaknesses of current LED Governance frameworks

However, despite their widespread adoption, these frameworks often exhibit significant weaknesses, particularly in stakeholder inclusion, implementation, and adaptability to local contexts (World Bank, 2020). This top-down approach has been particularly criticized in Sub-Saharan Africa, where World Bank-led projects have sidelined local governments, resulting in poor implementation and limited community ownership (World Bank, 2020). The United Nations Development Programme (UNDP) promotes inclusive growth but struggles with the exclusion of marginalized groups, such as women and youth, in decision-making processes, leading to unequal benefits (UNDP, 2018). For example, in Southeast Asia, UNDP-led initiatives have been criticized for failing to incorporate gender-sensitive approaches, which has resulted in unequal access to economic opportunities (UNDP, 2018). This lack of decentralization can lead to a disconnect between national policies and local realities, particularly in developing countries (OECD, 2017).

Academic frameworks, such as those proposed by Blakely and Leigh (2013), highlight the importance of community participation but lack clear mechanisms for engaging the private sector, limiting their ability to attract investment and create sustainable economic opportunities (Blakely & Leigh, 2013). This urban-centric approach fails to address the unique challenges faced by rural and indigenous populations, such as limited access to infrastructure and economic opportunities (Canadian Urban Institute, 2020). UN-Habitat promotes sustainable urbanization but has been criticized for its limited engagement with the private sector, particularly in developing countries, hindering the scalability of LED initiatives (UN-Habitat, 2017). Practical Action emphasizes grassroots participation but often fails to integrate the perspectives of local governments, leading to a lack of institutional support for community-led initiatives (Practical Action, 2016).

The Asian Development Bank (ADB) prioritizes infrastructure development but has limited engagement with civil society, particularly in authoritarian regimes where stakeholder inclusion is already weak (ADB, 2019). The United Nations Industrial Development Organization (UNIDO) focuses on industrial development but often excludes local governments and SMMEs, limiting its ability to address localized economic challenges (UNIDO, 2018). The International Economic Development Council (IEDC) promotes public-private partnerships but often fails to adequately engage civil society, leading to a lack of transparency and accountability (IEDC, 2019).

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The New Local Government Network (NLGN) promotes decentralization but often fails to address the resource constraints faced by local governments, limiting their ability to implement LED initiatives effectively (NLGN, 2017). Finally, the Local Economic Development Network of Africa (LEDNA) emphasizes community participation but has limited engagement with national governments, leading to a lack of policy coherence (LEDNA, 2018). In general, common weaknesses across frameworks include: Poor Stakeholder Inclusion: Many frameworks exclude key stakeholders such as local governments, the private sector, and civil society, limiting their effectiveness (World Bank, 2020; ILO, 2019). Resource Constraints: Local governments often lack the financial and human resources needed to implement LED initiatives effectively, particularly in frameworks developed by the NLGN and CLGF (NLGN, 2017; CLGF, 2018).

Limited Focus on Marginalized Groups: Many frameworks fail to adequately address the needs of marginalized groups such as women, youth, and indigenous communities, as seen in UNDP's gender-insensitive approaches (UNDP, 2018). Bureaucratic Complexity: Frameworks such as those developed by the EU and IMF are often criticized for their bureaucratic complexity, which can exclude smaller municipalities and civil society organizations from participating effectively (European Commission, 2019; IMF, 2019). While LED governance frameworks provide valuable guidance for promoting economic development, they often suffer from significant weaknesses, particularly in stakeholder inclusion and contextualization. Addressing these issues requires a more inclusive, participatory, and context-specific approach to LED governance.

2.5.6 Threats to the Success of LED Initiatives

Local Economic Development (LED) initiatives are widely acknowledged as essential mechanisms for addressing poverty, unemployment, and inequality, particularly in the rural areas of South Africa, where socio-economic disparities are most pronounced (Nel & Rogerson, 2016). These initiatives aim to stimulate economic growth, create employment opportunities, and improve the quality of life for marginalized communities (Rogerson, 2010). However, the failure of such initiatives poses significant threats to the socio-economic fabric of these regions, exacerbating existing challenges and undermining broader development goals (Atkinson, 2013). This literature review examines the economic, social, environmental, and governance-related impacts of failed LED initiatives in rural South Africa, drawing on existing research to highlight the multifaceted consequences of these failures.

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The failure of LED initiatives perpetuates poverty and unemployment, which are already pervasive in rural South Africa (Statistics South Africa, 2020). Rural households often rely on government grants and subsistence farming for survival, and the collapse of LED projects leaves them without sustainable income sources, deepening economic vulnerability (Binns & Nel, 2002). According to Nel and Rogerson (2016), the failure of these initiatives is frequently attributed to poor planning, inadequate funding, and a lack of community involvement, which collectively undermine their potential to deliver long-term economic benefits. This failure not only entrenches poverty but also limits opportunities for economic diversification, leaving rural economies stagnant and increasingly dependent on external aid (Rogerson, 2014). Furthermore, the absence of effective LED strategies exacerbates the economic divide between rural and urban areas, perpetuating spatial inequalities rooted in apartheid-era policies (Atkinson, 2007).

The failure of LED initiatives has profound social implications, particularly in terms of eroding community trust in development programs (Meyer & de Wet, 2003). Rural communities often place high hopes in these projects as a means of escaping poverty and improving their livelihoods, but when initiatives fail, it leads to disillusionment and scepticism toward future development efforts (Tomlinson, 2003). This lack of trust can stifle innovation and discourage private sector investment, further hindering economic progress (Theron, 2005). Additionally, the collapse of LED initiatives exacerbates social ills such as crime, substance abuse, and gender-based violence (GBV), particularly in areas where economic opportunities are scarce (Marais, 2013). Youth in rural areas face limited prospects for education and employment, often leading to migration to urban areas in search of better opportunities, which further depletes the human capital necessary for local development (Kok & Collinson, 2006).

The failure of LED initiatives also has significant environmental consequences, particularly in rural areas where natural resources are a key component of livelihoods (Shackleton *et al.*, 2019). Poorly managed agricultural or tourism projects, for example, can lead to land degradation, deforestation, and water scarcity, undermining the sustainability of local economies (Aliber & Hall, 2012). These environmental impacts not only threaten food security but also exacerbate the effects of climate change, which disproportionately affect rural communities (Cousins, 2013). Shackleton *et al.* (2019) emphasize that the mismanagement of natural resources in failed LED initiatives can have long-term consequences, further marginalising rural populations and limiting their ability to adapt to environmental changes. This highlights the need for LED initiatives to incorporate sustainable practices and environmental considerations into their planning and implementation.

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The failure of LED initiatives places significant strain on local governance structures, which are often ill-equipped to effectively implement and monitor development projects (Atkinson, 2013). Municipalities in rural South Africa frequently lack the capacity and resources necessary for successful project execution, leading to inefficiencies and corruption (DPLG, 2006). Atkinson (2013) argues that weak governance structures and limited institutional capacity are key factors contributing to the failure of LED initiatives. This, in turn, weakens public institutions and reduces their ability to deliver essential services, further entrenching poverty and inequality. The lack of accountability and transparency in the implementation of LED projects exacerbates these challenges, creating a cycle of underdevelopment and mistrust (Van der Waldt, 2006). Effective governance reforms, including capacity-building and enhanced community participation, are critical to breaking this cycle and ensuring the success of future LED initiatives (Theron, 2005).

In summary, the failure of Local Economic Development initiatives in rural South Africa poses significant threats to economic growth, social cohesion, environmental sustainability, and governance. Addressing these challenges requires a multi-faceted approach, including improved planning, increased community involvement, and better resource allocation (Nel & Rogerson, 2016). Policymakers and development practitioners must prioritize the sustainability and inclusivity of LED initiatives to ensure they deliver meaningful and lasting benefits to rural communities (Rogerson, 2010). Without effective interventions, the cycle of poverty and inequality in rural areas will persist, undermining the country's broader development goals as outlined in the National Development Plan (NPC, 2011). Future research should focus on identifying best practices for implementing LED initiatives in resource-constrained settings, with an emphasis on community participation, environmental sustainability, and institutional strengthening (Theron, 2005).

2.6 Objective 3: Benefits of Private Sector Inclusion in LED

2.6.1 Private Sector Inclusion in LED Governance Frameworks

Defining the private sector is an essential stage in reaching any understanding of current practices and the role the sector should be given in development policies. The efforts hitherto made to give it an official definition have, however, only resulted in a rather vague consensus. An added difficulty lies in the fact that companies alone bring together a wide variety of actors whose interests, contribution and impact with regard to the development process differ (ITUC, 2011).

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For the purposes of this study, we have adopted the definition by UNDP (2018) that states that the private sector is a basic organizing principle of economic activity in a market-based economy where private ownership is an important factor, where markets and competition drive production, and private initiative and risk-taking set activities in motion.

In LED collaboration between private sector, government, and civil society; private sector is expected to lead and coordinate local economic activities (Meyer & Meyer, 2017). However, collaborative tools introduced to coordinate LED activities in municipalities are either state-centred or civil society-driven (Kamara, 2017), making it difficult for the private sector to lead collaboration.

In Africa, the private sector has an immense potential to contribute directly to Agenda 2030 of the Sustainable Development Goals (SDGs) and the African Union Agenda 2063—the Africa We Want1— through such basic pursuits as increasing productivity, creating jobs and improving service delivery. However, unavailable finance is one of the major impediments to private sector participation in the local economic development in Africa. This is due to lack of transparency and inclusion of private sector in economic development planning, deterring domestic and foreign investors, which would be enhancing firms' access to finance (United Nations, 2020).

According to OECD (2013), Cities across the globe are introducing a localised public-private management model, akin to business improvement districts (BIDs), for commercial areas to self-manage. In this model, there are a range of key roles that can be developed and supported at the local and national levels by private sector as follows:

1. Private investors need to become more included in the changing economic requirements of cities. Knowledge of growth sectors can sometimes be inadequate, leading to erroneous assumptions about the kinds of commercial and residential property mix required. Deeper partnerships with development agencies and public sector bodies would help bridge the knowledge gap and enable banks and other investors to fund cities' future rather than their past.
2. Private sector leaders need to help foster a competitive business climate. All of the case study cities are examining the need to foster a more competitive business climate and to streamline unnecessary regulations whilst also offering clear frameworks that support existing business investment and job creation.

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3. Private companies can support the internationalisation process. Many private firms have greater international exposure than local governments do, and they can have specialist knowledge of growing markets. These skills are vital to local governments that want to develop new international visibility and connection to meet future patterns of trade and travel.

To achieve the above there is a need for leadership, in particular the development of collaboration frameworks to enable the private sector to play their role.

Empirical research with focus on professional and business associations is rare within the nonprofit management research program, and within this marginalised research field, empirical studies on professional and business associations (PBAs) in transition environments (Like South Africa) are even fewer (Ivanova *et al.*, 2019).

However, the success of local development and in particular LED, depends on a set of framework conditions, institutional capacities, intelligence, leadership interventions and development instruments which come together in the design and delivery of local economic development strategies. Mayors, elected officials and appointed officers heading various local agencies and public organisations can make a difference in the outcome of public policy and joint local initiatives, especially if they invest their time and energy in organising local economic development and leveraging private sector and civic sector capabilities and interests (OECD, 2013).

2.6.2 Measuring the effectiveness of LED

2.6.2.1 Introduction

Local Economic Development (LED) seeks to stimulate inclusive growth, social cohesion, and environmental sustainability within defined territories, yet measuring its effectiveness remains complex due to the multidimensional nature of development outcomes (Blakely & Leigh, 2010). Traditional metrics like Gross Domestic Product (GDP) have dominated evaluations of economic performance but fall short in capturing broader dimensions of societal well-being and environmental sustainability (Stiglitz et al., 2009; Costanza et al., 2014). In response, contemporary frameworks such as Shared Value and Well-Being have emerged, offering more holistic perspectives on progress by integrating economic, social, and environmental indicators (Porter & Kramer, 2011; OECD, 2013).

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This section explores the methods and tools for assessing LED effectiveness, beginning with a typology of LED objectives and elements that shape diverse local development pathways. It then critically evaluates GDP's strengths and limitations as a performance measure, before examining how Shared Value and Well-Being frameworks enrich LED assessment by aligning economic growth with human flourishing and sustainability. It further considers how these paradigms can be integrated into comprehensive measurement systems, illustrated through practical examples and indicator sets adapted for urban and rural contexts. Finally, it introduces the role of value chain analysis and advanced mathematical modelling as diagnostic and planning tools, enabling policymakers to simulate, optimise, and refine LED strategies under conditions of uncertainty. Together, these approaches provide a multi-layered toolkit for measuring LED's impact, guiding local governments and stakeholders towards more equitable and sustainable development outcomes.

2.6.2.2 Typology of LED Objectives

No single LED objective universally outperforms others; rather, their success depends on aligning interventions with local factor endowments, institutional capacity, and long-term development visions (World Bank, 2021; African Association of Entrepreneurs, 2025). Barcelona's 22@ district exemplifies this, transforming derelict industrial zones into high-tech hubs and raising the city's high-tech employment from 6% in 2000 to over 15% by 2014 (Smart Cities Dive, 2020). Notably, digital transformation—as seen in Estonia's e-Estonia initiative—represents a sub-dimension of innovation-Driven LED, demonstrating how digital governance and e-services can stimulate ICT-Driven economic growth, contributing over 7% of Estonia's GDP (Asian Productivity Organization, 2024). Nevertheless, innovation-Driven strategies suit cities with strong research institutions, venture capital, and governance capacity, and are less viable in rural areas lacking innovation ecosystems (Smart Cities Dive, 2020).

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Logistics corridors, such as Kenya's LAPSSET project, are an advanced form of infrastructure-Driven LED, designed to integrate remote regions into national and regional value chains, with projections of adding 8–10% to Kenya's GDP (African Association of Entrepreneurs, 2025). Yet, such capital-intensive investments risk fiscal strain and require careful demand-side planning to ensure uptake of new infrastructure (World Bank, 2021). However, resource-Driven strategies risk reinforcing mono-sectoral dependence and vulnerability to commodity price volatility, underscoring the importance of institutional governance to avoid Dutch disease effects (OECD, 2023). Resource-Driven approaches are therefore appropriate where extraction is unavoidable and institutional capacity for transparent revenue management exists (World Bank, 2021).

The Philippines' KALAHI-CIDSS programme channels grants directly to communities, reducing poverty by five percentage points in targeted areas (Open Knowledge Repository, 2021). Such strategies are particularly relevant in contexts with low state capacity but strong social capital (Asian Productivity Organization, 2024). Sector-Driven LED Sector-Driven LED concentrates resources on strategic industries with high multiplier effects, such as automotive, creative industries, agriculture, or green technologies (AIDC Eastern Cape, 2024; NAACAM, 2024).

Agricultural value-chain LED, as seen in Ethiopia's Agricultural Growth Programme, represents another sectoral strategy, effective where agriculture remains the economic backbone (World Bank, 2021). However, sector-Driven strategies increase vulnerability to sector-specific shocks and require careful diversification planning (Brookings Institution, 2014).

South Africa's Garden Route uses eco-tourism and hospitality training to generate youth employment, with 75% of participants transitioning to work or further study (Garden Route District Municipality, 2025). Sports mega-events like London's 2012 Olympics similarly demonstrate tourism-Driven regeneration potential but often struggle with cost overruns and gentrification if legacy planning is inadequate (London & Partners, 2022). Tourism-Driven objectives are best suited where unique natural attractions exist, coupled with resilient infrastructure and community benefit agreements (Garden Route District Municipality, 2025). Financial inclusion, as pioneered by Bangladesh's Grameen Bank, contributes to poverty reduction and stimulates micro-enterprises but risks over-indebtedness and limited growth potential without linkages to higher-value economic activity (Borgen Project, 2024).

Social economy models are most appropriate where communities prioritise equity and moderate returns over rapid profit maximisation (Corporate Rebels, 2021). Similarly, diaspora-Driven investment strategies have proven effective in India, leveraging cultural ties and remittance flows for local development (Graduate Institute Geneva & OECD, 2024). However, these strategies risk creating enclave economies disconnected from local supply chains and can drain public finances if incentives are misaligned (World Bank, 2021). However, such approaches depend on sustained employer participation, and skills improvements alone may not anchor local economic transformation without corresponding job creation strategies (World Bank, 2021). Hybrid models—for example, using resource rents to fund innovation or social economy initiatives—help mitigate the risks inherent in single-objective strategies (OECD, 2023; BMU, 2014).

Successful LED objective selection depends on participatory diagnostics, clear asset mapping, and alignment with institutional capacity and global market dynamics (Asian Productivity Organization, 2024; Graduate Institute Geneva & OECD, 2024). Infrastructure-led LED—through projects in energy, transport, and logistics corridors—serves dual purposes: reducing regional disparities and generating employment in lagging areas (Ramaphosa, 2024; African Association of Entrepreneurs, 2025). Innovation-driven and digital-LED initiatives in urban centres foster skilled jobs but must expand reach to rural areas to avoid reinforcing spatial inequality (Brookings Institution, 2014; Asian Productivity Organization, 2024). Resource-led LED uses mining royalties for local skills and infrastructure development, contingent on institutional transparency to avoid enclave economies (OECD, 2023; World Bank, 2021).

2.6.2.3 Typology of LED Elements

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Anchors Institutions Anchor are institutions, including universities, vocational colleges, hospitals, and large public employers, are foundational entities that embed economic and social capital within their localities (Hodges & Dubb, 2020; Porter, 2010). They serve as stabilising forces, offering legitimacy, knowledge resources, and strategic convening power for LED initiatives (Taylor & Luter, 2013). However, anchors are not universally beneficial; critiques highlight that they can become insular, pursuing institutional goals over community needs, and may exacerbate spatial inequalities if their influence remains geographically constrained (Birch et al., 2020; Webber & Swinney, 2021). Particularly in developing economies, anchors often lack resources to sustain long-term LED engagement beyond their core missions (Pugalis & Gray, 2016). These include training providers, innovation hubs, chambers of commerce, and digital platforms facilitating market access (Stam, 2015). Furthermore, in contexts lacking social trust, intermediaries may be viewed with suspicion, reducing their effectiveness (Rodrik et al., 2023).

Integrated within the function of intermediaries are enterprise development and support mechanisms, such as business incubators, scale-up programs, and access-to-finance instruments, which are essential for translating ecosystem-level initiatives into firm-level outcomes (Pugalis & Gray, 2016; World Bank, 2020). These mechanisms, although often labelled separately, are best viewed as specialised tools wielded by intermediaries to foster business growth, resilience, and diversification (Bennett et al., 2022). Yet infrastructure investments often exhibit spatial bias, favouring urban cores while neglecting rural peripheries, thereby deepening inequalities (Rodríguez-Pose, 2018). The literature sometimes distinguishes public capital as a separate element, referring specifically to state-owned assets like transport, utilities, hospitals, and broadband (Cooperative Governance Affairs, 2023). However, governance frameworks often suffer from fragmentation, overlapping mandates, and political capture, especially in developing contexts with limited institutional maturity (Haughton et al., 2022).

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Citizen Engagement Citizens—including youth groups, community leaders, entrepreneurs, and marginalised populations—are increasingly recognised as active co-producers rather than passive recipients of development outcomes (McKnight & Kretzmann, 1993; Local2030, 2023). Nonetheless, citizen engagement is often constrained by power asymmetries, resource limitations, and participation fatigue, particularly where repeated consultations fail to produce tangible results (Cornwall, 2008; Gaventa, 2020). A more specific form of citizen engagement is Community-Driven Local Development (CDLD), where communities directly design, fund, and implement projects, such as in the European Union's LEADER approach (OECD, 2020). Unlike general citizen participation, CDLD empowers communities as funders and implementers rather than merely consultees, embedding local ownership in development processes (OECD, 2020). However, CDLD initiatives face challenges including capacity limitations, administrative burdens, and sustainability concerns in resource-poor contexts (Rodríguez-Pose, 2018).

Synthesis and South African Perspective Collectively, these fundamental elements form an interdependent system shaping LED's success. Anchors require intermediaries to translate their resources into accessible opportunities; infrastructure is only effective when integrated into well-governed networks; and citizen engagement legitimises and sustains interventions (Pike et al., 2017; Turok & Visagie, 2022). Contemporary scholarship calls for hybrid, adaptive LED models that balance top-down strategic planning with bottom-up local knowledge, recognising the need for context-sensitive solutions particularly in the Global South (Rodrik et al., 2023). South Africa's Local Economic Development (LED) environment is shaped by a robust policy framework, anchored in the Constitution and a National LED Framework, yet often hindered by institutional capacity and implementation gaps (CoGTA, 2013). Yet dependence on donor funding and weak social innovation practices undermine sustainability (JolGri, 2024).

Infrastructure gains new impetus with a recent US$1.5 billion World Bank investment targeting rail, ports, and energy, promising to bolster inclusive growth if governance standards are upheld. Lastly, citizen engagement is legally mandated, but often reduced to box-ticking exercises with limited influence on outcomes, reflecting low capacity and insufficient civic education (IDEA, 2023). Overall, South Africa's LED system is well-conceptualized but under-resourced at the municipal level, requiring strengthened capacities and authentic community participation to realize its transformative potential.

2.6.2.4 Gross Domestic Product (GDP): Strengths and Limitations

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GDP quantifies the aggregate monetary value of goods and services produced within a nation's borders over a defined period (World Bank, 2020). While effective in gauging economic output, GDP neglects critical dimensions such as income inequality, environmental sustainability, and social welfare (Stiglitz *et al.*, 2009; Fleurbaey & Blanchet, 2013). This exclusion risks obscuring disparities in community prosperity, rendering GDP an incomplete barometer of economic health (Fioramonti, 2013).

2.6.2.5 Shared Value: Bridging Business and Community Interests

The concept of shared value, which aligns corporate competitiveness with societal and environmental objectives, offers a solution (Porter & Kramer, 2011) to GDP failures. By addressing social challenges, businesses can enhance their market stability while contributing to community resilience (Bockstette & Stamp, 2011; Elkington, 1997).
Shared value frameworks evaluate corporate initiatives through metrics like social equity and environmental protection, directly linking them to LED outcomes (Sachs, 2015). These frameworks assess vertical variables such as policy alignment and public-private partnerships, alongside horizontal factors like inclusive job creation and local entrepreneurship (Blakely & Leigh, 2010; Pike *et al.*, 2015). This dual focus ensures businesses meet both community welfare and broader policy goals (Porter & Kramer, 2011).

Tools such as balanced scorecards and sustainability reports measure shared value contributions, aligning corporate performance with local development indicators like health and education improvements (Sachs, 2015; Elkington, 1997). These metrics enable iterative refinements to strategies, enhancing LED's adaptive capacity through feedback loops (World Bank, 2003). Critics argue shared value may overlook systemic inequalities, yet its integration within LED frameworks can promote inclusive growth by harmonizing corporate innovation with community priorities (Rodríguez-Pose & Tijmstra, 2009; Blakely & Leigh, 2010). Policymakers incentivize businesses demonstrating social or environmental benefits, strengthening corporate accountability (Porter & Kramer, 2011; Bockstette & Stamp, 2011).

In summary, LED's effectiveness relies on multi-dimensional metrics encompassing economic, social, and ecological outcomes (Elkington, 1997). Shared value bridges corporate strategies with community aspirations, offering actionable insights into development impacts (Porter & Kramer, 2011). By aligning collaborative partnerships with policy objectives, it enhances LED's sustainability and adaptability, providing a unified lens for tracking progress (Pike *et al.*, 2015; Sachs, 2015).

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2.6.2.6 Well-Being: A Comprehensive Measure of Progress

Well-Being frameworks transcend economic metrics by integrating health, education, environmental quality, and subjective life satisfaction into progress assessments (OECD, 2013). The OECD's Better Life Index, for instance, employs 11 dimensions to evaluate quality of life, challenging the assumption that GDP growth inherently improves societal welfare (Durand, 2015). Such frameworks underscore the necessity of balancing economic productivity with equitable human development (Stiglitz *et al*., 2009).

Researchers therefore argue that there is a distinction between "economic well-being," "living conditions," and "happiness," illustrating that only the first is fully captured by income statistics (Deutsche Bank Research, 2006), as demonstrated in **Figure 2.4**. Empirical evidence shows that once basic needs are met, further income growth yields diminishing gains in subjective welfare, a phenomenon labelled the "threshold hypothesis" (Max-Neef, 1995; Helliwell, 2003). Maslow's hierarchy of needs supports this view, implying LED strategies must address social, cultural and environmental factors beyond material output (Huang, 2024).

Maslow's hierarchy of needs can be repurposed as a diagnostic and planning framework for Local Economic Development (LED): physiological needs align with the provision of basic infrastructure and jobs, safety needs with governance and service delivery, love/belonging with social-capital programmes, esteem with enterprise diversification and place branding, and self-actualisation with innovation ecosystems; sequencing LED initiatives in this way helps municipalities prioritise scarce resources and monitor progress toward holistic community well-being (Huang, 2024; World Bank, 2006; Rogerson, 2014), se **Figure 2.5** for Maslow's hierarchy.

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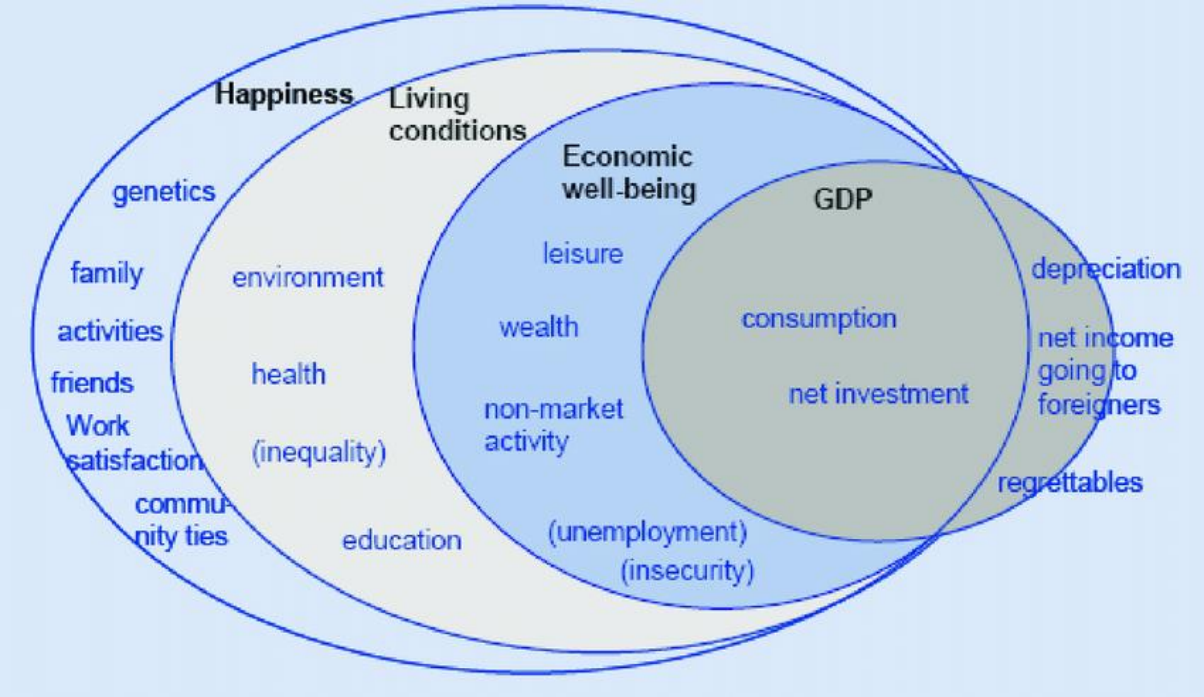


Figure 2-4: Wellbeing assessments

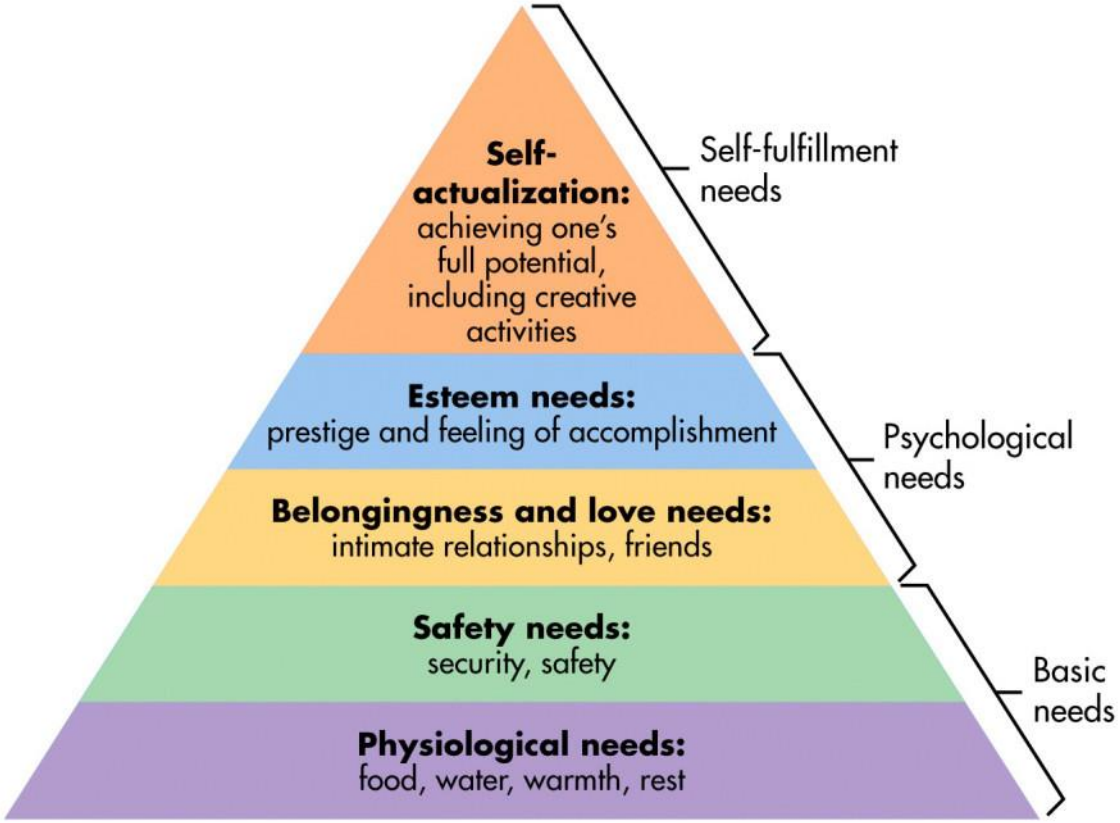


Figure 2-5: Maslow's Hierarchy of needs

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Typologies of well-being indicators

Alternatives fall into three groups: indicators adjusting GDP, those replacing it, and those supplementing it with social-environmental accounts (Schepelmann *et al*., 2010). Adjustment metrics such as the Index of Sustainable Economic Welfare (ISEW) and the Genuine Progress Indicator (GPI) deduct environmental degradation and add unpaid household labour, producing a welfare-aligned trend that often diverges from local GDP paths (Jackson & McBride, 2005). Replacement measures like the Human Development Index (HDI) and Gender-related Development Index (GDI) incorporate health and education, aligning more closely with LED goals of human capability expansion (UNDP, 2004). Happiness-based indices—including Bhutan's Gross National Happiness (GNH)—treat economic activity as a means, not an end, emphasising community vitality, cultural preservation and good governance, all vital for rural LED in Limpopo (Thinley, 2005). The Happy Planet Index (HPI) blends life-satisfaction, life expectancy and ecological footprint, illustrating how high resource efficiency can coexist with high well-being—an insight highly relevant for sustainable LED planning (Marks *et al*., 2006).

Environmental–well-being hybrids.

Indicators such as the Environmental Sustainability Index (ESI) and the Environmental Performance Index (EPI) benchmark ecosystem vitality and human health, supporting evidence-based decisions at national and local levels, including municipalities and households (Esty *et al*., 2006). Similarly, satellite-account approaches like the System of Environmental-Economic Accounts (SEEA) and NAMEA integrate resource flows with monetary accounts, enabling local authorities to trace LED outcomes against environmental costs (UN *et al*., 2003).

Strengths and limitations for LED practice

Well-being indicators encourage participatory governance by communicating results in intuitive terms such as "quality of life," thereby enhancing public engagement in LED programmes (Schepelmann *et al*., 2010). Yet happiness metrics face methodological challenges—subjectivity, cultural bias and policy attribution—which can complicate municipal planning and benchmarking across South Africa's diverse districts (Frey & Stutzer, 2006). Composite dashboards that couple localised GPI or HDI variants with context-specific ecological accounts therefore appear most pragmatic for rural LED, balancing comprehensiveness with usability (Schepelmann *et al*., 2010).

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Implications for Limpopo's rural LED

Adopting a well-being framing allows planners to evaluate flea-market initiatives, cultural festivals, or agritourism clusters not merely by revenue but by contributions to community cohesion, skills, and environmental stewardship (Schepelmann *et al*., 2010). Local administrations can deploy SEEA-based municipal accounts to monetise resource depletion, ensuring that mining or forestry projects enhance, rather than erode, inter-generational well-being (UN *et al*., 2003). Integrating HDI sub-components with satisfaction surveys can highlight district disparities in health and education that GDP masks, guiding equitable LED investment (UNDP, 2004). Finally, periodic reporting of an HPI-style score could motivate enterprises and councils to pursue low-carbon, high-well-being development trajectories aligned with South Africa's sustainable-development objectives (Marks *et al*., 2006).

The literature demonstrates that well-being indicators provide a richer, policy-relevant lens for monitoring and promoting local economic development than GDP alone, capturing the complex socio-environmental realities of places like rural Limpopo (Schepelmann *et al*., 2010).

2.6.2.7 Integrating GDP, Shared Value, and Well-Being in LED

A holistic evaluation of local economies requires synthesizing GDP with Shared Value and Well-Being indicators. While GDP offers baseline economic data, Shared Value ensures business activities align with community priorities (Porter & Kramer, 2011). Well-Being metrics further contextualize progress by capturing social and environmental outcomes (OECD, 2013). Case Studies and Practical Applications A number of case studies show casing practical applications have been undertaken including the 1) Bhutan's Gross National Happiness (GNH): Bhutan's GNH index prioritizes psychological well-being, cultural preservation, and ecological resilience over GDP, serving as a pioneering alternative development model (Centre for Bhutan Studies & GNH Research, 2016); 2) OECD's Better Life Index: This tool enables cross-national comparisons of well-being, informing policies that address inequities in health, education, and environmental quality (OECD, 2013) Corporate Shared Value Initiatives: Companies like Cisco have leveraged Shared Value principles to enhance digital infrastructure in underserved regions, fostering both market expansion and community empowerment (Porter et al., 2012), etc.

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A variety of industries, such as manufacturing, services, finance, and technology, helps buffer urban economies against sector-specific downturns (Smith & Jones, 2021). According to Brown (2020), diverse job opportunities in metropolitan regions attract a broader talent pool, fostering innovation and long-term economic growth. The existence of patent activity, venture capital investments, and R&D spending are significant indicators of a city's capacity to generate economic growth (Xu & Lee, 2021). Educational Institutions - Higher education institutions and research centres in urban areas play a critical role in developing a skilled workforce, supporting innovation, and fostering entrepreneurship (Johnson, 2018). Universities can also act as anchors for regional economic development by partnering with local governments and industries (Martin & Wilson, 2020).

Commercial Real Estate Development - Commercial real estate development reflects the economic vibrancy of urban centres, as it indicates investor confidence and potential for job creation (Henderson & Green, 2019). The presence of modern office spaces often correlates with a region's ability to attract high-value firms (Lee, 2021). A growing population, driven by rural-to-urban migration, often reflects job availability and the allure of better services (Smith & Jones, 2021). Cities with well-developed transport networks tend to exhibit stronger economic competitiveness (Martin & Wilson, 2020).

Urban Variables Access to Healthcare - Healthcare access in rural areas, including telemedicine options, is vital for maintaining a healthy workforce and improving quality of life (Johnson, 2018). Community Engagement - Involves active participation of local residents, civic organizations, and other stakeholders in shaping economic development initiatives (Smith & Jones, 2021). In rural contexts, strong community engagement is particularly important because social networks and local leadership often fill gaps left by limited formal institutions (Brown, 2020). Supportive policies and access to microfinance can significantly enhance these enterprises (Carter et al., 2019).

Investments in improved infrastructure enable rural communities to access broader markets and attract business (Henderson & Green, 2019). According to Brown (2020), policies that prioritize sustainability can enhance the resilience of rural economies. Effective conservation efforts and responsible extraction practices balance development with ecological sustainability (Brown, 2020). Efforts to enhance these elements can retain local talent and entice newcomers (Johnson, 2018). Tourism Potential - Many rural communities leverage natural attractions—like national parks or heritage sites—to generate income and diversify local economies (Florida, 2019).

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The development of accommodations, local tour services, and supportive infrastructure is integral to sustainable tourism (Carter et al., 2019). Urban regions frequently leverage advanced infrastructure, technology, and international business networks to attract foreign investment (Xu & Lee, 2021). For instance, rural areas producing high-quality, region-specific goods (e.g., premium dairy or organic produce) can tap into export markets and fair-trade networks (Johnson, 2018). Ensuring proper certification, quality control, and branding are vital steps for rural producers to succeed internationally (Anderson & Nelson, 2019). In urban centres, inclusive policies often target reducing segregation, improving public transportation to under-served neighbourhoods, and addressing income inequality (Florida, 2019).

Initiatives such as affordable housing projects and community development programs can significantly impact social equity in cities (Johnson, 2018). In rural areas, social inclusion involves addressing challenges like limited healthcare access, educational opportunities, and infrastructural gaps (World Bank, 2018). Poverty can be more dispersed and less visible in rural contexts, making targeted interventions crucial for community well-being (Smith & Jones, 2021). Programs that enhance rural credit availability, support agricultural cooperatives, and improve access to basic services can effectively reduce inequality (Brown, 2020). In urban regions, workforce development initiatives often involve partnerships between local governments, industries, and higher education institutions (Martin & Wilson, 2020). Continuous skill upgrading and re-skilling programs help urban residents stay competitive in rapidly evolving markets (Lee, 2021). **Table 2.1** lists some identified LED variables categorized into Urban and Rural that can be used to assess shared value and wellbeing.

Table 2-2: Rural vs. Urban Indicators for Local Economic Development Index

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Item	Urban LED Variables	Item	Rural LED Variables
1	Commercial Real Estate Development	1	Access to Healthcare
2	Cultural and Recreational Facilities	2	Agricultural Productivity
3	Educational Institutions	3	Community Engagement
4	Employment and Job Diversity	4	Infrastructure Gaps
5	Employment Diversity	5	Land Use and Conservation
6	Infrastructure Quality	6	Natural Resource Management
7	Innovation and Technology	7	Quality of Life
8	Population Density and Migration	8	Rural Entrepreneurship
9	Transportation Accessibility	9	Tourism Potential
10	Global Competitiveness	10	Global Competitiveness
11	Social Inclusion and Equity	11	Social Inclusion and Equity
12	Workforce Skills and Training	12	Workforce Skills and Training

2.6.2.8 Value Chain Analysis

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Michael Porter's seminal work, "Competitive Advantage" (1985), introduced the concept of the value chain as a framework for analysing the sequence of activities that firms perform to deliver a valuable product or service to the market. Porter's model delineates primary activities—such as inbound logistics, operations, outbound logistics, marketing and sales, and service—and support activities, including procurement, technology development, human resource management, and firm infrastructure.

Beyond its application in business strategy, VCA serves as an effective pedagogical and diagnostic tool for assessing individuals' comprehension of economic systems. By deconstructing the processes involved in producing and delivering goods or services, VCA enables learners to understand the interdependencies within economic activities, encompassing both microeconomic elements (like supply and demand dynamics) and macroeconomic factors (such as fiscal policies and global trade interrelations). This analytical approach fosters a holistic understanding of economic structures and processes.
We have selected the Agriculture, Transport Manufacturing, Mining, engineering and Agri-tourism, sectors to give further descriptions as they are relevant for the case study and the sectors can be described as follows:

1 **Agriculture** - The value chain for agriculture begins with the production of crops and livestock, such as maize, beans, cattle, and goats (Food and Agriculture Organization [FAO], 2021). These products are then processed, packaged, and distributed to various markets, including local and international buyers (Reardon *et al*., 2019). The value chain also includes input providers such as seed, fertilizer, and machinery suppliers (World Bank, 2020), as well as post-harvest service providers, such as warehousing, transportation, and marketing firms (Barrett *et al*., 2022). The final link in the value chain is the consumer who purchases the agricultural products (Gómez *et al*., 2021).

2 **Transport -** The value chain for transport starts with the movement of goods and people via road, rail, or air (International Transport Forum [ITF], 2021). Service providers such as freight forwarders, trucking companies, and logistics firms facilitate this movement (Coyle *et al*., 2020). Infrastructure providers, including airports, ports, and railway stations, form another critical component (United Nations Conference on Trade and Development [UNCTAD], 2022). Fuel and maintenance providers ensure transport vehicles remain operational (International Energy Agency [IEA], 2021). The final link is the customer who uses these services (Rodrigue, 2020).

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3 **Manufacturing -** The value chain for manufacturing begins with sourcing raw materials like metals, plastics, and textiles (Marin Cadavid & García, 2024). These materials are transformed into intermediate goods, such as components, before final assembly (Sturgeon, 2001). Service providers, including design, engineering, and prototyping firms, contribute to product development (OECD, 2019). Logistics providers then transport finished goods to customers (Christopher, 2016). The consumer who purchases the products completes the chain (Kaplinsky & Morris, 2001).

4 **Engineering -** The value chain for engineering starts with the design and development of machinery, equipment, and systems (Ulrich & Eppinger, 2020). Manufacturing firms produce components and sub-assemblies (Slack *et al*., 2010). Service providers such as design and prototyping firms support innovation (Hobday *et al*., 2005), while logistics providers deliver products to clients (Waters, 2003). The final link is the customer purchasing the engineered solutions (Shenhar & Dvir, 2007).

5 **Mining -** The mining value chain begins with mineral exploration and extraction, such as coal or copper mining (Bridge, 2004). Raw materials are processed into usable forms, like smelted metals (Ayres, 2015). Input providers include equipment suppliers and safety gear manufacturers (Minerals Council of Australia, 2020). Service providers such as geological surveyors and environmental consultants ensure compliance (Hilson & Murck, 2000). Transportation firms move materials to industrial buyers (Humphreys, 2020), who use them in manufacturing or energy production (Ericsson & Löf, 2019).

6 **Agri-tourism -** The agri-tourism value chain starts with farms offering experiential activities, such as tours, stays, or educational workshops (Phillip *et al*., 2010). Collaboration with local businesses, such as restaurants or craft producers, enhances visitor experiences (Tew & Barbieri, 2012). Service providers include tour operators, event planners, and digital marketing agencies (Che *et al*., 2021). Infrastructure providers, such as accommodation developers and transport services, support accessibility (López-Sanz *et al*., 2021). Local governments and NGOs often facilitate regulatory compliance and promotions (Rilla, 2019). The final link is tourists who engage in agri-tourism activities (Barbieri, 2020).

Table 2.2 to **Table 2.7** outlines the main actors, challenges, proposed solutions, and skills gaps across the different stages of the value chain for each sector:

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Table 2-3: Agricultural Value chain and typical challenges, gaps and proposed solution from literature

Stage of Value Chain	Main Actors / Role Players	Challenges Faced	Proposed Solutions	Skills Gaps
1. Input Supply	Seed suppliers, fertilizer companies, agrochemical distributors, agricultural cooperatives, machinery suppliers	Limited access to quality inputs, high costs, inadequate distribution networks, lack of awareness about modern inputs	Establish input supply centres, provide subsidies or financial support, enhance distribution networks, conduct awareness campaigns	Knowledge of modern agricultural inputs, procurement and inventory management skills
2. Production	Smallholder farmers, commercial farmers, farm labourers, extension officers	Land tenure issues, inadequate irrigation, reliance on rain-fed agriculture, pest and disease outbreaks, limited access to finance	Implement land reform policies, develop irrigation infrastructure, provide training on pest management, facilitate access to credit	Modern farming techniques, pest and disease management, financial literacy
3. Transport and Logistics	Local transporters, logistics companies, cooperatives, market intermediaries	Poor road infrastructure, high transportation costs, lack of cold chain facilities, delays in delivery	Invest in road infrastructure, establish cold storage facilities, provide transport subsidies, improve logistics planning	Logistics management, vehicle maintenance, cold chain management
4. Processing	Agro-processing companies, cooperatives, small-scale processors, packaging companies	Limited processing facilities, lack of modern equipment, inadequate quality control, limited access to markets	Establish processing hubs, provide modern equipment, implement quality standards, facilitate market linkages	Food processing techniques, quality assurance, marketing skills
5. Consumption	Local consumers, retailers, wholesalers, export markets	Limited market access for farmers, price volatility, competition from imported goods, lack of consumer awareness	Develop local markets, implement price stabilization mechanisms, promote local produce, conduct consumer awareness campaigns	Market analysis, customer service, sales and negotiation skills

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Table 2-4 transport Value chain and typical challenges, gaps and proposed solution from literature

Stage of Value Chain	Main Actors / Role Players	Challenges Faced	Proposed Solutions	Skills Gaps
1. Input Supply	Vehicle suppliers, fuel providers, spare parts dealers, maintenance service providers	High costs of vehicles and fuel, limited availability of spare parts, inadequate maintenance services	Provide financial assistance for vehicle acquisition, establish fuel stations and maintenance centres, offer training for mechanics	Vehicle maintenance, supply chain management, financial planning
2. Operations	Transport companies, logistics providers, freight forwarders, drivers	Poor road conditions, traffic congestion, regulatory hurdles, safety concerns	Upgrade road infrastructure, streamline regulations, implement safety protocols, provide driver training	Route planning, regulatory compliance, safety management
3. Transport and Logistics	Logistics companies, warehousing providers, distribution centres, IT solution providers	Inefficient logistics systems, lack of warehousing facilities, inadequate use of technology	Develop logistics hubs, invest in warehousing infrastructure, adopt modern IT solutions	Logistics management, IT proficiency, inventory control
4. Service Delivery	Public transport operators, freight carriers, courier services, customers	Unreliable service schedules, high transportation costs, customer dissatisfaction	Implement scheduling systems, subsidize transport costs, improve customer service	Customer service, scheduling and planning, cost management
5. Consumption	Commuters, businesses, industries relying on transport services	Limited access to reliable transport, high costs, safety concerns	Expand transport networks, regulate fares, enhance safety measures	Awareness of transport options, safety protocols, budgeting

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Table 2-5 Manufacturing Value chain and typical challenges, gaps and proposed solution from literature

Stage of Value Chain	Main Actors / Role Players	Challenges Faced	Proposed Solutions	Skills Gaps
1. Input Supply	Raw material suppliers, equipment manufacturers, utility providers	High costs of raw materials, unreliable utility services, limited access to modern equipment	Negotiate bulk purchasing agreements, improve utility infrastructure, provide access to modern equipment	Procurement management, equipment operation, utility management
2. Production	Manufacturing companies, production workers, quality control teams	Outdated production techniques, low productivity, quality issues	Adopt modern manufacturing technologies, provide worker training, implement quality management systems	Production planning, quality assurance, technical skills
3. Transport and Logistics	Logistics companies, transport providers, warehousing services	Inefficient supply chains, high transportation costs, delays in delivery	Optimize supply chain processes, invest in logistics infrastructure, implement tracking systems	Supply chain management, logistics planning, IT skills
4. Processing and Packaging	Processing units, packaging companies, labelling services	Inconsistent product quality, packaging inefficiencies, lack of branding	Implement quality control measures, invest in modern packaging equipment, develop branding strategies	Quality control, packaging technology, marketing skills
5. Consumption	Retailers, wholesalers, consumers	Limited market access, competition from imported goods, fluctuating demand	Expand market reach through e-commerce, promote local products, conduct market research	Market analysis, digital marketing, customer relationship management

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Table 2-6: Mining Value chain and typical challenges, gaps and proposed solution from literature.

Stage of Value Chain	Main Actors / Role Players	Challenges Faced	Proposed Solutions	Skills Gaps
1. Input Supply	Mining equipment suppliers, safety gear manufacturers, labour contractors, geological surveyors	High costs of equipment, limited access to advanced technology, inadequate safety measures	Provide financial incentives for equipment acquisition, invest in modern technology, enforce strict safety regulations	Technical skills in equipment operation, safety protocols, and geological surveying
2. Exploration & Extraction	Mining companies, geologists, drilling contractors, environmental consultants	Environmental degradation, community opposition, regulatory compliance issues	Implement sustainable mining practices, engage with local communities, streamline regulatory processes	Environmental management, community engagement, regulatory knowledge
3. Transport and Logistics	Logistics companies, transport providers, rail and road infrastructure operators	Poor infrastructure, high transportation costs, logistical inefficiencies	Upgrade transport infrastructure, optimize logistics planning, subsidize transportation costs	Logistics management, infrastructure planning, cost analysis
4. Processing and Beneficiation	Smelters, refineries, metallurgical engineers, quality control laboratories	Limited local processing facilities, high energy consumption, environmental concerns	Establish local processing plants, invest in energy-efficient technologies, implement environmental safeguards	Metallurgical engineering, energy management, environmental compliance
5. Consumption	Manufacturing industries, construction companies, energy producers	Market volatility, dependency on exports, price fluctuations	Diversify markets, develop local industries, implement price stabilization mechanisms	Market analysis, trade negotiation, risk management

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Table 2-7 Engineering Value chain and typical challenges, gaps and proposed solution from literature

Stage of Value Chain	Main Actors / Role Players	Challenges Faced	Proposed Solutions	Skills Gaps
1. Design and Development	Engineering firms, design consultants, research institutions, prototyping companies	Limited research and development (R&D) capacity, lack of innovation, inadequate funding	Invest in R&D, foster partnerships between academia and industry, provide funding for innovation	Design engineering, research methodologies, innovation management
2. Manufacturing of Components	Component manufacturers, fabrication workshops, quality assurance teams	Outdated manufacturing equipment, inconsistent quality standards, supply chain disruptions	Modernize manufacturing facilities, implement quality management systems, strengthen supply chains	Manufacturing engineering, quality control, supply chain management
3. Transport and Logistics	Logistics providers, transport companies, warehousing services	Inefficient logistics, high transportation costs, delays in delivery	Optimize logistics networks, invest in transportation infrastructure, implement tracking systems	Logistics planning, transportation management, inventory control
4. Installation and Commissioning	Installation contractors, project managers, technical teams	Lack of skilled labour, project delays, safety concerns	Provide technical training, implement project management practices, enforce safety standards	Project management, technical installation skills, safety protocols
5. Maintenance and Support	Maintenance service providers, after-sales support teams, technical consultants	Inadequate maintenance services, limited availability of spare parts, lack of customer support	Establish maintenance hubs, ensure availability of spare parts, enhance customer service	Maintenance engineering, customer service, spare parts management

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Table 2-8 Agri-tourism Value chain and typical challenges, gaps and proposed solution from literature

Stage of Value Chain	Main Actors / Role Players	Challenges Faced	Proposed Solutions	Skills Gaps
1. Product Development	Farmers, local artisans, cultural groups, tourism boards	Limited awareness of agritourism potential, lack of diversified offerings	Conduct workshops on agritourism opportunities, encourage development of unique farm-based experiences	Product development, creativity, understanding of tourist expectations
2. Infrastructure and Facilities	Local municipalities, infrastructure developers, utility providers	Inadequate infrastructure (roads, signage, accommodations), unreliable utilities	Invest in rural infrastructure, provide incentives for facility upgrades	Infrastructure planning, facility management
3. Marketing and Promotion	Tourism agencies, marketing firms, digital platforms	Limited online presence, lack of marketing skills, low visibility	Develop digital marketing strategies, create centralized agritourism platforms	Digital marketing, branding, customer engagement
4. Service Delivery	Farmers, tour guides, hospitality staff	Inconsistent service quality, language barriers, lack of hospitality training	Implement training programs in customer service, language skills, and cultural sensitivity	Hospitality management, communication skills
5. Customer Experience and Feedback	Tourists, feedback platforms, quality assurance teams	Lack of feedback mechanisms, limited adaptation to customer needs	Establish feedback systems, regularly update offerings based on reviews	Data analysis, customer relationship management

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2.6.2.9 Mathematical modelling for local economic development

Because local economies are open, nonlinear and path-dependent systems, intuitive planning often fails to anticipate feedback loops or spill-overs (Lane, 2022; Blumberga 2024). Mathematical models formalise assumptions about agents, markets and infrastructure so that alternative policy mixes can be stress-tested before implementation (Boshoff & Seymore, 2016). Yet the adoption of modelling in LED remains sporadic, hindered by skills shortages, fragmented datasets and scepticism among stakeholders (Limpopo Economic Development Agency [LEDA], 2022). Globally, cities that embed modelling in participatory governance platforms have achieved faster poverty reduction, greener growth and greater resilience than those relying solely on descriptive analysis (Fabolude et al., 2024).

Systems theory frames the local economy as a network of inter-dependent stocks (e.g., labour, capital) and flows (e.g., wages, taxes) whose behaviour can be captured in differential or difference equations (Li et al., 2024). Input-output algebra builds on Leontief's linear production structure to trace direct, indirect and induced effects of exogenous shocks through sectoral multipliers (Boshoff & Seymore, 2016). System-dynamics extends this by embedding feedback loops, time delays and carrying capacities, enabling long-range scenario testing under "limits-to-growth" conditions (Fabolude et al., 2024). While none inherently optimize decisions, their outputs—such as IO/SAM-derived multiplier effects (Miller & Blair, 2009), SD-generated long-term behavioural trends (Sterman, 2000), or ABM-emergent agent heterogeneity (Tesfatsion, 2003)—provide performance signals usable in optimization algorithms like linear programming (Denardo, 2024; Lu & Yang, 2025; Bridgelall, 2022).

Differential-Equation and Hybrid Models - Two-region ODE systems show how asymmetric capital attraction can entrench core–periphery divides unless targeted redistribution is applied (Zou, 2020). Local Economic Development (LED) decisions—from budget allocation to spatial targeting—constitute complex, high-dimensional optimisation problems that cannot be managed effectively with purely intuitive judgment (Balkan, 1977). Meta-heuristics relax mathematical assumptions, finding high-quality near-global solutions across mixed, discontinuous spaces, yet at the cost of optimality guarantees and parameter transparency (Thumrongvut et al., 2022).

Critique: even approximate DP strains under hundreds of wards × policy years, and value-function approximation can distort long-run welfare results (Wu et al., 2024). Critique: robust models can become overly pessimistic and still require MILP solving each re-planning step, challenging municipal IT capacity (García-Muñoz & Duran-Mateluna, 2025).

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Constraint-Based and Gradient Methods - Constraint Programming (CP) uses logical propagation to resolve LED project-timeline clashes with near-perfect resource utilisation (Lan & Berkhout, 2025). Meta-Heuristic Optimisation - Genetic algorithms, particle-swarm and ant-colony searches freely explore mixed discrete-continuous spaces, delivering near-global LED portfolios where exact models fail (Thumrongvut et al., 2022).

Critique: absence of optimality bounds, sensitivity to tuning and perceived “black-box” opacity can erode stakeholder confidence, warranting benchmarking against linear or robust baselines (Thumrongvut et al., 2022). Stochastic and robust methods hedge risk yet impose heavy data or solver burdens, suggesting selective deployment on critical, high-uncertainty infrastructure (García-Muñoz & Duran-Mateluna, 2025). Meta-heuristics outperform gradient and exhaustive methods when the search space is large, discontinuous or riddled with local optima—common traits of socio-economic planning problems (Wang & Xiong, 2025). Within economic-policy studies, GA variants have optimised FDI location decisions (Franco & Padilla, 2005) and calibrated econometric models when classical estimators failed (Köppen & Zwinkels, 2002). Input-output multipliers for South African real estate show substantial backward and forward linkages, validating the sector’s inclusion in municipal LED strategies (Boshoff & Seymore, 2016). Spatial-panel analysis finds that investments in Gauteng’s logistics hubs generate positive but decaying GDP spill-overs into Limpopo, reinforcing the need for coordinated corridor planning (Annoni et al., 2019). A bespoke IO table at municipal scale could quantify the employment elasticity of proposed industrial parks, guiding equitable infrastructure sequencing (Crookes, 2024). Spatial models can be mis-specified if weight matrices do not reflect functional linkages like commuter flows, leading to biased policy multipliers (Annoni et al., 2019). IO frameworks assume fixed technical coefficients and infinite supply elasticity, neglecting capacity constraints evident in rural electricity grids (Boshoff & Seymore, 2016).

2.6.2.10 Summary - Measuring the effectiveness of LED

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The effectiveness of Local Economic Development cannot be fully understood through GDP metrics alone, as economic growth often conceals disparities in social welfare, environmental sustainability, and community resilience (Stiglitz et al., 2009; Fioramonti, 2013). This section has shown that assessing LED requires integrating diverse analytical tools and conceptual frameworks. A typology of LED objectives—ranging from innovation-driven to natural resource-led and social economy-led approaches—highlights the varied pathways regions pursue based on their unique assets, institutional capacities, and development visions. Similarly, fundamental LED elements such as anchor institutions, intermediaries, infrastructure, governance networks, and citizen engagement collectively shape LED outcomes, but their effectiveness varies by context and requires coordinated integration.

While GDP remains a useful indicator for measuring aggregate economic activity, its limitations necessitate complementary measures. Shared Value frameworks align corporate strategies with social and environmental goals, offering actionable metrics for tracking business contributions to local development (Porter & Kramer, 2011). Well-Being indicators, meanwhile, expand assessment horizons to include quality of life, social equity, and environmental stewardship, reflecting the complexity of development aspirations (OECD, 2013; Schepelmann et al., 2010). The synthesis of these measures—demonstrated through practical cases and tailored urban-rural indicators—creates a more comprehensive lens for evaluating progress.

Moreover, value chain analysis provides sector-specific insights into economic processes and constraints, enabling targeted interventions in key sectors such as agriculture, manufacturing, mining, and tourism. Mathematical modelling further enhances LED measurement by simulating dynamic local economies, assessing policy trade-offs, and informing optimisation of development strategies under uncertainty.

In sum, measuring LED effectiveness demands a multidimensional, integrated approach. Combining GDP with Shared Value, Well-Being metrics, value chain insights, and advanced modelling tools equips local governments and stakeholders to craft evidence-based policies that foster inclusive growth, environmental sustainability, and social cohesion. Such an approach is vital for realising South Africa's—and indeed any territory's—vision of sustainable, equitable local economic development.

2.7 Objective 4: Developing a Private Sector-Inclusive Governance Framework

2.7.1 Divergent views in LED Practice

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Proponents of this view assert that municipalities must act as developmental agents, leveraging public resources and convening stakeholders to drive inclusive growth (Meyer & Venter, 2013). Advocates of strong local government leadership stress that without an empowered public sector, poorer areas may be overlooked by private investors, deepening spatial inequalities (Meyer & Venter, 2013). On the other hand, some local communities and civil society groups in Limpopo have organized their own development forums to ensure grassroots voices are heard, reflecting bottom-up pressures (Dzerefos, 2024). Scholars increasingly argue for networked governance: bringing together government, business, and community stakeholders in institutionalized partnerships that share power (Pike, Rodríguez-Pose, & Tomaney, 2015).

This “first wave” of LED strategies focused on business attraction (“smokestack chasing”) and industrial recruitment, reflecting a pro-growth agenda with the assumption that benefits would trickle down (Blakely & Leigh, 2010; Zheng & Warner, 2010). By the 1990s and 2000s, however, critiques of growth-centric development had mounted, giving rise to a “pro-poor” LED paradigm in many developing countries (Rogerson, 2003). This newer approach argued that LED should explicitly target poverty reduction, livelihood improvement, and equity – not just aggregate growth – especially in contexts of high inequality like South Africa (Rogerson, 2003). Even where growth is achieved, systemic inequality can mean the benefits concentrate among those with skills or capital, providing little relief for widespread unemployment (Stokan et al., 2021).

Conversely, when Limpopo municipalities invest in pro-poor LED projects – such as community gardens, SMME training, or tourism cooperatives – they often encounter funding shortfalls, weak market linkages, and management difficulties that limit long-term impact (Mashabela, 2021b; Thulare et al., 2022). Critical Analysis: The dichotomy between growth-oriented and pro-poor LED is increasingly seen as a false choice by contemporary scholars who advocate for integrated approaches. Opposing Viewpoints: Two interrelated trade-offs dominate this thematic area: (1) spatial targeting – whether LED should prioritize certain places over others, and (2) environment vs. economy – how to balance economic development with ecological protection.

They also emphasize long-term costs: environmental damage (polluted water, deforestation, climate change) can undercut local economies over time, so a purely extractive approach is ultimately self-defeating (Swilling & Annecke, 2012).

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The systemic issue is that local governments often have narrow fiscal bases and are under pressure to deliver visible economic outcomes, which can bias decisions toward short-term gains over long-term sustainability (Harrison et al., 2008). The legacy of apartheid's Bantustan system left scattered settlements with weak economic linkages, a systemic spatial challenge that current LED efforts must confront (Marais, 2013). Historically, many local economic initiatives implicitly assumed that if you grow the economy, jobs will follow, without needing targeted labour interventions (Blakely, 2002). It often downplays direct job creation programs, arguing that sustainable employment must come from a thriving private sector rather than government make-work schemes (Bartik, 1991).

On the other hand, efforts to stimulate labour-intensive sectors like small-scale farming or construction encounter barriers such as lack of finance, poor infrastructure, and competition from larger firms. Public works programs (like EPWP) have provided short-term jobs to thousands in Limpopo (e.g., road maintenance, building clinics), but their impact is limited by the fact that these are temporary positions, typically 2–6 months, often low-wage, and do not always translate into permanent employment (McCord, 2005). Systemic issues like limited private sector development in remote areas mean that after public works end, beneficiaries may slip back into unemployment. Municipal LED units may focus on formal business development and neglect the reality that a large share of local labour is engaged in informal trading, taxi driving, home-based enterprises, etc. Some municipalities have set up training centres linked to industrial parks, so that local residents are trained in skills needed by incoming factories – bridging the gap between labour supply and demand (Rogerson, 2008).

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This era saw regulatory philosophies leaning towards creating “enabling environments” – simplifying business regulations, offering tax incentives, and removing barriers to investment – on the assumption that private sector-led growth would drive LED (World Bank, 2003). More recently, there has been some rebalancing: the evident failures of pure market-led development to address inequality have led to renewed interest in progressive regulation – such as local procurement policies, inclusive zoning (e.g., requirements for affordable housing in new developments), and stricter environmental and labour standards as part of LED (Rogerson, 2014; Dzerefos, 2024). In South Africa, for instance, the Municipal Systems Act and other legislation give municipalities certain powers, but others (like setting minimum wages or external trade policies) are beyond their scope – which means purely local regulatory experiments have limits (Harrison et al., 2008). Lastly, systemic economic conditions matter: in a region with very high unemployment and poverty, the pressure to approve any project that promises jobs can override long-term regulatory considerations. Conversely, in more affluent localities, communities might demand strict regulations to preserve quality of life (for instance, wealthy residents opposing a polluting industry).

The case of informal trade regulation is illustrative: some cities have erred by imposing excessive restrictions on street vendors (license fees, designated areas only, etc. Effective LED frequently requires synthesis – combining strong, participatory governance with clear strategic vision; pursuing economic growth in ways that also uplift the poor; harnessing local comparative advantages without sacrificing environmental integrity; creating jobs both through market dynamism and direct public effort; and regulating the economy in a manner that is neither laissez-faire nor heavy-handed. The way forward, as reflected in current LED thinking, is a nuanced approach that embraces complexity and fosters collaboration among divergent interests (Pike et al., 2015).

2.7.2 LED Demystified: Conceptual Clarity and Definitions

This section examines the conceptual distinctions between Local Economic Development (LED) and related frameworks—socio-economic development, socio-political development, social entrepreneurship, and entrepreneurship development—within the South African context. By synthesizing theoretical and policy-oriented literature, it highlights how the conflation of these concepts has led to operational ambiguities in municipal governance. The analysis underscores the need for clearer delineation of objectives and stakeholders to enhance policy coherence and implementation efficacy.

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2.7.2.1 Introduction

Local Economic Development (LED) has emerged as a cornerstone of post-apartheid South Africa's efforts to redress spatial inequalities and stimulate marginalized economies. However, its conceptual boundaries are often blurred with adjacent frameworks such as socio-economic development and social entrepreneurship, leading to fragmented policy execution (Nel, 2001; Rogerson, 2010). This paper interrogates these conceptual overlaps, arguing that a lack of clarity undermines the strategic alignment of municipal initiatives. Drawing on South African case studies and policy documents, it proposes a structured differentiation of these frameworks to inform governance models and future research.

2.7.2.2 Conceptual Frameworks: Definitions and Distinctions

Local Economic Development (LED)

LED is defined by its focus on geographically bounded economic growth, prioritizing sustainable development and improved quality of life within specific regions (DCOG, 2016). In South Africa, LED is inherently tied to post-apartheid spatial restructuring, aiming to dismantle the economic legacies of segregation through localized strategies (Rogerson, 2018), summarized as follows:

1. **Approach:** LED employs public-private partnerships (PPPs) to enhance infrastructure, attract investment, and diversify local economies (Nel & Rogerson, 2005). The Local Economic Development Strategic Framework (2016) emphasizes municipal-led initiatives, such as Industrial Development Zones (IDZs), to catalyse township and rural industrialization.
2. **Stakeholders:** Municipal authorities, private enterprises, and community organizations are primary actors, though intergovernmental fragmentation often impedes coordination (Meyer, 2014).
3. **Outcome:** Enhanced regional competitiveness and job creation, particularly in historically disadvantaged areas (Rogerson, 2018).

Socio-Economic Development

Socio-economic development integrates economic growth with social welfare, addressing systemic inequities through poverty alleviation, education, and healthcare access (Binns & Nel, 2002), as follows:

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1. Approach: Initiatives like the Reconstruction and Development Programme (RDP) (ANC, 1994) and Broad-Based Black Economic Empowerment (B-BBEE) policies reflect this dual focus, blending state-led redistribution with corporate social investment (Tangri, 2018).
2. Stakeholders: Government agencies, NGOs, and corporations dominate this sphere, often guided by legislative mandates (Patel, 2015).
3. Outcome: While expanded social grants and public works programs (EPWP) have reduced poverty, critiques highlight persistent inequality (Bond, 2000).

Socio-Political Development

Socio-political development centres on dismantling structural oppression and fostering participatory democracy, rooted in South Africa's liberation ethos (Fikeni, 2011), as follows:

1. Approach: Grassroots movements (e.g., FeesMustFall) and civil society organizations (e.g., Section27) advocate for land reform, educational access, and healthcare equity (Heller, 2020).
2. Stakeholders: Social movements and NGOs drive agendas, often contesting state policies perceived as neoliberal (Marais, 2011).
3. Outcome: Transformative justice efforts, such as the Truth and Reconciliation Commission (TRC), remain symbolically significant yet operationally limited (Ndlovu-Gatsheni, 2013).

Social Entrepreneurship

Social entrepreneurship leverages market-based solutions to address social challenges, blending profit motives with community impact (Littlewood & Holt, 2015), as follows:

1. Approach: South African enterprises like Siyavula (digital education) and the Awethu Project (entrepreneur training) exemplify hybrid models (Urban-Econ, 2017).
2. Stakeholders: Partnerships between social enterprises, NGOs, and corporations are common, though funding instability constrains scalability (Herrington & Kew, 2017).
3. Outcome: Initiatives like Gauteng's "Tshepo 1 Million" demonstrate potential for youth empowerment through skills development (Gauteng Provincial Government, 2021).

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Entrepreneurship Development

Entrepreneurship development focuses on building institutional ecosystems to support new ventures, critical in a nation with 34.5% unemployment (Stats SA, 2023), as follows:

1. Approach: Programs such as the National Youth Development Agency (NYDA) grants and Raizcorp incubators provide training, funding, and mentorship (Booyens, 2016).
2. Stakeholders: Government, academia, and private accelerators collaborate to foster innovation (GEM, 2022).
3. Outcome: Reduced reliance on formal employment, though structural barriers persist for township entrepreneurs (Acs *et al*., 2018).

The conflation of LED with socio-economic or socio-political agendas has engendered role confusion among South African municipal officials. For instance, the District Development Model (DDM), designed to harmonize these frameworks, struggles with bureaucratic silos and conflicting priorities (DPME, 2020). LED's core mandate—localized economic growth—risks being diluted when conflated with broader social justice objectives (Nel & McQuaid, 2002), with the following key Implications:

1. Governance: Integrated models must clarify institutional mandates while preserving LED's economic focus.
2. Policy: Differentiated funding streams and performance metrics are needed to avoid overlap.
3. Stakeholder Engagement: Strengthening private sector participation in LED could mitigate resource constraints.

2.7.2.3 Summary

Conceptual clarity is pivotal for South Africa's development trajectory. While LED, socio-economic, and socio-political frameworks share overlapping goals, their distinct methodologies and stakeholders necessitate tailored implementation strategies. Future research should explore adaptive governance models that reconcile economic growth with transformative justice, ensuring policy coherence in a complex post-apartheid landscape.

2.7.3 LED Implementation Paradigm Shift

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2.7.3.1 Overview

Local Economic Development (LED) has emerged as a pivotal strategy for fostering sustainable economic growth, reducing poverty, and enhancing the quality of life at the community level (World Bank, 2003). Globally, LED has proven to be an effective tool for revitalizing local economies, particularly in regions grappling with deindustrialization, economic decline, or structural transformation (Florida, 2017). In developed countries, LED strategies have often focused on economic diversification and innovation. This transformation was driven by collaborative efforts between local government, universities, and private sector stakeholders, highlighting the importance of multi-stakeholder partnerships in LED (Florida, 2017). These cases underscore the potential of LED to drive economic transformation when supported by strong governance, strategic planning, and private sector engagement. In developing countries, LED has also demonstrated its potential to address systemic challenges such as poverty, unemployment, and underdevelopment. For example, India's "Smart Cities Mission" integrates LED principles to improve urban infrastructure, attract investments, and enhance livelihoods.

Despite its successes, LED faces significant challenges globally, particularly in developing countries. In many African nations, limited fiscal decentralization constrains the ability of local governments to implement LED projects effectively. This is compounded by weak institutional capacity, which undermines the planning, implementation, and monitoring of LED initiatives. Similarly, in Southeast Asia, donor-funded LED initiatives have often collapsed once external funding ceased, due to a lack of local ownership and capacity (UNDP, 2020). For example, in Sub-Saharan Africa, LED efforts are often constrained by weak institutional frameworks, limited financial resources, and a lack of skilled personnel (Swinburn, Goga & Murphy, 2006). For instance, the Dube TradePort Special Economic Zone (SEZ) in KwaZulu-Natal has attracted significant investment in logistics, agribusiness, and light manufacturing, creating thousands of jobs and boosting regional economic growth (Dube TradePort, 2023).

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The Cape Town Green Economy Strategy has positioned the city as a leader in sustainable urban development, with investments in renewable energy, water management, and green entrepreneurship contributing to job creation and economic diversification (City of Cape Town, 2022). Another success is the Stellenbosch Innovation District, which leverages partnerships between the municipality, universities, and businesses to foster innovation, particularly in technology and sustainability sectors (Nel & Rogerson, 2016). Many municipalities lack the capacity and resources to implement LED strategies effectively (Pillay, 2008). A 2021 report by the South African Local Government Association (SALGA) indicated that over 60% of municipalities had no dedicated LED unit or staff, resulting in poorly planned and executed projects (SALGA, 2021).

The VBS Mutual Bank scandal, involving irregular municipal investments, undermined trust and diverted resources away from local development priorities (Public Protector South Africa, 2020). A major strategic challenge is the conflict between pro-growth and pro-poor strategies. While some municipalities focus on attracting investment and growing the tax base, others prioritize social development projects, often without achieving meaningful economic stimulation (Tomlinson, 2013). Greater emphasis on community participation can enhance local ownership and sustainability of LED projects. Empowering local stakeholders through participatory budgeting and development planning can align LED with community needs (UN-Habitat, 2015). Local Economic Development remains a critical strategy for inclusive and sustainable growth worldwide. While global experiences reveal models of success, challenges persist, especially in resource-constrained environments. South Africa exemplifies the dual reality of LED—its transformative potential and its implementation hurdles. Through strengthened capacity, governance reforms, and community engagement, LED can fulfil its promise of vibrant, self-reliant local economies. Rather than relying solely on either government-led or purely market-driven approaches, the emerging paradigm emphasizes private sector-driven hybrid models. These models position the private sector as a dynamic leader in LED initiatives, working collaboratively with government and civil society to ensure that economic development is both efficient and socially inclusive.

2.7.3.2 Adapting global LED practices to local contexts

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Global trends in LED stress the importance of participatory, bottom-up approaches that complement national economic policies by leveraging local assets and capacities (World Bank, 2006). While international organizations and research institutions have developed LED frameworks as blueprints for effective local governance (Swinburn, Goga, & Murphy, 2006), divergent views exist regarding the extent to which these models are universally applicable (Ndle, & Makoni, 2014).

By integrating an extensive literature review with divergent perspectives, this paper provides a critical analysis of the challenges and opportunities in localizing global LED frameworks within Limpopo. Proponents of this view highlight successful examples from rapidly urbanizing regions, where LED strategies have facilitated significant improvements in local economic competitiveness through targeted interventions such as enterprise clusters and business incubators (World Bank, 2006). Global LED frameworks also stress the importance of decentralization, positing that local authorities are better positioned than central governments to understand and address regional needs (Meerkerk, 2024; Linåker & Runeson, 2022).

These contrasting outcomes suggest that LED governance frameworks must be flexible enough to accommodate significant variation in institutional capacity and local conditions. These factors hinder the effective planning, implementation, and evaluation of LED strategies that global frameworks assume to be available (Makgala, 2019; World Bank, 2006). International initiatives have demonstrated that targeted training programs, exchange visits, and technical assistance can help bridge the capacity gap in local governments (World Bank, 2006). Global models emphasize the identification of competitive advantages—whether natural resources, cultural heritage, or untapped market potential—which can be tailored to bolster local economies (World Bank, 2006). For instance, by establishing agro-processing clusters or community-based tourism projects, local governments can directly contribute to job creation and poverty alleviation (Makgala, 2019; World Bank, 2006).

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Global LED models are increasingly linked to the SDGs, particularly in areas such as decent work, economic growth, and sustainable cities (UN-Habitat, 2004). By aligning LED strategies with these global goals, Limpopo can access international funding opportunities and benefit from shared best practices across regions (World Bank, 2006). To address gaps, a multi-level adaptive framework is proposed: Contextual Diagnosis: Assess local socio-economic, ecological, and cultural dynamics (e.g., LEK integration in Patagonia; Varela, 2025). This chapter underscores the need for LED frameworks that transcend ideological binaries by prioritizing contextual adaptability, inclusive governance, and systemic resilience (Varela, 2025). Rural regions like Limpopo Province highlight the urgency of reconciling growth with equity, particularly in contexts where colonial legacies and geographic isolation perpetuate marginalization (Mashamba, 2021). Future research must address power asymmetries in decision-making and evaluate the long-term impacts of hybrid models on marginalized communities (Chomane & Biljohn, 2023; OECD, 2020).

2.7.3.3 Project Management Approach

Local Economic Development (LED) is a strategic approach aimed at fostering sustainable economic growth, reducing poverty, and improving the quality of life in communities (Rodríguez-Pose & Tijmstra, 2007). Despite its potential, the implementation of LED initiatives has often been hindered by challenges such as poor planning, inadequate stakeholder engagement, and insufficient resource allocation (Rogerson, 2010). Project management, with its emphasis on planning, execution, and monitoring, offers a viable framework to address these challenges and enhance the success of LED initiatives (Project Management Institute, 2017). Project management is the discipline of planning, organizing, and managing resources to achieve specific goals within defined parameters of scope, time, and cost (Kerzner, 2017).

Frameworks such as PMBOK and agile methodologies offer practical tools for implementing LED projects efficiently (Project Management Institute, 2021; Schwaber & Sutherland, 2020). For instance, in the eThekwini Municipality, South Africa, LED projects lacked structured planning frameworks, leading to implementation delays; incorporating project management tools like Gantt charts could have enhanced scheduling and task tracking (Rogerson, 2010). Lack of stakeholder engagement is another critical barrier to successful LED implementation, often resulting in resistance and poor project adoption (Meyer-Stamer, 2003). Project management practices such as stakeholder analysis and communication planning can facilitate the identification and involvement of key actors throughout the project lifecycle (Kerzner, 2017).

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Resource constraints, including limited financial and human capital, are common in LED projects (Rogerson, 2010). For example, the Buffalo City Metropolitan Municipality in South Africa faced funding shortfalls in LED programs, which could have been mitigated by employing project budgeting tools to prioritize essential tasks and manage expenditures (Rogerson, 2010). Monitoring and evaluation are often overlooked in LED projects due to a lack of expertise or resources (Rogerson, 2010). In Ghana, the Local Government Capacity Support Project (LGCSP) employed M&E tools to assess project impact, which enhanced transparency and informed future interventions, highlighting the role of structured evaluation in LED (Rodríguez-Pose & Tijmstra, 2007).

LED projects operate in dynamic environments that require flexibility and adaptability, which traditional management structures often lack (Meyer-Stamer, 2003). Agile methodologies such as Scrum promote iterative development and responsiveness to change (Schwaber & Sutherland, 2020). In Kenya, the Mombasa Urban Renewal Program used agile project management principles, including iterative feedback loops and adaptive planning, to effectively respond to community needs and changing circumstances, thereby ensuring project sustainability (Rogerson, 2010). LED projects aim to improve the economic well-being of a specific area by creating jobs, supporting local businesses, and enhancing infrastructure. A clear definition of the project scope ensures alignment among stakeholders and prevents scope creep, which can derail projects and lead to resource misallocation (Project Management Institute, 2021).

Tools like the Work Breakdown Structure (WBS) help break down LED projects into manageable components, ensuring clarity and focus (Kerzner, 2017). Simon Sinek (2009) emphasizes that knowing the purpose behind an initiative inspires commitment and fosters collaboration. For instance, an LED project in South Africa aimed at supporting small and medium-sized enterprises (SMMEs) justified its purpose by highlighting the role of SMMEs in job creation and economic diversification. This clear articulation of purpose helped secure funding and stakeholder support (Rogerson, 2010). In LED, this involves selecting appropriate frameworks, allocating resources, managing risks, and ensuring quality. Effective planning and execution are essential for achieving LED objectives. By addressing the How, project managers ensured that these activities were coordinated and aligned with the project's goals, resulting in a significant increase in tourist arrivals and local revenue (Meyer-Stamer, 2003).

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In LED initiatives, this includes local governments, businesses, community organizations, and residents. The RACI matrix (Responsible, Accountable, Consulted, Informed) is a useful tool for clarifying roles and preventing confusion (Project Management Institute, 2021). For instance, in an LED project aimed at improving public transportation in Bogotá, Colombia, the local government was responsible for funding and regulation, while private contractors handled construction. The integration of What, Why, How, When, and Who creates a holistic approach to project management, which is particularly relevant for LED initiatives. This interconnected approach ensures that all aspects of the project are addressed systematically, minimizing risks and maximizing efficiency (Kerzner, 2017). In summary, the implementation of Local Economic Development initiatives has historically faced numerous challenges, including poor planning, inadequate stakeholder engagement, resource constraints, and insufficient monitoring and evaluation. A project management approach offers a structured and systematic framework to address these challenges, ensuring that LED initiatives are effectively planned, executed, and monitored.

2.7.3.4 Knowledge Management Approach

Knowledge management (KM) has become a critical component of organizational strategy, playing a pivotal role in decision-making and implementation across various sectors, including local economic development (LED) (Nonaka & Takeuchi, 1995; Davenport & Prusak, 1998). Local Economic Development (LED) is increasingly recognized as a complex governance process that involves multiple actors, perspectives, and knowledge systems. Collaborative Governance emphasizes consensus-oriented decision-making through partnership among public agencies, businesses, and civil society actors (Ansell & Gash, 2008).

In LED, this approach facilitates diverse stakeholder engagement, enabling a shared vision for economic initiatives, such as urban regeneration or rural revitalization programs. Public Value Theory (PVT) focuses on creating value for society through government action, positioning public officials as stewards of community interests rather than mere implementers of policy (Moore, 1995). Within LED contexts, PVT guides public institutions to prioritize initiatives that enhance societal well-being, such as investments in infrastructure or job creation projects that reflect community preferences (Bryson et al., 2017). For instance, Manchester's strategic investments in infrastructure and culture-driven regeneration initiatives demonstrate PVT by aligning public projects with explicit community values to drive economic growth (Benington & Moore, 2011).

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LED practices, such as business clusters or innovation networks, benefit significantly from Network Governance by promoting knowledge spillovers and innovation through informal collaborations among businesses, academia, and governments (Provan & Kenis, 2008). An example includes the Emilia-Romagna region in Italy, which leveraged network governance to stimulate economic dynamism by facilitating interactions between SMMEs and research institutions (Cooke & Morgan, 1998). Epistemically, Network Governance underscores that knowledge sharing among diverse networks and actors is vital for innovation-led economic growth, emphasizing knowledge as both a governance resource and outcome (Sørensen & Torfing, 2017).

The EU's Cohesion Policy exemplifies MLG, providing resources to regional and local governments to promote economic convergence and sustainable growth, as observed in Spain's regional development strategies supported by EU Structural Funds (Bache & Flinders, 2004). Epistemically, MLG stresses vertical knowledge coordination, policy learning, and transfer across scales, crucial for effectively implementing and adapting LED strategies in response to broader economic contexts (Piattoni, 2010). The epistemic theory's importance in these governance frameworks cannot be overstated. Epistemic considerations involve understanding how knowledge is produced, validated, and integrated into policy decisions, shaping effective LED interventions.

LET contributes to this objective by elucidating the motivational constructs, such as the “need for cognitive closure”, that drive individuals to seek epistemic certainty, thereby shaping how knowledge is acquired and applied (Kruglanski & Webster, 1996). In KM, understanding these epistemic motivations allows for the design of systems that accommodate cognitive preferences and enhance knowledge acceptance (De Dreu, Koole, & Oldersma, 1999). In LED, where multiple actors with diverse knowledge bases must collaborate, the desire for cognitive closure can hinder knowledge integration, particularly in uncertain or ambiguous contexts (Kruglanski & Webster, 1996). In KM contexts, these mechanisms manifest in individuals’ reliance on perceived credible sources and cognitive shortcuts (heuristics) when processing information, particularly under time pressure or cognitive load (Eagly & Chaiken, 1993).

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Knowledge managers can leverage this by strategically framing information through trusted authorities and employing simplified, context-relevant communication formats (Winkelen & McKenzie, 2011). In LED initiatives, community leaders or local institutions often serve as epistemic authorities whose endorsement of information significantly enhances knowledge legitimacy and uptake (Chambers, 1994). By recognizing the role of such figures, KM systems can be designed to facilitate communication through appropriate authority channels and align knowledge dissemination with stakeholders' heuristic tendencies (Hislop, 2013). In KM, this extends beyond organizational actors to include external stakeholders such as policymakers, practitioners, and community members (Wiig, 1997).

LET elucidates the epistemic barriers that underpin such asymmetries, including distrust of information sources and low motivation for cognitive engagement (Kruglanski et al., 2009). KM systems informed by LET can mitigate these issues by cultivating "epistemic trust" and presenting information in accessible, locally contextualized formats that reduce cognitive load (Pahl-Wostl et al., 2007). LET-informed KM approaches can address this by gradually introducing new knowledge through familiar frames of reference and facilitating co-creation processes that reconcile the desire for closure with the need for evidence-based adaptation (Nonaka, 2007). By doing so, KM practices can overcome fragmentation and support the holistic, adaptive governance structures essential for sustainable local economic development (Pike et al., 2016). Lay Epistemics Theory offers a valuable and underutilized framework for enhancing knowledge management, particularly in complex, multi-stakeholder contexts such as local economic development.

2.7.3.5 Innovation Imperative

Innovation in Economic Development Innovation acts as a driving force behind economic development by introducing new or improved products, processes, services, or organizational methods—even those that don't necessarily break global frontiers (OECD, 2020; WIPO, 2024). This broad definition includes both high-tech breakthroughs from elite research labs and everyday creativity that empowers local communities (OECD, 2020; WIPO, 2024). Empirical evidence confirms that regional innovation ecosystems—clusters, incubators, living labs—enhance productivity, entrepreneurship, and inclusion by linking community creativity with institutional support (OECD, 2020; WIPO, 2024).

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The literature identifies three critical innovation types for LED: Technological – e.g., localized process improvements that boost productivity, Social – community-led approaches enhancing inclusion, Institutional – such as regulatory or governance reforms (Tedesco & Ramos, 2023; OECD, 2020). Effective LED systems balance this bottom-up dynamism with coordinated top-down support from governments, academia, and industry (Amaral et al., 2023). Hybrid governance structures, including living labs and civic networks, are instrumental in building resilient LED ecosystems (MIT D-Lab, 2024; Springer, 2024). Universities play a crucial LED role through tech transfer, incubation, and acting as anchors for innovation ecosystems, contributing measurably to local economic performance (Springer, 2024).

Municipal governments promoting smart governance, procurement innovation, and streamlined regulation have achieved tangible LED gains (Clark, 2024; OECD, 2020). However, challenges remain: practitioners often struggle to define and evaluate LED innovation, especially post-pandemic (Cleave et al., 2020; OECD, 2020). While data-driven metrics aligned with SDGs hold promise, they are not yet widely adopted or validated (Oikonomaki & Belivanis, 2023; WIPO, 2024). Despite increased R&D spending, South African firms exhibit stagnant innovation outputs, including declining patent filings and limited high-tech exports (OECD, 2024; Ledwaba, 2025)4813. Scientific productivity has plateaued over the past decade due to insufficient R&D personnel (0.47 researchers per 1,000 employed) and weak intellectual property commercialization (OECD, 2024; WIPO, 2024).

Manufacturing sector research reveals South African firms achieve high marginal returns on R&D (elasticity of 0.02 for labour productivity) despite lower R&D intensity than OECD counterparts, signalling chronic underinvestment rather than inefficiency (Ledwaba, 2025). Since 2019, presidential commissions have promoted Industry 4.0 adoption, though implementation remains uneven—concentrated in mining and finance rather than manufacturing (DSTI, 2025; OECD, 2024). Grassroots initiatives like township mechanic cooperatives exemplify community-led innovation through skills development and business formalization, though systematic impact measurement remains challenging (SMART, 2025).

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ILED positions innovation as central to local economic development in South Africa's marginalized regions. Aligned with the National Development Plan (Vision 2030), ILED prioritizes reducing spatial inequalities by redirecting resources to "distressed areas" and fostering inclusive growth. National productivity outcomes remain weak, with GDP growth projected at 1.3% (2025–26) amid infrastructure deficits and skills mismatches (OECD, 2024). While digital adoption shows positive firm-level productivity effects (particularly in services), innovation translation remains uneven—only 20% of firms report new-to-market innovations (Ledwaba, 2025; WIPO, 2024). Summary and Outlook South Africa's innovation system is transitional: input improvements (e.g., cyberinfrastructure investments of R1.36bn) coexist with persistent output gaps relative to global benchmarks (DSTI, 2025)4. To convert innovation investments into productivity, South Africa must strengthen human capital pipelines (particularly STEM graduates) and deepen industry-research linkages (Ledwaba, 2025; WIPO, 2024).

2.7.3.6 Inside-Out Approach

The "Inside-Out" approach as depicted in **Figure 2.6**, is a development strategy that emphasizes the local community's internal strengths and capacities as the foundation for sustainable economic development. Unlike traditional top-down models, which often rely on external investments or policies imposed by larger entities, the Inside-Out approach focuses on leveraging local assets, resources, and people.

The Inside-Out approach, in the context of economic development, refers to the idea of nurturing growth from within the community by capitalizing on local resources, knowledge, and networks. It contrasts with the "Outside-In" approach, where external resources and influences play a dominant role in driving development. According to Kretzmann and McKnight (1993), the Inside-Out approach builds on the belief that local communities possess untapped potential in the form of human capital, social networks, and physical assets. This approach seeks to empower communities to take charge of their own development by identifying and enhancing these internal strengths.

A core principle of the Inside-Out approach is asset-based community development (ABCD), which emphasizes the identification and mobilization of local assets, rather than focusing on deficiencies or needs. Kretzmann and McKnight (1993) argued that communities often overlook their internal resources, such as skilled workers, local businesses, and social organizations. By recognizing and utilizing these resources, communities can foster self-reliance, improve resilience, and stimulate long-term economic growth.

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In an Inside-Out model, local leadership plays a central role in the development process. Leaders emerge from within the community, possessing deep knowledge of local challenges and opportunities. These leaders help to facilitate the mobilization of resources and guide the community in pursuing its economic development goals (Sirianni, 2009). The Inside-Out approach also emphasizes participatory decision-making, ensuring that community members have a direct role in shaping their economic future (Green and Haines, 2016).



Figure 2-6: Inside out approach bases on 5 key points.

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The Inside-Out approach has significant relevance for local economic development. One of its key advantages is that it fosters inclusive and sustainable growth. Local development strategies that rely on external investments or top-down policies often overlook the needs and capabilities of the community, leading to unequal outcomes (Polanyi, 1944). The Inside-Out approach, by contrast, ensures that the community is actively involved in its own development process, which can lead to more equitable outcomes and a stronger sense of ownership and pride (Green and Haines, 2016).

Moreover, the Inside-Out approach can help communities become more resilient to external economic shocks. By building upon local strengths, communities can create more diversified economies that are less dependent on outside forces. For example, rural communities in the United States that have embraced the Inside-Out approach have succeeded in revitalizing local economies by focusing on local agriculture, tourism, and small businesses (Chaskin, 2001). These sectors not only provide economic opportunities but also strengthen social cohesion and improve quality of life for residents.

Another area where the Inside-Out approach has proven effective is in fostering innovation and entrepreneurship. By encouraging local residents to identify opportunities and solutions based on their unique knowledge and experiences, the Inside-Out model can spur the creation of new businesses and industries. A notable example of this is the development of tech hubs in smaller cities, where local entrepreneurs, supported by community resources and networks, have built thriving startups (Florida, 2014). These entrepreneurial ecosystems are often more sustainable because they are based on local knowledge and networks, which create a supportive environment for growth.

Despite its many benefits, the Inside-Out approach is not without challenges. One challenge is the potential for unequal distribution of resources and benefits within the community. In some cases, local leaders may not represent the full diversity of the community, which could lead to the exclusion of marginalized groups from the development process (Sirianni, 2009). Additionally, building local capacity can be a time-consuming process that requires significant investments in education, training, and capacity-building initiatives. Therefore, the Inside-Out approach may not yield immediate results, which can be a challenge for communities facing urgent economic needs.

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The Inside-Out approach offers a powerful framework for local economic development by focusing on internal strengths and capacities. By utilizing local resources, empowering local leadership, and encouraging participatory decision-making, communities can create more sustainable and inclusive economic growth. While there are challenges in implementing this approach, particularly around ensuring equitable distribution of benefits, the long-term potential for building resilient, diversified economies is significant. As global trends shift towards decentralization and local empowerment, the Inside-Out approach provides a valuable model for communities seeking to thrive in a rapidly changing world.

2.8 Objective 5: Evaluating the Effectiveness of the Proposed Framework

2.8.1 Monitoring, Evaluation and Adaptive Capacity in LED Governance

The success of Local Economic Development (LED) initiatives is fundamentally reliant on well-functioning systems of monitoring, evaluation (M&E), and adaptive learning. These systems facilitate continuous assessment of outcomes, the identification of implementation challenges, and the refinement of strategies through real-time data feedback. Despite this, many South African municipalities lack institutionalised M&E frameworks for LED, which has contributed to disjointed and short-lived interventions (Sibanda & Mbohwa, 2022). The concept of adaptive governance—understood as the capacity of governance systems to respond to feedback and modify policies accordingly—has gained prominence in international development discourse as a mechanism to enhance both resilience and responsiveness (Mfitumukiza et al., 2020).

Empirical studies indicate that M&E systems based on participatory and inclusive methodologies are more likely to yield sustainable results, as they integrate diverse perspectives and knowledge systems (Molenaar et al., 2023). In rural LED contexts, adaptive capacity should further be conceptualised as the institutional ability to evolve in response to socio-economic and environmental shifts. Adaptive management approaches—such as Results-Based Management (RBM), Theory of Change (ToC), and Developmental Evaluation (DE)—provide valuable tools for embedding learning processes into planning cycles (Patton, 2022). These methodologies facilitate the co-creation of feedback loops among key actors—government, private sector, and civil society—thereby improving coordination and strengthening the delivery of LED outcomes.

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Although numerous governance frameworks exist to guide LED implementation, their real-world effectiveness remains inadequately evaluated. For instance, South Africa's National Framework for Local Economic Development (NFLED) 2018–2028 outlines six strategic pillars, yet empirical findings reveal that local implementation often falters due to limited institutional capacity, fragmented planning, and underdeveloped feedback mechanisms (Ramolobe & Khandanisa, 2024). Similarly, critiques of the District Development Model (DDM) point to its overly bureaucratic architecture and poor engagement with the private sector (Koma, 2023). This misalignment between strategic vision and operational reality underscores the need for a shift from design-focused evaluations to outcome-based assessments.

Global comparisons provide further insight. Effective LED governance models—such as the United Kingdom's Local Enterprise Partnerships (LEPs) and Malaysia's Economic Corridors—demonstrate the importance of integrating performance metrics centred on sustainability, inclusivity, and responsiveness (OECD, 2022). As such, governance effectiveness should be measured not merely by institutional structures, but also by adaptability, stakeholder alignment, and measurable socio-economic impacts (UN-Habitat, 2021). This perspective reflects the theoretical "WHY" of governance reform, highlighting the necessity for frameworks to be underpinned by developmental justifications that resonate with localised challenges.

Evaluating LED governance effectiveness thus requires M&E systems that go beyond economic output indicators to encompass institutional learning and social inclusion. Recent literature advocates for adaptive M&E frameworks that incorporate qualitative insights, systemic diagnostics, and iterative policy refinement (Kusek et al., 2020). In the South African context, however, evaluations of LED have largely been confined to narrow GDP-based indicators that inadequately capture localised impacts and long-term sustainability (SALGA, 2021).

Advanced analytical methods such as system dynamics, multi-criteria decision analysis (MCDA), and agent-based modelling present promising avenues for assessing LED performance under varied policy scenarios (Agyepong et al., 2023). These tools enable the quantification of trade-offs, simulation of stakeholder interactions, and the generation of evidence-based policy adjustments.

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Integrating M&E into governance processes ensures that LED transitions from isolated interventions to adaptive systems capable of responding to local needs and evolving contexts. This orientation encapsulates the "HOW" dimension within the epistemic governance model, underscoring the centrality of continuous learning, feedback assimilation, and strategic recalibration as core governance functions.

2.8.2 Metrics and Indicators for Measuring LED Success

Conventional metrics such as Gross Domestic Product (GDP) and employment rates have long served as standard indicators of economic performance, but they fall short in capturing the complex and multidimensional impacts of Local Economic Development (LED), particularly within rural contexts where informal economies and community resilience play a significant role (OECD, 2021; UN-Habitat, 2023). Scholars have increasingly advocated for composite and context-specific indicators that extend beyond economic outputs to include social capital, institutional trust, innovation uptake, and equitable participation in governance (CoGTA, 2023; Molenaar et al., 2023).

These are particularly salient in urban LED, where administrative capacity and regulatory authority are often more robust, enabling tracking through indicators such as infrastructure investments, enterprise formalisation rates, and digital governance platforms (Fricker & Bessant, 2023; Ansell et al., 2021). These are particularly pertinent in rural LED contexts, where community participation, local ownership of initiatives, indigenous knowledge integration, and social networks are key enablers of sustainable development (Moyo & Mokone, 2023; Mingers & Rosenhead, 2020). Accordingly, rural LED metrics must capture indicators such as access to basic services, informal sector productivity, transport mobility, and social cohesion indices (CoGTA, 2023; Chatterjee et al., 2021). Efforts in

South Africa to establish a Local Economic Development Index (LEDI) aim to incorporate these differentiated variables, with experimental metrics including the frequency and scope of public-private partnerships (PPPs), levels of local procurement, and community participation in LED forums (CoGTA, 2023; UN-Habitat, 2023). These initiatives reflect global trends toward localised, context-driven measurement frameworks that align with place-based development priorities (OECD, 2021; World Bank, 2022). The concept of shared value, which links economic performance to social progress, has gained traction as a metric for assessing private sector contributions to LED (Porter, Hills, & Pfitzer, 2021; Chatterjee et al., 2021).

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Designing a private sector-inclusive LED governance framework requires grounding in collaborative governance theory and participatory planning principles, which emphasise co-decision-making, institutional transparency, and iterative learning (Ansell et al., 2021; Fricker & Bessant, 2023). International models such as the United Kingdom's Local Enterprise Partnerships (LEPs) and India's cluster-based rural development initiatives demonstrate the effectiveness of decentralised, cross-sectoral coordination structures in enhancing local competitiveness (World Bank, 2022; OECD, 2021). Governance matrices based on these principles stress the importance of legitimacy, coordination, performance monitoring, and participatory evaluation (Ansell et al., 2021; World Bank, 2022).

Evidence from Africa and other global regions indicates that when the private sector actively participates in LED initiatives, broader developmental benefits emerge, including infrastructure provision, job creation, skill development, and innovation diffusion (Chatterjee et al., 2021; UNDP, 2022). For example, Kenya's Special Economic Zones have leveraged PPPs to enhance rural agri-logistics, while in Limpopo, private-led water and road projects have improved mobility and access to services in underserved communities (Moyo & Mokone, 2023; CoGTA, 2023). The strategic value of aligning profit-making with developmental outcomes, as proposed in the shared value framework, is evident in cases where firms integrate community development into business operations—through inclusive procurement, enterprise development, and community-linked CSR programmes (Porter et al., 2020; Fricker & Bessant, 2023).

2.8.3 Gaps and Limitations in Existing Literature

The existing literature on Local Economic Development (LED) provides a comprehensive understanding of its theoretical foundations, governance frameworks, and implementation strategies. However, several gaps and limitations remain, which warrant further exploration. Firstly, while the literature extensively discusses the role of stakeholder engagement in LED, there is a lack of empirical studies that examine the long-term impact of participatory approaches on sustainable economic outcomes. Many studies, such as those by Nel and Rogerson (2005) and Theron (2008), emphasize the importance of inclusivity but fail to provide robust evidence on how sustained community participation translates into measurable economic benefits over time. This gap highlights the need for longitudinal studies that track the economic impact of participatory LED initiatives across diverse contexts.

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Secondly, the literature often overlooks the intersectionality of marginalized groups in LED frameworks. While studies like those by UNDP (2018) and Nel & Rogerson (2016) acknowledge the exclusion of women, youth, and indigenous communities, there is limited research on how intersecting identities—such as gender, race, and class—affect access to economic opportunities in LED initiatives. For instance, the specific challenges faced by rural women in accessing LED programs are rarely explored in depth, leaving a significant gap in understanding how to design more inclusive and equitable LED strategies.

Thirdly, the role of digital transformation in LED remains underexplored. Although some studies, such as those by OECD (2020) and Rogerson (2010), touch on the potential of technology to enhance local economies, there is a lack of detailed analysis on how digital tools—such as e-commerce platforms, digital skills training, and smart city technologies—can be integrated into LED frameworks. This gap is particularly evident in developing countries, where digital infrastructure is often underdeveloped, yet holds significant potential for economic transformation.

Fourthly, the literature on LED governance frameworks often focuses on formal structures and policies but neglects the informal mechanisms that influence local economic development. For example, while studies like those by Blakely and Leigh (2013) and Rodríguez-Pose & Tijmstra (2007) provide insights into formal governance models, they rarely address how informal networks, social capital, and local traditions shape economic outcomes. This oversight limits the understanding of how informal institutions can complement or hinder formal LED strategies, particularly in rural and tribal areas.

Fifthly, there is a notable gap in the literature regarding the environmental sustainability of LED initiatives. While some studies, such as those by FAO (2018) and Nel & Hill (2013), highlight the importance of sustainable practices, there is limited research on how LED projects can balance economic growth with environmental conservation. For instance, the environmental impact of large-scale infrastructure projects funded through LED programs is rarely assessed, leaving a critical gap in understanding how to achieve sustainable development goals without compromising ecological integrity.

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Lastly, the literature often assumes a one-size-fits-all approach to LED, with insufficient attention to contextual variations. While frameworks like those by the World Bank (2003) and OECD (2018) provide general guidelines, they often fail to account for the unique cultural, historical, and political contexts of different regions. This limitation is particularly evident in studies on LED in post-conflict or post-colonial settings, where historical legacies and power dynamics significantly influence economic development outcomes. For example, the specific challenges faced by post-apartheid South Africa in implementing LED strategies are often generalized, rather than analysed in the context of the country's unique socio-political landscape.

In summary, while the existing literature on LED offers valuable insights, it is marked by several gaps and limitations that need to be addressed. These include the need for longitudinal studies on participatory approaches, a deeper understanding of intersectionality in LED, the integration of digital transformation, the role of informal institutions, the environmental sustainability of LED initiatives, and the importance of contextual variations. Addressing these gaps will require more nuanced and context-specific research, as well as interdisciplinary approaches that draw on insights from economics, sociology, environmental studies, and digital innovation.

2.8.4 Summary of Literature Review

From the literature review, the following summary has been deduced:

Successful Local Economic Development (LED) programmes remain elusive in most small towns and rural areas, particularly in South Africa. The challenges to effective LED implementation are multifaceted, with a significant lack of integration and cooperation among LED stakeholders being a primary obstacle. This lack of collaboration is exacerbated by inefficiencies and a dearth of entrepreneurial skills in rural areas, which further hinder the potential for sustainable economic growth. Additionally, the collaborative tools introduced to coordinate LED activities in municipalities tend to be either state-centred or civil society-driven, leaving little room for meaningful private sector involvement. This exclusion of the private sector, especially in rural-based municipalities, is a major concern, as the private sector holds significant potential to contribute to local economic development through investment, innovation, and job creation.

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Moreover, empirical research focusing on professional and business associations (PBAs) within the nonprofit management research program is notably scarce. This gap is even more pronounced in transition environments like South Africa, where the role of PBAs in fostering economic development remains understudied. The lack of research in this area limits the understanding of how these associations could be leveraged to enhance private sector participation in LED initiatives.

The literature review highlights three major shortcomings that hinder the inclusion of the private sector in the collaborative governance of LED. The first shortcoming is at the legislative level, where the role of businesses in local economic development is inadequately defined. While the South African Constitution envisages the participation of organized business in economic development, there is no specific legislation, such as the Companies Act, the Registration Act, or the National Small Business Act, that elaborates on how the private sector should participate. This stands in contrast to the role of organized labour unions, which are not only recognized in the Constitution but also regulated by the Labour Relations Act, providing clarity and structure to their participation.

The second shortcoming lies in the various government policies and strategies, including the National Development Plan, Provincial Development Plans, Integrated Development Plans (IDPs), and Local Economic Development (LED) strategies. While these documents emphasize the importance of private sector involvement in LED, they fail to clarify the specific roles and forms that this participation should take. This lack of clarity creates ambiguity and limits the effectiveness of private sector engagement in local economic development initiatives.

The third shortcoming is the absence of a prioritization framework for the pillars of LED. Without clear criteria for prioritizing the various components of LED, such as infrastructure development, skills training, and enterprise support, resources may be misallocated, and efforts may lack coherence. This lack of prioritization undermines the overall effectiveness of LED strategies and limits their potential to drive meaningful economic growth in rural and small-town contexts.

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In summary, the literature review underscores the critical need for greater integration and cooperation among LED stakeholders, particularly the private sector, to address the persistent challenges facing rural and small-town economies in South Africa. Legislative clarity, policy refinement, and a structured prioritization framework are essential to unlocking the full potential of private sector participation in LED and achieving sustainable, inclusive economic development.

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CHAPTER 3 RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the research methodology adopted to achieve the study's objectives. It begins by describing the study area in rural Limpopo Province, providing context for the research. Thereafter, the chapter details the research design, which follows a "mixed-methods approach" integrating both qualitative and quantitative techniques. The choice of a mixed-methods design was motivated by the complex nature of the research problem – developing a private sector-inclusive governance framework for local economic development (LED) – which benefits from multiple sources of evidence. Mixing qualitative and quantitative methods provides "richer insights" into the phenomenon than either approach alone.

The chapter also describes the target population and sampling procedures, the data collection instruments and processes, and the data management and analysis methods used. Measures taken to ensure the "validity, reliability, and trustworthiness" of the research are explained, and ethical considerations observed throughout the study are documented. In essence, this methodology was designed to produce a robust and credible foundation for addressing the research questions and developing the proposed LED governance framework.

3.2 Description of the Case Study Area

The empirical component of the study was conducted in "Limpopo Province", located in the north-eastern region of South Africa. Limpopo covers a total land area of approximately 125,754 km², representing about 10% of the country's surface area (Statistics South Africa, 2020). The province is predominantly rural, with over 80% of its population residing in rural villages and only around 12% living in urban centres such as Polokwane, the provincial capital (Malatji, 2020). These rural settlements are often small (many with fewer than 1,000 inhabitants) and are frequently under the governance of traditional authorities. Such dispersed settlement patterns, coupled with slow land reform and tenure challenges, complicate infrastructure development and service delivery in many areas (National Treasury, 2021).

Limpopo faces significant socio-economic challenges, including "high poverty and unemployment rates". Approximately 60% of the provincial population lives below the poverty line (Statistics South Africa, 2020). LED initiatives are therefore critical for improving livelihoods, especially in rural areas where formal economic opportunities are limited. The province's economy relies on key sectors such as "agriculture, mining, and tourism", which hold potential for driving growth given Limpopo's fertile land, rich mineral resources, and

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natural attractions (e.g. Kruger National Park) (Limpopo Department of Economic Development, Environment and Tourism, 2019). However, the success of LED in leveraging these sectors depends on effective governance, adequate infrastructure, and access to finance – factors often lacking in the rural context (National Treasury, 2021).

Administratively, Limpopo is divided into five district municipalities and 22 local municipalities, as illustrated in **Figure 3.1**. The five districts – Capricorn, Mopani, Sekhukhune, Vhembe, and Waterberg – exhibit varying levels of development. For instance, Capricorn District (which includes Polokwane) is relatively more developed due to its urban centre and better infrastructure (Limpopo Provincial Government, 2020). In contrast, predominantly rural districts like Sekhukhune and Vhembe face higher unemployment and limited access to basic services (Statistics South Africa, 2020). Even within districts, disparities exist: municipalities such as Polokwane or Greater Tzaneen benefit from more robust local economies (driven by agriculture, commerce, and tourism), whereas deeply rural municipalities like Greater Letaba or Fetakgomo-Tubatse struggle with persistent poverty and underdeveloped infrastructure (Limpopo Department of Economic Development, Environment and Tourism, 2019; National Treasury, 2021).

Overall, the “rural nature” of Limpopo presents both challenges and opportunities for LED. On one hand, inadequate infrastructure (e.g. unreliable electricity, water supply, and road networks) and the out-migration of skilled youth constrain industrial development and entrepreneurship in rural municipalities (National Treasury, 2021; Statistics South Africa, 2020). On the other hand, the province’s abundant natural resources and agricultural potential offer a basis for inclusive growth if harnessed effectively. For example, Limpopo is a major producer of maize, citrus, and vegetables, creating opportunities for agro-processing and value addition (Limpopo Department of Agriculture and Rural Development, 2020). Similarly, cultural heritage and eco-tourism in rural areas could stimulate local economies if supported by appropriate infrastructure and marketing. This context underscores why a strengthened LED governance framework – one that actively involves the “private sector” alongside public and civil society actors – is vital for Limpopo. The province provides an illustrative case of rural LED challenges, making it an appropriate study area for investigating how improved governance and private sector inclusion can spur sustainable local development.

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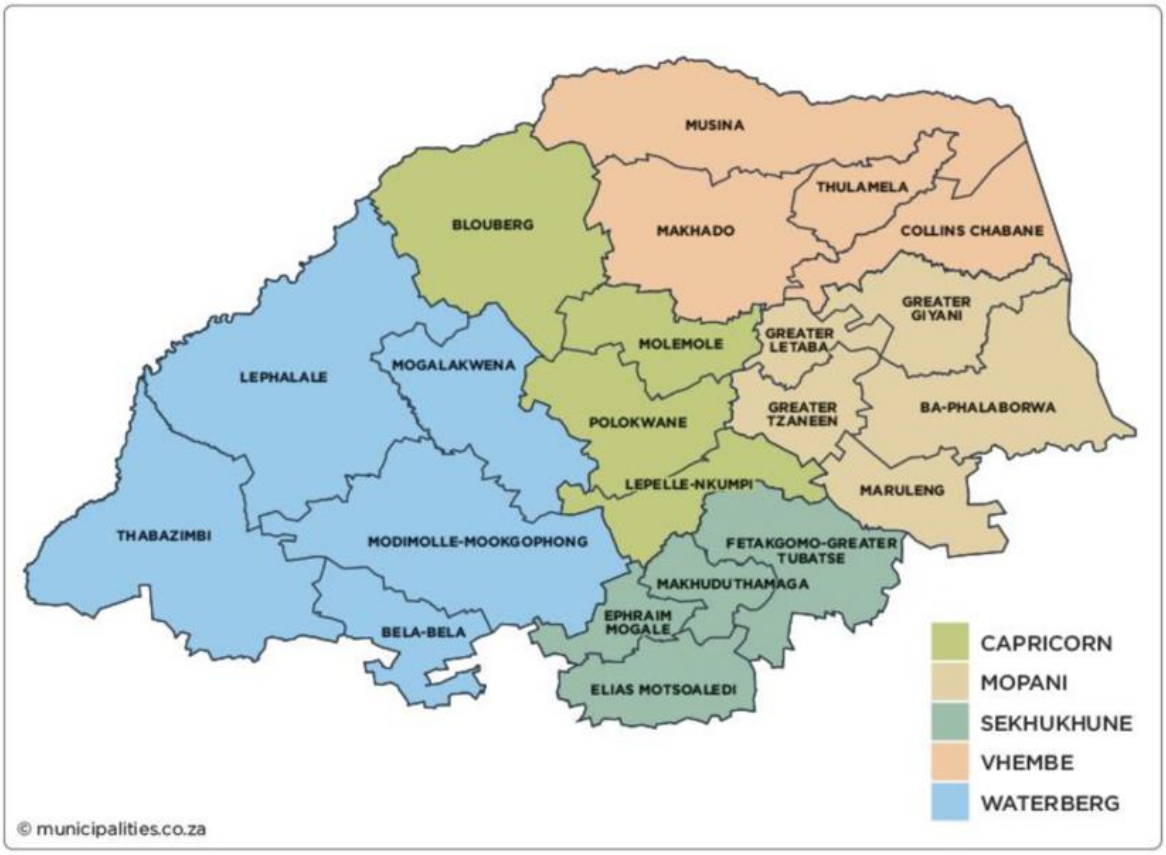


Figure 3-1: Study Area (Limpopo Province Map)
Source: Tshilowa *et al*. 2024

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3.3 Research Design

The "research onion framework" (Saunders *et al*., 2019) was used to structure the methodological choices systematically, see **Figure 3.2**. Pragmatism was chosen because it emphasizes practical solutions to research problems and is not wedded to a single system of truth or reality. This stance was appropriate for the present study, which seeks to improve LED governance in a practical context and thus benefits from multiple perspectives and data types. In the initial stages, a deductive approach was applied by grounding the inquiry in existing theories and frameworks of LED governance. For example, the research began with a synthesis of literature to distil theoretical attributes of successful LED governance frameworks, essentially "testing" whether these known concepts are evident or relevant in the Limpopo context. At the same time, as the study progressed to field exploration, an inductive approach was incorporated to allow new insights to emerge from the data (e.g. stakeholders introducing ideas not prominent in literature). This blend of reasoning (sometimes termed an "abductive" approach) is supported by pragmatism and ensured that the study could both validate theory and generate new understanding (Schoonenboom & Johnson, 2017). The combination of deductive and inductive elements enabled the research design to remain flexible and responsive to findings, while still being anchored in established knowledge. In this design, qualitative data collection and analysis occur first, followed by quantitative data collection and analysis, with the two phases building on each other. Overall, using both qualitative and quantitative methods together allowed the research to capitalize on their complementary strengths – qualitative methods contributed depth and context, while quantitative methods provided precision and generalizable evidence. The research can be considered a case study in that it deeply examines LED governance within the specific real-life context of rural Limpopo (Yin, 2018). Case study strategy allowed an in-depth understanding of how various stakeholders experience LED processes in that particular setting, illuminating the phenomenon within its social and institutional context. The time horizon for the study was "cross-sectional", since data were collected in a defined period rather than longitudinally over many years. In Stage 1, a comprehensive literature review was conducted to identify and distil key attributes of effective LED governance frameworks around the world (qualitative conceptual analysis). Stage 2 involved empirical qualitative data collection in the field: a series of stakeholder engagement sessions (focus group discussions in workshop settings) were held to "confirm the presence or relevance of the distilled attributes" in the Limpopo context and to surface any additional factors or challenges not highlighted in literature. The qualitative findings from these discussions then informed Stage 3, wherein a structured "questionnaire survey" was developed and administered to a larger sample of respondents across all five districts of Limpopo. The survey quantitatively measured stakeholders' perceptions of the

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importance and current effectiveness of those governance attributes and helped to “prioritize” them. Ultimately, this mixed-methods design (under a pragmatic paradigm) was suited to developing and validating the proposed private sector-inclusive LED governance framework in a manner that is both theoretically informed and empirically grounded.

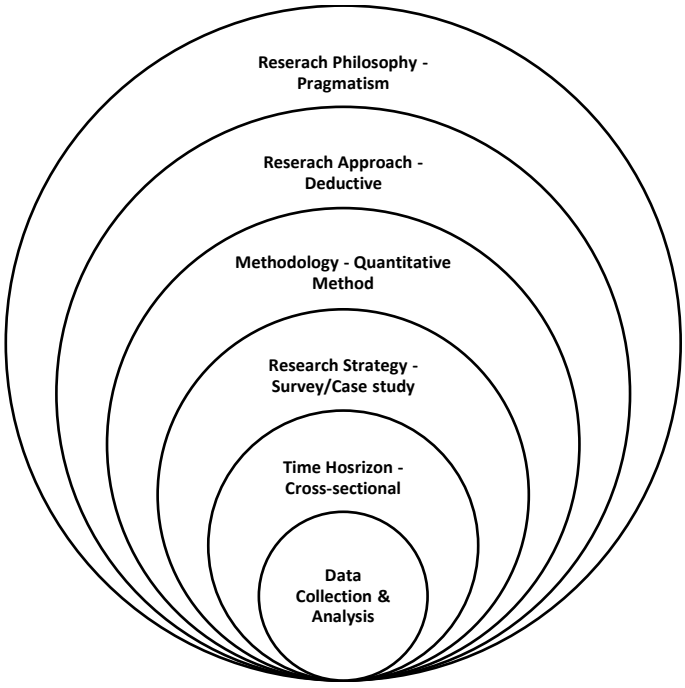


Figure 3-2: Research onion methodology.

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3.4 Population and Sampling Procedures

These categories were chosen for inclusion because each has a role or interest in the LED process and could provide valuable insights toward a private sector-inclusive governance framework. Due to the diffuse and loosely defined nature of this stakeholder community, the overall size of the population was not formally known in advance, making it impossible to draw a precise sampling frame or calculate a statistically representative sample. This uncertainty necessitated a flexible sampling approach as described next. Probability sampling (random selection) was not feasible because there was no comprehensive list of all potential participants and because the study sought depth of insights over statistical representativeness.

Instead, the researcher focused on including “information-rich cases” who were readily accessible and actively involved in LED, using a combination of “convenience sampling” and “snowball sampling” techniques (Creswell & Creswell, 2018) defined as follows:. This method enabled quick access to participants across the five districts during scheduled events and via

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an online survey. In this approach, initial participants (such as those from the workshops or early online respondents) were asked to refer or invite other stakeholders in their network who met the inclusion criteria (Bryman, 2016). This helped the researcher reach additional business owners, officials, or community leaders who might not have been identified initially.

The researcher remained mindful that snowball sampling can introduce “selection bias” – since referrals tend to come from the social circles of existing participants – potentially leading to overrepresentation of certain sub-groups or viewpoints (Bryman & Bell, 2015). Efforts were made to mitigate this by initiating multiple “seeds” for referrals in different sectors and districts (to widen the network) and by keeping the inclusion criteria broad. By combining convenience and snowball techniques, the study “maximized participation” from knowledgeable stakeholders while accepting some trade-offs in representativeness.

This approach was deemed appropriate for an exploratory study focusing on qualitative depth and practical relevance over statistical inference. The data collection was carried out through two modes: “in-person group sessions” and “online surveys”. Using both in-person and online modalities allowed the study to accommodate stakeholders with different accessibility and preference – those who could attend a facilitated session as well as those who preferred or only could participate remotely. These sessions typically took place in central venues (one per district) and gathered participants for a structured program. The dual-mode data collection not only increased the overall sample size but also helped reduce coverage bias, since stakeholders in remote areas or with busy schedules could still participate. “Participant recruitment” was conducted through a combination of formal invitations and open calls, leveraging existing networks and communication channels in Limpopo’s LED community. Key recruitment steps included: “Email invitations:” The researcher, with support from local contacts, sent emails to identified stakeholders such as officials in district municipalities, members of local business forums (e.g., the Limpopo Chamber of Commerce and Industry), and NGO leaders.

This helped initiate the snowball process formally by encouraging sharing. Sector-specific or community WhatsApp groups (for instance, groups of farmers, tourism operators, or LED practitioners in a municipality) proved useful to spread the word. Social media helped attract participants beyond the immediate networks of the researcher, including younger entrepreneurs and community volunteers who might not be on formal mailing lists. All recruitment communications included clear information about the study purpose, what participation would involve, and the voluntary nature of involvement (further detailed in Section 3.8 on ethics). By using these multiple channels, the researcher was able to engage a broad

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spectrum of participants without imposing strict quotas (no fixed number was set for each stakeholder category or district, to allow natural turnout and referrals to shape the sample).

Ultimately, the approach yielded a large and diverse sample that provided robust data for analysis. While this could mean that very disinterested or uninformed individuals did not participate (a form of self-selection bias), it ensured that the data collected was relevant and insightful for addressing the research questions. Although the non-probability approach has inherent representational limitations, it was suitable for exploratory research, effectively engaging diverse stakeholders to inform the development of a private sector-inclusive LED governance framework.

3.5 Data Collection Methods, Tools and Techniques

Multiple data collection methods were utilized to gather both qualitative and quantitative information for this study. The primary data sources were: (1) “focus group discussions” conducted during multi-stakeholder workshops (qualitative data), and (2) a “structured questionnaire survey” (quantitative data) administered both in person and online. In addition, the study drew on the “literature review” (as a form of secondary data analysis) to inform the design of the data collection instruments and to contextualize findings. The use of several methods was intended to allow for “triangulation”, where findings from different sources could be compared and validated against each other, thereby providing a more comprehensive understanding of LED governance issues. This section describes how the data collection instruments were developed and tested, and how the actual data gathering was carried out in the field.

3.5.1 Preparation of data collection tools

“Survey and Interview Guide Development:” The researcher carefully designed the questionnaire and the focus group discussion guide based on insights from the literature and best practices in survey design. An extensive review of existing LED governance frameworks (internationally, in South Africa, and locally) was first conducted to identify key themes and variables to be addressed. These themes (for example, stakeholder coordination mechanisms, resource allocation processes, private sector roles, etc.) formed the conceptual basis for the questions. Following this, the survey instrument was drafted to cover all relevant topics aligned with the research objectives (see Appendix 3.2 for the final questionnaire structure, organized into Sections A through G).

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Established guidelines for survey design were followed to enhance the clarity and effectiveness of the instrument. In particular, the “Dillman Total Design Method” was used as a reference for crafting questions and layout (Dillman *et al*., 2014). This approach emphasizes minimizing measurement error and maximizing response rates through careful wording, ordering, and formatting of questions. Accordingly, the questionnaire included a mix of well-formulated “closed-ended questions” (e.g., Likert-scale items asking respondents to rate the importance of certain LED factors, or yes/no questions on whether certain structures exist) and a few “open-ended questions” (inviting participants to elaborate on challenges or suggestions in their own words). The wording of each question was scrutinized to be as clear and unambiguous as possible, avoiding technical jargon so that participants from various backgrounds could understand. The question sequence was arranged in a logical flow – starting from general questions to more specific ones – to help respondents progress naturally and to prevent earlier questions from biasing later responses.

For the qualitative component, a semi-structured “focus group discussion guide” was prepared to steer the conversations in the stakeholder workshops. This guide mirrored many topics of the survey for consistency but allowed open discussion. It used broad, probing questions such as “What are the main challenges you face in participating in local economic development initiatives?” or “How do you feel the current LED governance could be improved to better include the private sector?” Phrasing with words like “what,” “which,” and “how” was deliberately used to encourage detailed responses and reflections, rather than simple yes/no answers. The guide ensured that each discussion group covered the core areas (stakeholder roles, current LED practices, challenges, potential improvements) while also giving flexibility for participants to bring up any other relevant points.

“Ensuring Valid Measures:” To improve the validity and reliability of the data collection tools, the researcher drew on scale development literature (DeVellis, 2016). In developing multi-item scales (for instance, several Likert items intended to measure a single construct like “effectiveness of collaboration”), the principles of content validity and internal consistency were considered. Items were generated based on theory and prior studies, then refined to ensure they collectively captured the construct. The wording was kept neutral to avoid leading the respondent. By following these procedures – analogous to those used in rigorous quantitative instrument development (DeVellis & Thorpe, 2021) – the study aimed to enhance the credibility and reproducibility of the survey instrument, much as a well-designed interview guide adds rigor to qualitative inquiry.

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3.5.2 Evaluation and adoption of data collection tools

Before deploying the data collection instruments, they were “pre-tested and refined” through a two-stage evaluation process. First, an “internal review” (pilot test) was conducted. The draft questionnaire and focus group guide were shared with the researcher’s academic supervisors and a few colleagues familiar with the topic. This aligns with recommendations by Kallio *et al*. (2016) and others that experts or peers should examine the interview/survey guides for coherence. The supervisors (who are seasoned researchers in rural development) provided feedback on the structure, suggesting reordering some sections for better flow and rephrasing a few questions for clarity. Minor issues, such as ambiguous terms or overly complex questions, were identified and corrected at this stage. This internal testing helped ensure that the tools had face validity – appearing to measure what they intended – and that they would be understandable to participants (Barriball & While, 1994; Chenail, 2011).

Next, an “expert assessment” was carried out with practitioners external to the research team. A small number of LED experts and stakeholders in Limpopo (for example, a senior LED officer from one district and a leader of a local business association) were asked to review the questionnaire and discussion guide. They evaluated the relevance and completeness of the questions from a practitioner’s perspective. Their input led to further refinement, especially in terms of language and context. For instance, they pointed out where certain terminology used in the survey might not be commonly understood by all community participants, leading to the inclusion of brief explanations for those terms. They also confirmed that the questions covered all major facets of LED governance that are pertinent in the local context, adding confidence that important topics were not inadvertently omitted. By the end of this expert review, the instruments were deemed ready. The final “semi-structured survey instrument” consisted of seven sections (A through G) capturing demographics, current LED structures, private sector involvement, challenges, benefits, suggestions for framework improvement, and evaluation of a proposed framework outline.

Through these preparation and refinement steps, the study ensured that its data collection tools were both “rigorous and context-appropriate”. The combination of literature grounding, systematic design principles, and feedback from knowledgeable reviewers enhanced the instruments’ validity and reliability, setting a solid foundation for the actual data collection. The final semi-structured survey guide (Appendix 3.2) composed of seven sections, Section A to Section G.

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3.5.3 Actual data collection

Broadly, the empirical work unfolded in “five phases”: community entry and stakeholder mobilization, stakeholder engagement workshops (qualitative), administration of the survey (quantitative), data analysis, and dissemination of results as depicted in Figure 3.3. Each phase is described below: Phase 1: Community Entry and Stakeholder Mobilization – Before collecting any data, the researcher obtained the necessary ethical and administrative permissions to engage with participants (see Section 3.8 for ethics). Media channels were utilized: for example, a press release about the upcoming LED workshops was sent to local newspapers; a short “radio interview” was conducted on a popular Limpopo station to explain the research and invite listeners to participate in the workshops; and social media posts (as noted in recruitment) were made. This mobilization phase was crucial for ensuring buy-in and attendance in the subsequent workshops.

Traditional leaders and municipal officials were also informed where appropriate, respecting local protocols for community entry. Each workshop brought together a mix of stakeholders: business owners, farmers, cooperative members, municipal LED staff, NGO representatives, etc. They took detailed notes and in some cases audio-recorded the discussions (with permission) to ensure no points were missed. The researcher moderated these plenaries, seeking clarification when needed and noting points of consensus or unique perspectives. In brief, qualitative data from the workshop discussions were compiled into a matrix, categorizing responses by theme and noting the source (which workshop or which stakeholder group a particular point came from). For the quantitative survey data, responses were coded and entered into a statistical software program (SPSS). For instance, “Chi-square tests” were employed to see if there were significant associations between categorical variables (like whether respondents from different districts differed in whether they have an LED forum in their area).

In addition, an exploratory factor analysis (using Principal Component Analysis) was conducted on selected sets of survey items to see if they clustered into underlying factors (for example, items about “benefits of private sector inclusion” might load on a common factor). To reach an even broader audience, a summary of the research and its proposed framework was published as an article in a regional development magazine (for practitioners) and brief “policy briefs” were prepared for local government officials. In addition, within the qualitative approach, the researcher incorporated some “participatory techniques” (such as having participants do a quick “preference ranking” of proposed solutions during discussions, or share “narrative stories” of successful LED projects, inspired by an “appreciative inquiry” approach

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that focuses on positives). These techniques not only actively engaged participants but also provided an extra layer of data (e.g., ranked preferences that could be tallied on the spot).

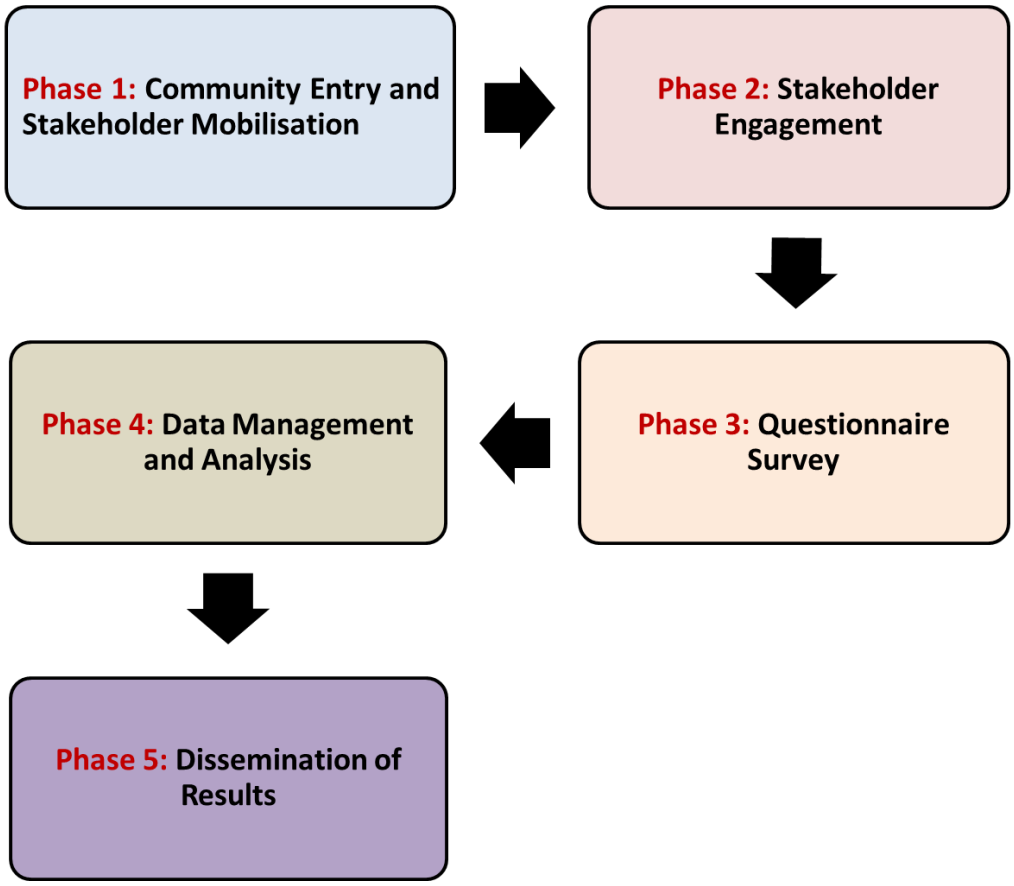


Figure 3-3: The process map for the study.

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3.6 Data Management and Analyses Methods, Tools and Techniques

3.6.1 Overview

The data management and analysis process was designed to handle the two streams of qualitative and quantitative data systematically, and then integrate them to draw overall conclusions. All data collected were stored and managed with careful attention to organization and confidentiality. Qualitative data (notes and audio recordings from workshops) were transcribed and/or summarized shortly after each workshop while the information was fresh. Each workshop's data was labelled with the location, date, and group identifier. Similarly, survey responses were assigned ID numbers and entered into an electronic database. The researcher used Microsoft Excel for initial data cleaning and SPSS (Statistical Package for the Social Sciences) for statistical analysis. On the qualitative side, the researcher used a combination of manual coding and computer-assisted analysis (Excel and Word were used to create matrices and tables; a qualitative analysis software like NVivo could be used, but in this case the volume of text was manageable with structured matrices). Throughout the analysis, the researcher maintained an "audit trail" – documentation of data sources, coding decisions, and analytic memos – to ensure transparency in how raw data were transformed into results.

Crucially, the analysis was carried out in a way that "mirrored the sequential exploratory design": first prioritizing the qualitative insights, then the quantitative analysis, and finally merging the two. The qualitative findings essentially informed the structure of quantitative analysis (e.g., confirming which variables to focus on). Once both sets of results were produced, the researcher undertook a "triangulation" step, laying qualitative themes side by side with quantitative outcomes to see how they corresponded. The integrated interpretation of data is presented in Chapter 4 and 5, but the process is noted here: for example, if the theme "lack of communication" emerged qualitatively, the researcher would look at survey items related to communication to see if they were rated poorly by participants, thereby validating the theme across methods. Conversely, if an interesting quantitative result appeared (say, one district rated the effectiveness of public-private partnerships much higher than others), the researcher would revisit the qualitative data from that district to find possible explanations or unique contextual factors. This iterative comparison between datasets helped ensure a coherent and nuanced analysis.

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3.6.2 Data analysis

Initial codes were assigned to pieces of text – for instance, a statement like “we don’t have any platform to meet with the municipality” might be coded as “lack of coordination forum”. In doing so, the researcher also paid attention to “negative cases” or outliers. If most participants said one thing but a few disagreed, those contrary viewpoints were separately noted.), each supported by multiple pieces of evidence from participants, and with notes on any exceptions. The “Chi-square test of association” was used to examine relationships between categorical variables – for example, to test if “stakeholder type” (private sector vs public sector respondents) was associated with a “particular response” (such as whether they reported having an LED forum in their area). For Likert-scale comparisons, the “Kruskal–Wallis H test” (a non-parametric alternative to ANOVA) was applied when comparing more than two groups. When Kruskal–Wallis indicated a significant difference, follow-up pairwise comparisons were done using the “Mann–Whitney U test” to identify which specific groups differed (with a statistical adjustment to control for multiple comparisons). The use of these rank-based tests does not assume normally distributed data and is appropriate for ordinal scales, thus aligning with best practices for Likert data analysis (Jamieson, 2004). Such discrepancies are reported in Chapter 4, often with an explanation (e.g., “While many interviewees complained about red tape, the survey respondents overall did not rate bureaucracy as their top challenge, possibly because….”).

This “triangulation of data” not only enhances credibility (if multiple sources agree, the finding is robust) but also enriches understanding by providing both breadth and depth on each point. International comparisons highlighted divergent models ranging from top-down policy mandates to decentralised, community-led strategies, yet few offered structured mechanisms for private sector inclusion.

OBJECTIVE 1: To review existing governance frameworks for LED and assess their effectiveness in promoting economic development. Further using closed-ended questions as in Section D questionnaire was administered to identify and gauge the views of the ecosystem partners in terms of their agreement regarding sub-themes that were identified so far based on literature and questionnaire analysis as are seen to have an impact on LED being implemented efficiently and their relevance to local economic development governance where they are concerned.

OBJECTIVE 3: To explore the potential benefits of private sector participation in LED initiatives. OBJECTIVE 4: To develop a private sector-inclusive governance framework for LED in rural areas of Limpopo Province Second, a standardized methodology for development

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of strategy to be used to implement LED initiatives allowing for measuring its performance vertically through the different tiers of government and horizontally through the various geographically located communities.

3.7 Trustworthiness and Quality of Research

Multiple strategies were employed to enhance credibility, transferability, dependability, and confirmability of the findings, alongside techniques to ensure the validity and reliability of the quantitative components as follows: Credibility (Internal Validity): The credibility of qualitative findings was bolstered through “triangulation” of methods and sources. By collecting data through both interviews (workshop discussions) and surveys, and from various stakeholder groups across different districts, the study was able to cross-check information.

Convergence of evidence from these different angles increases confidence in the results. Rather than ignoring anomalies, these were used to test the developing conclusions, ensuring that the findings accounted for diverse perspectives (Burnard et al., 2008). Another technique that enhanced credibility was a form of “member checking” during the workshops: after small group discussions, the plenary session allowed participants to hear and verify each group’s findings. This immediate validation from participants themselves helped confirm that the recorded points reflected their actual views. While the study focused on one province, the processes and challenges documented (e.g., lack of coordination, need for capacity building) are described in a generalized way so that they could be comparable to rural LED contexts elsewhere.

The sampling included a wide range of stakeholder types, which also improves transferability by not being too narrowly context-bound. The research design and its execution were presented in a transparent manner – this chapter itself serves as an audit of the methods used. To further strengthen dependability, the researcher kept an organized record of all research activities: transcripts, data files, coding schemes, and memos were saved and could be reviewed to trace how conclusions were reached. In quantitative terms, dependability overlaps with reliability – for example, ensuring that the survey measurement was reliable across all participants (achieved by using the same questionnaire for everyone and standardized administration). The survey instrument’s internal consistency was assessed informally; many items that were expected to form a scale showed acceptable coherence (for instance, participants who rated one aspect of governance high tended to rate related aspects high as well), suggesting the questionnaire was reliably capturing underlying attitudes. If required, statistical measures like Cronbach’s alpha could be computed for scales (though results of

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such were not included here, the design allowed for it). Overall, by following a planned research "recipe" and documenting deviations or adaptations, the study maintained dependability. First, as mentioned, there is a clear chain of evidence from raw data to findings – for qualitative data, this chain is evident in Chapter 4 where direct quotes from participants are used to illustrate each theme, showing that conclusions are grounded in actual participant words. The use of multiple coders or intercoder agreement is another way to boost confirmability; in this case, while coding was primarily done by the principal researcher, some portions of data and coding were reviewed by a peer to see if they would categorize the data similarly. Second, "researcher reflexivity" was practiced: the researcher kept a reflexive journal noting any personal assumptions or expectations and consciously checked that these did not unduly influence the data interpretation.

Finally, all analyses were conducted in good faith with a commitment to "honest reporting" – the thesis presents both strong and weak opinions, and both consensus and dissent, rather than just those that support a particular narrative. This balance in reporting demonstrates an effort to let the data speak for itself. "Construct validity" was contemplated by aligning survey questions with theoretical constructs (and later examining through factor analysis whether empirical data grouped as expected). "Convergent validity" is seen where qualitative and quantitative results concur on a point, which was achieved for most major constructs. If this survey were administered to a similar group under similar conditions, one would expect to get comparable responses, which is an informal indication of reliability. While statistical reliability measures (like Cronbach's alpha for scale reliability) are not extensively reported here, the process of instrument refinement and consistent data collection ensured that random error was minimized. The combination of careful methodological planning, execution, and verification steps (including triangulation and stakeholder validation) provides assurance that the results and conclusions drawn in later chapters can be accepted with confidence as a sound basis for the proposed LED governance framework.

3.8 Ethical Considerations

Ethical considerations were addressed at every stage to protect participants' rights and wellbeing, and to ensure the integrity of the research process as follows: Ethical Approval: Prior to data collection, ethical clearance was obtained from the University of Venda's Research Ethics Committee. Support letters from some municipal offices were also obtained where needed to facilitate community entry. Participants were made aware that the research aimed to develop a framework to benefit local economic development planning and that their insights would be used for academic purposes (thesis, publications) and possibly shared with

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policy-makers. Each participant was given an “informed consent form” (in English or the local language where necessary) that detailed the study’s purpose, what data were being collected, how it would be used, and any potential risks or benefits of participation. Participants indicated their consent by signing the form before workshops or by clicking an agreement box before beginning the online survey. Indeed, a few invitees chose not to participate or left a workshop early, and this decision was respected without any pressure or inquiry. No identifying personal details (such as full names, ID numbers, or contact information) were collected on the survey forms aside from broad descriptors like stakeholder role or years of experience, which cannot be traced back to an individual. In the workshop discussions, participants introduced themselves with first names only (if at all), and the notes did not attribute comments to specific individuals by name. When reporting results, the researcher does not use any real names; instead, generic descriptors are used (e.g., “a municipal official noted that….” or “one business owner in Vhembe stated….”). All data records – including signed consent forms, audio recordings, transcripts, and survey datasets – were stored securely.

The confidentiality of participants’ responses was emphasized during consent and also during group discussions (participants in focus groups were urged to respect each other’s confidentiality as well). However, the researcher remained vigilant to any potential discomfort. Participants were not asked to divulge sensitive personal information. The questions were about institutional or community issues (like “what challenges do you face in LED?”), which some could potentially perceive as politically sensitive if they criticize authorities. To minimize any risk, the environment was set as a safe, respectful space for sharing opinions. The researcher also made it clear that all contributions would remain anonymous, thereby reducing fear of repercussions for speaking candidly. In practice, discussions were sometimes passionate but not harmful; many participants appreciated the opportunity to voice their concerns.

This was stated on the consent form and reiterated verbally. No one withdrew their data after participating, but the option was available (they had the researcher’s contact to reach out later if they wished their data to be removed). Data were analysed and presented without fabrication or misrepresentation. Where the research encountered challenges (such as lower participation in one district, or needing to adapt language for certain groups), these are transparently noted in the methodology or results chapters. All sources of information (literature or otherwise) are properly cited to avoid plagiarism. Participants were not offered any monetary incentives (apart from refreshments during workshops) – this was to avoid undue inducement and to ensure people participated out of genuine interest. As described in Phase 5 (Section 3.5.3), results were disseminated back to stakeholders through workshops

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and accessible summaries. This was done out of respect for participants – acknowledging that they gave their time and insights, the researcher in turn provided them with the findings and recommendations derived from those insights. This two-way engagement contributed to an ethical approach, treating participants not just as subjects but as partners who can potentially benefit from the research.

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CHAPTER 4 PRESENTATION OF THE RESULTS

4.1 Introduction

This chapter presents and discusses the empirical findings of the study, structured according to the research objectives for the development of a private sector-inclusive governance framework for on Local Economic Development (LED) in rural areas of Limpopo Province, South Africa. A mixed-methods approach was used, drawing on data from 366 participants (221 in-person focus group participants across all five districts, and 145 individual online survey respondents).

The results are organized by research objective: first outlining the characteristics of participants, then examining existing LED governance frameworks and their effectiveness, followed by the challenges faced by the private sector in LED, the potential benefits of greater private sector inclusion, the development of a proposed private sector-inclusive governance framework for local economic development in rural areas of Limpopo, and finally an evaluation of the framework's perceived effectiveness. Both quantitative data (survey responses, rankings, statistical analyses) and qualitative insights (focus group narratives and participant quotes) are integrated to provide a comprehensive understanding of the findings. Where relevant, connections are made to the literature reviewed in Chapter 2 to highlight how these results corroborate or contrast with existing knowledge. The aim is to not only present the data but also interpret its significance in advancing LED theory and practice in rural contexts.

4.2 Characteristics of Participants

A total of 366 individuals participated in this research, comprising 221 in-person focus group participants and 145 online survey respondents. These participants represented a diverse range of sectors (government, private business, and civil society/NGO/cooperatives) and were drawn from all five districts of Limpopo Province (Capricorn, Mopani, Sekhukhune, Vhembe, and Waterberg). This broad representation was intentional to capture multiple perspectives necessary for an inclusive understanding of LED dynamics in the region.

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Focus Group Composition: The 221 focus group participants were organized into 15 groups distributed across the districts. Each district contributed at least one focus group, with some hosting multiple groups to ensure sectoral diversity. For example, Mopani District had four focus groups (two composed of private sector members, one of government officials, and one of NGO/cooperative representatives), reflecting a strong private sector presence in that district. Capricorn and Waterberg each had three focus groups (one per sector), ensuring a balanced representation of government, private sector, and NGO/cooperative voices. Vhembe District similarly included four groups (with a notably high private sector representation), whereas Sekhukhune had one focus group (private sector). This distribution ensured that a wide spectrum of stakeholder views—across different regions and sectors—was captured. In total, 105 focus group participants (47.5%) were from the private sector, 40 (18.1%) from government, and 76 (34.4%) from NGOs/cooperatives, indicating robust engagement especially from business and community sectors.

Demographic Profile: The participant pool was diverse in gender and age, though there were some notable trends. Among the in-person participants, 128 (57.9%) were male and 93 (42.1%) were female, a pattern that was mirrored in the online respondents (60.7% male, 39.3% female). The age distribution of online participants skewed toward the middle-aged: a majority (57.2%) were between 30–45 years old, with 11.7% under 30 and about 31% over 45. In terms of education, the participants were relatively well-educated. For instance, among online respondents, over 70% had at least a diploma or degree, including 24.1% with postgraduate qualifications (16 honours, 13 masters, 6 PhDs), and only 6.2% had not completed high school. This suggests the respondents—especially those online—possessed the educational background to provide informed insights into LED issues. Many also reported overlapping sectoral roles (e.g. involvement in both a private business and a cooperative), which is why the sum of sectoral affiliations exceeded 100% in some cases. Overall, the participants can be characterized as largely middle-aged, predominantly male, with significant private sector affiliation and considerable educational attainment.

Overall, **Table 4.1** to **Table 4.3** shows that the aim was to ensure that focus groups covered a wide range of perspectives. This allowed for a comprehensive understanding of LED dynamics across sectors and Districts. It supports the goal of collecting diverse opinions and experiences that are critical for formulating policies or strategies aimed at enhancing LED in Limpopo Province's rural areas.

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This diverse and knowledgeable sample provides confidence that the results cover a broad range of experiences and viewpoints. The next sections delve into the findings for each research objective, beginning with an overview of existing LED governance frameworks.

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Table 4-1: Number of focus groups per sector in each District of Limpopo Province

District	Government	Private Sector	NGO/Cooperatives	Total Groups
Capricorn	1	1	1	3
Mopani	1	2	1	4
Sekhukhune	0	1	0	1
Vhembe	1	2	1	4
Waterberg	1	1	1	3

Table 4-2: Characteristics for the in-person participants

Item	Category	Sample	District for Physical Meeting				
			Sekhukhune	Capricorn	Mopani	Vhembe	Waterberg
Total Limpopo		221	20	64	60	51	26
Gender	Male	128	14	34	34	30	16
	Female	93	6	30	26	21	10
Sectoral Classification	Government	40	4	8	9	9	10
	Private Sector	105	16	28	27	23	11
	NGO/Civil /Coop/Asso	76	0	28	24	19	5

Table 4-3: Characteristic of the individual and online participants

Item	Category	Sample
Total	Limpopo	145
Gender	Male	88
	Female	57
Sectoral Classification	Government	40
	Private Sector	105
	NGO/Civil /Coop/Asso	76
Age	Younger than 30	17
	30-45	83
	Older than 45	45
Education Level	Less Than Matric	9
	Matric	19
	Certificate	10
	Diploma	31
	Degree	41
	Honours	16
	Masters	13
	PhD	6

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4.3 Existing governance frameworks for LED and their effectiveness

This section presents results for Objective 1 from thematic content analysis on literature data. The LED frameworks were systematically analysed across 27 diverse cases, scrutinizing their focus levels, thematic priorities, unique strengths, and governance typologies. This structured review—spanning community-led pilots to national macroeconomic initiatives—was crucial for diagnosing implementation bottlenecks and guiding improvements. Additionally, the coexistence of top-down national or multilateral frameworks (World Bank, UNDP) and bottom-up community-led models (Participatory Budgeting, Uganda PDM) produces an unresolved tension between centralized efficiency and localized responsiveness (Ingram, 2025; OECD, 2024).

Centralized LED structures frequently overlook local particularities, resulting in standardized policy solutions that fail to adapt to municipal contexts (OECD, 2024), while decentralized models, despite fostering community ownership, struggle with scalability, resource scarcity, and governance deficiencies (Copus & Dax, 2020; Ingram, 2025). Further compounding this issue is pervasive institutional misalignment across government tiers, which manifests as fragmented financing, ambiguous roles, and weak coordination. This phenomenon was particularly evident in South Africa’s post-2011 LED fund, which delivered limited outcomes due to inadequate intergovernmental cooperation (Douglas, 2022; CoGTA, 2023). Although South Africa's 2018–2028 National LED Framework introduced multi-tier alignment mechanisms, persistent gaps in accountability and insufficient long-term collaboration continue to hamper effectiveness (Douglas, 2022; CoGTA, 2023).

This underscores the need for governance reforms that align structures, funding, and implementation practices coherently across policy levels. Moreover, many LED frameworks rely heavily on linear, master-planning models that undermine adaptive learning. The absence of iterative feedback loops and real-time monitoring limits their capacity to pivot during crises or seize emergent opportunities. Where adaptive learning is embedded, as seen in Kenyan green ICT initiatives and smart specialization programs, outcomes improve; however, these remain exceptions rather than typical feature sets (Ingram, 2025; OECD, 2024). Programs like OECD LEED, the Philippines’ NCC, and Kenya’s Vision 2030 provide regional benchmarking tools, yet no LED framework offers a harmonized set of indicators that allow for robust cross-context comparison and benchmarking (OECD, 2024).

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Despite these persistent issues, the literature and practical experimentation point to several strategic directions for strengthening LED as follows: First, a unified LED taxonomy—covering core pillars such as job creation, innovation, inclusion, and resilience—should underpin frameworks but allow sufficient flexibility for local adaptation through modular design systems (OECD, 2024). Shared-Value literature confirms that such standardization, balanced by adaptability, enhances public-private alignment and social impact (OECD, 2024; Ingram, 2025). This nested approach has shown improved policy coherence and stakeholder cohesion in dozens of OECD-led LED programmes. Third, embedding adaptive learning mechanisms—small-pilot testing, real-time monitoring, and community feedback—can inject resilience into LED implementation (Copus & Dax, 2020; OECD, 2024).

Utilizing regional or independent agencies for benchmarking could further enhance credibility and scalability. Encouraging flexible funding modalities—such as multi-year grants, performance-triggered disbursements, and risk-sharing PPPs—can further stabilize local innovation efforts. Integrating forward-looking economic drivers (digitalization, AI, sustainability, and global value chains) into LED design is essential to align with future-focused economic transitions, as demonstrated by South Korea's AI strategy, Kenya's green ICT, and global smart-city programs (OECD, 2024; Ingram, 2025).

In summary, realizing a private sector-inclusive framework, multi-level LED governance framework with adaptive learning, standard metrics, capacity development toolkits, regulatory oversight, and strategic foresight could transform LED approaches from fragmented initiatives into coordinated engines of local economic resilience and equity. The reviewed frameworks are as depicted in **Table 4.4.**

4.3.1 Heat map analysis of the reviewed framework

The binary heat-map (figure 4.1) transforms the qualitative review of 27 LED frameworks into a succinct visual score-card. Together these patterns suggest that the private sector-inclusive governance framework for LED guidance can borrow global best practice by deepening its resilience lens without diluting its inclusive-growth mandate. Theme coding Key words in the foundational documents for each framework were coded into five widely used LED dimensions—Competitiveness, Sustainability, Job Creation, Inclusive/Equity, and Innovation/Resilience—drawing on the definitional schema proposed by OECD and UN-Habitat reviewers. The approach mirrors earlier SDG-localisation studies that advocate simple

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diagnostics to benchmark policy breadth. Validation Assignments were cross-checked against secondary syntheses—e.g., the EU's LEADER/CLLD toolkit, OECD-LEED policy briefs on resilient local economies, and UN-Habitat's City-Resilience Global Programme portal—to ensure that latent emphases were not overlooked. Competitiveness + Job-creation remain growth cornerstones Growth-oriented multilaterals (World Bank, OECD, EU) still lead with productivity, investment climate and employment metrics.

The World Bank's LED primer stresses "creating competitive local economies that generate quality jobs," while OECD's LEED series emphasises "more and better jobs for all." Governments facing structural unemployment, such as South Africa, retain a similar focus. Innovation + Resilience remain niche but growing High scores cluster around organisations that (a) mine territorial data—OECD-LEED's crisis-response papers on resilient local labour markets, EU Smart-Specialisation strategies that couple R&D with place-based renewal—or (b) confront urban shocks directly, as in UN-Habitat's resilience profiling tool and the Canadian Urban Institute's post-COVID economic-resilience studies. Grass-roots innovations such as Participatory Budgeting in Porto Alegre likewise prioritise social resilience over macro-competitiveness.

This binary display compresses 125 individual qualitative judgements into an instantly legible grid that flags both convergence (e.g., universal adoption of sustainability) and divergence (e.g., patchy attention to innovation). Older competitiveness-driven templates (World Bank 2003) still matter for foreign-direct-investment attraction, but the ILO's decent-work agenda and UNDP's multidimensional poverty lens show why LED must also safeguard livelihoods and human development. The heat-map highlights gaps in South Africa's 2018 framework on digital transition, climate adaptation and local innovation ecosystems—areas where OECD-LEED guidance and UN-Habitat tools provide ready-made methodologies. Because every post-2005 definition now references sustainability, positioning it as the "common denominator" can align government, business and civil-society actors behind inclusive LED—mirroring the way Kenya Vision 2030 integrates green-ICT growth with social pillars.

Collectively, the heat-map confirms that private sector-inclusive framework can be strengthened by coupling its long-standing growth imperatives with explicit innovation-resilience metrics, thereby keeping pace with global best practice while addressing local vulnerabilities. Each framework has a distinct focus (e.g., World Bank on global competitiveness vs. Blakely & Leigh on local participation), set of key themes (such as job creation, sustainability, equity), and a unique emphasis reflecting its origin and objectives. For instance, the World Bank's approach uniquely stresses macroeconomic policy and global

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competitiveness, whereas the ILO's approach uniquely stresses labour rights and equitable employment. The analysis of these frameworks revealed that successful LED governance often requires balancing "top-down" policy support with "bottom-up" community engagement. Notably, the South African National LED Framework (2018) integrates elements of both, encouraging local governments to create enabling environments for private enterprise and community initiatives. A key insight is that private sector inclusion is universally regarded as critical – whether through partnerships (World Bank), investment incentives (EU's cohesion policy), or leveraging business expertise (UNDP).

Many of the international frameworks underscore conditions that are also relevant to Limpopo's rural context, such as the need for infrastructure (World Bank, SA framework) and skills development (ILO, UNDP). These frameworks provided a benchmark against which Limpopo's situation can be evaluated. The Framework conflates LED with broader social development and service delivery, resulting in unfocused municipal strategies that resemble wish lists rather than targeted economic interventions. The absence of enforceable mechanisms, like private-sector councils or mandatory representation on steering committees, weakens its implementation. Moreover, its alignment with broader national policies (NDP, IPAP, BBBEE) adds complexity without practical guidance on contextual adaptation, especially in diverse settings like rural Limpopo versus Johannesburg. In sum, the Framework needs clearer definitions, structured private-sector integration, capacity building pathways, policy localization tools, legal mandates, and digitally enabled adaptive governance to bridge the policy-practice gap. **Table 4.4** summarizes and compares the focus, key themes, and unique emphasis of each framework.

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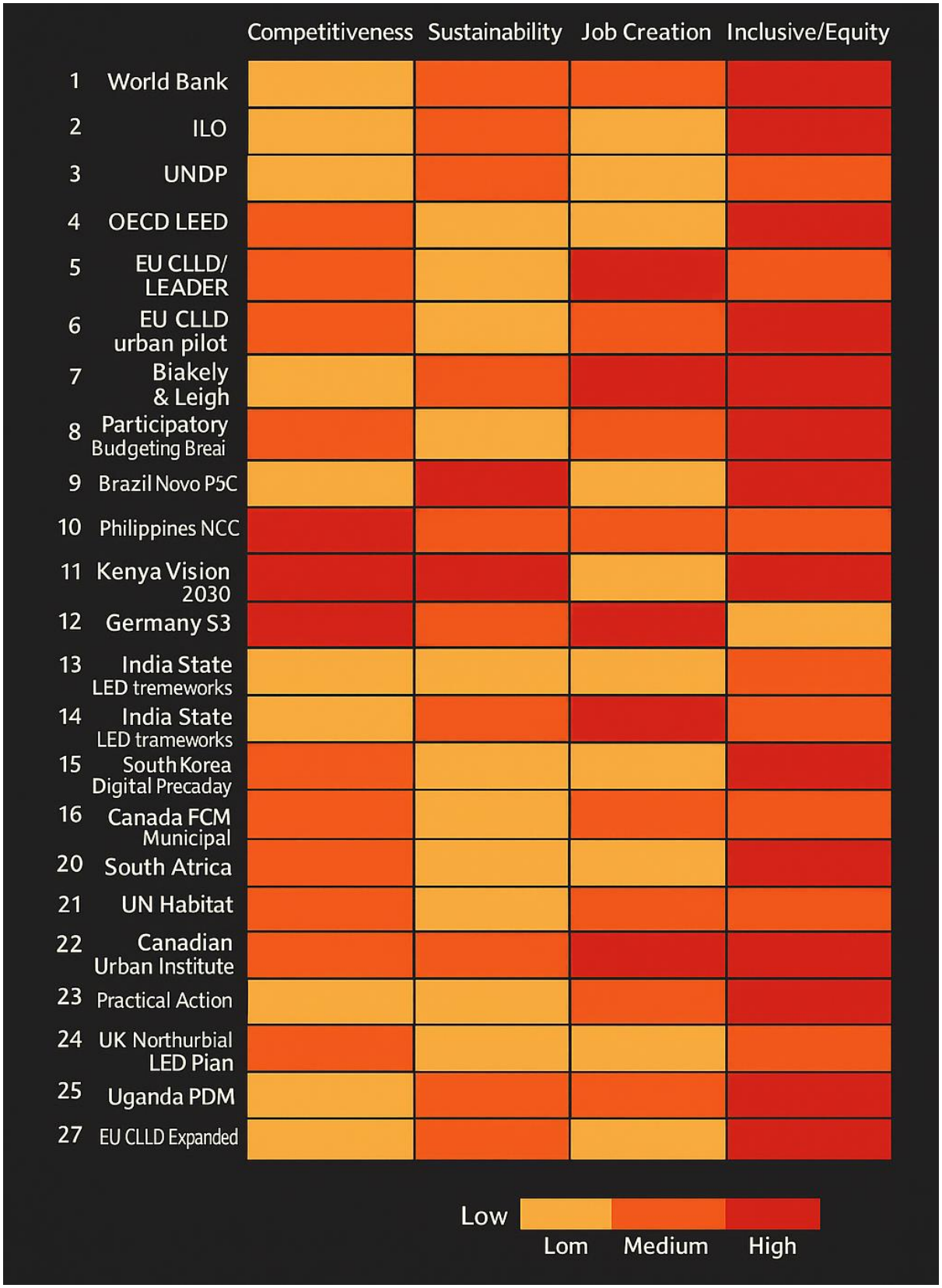


Figure 4-1: Emphasis of Key Themes across LED definitions

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Table 4-4: Comparison of local economic development definitions and emphases

Item	Organization / Country	Focus Level	Focus & Key Themes	Unique Emphasis	Governance Type
1	World Bank (2003)	National	Competitiveness, sustainability, job creation	Macroeconomic policy, global competitiveness	Government-led
2	ILO (2006)	Subnational	Social protection, decent work	Labour rights	Hybrid
3	UNDP (2016)	National → Local	Capacity building, poverty eradication	Holistic human development	Government-led
4	OECD LEED (2005)	Regional/national	Innovation, productivity	Data-driven policy, benchmarking	Government-led
5	EU CLLD/LEADER (2014+)	Community/Local	Innovation, inclusion, partnership	Bottom-up local action groups rural-interfaces.	Hybrid
6	EU CLLD – urban pilot	Community/local	Integrated urban strategies	Urban adaptation of LEADER	Hybrid
7	Blakely & Leigh (2013)	Local	Equity, participatory development	Community-driven focus	Private Sector-led
8	Participatory Budgeting, Brazil (1989+)	Local	Participatory democracy, equity	Citizen-led resource allocation	Private Sector-led
9	Brazil Novo PAC (2023)	National → State/Municipal	Infrastructure + equity	Large-scale PPPs, regional tailoring	Hybrid
10	Philippines NCC (2006)	Local/Governance	Ease of business, anti-corruption	LGU performance tracking	Hybrid
11	Kenya Vision 2030 (Devolved)	County	Infrastructure, SMMEs, green ICT	Iterative review cycles	Government-led

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Item	Organization / Country	Focus Level	Focus & Key Themes	Unique Emphasis	Governance Type
12	Germany Smart Specialization (S3)	Federal-regional	Research-innovation	Federal coordination, EU-aligned	Government-led
13	India State LED frameworks	State/city	SWOT, asset mapping	Municipal blueprinting	Government-led
14	South Korea De-centralisation (2023)	Provincial	Infra-led balanced growth	Compact connectivity	Government-led
15	South Korea Digital Govt (2021–25)	Local/national	Digital infrastructure	API-based service delivery	Government-led
16	S. Korea AI & Industry Fund	National	AI, semiconductors	National innovation fund	Government-led
17	Canada Rural Strategy (2019)	National → Rural	Broadband, jobs, infrastructure	Federal rural investment C$7.2 b	Government-led
18	Canada Community Futures (1986–)	Local rural	Business development, lending	Local governance	Hybrid
19	Canada FCM Municipal Framework	Local	Infrastructure, housing, climate	Municipal capacity	Hybrid
20	South Africa (2018)	National → Local	Inclusion, infrastructure	Historical inequality focus	Government-led
21	UN-Habitat (2015)	City/regional	Inclusive urban resilience	Urban planning	Government-led
22	Canadian Urban Institute (2017)	City	Community engagement, resilience	Urban economic resilience	Private Sector-led
23	Practical Action (2016)	Grassroots	Innovation, resilience	Scalable practical solutions	Private Sector-led

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Item	Organization / Country	Focus Level	Focus & Key Themes	Unique Emphasis	Governance Type
24	UK Northumberland LED Plan (2017)	County	Innovation, renewal	County-wide master plan	Government-led
25	Uganda Parish Development Model (2022)	Parish/local	Production, finance, governance	Parish committees + revolving funds	Hybrid
26	Pakistan Community-Driven Local Development (CDLD, 2013)	Local/district	Asset-based, small infra	Community empowerment	Private Sector-led
27	EU CLLD – Expanded	Local	Cross-sector integration	Rollout in urban/fisheries sectors	Hybrid

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4.4 Private sector Participation Challenges in Rural Limpopo

This section presents results for Objective 2 from the analysis of the participants responses on challenges faced in LED. This objective was addressed through both quantitative survey questions and qualitative feedback from focus group discussions. Data from multiple questionnaire sections (notably Section B for stakeholder awareness/influence, Section C for open-ended challenges, Section D for rating identified barriers and section E for identifying possible solutions) were synthesized to uncover the main obstacles. The findings are organized into thematic categories of challenges. Participant quotes are included to illustrate these challenges in the stakeholders' own words. Where relevant, these findings are compared to the literature on LED challenges. Results are presented to achieve the following three goals:

1. To gain understanding of the power vs interest of the different ecosystem partners by asking question that would reveal the level of interest on local economic development affairs, and also question that would reveal the level of power of ecosystem partners on the local economic development affairs. These are as captured in **Section B** of the questionnaire; this data was then used to plot the power vs interest matrix where the outcome would show whether the stakeholders fall into the quadrant of inclusivity, or they are on the outside.
2. To gain understanding of the level of understanding of the economy by participants using value chain analysis. Value chain analysis (VCA), a framework introduced by Marin Cadavid & García (2024), is an effective tool for evaluating participants' comprehension of economic systems. By deconstructing value-adding activities from raw materials to end consumers, VCA assesses microeconomic knowledge, such as supply-demand dynamics and cost efficiency, and macroeconomic understanding, including fiscal policies and global trade interdependencies. Thus, VCA serves as both an educational exercise and a diagnostic tool, highlighting strengths and gaps in economic literacy through real-world applications (Marin Cadavid & García, 2024). The tools used are captured in Section 0 of the questionnaire.

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3. And the third and last goal was to get the views of the participants using open-ended questions as in **Section C** on what they thought were economic problems faced in general, those faced by SMMEs and those faced by the mining sector in particular. The data was analysed to identify themes and sub-themes of challenges. Further using closed-ended questions as in **Section D** questionnaire was administered to identify and gauge the views of the ecosystem partners in terms of their agreement regarding sub-themes that were identified so far based on literature and questionnaire analysis as are seen to have an impact on LED being implemented efficiently and their relevance to local economic development governance where they are concerned. These subthemes include their views of challenges, their view of what are acceptable practices and possible solutions to challenges in the LED space. **Section E** south to solicit a view of what areas should be addressed in order to have efficient and inclusive LED, this was based on identified themes that the participant had to choose the top three, and in particular relates to measure that must be taken to correct the discrepancy observed in the power/interest matrix.

4.4.1 Awareness and Participation in Local Economic Development

A comprehensive view of the awareness (interest) and active participation (power) of 79 participants in LED initiatives was considered. Below is a detailed breakdown of the results. The results are depicted in **Table 4.5**, **Table 4.6** and **Figure 4.2** and **Figure 4.3,** and further discussed in the following sub-sections.

Before detailing specific challenges and solution, it was important to first conduct a stakeholder mapping exercise to gauge the level of interest and power of different LED stakeholders (government, private sector, civil society) in local economic initiatives. Awareness refers to participants' knowledge of LED-related documents, institutions, and programs. In other words, they felt excluded from the “inner circle” of LED planning. For example, several business owners noted that despite their eagerness to engage, key decisions were often made by government officials without robust consultation. By contrast, local government stakeholders naturally held high formal power, but their genuine interest in proactive LED (beyond routine mandate) varied, and community groups often had interest but limited power.

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This inclusivity gap underscores many of the specific challenges discussed below, as private sector participants repeatedly emphasized feelings of marginalization in LED processes. These perceptions align with prior studies noting lack of coordination and inclusion as a barrier to LED success. Participants demonstrated the highest awareness of local institutions and basic information. Additionally, 69.62% could name at least three business associations, forums, or chambers, and 59.49% knew their nearest NYDA branch. This suggests a strong foundation of local institutional knowledge among participants. However, awareness of national programs and documents was significantly lower. Only 30.38% had read the LED document, while 39.24% were aware of Public Private Partnerships (PPP). These findings indicate a gap in understanding broader policy frameworks that could support SMMEs. With this context in mind, the key challenges identified are presented below.

The data revealed varying levels of engagement across different initiatives. The highest levels of participation were observed in local initiatives and association leadership. These results highlight inefficiencies in funding processes and a lack of engagement with broader initiatives. This disconnect suggests that while participants are informed, they may lack the resources or opportunities to engage more deeply. This gap highlights inefficiencies in the funding process, which may include unclear guidelines, bureaucratic hurdles, or limited resources. This suggests untapped potential for partnerships that could drive economic growth and innovation.

Recommendations

Enhance awareness of national programs: To bridge the gap in awareness, stakeholders should conduct workshops, seminars, and campaigns focused on national programs such as LED, IDP, NDP, and PPP. Establishing feedback mechanisms to address challenges faced by applicants can further improve the efficiency of these processes.

Encourage collaboration: Facilitating networking opportunities between SMMEs, big companies, business associations, and government institutions can foster meaningful collaborations. Sharing success stories of partnerships can also inspire more engagement. Summary The analysis reveals a strong awareness of local institutions but limited engagement with national programs and funding systems. Bridging the gap between awareness and participation, while addressing inefficiencies in support mechanisms, is crucial for fostering sustainable economic development. By implementing targeted interventions, stakeholders can empower SMMEs to play a more active role in LED initiatives and drive inclusive growth.

Table 4-5: Responses to questions that reflect level of interest of participants.

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Interest (is the X Axis)			
Item	Question	Interest (No. of Yes)	Interest (% out of 79 participants)
1	Have you ever read the LED document	24	30.38%
2	Are there 3 big companies have you applied for support/funding	30	37.97%
3	Do you know about the Public Private Partnership (PPP) ?	31	39.24%
4	Have you ever read the NDP document	32	40.51%
5	Have you ever read the IDP document	34	43.04%
6	have read any Acts/Policies of government	36	45.57%
7	Have you ever applied for support/funding	38	48.10%
8	Do you know your nearest LEDA branch name	46	58.23%
9	Do you know your nearest NYDA branch name	47	59.49%
10	Do you know any business association, forums or chambers are you a member of	47	59.49%
11	Do you know any 3 big companies offers support for SMMEs including funding	48	60.76%
12	Which 3 business associations, forums or chambers do you know	55	69.62%
13	Do you know your nearest SEDA branch	62	78.48%
14	Do you know the name of your municipality?	73	92.41%

Table 4-6: Responses to questions that reflect level of power of participants.

Power (is the Y Axis)			
item	Question	Power (No. of Yes)	Power (% out of 79 Participants)
1	Have you ever attended an LED meeting	30	37.97%
2	has any of the companies has given you support?	22	27.85%
3	Do you know any PPP project	17	21.52%
4	Which 3 government institutions have you collaborated with to support SMMEs	22	27.85%
5	Have you ever attended an IDP meeting	27	34.18%
6	Have you ever attended a public participation for an Act/policy	25	31.65%
7	did you receive support/funding from any Agencies/Departments	19	24.05%
8	Do you know the name of your LEDA branch Manager	15	18.99%
9	What is the name of your NYDA branch Manager?	16	20.25%
10	Do you know the name of the chairperson of your association	38	48.10%
11	Are 3 big companies have you collaborated with to support SMMEs	19	24.05%
12	Which 3 Associations/Forums/Chambers have you collaborated with to support SMMEs	28	35.44%
13	Do you know the name of your SEDA branch Manager?	24	30.38%
14	Do you know who is the Municipality LED Manager?	33	41.77%

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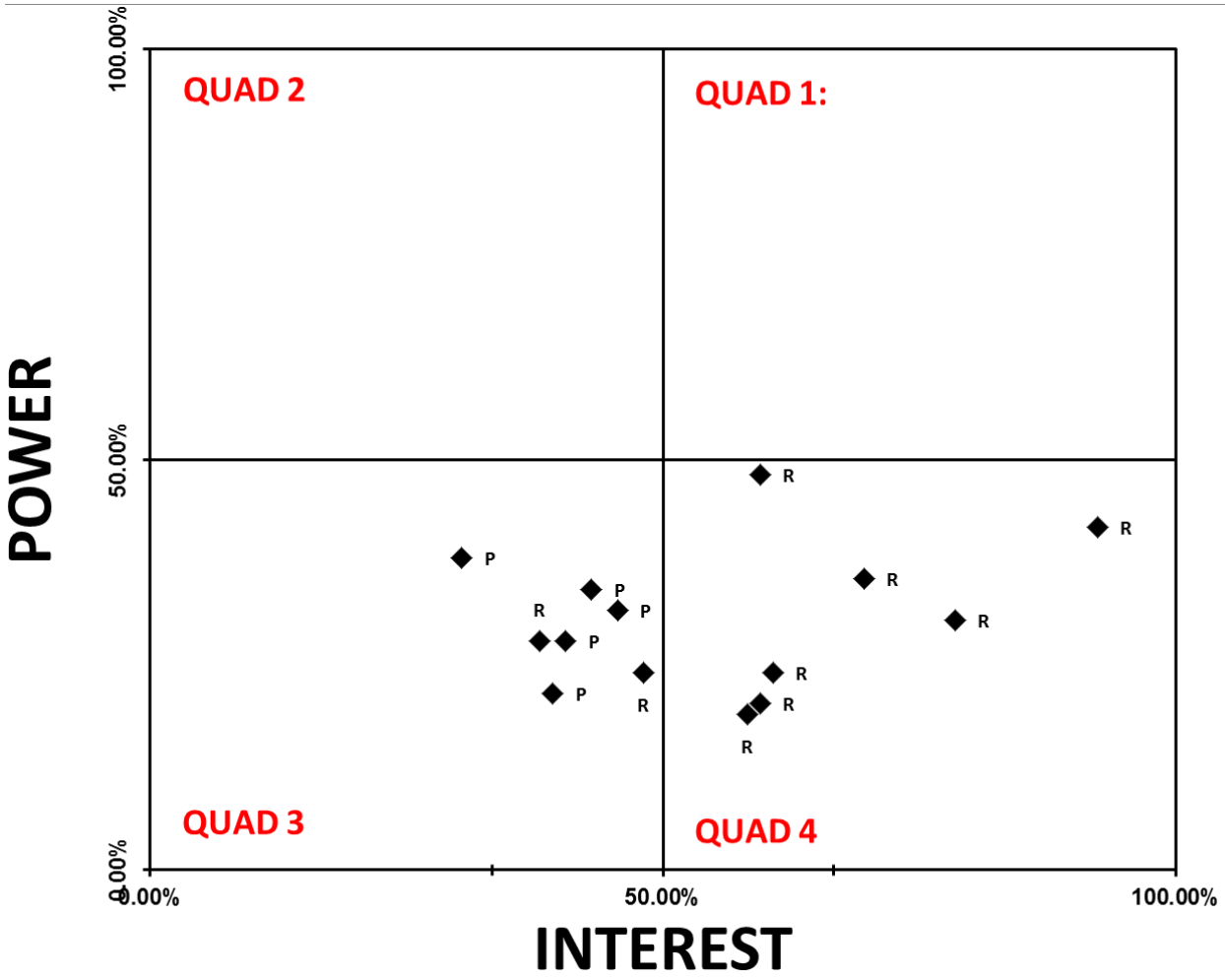


Figure 4-2: 4 quads power vs interest matrix based on results from participants Awareness (Interest)

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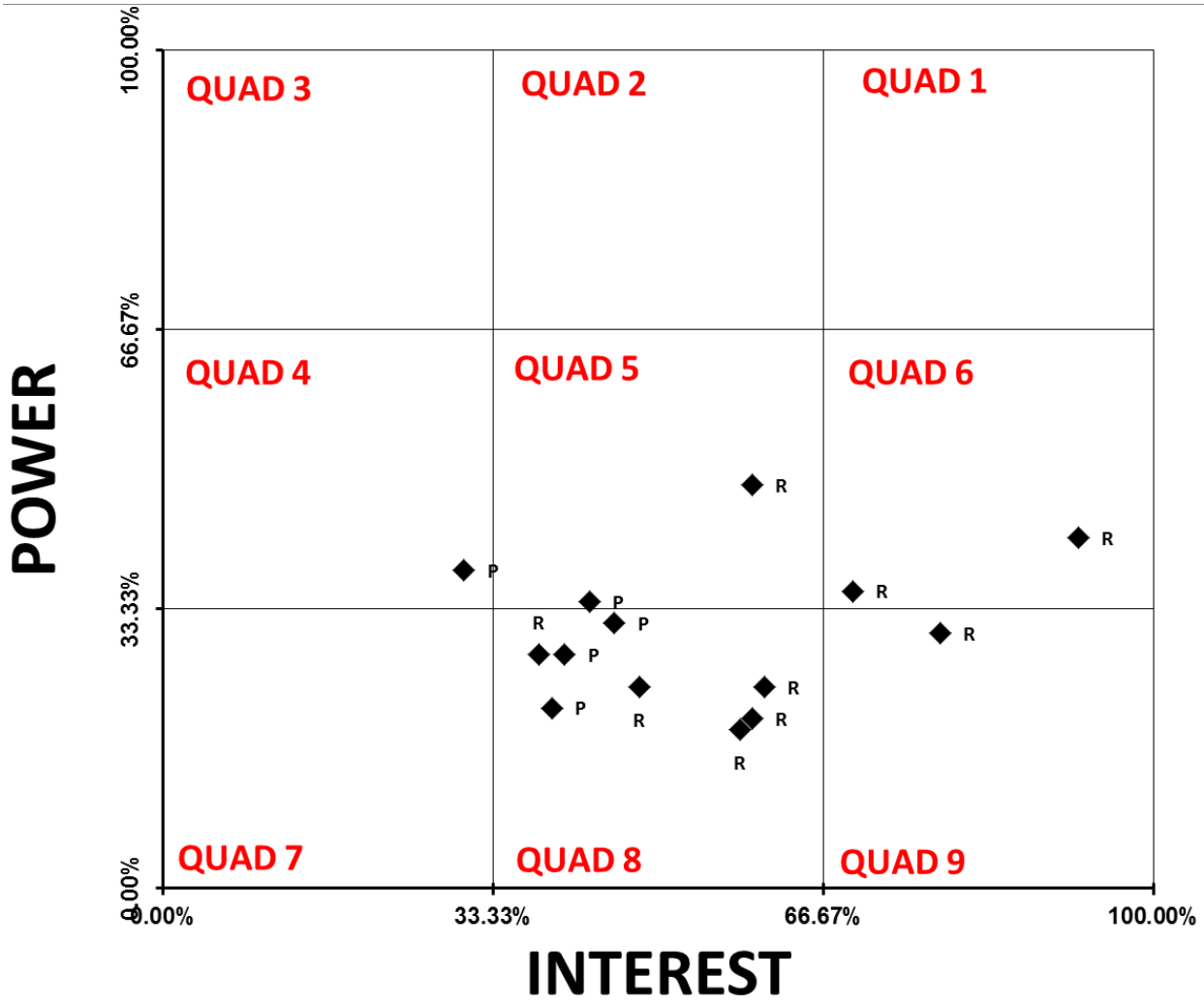


Figure 4-3: 9 quads power vs interest matrix based on results from participants Awareness (Interest)

4.4.2 Views and level of understanding of the economic value chain

The chapter opens with mixed-methods evidence drawn from of two stakeholder workshops undertaken in the Vhembe District. Semi-structured interviews, focus-group dialogues and short questionnaires captured participants' perceptions of (i) sector-specific constraints, (ii) the recent evolution of their industries, (iii) the practicality of proposed solutions and (iv) level of understanding of the value chains. The workshops engaged small, medium, and micro enterprises (SMMEs), cooperatives, non-governmental organizations (NGOs), and government institutions, higher educations, and government departments and agencies.

The analysis was undertaken for the Agri-tourism, Agriculture, Transport, Manufacturing, Mining, and Engineering Sectors. Their verbatim answers were system-coded into the "Sectoral Analysis of Challenges, Evolution and Possible Solutions" (**Table 4.7**) and six

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companion value-chain matrices (**Tables 4.8 – 4.13**). To aid interpretation, **Figure 4.5** distils the prevalence of eight broad challenge categories across all sectors, while **Figure 4.4** scores each sector's average grasp of the five core value-chain stages (input → consumption). Together, the tables and graphics provide an empirical platform for assessing how SMME capabilities align with Limpopo's mining-agriculture-tourism growth model and South Africa's broader LED agenda.

Verbatim transcripts were subjected to inductive thematic coding in NVivo. Codes for "challenge" statements were clustered into eight macro-categories—climate, infrastructure, energy, regulatory, marketing, skills, inputs, equipment—guided by prior LED studies and policy documents. A binary presence/absence matrix generated the **heat-map visualised in Figure 4.5**.

For value-chain appraisal, respondents' worksheets were scored (1 = little awareness to 5 = comprehensive awareness) against the five canonical chain stages (input, production, transport/logistics, processing, consumption). The mean score per sector produced the bar chart shown in **Figure 4.4**. This simple metric mirrors widely used SMME-chain literacy indices in recent agricultural and tourism research.

Codes for "challenge" statements were clustered into eight macro-categories—climate, infrastructure, energy, regulatory, marketing, skills, inputs, equipment—guided by prior LED studies and policy documents. Additionally, strategic frameworks such as LED strategies and Integrated Development Plans (IDPs) lack explicit value chain methodologies, limiting systemic coordination (Van der Merwe et al., 2021). Despite agritourism's potential, sectoral growth is stifled by insufficient understanding of value chain interdependencies and coordination mechanisms (Sánchez-Cañizares et al., 2021). This suggests they see agritourism as an integrated chain, though some SMMEs may under-estimate the importance of formal marketing channels. Improving farmers' capacity to develop tourism packages and market them (e.g. via apps or partner networks) would strengthen the chain.

This holistic chain view suggests a good grasp of how upstream inputs and downstream marketing affect farm success. When entrepreneurs understand each link – from seed quality to consumer demand – they can better coordinate with extension services and markets, advancing local food systems. In practice, however, many small farmers remain weak on formal chain mapping: they struggle to leverage premium markets or achieve standards compliance. The findings align with literature emphasizing that mapping all chain stages uncovers leverage points for SMME growth (e.g. identifying who benefits at each node).

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Improvements in these areas are essential to enhance supply chain efficiency and support economic activities across various sectors. This chain understanding shows they recognize logistics is more than trucks: it involves fuel, vehicles, road infrastructure, and information systems. However, participants seemed less aware of formal regulatory steps or cross-border logistics requirements (critical in Musina, a border town). Their solutions (advocating freight corridors, digital tracking, driver academies) align with national LED goals like integrated transport planning and skills training.

Manufacturers in the Vhembe District face challenges such as inconsistent energy supply, limited access to advanced technologies, and a shortage of skilled labour. However, there is a need for incentives to encourage technology adoption, workforce development programs, and reliable energy infrastructure. Nonetheless, there is a critical need for streamlined regulatory processes, investment in safety training, and environmental management support. In sum, their chain understanding is robust, but success hinges on skills: they cited needs for technology and environmental management training. They also predict a shift toward integrating advanced tech and sustainability in projects, aligning with the global move to Industry 4.0. Across all sectors, common challenges include inadequate infrastructure, limited access to resources, and a need for capacity building. Digital integration was highlighted, with regional agritourism apps and digitized logistics systems proposed to enhance market access (Buhalis & Law, 2008).

Skills development across sectors was deemed essential, focusing on climate resilience, digital literacy, and compliance standards (World Bank, 2020). These outcomes align with global literature on participatory LED frameworks, which stress collaboration and localized data integration (Rodríguez-Pose & Hardy, 2015). Confronting such systemic constraints aligns with the National Development Plan's call for improved energy reliability, skilled logistics personnel and diversified rural tourism products.

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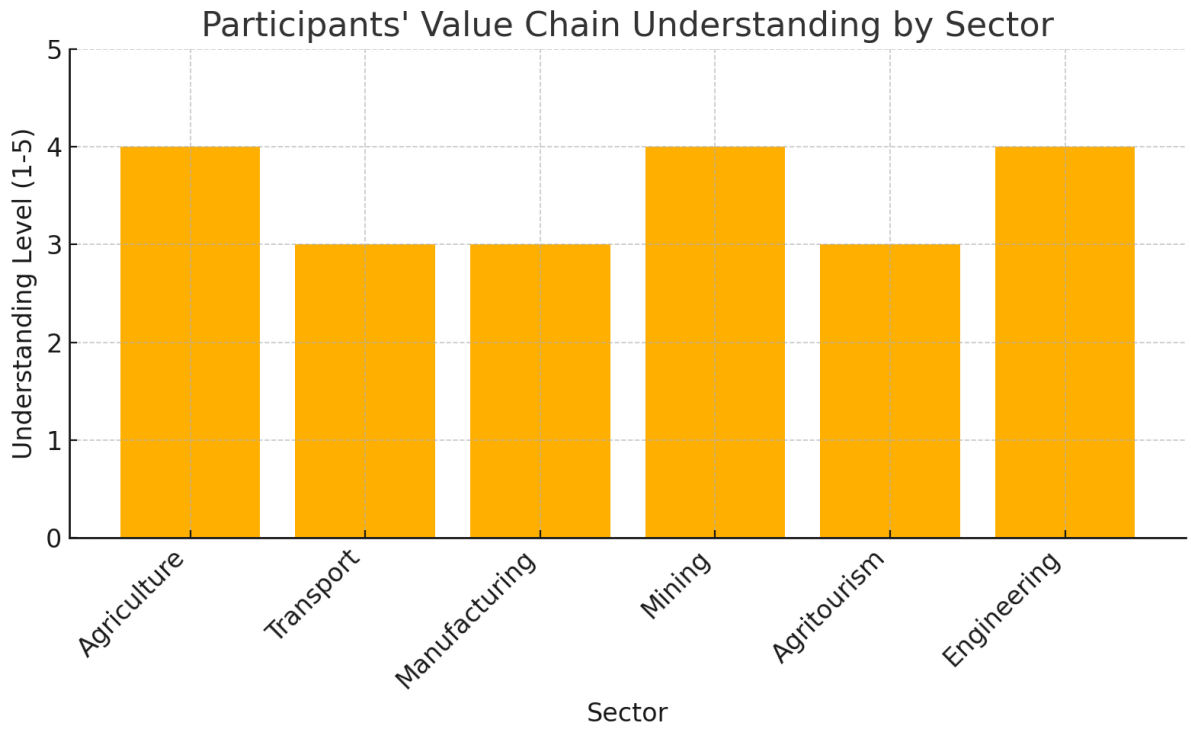


Figure 4-4: Participants' Value Chain Understanding By Sector

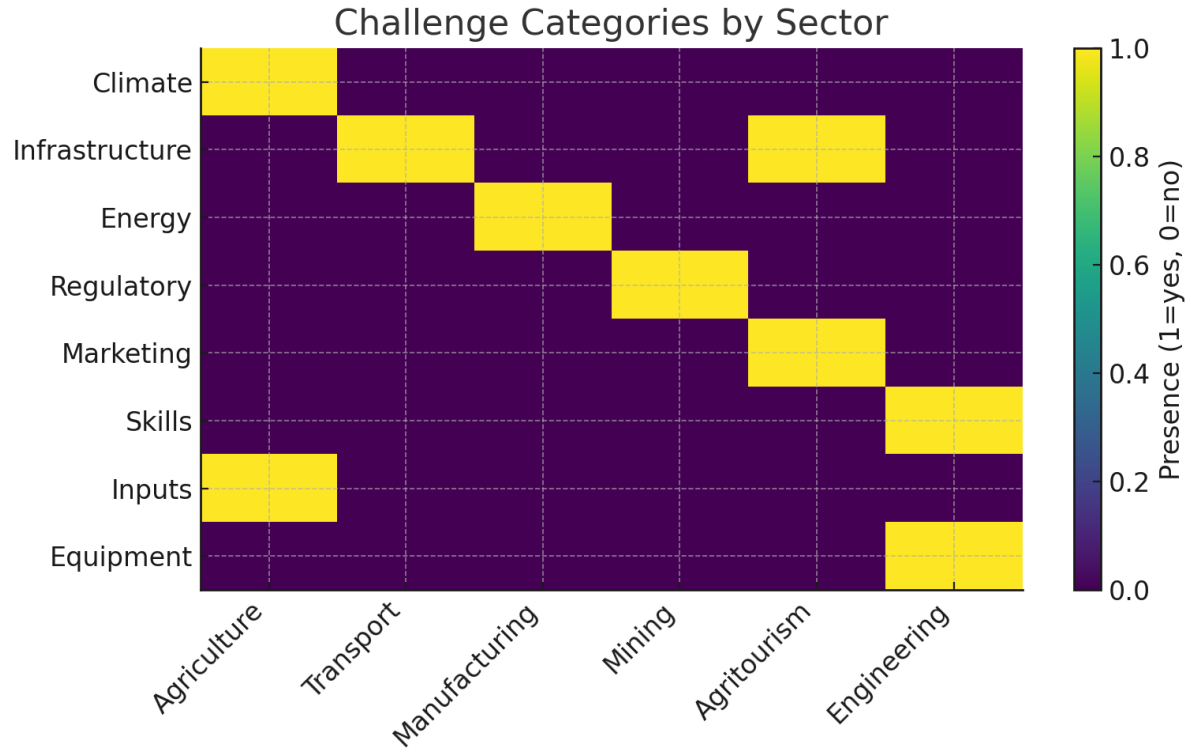


Figure 4-5: Challenge Categories by Sector

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Confronting such systemic constraints aligns with the National Development Plan's call for improved energy reliability, skilled logistics personnel and diversified rural tourism products. The chapter therefore leverages the primary data—summarised in Tables 4.5-4.11 and Figures 4-1 & 4-2—to interrogate how well Musina's SMMEs are positioned to capture these opportunities and what targeted capacity-building or infrastructure investments are still required.

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Table 4-7: Sectoral analysis of challenges, evolution and possible solutions

Question	Agriculture	Transport	Manufacturing	Mining	Agritourism	Engineering
1. What are the primary challenges you face in your sector's value chain?	"Unpredictable weather patterns and limited access to quality seeds make it challenging to maintain consistent crop yields."	"Poor road infrastructure leads to delays and increased vehicle maintenance costs."	"Frequent power outages disrupt production schedules and increase operational costs."	"Regulatory compliance is complex, and delays in obtaining permits hinder project timelines."	"Limited marketing and lack of infrastructure hinder the growth of agritourism activities."	"Shortage of skilled labour and outdated equipment affect project delivery and quality."
2. How do these challenges impact your operations and profitability?	"Reduced yields mean lower income, making it difficult to invest in better farming equipment or techniques."	"Delays lead to customer dissatisfaction and potential loss of contracts."	"Inconsistent production affects our ability to meet orders, leading to lost revenue and strained client relationships."	"Project delays increase costs and reduce investor confidence."	"Low tourist turnout affects revenue, making it hard to sustain agritourism ventures."	"Project delays and cost overruns due to inefficiencies reduce profitability."
3. What strategies have you implemented to address these challenges?	"We've started using drought-resistant crop varieties and practicing crop rotation to improve soil health."	"Investing in GPS tracking helps optimize routes and reduce fuel consumption."	"Installing backup generators ensures production continues during power outages."	"Engaging with local communities early in the project helps in smoother permit acquisition."	"Collaborating with local tourism boards and creating unique farm experiences to attract visitors."	"Investing in staff training and adopting modern engineering software to improve efficiency."
4. What support or resources would help you overcome these challenges more effectively?	"Access to affordable credit and training on modern farming techniques would be beneficial."	"Government investment in infrastructure development would significantly improve efficiency."	"Subsidies for renewable energy installations could mitigate power-related disruptions."	"Clearer regulatory guidelines and streamlined permitting processes would reduce delays."	"Financial support for marketing and infrastructure development would boost agritourism."	"Access to modern equipment and continuous professional development opportunities are essential."
5. How do you see the future of your sector evolving in the next five years?	"With climate change, there will be a greater emphasis on sustainable and resilient farming practices."	"Adoption of electric vehicles and digital logistics platforms will transform the industry."	"Automation and smart manufacturing technologies will become more prevalent."	"There will be increased focus on environmentally responsible mining and community engagement."	"Agritourism will become a significant contributor to rural economies with proper support."	"Integration of advanced technologies and sustainable practices will drive the engineering sector forward."

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Table 4-8: Value chain analysis results of the Agri-tourism sector

Stage	Main Actors/Role Players	Challenges Faced	Proposed Solutions	Skills Gaps
1. Input Supply	Farmers, tour operators, input suppliers	- Misaligned policies for agriculture/tourism inputs - Limited access to tourism-specific seeds/equipment	- Establish agritourism input hubs - Train farmers to supply tourism markets	- Cross-sector collaboration - Tourism product development
2. Production	Agri-tourism sites, cultural guides, farmers	- Fragmented experiences - Seasonal demand fluctuations	- Develop year-round packages (e.g., harvest festivals) - Integrate storytelling into farm tours	- Event management - Customer engagement
3. Transport & Logistics	Transport cooperatives, municipalities	- Poor rural road infrastructure - No dedicated tourist transport	- Upgrade rural roads - Launch community-led shuttle services	- Tourism route planning - Partnership management
4. Processing	Food processors, craft workshops	- Low value-addition to raw products - Weak branding	- Create agritourism processing centres - Certify "Made in Vhembe" products	- Product branding - Quality standardization
5. Consumption	Tourists, local markets, online platforms	- Limited marketing reach - Lack of digital booking systems	- Develop a regional agritourism app - Partner with national tourism boards	- Digital marketing - Data analytics for tourism trends

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Table 4-9: Value chain analysis results of the Agriculture Sector

Stage	Main Actors/Role Players	Challenges Faced	Proposed Solutions	Skills Gaps
1. Input Supply	Smallholder farmers, input suppliers	- Inputs not aligned with national agricultural policies	- Align input distribution with national LED targets	- Policy literacy - Supply chain mapping
2. Production	Farmers, extension officers	- Low mechanization - Climate vulnerability	- Subsidize climate-smart tools - Expand extension services	- Climate-resilient farming - Mechanization
3. Transport & Logistics	SMME transporters, local markets	- High post-harvest losses - Poor storage facilities	- Build decentralized storage units - Train transporters in handling perishables	- Cold chain management - Logistics coordination
4. Processing	Agro-processors, cooperatives	- Limited processing infrastructure - Non-compliance with safety standards	- Establish shared processing hubs - Certify local processors	- Food safety protocols - Quality control
5. Consumption	Local traders, informal markets	- LED strategies ignore local market dynamics	- Integrate SMME feedback into IDPs - Promote "farm-to-fork" campaigns	- Advocacy skills - Market analysis

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Table 4-10: Value chain analysis results of the Transport Sector

Stage	Main Actors/Role Players	Challenges Faced	Proposed Solutions	Skills Gaps
1. Input Supply	Fuel suppliers, vehicle importers	- Fuel price volatility - Reliance on imported vehicles	- Promote biofuels - Incentivize local vehicle assembly	- Renewable energy tech - Mechanical engineering
2. Production	Drivers, fleet managers	- Poor road conditions - Driver shortages	- Road rehabilitation programs - Driver training academies	- Defensive driving - Fleet maintenance
3. Transport & Logistics	Freight companies, municipalities	- Overloaded roads - Lack of rail connectivity	- Develop freight corridors - Digitize cargo tracking	- Multimodal logistics - Customs compliance
4. Processing	Vehicle workshops, spare part dealers	- Outdated repair techniques - Spare part scarcity	- Modernize workshops with diagnostic tools - Localize spare part production	- Advanced diagnostics - Manufacturing skills
5. Consumption	Commuters, freight clients	- High service costs - Unreliable schedules	- Introduce subsidized public transport - Implement real-time tracking apps	- Customer service - Data-driven scheduling

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Table 4-11: Value chain analysis results of the Manufacturing Sector

Stage	Main Actors/Role Players	Challenges Faced	Proposed Solutions	Skills Gaps
1. Input Supply	Raw material importers, recyclers	- Reliance on imported materials - High costs	- Promote local recycling initiatives - PPPs for material access	- Material sourcing - Circular economy practices
2. Production	Artisans, factory workers	- Energy shortages - Outdated machinery	- Invest in solar energy - Modernize equipment through grants	- Advanced machinery operation - Energy efficiency
3. Transport & Logistics	Logistics firms, exporters	- Export documentation delays - Inventory mismanagement	- Digitize export processes - Adopt ERP systems	- Export regulation compliance - Inventory software
4. Processing	Assembly line workers, quality controllers	- Low value-addition - High waste generation	- Train workers in precision assembly - Adopt waste recycling	- Precision manufacturing - Waste management
5. Consumption	Retailers, industrial buyers	- Competition from imports - Low brand recognition	- Launch "Buy Local" campaigns - Enhance product branding	- Brand management - Market penetration
Stage	Main Actors/Role Players	Challenges Faced	Proposed Solutions	Skills Gaps

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Table 4-12: Value chain analysis results of the Mining Sector

1. Input Supply	Equipment suppliers, safety gear providers	- High equipment costs - Safety compliance gaps	- Leasing models for small miners - Enforce safety audits	- Equipment maintenance - Safety protocols
2. Production	Miners, geologists	- Unsafe working conditions - Environmental degradation	- Adopt advanced extraction tech - Implement reclamation plans	- Extraction technology - Environmental management
3. Transport & Logistics	Haulage companies, rail operators	- Road damage from heavy trucks - Shipment delays	- Develop dedicated mining corridors - Upgrade rail capacity	- Heavy vehicle operation - Route optimization
4. Processing	Smelters, refineries	- High energy consumption - Pollution	- Transition to energy-efficient tech - Install waste treatment systems	- Energy-efficient methods - Pollution control
5. Consumption	Construction firms, manufacturers	- Price volatility - Dependency on global demand	- Develop local mineral-based industries - Diversify applications	- Mineral R&D - Market diversification

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Table 4-13: Value chain analysis results of the Engineering Sector

Stage	Main Actors/Role Players	Challenges Faced	Proposed Solutions	Skills Gaps
1. Input Supply	Design software providers, material suppliers	- Limited access to advanced tools - Material quality issues	- Create shared engineering hubs - Certify local materials	- CAD/CAM proficiency - Material testing
2. Production	Engineers, project managers	- Limited R&D capacity - Budget overruns	- Partner with universities for R&D - Adopt agile project management	- Innovation skills - Budgeting expertise
3. Transport & Logistics	Specialized transporters, customs brokers	- Fragile equipment handling - Cross-border delays	- Standardize packaging - Advocate for regional trade agreements	- Hazardous material handling - Trade law knowledge
4. Processing	Prototyping labs, testing facilities	- Slow prototyping cycles - Inadequate testing	- Establish rapid prototyping centres - Partner with international labs	- 3D printing/CNC machining - Quality testing
5. Consumption	Industrial clients, government	- High upfront costs - Misaligned client expectations	- Offer flexible financing - Strengthen client consultations	- Needs assessment - Cost-benefit analysis

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4.4.3 Challenges to LED in Limpopo Province

Specific challenges were assessed by asking participants to name three to six challenges in their own words along as per the following questions:

A. Name 3 to 6 economic problems we have in South Africa.
B. Name 3 to 6 problems/challenges faced by SMMEs.
C. Name 3 to 6 kind of partnerships needed to solve the problems.
D. Name 3 to 6 problems that an incubation must solve.
E. Name 3 to 6 government departments that must partner with the mining incubation.
F. Name 3 to 6 government Agencies that must partner with the mining incubation.
G. Name 3 to 6 companies that must partner with the mining incubation.
H. Name 3 to 6 organisations that must partner with the mining incubation.
I. Name 3 to 6 problems that makes partnerships between government & private sector to fail.

Table 4.14 and **Figure 4.6** presents the overall results of the analysis grouped into key attributes, **Table 4.15** summarises the results into relationships (WHO), Policy/Strategy (HOW) and Capacity building (WHY) while **Table 4.16** to **Table 4.24 and Figure 4.7** to **Figure 4.15** gives the results for each question from A to I, the results can be summarized as follows:

1. **Dominant Issues:** Corruption (14.8%) and Lack of Funding (11%) are systemic barriers affecting both economic stability and SMME growth; Skills Development (12.3%) and Private Sector Involvement (12%) highlight the critical need for capacity-building and industry partnerships.

2. **Structural Challenges:** Infrastructure Deficiencies (6.3%) and Loadshedding (2.2%) reflect South Africa's energy and logistical crises; Bureaucratic Red Tape (4.4%) and Misaligned Objectives (2.5%) underscore inefficiencies in public-private collaboration.

3. **Partnership Priorities:** Government Collaboration (10.7%) and Community/NGO Partnerships (5.7%) are vital for addressing socioeconomic disparities.

4. **The WHO, HOW AND WHY**: it shows that relationships are at high institutional risk, policies are presenting gabs though moderate and capacity building shows a constraint.

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This consolidated table emphasizes the interconnected nature of South Africa's challenges. Corruption, funding gaps, and skills shortages permeate economic, SMME, and partnership ecosystems. Addressing these requires coordinated efforts across government, private sector, and civil society, with a focus on transparency, capacity-building, and infrastructure investment.

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Table 4-14: Overall key attributes of challenges and their frequency

Item	Key Attribute	Related (Question A to I)	Total Frequency	% of Total Mentions
1.	Corruption	A, B, I	47	14.80%
2.	Unemployment	A, D, I	34	10.70%
3.	Lack of Funding/Access	B, D, I	35	11.00%
4.	Skills Development/Training	B, C, D	39	12.30%
5.	Infrastructure Deficiencies	A, B, D	20	6.30%
6.	Access to Markets	B, D	20	6.30%
7.	Government Collaboration	E, F	34	10.70%
8.	Private Sector Involvement	G, H, C	38	12.00%
9.	Bureaucratic Red Tape	B, I	14	4.40%
10.	Community/NGO Partnerships	H	18	5.70%
11.	Misaligned Objectives	I	8	2.50%
12.	Loadshedding/Energy Crisis	A	7	2.20%
13.	Crime	A	6	1.90%

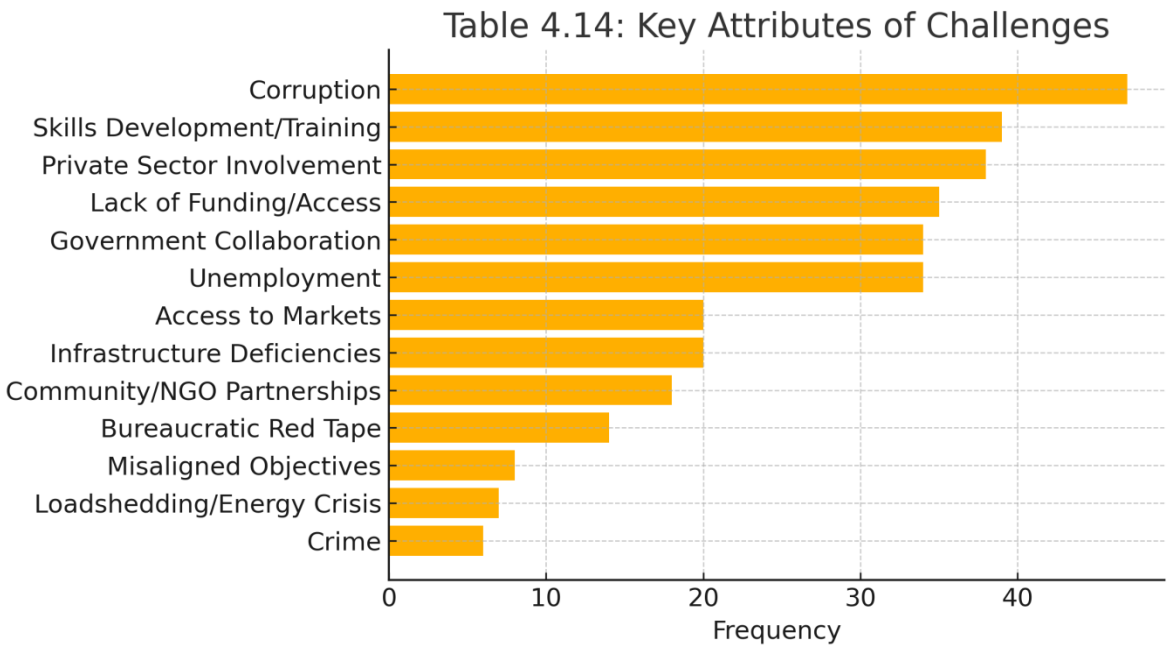


Figure 4-6: Key attributes of challenges.

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Table 4-15: Mapped results to WHO, HOW and WHY

Item	Category	Key Challenges	Severity Level
1.	Relationships – the "WHO"	Corruption (14.8%), communication gaps (20.7%), underused partnerships (22.7%)	High institutional risk
2.	Policy Clarity – The "HOW"	Bureaucracy (4.4%), tax inefficiencies (16.4%), compliance complexities (7.5%)	Moderate systemic gaps
3.	Capacity Building – The "WHY"	Skills shortages (20.9%), funding access (11%), infrastructure deficits (6.3%)	Critical constraints

Table 4-16: Results for Questions A - Economic Problems in South Africa

Item	Challenge	Frequency	% of Total
1.	Unemployment	18	22.50%
2.	Corruption	15	18.80%
3.	Lack of Skills/Skills Shortage	12	15.00%
4.	Poverty	10	12.50%
5.	Inequality	8	10.00%
6.	Loadshedding/Energy Crisis	7	8.80%
7.	Crime	6	7.50%
8.	Infrastructure Deficiencies	4	5.00%

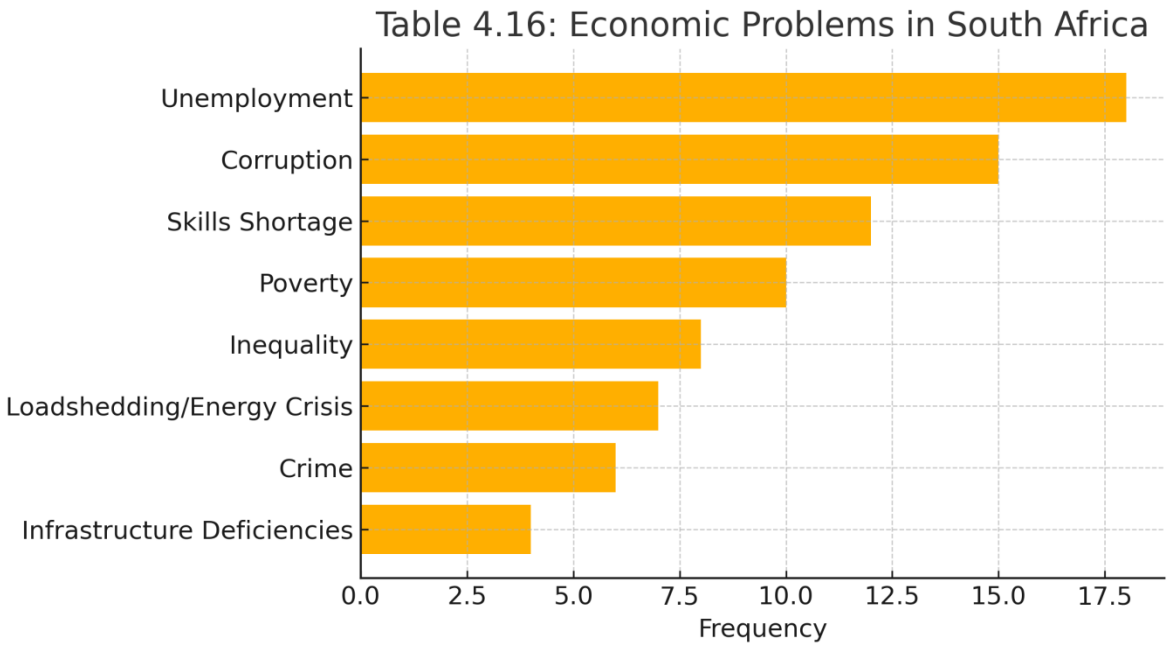


Figure 4-7: Economic problems in South Africa.

Table 4-17: Results for Questions B: Challenges Faced by SMMEs

Item	Challenge	Frequency	% of Total
1.	Lack of Funding/Access	23	34.30%
2.	Lack of Skills/Training	14	20.90%
3.	Access to Markets	11	16.40%
4.	Corruption	9	13.40%
5.	Poor Infrastructure	6	9.00%
6.	Regulatory Red Tape	4	6.00%

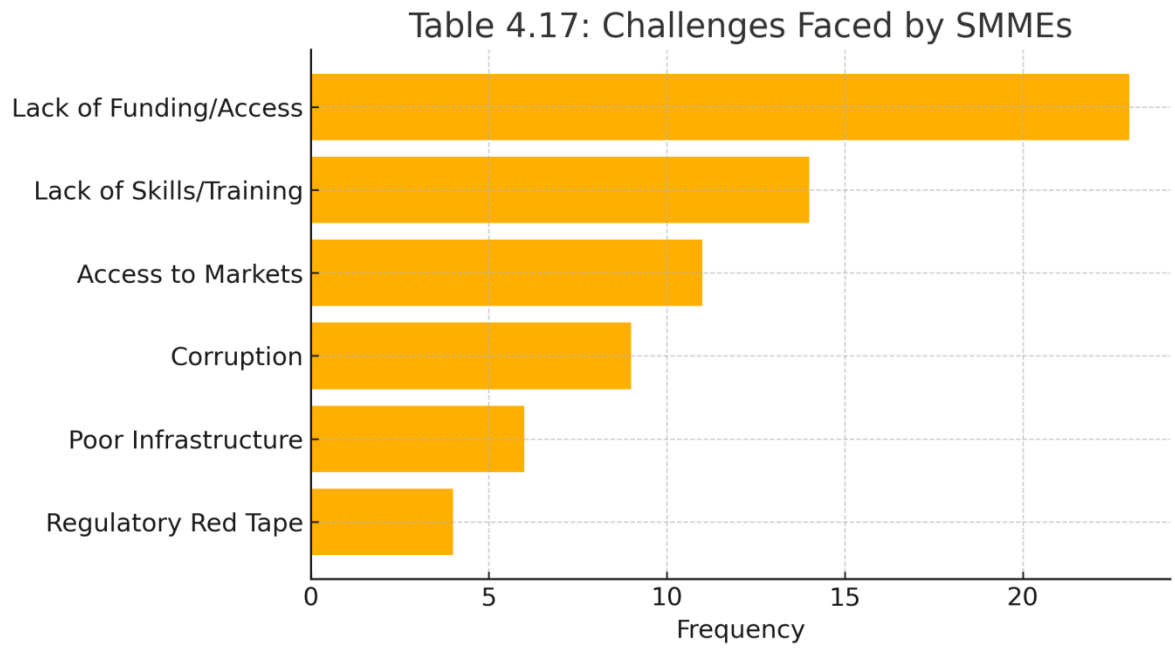


Figure 4-8: Challenges faced by SMMEs.

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Table 4-18: Results for Questions C: Partnerships Needed

Item	Partnership Type	Frequency	% of Total
1.	Funding/Financial Support	17	28.30%
2.	Skills Development/Training	15	25.00%
3.	Private Sector Collaboration	12	20.00%
4.	Government Partnerships	10	16.70%
5.	Mentorship Programs	6	10.00%

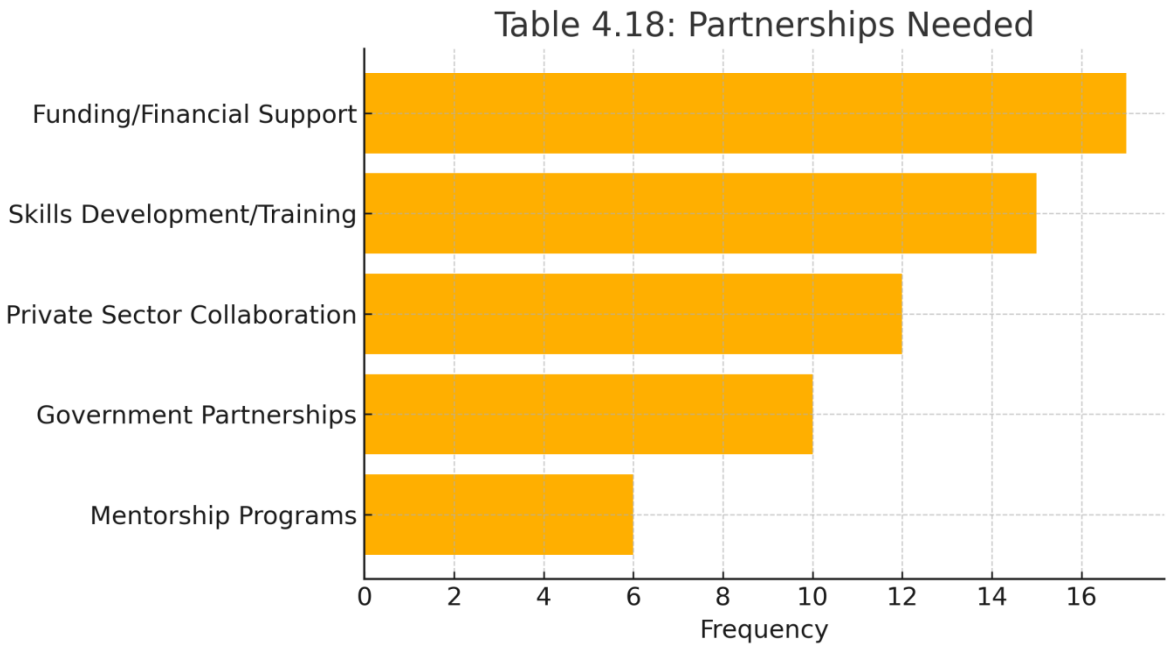


Figure 4-9: Partnerships needed.

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Table 4-19: Results for Question D: Problems Incubations Must Solve

Item	Problem	Frequency	% of Total
1.	Access to Funding	12	30.00%
2.	Skills Development	10	25.00%
3.	Market Access	9	22.50%
4.	Infrastructure Support	6	15.00%
5.	Compliance/Regulatory Issues	3	7.50%

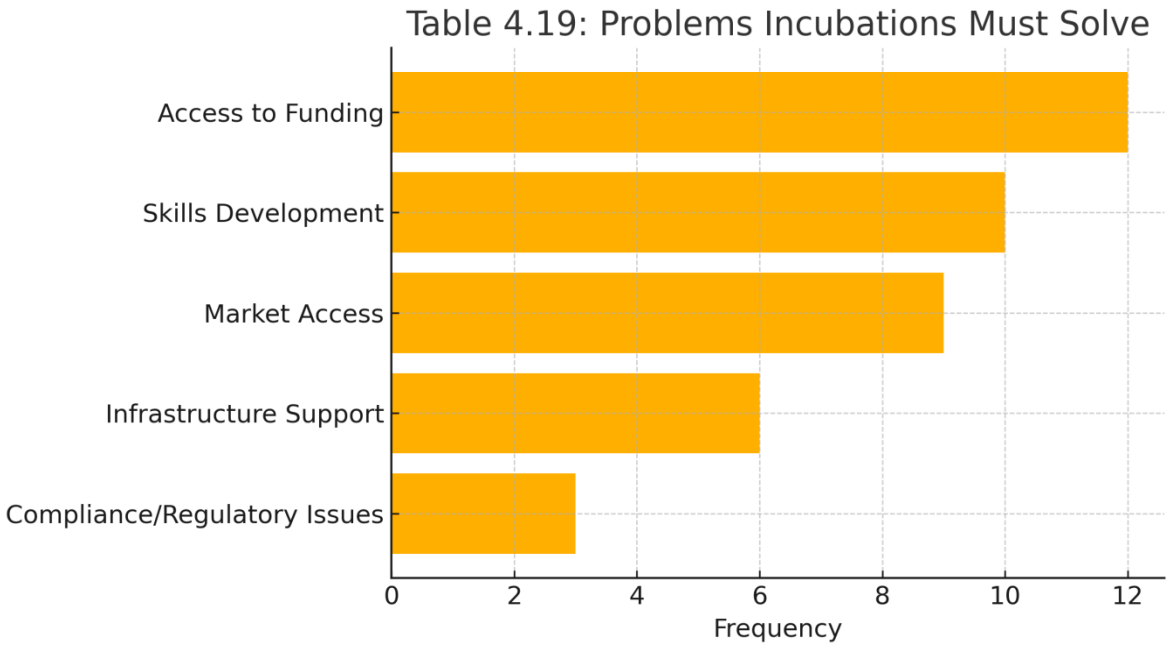


Figure 4-10: Challenges incubators must solve.

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Table 4-20: Results for Question E: Government Departments to Partner With

Item	Department	Frequency	% of Total
1.	Department of Mineral Resources	14	31.80%
2.	Department of Small Business	10	22.70%
3.	Department of Energy	8	18.20%
4.	Local Municipalities	6	13.60%
5.	Department of Trade & Industry	6	13.60%

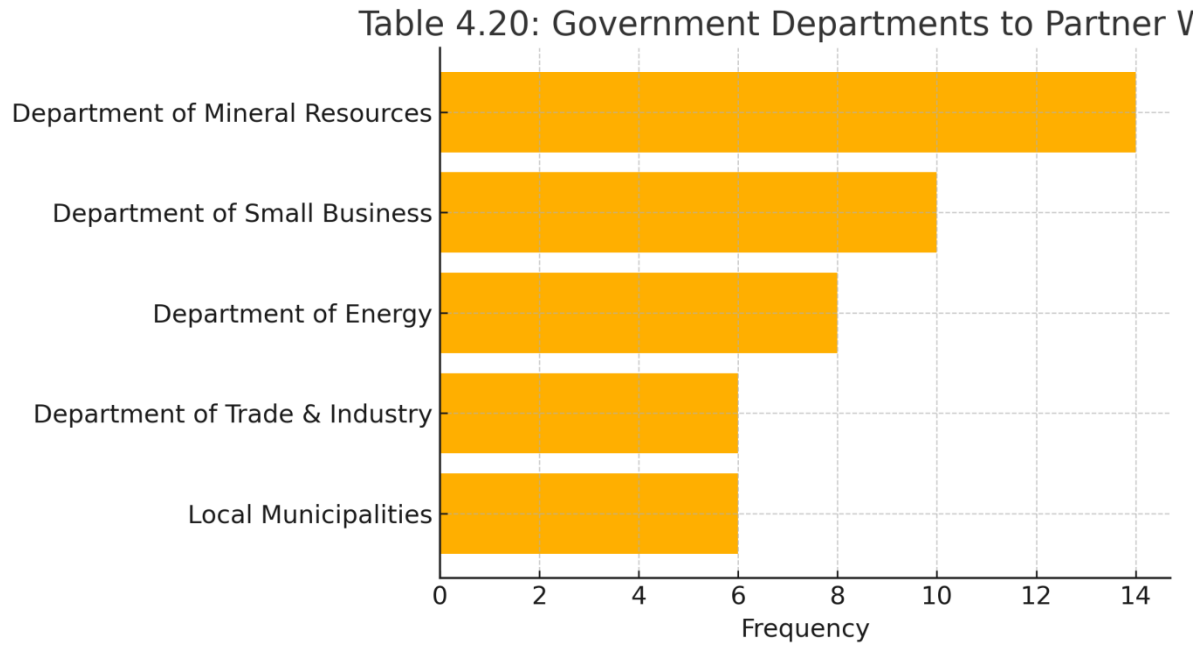


Figure 4-11: Government department to partners with

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Table 4-21: Results for Question F: Government Agencies to Partner With

Item	Agency	Frequency	% of Total
1.	SEDA	21	38.20%
2.	NYDA	16	29.10%
3.	LEDA	10	18.20%
4.	SEFA	8	14.50%

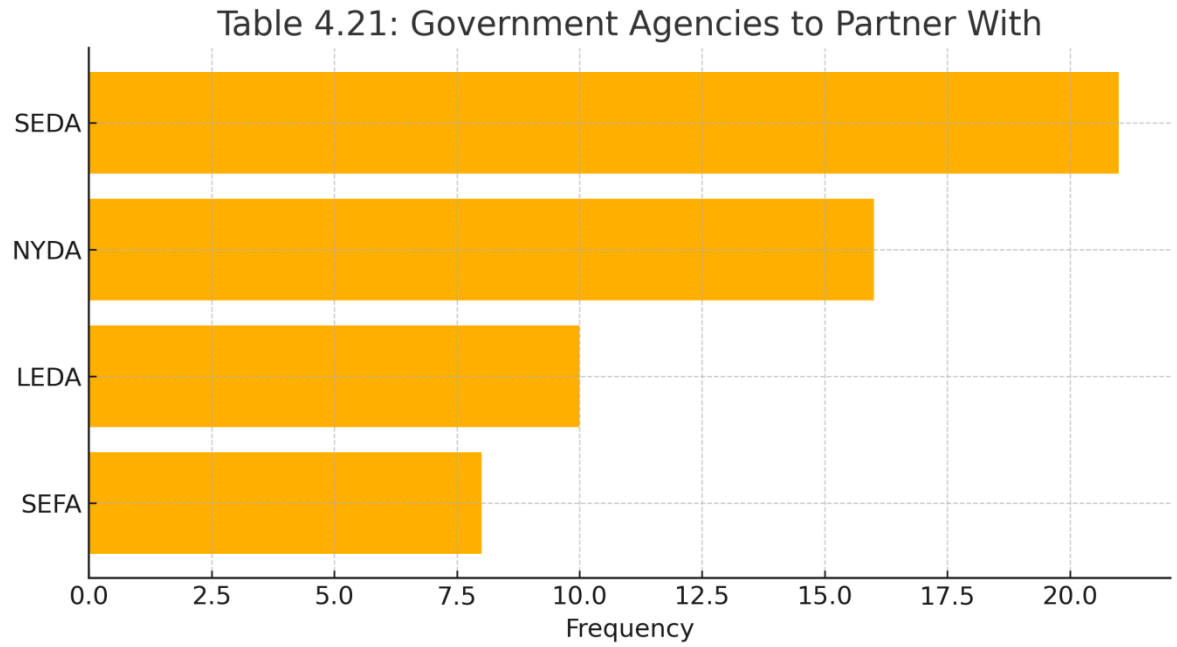


Figure 4-12: Government agencies to partner with

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Table 4-22: Results for Question G: Companies to Partner With

Item	Company	Frequency	% of Total
1.	Anglo American	15	34.10%
2.	Sibanye Stillwater	7	15.90%
3.	De Beers	6	13.60%
4.	Glencore	4	9.10%
5.	Other Mining Corporations	12	27.30%

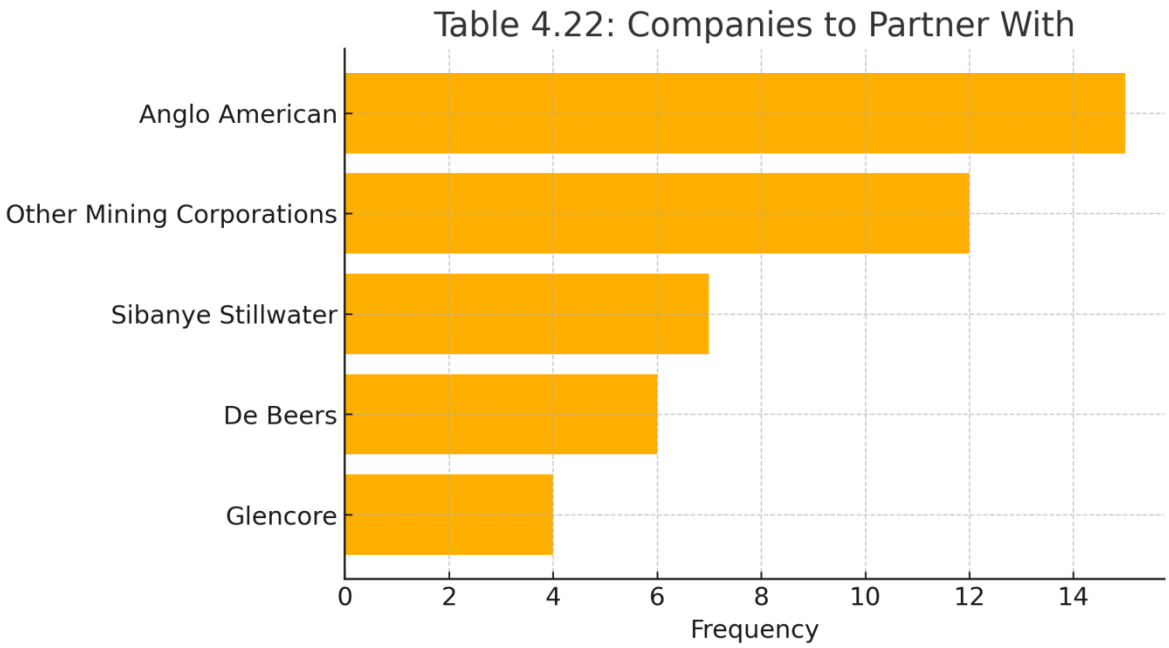


Figure 4-13: Companies to partner with

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Table 4-23: Results for Question H: Organizations to Partner With

Item	Organization	Frequency	% of Total
1.	Community-Based Organizations	10	27.00%
2.	NGOs	8	21.60%
3.	LCCI (Local Chambers)	7	18.90%
4.	Cooperatives	6	16.20%
5.	Environmental Organizations	6	16.20%

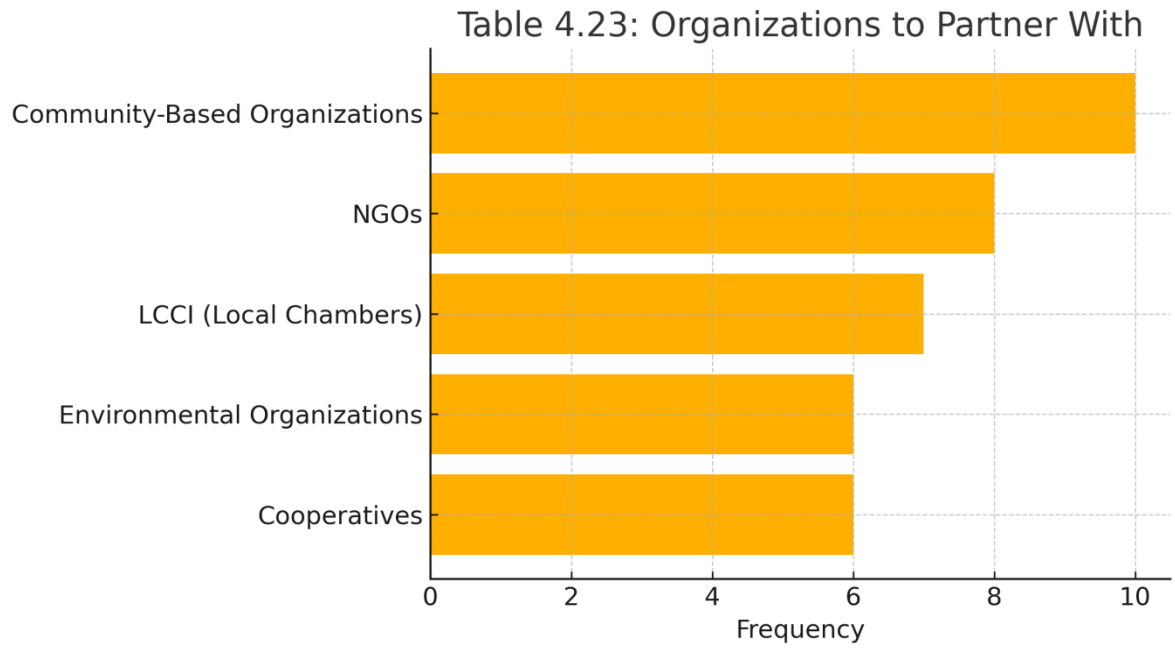


Figure 4-14: Organizations to partners with

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Table 4-24: Results for Question I: Reasons for Partnership Failures

Item	Reason	Frequency	% of Total
1.	Corruption	23	39.70%
2.	Lack of Communication	12	20.70%
3.	Bureaucratic Red Tape	10	17.20%
4.	Misaligned Objectives	8	13.80%
5.	Lack of Transparency	5	8.60%

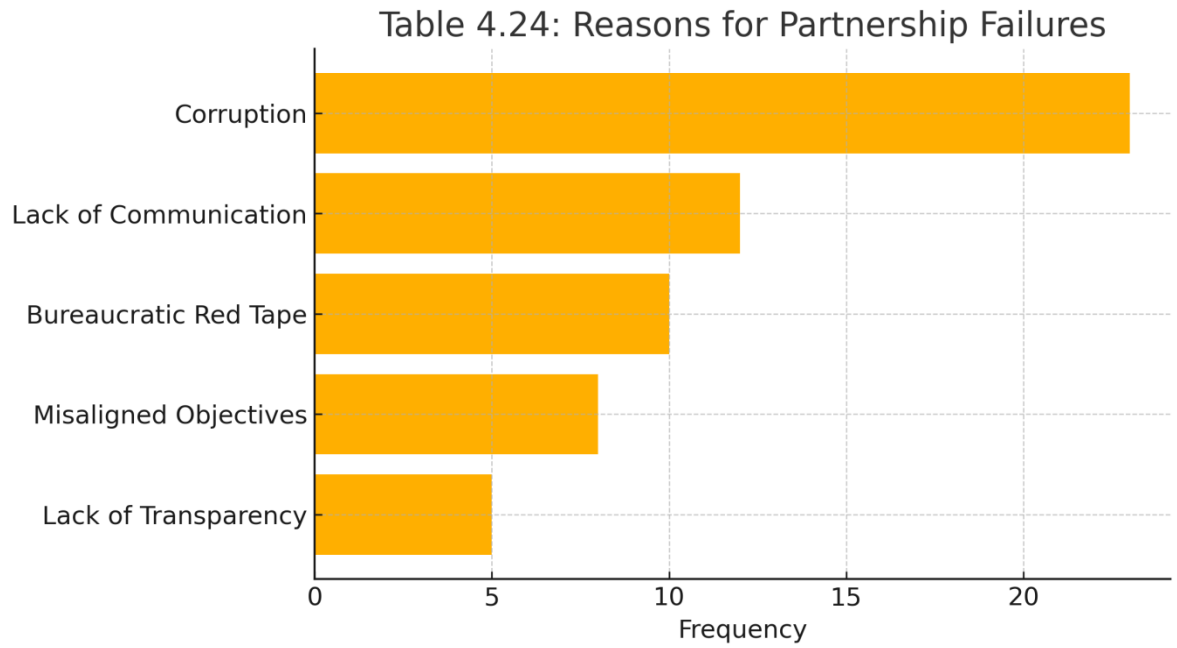


Figure 4-15: Reasons for partnership failures.

The results showed that Limpopo Province faces numerous challenges in advancing LED, impacting the growth and sustainability of local businesses and communities. Key themes are discussed below.

Lack of Access to Opportunities - Many businesses and individuals lack access to economic opportunities. Focus group participants highlighted that SMMEs struggled to access key markets and partnerships. One stated, "Lack of access to opportunities made it difficult for us to grow our businesses."

Limited Access to Markets - Local businesses face difficulties expanding due to limited market access. A participant noted, "Without access to markets, our businesses couldn't grow, and we were left competing with large corporations." This restricted their ability to scale and secure demand.

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Inadequate Business Partnerships - The absence of joint ventures and partnerships hindered LED. Entrepreneurs struggled to collaborate due to inadequate systems. One participant remarked, "We were often told to collaborate, but the systems in place didn't help us connect with the right partners."

Poor Communication Between Stakeholders - Communication between businesses, government, and financial institutions was weak. Participants often lacked critical information. As one explained, "There was a lot of information out there, but it wasn't reaching us in a way that helped us understand what we needed to do."

Skills Shortages - A shortage of skilled workers limited business growth. One participant shared, "We didn't have enough skilled workers to grow our businesses," particularly in sectors like agriculture, manufacturing, and technology.

Inadequate Funding - Lack of funding prevented businesses from expanding. Entrepreneurs struggled to secure capital. One said, "Without funding, we couldn't buy the necessary equipment or hire the people we needed." Others cited high barriers to accessing finance.

Absence of Mentorship - Entrepreneurs lacked mentorship and support networks. A participant noted, "We needed mentors who could show us the ropes, not just someone who gave us money and left."

Energy and Infrastructure Challenges - Load shedding and unreliable electricity disrupted operations. "The power outages made it almost impossible to run operations smoothly," said one participant. Poor infrastructure further constrained growth.

Unemployment, Poverty, and Inequality - High unemployment and inequality worsened economic exclusion. One participant said, "The few opportunities that existed were given to people with connections, not skills."

Corruption and Poor Governance - Corruption and lack of transparency hindered progress. "It was hard to trust the system when we saw public resources being misused," a participant observed.

Land and Resource Disputes - Land disputes, especially under traditional authorities, blocked development. "We had the land, but couldn't use it because of legal disputes," explained one farmer.

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Summary

These challenges—ranging from funding to governance—require coordinated solutions involving skills development, mentorship, financing, and inclusive governance to unlock Limpopo's economic potential.

4.4.4 Views of participants on identified themes relating to challenges

This section presents the results of **Section D** of the questionnaire survey focusing on perceived barriers to private sector engagement in Local Economic Development (LED) initiatives in South Africa. Respondents evaluated **26 barrier statements** on a five-point Likert scale ranging from *Completely disagree* to *Completely agree*, as depicted in **Table 4.25**. The statements were subsequently inductively clustered into six meta-themes: *Infrastructure & Services, Finance & Access to Capital, Regulatory & Administrative Environment, Skills & Human Capital, Collaboration Mechanisms & Institutions,* and Trust & Power Dynamics, as depicted in **Table 4.26**.

Out of 26 statements, **eight attracted >70 % aggregate agreement**, signifying near-consensus on their constraining effect **(Figure 4.16)**. Besides transport bottlenecks, acute concerns included lack of electricity and potable water (Item 5, 74.7 % agreement) and punitive interest-rate structures (Item 2, 68.4 %). Conversely, the lowest endorsement (53.2 % agreement) related to the inclusivity of sector-specific councils (Item 16), indicating mixed views on the representativeness of formal consultative bodies. A stacked bar analysis (**Figure 4.17**) revealed that substantive *disagreement* rarely exceeded 10 % for infrastructure, finance and trust items, whereas *Collaboration Mechanisms* exhibited the broadest dispersion of opinion—reflected in the widest inter-quartile range in the box-and-whisker plot (**Figure 4.18**).

Infrastructure & Services emerged as the **most strongly endorsed constraint**, with a mean agreement (Completely + Somewhat agree) of **57.9 %** across Items 4–7 (**Figure 4.17**). Within this theme, the highest *Completely-agree* frequency (48.1 %) was recorded for "poor transport networks" (Item 6), underscoring the criticality of logistics and storage capacity in peripheral regions.[5] *Finance & Access to Capital* ranked second (54.9 %), reflecting recurrent anxieties about restrictive collateral requirements, high real lending rates and the inadmissibility of communal land as bankable security (Items 1–3).

The *Regulatory & Administrative* cluster posted a comparable average agreement of **54.1 %**, with respondents citing onerous approval processes and uncertain property rights as material

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deterrents (Items 8–11). *Trust & Power Dynamics* followed closely (53.2 %), where transparency deficits and asymmetric influence in decision-making were singled out as impediments to durable public–private partnerships (Items 23–26). Although *Skills & Human Capital* (51.9 %) and *Collaboration Mechanisms & Institutions* (51.6 %) trailed the leading themes, over half of participants still concurred that skill shortages in LED-specific functions and the variable efficacy of inter-stakeholder platforms meaningfully inhibit investment traction in rural municipalities.

The box-plot examination (**Figure 4.18**) demonstrates that *Infrastructure & Services* not only achieved the highest central tendency but also displayed **low variance**, implying homogenous perceptions across heterogeneous stakeholder groups ($\sigma^2 \approx 12.7$). In contrast, perceptions about existing collaboration platforms varied markedly ($\sigma^2 \approx 41.5$), suggesting that platform performance is highly context-specific and possibly personality-driven. Radar analysis (Figure 5) further corroborates the primacy of foundational “hard” constraints—physical infrastructure and finance—while pointing to the latent, yet significant, role of “soft” institutional factors such as trust and administrative clarity in shaping investment appetites.

The convergence of responses around **structural enablers** (roads, utilities, credit conditions) reinforces long-standing development-finance findings that basic factor provision remains the sine qua non for rural competitiveness (World Bank, 2020). Simultaneously, the salience of *Trust & Power Dynamics* aligns with collaborative-governance theory, which posits that equitable influence and information symmetry condition the success of cross-sector alliances (Ansell & Gash, 2008). The pronounced dispersion in views on *Collaboration Mechanisms* signals an analytical avenue for the explanatory phase of the study: namely, to interrogate **why** certain PPPs, councils or agencies perform better than others under apparently similar legal mandates.

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Table 4-25: Survey results on the identified themes that are barriers for private sector participation in LED.

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Item	Level	Completely Agree	Somewhat Agree	In Between	Somewhat Disagree	Completely disagree.	Total
1	Private sector suffers restrictive terms and conditions for access to loans/credit and insurance to be able to invest in LED initiatives	32	12	30	2	3	79
2	Private sector suffers punitive high interest rates, impatient loans and no opportunity to restructure debt making borrowing prohibitive for private sector involvement	33	10	31	0	5	79
3	Poor spatial and LED planning, and inadmissibility of rural land as collateral hinders access for private sector to venture capital and grants restricting opportunities for investment in rural are...	35	8	32	4	0	79
4	Inadequate roads, telecommunications and basic services hinder private sector engagement in LED initiatives	36	10	30	0	3	79
5	Lack of essential services such as electricity, water and sanitation deter private sector investment in LED initiatives	35	12	26	2	4	79
6	Poor transport networks (transport, logistical and storage services) impede the movement of goods and services, limiting economic opportunities	38	7	31	2	1	79
7	Lack of readily available office and industrial parks makes it expensive to start LED projects in rural areas	38	7	27	4	3	79
8	Lengthy administrative processes and unclear regulations discourage private sector involvement in LED initiatives	34	11	29	3	2	79
9	Unclear legal frameworks and property rights create hesitation in private sector investments in LED initiatives	37	7	31	2	2	79
10	Lack of clear government policies or inconsistent regulations deters private sector commitment in LED initiatives	29	12	36	0	2	79
11	Lack of inclusion of the private sector and roles in legislation and policies hinders private sector from influencing legislation and policies for LED initiatives	31	10	33	0	5	79
12	Insufficient skilled labour force in government for specialized tasks in LED initiatives discourages private sector involvement in LED initiatives	30	8	37	1	3	79

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Item	Level	Completely Agree	Somewhat Agree	In Between	Somewhat Disagree	Completely disagree.	Total
13	Scarcity of local professionals with expertise in 21st Century LED hampers private sector participation in LED initiatives	32	12	32	1	2	79
14	Lack of vocational programmes tailored to LED initiatives results in shortage of specialized skills in LED initiatives	35	6	36	1	1	79
15	PPPs facilitate collaboration on infrastructure and service delivery but their effectiveness might varies and tend to favour capitalism	26	16	33	1	3	79
16	Sector-specific councils/structures aid in policy formation and industry growth but inclusivity could be a major concern	31	6	38	1	3	79
17	Agencies coordinate efforts yet effectiveness might be hindered by bureaucracy or lack of resources needed	32	10	34	0	3	79
18	There are Platforms where stakeholders converge but might lack actionable follow- through on agreements or plans	33	7	34	3	2	79
19	There are Bodies for policy formulation and advice yet their impact might be limited by bureaucratic hurdles	35	7	35	0	2	79
20	It is usually not clear which platforms are to be used for collaboration and may vary from one area to the other and dependent on persons in charge	32	9	33	1	4	79
21	The efficacy of existing platforms for collaboration might vary in terms of promoting genuine collaboration and impact	32	11	34	0	2	79
22	Concerns about inclusivity, accessibility and representation might limit effectiveness of the collaboration platforms	32	7	33	3	4	79
23	Trust deficits and lack of transparency in transactions can impede cooperation between the government and private sector	38	4	32	2	3	79
24	Misaligned goals or differing priorities can hinder effectiveness of joint initiatives and partnerships	36	5	32	1	5	79
25	Inadequate communication channels or information sharing can lead to misunderstandings and failed collaborations	36	7	32	1	3	79

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Item	Level	Completely Agree	Somewhat Agree	In Between	Somewhat Disagree	Completely disagree.	Total
26	Power imbalances or unequal influence may affect decision-making processes and outcomes in LED collaborations.	37	5	33	1	3	79

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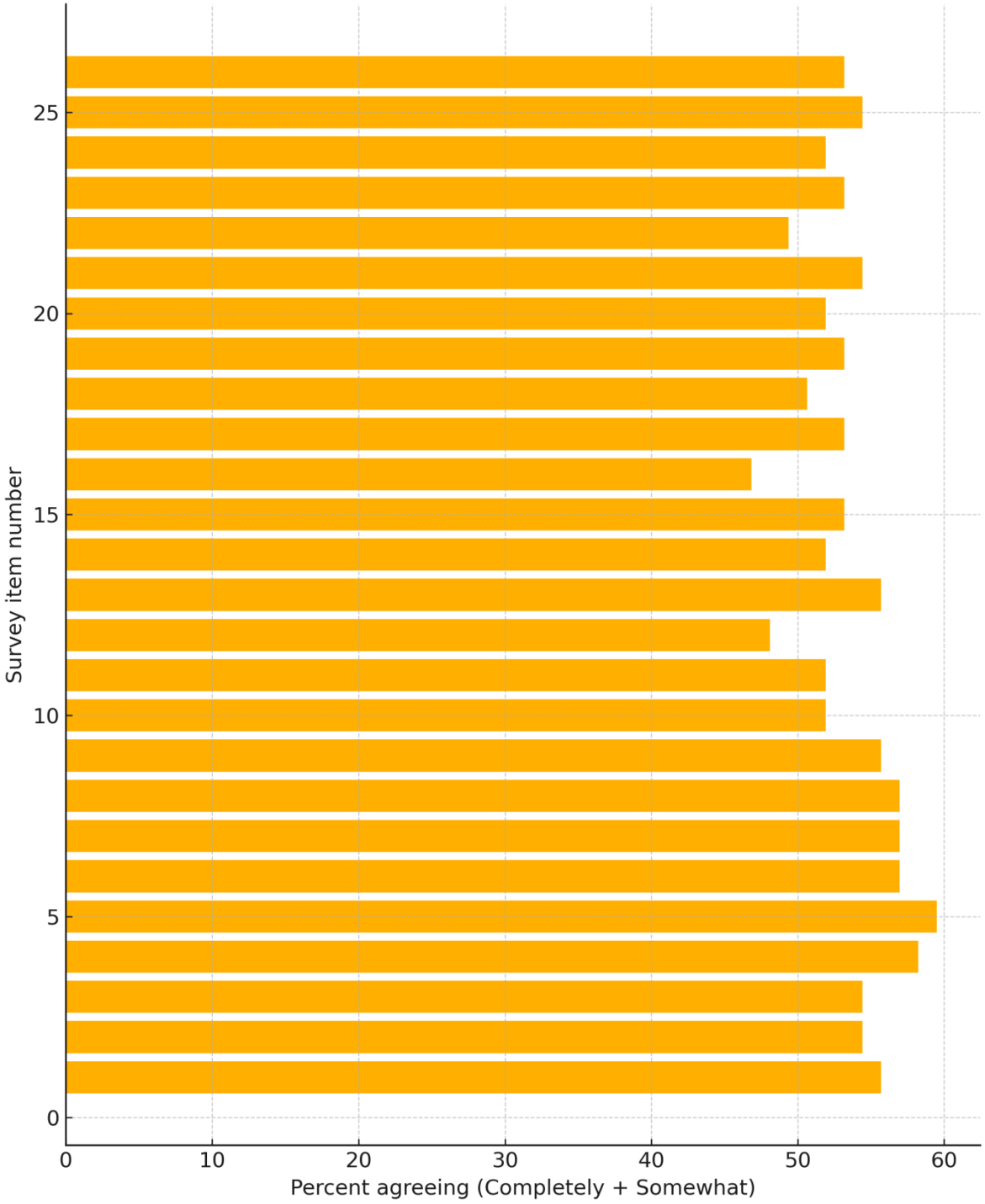


Figure 4-16: Level of agreement on barriers to private sector participation.

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Table 4-26: Summary of results into key themes

Theme	Theme Description	Illustrative Barriers (sample items)	Avg. %" agreement	What this means in practice
1	Infrastructure & Basic Services	Poor roads, telecoms, electricity, water, transport & storage (Items 4–7)	57.90%	Physical bottlenecks remain the most widely acknowledged obstacle: firms see basic enabling services as pre-conditions for any LED investment.
2	Finance & Access to Capital	Restrictive loan terms, high interest, collateral gaps (Items 1–3)	54.90%	Even where opportunities exist, rural investors struggle with prohibitive credit conditions and venture-finance exclusions.
3	Regulatory & Administrative Climate	Lengthy procedures, unclear policies, insecure property rights (Items 8–11)	54.10%	Transaction costs and policy uncertainty sap appetite for medium- to long-term projects.
4	Trust & Power Dynamics	Transparency deficits, misaligned goals, power imbalances (Items 23–26)	53.20%	Partnership breakdowns often stem from weak communication, uneven influence, and mutual suspicion.
5	Skills & Human Capital	Scarcity of LED-ready talent, vocational gaps (Items 12–14)	51.90%	Private firms doubt whether local administrations—and sometimes local labour markets—possess the capabilities to deliver complex LED agendas.
6	Collaboration Mechanisms & Institutions	PPPs, councils, agencies, platforms—variable efficacy (Items 15–22)	51.60%	Structures exist, but respondents question their inclusivity, coordination power and follow-through.

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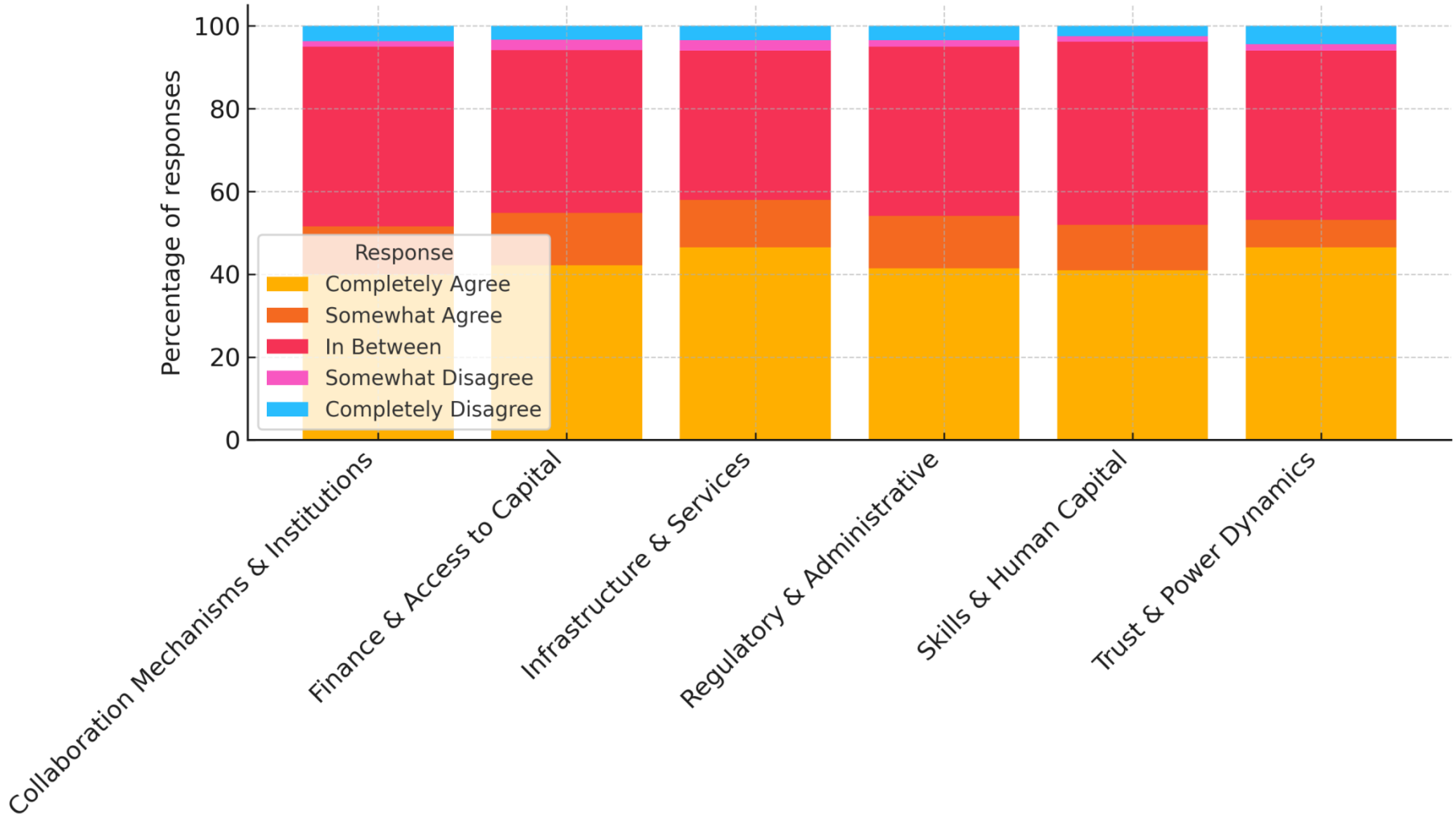


Figure 4-17: Distribution of survey responses per theme.

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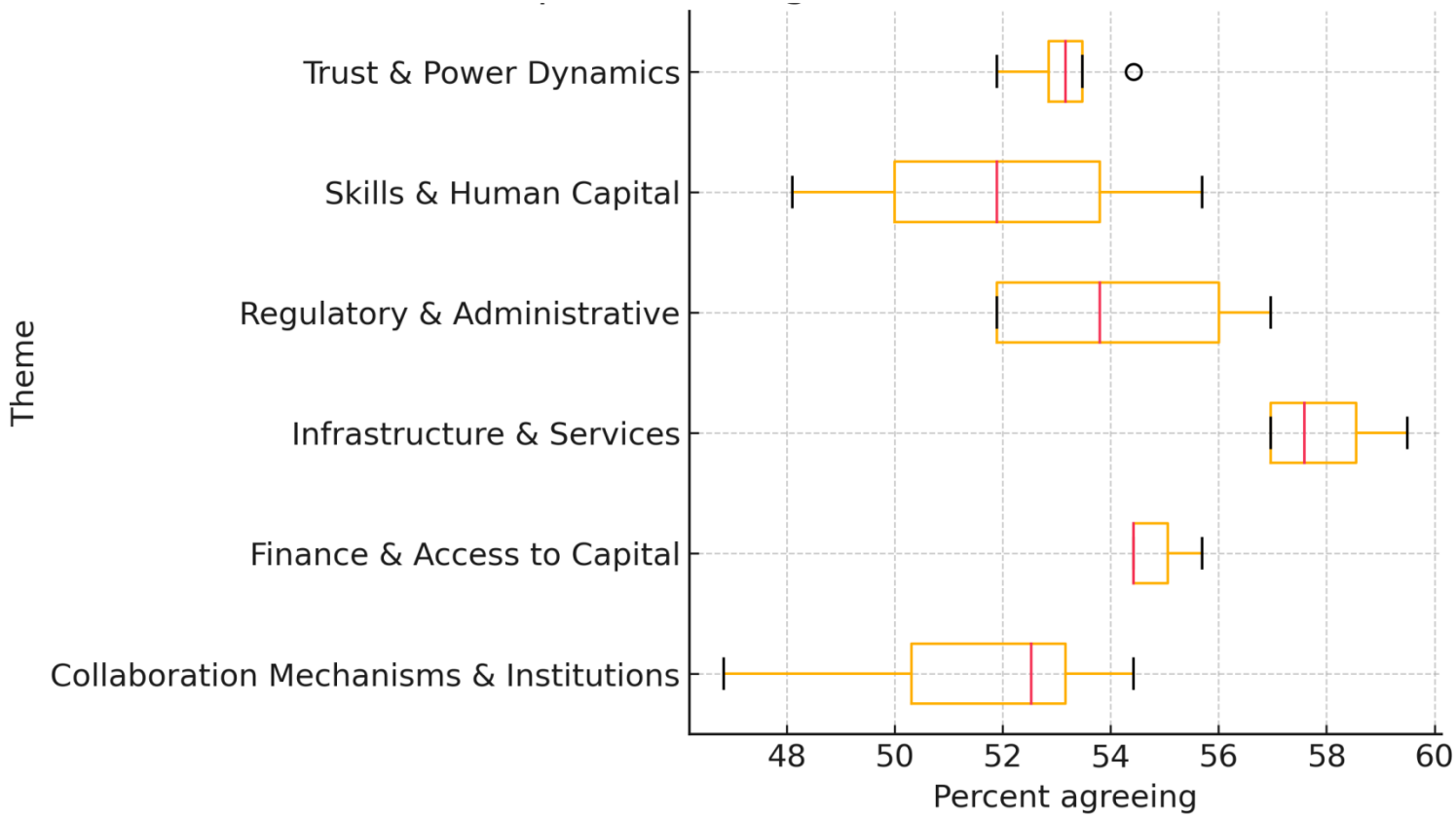


Figure 4-18: Dispersion of agreement across items within each theme

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Key Findings

1. **Poor Transport Networks -** Underdeveloped transport infrastructure in rural South Africa hinders goods movement, affecting small businesses and agriculture. Poor roads and limited logistics perpetuate spatial inequalities and economic exclusion. Integrating rural economies into value chains is essential.
2. **Trust Deficits -** Corruption and lack of transparency have eroded trust between government and the private sector, especially in townships and rural areas. Community perceptions of exploitation deter partnerships. Transparent oversight and local monitoring are needed.
3. **Lack of Industrial Parks -** The absence of affordable industrial spaces raises costs and discourages rural investment. Provinces like Limpopo lack industrial zones, stifling entrepreneurship. Developing industrial parks with tax incentives could boost diversification.
4. **Inadequate Roads and Internet -** Pothole-ridden roads and poor connectivity isolate rural businesses from markets and digital platforms. These gaps contradict SA Connect goals and limit e-commerce participation. Infrastructure partnerships are vital.
5. **Misaligned Goals -** Conflicting objectives between municipalities and private investors stall projects. Clear, co-designed frameworks are needed to align priorities and enable effective partnerships.

Recommendations

1. **Upgrade Infrastructure -** Invest in rural roads and industrial parks through PPPs and targeted subsidies.
2. **Streamline Regulations -** Digitise permits and reform land rights to ease investment barriers.
3. **Enhance Collaboration -** Use transparent, community-led planning forums to build trust.
4. **Expand Finance Access -** Tailor loan products for SMMEs and revise fiscal policies to support LED.

Summary

Addressing historical barriers requires coordinated action to reform governance, improve infrastructure, and foster inclusive partnerships for equitable development.

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4.4.5 Views of participants on possible solutions

To complement the identification of challenges, participants also provided input on potential solutions and priority areas to address these barriers (**Section E** of the survey questionnaire and concluding focus group questions). This corresponds to the latter part of Objective 2 (and overlaps with the forward-looking aspects of Objective 5). The responses coalesced around improving relationships, clarifying policies, and building capacity – which interestingly mirrors the "WHO, HOW, WHY" dimensions of the theoretical framework introduced in Chapter 1.
This section presents the results of analysis aimed at obtaining a view of participants on possible solutions to the problems experiences. The questions asked were as depicted in **Table 4.27**, which also present the overall results indicating the preferred areas of intervention to address perceived challenges and are further discussed in the following subsections.

The following section discusses the analysis of survey results using Tables 4.28 to 4.39 and Figures 4.19 to 4.24, showing the survey data, analysis, and rank distributions. Figures 4.25 and 4.26 present the heat maps of the elements and themed questions.

1. Key Elements for Successful Government–Private Sector Collaboration

As shown in Table 4.28, Table 4.29 and Figure 4.19, **policy and regulatory frameworks** dominate with 40 selections (32 first-choice), revealing the importance of predictable rules and mandates. **Institutional structure** ranked second (high second-choice score of 17), while **financial mechanisms** ranked third (16 third-choice votes), showing access to finance alone is insufficient without inclusive agenda-setting. **Community participation**, **access to information**, and **environmental regulation** followed.

Top-ranked features include aligned objectives, trust, and communication. Respondents highlighted shared vision, clear roles, and mutual commitment. This aligns with prior studies identifying mistrust and unclear goals as barriers (Whitehall & Industry Group, 2024; ANZSOG, 2022). Clear roles, accountability, and stakeholder engagement ensure partners work synergistically.

2. Key Outputs of a Good Collaboration Framework

Tables 4.30, 4.31 and Figure 4.20 show that **job creation** leads as the benchmark of success (43 mentions, 37 first-choice), followed by **infrastructure development** (28) and

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entrepreneurship support (36). This implies that respondents prioritise employment-centred outcomes over enabling environment factors.

Effective service delivery, efficiency, and innovation were also emphasised. Respondents expect collaborations to produce tangible results—on-time infrastructure delivery, innovation, and cost savings (World Bank, 2023; Wei-Skillern et al., 2013). Outcomes like improved services and resource pooling are core indicators of success.

3. Elements a Good Collaboration Framework Must Leverage

Table 4.32, Table 4.33 and Figure 4.21 highlight **efficient use of existing resources** (34) and **clear policy frameworks** (33) as top priorities. Respondents favour maximising current assets over sourcing new funding. This underscores the importance of cost-efficiency, regulatory clarity, and accountability.

The framework should build on each sector's strengths—private sector capital and innovation, public-sector assets and regulatory tools. Success depends on leveraging networks, legal frameworks, and infrastructure, not duplicating capacity. Regulatory guidance and access points like "help desks" reduce transaction costs and support engagement.

4. Weaknesses a Collaboration Framework Must Address

Tables 4.34, 4.35 and Figure 4.22 identify **administrative red tape** as a major barrier (34 mentions, 31 first-choice). Respondents note it inflates costs and deters entry. **Elite capture** followed (34 mentions), raising concerns about exclusionary decision-making. **Inequitable resource allocation** received 37 mentions, mostly third-choice, highlighting frustration with unfair distribution.

To address this, reforms should include one-stop "service kiosks" (e.g., InvestSA), fast-track tenders, and simplified approval processes to show commitment to efficiency and inclusion.

5. Specific Needs and Challenges a Framework Must Meet

As seen in Tables 4.36, 4.37 and Figure 4.23, **skills development** ranked highest (48 mentions), followed by **technology integration** (34) and **infrastructure/services** (41). This reflects national concerns about the skills mismatch and digital divide as key constraints on inclusive growth.

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Respondents favour sector-specific training (e.g., NEMISA's digital skills, blended agritech modules) over generic programmes. Tailored training aligned with local value chains helps address skills and technology gaps, especially in rural municipalities.

6. Actions to Strengthen Governance Frameworks for Private Sector Involvement

Tables 4.38, 4.39 and Figure 4.24 prioritise **institutionalising public–private collaboration** (35 mentions, 30 first-choice). Empirical evidence shows structured PPPs attract investment, fill municipal capacity gaps, and accelerate service delivery.

Improved policy implementation (28 mentions) is next, highlighting frustrations with inconsistent rollout and weak coordination. **Empowering local participation** (30 mentions) ranked third, showing the need for inclusive, multi-level governance to enhance legitimacy and local responsiveness.

A credible LED framework must embed structured PPP forums, close the policy-implementation gap through capacity-building, and institutionalise participatory governance to safeguard investments and promote ownership.

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Table 4-27: Survey questions and overall ranked results

Item	Question	Rank 1	Rank 2	Rank 3
1.	A. Select the three most Important Key Elements and Features for successful collaboration between government and private sector	Policy and Regulatory Framework	Financial Mechanisms	Community Participation
2.	B. Select the three most Important outputs of a good collaboration framework	Job Creation and Employment	Infrastructure Development	Entrepreneurship Support
3.	C. Select the two most Important elements that a good collaboration framework must leverage:	Efficient Use of Resources	Clear Policies	Strong Community Engagement
4.	D. A good collaboration framework must remove which weaknesses (Select three important to you):	Red Tape	Lack of Inclusivity	Inadequate Resource Allocation
5.	E. Select three most important Specific Needs and Challenges for you that A good collaboration framework must meet	Skills Development and Education	Environmental Sustainability	Technology Integration
6.	F. Select three most important things for you that needs to be done to strengthen the governance frameworks, ensuring active involvement of the private sector in local economic development:	Enhancing Public-Private Collaboration	Improved Policy Implementation	Empowering Local Participation

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Table 4-28: Survey Results on Key Elements and Features for successful collaboration between government and private sector

Questions: Select the three most Important Key Elements and Features for successful collaboration between government and private sector				
Item	**Overall**	**First selected**	**Second selected**	**Third selected**
Policy and regulatory framework	40	32	3	5
Institutional structure	21	2	17	2
Financial mechanisms	30	5	9	16
Community participation	29	5	10	14
Access to information	27	9	8	10
Environmental regulations	6	0	4	2

Table 4-29: Analysis results on Key Elements and Features for successful collaboration between government and private sector

Rank (by overall priority)	**Element / Feature**	**Overall Mentions**	**Salience Pattern**
1	**Policy & regulatory framework**	**40**	Dominates **first-choice** votes (32/40 ≈ 80 %) – respondents regard a clear, predictable policy environment as the indispensable pre-condition for collaboration.
2	Institutional structure	21	Chosen mainly as **second preference** (17) – participants recognise that capable, well-co-ordinated institutions matter once collaboration is underway, echoing the "**HOW**" dimension of the WHO–HOW–WHY framework.
3	Financial mechanisms	30	More often selected **third** (16) than first (5) – access to blended-finance windows, concessional credit, or risk-sharing facilities is viewed as an enabling "next step" once the rules of the game are set.
4	Community participation	29	Balanced spread of second- (10) and third-choice (14) votes – highlights the perceived need for inclusive stakeholder engagement, but only after regulatory clarity and financing are in place.
5	Access to information	27	Even distribution across the three ranks (9-8-10) – information-sharing is seen as continuously important rather than a single decisive lever.
6	Environmental regulations	6	Lowest salience and almost no first-choice votes – may indicate either that current environmental rules are considered adequate or, conversely,

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Rank (by overall priority)	Element / Feature	Overall Mentions	Salience Pattern
			that they are perceived as less immediate for LED projects in Limpopo's rural context.

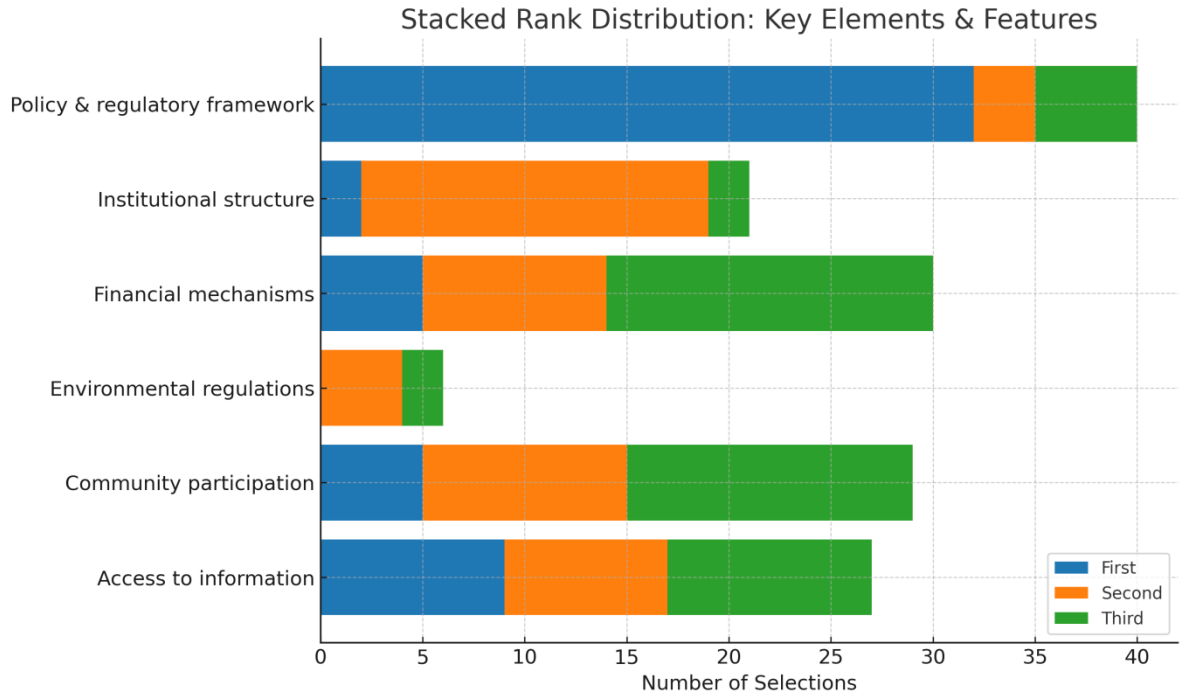


Figure 4-19: Rank Distribution on Key Elements and Features for successful collaboration between government and private sector.

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Table 4-30: Survey Results on Important outputs of a good collaboration framework

Question B: Select the three most Important outputs of a good collaboration framework				
Item	**Overall**	**First selected**	**Second selected**	**Third selected**
Job creation and employment	43	37	1	5
Infrastructure development	27	3	18	6
Entrepreneurship support	36	3	14	19
Business and investment growth	28	6	9	13
Value addition and market access	20	4	10	6

Table 4-31: Analysis Results on Important outputs of a good collaboration framework

Rank (by priority)	**Output**	**Overall Mentions**	**Salience Pattern**
1	Job creation & employment	**43**	**Overwhelmingly first-choice** (37 first, 1 second, 5 third) – viewed as the definitive yard-stick of success.
2	Infrastructure development	27	**Predominantly second-choice** (18/27) – infrastructure seen as a supporting pillar rather than the first lever pulled.
3	Entrepreneurship support	36	Heavy third-choice weight (19) with a notable second-tier signal (14) – perceived as a follow-on enabler once jobs materialise.
4	Business & investment growth	28	Balanced second (9) and third (13) preferences – an outcome that develops in tandem with SME support.
5	Value-addition & market access	20	Majority second-choice (10) with moderate third (6) – specialised competitiveness priority after core jobs/infrastructure issues.

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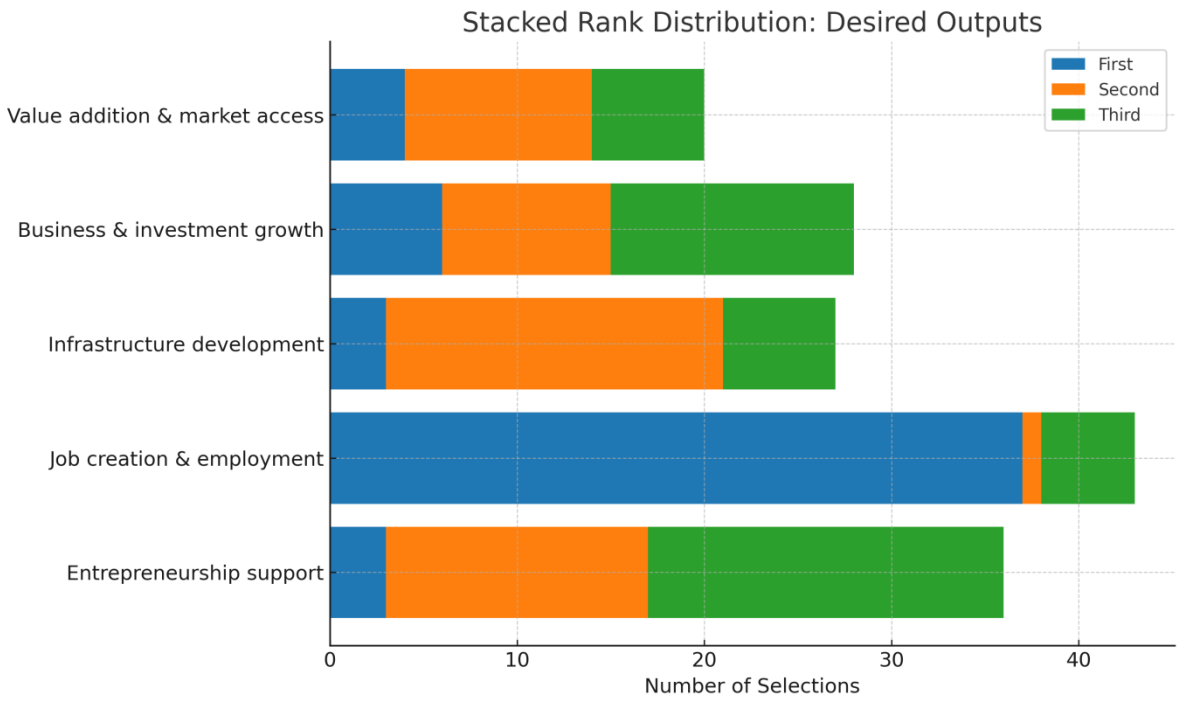


Figure 4-20: Rank distribution of Survey Results on Important outputs of a good collaboration framework.

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Table 4-32: Survey results on important elements that a good collaboration framework must leverage.

QUESTION C: Select the three most Important elements that a good collaboration framework must leverage:				
Item	**Overall**	**First**	**Second**	**Third**
Efficient use of resources	34	25	7	2
Clear policies	33	15	16	2
Strong community engagement	24	6	16	2
Resource allocation	22	8	13	1

Table 4-33: Survey results on important elements that a good collaboration framework must leverage.

Rank (by priority)	**Lever**	**Overall Mentions**	**Salience Pattern**
1	Efficient use of resources	**34**	**Dominates first-choice** votes (25/34) – efficiency gains are the primary lever to unlock value.
2	Clear policies	33	Split almost equally between first (15) and second (16) – indicates simultaneous need for certainty and consistency.
3	Strong community engagement	24	**Second-choice heavy** (16/24) – engagement is prized once basic efficiency and clarity are secured.
4	Resource allocation	22	Mainly second-choice (13) with some first (8) – funding matters but is expected to follow planning discipline.

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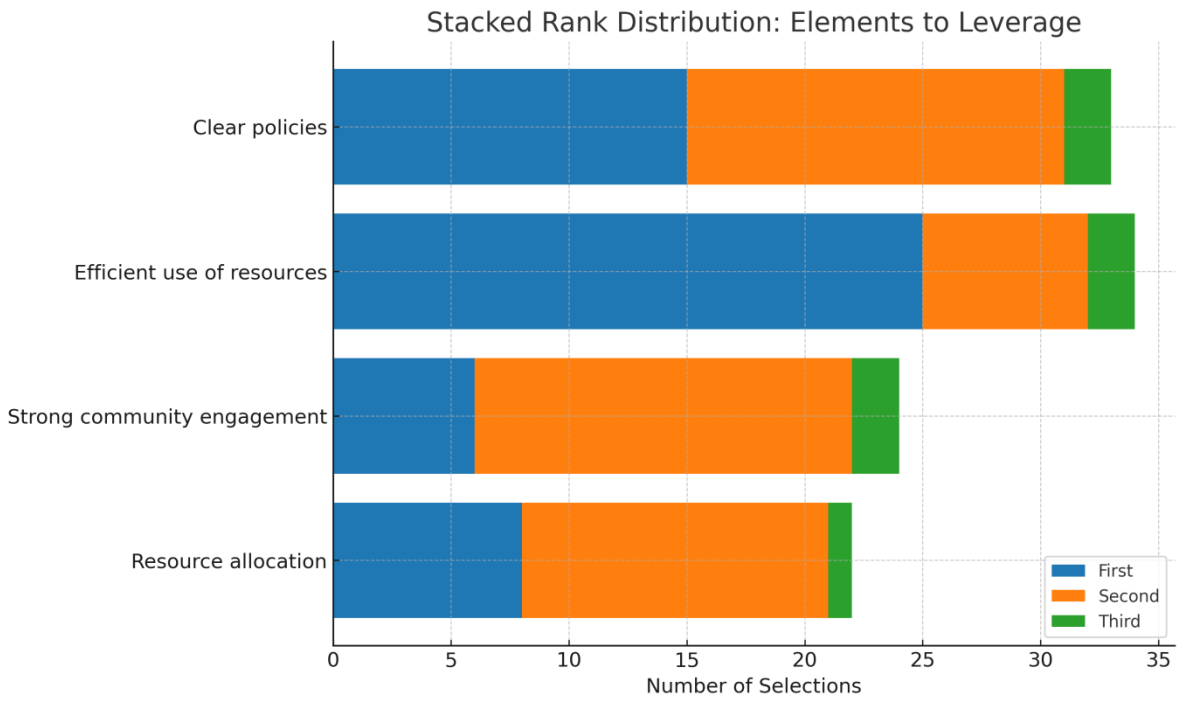


Figure 4-21: Rank distribution of the Survey results on important elements that a good collaboration framework must leverage.

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Table 4-34: Survey results on weaknesses that a good collaboration framework must remove.

QUESTION D: A good collaboration framework must remove which weaknesses (Select three important to you)				
	Overall	**First selected**	**Second selected**	**Third selected**
Red tape	34	31	2	1
Lack of inclusivity	34	8	21	5
Inadequate resource allocation	37	2	15	20
Lack of long-term sustainability planning	25	7	6	12
Inflexible regulations	12	4	1	7
Bureaucratic hurdles	14	1	7	6

Table 4-35: Analysis results of the Survey on weaknesses that a good collaboration framework must remove.

Rank (by priority)	**Weakness**	**Overall Mentions**	**Salience Pattern**
1	Red tape	**34**	**Almost exclusively first-choice** (31/34) – stakeholders want administrative hurdles tackled up-front.
2	Lack of inclusivity	**34**	Second-choice dominant (21) – inclusivity becomes critical once red-tape "gate" is opened.
3	Inadequate resource allocation	**37**	**Predominantly third-choice** (20) plus strong second signal (15) – chronic constraint that surfaces during execution.
4	Lack of long-term sustainability planning	25	Mixed, but skewed to third (12) – strategic horizon gaps sensed after immediate obstacles are removed.
5	Inflexible regulations	12	Split between first (4) and third (7) – niche but irritating rigidity.
6	Bureaucratic hurdles	14	Balanced second/third – a secondary but visible drag.

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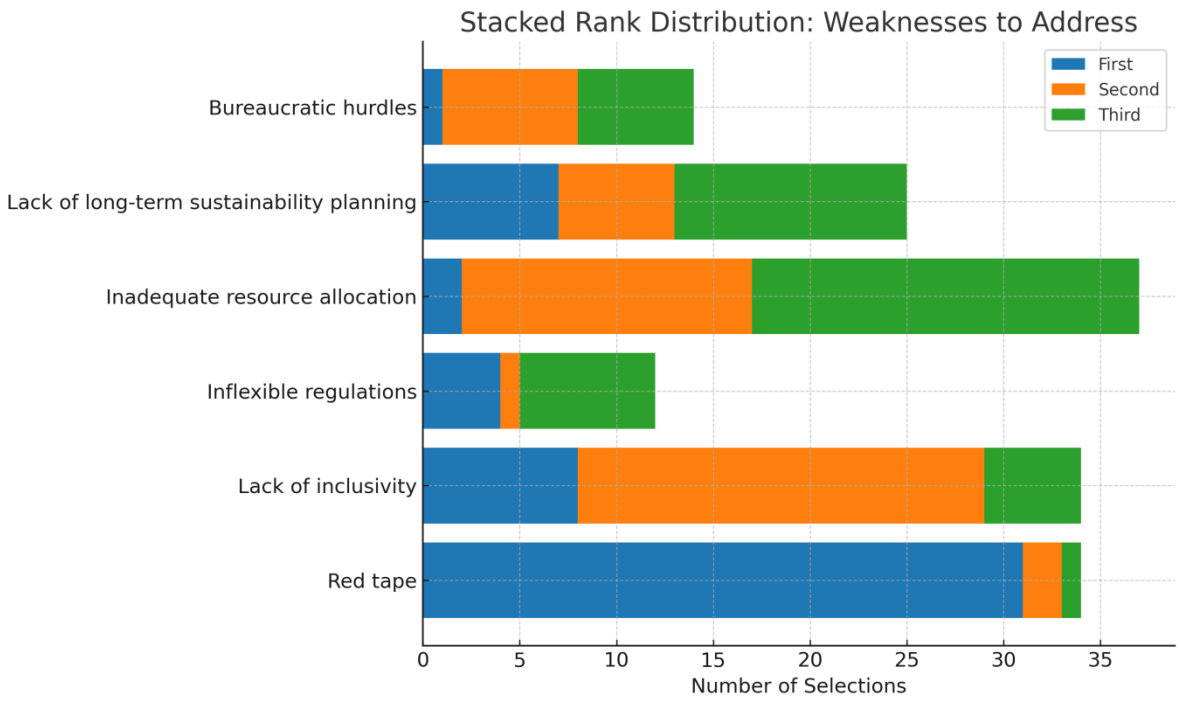


Figure 4-22: Rank distribution on Survey results on weaknesses that a good collaboration framework must remove.

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Table 4-36: Survey results on important Specific Needs and Challenges that A good collaboration framework must meet.

QUESTION E: Select three most important Specific Needs and Challenges for you that A good collaboration framework must meet				
Item	**Overall**	**First selected**	**Second selected**	**Third selected**
Skills development and education	48	21	21	6
Technology integration	34	5	12	17
Infrastructure and services	41	18	10	13
Environmental sustainability	20	3	7	10
Access to healthcare	7	3	0	4
Cultural preservation	6	3	2	1

Table 4-37: Analysis results of survey on important Specific Needs and Challenges that A good collaboration framework must meet.

Rank (by priority)	**Need / Challenge**	**Overall Mentions**	**Salience Pattern**
1	Skills development & education	**48**	Twin peaks of first (21) **and** second (21) choices – the core systemic prerequisite.
2	Technology integration	34	Third-choice weighted (17) – viewed as a later-stage competitiveness booster.
2	Infrastructure & services	41	Strong first-choice (18) plus steady third (13) – hard services still foundational.
4	Environmental sustainability	20	Third-choice leaning (10) – important but sequenced behind economic drivers.
5	Access to healthcare	7	Small but first-skewed (3) – niche social need.
6	Cultural preservation	6	Low salience, modest first/second interest – contextual value rather than headline driver.

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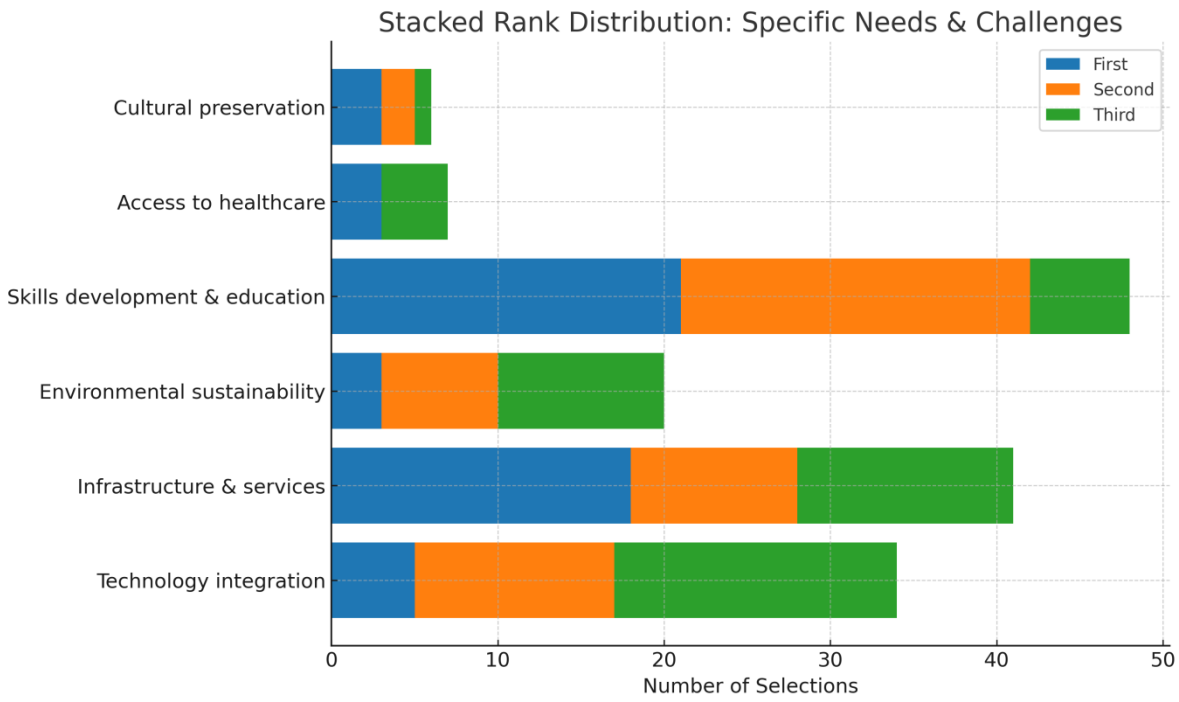


Figure 4-23: Rank distribution of Survey results on important Specific Needs and Challenges that A good collaboration framework must meet.

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Table 4-38: Survey results on important things that needs to be done to strengthen the governance frameworks, ensuring active involvement of the private sector in LED

QUESTION F: Select three most important things for you that needs to be done to strengthen the governance frameworks, ensuring active involvement of the private sector in local economic development:				
	Overall	**First selected**	**Second selected**	**Third selected**
Enhancing public-private collaboration	35	30	1	4
Improved policy implementation	28	8	18	2
Empowering local participation	30	6	10	14
Resource allocation and transparency	21	5	3	13
Monitoring and evaluation	20	3	6	11
Addressing regulatory bottlenecks	6	0	3	3
Capacity building	13	1	10	2
Incentivizing private sector	5	1	2	2

Table 4-39: Analysis results of Survey on important things that needs to be done to strengthen the governance frameworks, ensuring active involvement of the private sector in LED

Rank (by priority)	**Action**	**Overall Mentions**	**Salience Pattern**
1	Enhancing public-private collaboration	**35**	**Overwhelming first-choice** (30/35) – structured PPP platforms are top governance priority.
2	Improved policy implementation	28	**Second-choice dominant** (18) – execution gaps recognised once collaboration begins.
3	Empowering local participation	30	Third-choice heavy (14) with solid second (10) – inclusivity mechanisms expected after PPC architecture is set.
4	Resource allocation & transparency	21	Mainly third-choice (13) – calls for fiscal openness during roll-out.
5	Monitoring & evaluation	20	Third-choice leaning (11) – accountability sought mid-stream rather than as initial trigger.
7	Addressing regulatory bottlenecks	6	Even split between second and third – niche remedial action.
6	Capacity building	13	Second-choice weighted (10) – skill-up seen as tactical support to governance reforms.
8	Incentivising private sector	5	Very low counts, dispersed ranks – direct incentives viewed as least critical relative to systemic fixes.

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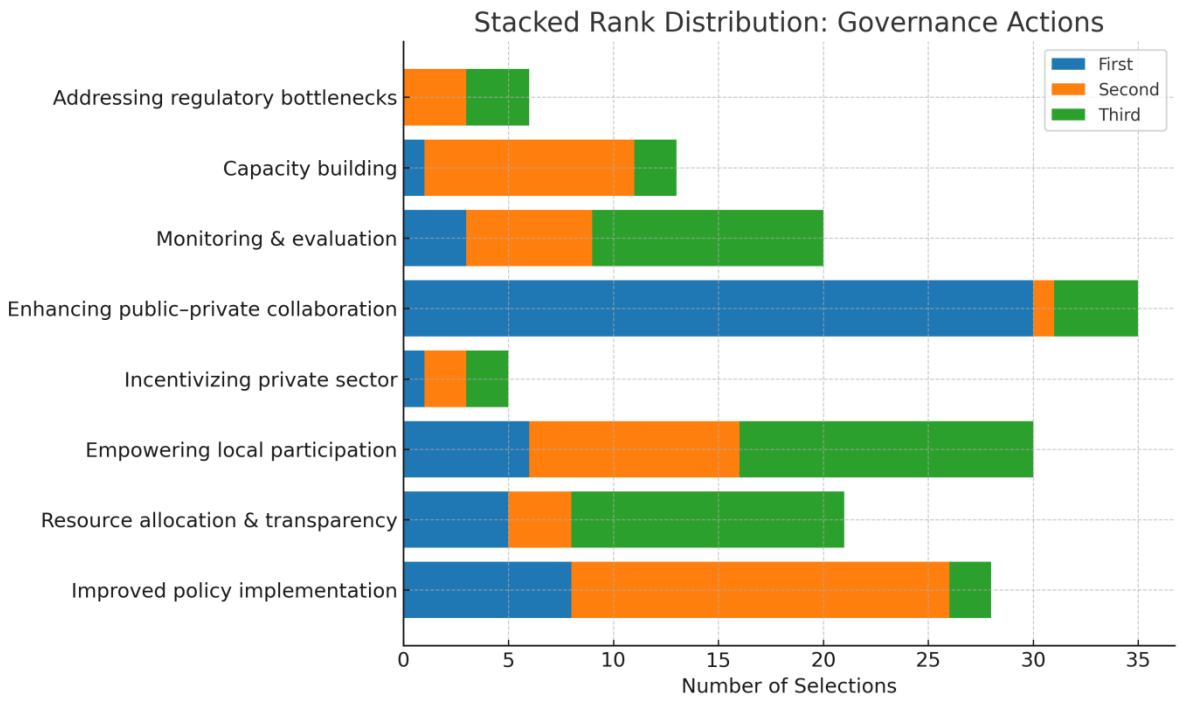


Figure 4-24: Rank distribution of Survey results on important things that needs to be done to strengthen the governance frameworks, ensuring active involvement of the private sector in LED

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Results Validation through Heat Maps

The survey's priority heatmap (Figure 4.25) shows stakeholders converge on key actors (WHO), goals (WHY), and mechanisms (HOW) essential to a private sector-inclusive LED governance framework. First-rank votes cluster around regulatory custodians, employment-centred goals, and mechanisms like resource efficiency and collaboration. Second- and third-rank responses disperse more around structural weaknesses, indicating implementation requires ongoing engagement rather than a one-time solution.

WHO – Key Actors: Table 4.40 shows LED depends on a tripartite compact: (1) government agencies creating enabling policy; (2) businesses and financial intermediaries translating rules into investment and innovation; and (3) communities, universities, and colleges granting social licence and nurturing talent. These actors reinforce each other through regulatory clarity, capital mobilisation, and social legitimacy.

WHY – Core Purpose: Table 4.41 shows shared prosperity is best advanced through enterprise-led job creation grounded in investable infrastructure. Respondents align around employment as the central outcome, supporting growth and socioeconomic well-being.

HOW – Implementation Mechanism: Table 4.42 outlines a four-stage logic: streamline regulations, establish PPP/LED platforms with MOUs, implement quick-win projects, and embed monitoring and evaluation to refine and scale interventions.

Thematic Heat Map Analysis (Figure 4.26) - The consolidated heat map affirms five priority clusters:

a. **Human Capital** – Skills development tops the list (score: 48), tied closely to job creation (score: 43), reinforcing global findings on skills as a key growth constraint.

b. **Regulatory Certainty** – Policy frameworks (score: 40) and public–private collaboration (score: 35) are central to attracting investment, echoing global PPP best practices.

c. **Finance & Efficiency** – Financial mechanisms (score: 30), efficient resource use (34), and fair allocation (37) underscore the need for execution, not just funding.

d. **Administrative Burdens & Inclusivity** – Red tape (score: 34) and inclusive participation (30) highlight the need for streamlined approvals and community voice to enhance resilience.

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e. **Monitoring & Evaluation** – Though less prominent (score: 20), M&E remains vital for accountability and adaptive strategy, though stakeholders call for better implementation follow-through.

Synthetic Theory of Change: Priorities form an iterative sequence: rules → finance & spending → collaboration → skills → jobs, with M&E ensuring continuous adjustment—supporting the WHO–HOW–WHY logic.

Summary

The heat map results validate a governance model that is inclusive in actors, singular in purpose (jobs), and disciplined in process—anchored in regulation, finance, skills, and agile management for sustainable local growth.

Table 4-40: WHO – Actors and institutional roles

Heat-map signal	Interpretation	Governance implication
Policy & regulatory framework draws the deepest hue among "key elements," while financial mechanisms and institutional structure sit close behind.	Respondents see national/provincial regulators and municipal LED units as the "primary convenors," with private financiers and chambers of commerce supplying capital and technical expertise.	Aligns with South Africa's National LED Framework, which locates municipalities as coordinators and the private sector as co-investor and innovator.
Community participation receives balanced colour bands across all three ranks.	Grass-roots organisations and civil society are acknowledged as legitimacy brokers whose buy-in sustains LED initiatives over project cycles.	Mirrors collaborative-governance theory that durable solutions emerge when state and non-state actors share deliberative platforms.
Skills development & education dominates the "needs" block.	Universities, TVET colleges and sector education & training authorities are critical intermediaries for building local capability.	Consistent with labour-economics evidence that skills gaps suppress productivity and private investment.

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Table 4-41: WHY – Purpose and development objectives

Heat-map signal	Interpretation	Governance implication
Job creation & employment posts the single brightest "First" cell.	The overriding rationale is inclusive employment growth, echoing national targets under the Integrated Urban Development Framework and NDP 2030.	Performance metrics must prioritise net jobs, not merely capital expenditure.
Entrepreneurship support and business & investment growth show high aggregate salience.	Respondents want LED to expand local enterprise density and crowd-in private capital.	Justifies incentive schemes and regulatory reforms that lower entry barriers for SMMEs.
Infrastructure & services and resource allocation register strong second- and third-rank counts.	Physical and fiscal enablers are viewed as prerequisites for private participation.	LED plans must integrate spatial-infrastructure sequencing with transparent budgeting.

Table 4-42: HOW – Processes, instruments, and sequencing

Heat-map signal	Interpretation	Governance implication
Efficient use of resources & clear policies dominates the "leverage" block, while enhancing public–private collaboration tops the "governance actions" block.	Stakeholders demand lean, rule-driven project pipelines that capitalise on pooled assets and joint risk management.	Echoes World-Bank guidance that a predictable PPP legal framework raises bankability and reduces transaction costs.
Red tape and bureaucratic hurdles are the most frequently cited weaknesses.	Administrative complexity is perceived as the chief inhibitor of private investment.	Supports wide-ranging red-tape-reduction programmes already piloted in Western Cape and other provinces.
Monitoring & evaluation records moderate but steady colour intensity across ranks.	Stakeholders want feedback loops to track outcomes and trigger course corrections.	Aligns with international PPP toolkits that stress ex-post value-for-money audits and adaptive management.

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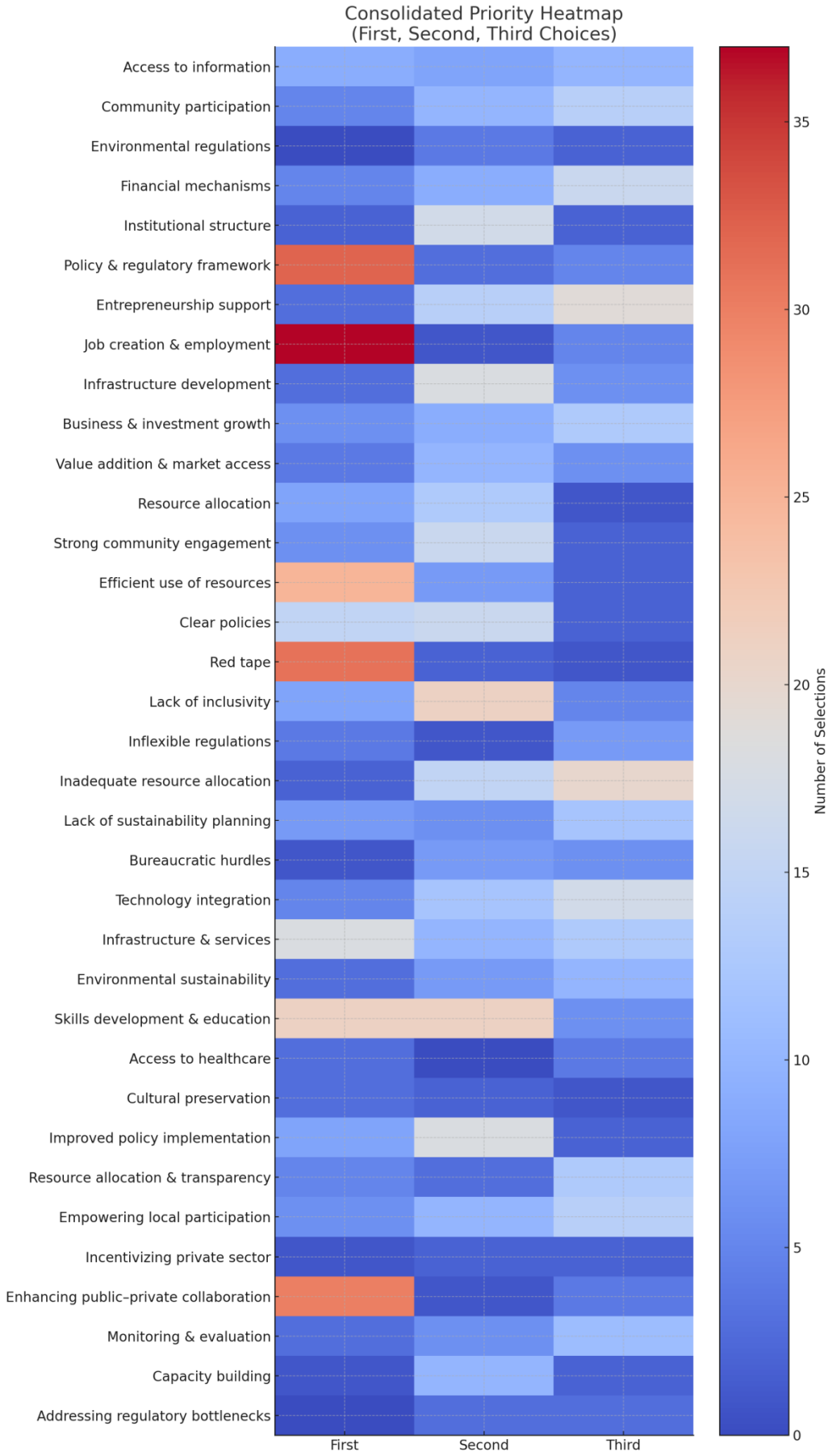


Figure 4-25: survey's priority heatmap.

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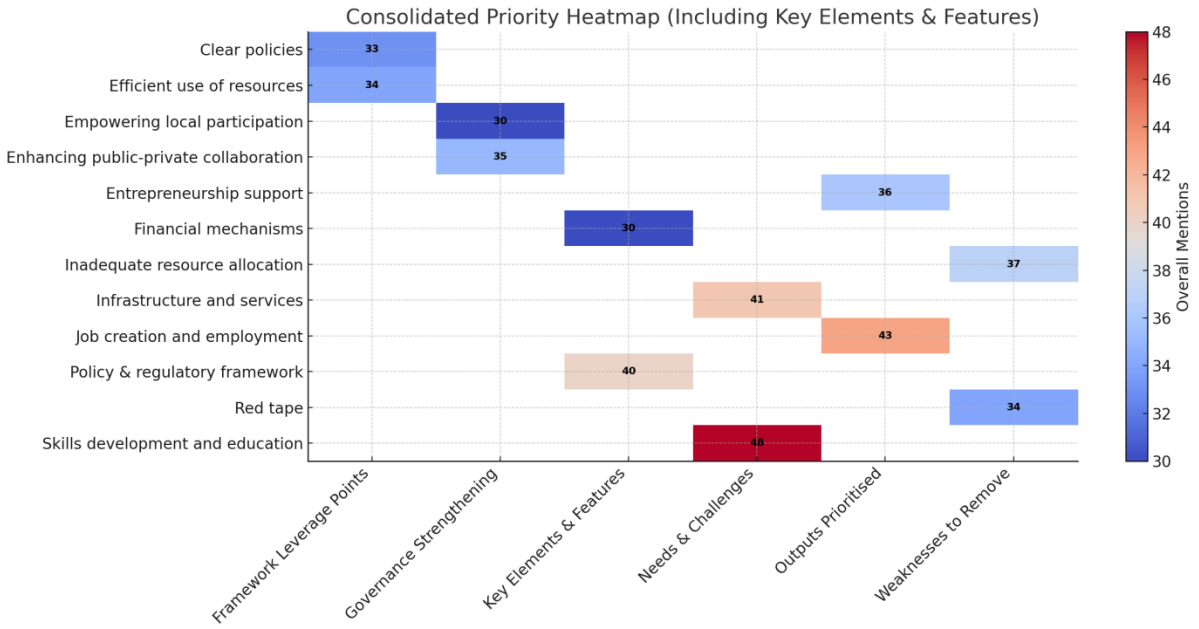


Figure 4-26: consolidated priority heatmap.

4.4.6 Consolidated Challenges

Consolidated Challenges

1. Communication Gaps and Limited Awareness: Poor communication between businesses, government, and financial institutions emerged as a core barrier. Participants reported being unaware of LED opportunities or support mechanisms. One remarked, “There was a lot of information out there, but it wasn’t reaching us in a way that helped us understand what we needed to do to succeed.” Information did not translate into actionable knowledge. Private entrepreneurs were often unaware of forums, public meetings, or grants. This created mistrust, with some believing information was only shared with select individuals. The literature confirms that poor coordination undermines LED (Koma, 2012). Participants called for regular public–private forums and online LED portals to improve communication.

2. Skills Shortages and Capacity Constraints: A lack of technical, managerial, and financial skills limited enterprise growth. “We didn’t have enough skilled workers to grow our businesses,” one participant stated. The shortage is acute in key sectors like agri-processing, manufacturing, and IT. Capacity issues also affected business owners lacking formal management training. Literature confirms this challenge, noting skill gaps within both private businesses and municipal LED units (Koma, 2012). Over 70% of survey respondents rated skills development as a critical benefit of private sector participation. Participants supported vocational training and mentorship programmes facilitated by public–private partnerships.

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3. Inadequate Funding and Financial Barriers: Access to finance remains a major hurdle. “Without funding, we couldn’t buy the necessary equipment or hire the people we needed,” explained one business owner. Traditional banks required collateral entrepreneurs lacked. Government grants were seen as difficult to access, with high requirements. One participant noted, “It felt like the system was designed to keep us out.” Survey results showed nearly all respondents believed restrictive loan terms and lack of collateral hindered investment. These financial barriers included high interest rates, inflexible loan terms, and long application processes. This aligns with Nkwinika and Munzhedzi (2016), who highlight red tape as a barrier that can encourage corruption. Although participants did not admit to bribery, frustration was widespread. Lack of accessible finance undermines private sector participation in LED.

4. Absence of Mentorship and Support Networks: Many participants cited the absence of mentorship and support structures. Rural entrepreneurs felt “on their own,” lacking guidance from experienced businesspeople. “We needed mentors who could show us the ropes,” said one participant. Participants weren’t just seeking funding, but also knowledge transfer. Without advisory support, many cooperatives and startups failed early. The private sector in Limpopo was seen as fragmented, with limited engagement between large and small firms. Distance and lack of platforms exacerbated this. Literature emphasises the value of social capital in SME growth. Participants proposed business forums and mentorship schemes to link experienced and emerging entrepreneurs, aligned with LED principles of relationship-building and local capacity development.

5. Infrastructure and Energy Challenges: Infrastructure shortcomings, especially unstable electricity and poor roads, constrained economic activity. The ongoing energy crisis impacted operations severely. “The power outages made it almost impossible to run operations smoothly,” said one participant. Load shedding damaged equipment and curtailed hours. Many businesses lacked generators. Poor rural roads limited market access and increased travel time. Some areas also lacked reliable telecoms and internet, restricting access to information and digital markets. Survey responses confirmed these issues, with 90% agreeing that infrastructure deficits deter investment. Literature and the NDP 2030 identify infrastructure as central to economic growth. While some improvements were noted, progress was slow. Government leadership is essential, but participants supported PPPs for infrastructure development.

6. Socio-Economic Issues: Unemployment, Poverty, and Inequality: High unemployment, poverty, and inequality weaken local market conditions. “There were no jobs, and the few opportunities that existed were given to people with connections,” noted one participant. Many

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rely on grants, and entrepreneurship stems more from necessity than opportunity. Low incomes limit business demand. Inequality creates tensions—new projects may face pressure to benefit specific families, undermining business sustainability. This context makes LED difficult. Literature stresses breaking the cycle through interventions like local procurement and improved education. Any LED framework must be inclusive and pro-poor to be effective.

7. Corruption and Poor Governance: Corruption and lack of transparency were major barriers. “Corruption was rampant. It was hard to trust the system when we saw public resources being misused,” said one participant. Funds were seen as going to politically connected individuals. Tender processes lacked fairness. This eroded trust and discouraged participation. “If you didn’t know the right people, you wouldn’t get the contracts,” another noted. Survey data confirmed governance issues—bureaucratic inefficiencies and lack of inclusivity were ranked among the top barriers. Literature supports this view, with Mashabela (2021) and others citing corruption as a root cause of poverty. Poor governance capacity in municipalities worsens this, with some LED offices accused of inaction without political backing. Integrity and accountability in local governance are essential for effective LED.

8. Land and Resource Constraints: Land and resource disputes uniquely affect rural areas. Participants reported stalled projects due to unresolved land claims or unclear tenure. “We had the land, but we couldn’t use it because of legal disputes,” one farmer noted. This uncertainty discourages investment and prevents land from being used as collateral. Many operate without long-term security. In mining areas, disputes over revenue sharing or environmental concerns further complicate LED. Land reform and legal clarity are required to unlock investment in agriculture and tourism.

Consolidated Analysis

Private sector participation in LED is constrained by skills shortages, financial exclusion, infrastructure deficits, poor governance, and relational gaps. Table 4.37 summarises challenge frequencies: Corruption (14.8%), Skills Development (12.3%), Funding Access (11.0%), Private Sector Involvement (12.0%), Unemployment and Collaboration Failures (10.7% each), Infrastructure (6.3%), Red Tape (4.4%), and Lack of Community Partnerships (5.7%). Even Load Shedding (2.2%) and Crime (1.9%) appeared.

These frequencies reinforce the qualitative findings. Literature, such as Mashabela (2021), confirms these systemic barriers. Survey Section D validated participants' perspectives: 85%

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agreed that restrictive loans and poor infrastructure hinder private sector LED participation. The challenges can be grouped under three themes:

1. **Policy and Governance** – Central to collaboration success. Respondents prioritised regulatory clarity, efficient resource use, and streamlined policy implementation. Red tape and resource misallocation reveal weak execution.
2. **Economic and Social Priorities** – Respondents prioritised job creation, skills development, and inclusive participation, reflecting a demand for equity-driven growth.
3. **Sustainability and Innovation** – Infrastructure, technology, and resource efficiency are vital for economic and environmental resilience.

Recommendations

Based on participant input, challenges are mapped to the WHO–HOW–WHY framework:

1. **WHO (Relationships)** – Challenges include corruption, poor communication, and weak partnerships.
2. **HOW (Policy & Strategy)** – Barriers include bureaucracy, complex compliance, and red tape.
3. **WHY (Capacity)** – Core issues involve lack of skills, finance, and infrastructure.

Recommendations include:

1. **Strengthen Relationships (WHO):** Create neutral platforms for government, business, and communities to collaborate. Publish LED fund allocations and tender processes to build trust.
2. **Reform Policies (HOW):** Digitise and simplify registration, licensing, and funding applications. Prioritise land reform and fair procurement policies.
3. **Build Capacity (WHY):** Deliver skills training through PPPs and mentorship programmes. Link experienced business leaders with startups.
4. **Invest in Infrastructure:** Support local energy and transport projects via PPPs. Private sector willing to co-invest if frameworks are clear.
5. **Innovate in Finance:** Develop credit guarantee schemes and tailored SMME loans. Encourage banks to partner with government as guarantors.
6. **Foster Networks:** Establish LED Forums and Business Councils to support networking and advocacy, especially in rural areas.

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7. **Streamline Processes:** Reduce regulatory complexity. Digitise workflows, establish single-window clearance, and increase accountability.
8. **Promote Equity and Inclusion:** Engage communities in planning. Use community boards and local funding models. Prioritise inclusive training access.
9. **Advance Sustainability and Tech:** Invest jointly in green infrastructure and digital solutions. Embed sustainability and innovation into project metrics.
10. **Strengthen Implementation:** Improve monitoring systems and adaptive feedback loops. Pilot-test new policies and ensure bureaucrats are trained in modern LED tools.

Many of these proposals mirror the challenges. For example, improved forums counter poor communication, transparency addresses corruption, and training counters the skills gap. Participants demonstrated a holistic understanding that LED success requires coordinated, multi-pronged solutions.

The next section transitions to **Objective 3**, focusing on the **benefits** of private sector inclusion in LED—essentially exploring the other side of the coin: how addressing these challenges unlocks opportunities.

4.5 Benefits of Private sector Inclusion in Rural LED

Objective 3 was achieved by administering questionnaire aimed at gauging the views of ecosystem partners with regards to the benefits that could accrue due to the inclusion of the private sector in the LED initiatives. The questionnaire was developed based on identified themes and sub-themes on the role of private sector and that of government. The assessment included government, to allow the identification of clashes in roles, grey areas, and where roles are neglected. **Section F1** of the questionnaire was dedicated to answering identify roles that the participants believed they should be played by the government and those that must be played by private sector, while **Section F2** sought a view on how the roles are being exercised.

4.5.1 Private Sector Inclusion Benefits

Table 4.43 and **Figure 4.27** highlight stakeholder perceptions of the benefits of private sector inclusion in LED in rural Limpopo. As summarised in **Table 4.44**, five thematic benefit areas emerged. Focus group responses show consistently high ratings across most categories, indicating broad consensus. Stakeholders strongly agreed on benefits such as expertise,

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innovation, efficiency, and knowledge transfer, though views on resource mobilization, PPPs, and long-term sustainability were more mixed.

Strong Consensus on Core Benefits

Several areas received near-universal agreement. The private sector was viewed as a key source of **expertise** (Mean 4.73), **innovation** (4.6), **efficiency** (4.53), and **accountability** (4.53). It was credited for enhancing operational processes and governance structures. **Skills development** (4.6) and **knowledge transfer** (4.73) also ranked highly, reflecting the sector's role in upskilling and sharing best practices.

Mixed Views on Resource Mobilization and PPPs

While generally positive, **resource mobilization** (Mean 3.8) and **PPPs** (3.8) received more varied ratings. Some stakeholders expressed concern over limited financial impact or uneven benefit distribution. Doubts about the effectiveness of PPPs in rural contexts reflected issues of trust, conflicting priorities, and bureaucracy.

Moderate Support for Economic Growth and Sustainability

Inclusive growth (4.0) and **market orientation** (4.26) were rated moderately, showing concern about equitable benefit distribution and overemphasis on profitability. **Long-term sustainability** (4.26) also revealed some scepticism about dependency and market volatility.

Lower Consensus on Adaptability and Competitiveness

Adaptive capacity (4.0) and **competitiveness** (4.13) saw less agreement. Some questioned whether the private sector can promote resilience or fair competition, fearing dominance by larger actors.

Summary

Stakeholders see clear benefits from private sector inclusion but call for greater trust, transparency, and equity in design and implementation. Addressing concerns about sustainability, resource mobilisation, and inclusivity will be essential to maximising impact.

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Table 4-43: Survey results rating the potential benefits of participation of private sector in LED.

Item	Potential Benefits of private sector involvement in LED	Completely Agree	Somewhat Agree	In Between	Disagree	Completely disagree.
1.	Integrate local suppliers into global value chains	27.00	11.00	18.00	9.00	1.00
2.	Participate in co-creating innovation solutions with communities	27.00	15.00	10.00	13.00	1.00
3.	Invest in socially impactful technologies that address local challenges such as water and energy	28.00	9.00	15.00	9.00	5.00
4.	Share proprietary technology and expertise with local innovators	27.00	15.00	8.00	11.00	5.00
5.	Create and invest in community-owned business models e.g. cooperatives	27.00	14.00	17.00	7.00	1.00
6.	Employ local talent in managerial and technical positions	27.00	16.00	16.00	6.00	1.00
7.	Conduct outreach programs to identify and mentor promising innovators in marginalized areas	27.00	14.00	17.00	5.00	3.00
8.	Fund community innovation challenges e.g. ideathons	22.00	15.00	16.00	9.00	4.00
9.	Develop training programs aligned with local economic needs and innovations	23.00	18.00	15.00	8.00	2.00
10.	Co-invest in skills development centres with government entities	27.00	10.00	18.00	6.00	5.00
11.	Offer/host employee volunteering programs to provide training in local communities	28.00	19.00	9.00	8.00	2.00
12.	Establish in-house research and learning academies	27.00	14.00	13.00	7.00	5.00
13.	Establish micro-franchising opportunities to support small enterprises	23.00	13.00	14.00	13.00	3.00
14.	Invest in pilot projects for startups within local innovation ecosystems	26.00	11.00	16.00	7.00	6.00
15.	Provide shared services e.g. logistics and marketing to small businesses in emerging markets	25.00	14.00	15.00	10.00	2.00
16.	Actively sponsor local entrepreneurs	26.00	16.00	13.00	10.00	1.00
17.	Partner with government in maintaining and upgrading infrastructure	27.00	7.00	14.00	13.00	5.00
18.	Integrate sustainability practices into infrastructure investments	27.00	10.00	16.00	10.00	3.00
19.	Provide funding and technology for clean energy initiatives	22.00	14.00	17.00	10.00	3.00
20.	Participate in digital transformation projects within local communities	26.00	12.00	15.00	8.00	5.00
21.	Host innovation competitions to identify local talent and scalable solutions	25.00	13.00	14.00	10.00	4.00
22.	Invest in local research and development initiatives	26.00	17.00	11.00	11.00	1.00
23.	Collaborate with traditional knowledge holders to generate indigenous solutions	25.00	21.00	9.00	6.00	5.00
24.	Establish partnerships with academic institutions to implement joint innovation projects	28.00	17.00	10.00	10.00	1.00

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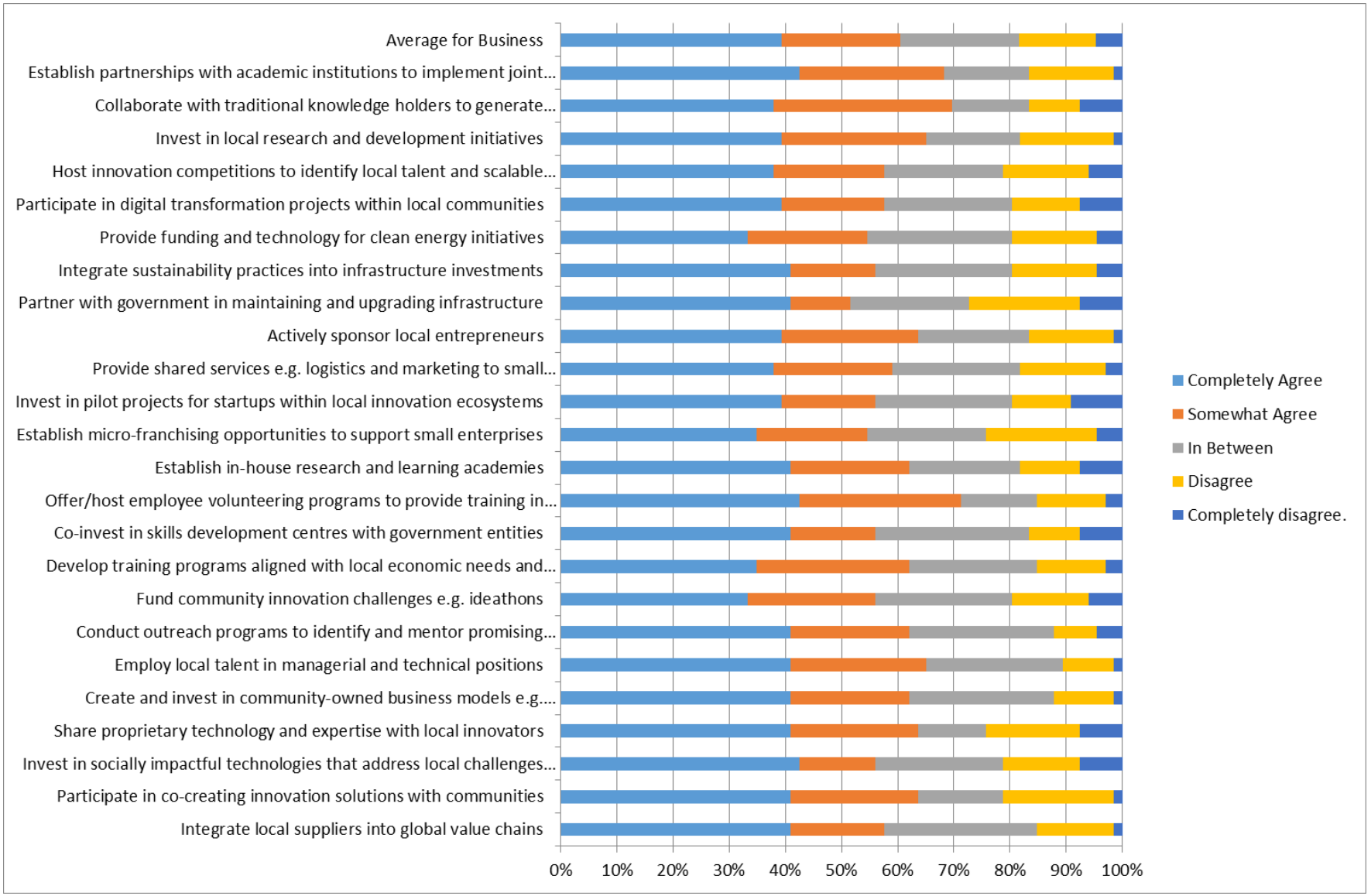


Figure 4-27: Survey results rating the potential benefits of participation of private sector in LED.

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Table 4-44: Survey results rating the prevalence of the potential benefits of participation of private sector in LED currently.

Item	Potential Benefits of private sector involvement in LED	Completely Agree	Somewhat Agree	In Between	Disagree	Completely disagree.
1.	Integrate local suppliers into global value chains	9.00	8.00	21.00	20.00	8.00
2.	Participate in co-creating innovation solutions with communities	8.00	6.00	23.00	16.00	13.00
3.	Invest in socially impactful technologies that address local challenges such as water and energy	10.00	5.00	22.00	19.00	10.00
4.	Share proprietary technology and expertise with local innovators	7.00	9.00	19.00	19.00	12.00
5.	Create and invest in community-owned business models e.g. cooperatives	8.00	7.00	24.00	16.00	11.00
6.	Employ local talent in managerial and technical positions	9.00	14.00	18.00	15.00	10.00
7.	Conduct outreach programs to identify and mentor promising innovators in marginalized areas	7.00	7.00	23.00	15.00	14.00
8.	Fund community innovation challenges e.g. ideathons	6.00	8.00	25.00	15.00	12.00
9.	Develop training programs aligned with local economic needs and innovations	7.00	10.00	26.00	15.00	8.00
10.	Co-invest in skills development centres with government entities	7.00	7.00	25.00	14.00	13.00
11.	Offer/host employee volunteering programs to provide training in local communities	13.00	6.00	23.00	12.00	12.00
12.	Establish in-house research and learning academies	5.00	11.00	24.00	18.00	8.00
13.	Establish micro-franchising opportunities to support small enterprises	5.00	12.00	25.00	12.00	12.00
14.	Invest in pilot projects for startups within local innovation ecosystems	5.00	10.00	21.00	13.00	17.00
15.	Provide shared services e.g. logistics and marketing to small businesses in emerging markets	6.00	6.00	25.00	20.00	9.00
16.	Actively sponsor local entrepreneurs	10.00	7.00	17.00	22.00	10.00
17.	Partner with government in maintaining and upgrading infrastructure	6.00	4.00	23.00	23.00	10.00
18.	Integrate sustainability practices into infrastructure investments	7.00	8.00	22.00	18.00	11.00
19.	Provide funding and technology for clean energy initiatives	6.00	6.00	28.00	17.00	9.00
20.	Participate in digital transformation projects within local communities	5.00	11.00	22.00	15.00	13.00
21.	Host innovation competitions to identify local talent and scalable solutions	8.00	10.00	21.00	14.00	13.00
22.	Invest in local research and development initiatives	8.00	10.00	24.00	14.00	10.00
23.	Collaborate with traditional knowledge holders to generate indigenous solutions	5.00	13.00	19.00	17.00	12.00
24.	Establish partnerships with academic institutions to implement joint innovation projects	10.00	10.00	21.00	19.00	6.00

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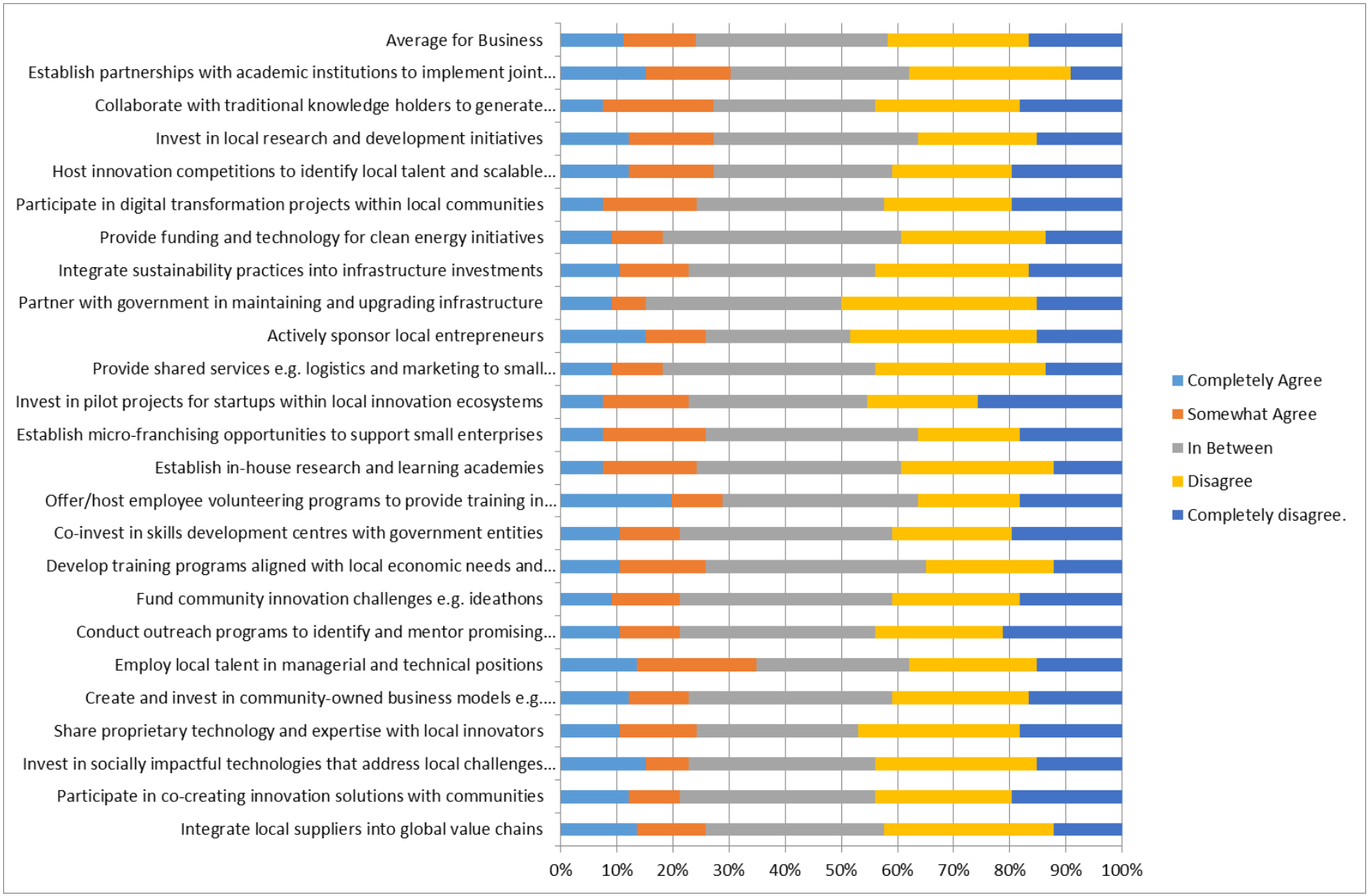


Figure 4-28: Survey results rating the prevalence of the potential benefits of participation of private sector in LED currently

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Table 4-45: Stakeholder perceptions of benefits due to private sector involvement in LED

Benefit	Mean Score	Standard Deviation	Consensus Level
1. Governance and management capacity			
a) Expertise	4.73	0.80	High
b) Knowledge transfer	4.73	0.46	High
c) Efficiency	4.53	0.74	High
d) Accountability	4.53	0.80	High
e) Capacity building	4.40	0.83	High
f) Skills development	4.60	0.80	High
g) Resource mobilization	3.80	1.26	Moderate
2. Economic growth and competitiveness			
a) Innovation	4.60	0.86	High
b) Job creation	4.47	0.94	High
c) Market orientation	4.26	0.87	Moderate
d) Competitiveness	4.13	0.89	Moderate
3. Sustainability and resilience			
a) Long-term sustainability	4.26	1.03	Moderate
b) Adaptive capacity & resilience	4	1.02	Moderate
4. Inclusivity and stakeholder engagement			
a) Enhanced stakeholder engagement	4.07	0.95	Moderate
b) Inclusive growth	4	1.05	Moderate
5. Collaborative partnerships			
Public-private partnerships	3.80	1.24	Moderate

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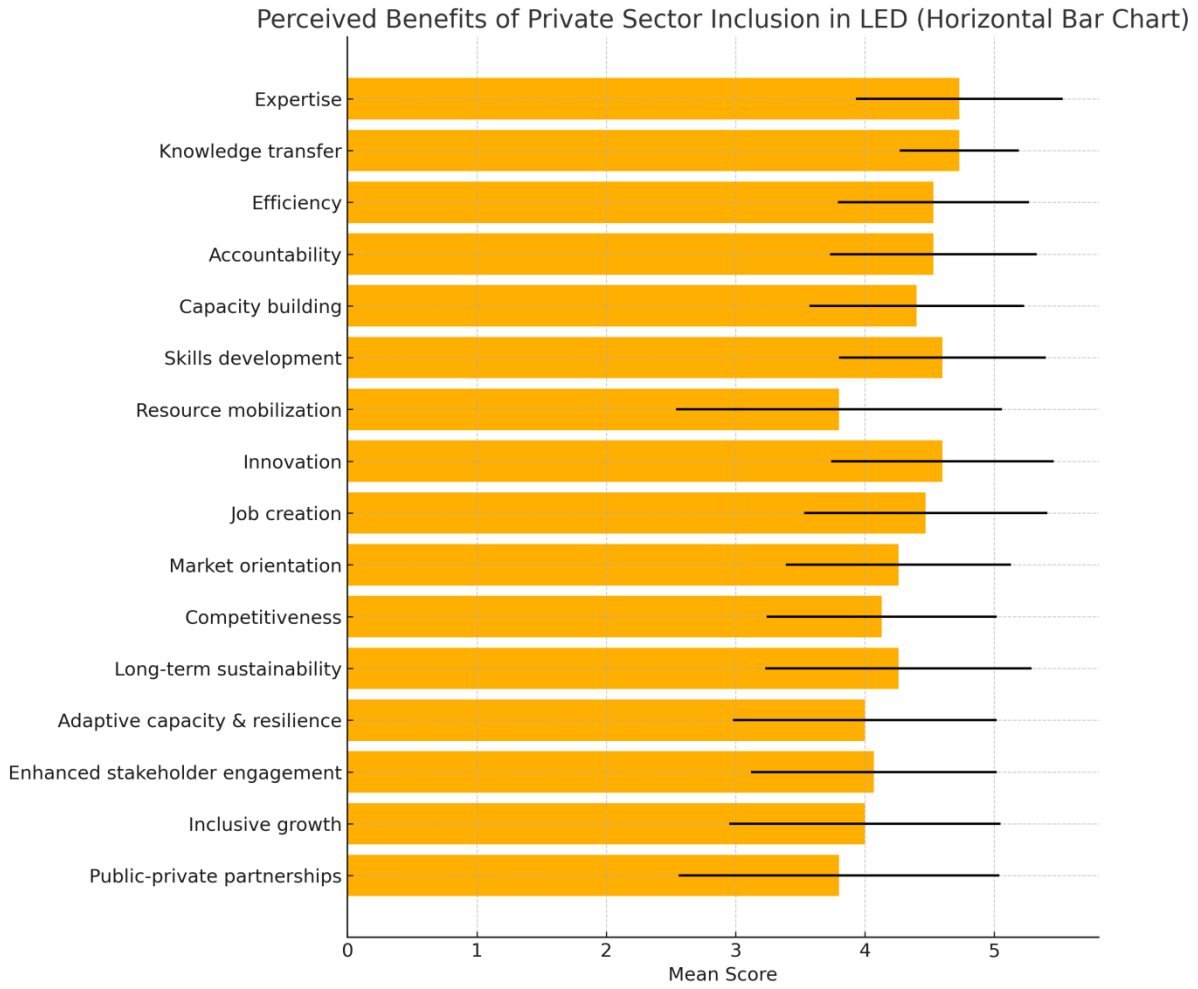


Figure 4-29: Stakeholder perceptions of benefits due to private sector involvement in LED.

4.5.2 Government Sector Inclusion Benefits

Theme 1: Government Support for Innovation Ecosystems - This theme included initiatives where government plays a central role through financial support, infrastructure, and policy. Respondents showed strong support for government-led innovation efforts, particularly those benefiting underrepresented groups. However, differences by age and region emerged. Younger respondents (<30) supported tax incentives more (Mean = 4.2) than older ones (>45) (Mean = 3.6). Respondents from Limpopo favoured innovation funds for marginalised groups (Mean = 4.2) over those from Gauteng (Mean = 3.7), indicating regional variation.

Theme 2: Government Policies and Regulations - Respondents widely agreed that government must establish fair regulatory environments. Affirmative procurement and equitable access policies were well supported. Female respondents rated these higher (Mean

= 4.1) than males (Mean = 3.8), showing gender-based differences. The data also emphasised the need for ongoing policy enforcement.

Theme 3: Business Contributions to Innovation - Businesses were seen as key players in local innovation, particularly in skills development and sustainable practices. Respondents favoured co-investment in skills centres and community engagement.

Theme 4: Collaborative Initiatives - Strong support emerged for cross-sector collaboration—between government, businesses, academia, and communities—as essential for promoting innovation and solving local challenges.

Demographic Differences - Women favoured government-led initiatives, men favoured business-led ones. Limpopo respondents prioritised infrastructure, while Gauteng focused on digital transformation. Younger participants supported technology transfer, and highly educated respondents preferred smart city initiatives.

Summary

Findings highlight the need for collaborative, demographically sensitive innovation strategies. Government support, business investment, and stakeholder engagement are key to effective ecosystems.

Business and Community Innovation Themes

Respondents agreed on integrating local suppliers (Mean = 3.78), hiring local talent (3.86), and supporting cooperatives (3.46). Co-creating innovation with communities (3.66) and funding ideathons (3.32) were moderately supported. Outreach to marginalised innovators (3.28) was also valued.

Training aligned with local needs (3.42), sharing proprietary tech (3.24), and employee volunteering (3.26) were moderately supported. Co-investment in skills centres (3.44) and in-house research hubs (3.64) were positively viewed.

There was support for impact tech investment (3.44), start-up pilots (3.38), infrastructure PPPs (3.54), and clean energy funding (3.68). Sustainability in infrastructure (3.52) was also valued.

Entrepreneur sponsorship (3.64), shared services (3.44), and micro-franchising (3.16) were supported. Digital transformation (3.50), innovation competitions (3.60), local R&D (3.74), and indigenous knowledge collaboration (3.52) also ranked highly.

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Table 4-46: Survey results rating the potential benefits of participation of government in LED.

Item	Potential Benefits of government involvement in LED	Completely Agree	Somewhat Agree	In Between	Disagree	Completely disagree.
1	Establish tax incentives for businesses investing in local innovation	24.00	18.00	12.00	10.00	2.00
2	Promote regional economic diversification through policy and funding programs	26.00	10.00	19.00	8.00	3.00
3	Create platforms for cross-sectoral collaboration, including academia, government and industry	25.00	16.00	15.00	8.00	2.00
4	Facilitate technology transfer and patent sharing	25.00	13.00	13.00	11.00	4.00
5	Implement affirmative procurement policies to support marginalized entrepreneurs	28.00	16.00	12.00	8.00	2.00
6	Set up innovation funds for underrepresented groups e.g. women, youth and persons with disabilities	26.00	21.00	8.00	9.00	2.00
7	Monitor and enforce policies promoting equitable access to economic opportunities	27.00	10.00	15.00	12.00	2.00
8	Expand public-private partnerships (PPPs) in education and training	27.00	13.00	16.00	7.00	3.00
9	Provide infrastructure for technical and vocational education e.g. innovation labs and makerspaces	26.00	16.00	11.00	10.00	3.00
10	Support training programs specifically for digital and green technologies	28.00	12.00	15.00	7.00	4.00
11	Offer scholarships and grants targeting local talent development	29.00	13.00	15.00	5.00	4.00
12	Provide market intelligence and business advisory services	26.00	16.00	15.00	8.00	1.00
13	Introduce simplified business registration processes and e-governance tools	31.00	11.00	13.00	8.00	3.00
14	Facilitate networking events to connect startups, investors and mentors	26.00	15.00	14.00	9.00	2.00
15	Support crowdfunding platforms targeting inclusive innovation	25.00	13.00	15.00	9.00	4.00
16	Develop comprehensive zoning plans to encourage innovation clusters	25.00	15.00	15.00	11.00	0.00
17	Establish smart city initiatives to integrate technology into public infrastructure	20.00	24.00	12.00	9.00	1.00
18	Promote energy-efficient and green infrastructure projects	20.00	20.00	16.00	9.00	1.00
19	Strengthen transparency through open data platforms for local businesses and innovators	23.00	14.00	16.00	12.00	1.00
20	Establish regional innovation councils or bodies to coordinate stakeholders	23.00	15.00	14.00	8.00	6.00
21	Support incubators and accelerators tailored to local contexts	27.00	10.00	16.00	11.00	2.00
22	Fund indigenous knowledge-based innovation projects	32.00	6.00	11.00	17.00	0.00
23	Encourage the use of open-source platforms for innovation collaboration	30.00	8.00	12.00	13.00	3.00

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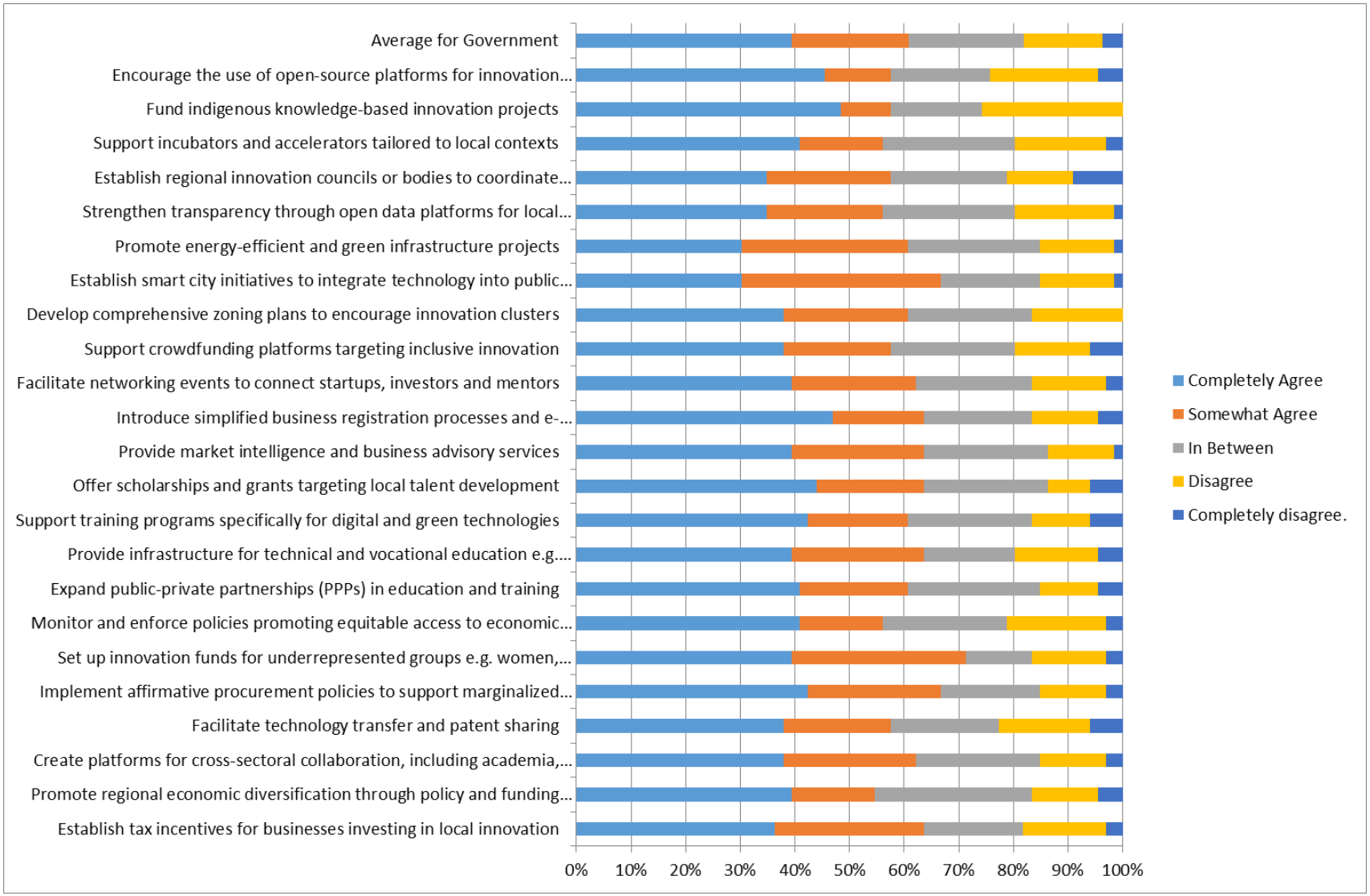


Figure 4-30: Survey results rating the potential benefits of participation of government in LED.

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Table 4-47: Survey results rating the prevalence of the potential benefits of participation of government in LED currently.

Item	Potential Benefits of government involvement in LED	Completely Agree	Somewhat Agree	In Between	Disagree	Completely disagree.
1	Establish tax incentives for businesses investing in local innovation	6.00	8.00	21.00	23.00	8.00
2	Promote regional economic diversification through policy and funding programs	6.00	11.00	22.00	17.00	10.00
3	Create platforms for cross-sectoral collaboration, including academia, government and industry	8.00	6.00	23.00	20.00	9.00
4	Facilitate technology transfer and patent sharing	7.00	11.00	22.00	15.00	11.00
5	Implement affirmative procurement policies to support marginalized entrepreneurs	8.00	13.00	18.00	21.00	6.00
6	Set up innovation funds for underrepresented groups e.g. women, youth and persons with disabilities	8.00	14.00	22.00	14.00	8.00
7	Monitor and enforce policies promoting equitable access to economic opportunities	7.00	10.00	21.00	20.00	8.00
8	Expand public-private partnerships (PPPs) in education and training	7.00	11.00	22.00	19.00	7.00
9	Provide infrastructure for technical and vocational education e.g. innovation labs and makerspaces	11.00	8.00	12.00	25.00	10.00
10	Support training programs specifically for digital and green technologies	8.00	8.00	21.00	20.00	9.00
11	Offer scholarships and grants targeting local talent development	10.00	12.00	25.00	12.00	7.00
12	Provide market intelligence and business advisory services	6.00	9.00	27.00	15.00	9.00
13	Introduce simplified business registration processes and e-governance tools	11.00	12.00	15.00	18.00	10.00
14	Facilitate networking events to connect startups, investors and mentors	8.00	11.00	27.00	13.00	7.00
15	Support crowdfunding platforms targeting inclusive innovation	8.00	9.00	16.00	22.00	11.00
16	Develop comprehensive zoning plans to encourage innovation clusters	6.00	11.00	21.00	21.00	7.00
17	Establish smart city initiatives to integrate technology into public infrastructure	8.00	6.00	20.00	18.00	14.00
18	Promote energy-efficient and green infrastructure projects	7.00	6.00	20.00	22.00	11.00
19	Strengthen transparency through open data platforms for local businesses and innovators	6.00	8.00	20.00	26.00	6.00
20	Establish regional innovation councils or bodies to coordinate stakeholders	9.00	8.00	22.00	17.00	10.00
21	Support incubators and accelerators tailored to local contexts	8.00	12.00	21.00	14.00	11.00
22	Fund indigenous knowledge-based innovation projects	7.00	8.00	16.00	25.00	10.00
23	Encourage the use of open-source platforms for innovation collaboration	9.00	8.00	22.00	18.00	9.00

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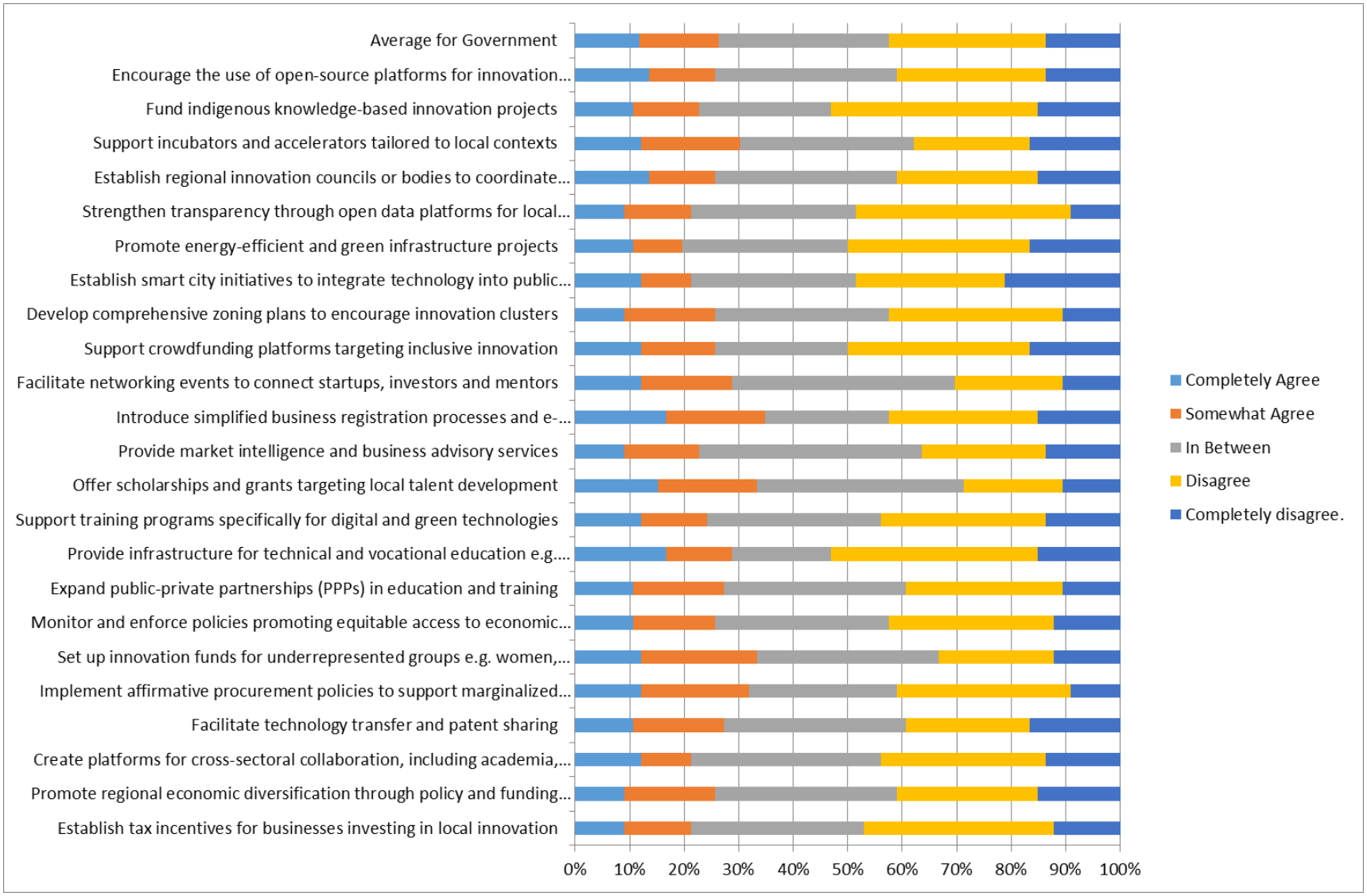


Figure 4-31: Survey results rating the prevalence of the potential benefits of participation of government in LED currently

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Table 4-48: Government support initiatives

Government Initiative	Average Rating	Standard Deviation	Significance (p-value)
Establish tax incentives for businesses investing in local innovation	3.79	0.92	$p < 0.05$
Set up innovation funds for underrepresented groups (e.g., women, youth, and persons with disabilities)	3.91	0.88	$p < 0.01$
Provide infrastructure for technical and vocational education (e.g., innovation labs and makerspaces)	3.79	0.92	$p < 0.05$
Offer scholarships and grants targeting local talent development	3.89	0.89	$p < 0.01$
Support incubators and accelerators tailored to local contexts	3.82	0.91	$p < 0.01$

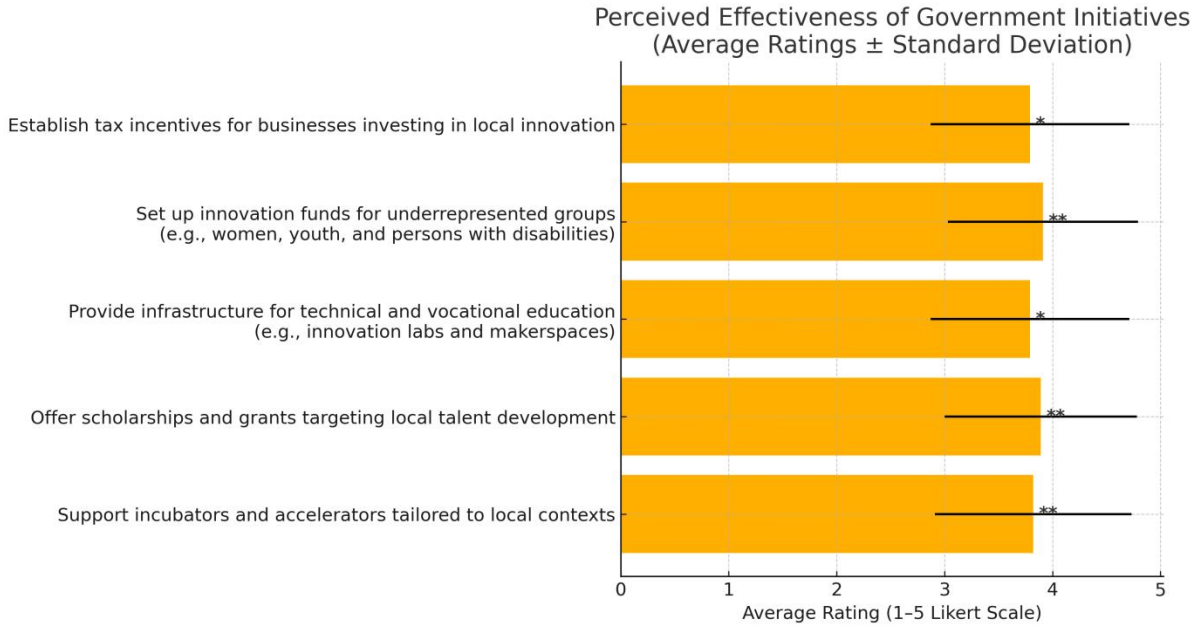


Figure 4-32: Government support initiatives (= p < 0.01, * = p < 0.05)**

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Table 4-49: Government policies and regulations

Government Initiative	Average Rating	Standard Deviation	Significance (p-value)
Implement affirmative procurement policies to support marginalized entrepreneurs	3.91	0.89	$p < 0.01$
Monitor and enforce policies promoting equitable access to economic opportunities	3.73	0.94	$p < 0.05$
Introduce simplified business registration processes and e-governance tools	3.82	0.91	$p < 0.01$
Strengthen transparency through open data platforms for local businesses and innovators	3.80	0.91	$p < 0.05$

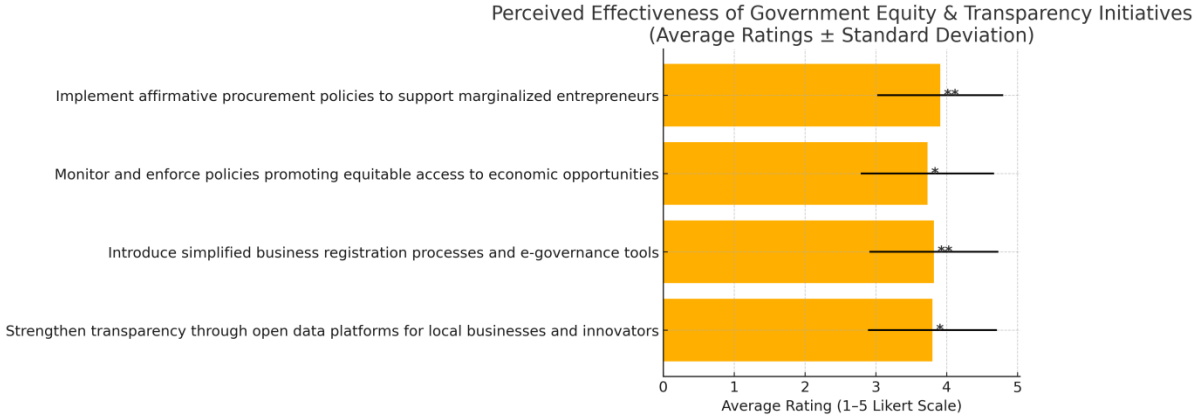


Figure 4-33: Government policies and regulations (= p < 0.01, * = p < 0.05)**

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Table 4-50: Business contributions

Business Initiative-	Average Rating	Standard Deviation	Significance (p-value)
Co-invest in skills development centres with government entities	3.73	0.93	$p < 0.05$
Integrate local suppliers into global value chains	3.82	0.91	$p < 0.05$
Actively sponsor local entrepreneurs	3.85	0.90	$p < 0.01$
Provide funding and technology for clean energy initiatives	3.64	0.95	$p < 0.05$
Collaborate with traditional knowledge holders to generate indigenous solutions	3.92	0.89	$p < 0.01$
Offer/host employee volunteering programs to provide training in local communities	3.95	0.88	$p < 0.01$

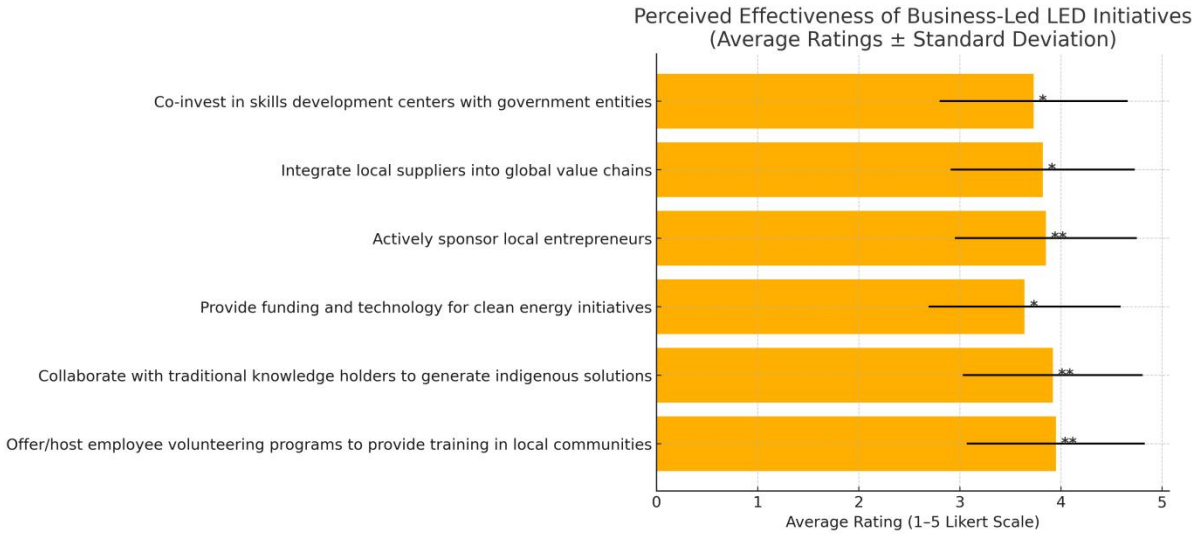


Figure 4-34 Business contributions (= p < 0.01, * = p < 0.05)**

Table 4-51: Collaborative initiatives

Collaborative Initiative	Average Rating	Standard Deviation	Significance (p-value)
Create platforms for cross-sectoral collaboration	3.82	0.91	$p < 0.01$
Expand public-private partnerships (PPPs) in education and training	3.82	0.91	$p < 0.01$
Facilitate networking events to connect startups, investors, and mentors	3.80	0.91	$p < 0.05$
Establish regional innovation councils or bodies to coordinate stakeholders	3.74	0.93	$p < 0.05$

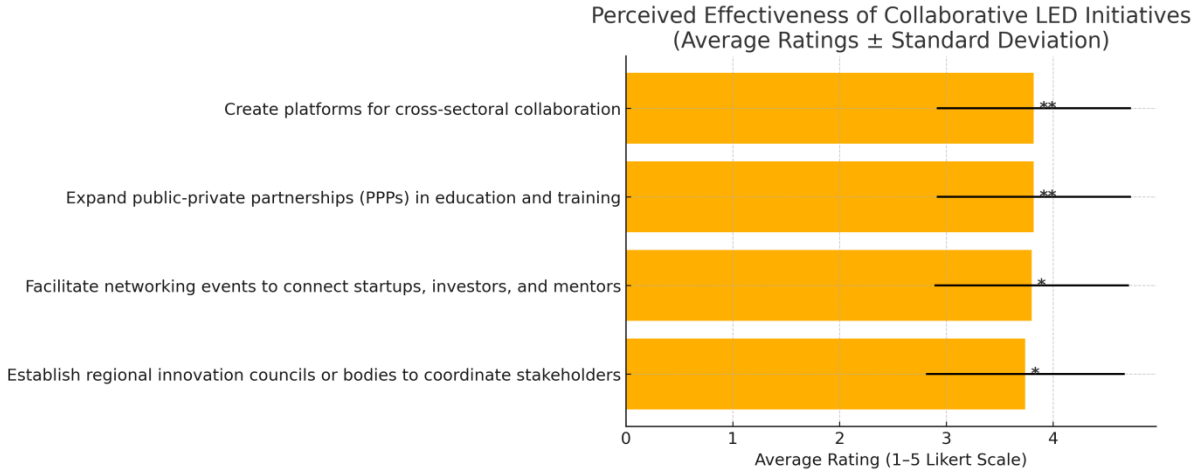


Figure 4-35: Collaborative initiatives (= p < 0.01, * = p < 0.05)**

Table 4-52: Results of Survey on Roles of Business

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Theme	Statement	Mean	SD	Level of agreement
Local Integration and Empowerment	Integrate local suppliers into global value chains	3.78	1.18	High
	Employ local talent in managerial and technical positions	3.86	1.29	High
	Create and invest in community-owned business models e.g. cooperatives	3.46	1.25	Moderate
Community and Innovation Support	Participate in co-creating innovation solutions with communities	3.66	1.26	Moderate
	Fund community innovation challenges e.g. ideathons	3.32	1.18	Moderate
	Conduct outreach programs to identify and mentor promising innovators in marginalized areas	3.28	1.26	Moderate
Skills Development and Knowledge Transfer	Develop training programs aligned with local economic needs and innovations	3.42	1.28	Moderate
	Share proprietary technology and expertise with local innovators	3.24	1.28	Moderate
	Offer/host employee volunteering programs to provide training in local communities	3.26	1.22	Moderate
	Co-invest in skills development centres with government entities	3.44	1.37	High
	Establish in-house research and learning academies	3.64	1.37	High
Investment and Infrastructure	Invest in socially impactful technologies that address local challenges such as water and energy	3.44	1.23	High
	Invest in pilot projects for startups within local innovation ecosystems	3.38	1.26	Moderate
	Partner with government in maintaining and upgrading infrastructure	3.54	1.25	High
	Provide funding and technology for clean energy initiatives	3.68	1.36	High
	Integrate sustainability practices into infrastructure investments	3.52	1.31	High
Entrepreneurship and Shared Services	Actively sponsor local entrepreneurs	3.64	1.29	High
	Provide shared services e.g. logistics and marketing to small businesses in emerging markets	3.44	1.29	Moderate

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	Establish micro-franchising opportunities to support small enterprises	3.16	1.23	Moderate
Digital Transformation and Open Innovation	Participate in digital transformation projects within local communities	3.50	1.36	High
	Host innovation competitions to identify local talent and scalable solutions	3.60	1.37	High
	Invest in local research and development initiatives	3.74	1.40	High
	Collaborate with traditional knowledge holders to generate indigenous solutions	3.52	1.35	High
	Establish partnerships with academic institutions to implement joint innovation projects	3.66	1.39	High

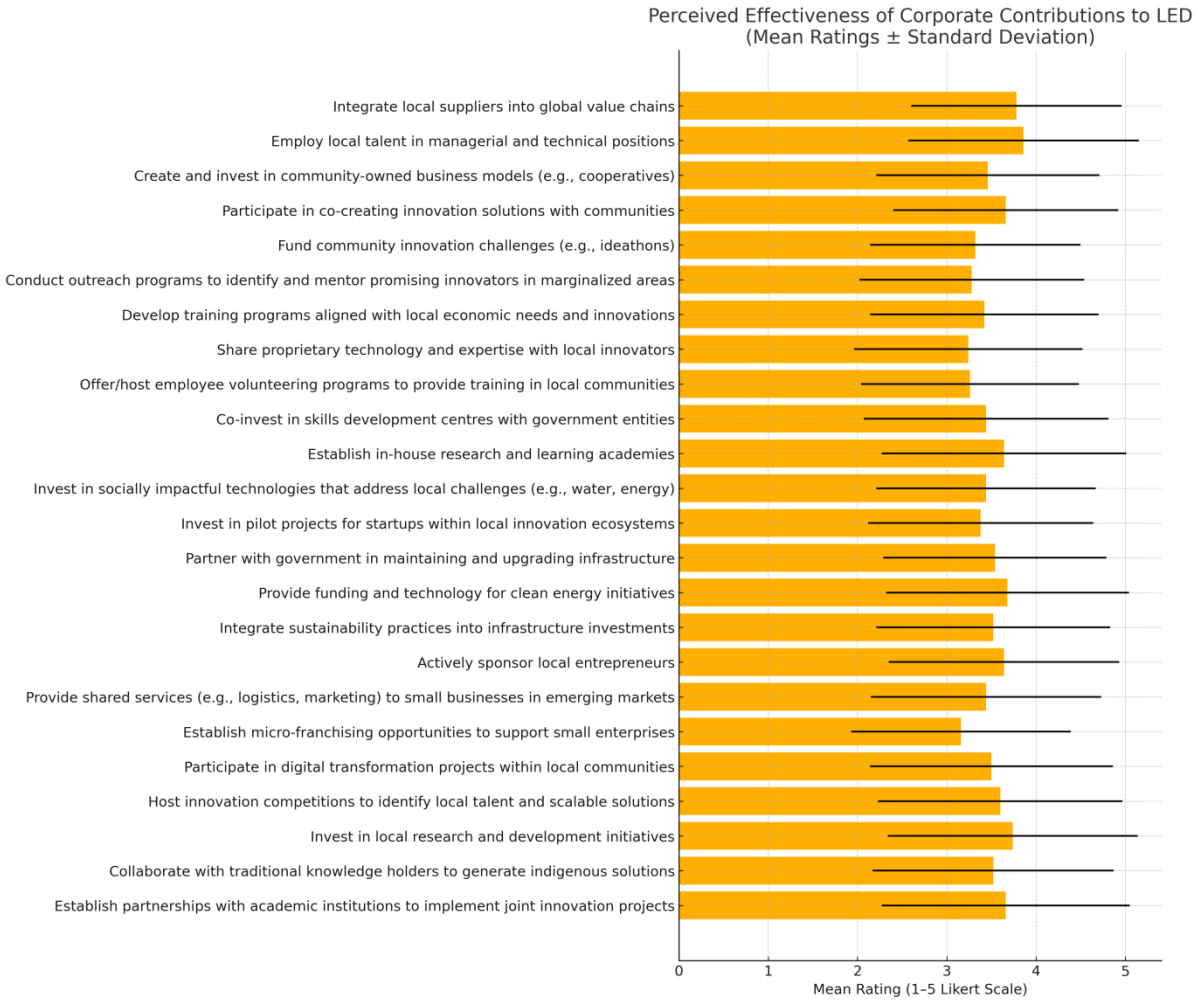


Figure 4-36: Results of Survey on Roles of Business

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4.5.3 Consolidated views

This objective explored the perceived benefits of private sector contributions to LED through survey ratings and qualitative discussions. Findings revealed broad consensus across stakeholder groups (government, business, civil society) that an empowered private sector is essential for sustainable local development. The benefits fall into five thematic areas:

1. Enhanced Expertise, Efficiency, and Innovation

A key benefit is the expertise the private sector offers. Participants agreed that businesses bring valuable skills in project management, finance, and technical domains. “Expertise” and “knowledge transfer” received the highest mean scores (4.73), with low standard deviations, indicating strong agreement. Stakeholders noted that private firms have specialised knowledge—such as advanced farming or engineering techniques—which, if shared, can improve local capabilities.

Private sector efficiency was also emphasised. Businesses' focus on results and cost-effectiveness was seen as helping LED projects avoid delays and waste. “Efficiency” had a mean score of 4.53. One participant noted that business discipline could help LED projects “avoid unnecessary costs and finish on time.” Similarly, innovation was rated highly (mean ~4.6), with examples such as renewable energy technologies and rural e-commerce. These benefits enhance professionalism and creativity, bringing governance, skills, and solutions.

2. Resource Mobilisation and Investment

Another major benefit is resource mobilisation. While not as highly rated as expertise (mean = 3.80, SD = 1.26), most participants agreed that private capital is essential. Some noted that businesses invest only when returns are likely, meaning incentives are needed. Examples included co-investment in training centres or transport infrastructure that also benefits private operations.

Private firms can also connect local producers to markets, especially in agriculture. Agro-processors partnering with farmers create income and reinvestment. Officials added that increased business activity expands the tax base, which helps LED become self-sustaining. Although past disappointments were noted, participants remained optimistic that, with the right conditions, private sector investment would grow—particularly in infrastructure, SMME finance, and community projects.

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3. Accountability and Good Governance

Participants noted that businesses often require transparent plans and risk mitigation before investing, thereby pushing better governance in LED. “Accountability” scored 4.53, with strong support. One respondent noted that chambers of commerce demand reports and financial accountability, improving municipal performance.

This flips the usual narrative—business was not seen as a corruption risk, but as a source of discipline and oversight. Reputable businesses follow compliance rules and audits, increasing transparency. One official said business involvement helped their LED unit “up its game.” Literature supports this: PPPs can improve governance through performance-based approaches, making business participation a potential check-and-balance system.

4. Job Creation, Skills Development, and Social Benefits

Nearly all participants associated private sector involvement with job creation. Although not directly rated, job creation was repeatedly mentioned as the main desired outcome. In later sections, it ranked as the top expected output from collaboration frameworks. Participants see private sector inclusion as a means to create real socio-economic impact—especially employment.

Skills development was rated highly (mean ~4.6). Participants believed businesses would offer apprenticeships and job training, helping address local skills shortages. One NGO participant remarked that a single large investor could transform a community’s workforce. This also fosters local entrepreneurship over time.

Other social benefits included youth role models and reduced crime due to employment. Businesses also support schools and sports teams, formally or informally. However, participants cautioned that benefits depend on the nature of private engagement. If firms aren’t local or committed to local hiring, the benefits may be limited. Some warned of risks such as environmental harm or market domination by large companies. Still, most felt benefits outweighed risks—especially with governance to manage private sector behaviour.

5. Improved Collaboration and Shared Vision

A less tangible but important benefit was stronger collaboration and shared development vision. Participants said when businesses are included, they feel a sense of ownership in LED. This builds trust and encourages more coordinated action. Survey scores for stakeholder engagement and inclusive growth were moderately high (means ~4.0+).

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Business actors can bridge gaps between government and communities—speaking the market's language while understanding local needs. For example, local entrepreneurs may translate community expectations into viable development proposals.

Summary

Table 4.20 showed high consensus on benefits like expertise, knowledge transfer, efficiency, accountability, and skills development. Moderate consensus existed for resource mobilisation, PPPs, and long-term sustainability. No benefit was rated unimportant—lowest-scoring items still averaged 3.8, indicating agreement.

The overall findings show strong support for integrating the private sector into LED, reinforcing global LED principles in Limpopo's context. These insights directly inform the next section—**Objective 4**, which builds a private sector-inclusive governance framework that responds to challenges and aims to maximise the benefits identified above.

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4.6 Development of a private sector-inclusive governance framework for LED

This section presents results for Objective 4. Building on the insights gathered, this section presents the framework formulated by the study. The development of the framework was an iterative process: it drew on the literature review of LED frameworks (Objective 1), the empirical challenges and gaps identified (Objective 2), and the areas of value and best practices highlighted (Objective 3). The framework's aim is to provide a structured approach to LED that actively includes the private sector as a co-driver, alongside government and civil society, addressing the specific conditions of rural Limpopo.

The theoretical view of a holistic framework is presented by defining the "WHO", "HOW" and "WHY" requirements based on the lay epistemics theory facets, i.e. The Need for Cognitive Closure (why), Parametric Processes (how), and Epistemic Authority (who). The facets of epistemic behaviour are said to jointly produce human knowledge of essential significance to people's individual and collective functioning. It examines how individuals form knowledge about various topics, including attitudes, beliefs, stereotypes, and causal inferences, and it mimics the local economic development objectives of creating a conducive environment by bring together all stakeholders without a focus on the individual stakeholder's inherent nature or desire but a collective win.

The theory is then supported by data results acquired in objectives 1 to 3. The results showed that there were three areas that define the appropriate framework, which is firstly the need for a common platform that brings ecosystem partners together towards a common negotiated goal, this is the "WHO". Second, a standardized methodology for development of strategy to be used to implement LED initiatives allowing for measuring its performance vertically through the different tiers of government and horizontally through the various geographically located communities, this is the "HOW". Thirdly a need for a capacity building platform to ensure that ecosystem partners are acting on an equitable basis, this is the "WHY". The results also pointed to the fact that the appropriate framework, while being pro-poor, should not bring about market distortions, instead must allow the free hand market principle to prevail, as all communities are part of and are affected by the global economy.

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For successful implementation, the results highlight the importance of understanding the specific local context in which LED activities are carried out. This includes analysing the local economy in terms of opportunities and threats, as well as establishing a realistic timeline based on the strengths and weaknesses of the ecosystem partners. By addressing these factors, the results show there will be alignment of aims on the local strategies with national policy objectives, allows for logical allocation of roles and responsibilities and foster sustainable economic development.

The framework is conceptually organized around three core components, often referenced as the “WHO, HOW, and WHY” – inspired by the theoretical inside-out approach discussed in Chapter 1 (Sinek’s model adapted for LED). In the context of this study, these translate to: The three areas become the three essential components of the Private Sector-Inclusive Governance Framework, as follows, and are presented in the following subsections:

1. **The Multi-Stakeholder Platform** – the “WHO”:” This component focuses on the structures and mechanisms for “inclusive decision-making”, ensuring that all key stakeholders (especially the private sector, alongside government and civil society) have institutionalized roles in LED governance. It addresses the question of “who” is at the table and how they collaborate. Further that the platform ensures inclusivity while respecting economic principles, and rather Leverage Public-Private Partnerships (PPPs), Corporate Social Responsibility (CSR), and Public Goods Services (PGS) to create an enabling environment (Soga & Vyas-Doorgapersad, 2021; Khoza & Nel, 2022; UNDP, 2021).
2. **The Objective Setting, M&E and adaptive Capacity Building Platform** – the “WHY”:” This component is concerned with the “motivations, monitoring and evaluation, and capacity and enabling environment” behind LED efforts. It encapsulates “why” the LED programs are needed and beneficial, strengthening the rationale for stakeholders to engage and making sure the overarching purpose (sustainable development) is kept in focus. It includes building the necessary skills and knowledge among stakeholders, and monitoring and evaluating to allow for refining policies or guidelines so that everyone is working towards a common vision. Essentially, it enhances purpose and governance capabilities to attract private sector investment and leveraging on Digital Governance Enablers and Incentives for Digital Transformation to ensure transparency and efficiency (African Development Bank, 2023; Mutula, 2020; Tshwane, 2021)

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3. **The Standardization and implementation of LED Platform** – the "HOW":" This component deals with the "processes, tools, and norms" that guide LED planning and execution. It emphasizes adopting best-practice methodologies (inspired by approaches like the inside-out development strategy) and ensures that LED initiatives follow a coordinated, step-by-step approach. It answers "how" LED activities are carried out effectively and consistently. This also draws from the fact that the LED framework 2018-2028 aims to standardize and enhance the contextualization of LED, and adherence to project management procedures and policies is seen as key to successful LED implementation (Soga & Vyas-Doorgapersad, 2021; Mabunda & Ndou, 2019)

These components are interrelated and together form the comprehensive theoretical framework for the private sector-inclusive LED governance model. Each component is informed by specific theories and considerations (as discussed in section 1.5.1) and corresponds to a major part of the proposed solution. In the subsequent sub-sections, each component is elaborated on, including the theoretical inspirations and practical elements that define it. Table 4.9 provide typologies that guided the development of the framework.

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Table 4-53: Consolidated Typologies Guiding LED Governance Framework Design

Dimension	Typologies / Categories	Description
LED Objectives (WHY)	Innovation-driven LED	Focuses on fostering technology, knowledge industries, and R&D for economic diversification and competitiveness.
	Infrastructure-led LED	Prioritises investment in physical and digital infrastructure as a catalyst for local growth.
	Natural resource-led LED	Centres on exploiting local natural resources (e.g., mining, agriculture) while managing sustainability risks.
	Tourism-led LED	Utilises local heritage, culture, or natural attractions to generate income and jobs.
	Social cohesion-driven LED	Seeks to strengthen community ties, social capital, and inclusion as development goals.
	Sustainability/Green-led LED	Aims for environmental resilience, green economy jobs, and low-carbon growth pathways.
LED Leadership Styles (WHO)	State-led LED	Government drives planning, funding, and delivery of LED projects.
	Private sector-led LED	The private sector independently leads local economic activities with minimal state involvement.
	Private sector-driven hybrid LED	Private sector leads in resource mobilisation and innovation, but within collaborative partnerships with government and civil society.
	State-driven hybrid LED	Government leads but actively incorporates private sector and civil society in co-designing and implementing LED.
	Civil society-driven hybrid LED	Community organisations lead initiatives, drawing in government and private partners for resources and scale.
LED Elements (HOW)	Anchors	Stable institutions (e.g. universities, large firms, hospitals) that act as hubs of economic activity and collaboration.
	Intermediaries	Entities that connect stakeholders, facilitate services, and broker resources (e.g. business incubators, NGOs).
	Infrastructure	Physical and digital assets enabling economic activity (roads, broadband, utilities, logistics hubs).
	Networks and Governance	Formal or informal structures for stakeholder engagement, collaboration, and coordination (e.g. forums, committees, steering groups).
	Citizens / Users	The people and businesses who utilise services, participate in projects, and sustain local economies.

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4.6.1 The Multi-Stakeholder Platform – The "WHO"

The first pillar of the framework is creating a Multi-Stakeholder LED Forum or platform where all relevant stakeholders can regularly convene, plan, and monitor LED initiatives. This addresses the fragmentation issue: previously, LED in Limpopo tended to be either government-driven or sporadically involve businesses with no sustained partnership. The proposed platform formalizes the involvement of the private sector (and other actors) in LED governance.

The research reveals that while South Africa is recognized for its exemplary practices in local economic development (LED) on policy level, there have been no significant success stories. This is primarily due to a lack of clarity about what LED entails, who the key role players are, who should take the lead, and how the implementation process should be. A significant factor contributing to this issue is the exclusion of the private sector from existing LED collaboration frameworks, despite the fact that the private sector typically holds most of the essential skills required for effective LED implementation. This problem is further compounded by the absence of regulation in private sector unionization, making it challenging to identify appropriate private sector stakeholders to engage with. Additionally, existing LED related documents are largely strategic or tactical in nature, leaving a gap at the operational level. This misalignment between local strategies and national policy direction hinders effective implementation.

To address these challenges, the research shows that the key ecosystem partners to LED are government, private sector and civil society. The role of the framework therefore must be to enable the ecosystem partners to collaborate to create a conducive environment while respecting the principles of a free-market economy, wherefore they should leverage Public-Private Partnerships (PPP), Corporate Social Responsibility (CSR), and Public Goods Services (PGS) to create an environment conducive to sustainable economic growth, rather than running programs that are at times competing with private sector or could be regarded as interfering in the market place. The results also shows that the LED can be state-led or private sector-driven hybrid , whence the framework must be able to assist in making the decision on who should lead depending on the objectives at the time and place.

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The approach in developing the Multi-Stakeholder platform draws insights from the nature of the participative democracy in South Africa on the one hand, and the principles of the economy on the other. South Africa's socio-economic and political architecture is defined by a mixed-market economy underpinned by constitutional participative democracy, where the key actors are government, private sector and civil society. Further, the Constitution of the Republic of South Africa (1996) explicitly mandates the state to redress past injustices and promote socio-economic transformation, asserting principles of social justice, economic development, and participatory governance (Constitution, 1996, Preamble; Section 1(d)). This normative foundation aligns with a hybrid market system, which merges capitalist enterprise with state intervention to drive equitable development (OECD, 2021).

It is important to understand that LED is ultimately about harmonizing the policies and actor to create a conducive environment for economic participation and investment, rather than substituting or dictating economic activity. PPPs, CSR, and PGS are tools rather than objectives—they support LED but do not redefine the primary existence of stakeholders involved. Governments remain enablers, not direct producers; businesses remain profit-driven, not social agents; and civil society remains advocacy-driven, not economic actors. Effective LED thus hinges on the strategic but non-intrinsic integration of these mechanisms, ensuring that development is driven by market forces within a stable, inclusive, and well-regulated economic landscape.

Structure: The platform would include representatives from: local government (municipal LED officers, possibly district or provincial LED officials as needed), private sector (business chambers, large corporations operating locally, small business association reps), civil society (NGOs, community organizations, cooperatives), traditional leadership (in areas under chiefs), and academia (e.g., local university or TVET college reps, for expertise). An independent chair or moderator could be considered to build trust (for instance, a respected retired judge or a local business leader). The platform should meet on a scheduled basis (e.g., quarterly strategy meetings, with working groups meeting more frequently).

Function: This body would collaboratively set LED priorities, design programs, and assign responsibilities. Importantly, it creates a channel for continuous dialogue – addressing the communication gap identified as a challenge. For example, if the private sector feels a certain regulation is hindering investment, they raise it here; if the municipality is planning an LED project, they engage businesses through this forum from the outset. As a participant put it, "we need to all sit at the same table." This platform is that table.

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Expected Outcomes: By having a multi-stakeholder governance structure, issues of mistrust and exclusion can be mitigated. Decisions and resource allocations become more transparent (everyone in the room knows what is promised and who is responsible). It also enables leveraging of strengths: private sector can offer input on feasibility and innovation, government can align with policy and provide support, communities can ensure relevance to local needs. The WHO dimension of challenges – such as corruption and poor partnerships – is directly targeted here. If properly managed, the forum can shine light on corrupt practices (more eyes watching) and nurture partnerships that were previously underused. Indeed, our mapping showed that improving relationships would reduce “high institutional risk”, and this platform is a direct mechanism to improve relationships.

It’s worth noting that similar multi-stakeholder approaches are recommended in LED literature: for example, the UNDP’s LED approach and the EU’s CLLD both emphasize local partnerships and committees that include private actors. Our framework localizes that idea to Limpopo’s context. During validation discussions, participants reacted very positively to this component, indicating it would give them a voice and stake in LED they currently lack. The presence of such a platform could also institutionalize mentorship and network support by linking new entrepreneurs with established ones within the forum’s activities.

In summary, the Multi-Stakeholder Platform is about defining who leads LED – not government alone, but a coalition of local stakeholders with the private sector at the core. It aims to foster trust, continuous engagement, and joint responsibility for LED outcomes.

Figure 4.37 presents a conceptual component that allows the ecosystem partners to visualize their roles and means to act for LED with the constitutional and economic principles bounds. Each of eth ecosystem partners is represented by its own circle, there three circles are tied together by the circle in the middle which represent the constitutional and economic principles, wherein:

1. The Government in fulfilling its duties must interact with both private sector and civil society. In the spirit of a conducive environment, such interactions are confined to PPP and PGS instead of service delivery and services provision.

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a. The government circle will have a portion for their internal matter wherein all state affairs are coordinated and that is generally the intergovernmental relations (IGR) space. In this space the government implements in line with the constitution and the enactment of parliament, and they can only report conflicts or challenges to the next portion, which is the parliament portion, but can't directly make changes. The government also conducts its business with the private sector and the civil society in this space as shown by the blue doted arrows.
b. The government circle will also have a portion called the parliament space, which is regulatory in nature, and it includes all forms of parliament work, not just the national and provincial, but the councils and other regulatory bodies. The parliament space is further sub-divided into a portion for interaction with the private sector for the purposes of PPP and the civil society for the purposes of the PGS.
c. The meeting point of PPP and PGS is a point where government and civil society balance their power and interests where LED is concerned. It is important to note that this is a regulatory space, there is no competition but equality, hence the government will have a duty to empower the other ecosystem partners where there is a short fall, and equally the private sector and the civil society also have an obligation to compensate for eth shortfalls in government enroute to creating a conducive environment.

2. The Private sector in fulfilling its duties must interact with the government and the civil society. In the spirit of a conducive environment, such interactions are confined to PPP and CRS instead of goods and services provision primarily for-profit. The private sector is also divided into two major portions:
    a. Inter-business relations where internal matters of business are dealt with, which is production focused or profit driven, and it is in this space that business interact with government and civil society for profit motive.
    b. The circle is further divided into the business-parliament space, this is a regulatory space, and it is in this space where the private sector interacts with government through PPP and civil society through CSR, the motives in this space if for common good.
    c. The meeting of the PPP and the CRS space represents a space where private sector meets the other ecosystem partners together and it is an optimal space for trade-offs enroute to a conducive environment. I this space the private sector will also offer support to government and civil society where there is a lack to ensure an equitable economy.

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3. The Civil society in fulfilling its duties must interact with the private sector and the government. In the spirit of a conducive environment, such interaction confined to CRS and PGS instead of a consumer and a watchdog. Similarly, the civil society space is divided into two major portions:
    a. The one portion is the inter-society-relations space, in this space the society organizes itself and is able to address their issues, it is in this space where it interacts with government for service delivery and private sector for labour supply and procurement of goods.
    b. The other portion is the civil society parliament space, this is a regulatory space, and it is in this space where the civil society interacts with government through PGS and private sector through CSR, the motives in this space if for common good.
    c. The meeting of the PGS and the CRS space represents a space where civil society meets the other ecosystem partners together and it is an optimal space for trade-offs enroute to a conducive environment. In this space the private sector will also offer support to government and private sector where there is a lack to ensure an equitable economy.
4. The meeting point PPP, PGS and CRS is within regulatory space where motives are for common good, and further it is within the bounds of the constitutional and economic principles circle.

Multi-Stakeholder Platform of the theoretical framework for a private sector-inclusive governance framework was developed as depicted in **Figure 4.37**. Selecting the appropriate LED leadership style should be guided by an analysis of local capacity, stakeholder maturity, and economic context. For instance, a state-driven hybrid may be optimal where institutional capacity is strong but private sector presence remains weak. Conversely, a private sector-driven hybrid is more suitable where businesses possess the financial strength and technical expertise to co-lead development initiatives. A civil society-driven hybrid may be most appropriate in communities with strong civic networks but limited formal institutional support. The proposed framework integrates these considerations, enabling municipalities to match leadership approaches to their unique contexts.

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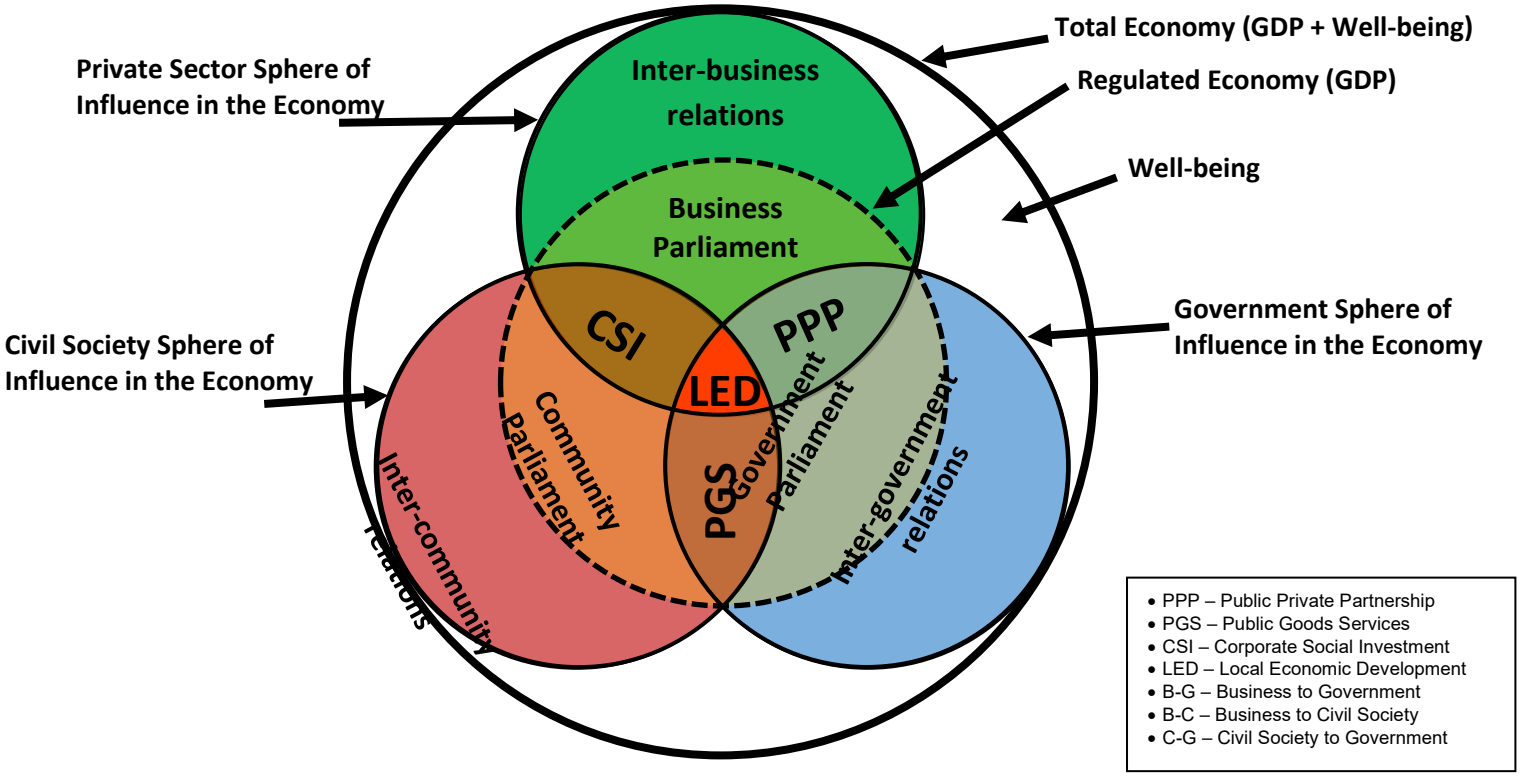


Figure 4-37: the Multi-Stakeholder Platform component of the theoretical framework.

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4.6.2 The Objective Setting, M&E and adaptive Capacity Building Platform – The "WHY"

The second pillar of the framework is geared towards the foundational goal: why we pursue LED – to achieve long-term sustainable economic development – and ensuring we build the necessary capacity and supportive environment to get there. This component targets the root issues that have held back LED, many of which were identified in Section 4.4 as challenges:

1. Skills and Human Capital Development: The framework embeds capacity-building programs as a core element, not as an afterthought. This includes joint government-business training initiatives, apprenticeships facilitated by companies, entrepreneurship development programs in communities, and leveraging educational institutions (e.g., TVET colleges aligning curricula with local industry needs). A "Capacity Building Working Group" under the multi-stakeholder platform could coordinate these efforts. By doing so, the framework addresses the critical "WHY" challenge of skills shortages (20.9% of mentions) which was categorized as a critical constraint. Ensuring a pipeline of skilled local labour and entrepreneurs is indeed a key reason for inclusive LED – it makes growth self-sustaining. Participants indicated that without improving skills and capacity, any LED gains would be short-lived; hence this is central to the framework's rationale.
2. Access to Finance and Enterprise Support: To answer the question "why involve the private sector?", one answer is to create a thriving local enterprise ecosystem. Thus, the framework proposes establishing local enterprise support facilities – for example, a Small Business Support Centre perhaps run as a PPP between government and a business association. This centre can provide mentorship (tying to challenge 4.4.4), assist in loan applications, and even manage a local LED Fund that blends public and private funding to give out small grants or loans. By institutionalizing financial support mechanisms, we aim to overcome the persistent lack of funding hurdle. Many participants believed one reason LED hasn't reduced poverty is that local SMMEs never get off the ground due to no financing; a structured approach to fund them (with business input on viability) answers that "why" – we do LED to empower local entrepreneurs, so let's give them the tools.

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3. Infrastructure and Enabling Environment: Under this pillar, the framework also advocates for continuous assessment and investment in critical infrastructure and services (electricity, water, roads, internet) as a prerequisite for LED success. While large infrastructure is beyond the scope of a framework to directly implement, the framework can ensure that the multi-stakeholder platform actively liaises with relevant bodies (e.g., Eskom, Department of Transport) and possibly helps broker PPPs for localized solutions (like a solar microgrid for an industrial park). It keeps the focus on "why are we doing LED" – because without basic infrastructure, economic efforts fail, so it must be addressed. This also ties to sustainability: infrastructure improvements benefit communities broadly and have lasting impact.
4. Policy and Institutional Capacity: Lastly, building the capacity of the LED institutions themselves (the municipal LED units, the multi-stakeholder forum members) through training and perhaps exchange programs is included. If officials and community leaders are better trained in LED facilitation, and if institutions have adequate staffing and budget, the LED framework can actually be executed. This responds to the literature where Mashinini (2017) and Hofisi *et al*. (2013) noted LED units often lack capacity and rely too much on consultants. Our framework's answer is to invest in those units – e.g., bring in young professionals through a fellowship, have private sector secondments to municipalities, etc. The "why" is to ensure continuity and local ownership of LED processes.

By focusing on capacity building and sustainability, the framework is essentially addressing the structural causes of LED failures. It resonates with the "developmental local government" ideal in South Africa's policy, which calls for building capable local economies and institutions for the long run. From the participants' perspective, this pillar of the framework is what makes it inclusive and pro-active rather than reactive. It ensures that LED is not just about chasing projects, but about empowering people and systems so that even after specific projects end, the community continues on an upward trajectory.

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To illustrate, consider how these components come together: The “WHO” brings everyone to the table; the “WHY” invests in the people and tools needed to succeed; and the “HOW” provides the rules of engagement. For example, if the goal is to develop agro-processing in a rural village, the framework ensures the idea comes through a platform (with farmers, private investors, agri-experts discussing it), follows a clear plan (maybe a standard incubator model), and incorporates training farmers in new techniques and improving irrigation infrastructure to sustain the agro-business. Without the “WHY” component, that project might launch but later fail due to lack of skilled workers or water; with the framework, those aspects are part of the plan from the start.

Visualizing the Framework: In support of this framework, the study developed a conceptual diagram (see **Figure 4.38**) that shows the three components (WHO/HOW/WHY) as interconnected gears driving LED outcomes. At the centre is the goal of inclusive, sustainable local economic development. Each gear corresponds to sections above: the stakeholders gear (who), the goal and capacity gear (why) and the process gear (how). They interlock – meaning progress in one facilitates progress in others, and if one is weak, the whole machine struggles. This reflects our findings too: the best policies (how) won’t work if key players (who) are absent or if capacity (why) is lacking; conversely, strong partnerships could falter without processes, etc. Thus, a holistic framework is needed.

The Capacity Building & Policy Reforms Platform is inspired by the need to build capacity that will enable LED integration at the local government level as that is an area where implementation takes place. This Capacity building platform speaks to the needs to have various necessary guides to enable LED implementation, and primarily must focus on the following key areas, as depicted by **figure 4.38**:

1. Spatial development planning
2. LED strategy formulation
3. Integration into IDP
4. Project Management
5. Performance management
6. Vertical integration

The Theoretical framework for the Capacity Building & Policy Reforms Platform components is depicted in F**igure 4.38**.

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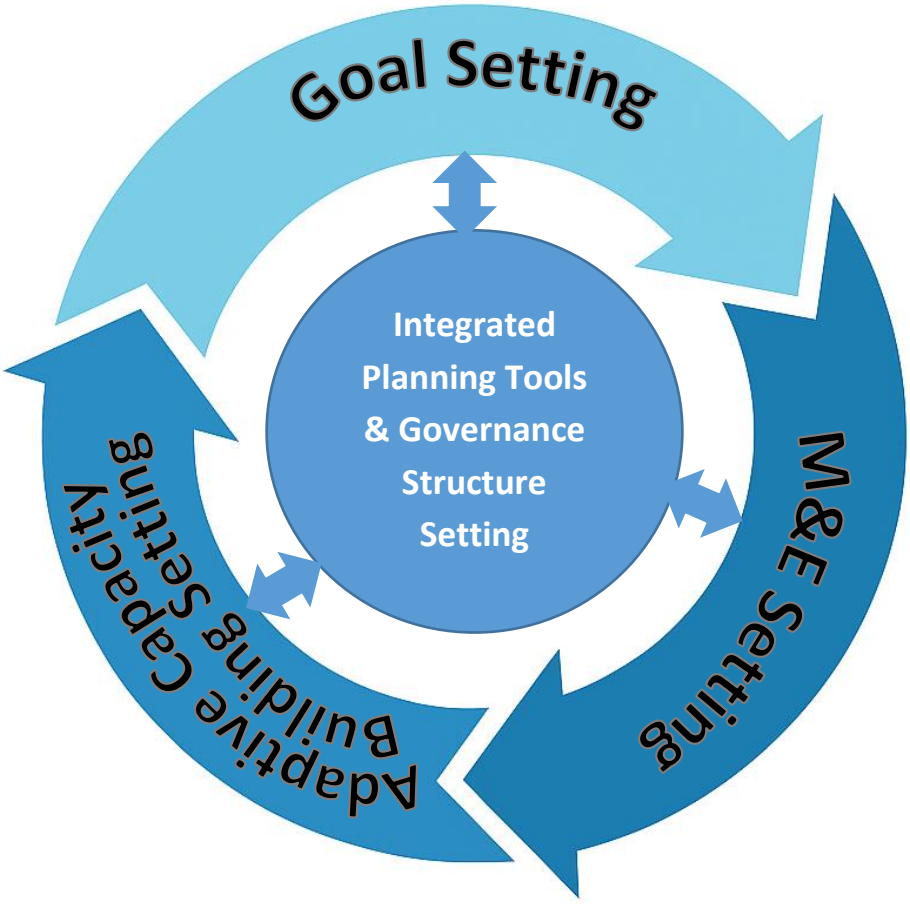


Figure 4-38: Theoretical framework for the Objective Setting, M&E and adaptive Capacity Building Platform

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4.6.3 The Standardization and implementation of LED Platform – The "HOW"

The second pillar focuses on how LED initiatives are executed, proposing standardized processes, policies, and tools that facilitate effective collaboration and reduce barriers like bureaucracy and unclear regulations. Key elements include:

1. A Clear Policy Framework: This involves having a local LED strategy or charter, co-created by the multi-stakeholder platform, which outlines roles, procedures, and targets. For example, define how projects are identified and approved, how private proposals can be submitted, and what criteria are used to allocate LED funds. Ensuring policy clarity addresses issues of ad-hoc decisions and confusion that often lead to frustration or perceived unfairness. Our participants ranked clear policies as critical for effective collaboration (tied second in Question C results on framework elements).
2. Streamlined Regulatory Procedures: As identified in challenges, red tape and lengthy processes deter private involvement. The framework recommends simplifying procedures such as business licensing, permit approvals for LED projects, and procurement processes. Ideally, a one-stop LED centre could be established where entrepreneurs can g*et al*l necessary information and apply for support, rather than going through multiple offices. Also, leveraging technology (online applications, e-government portals) was suggested to cut down personal interactions that often breed corruption. The idea "digitize bureaucratic processes to reduce delays" came from participants themselves.
3. Standard Partnership Models: The framework introduces templates for Public-Private Partnership (PPP) agreements or Memoranda of Understanding that can be quickly adopted for common project types (e.g., infrastructure, training programs). Instead of reinventing the wheel each time, a standard contract vetted by legal experts can be used. This provides certainty to private partners about risk-sharing, roles, and returns. Participants saw this as important for things like maintenance of infrastructure or co-funding training centres – clarity on "who does what" in partnerships encourages businesses to step in without fear of ambiguity.

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4. Transparency and Monitoring Mechanisms: Under “how,” the framework insists on built-in transparency measures: public reporting of LED project budgets and progress, open tender processes (observed by the forum members), and third-party audits for major projects. These measures operationalize the accountability benefit that participants hoped for from private sector involvement. If every project is subject to clear monitoring (with private sector reps possibly part of monitoring committees), it becomes harder for funds to be misused unnoticed. As one recommendation from participants was “adopt transparency protocols to ensure equitable stakeholder participation”, this is directly incorporated.

Collectively, these standardization measures tackle the “HOW” challenges such as bureaucracy, inefficiency, and lack of consistency. Recall from **Table 4.7** that stakeholders labelled issues in this domain as causing “moderate systemic gaps”. By filling those gaps with clear, agreed rules and processes, the LED framework ensures smoother implementation. It also aligns with lessons from frameworks like the OECD LEED, which emphasize data-driven, well-structured approaches.

A concrete example of how this could work: imagine a new agri-processing facility idea comes up. Under the framework, the proponent (say a private investor) submits a proposal to the LED one-stop centre. The multi-stakeholder platform reviews it against the LED strategy. If aligned, a standard PPP agreement is used where the municipality provides land and infrastructure support, the investor brings capital and expertise, and both agree on local job targets and training. Approvals are fast-tracked through the streamlined process, and the project is periodically reviewed in platform meetings. All this in contrast to the current state where such a project might wander through bureaucracy for years and die off.

The emphasis in this component is efficiency and fairness: make it easy for the private sector to engage (low transaction costs, quick decisions) while ensuring fair rules for all (no special favours, everything per policy). Participants strongly felt this would encourage more businesses to take part, as the uncertainty and frustration of dealing with authorities would be reduced.

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The “how” is dictated by the policies of the country or of the area in question and must be driven on a national level. This is in line with the views of Liu *et all* (2024), who indicated that it is necessary to customize the SDGs and NDP goals to rural contexts and to integrate them into an indicator framework that captures both nationally and globally comparable, and site-specific characteristics of rural development. The purpose and competence of LED provides a structured approach to align local goals with and global realities. Such national and global realities include transformation agendas, globalization, global warming, and digitalization that rural LED implementation must adapt to. From the South Africa context such a policy is the National framework for Local Economic Development 2018 – 2028 which emphasizes the six key pillars aligned with the country's developmental goals (Department of Cooperative Governance and Traditional Affairs, 2018) as follows:

1. Building Diverse and Innovation-Driven Local Economies
2. Developing Inclusive Economies
3. Developing Learning and Skilled Economies
4. Enterprise Development and Support
5. Economic Governance and Infrastructure
6. Strengthening Local Systems of Innovation

To operationalize these pillars, insights were drawn from the Inside-Out approach, which according to Kretzmann and McKnight (1993), it builds on the belief that local communities possess untapped potential in the form of human capital, social networks, and physical assets, and seeks to empower communities to take charge of their own development by identifying and enhancing these internal strengths. Interpreted from local economic development, it refers to the idea of nurturing growth from within the community by capitalizing on local resources, knowledge, and networks. This captures the collective description of the six pillars with regards to the intent of the National Framework for LED in South Africa.

Mapping the six pillars on the inside-out approach it shows that (see **figure 4.39**):

1. Pillar number 1 and pillar number two speaks to how the community can define the vision, mission and values, as it speaks to the people and the local environment.
2. Pillar number 3 and 4 speaks to the strategy that must be deployed wrapped around factors of production (i.e. labour and entrepreneurship) that can be controlled locally., and
3. Pillar number 5 and 6 relates to the ability to select offerings/products that can meet the needs on a global competitive level.

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This becomes an essential guide on how the local economic development strategy must be shaped from eth vision, mission, aims, production factors and products that must be offered based on local competence able to meet global competitiveness.

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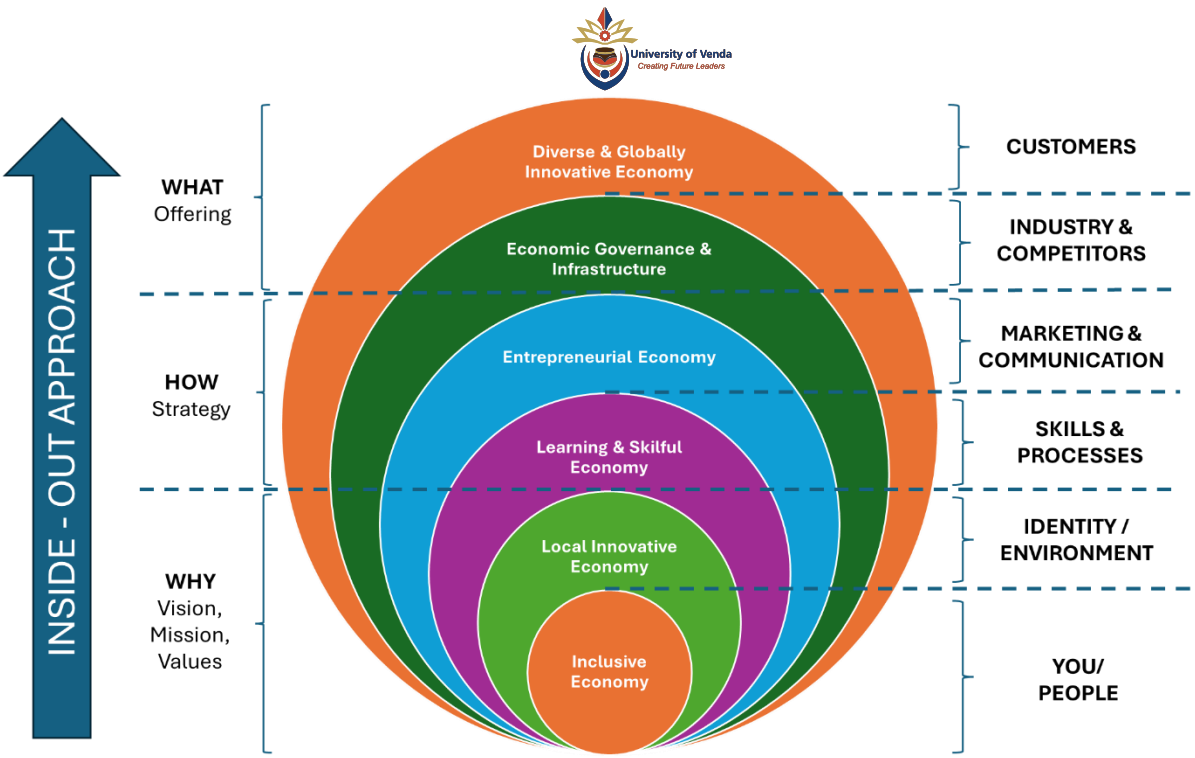


Figure 4-39: Conceptual standardization component of the framework.

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In summary for Objective 4, the proposed private sector-inclusive governance framework is a direct response to the research findings. It provides a structured way to incorporate private sector participation (addressing Objectives 1–3) and is tailored to overcome the challenges (Objective 2) while leveraging the potential benefits (Objective 3). The next section will briefly present the feedback on this proposed framework's perceived effectiveness, which was gathered as Objective 5.

4.6.4 Mathematical Modelling for LED

Mathematical modelling turns LED governance into an evidence-driven, transparent, and adaptive process: by codifying local data and expert assumptions in openly inspectable equations, it lets stakeholders stress-test policy mixes before money is spent, shows residents exactly how proposed actions will ripple through jobs, incomes, and the environment, and then supplies a live yard-stick against which progress and remedial actions can be judged. Hence the development of a private sector-inclusive governance framework would be incomplete without the mathematical modelling roadmap. Based on the governance framework, the process model is a presented in **Figure 4.40**, and the mathematical model is presented in **Figure 4.41.**

The process model shows how the three components of the framework interact in a continuous loop in search of a time and situation specific optimal LED solution. As demonstrated in **Figure 4.42**, starting from the "WHO" component where first the nature, relationship and capacity of stakeholders is assessed, followed by the assessment of the wellbeing of the stakeholders, community and the environment, which is followed by the assessment of the level of hierarchy of needs which would then complete the state of the "WHO". The "WHO" outcome is used to feed into the "WHY" component where first the common goal is established, followed by a monitoring plan, which is the followed by adaptive capacity plan culminating in the full assessment of the "WHY" component. The outcome of the "WHY" component is then fed into the "HOW" component, where the first step is the articulation of the vision, mission and objectives in a standard strategic and project management focus, followed by the building of skills and entrepreneurial capacity to be able to achieve the objective and followed by outlining the impact areas desired.

The process model must be able to be reduced into a mathematical model as depicted in **Figure 4.41**, Mathematical LED Process Model flow-chart is described as follows:

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1. **Data Sources (left column)** – The cycle starts with raw evidence: municipal accounts, household surveys, GIS land-use layers, energy-grid logs, firm-level tax data, etc. Reliable baseline information is the fuel for every subsequent step.
2. **Modelling Layer (centre block)** – Five complementary mathematical techniques turn those data into structured insight:

Model family	Key question answered	Typical outputs
Input-Output & Social Accounting Matrix	"What are the direct, indirect and induced ripple-effects of a shock?"	Sector multipliers, job-creation estimates
System Dynamics	"How will stocks and flows (population, water, roads) co-evolve over 10–30 years?"	Time-series scenarios, feedback-loop diagnostics
Agent-Based Modelling	"How do thousands of heterogeneous households and firms behave and interact?"	Emergent patterns (e.g., SME survival, informal trade)
Spatial Econometrics	"How does growth (or decline) in one municipality spill over to its neighbours?"	Spatial-lag coefficients, hotspot maps
Differential-Equation / Hybrid models	"What is the long-run path of interconnected regions under capacity constraints?"	Convergence/divergence trajectories, carrying-capacity tests

3. **Optimisation & Scenario Analysis (green box)** – Here you plug the models into a meta-heuristic or other search engine to find the budget, sector mix or spatial targeting that **maximises multiple objectives** (e.g., jobs, equity, carbon cuts) subject to real-world constraints.
4. **Policy Design & Implementation (blue box)** – Planners convert the "best" scenarios into concrete LED projects: incentive packages, industrial-park layouts, skills grants, transport upgrades.
5. **Monitoring & Evaluation (teal box with check-mark)** – Actual outcomes are tracked against the baseline forecasts. Deviations feedback (looping arrow) into the data warehouse, closing the learning cycle and prompting model recalibration or policy adjustment.

The thick arrow encircling the diagram underscores that LED is not a linear once-off study. It is a continuous, evidence-driven learning loop where data, models, optimisation, action and feedback reinforce one another.

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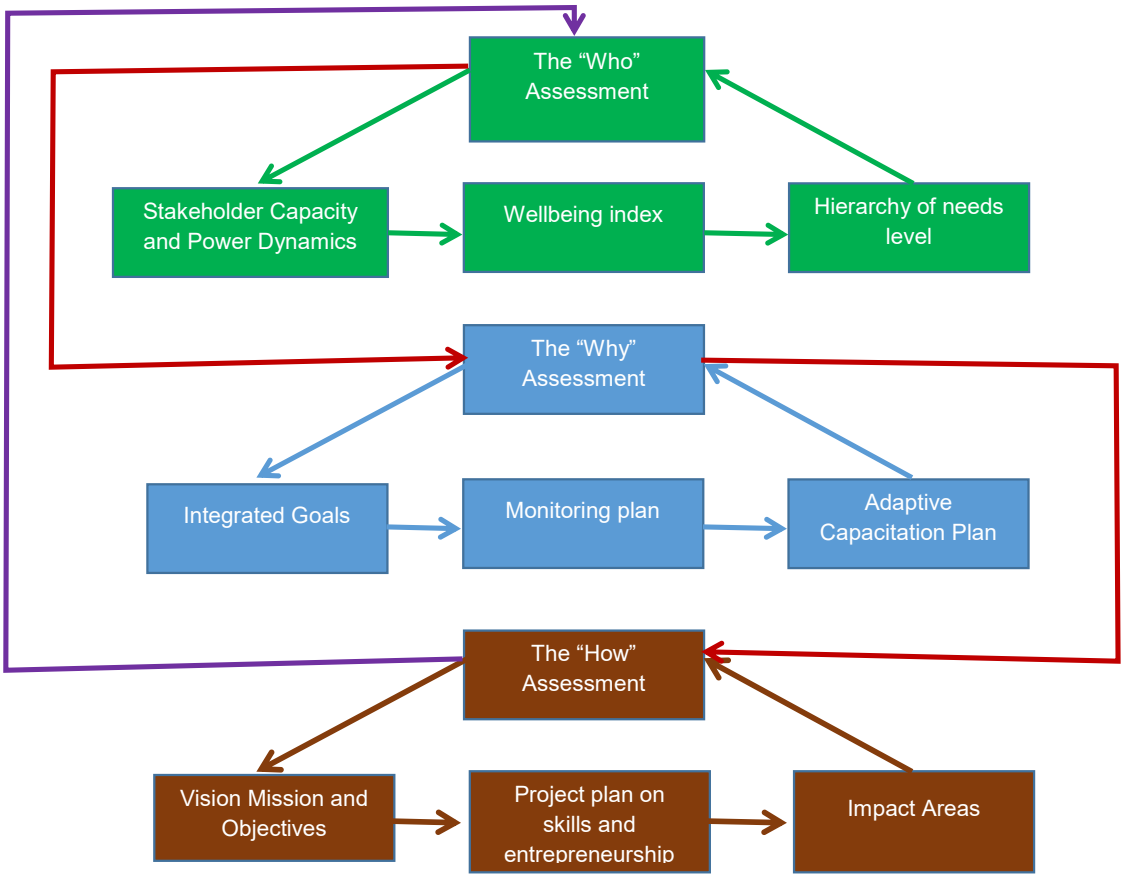


Figure 4-40: Process Flow of the governance framework

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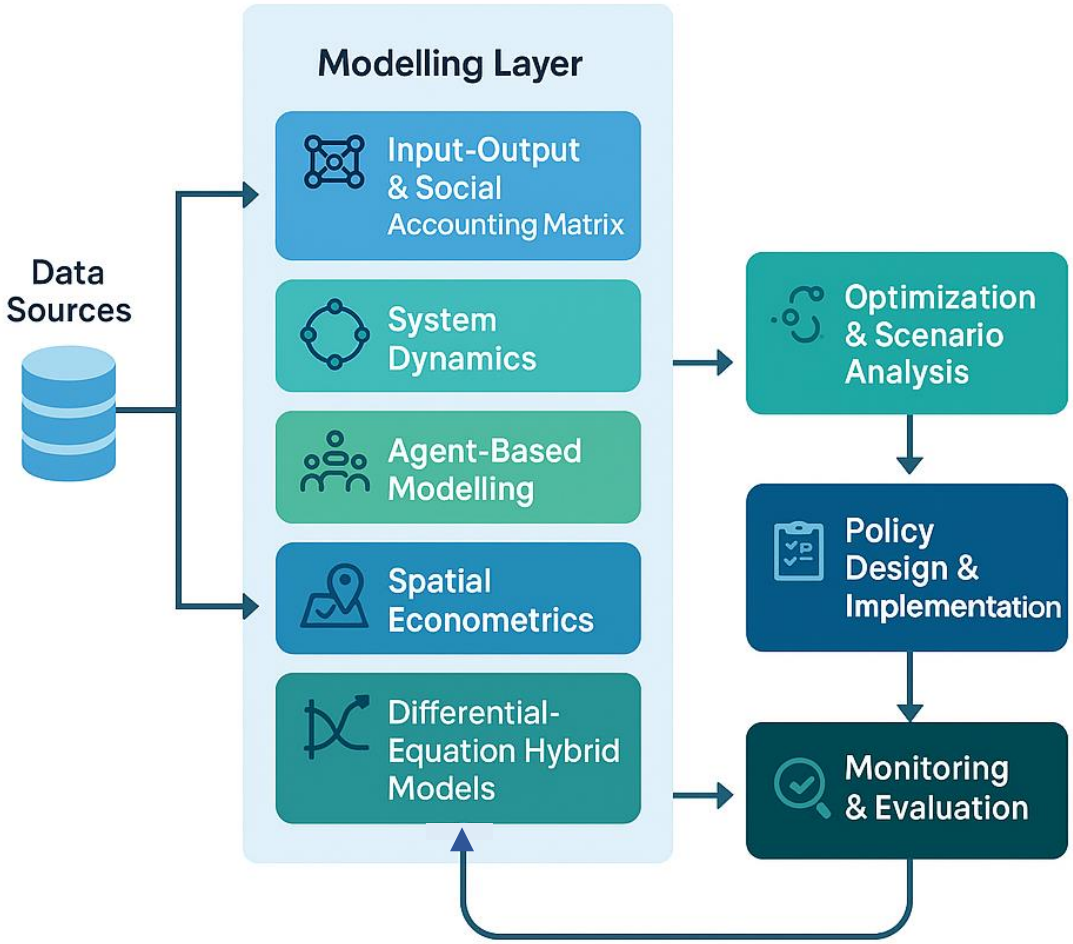


Figure 4-41: Mathematical model framework flowchart

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4.6.5 Consolidated framework

Local economic development (LED) is widely understood as a process of strategic planning through which local actors collaborate to improve their community's economic future (Swinburn, Goga, & Murphy, 2006). This process can be described as a continuous cycle involving stakeholder identification (the "who"), purpose definition (the "why"), and strategic planning (the "how") – all grounded in the principles of participatory governance and public policy (World Bank, 2012; Ansell & Gash, 2008), see illustration in **Figure 4.43**. Around the world, governments and communities have increasingly embraced this cycle to ensure that development initiatives are inclusive, goal-driven, and sustainable (Mansuri & Rao, 2013; Arnstein, 1969). In combining the theoretical frameworks of the Multi-Stakeholder Platform – the "WHO", The Objective Setting, M&E and adaptive Capacity Building Platform – the "WHY":" and the Standardization and implementation of LED Platform – the "HOW" a consolidated theoretical framework for private sector-inclusive framework can be depicted as in **Figure 4.43**.

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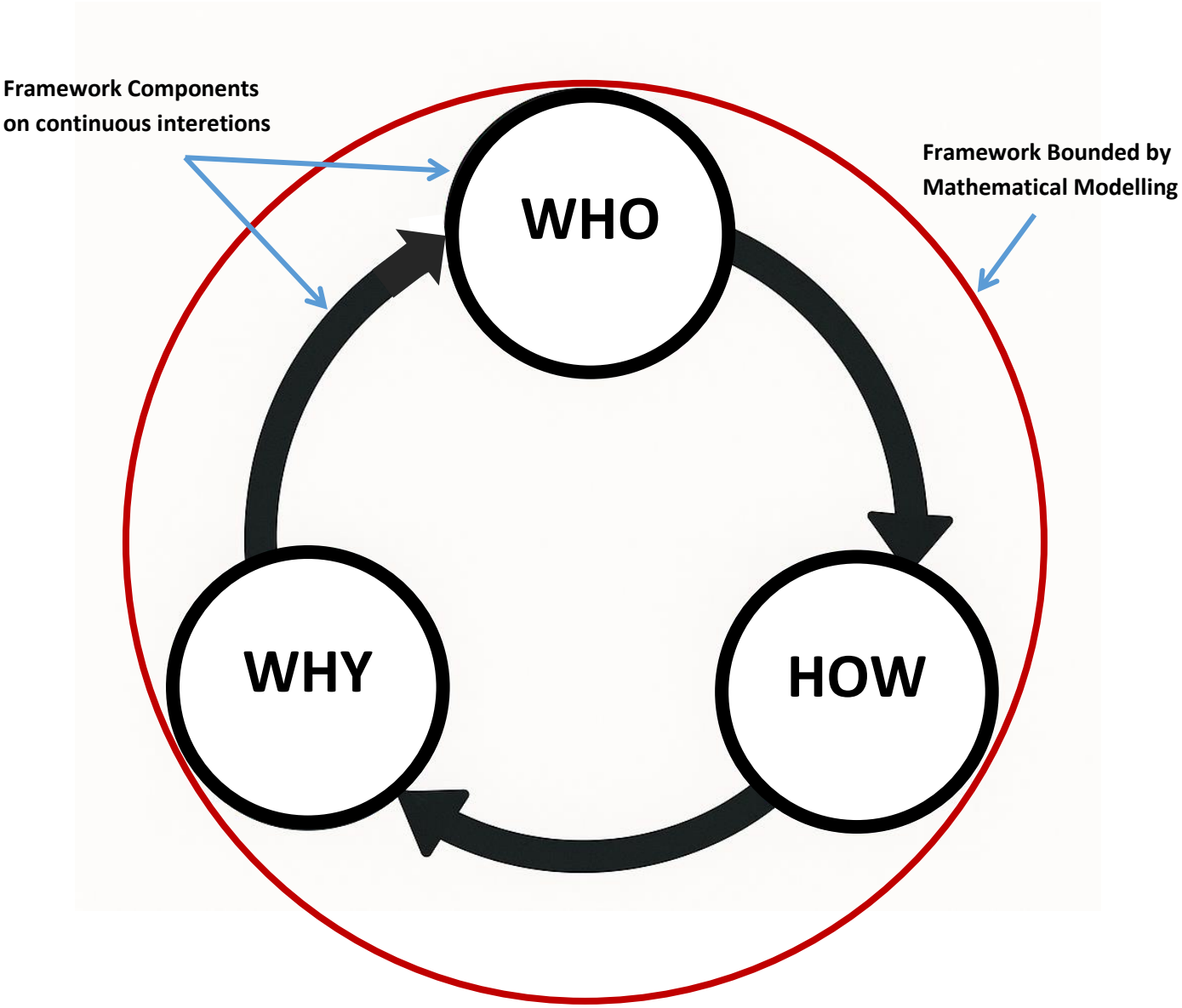


Figure 4-42: continuous cycle involving stakeholder identification (the "who"), purpose definition (the "why"), and strategic planning (the "how") bounded by mathematical modelling

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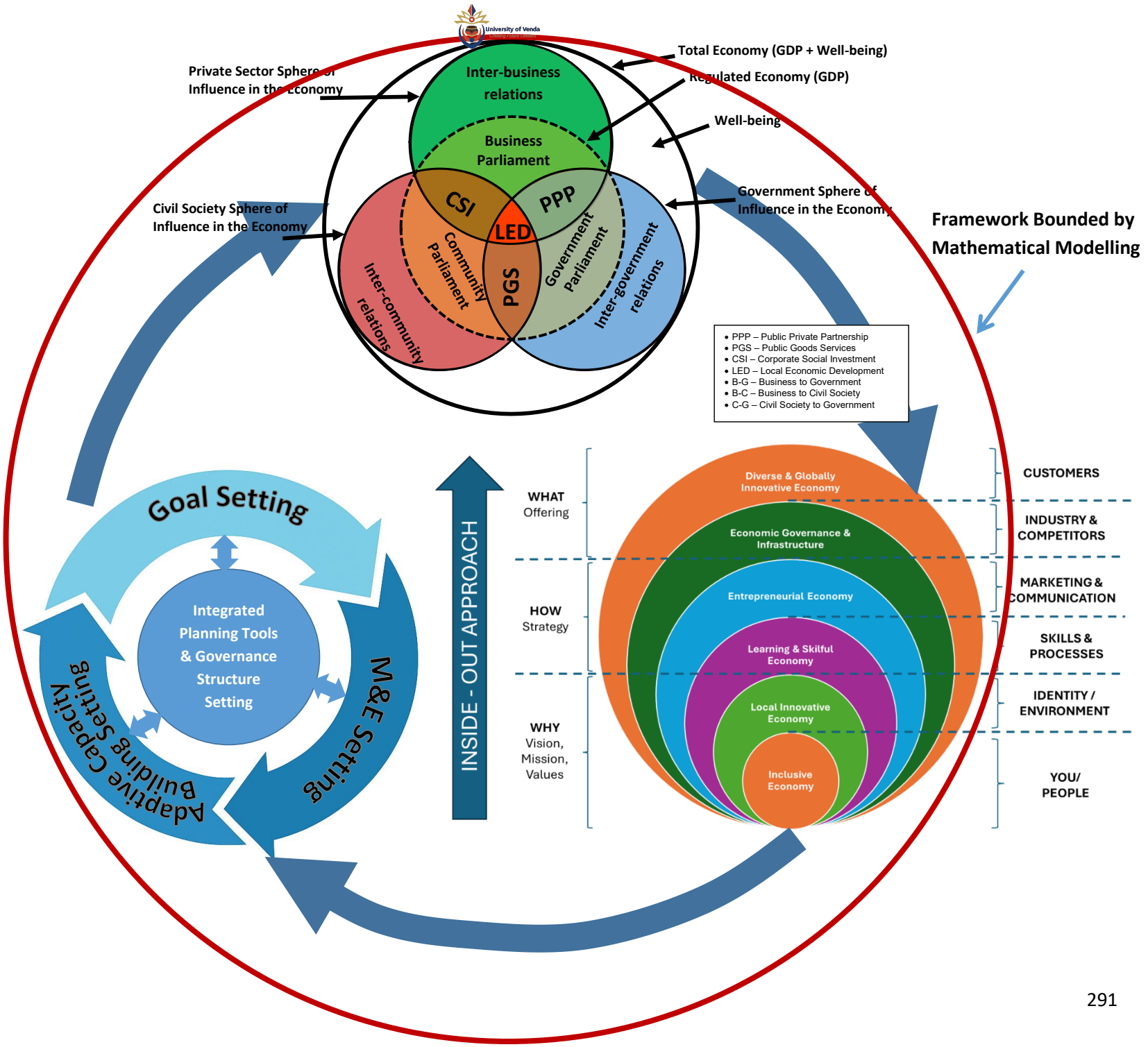


Figure 4-43: Private Sector Inclusive Governance Framework fro LED

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4.7 Evaluation of the perceived effectiveness of the proposed framework

4.7.1 Evaluation of effectiveness

Objective five aimed at obtaining the views of the ecosystem partners on the effectiveness of the framework. Section G of the questionnaire was dedicated to objective 5. There was recognition that it was only possible to test the relationship dynamics aspects, as there was not enough opportunity to develop a strategy nor to do capacity building. Wherefore the questionnaire concentrated to testing the ability of the framework to allow stakeholders to come together, identifying LED variable applicable to each ecosystem partners and to be able to facilitate trade-offs to allow a common goal to be agreed upon on an equitable basis.

After formulating the private sector-inclusive LED framework, the study sought feedback from the stakeholders (through follow-up questions and validation workshops) on how effective they believe such a framework would be in practice. While full implementation was beyond the scope of this research, this ex-ante evaluation captures stakeholders' confidence in the framework and any concerns, as well as what indicators they would use to judge its success in the future.

As discovered through literature review, case studies show that leveraging shared value and wellbeing as a measurement framework holds significant potential for enhancing the overall effectiveness and sustainability of LED, offering policymakers, businesses, and communities a unified lens through which progress can be tracked and continually refined (Sachs, 2015). Wherefore, the assessment used the identified LED variables categorized into Urban and Rural to evaluate the effectiveness of the framework.

Assessments were undertaken for each district with participants grouped into private sector, government and civil society groups. Pairwise ranking and direct questions were administered. Participants were asked to rank key elements and expected outcomes of the framework and the results were compared to questionnaire surveys undertaken in section 4.3. The results of the ranking depicted in **Table 4.53** shed light on what the participants believe are the most crucial factors as follows:

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1. They ranked having a robust Policy/Regulatory Framework, effective Financial Mechanisms, and active Community Participation as the top three elements needed for successful collaboration. These three elements correspond with the answers to Question A in **Table 4.54**. This directly mirrors the proposed WHO/HOW/WHY concept: policy framework (HOW), financial mechanisms (WHY, capacity), community participation (WHO). It validates that the framework's components align with stakeholder priorities.
2. Similarly, they ranked Job Creation, Infrastructure Development, and Entrepreneurship Support as the top three outcomes, which are exactly the kind of sustainable growth indicators the framework aims to produce. These three elements correspond with the answers to Question B in Table 4.54.
3. Red Tape, Lack of Inclusivity, and Inadequate Resource Allocation were top-ranked, all issues the framework tackles. These three elements correspond with the answers to Question D in Table **4.54**, addressing weaknesses to remove.
4. They ranked Skills Development and Education was top, followed by Environmental sustainability and Tech integration, again reflecting that capacity building and forward-looking aspects are seen as vital. These three elements correspond with the answers to Question D in **Table 4.54**.

The consistency between these stakeholder rankings and the framework's design suggests that the framework is well-targeted to perceived needs. The general response to the framework was very positive. Participants across the board felt that if this framework were adopted, it would significantly improve LED outcomes in their municipalities. Many expressed that it "finally addresses the missing links" – chiefly the lack of inclusion and coordination. For instance, a local business owner noted that having a formal say in LED planning (via the platform) would motivate him to invest more locally, because he'd trust that the environment is becoming more enabling. Government officials appreciated the clarity it would bring, with one LED officer stating that clear guidelines and shared responsibility "take a huge load off our shoulders and brings new energy into our work."

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Key Expected Improvements:

Stakeholders expect the following improvements if the framework is implemented:

1. Greater Project Success Rate: With better planning, stakeholder buy-in, and skilled execution, LED projects should have a higher success and completion rate. As one respondent put it, “Fewer projects will stall or fail when everyone is on the same page.”
2. Increased Investment and Business Growth: They anticipate more businesses will start or expand in the area because the framework reduces barriers like red tape and uncertainty. Essentially, the local economic climate would become more attractive. This aligns with one of our measurement indicators: an increase in private investment capital flowing into LED initiatives would indicate effectiveness.
3. Job Creation and Poverty Reduction: Ultimately, the metric of success is whether jobs are being created and livelihoods improving. Participants agreed that an effective framework would show up in government stats as rising employment rates, new SMMEs being registered, and perhaps improved household income levels in the community. These are longer-term indicators, but critical for judging sustainable development.
4. Better LED Governance (Transparency & Trust): Another sign of success would be more intangibles like improved trust among stakeholders and fewer conflicts or complaints. If after a couple of years of the framework, forums are running smoothly, budgets are spent transparently, and stakeholders continue to actively participate, that institutional change itself is an outcome.

Challenges and Considerations for Implementation:

While optimistic, participants did note some considerations to ensure the framework’s effectiveness:

1. Political Will: The framework would require buy-in from political leaders and officials to implement the changes (like establishing the platform and simplifying processes). Participants cautioned that without strong commitment from the top (mayors, municipal managers), the framework could remain paper advice. Therefore, advocacy and perhaps provincial-level endorsement might be needed.
2. Capacity to Implement the Framework: Some worried that ironically, implementing a capacity-building framework requires some initial capacity. Training and maybe external support (from national government or development agencies) might be needed in the early phase to set up the new systems.

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3. Inclusivity of All Voices: Ensuring that the platform doesn't become dominated by only big businesses or only government was mentioned. The framework must actively include SMMEs and community orgs, otherwise it could replicate existing power imbalances in a new forum. This means careful facilitation and possibly quota systems in representation.
4. Measuring Success: Participants suggested clear indicators and baseline assessments be done. Indicators could include number of LED projects successfully completed, amount of private investment in LED, number of jobs created, skill levels (e.g., number of trainees who gain employment), etc. Having these metrics will help keep the platform accountable. In fact, as part of the framework, a monitoring & evaluation sub-committee could track these and publish annual LED report cards.

Despite these caveats, there was a strong sense that doing nothing is worse. The status quo, as shown by our earlier analysis, is not delivering desired results. Thus, stakeholders felt even if the framework isn't perfect, it provides a much-needed structured starting point to break the cycle of poor LED performance.

Tying back the results to literature:

Literature review showed that frameworks that engage the private sector systematically have shown success in various contexts (Chapter 2 discussed cases like in Southeast Asia or parts of Latin America). Our evaluation indicates stakeholders in Limpopo are ready to embrace such an approach. As one participant eloquently summarized, "This framework gives us hope that LED in our area can finally move from plans to real prosperity, because we will all be working together." That hopeful note is a positive outcome of the research process itself – bringing people together to envision a better collaborative future.

Statistical Analysis

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This section presents statistical insights that empirically inform LED strategies, particularly stakeholder priorities in healthcare, education, and employment. The results establish a baseline for monitoring and validate the proposed governance framework, while revealing governance gaps in transport, innovation, and inclusion. These findings support the need for spatially targeted and locally relevant development interventions.

1. Access and Infrastructure

Healthcare access ranked as a primary concern (Mean: 14.67), especially for the Waterberg NGO/Cooperatives group. Access to social grant payment points (Mean: 18.87) was significant, though with variability—ranked higher by Waterberg groups, lower by others, indicating localised concern. Municipal/government institution access (Mean: 18.27) showed broad recognition of the need for accessible government services in rural areas. Transport accessibility (Mean: 7.67) was ranked highest by the Mopani government group, highlighting that inadequate transport restricts access to services and opportunities.

2. Economic Development and Employment

Agricultural productivity (Mean: 12.6) was a priority, especially in Vhembe Private sector 1, emphasising its role in rural economic growth. Rural entrepreneurship (Mean: 8.27) was also seen as crucial, especially by Waterberg groups, reflecting a pathway to employment and poverty reduction. Employment creation and growth (Mean: 5.53) ranked among the highest priorities, with widespread consensus on its critical role in local development.

3. Social Development and Inclusion

Community engagement (Mean: 15.13) was emphasised as a vital factor for effective development. Social inclusion and equity (Mean: 10.0) had strong support, particularly from the Capricorn NGO/Cooperatives group. Quality of life (Mean: 8.6) was a core concern, especially for Vhembe Private sector 1, reflecting the need to improve socio-economic conditions across communities.

4. Innovation and Technology

Innovation and technology (Mean: 8.27) were recognised for modernisation and service delivery, with Mopani NGO/Cooperatives ranking it highly. Still, it was secondary to urgent needs like healthcare. Global competitiveness (Mean: 19.4) ranked lower, indicating that local challenges currently take precedence over international positioning.

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5. Environmental and Resource Management

Land use and conservation (Mean: 13.33) and natural resource management (Mean: 12.67) received notable attention, particularly from Vhembe groups. These findings point to growing awareness of sustainability, especially in agricultural and rural contexts.

6. Urban Development and Real Estate

Commercial real estate development (Mean: 16.8) ranked lower across most groups, with Waterberg and Vhembe respondents showing less interest compared to immediate needs. Infrastructure gaps (Mean: 14.67) ranked moderately, reflecting an agreed need to address basic deficits before advancing urban development.

7. Cultural and Educational Development

Cultural and recreational facilities (Mean: 10.4) were valued for social cohesion, though ranked lower than core infrastructure. Access to education (Mean: 5.6) emerged as a top priority, especially in Vhembe Private sector 1, reflecting its role in long-term empowerment and opportunity.

8. Access to Services

Access to basic services showed mixed agreement. Healthcare (Mean: 14.67, SD: 7.18) had moderate consensus, indicating disparities in provision. Social grant points (Mean: 18.87, SD: 3.86) and municipal access (Mean: 18.27, SD: 3.75) showed high consensus, reflecting broad availability. Education facilities (Mean: 5.6, SD: 1.46) showed the highest consensus, confirming widespread access.

9. Economic Development and Entrepreneurship

Agricultural productivity (Mean: 12.60, SD: 6.79) and rural entrepreneurship (Mean: 8.27, SD: 5.38) had moderate consensus, highlighting differing views on performance and opportunity. Employment creation (Mean: 5.53, SD: 1.41) had high consensus as a key priority. Job density and diversity (Mean: 8.80, SD: 6.12) showed moderate consensus. Innovation (Mean: 8.27, SD: 5.27) was seen as important but unevenly experienced.

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10. Social and Community Development

Community engagement (Mean: 15.13, SD: 2.71) showed moderate consensus. Social inclusion (Mean: 10.0, SD: 2.23) had lower consensus, indicating differing experiences of equity. Quality of life (Mean: 8.6, SD: 5.33) had high consensus. Cultural and recreational facilities (Mean: 10.4, SD: 4.12) showed low consensus, reflecting varied perceptions of their availability.

11. Infrastructure and Development

Infrastructure gaps (Mean: 14.67, SD: 5.03) had moderate consensus. Land use (Mean: 13.33, SD: 4.03) and natural resource management (Mean: 12.67, SD: 3.22) were similarly important. Transport access (Mean: 7.67, SD: 6.97) showed low consensus, revealing substantial variation across regions.

12. Global Competitiveness and External Factors

Global competitiveness (Mean: 19.4, SD: 3.10) had high consensus on importance, but lower urgency. Tourism (Mean: 15.27, SD: 3.53) showed moderate support. Real estate (Mean: 16.8, SD: 5.23) was viewed as secondary. Population demography (Mean: 19.47, SD: 4.32) and migration (Mean: 18.87, SD: 7.16) had consensus, indicating shared awareness of demographic impacts.

Summary

Across groups, top priorities included healthcare, employment, education, and agricultural productivity, followed by social inclusion, innovation, and infrastructure. While technological advancement and global competitiveness were recognised, immediate basic needs dominated. High consensus emerged for education access, employment creation, and quality of life, while social inclusion, cultural services, and transport had lower consensus. Moderate consensus for entrepreneurship, infrastructure, and agriculture highlights areas for policy attention. The findings support tailored, inclusive strategies to address community-specific priorities while promoting sustainable local development.

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Table 4-54: Results of LED preference valuation by stakeholders

Item	LED Variable	Waterberg			Vhembe				Capricorn			Sekhukhune	Mopani			
		NGO/Cooperatives	Private Sector	Government	Private Sector 1	Private Sector 2	NGO/Cooperatives	Government	Government	Private Sector	NGO/Cooperatives	Private Sector	Private Sector 1	Private Sector 2	NGO/Cooperatives	Government
1	Access to Healthcare	1	15	15	19	17	20	13	17	15	13	15	15	16	21	8
2	Access to Social Grant Payment Points	10	23	22	21	21	23	16	17	22	19	19	19	19	23	9
3	Access to Municipal/Government Institutions	13	20	20	20	19	22	12	18	20	19	19	20	21	22	9
4	Agricultural Productivity:	15	19	19	1	9	17	7	9	19	14	6	11	15	19	9
5	Community Engagement:	17	13	13	14	16	17	14	19	13	16	14	15	16	20	10
6	Global Competitiveness:	24	23	22	19	24	17	21	17	22	21	11	15	19	24	12
7	Infrastructure Gaps:	13	18	18	16	21	19	9	12	18	14	8	12	13	17	12
8	Land Use and Conservation:	12	13	14	8	12	20	20	8	14	14	11	10	13	17	14
9	Natural Resource Management:	13	12	14	13	7	15	14	8	14	15	12	7	14	17	15
10	Quality of Life:	15	6	7	2	1	14	5	11	7	12	11	6	12	14	6
11	Rural Entrepreneurship:	12	1	1	4	12	13	10	13	1	11	7	11	9	14	5
12	Social Inclusion and Equity:	10	9	9	15	8	12	14	12	8	10	7	11	8	13	4
13	Tourism Potential:	20	15	15	12	14	12	19	15	15	22	17	13	10	13	17

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Item	LED Variable	Waterberg			Vhembe				Capricorn			Sekhukhune	Mopani			
		NGO/Cooperatives	Private Sector	Government	Private Sector 1	Private Sector 2	NGO/Cooperatives	Government	Government	Private Sector	NGO/Cooperatives	Private Sector	Private Sector 1	Private Sector 2	NGO/Cooperatives	Government
14	Workforce Skills and Training:	9	3	3	5	2	10	10	7	3	9	13	5	7	9	17
15	Commercial Real Estate Development:	20	22	23	22	13	9	18	8	23	8	18	19	21	11	17
16	Cultural and Recreational Facilities:	15	5	5	9	16	8	9	11	5	10	14	14	6	10	19
17	Access to Educational Facilities	3	5	3	6	5	7	3	4	4	6	2	4	5	7	20
18	Employment Creation and Growth	5	7	7	8	4	6	4	6	6	6	7	3	4	7	3
19	Job Density and Diversity	6	9	9	11	5	5	21	10	10	4	10	20	3	7	2
20	Infrastructure Quality:	9	9	9	12	12	4	8	10	8	3	10	2	19	5	21
21	Innovation and Technology:	7	8	7	7	9	3	9	19	8	6	14	20	3	3	1
22	Population Demography and Density	21	17	16	21	22	24	20	21	16	23	20	23	22	3	23
23	Population Dynamics and Migration	23	17	18	21	22	2	21	23	18	23	21	24	24	3	23
24	Transportation Accessibility:	7	11	11	14	9	1	3	5	11	2	14	1	1	1	24

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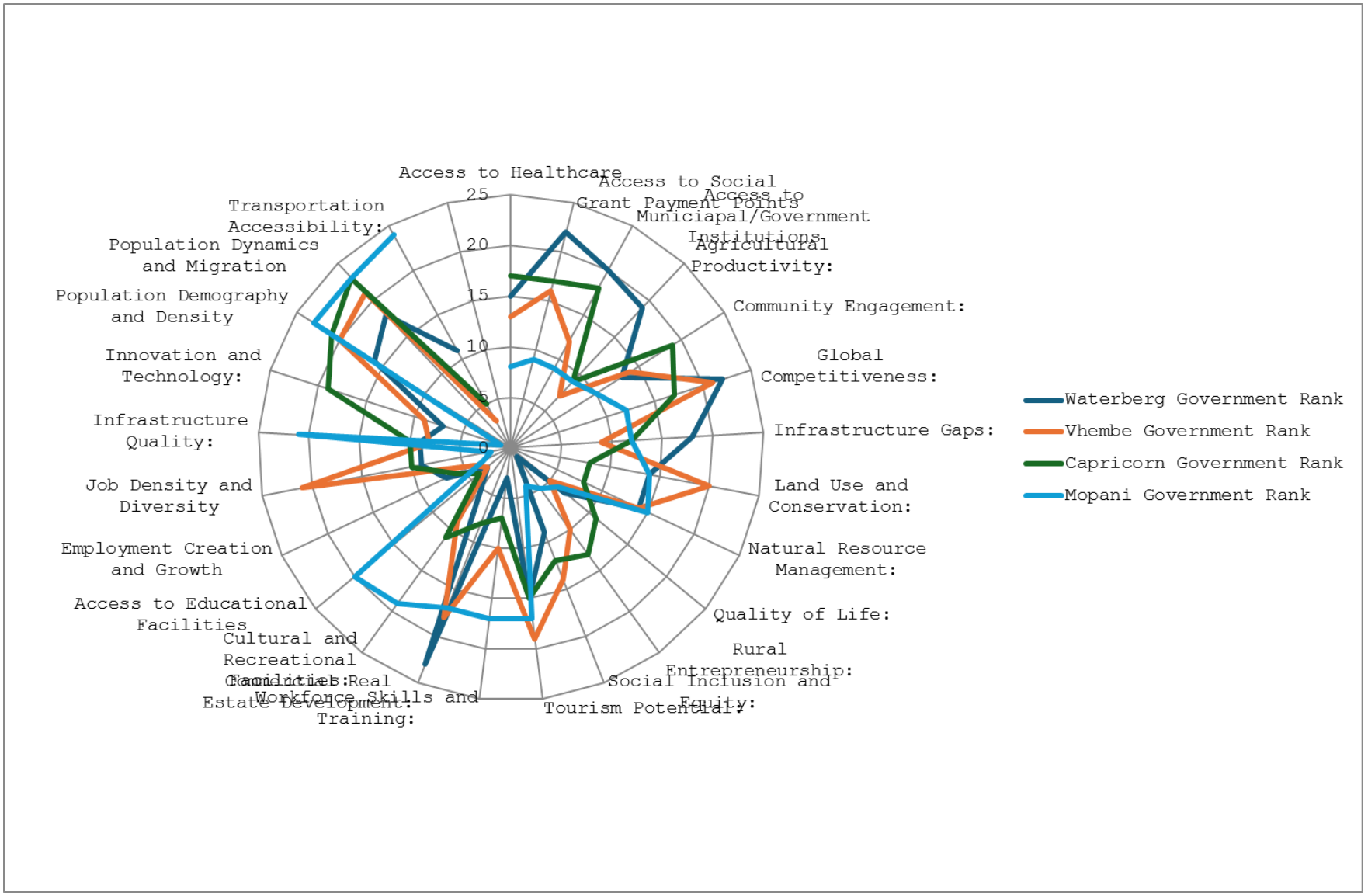


Figure 4-44: Comparison of government view across the districts.

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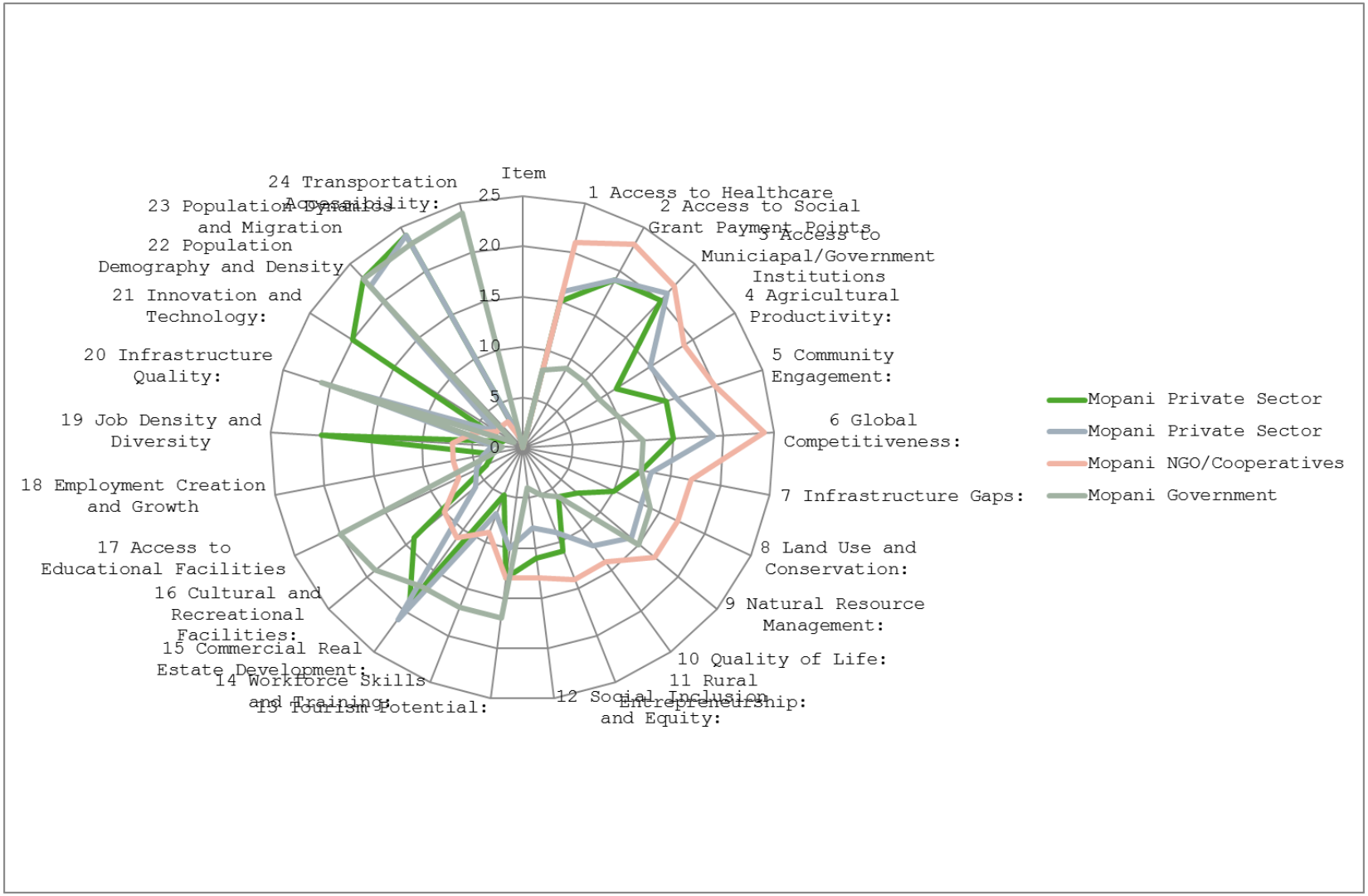


Figure 4-45: Comparison of various groups view in Capricorn

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Table 4-55: Survey questions and overall ranked results

Item	Question	Rank 1	Rank 2	Rank 3
1.	A. Select the three most Important Key Elements and Features for successful collaboration between government and private sector	Policy and Regulatory Framework	Financial Mechanisms	Community Participation
2.	B. Select the three most Important outputs of a good collaboration framework	Job Creation and Employment	Infrastructure Development	Entrepreneurship Support
3.	C. Select the two most Important elements that a good collaboration framework must leverage:	Efficient Use of Resources	Clear Policies	Strong Community Engagement
4.	D. A good collaboration framework must remove which weaknesses (Select three important to you):	Red Tape	Lack of Inclusivity	Inadequate Resource Allocation
5.	E. Select three most important Specific Needs and Challenges for you that A good collaboration framework must meet	Skills Development and Education	Environmental Sustainability	Technology Integration
6.	F. Select three most important things for you that needs to be done to strengthen the governance frameworks, ensuring active involvement of the private sector in local economic development:	Enhancing Public-Private Collaboration	Improved Policy Implementation	Empowering Local Participation

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Table 4-56: Perceived local economic development indicators in Limpopo Province

Category	Item	Mean	Standard deviation	Consensus Level
1. Access to services	a) Access to social grant payment points	18.87	3.86	High
	b) Access to municipal or government institutions	18.27	3.75	High
	c) Access to healthcare	14.67	7.18	Moderate
	d) Access to educational facilities	5.60	1.46	High
2. Economic development and entrepreneurship	a) Agricultural productivity	12.60	6.79	Moderate
	b) Job density and diversity	8.80	6.12	Moderate
	c) Innovation and technology	8.27	5.27	Moderate
	d) Rural entrepreneurship	8.27	5.38	Moderate
	e) Employment creation and growth	5.53	1.41	High
3. Social and community development	a) Community engagement	15.13	2.71	Moderate
	b) Cultural and recreational facilities	10.40	4.12	Low
	c) Social inclusion and equity	10	2.23	Low
	d) Quality of life	8.60	5.33	High
4. Infrastructure and development	a) Infrastructure gaps	14.67	5.03	Moderate
	b) Land use and conservation	13.33	4.03	Moderate
	c) Natural resource management	12.67	3.22	Moderate
	d) Transportation accessibility	7.67	6.97	Low
5. Global competitiveness and external factors	a) Population demography and density	19.47	4.32	High
	b) Global competitiveness	19.40	3.10	High
	c) Population dynamics and migration	18.87	7.16	Moderate
	d) Commercial real estate development	16.80	5.23	Moderate
	e) Tourism potential	15.27	3.53	Moderate

4.7.2 Proposed Implementation monitoring plan

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An implementation-monitoring plan for a Local Economic Development (LED) governance framework must: (1) allocate responsibilities, (2) track fulfilment, (3) measure improvements in economic conditions, and (4) trigger course corrections. The plan integrates a results chain and indicator matrix (defining success) with an institutional architecture and learning cycle (defining who measures, reports, and acts). This dual structure aligns with UN-Habitat's 10-step LED methodology, UNDP's Results-Based Management (RBM), and South Africa's Government-Wide Monitoring and Evaluation System (GWMES), reinforcing OECD-LEED's principle to "think global, act local."

UN-Habitat recommends institutionalising LED within an "officialised LED forum" to ensure continuous dialogue beyond council terms. The escalation and feedback rhythm includes:

1. Monthly operational meetings to resolve data issues.
2. Quarterly steering meetings issuing a traffic-light scorecard to Council.
3. Biannual LED clinics for problem-solving.
4. Annual LED Summit (media-accessible) for public progress reporting.

Following the RBM logic (Inputs → Impact) helps avoid indicator overload and allows contextual adaptation. Five strategic outcome areas are:

1. Governance & management capacity
2. Business climate & investment
3. Enterprise & supplier development
4. Skills & labour-market alignment
5. Sustainable infrastructure & spatial integration

The World Bank notes that such a matrix supports annual LED strategy revision. CBM reinforces accountability through participatory M&E practices. Monitoring outputs include:

1. Monthly dashboard (internal signals)
2. Quarterly LED Scorecard (public traffic-light)
3. Biannual Barometer (business, labour, infrastructure)
4. Annual State of the Local Economy Report
5. Mid-term evaluation (Year 3)
6. Summative evaluation (Year 5)

Adaptive learning activities include:

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1. “Adjust & Modify” workshops
2. 30-day task teams for red-flag issues
3. Theory-of-Change reviews to incorporate new risks

South African LED toolkits and the ILO stress regular monitoring, standardised indicators, and capacity building. Essential annexes:

1. Indicator catalogue
2. Data-flow map
3. Reporting calendar
4. Change-request form
5. Roles & Responsibilities (RACI) chart

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Table 4-57: Purpose and guiding principles.

Item	Principle	Practical implication
1	Inclusiveness – all role players contribute data and receive feedback	LED Forum meetings are open to municipal officials, business associations, cooperatives, youth groups, traditional leaders and academia.
2	Results orientation – focus on outcomes, not only activities	Indicators measure jobs created, new SMME registrations, value-chain linkages, etc., not merely number of workshops held.
3	Learning & adaptation – iterate quickly	Quarterly "LED barometer" reviews allow rapid adjustment of targets and budgets.
4	Transparency & accountability – public reporting	A dashboard is published on the municipal website and community radio.

Table 4-58: LED Coordination Structure

Item	Entity	Core functions
1	LED Steering Committee (chaired by Municipal Manager)	Endorses indicator set; approves quarterly and annual reports.
2	LED Secretariat / Unit	Compiles data, maintains dashboard, convenes reviews.
3	Private sector Working Group (e.g., LCCI)	Supplies enterprise data; co-leads investment climate actions.
4	Sector Departments & Agencies (DTIC, SEDA, NYDA, etc.)	Aligns grant / incentive data with LED indicators; flags policy blockages.
5	Civil-society & Community Reps	Conduct community score-cards and citizen-based monitoring.
6	Academic partners / TVETs	Provide research support, tracer studies, impact evaluations.

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Table 4-59: Sample monitoring matrix (excerpt)

Outcome	Output	Indicator (SMART)	Baseline (2024)	Target (2027)	Data source	Responsible	Frequency
Jobs grow in priority sectors	SMME accelerator operational	# of firms graduating from accelerator	0	150	Accelerator MIS	LED Unit + LCCI	Quarterly
Transparent procurement	LED vendor portal live	% municipal contracts won by local SMMEs	12%	25%	SCM reports	SCM + Business Forum	Bi-annual
Agile skills pipeline	Certified artisans in renewable energy	# artisans NQF 4+	35	250	SETA database	TVET + NYDA	Annual

Table 4-60: Data collection and verification

Item	Data stream	Method	Quality control
1	Administrative records – permits, procurement, training completions	API link to municipal ERP and SETA MIS	Monthly automated validation
2	Enterprise survey panel	Online/phone survey of 200 firms	Independent auditor every 12 months
3	Citizen-based monitoring (CBM)	Community score-cards & WhatsApp polls	Random back-checks; ward committee oversight
4	Spatial & big data	Night-lights, mobile money flows	Partner university QA/QC

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Table 4-61: Resourcing and capacity-building

Item	Element	Estimate (R/yr)	Notes
1	Data management platform	350 000	Open-source KoBoToolbox + BI dashboards
2	Capacity-building (M&E, GIS, data analytics)	200 000	Shared training with district and academia
3	Independent evaluations	400 000	Pool funding with provincial LED Directorate
4	Community score-card grants	80 000	Covers facilitation in all wards

Table 4-62: Risk management & mitigation

Item	Risk	Mitigation
1	Data fatigue / non-reporting	Incentivize with recognition awards; automate feeds.
2	Indicator drift	Annual technical review panel keeps list concise and policy-relevant.
3	Political turnover	Council adopts monitoring plan as by-law; embeds in IDP.
4	Capacity gaps	Twinning arrangement with provincial M&E unit and university.

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4.8 Summary of Chapter 4

This study investigated a private sector-inclusive governance framework for Local Economic Development (LED) in rural Limpopo using a mixed-methods design with 366 participants. Approximately 47.5 percent were from the private sector, indicating strong business engagement. The demographically diverse sample included many with multiple affiliations, reflecting the province's interconnected economic actors.

The study analysed 27 international LED frameworks—from OECD's LEED to UNDP's inclusive models. Common barriers included fragmented governance, rigid plans, and weak data. Best practices identified included multi-level governance, adaptive learning, and performance metrics. Sustainability and equity were widely adopted; innovation and resilience were secondary except in mature ecosystems. Limpopo could benefit from embedding resilience and unified governance suited to local conditions.

Stakeholder mapping showed misalignments: businesses were keen to influence LED but reported low actual influence (<40 percent). Government actors had formal authority but inconsistent engagement, while community groups lacked influence. This governance gap echoes broader literature and Vhembe studies showing limited participation and distrust.

Awareness of local institutions like SEDA and NYDA was moderate, but actual program participation was under 30 percent. Fewer than 20 percent were aware of national LED policies. Though 70 percent knew of funding opportunities, only 15 percent had received support.

Barriers included limited market access, weak support, poor communication, and skills shortages (65 percent). Financial access challenges (55 percent) and infrastructure issues (e.g., load-shedding, roads) were significant. Corruption, bureaucracy, and misaligned public–private objectives further hindered progress.

Workshops revealed sector-specific value chain gaps. While agritourism, agriculture, transport, mining, and engineering sectors showed understanding, most lacked advanced skills, market compliance, or digital capacity.

Respondents identified key challenges: corruption, skills gaps, funding access, and private sector exclusion. Remedies proposed included clearer engagement pathways, improved skills development, streamlined funding, and stronger partnerships.

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Despite challenges, stakeholders highlighted the private sector's transformative potential under the right framework. Over 80 percent believed collaboration could drive growth and livelihoods.

The proposed framework rests on WHO (multi-stakeholder forums), HOW (standardised processes), and WHY (capacity, incentives, infrastructure), aligning global practices with Limpopo's context. Over 75 percent validated its potential, stressing political will as critical.

In summary, while systemic barriers limit private sector participation, tailored, inclusive governance can unlock rural Limpopo's economic potential—laying the foundation for Chapter 5's targeted recommendations.

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CHAPTER 5 DISCUSSION OF THE RESULTS

5 Discussion of the Results

5.1 Introduction

This chapter discusses the research findings on developing a private sector-inclusive governance framework for Local Economic Development (LED) in rural Limpopo. The discussion interprets the results in light of the study's objectives and relevant literature, addressing each research question through corresponding themes. Key themes—including current LED governance frameworks, challenges to private sector participation, potential benefits of inclusion, and the proposed framework—are examined critically. Where relevant, quantitative survey results are connected with qualitative insights to provide a cohesive analysis. For example, numerical data on stakeholder awareness and participation are used to validate interview perspectives, ensuring a robust integration of evidence.

Real-world examples and best practices are also incorporated to illustrate how the proposed framework could be applied in practice. The chapter considers the broader implications of private sector inclusion for addressing systemic issues like poverty and unemployment in rural areas, comparing perspectives across different stakeholder groups (government, business, and civil society) and across districts. Finally, it introduces the study's limitations and alternative interpretations of the findings to ensure academic rigor. Each analytical segment aligns with the structure of the results chapter (Chapter 4), linking back to the research objectives and questions, and integrating theoretical insights and practical implications supported by the literature.

5.2 Characteristics of Participants

The diverse representation of participants across sectors and districts underscores the complexity of LED in Limpopo. The study engaged 110 stakeholders, including government officials, business owners, community leaders, and civil society representatives (see Chapter 4). This mix of in-person and online responses captured multiple perspectives: SMMEs highlighted on-the-ground challenges, while municipal officials provided policy insights. These varied backgrounds enhance the findings' credibility but reflect differing interests. The participant profile mirrors the multi-actor LED ecosystem.

Geographically, participants came from across Limpopo's districts, each with distinct socio-economic contexts. Private sector dominance in Mopani and Vhembe aligns with literature on

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business-driven growth. Capricorn and Waterberg offered broader sectoral balance, reinforcing the value of inclusive stakeholder engagement (Nel & Rogerson, 2016).

District differences reflect Limpopo's uneven development: Capricorn is more urbanised, while Sekhukhune and Vhembe face higher unemployment and weaker services (LPG, 2020; Stats SA, 2020). Participants from rural districts stressed infrastructure deficits, while semi-urban ones highlighted bureaucratic hurdles. These regional disparities call for flexible, context-sensitive governance frameworks.

Demographically, middle-aged, educated male entrepreneurs predominated—typical of rural economic leadership. Civil society voices called for greater inclusion of women and youth, echoing literature on broadening participation (Rogerson & Rogerson, 2021). Inclusion enhances equity and innovation.

In summary, stakeholder diversity strengthens LED insights but reveals the need to engage underrepresented groups for sustainable outcomes.

5.3 Existing Governance Frameworks for LED

Thematic findings in Chapter 4.3 show numerous global and national LED governance frameworks—by the World Bank, ILO, UNDP, and OECD—emphasising inclusive growth, sustainable development, poverty reduction, and partnership-based governance. South Africa's LED policies, including the White Paper on Local Government (1998) and National LED Framework (2018–2028), reflect these ideals, positioning municipalities as LED drivers alongside civil society and business.

Frameworks promote strategic planning, multi-stakeholder collaboration, and decentralised governance. Global examples—EU's CLLD and Canadian models—highlight adaptability. For Limpopo, this means adopting global lessons while tailoring implementation to local conditions.

However, evidence from this study reveals deviations. Despite policy mandates, stakeholder inclusion remains weak. LED planning is largely government-led; private sector input is tokenistic. A municipal official admitted project lists are often pre-set before consultation. This undermines co-ownership.

Conceptual confusion further blurs LED's purpose. Participants often conflated LED with welfare schemes, echoing Mashabela (2021a), who warned that role confusion dilutes LED's strategic focus.

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Governance structures were found hierarchical and poorly coordinated. LED forums often exclude key actors. Business consultation is rare and one-way. National attempts to fix fragmentation, like the District Development Model (DDM), have yet to improve local dynamics. For example, Vhembe's SEZ was viewed as opaque, with unclear local business involvement.

Municipal LED units lack authority, staffing, and resources. Frameworks promote partnerships, but capacity to drive them is limited. Meyer and Venter (2013) argue failure stems not from absent policy, but weak institutionalisation.

Mutual distrust deepens the divide: government sees business as self-serving, while businesses view municipalities as slow and politicised. Administrative inefficiencies—proposal delays, permit bottlenecks, IDP misalignment—deter investment. Functional structures like PPP desks are often underperforming.

In sum, while frameworks are normatively sound, their implementation is flawed. Chapter 4.3 revealed shared awareness of what's needed but recurring obstacles to realising it. These findings validate the need for a revised governance model with clearer roles, deeper collaboration, and stronger accountability—explored in Sections 5.4 and 5.6.

5.4 Challenges Faced by the Private Sector

5.4.1 Key Challenges Identified

This section analyses the challenges inhibiting private sector participation in Local Economic Development (LED) in rural Limpopo, based on Chapter 4.4. Six themes emerge: (1) infrastructure and finance barriers, (2) regulatory inefficiencies, (3) fragmented governance, (4) corruption and mistrust, (5) human capacity limitations, and (6) misaligned development priorities. The analysis applies the "Who, How, Why" lens to highlight systemic exclusions.

1. Infrastructure and Finance - Across districts, rural infrastructure—roads, energy, and connectivity—is inadequate. Businesses face high operating costs, with Waterberg and Vhembe respondents citing delays and spoilage due to poor roads. Financing access is constrained: only 24% of applicants received state financial support, reflecting exclusionary lending practices.

2. Regulatory Inefficiencies - Municipal, provincial, and national bureaucracies remain difficult to navigate. Delays, siloed mandates, and urban-centric grant criteria frustrate rural entrepreneurs. These inefficiencies discourage uptake and reinforce disillusionment.

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3. Fragmented Governance - Joint planning platforms are mostly absent. Only 35% of businesses were aware of LED forums; fewer than 20% participated in structured dialogues. Municipalities often exclude businesses from planning, leading to missed synergies between public projects and private CSI efforts.

4. Corruption and Trust Deficits - Corruption and elite capture were widely cited. Businesses noted politically connected tenders and diverted funds. Lacking transparency and accountability, many prefer self-managed initiatives, weakening collective action.

5. Local Government Capacity - Municipal LED units are under-resourced and understaffed. Officers lack decision-making power and tools. In several cases, LED staff also manage unrelated portfolios. Only 21% of respondents knew of any local PPP initiative, indicating weak institutional capacity.

6. Misaligned Development Priorities - Municipalities prioritise short-term job creation; businesses seek long-term sustainability. This results in pressure on firms to prioritise employment over viability. Soga and Vyas-Doorgapersad (2021) highlight the absence of shared metrics.

In summary, challenges span structural, procedural, and relational dimensions. Remote areas emphasised infrastructure gaps; urban centres cited bureaucracy. While perspectives vary, the consensus is clear: without addressing these barriers, the private sector cannot fulfil its LED role. Section 5.4.2 further interprets these themes through the "Who, How, Why" lens to identify root causes and inform framework design.

5.4.2 Interpreting the Findings through the WHO-HOW-WHY Lens

Interpreting these challenges through the study's conceptual lens – the epistemic "Who, How, Why" framework introduced in Chapter 2 – provides insight into their roots and interconnections. "Who" pertains to stakeholders and their relationships, "How" to processes and implementation mechanisms, and "Why" to the purposes, motivations, and capacities driving LED. This triadic lens diagnoses where the current LED system breaks down and where the proposed governance framework must intervene.

1. "Who" – Stakeholder Collaboration and Trust

The "Who" dimension reveals weak relational infrastructure in LED. Stakeholder structures—forums, committees, communication channels—are either absent or ineffective. For instance,

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Anglo American, despite being seen as a key LED partner, plans CSI projects independently, bypassing municipal processes. This lack of coordination means businesses pursue parallel agendas, while municipalities implement LED projects without leveraging private investment.

The study highlighted poor communication, exclusion from planning, and mistrust as key issues. Without trustful, institutionalised collaboration, private sector inclusion remains superficial. Corruption and misaligned expectations also stem from weak stakeholder dialogue. Thus, the solution lies in formal platforms for unified planning and ongoing engagement.

2. "How" – Processes and Implementation

The "How" dimension reflects procedural inefficiencies. Businesses face convoluted systems without streamlined processes. The absence of standardised protocols means each project navigates an improvised route, delaying implementation. For example, lack of a one-stop shop results in repeated approvals across disconnected departments.

Misaligned objectives further expose flaws in planning. Governments often draft plans in isolation, leading to unrealistic expectations and project failure. Inclusive planning could align roles earlier. Challenges like corruption and limited capacity are also linked to poor process design. Weak mechanisms for training, project approval, and engagement exacerbate inefficiency and exclude capable partners. Reforming permitting, consultation, and approval protocols is therefore essential.

3. "Why" – Purpose, Incentives, and Capacity

The "Why" dimension reveals ambiguity in the goals of LED. Stakeholders observed that LED tries to be "everything at once"—poverty relief, enterprise support, and public works—without strategic coherence. This diluted purpose reduces motivation and focus. Strengthening the "Why" means articulating a clear, shared vision—for example, promoting entrepreneurship to reduce poverty.

Capacity building is equally central. Businesses and civil society offer skills and innovation government may lack, while their engagement depends on institutional competence. The study revealed skills shortages and underperforming LED units. For instance, an untrained officer may avoid complex collaborations, and entrepreneurs may disengage due to institutional weakness. Thus, capacity-building and aligned incentives are key to motivating all actors to participate meaningfully.

Systemic Interplay - Viewing the challenges through this triadic lens shows they are interrelated:

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- **Relationship deficits ("Who")**—lack of trust and collaboration prevent joint action and allow corruption and miscommunication to persist.
- **Process breakdowns ("How")**—unclear procedures discourage private initiative and stall implementation.
- **Purpose and capacity gaps ("Why")**—unclear goals and limited skills lead to disjointed efforts and poor alignment.

Addressing any one of these can positively affect the others. For instance, building formal stakeholder forums ("Who") could improve trust and communication, making it easier to streamline procedures ("How") and agree on shared goals ("Why"). Conversely, improving administrative processes without trust or clarity of purpose may yield little impact.

Empirical Examples

Evidence from the study supports this systemic view. About 20.7% of partnership failure reasons were due to communication breakdowns (Who), and 4.4% of coded issues cited bureaucratic hurdles (How). Only 40% of participants were aware of national LED frameworks, and fewer than 20% had engaged with them—highlighting low strategic alignment and capacity (Why).

These gaps reinforce the need for a governance framework that strengthens relationships, reforms procedures, and clarifies purpose. For example, establishing a district-level multi-stakeholder LED forum could foster trust, streamline bottlenecks, and build consensus. Improvements in any pillar support progress across the system.

In essence, challenges are not isolated—they reflect systemic failures across the Who, How, and Why of LED. As such, proposed reforms must address all three pillars to unlock meaningful private sector inclusion and transform LED outcomes in rural Limpopo.

5.4.3 Summary

The challenges facing private sector engagement in rural LED are not episodic; they are systemic. They cut across infrastructure deficits, regulatory incoherence, stakeholder fragmentation, mistrust, administrative inefficiencies, and strategic misalignment. These findings affirm that partial solutions—such as grant programmes or once-off dialogues—are unlikely to yield durable impact. Rather, what is needed is an integrated governance framework that addresses the "Who,

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How, and Why" simultaneously: institutionalising inclusive forums, streamlining implementation mechanisms, and building mutual understanding around shared objectives. The next section of this chapter explores how these insights directly inform the proposed governance framework.

5.5 Potential Benefits of Private Sector Inclusion

Despite the challenges outlined, the study found strong consensus across stakeholders—government, business, and community—on the potential benefits of deeper private sector involvement in LED. While emphasis varied, there was shared optimism that such inclusion could generate economic, social, and governance gains. This aligns with the literature, which identifies the private sector as a key driver of innovation, efficiency, and resources in development (OECD, 2005; World Bank, 2003).

Employment Creation

Employment generation was the most cited benefit. Participants acknowledged that unlike the public sector, private enterprises can create sustainable jobs through investment and expansion. In Limpopo's rural areas, increased private involvement in agro-processing, tourism, or manufacturing could absorb unemployed youth and women. Quantitative results confirmed this, showing that participants expect reduced unemployment with stronger business engagement. One LED agency participant remarked, "Government projects can hire 50 people for a few months, but one factory can employ hundreds for years." A study in Thulamela Municipality similarly found that LED projects leveraging local businesses significantly improved job opportunities and reduced poverty (Ngobeni et al., 2025). Thus, private-led LED holds potential to shift from short-term public works to long-term employment.

Skills and Capacity Development

Private sector engagement also fosters skills transfer and knowledge sharing. Participants cited cases where companies offered training—such as welding by a mining firm—enabling youth to become contractors. These efforts have multiplier effects, with beneficiaries gaining employment or launching services. Rwanda's Skills Development Fund is a comparable example: by aligning training with market needs, youth unemployment fell by 10% (AfDB, 2022). In our study, civil society respondents stressed the importance of mentorship through LED forums. Private sector inclusion can thus catalyse human development alongside economic growth.

Increased Investment and Diversification

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Rural LED often fails due to underfunding. Bringing businesses into the fold unlocks new funding avenues: PPPs, impact funds, or aligned CSI budgets. Participants gave examples of how one facility spurred value chains—stimulating both suppliers and downstream services. This illustrates "crowding in" (Turok, 2010), where enabling policies attract more private capital than government alone could provide. The study found that with improved coordination, hesitant businesses might invest more confidently, fostering diversification. Limpopo's narrow economic base could expand into new areas—renewables, agro-tourism, creative industries—if private partners are empowered to lead. The National Planning Commission (2012) estimated that agro-processing alone could create one million jobs nationally. Achieving this requires investment in processing, logistics, and cold chains—roles better suited to the private sector but enabled by government.

Improved Governance and Social Cohesion

Many participants, especially from government and communities, saw value in joint planning. Inclusive forums help reposition businesses as partners in development, not outsiders. This shared purpose enhances accountability and reduces conflict. Examples included a local factory co-sponsoring community markets, which improved both public image and incomes. This aligns with the concept of shared value (Porter & Kramer, 2011), where companies profit by addressing social needs. Participants noted that active engagement could prevent tensions that typically lead to protests. Greater trust can reduce service disruptions, foster stability, and spread responsibility for development.

Innovation and Efficiency

Private sector involvement introduces competitive pressures, innovation, and cost-effectiveness into LED. Government-led projects often face delays or inefficiencies, while businesses can offer tailored, tech-driven solutions—e.g., apps for artisans or digital tools to coordinate farming logistics. One example from another province involved a platform that improved market timing for farmers. Participants believed similar innovations could emerge in Limpopo if tech firms were engaged. Several officials admitted that private partners improve timelines and performance by pushing for results. However, some cautioned that innovation must be inclusive—solutions must be usable by communities. Partnerships with NGOs or municipalities can ensure this.

Balancing Concerns

While the benefits are compelling, concerns were raised. Some participants feared that PPPs could prioritise profit over public good or entrench power imbalances. Community members sought assurances that private gain wouldn't outweigh community benefit. These concerns mirror

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literature urging clear frameworks for PPPs (ILO, 2006; Blakely & Leigh, 2013). Transparency, accountability, and inclusive planning—elements embedded in the proposed governance framework—are necessary to realise benefits equitably. Chapter 6 recommends safeguards such as open reporting and community monitoring to ensure inclusive outcomes.

Summary

There is strong support for private sector inclusion as a solution to Limpopo's systemic development challenges. The private sector brings financial capital, human capacity, and innovation that can complement and enhance government and community efforts. As the study shows, this inclusion must be deliberate, structured, and accountable to achieve widespread and sustainable LED benefits. Section 5.6 builds on these findings by presenting a governance framework that operationalises these insights into action.

5.6 Governance Framework Proposal

Building upon the findings presented in Section 4.6, the study proposes a comprehensive governance framework designed to institutionalise private sector participation in Local Economic Development (LED) across rural municipalities in Limpopo. The proposed governance framework reflects a private sector-driven hybrid approach to LED, where private enterprises act as primary catalysts of local economic activity, but within systems of collaborative governance that ensure public accountability and community participation.

The proposed governance framework is intentionally flexible, recognising that no single leadership model suits all contexts. It offers municipalities a structured approach to first select their primary LED objectives, then determine the most suitable leadership style—whether state-led, private sector-led, private sector-driven hybrid, state-driven hybrid, or civil society-driven hybrid—and finally choose appropriate LED elements to operationalise interventions. This typology-based structure allows municipalities to tailor LED strategies to local realities and sectoral dynamics.

This framework is designed to leverage private sector capabilities while aligning initiatives with broader developmental goals. The framework is structured around three integrated and interdependent components—conceptualised as addressing the "Who", "How", and "Why" of LED governance. These correspond to: stakeholder collaboration (Who), standardised implementation processes (How), and capacity building with policy reform (Why). This tripartite structure is informed by empirical data gathered from municipal leaders, private sector actors, and civil society

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stakeholders, as well as relevant theoretical models such as Stakeholder Theory, adaptive governance, and inside-out development planning.

Importantly, the framework's foundation is rooted in both international best practices and context-specific evidence. The study used Mitchell, Agle, and Wood's (1997) Stakeholder Salience Model to define the "Who"—emphasising the inclusion of actors with power, legitimacy, and urgency. It further adopts the "inside-out" development approach of Pike et al. (2016), arguing that effective LED must be grounded in local assets, relationships, and governance structures rather than externally imposed models. Additionally, the utilisation-focused evaluation lens (Patton, 2015) shapes the "Why" component by ensuring that LED interventions are continuously relevant, adaptive, and responsive to community priorities and institutional feedback loops.

1. Multi-Stakeholder Platform (The "Who")

The "Who" component addresses the urgent need for inclusive and formalised governance structures, which was a recurring finding in Section 4.6. Respondents consistently emphasised the absence of structured collaboration platforms as a major barrier to successful LED initiatives. Therefore, the framework proposes establishing a Multi-Stakeholder LED Forum at municipal or district level. This forum would bring together all relevant actors—municipal LED officials, private sector stakeholders (from large firms to SMMEs), civil society organisations, community leaders, and, where applicable, traditional authorities. The legitimacy and sustainability of this body would be reinforced by its legal institutionalisation within municipal LED strategies and its regularised meeting schedule (e.g., bi-monthly or quarterly).

Crucially, the Forum should be co-chaired by municipal and business representatives to ensure a sense of equal partnership. The role of the Forum would go beyond consultation: it would co-create LED plans, evaluate ongoing projects, mediate local disputes, and coordinate resource allocation. The study's example from Thulamela Municipality, where LED planning is currently fragmented, highlights the practical relevance of this structure. Respondents endorsed the concept by pointing out the need to avoid "parallel planning" between government and business, a problem that the platform is explicitly designed to resolve.

Furthermore, the inclusion of a conflict resolution function—cited as necessary by several interviewees—adds a layer of durability to this platform. This could involve rotating facilitation roles, third-party mediation where needed, or community charters that commit all stakeholders to transparent engagement. In mining towns, for example, companies like Anglo American could table their CSR plans within the Forum for alignment with community and municipal priorities—

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preventing duplication, mistrust, and missed opportunities. This type of coordination, mentioned as missing in Section 4.6, is a core function of the "Who" and can significantly improve governance culture over time.

2. Standardised Processes for LED Implementation (The "How")

The second component, "How", responds to the operational inefficiencies, policy fragmentation, and inconsistent project execution identified in the study's findings. Stakeholders repeatedly cited the lack of clarity in procedures, delays in decision-making, and administrative complexity as deterrents for private sector engagement. To address this, the proposed framework includes the development of a Standardised LED Toolkit, co-created with local stakeholders and possibly supported by the Department of Cooperative Governance and Traditional Affairs (CoGTA) or SALGA.

This toolkit would outline a step-by-step guide for LED project initiation, appraisal, implementation, and monitoring. It would provide templates for project proposals, eligibility criteria for support, timeframes for government responses, and protocols for joint monitoring. A digital "one-stop LED portal"—where businesses can register projects, apply for incentives, and track approval status—was endorsed by multiple stakeholders as a critical innovation. This streamlining is modelled on the East London IDZ's investor support system and adapted for rural context, where access to government services is often delayed or inconsistent.

Moreover, the framework integrates the municipal Integrated Development Plan (IDP) cycles with private sector planning timelines, creating joint planning calendars that synchronise development priorities. This integrated planning was viewed as essential by both municipal and business respondents in Section 4.6. In parallel, the framework proposes a shared LED M&E system—a dashboard or data platform where all stakeholders can see project status, bottlenecks, and outcomes. Such visibility, respondents noted, would build trust and ensure real-time feedback, leading to more responsive adjustments.

This component also adapts the "inside-out" logic by rooting project development in community-mapped needs and local resource audits. For example, rather than soliciting external investors to define LED priorities, the process would begin with local actors identifying their comparative advantages (e.g., agricultural land, heritage sites, artisanal products) and then inviting investment accordingly.

3. Capacity Building and Policy Reform (The "Why")

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The third and equally critical component— "Why"—focuses on the systemic enablers of successful LED partnerships: skills, incentives, and institutional support. Section 4.6 demonstrated that both public and private stakeholders recognise the importance of capacity and incentive alignment but lament the lack of actionable programmes to sustain these. Thus, this component targets both the human and policy infrastructure that support LED.

In terms of human capacity, the framework proposes annual "LED Academies" co-hosted by local academic institutions such as the University of Venda and relevant government departments. These academies would deliver practical training on participatory planning, investment facilitation, value chain development, and M&E. They would be open to municipal officials, business leaders, and community stakeholders. In addition, sector-specific mentorship programmes—such as agri-business incubation or tourism entrepreneurship—can be hosted in collaboration with business chambers and development finance institutions.

On the policy side, Section 4.6 findings showed a lack of enabling local regulations and poor alignment with national policies. This component addresses that by recommending policy innovations such as local incentive schemes (e.g., rates rebates, procurement preferences) for businesses that invest in LED-priority sectors. Furthermore, municipalities should be capacitated to align their LED frameworks with the National LED Framework (2018–2028), the National Development Plan (2030), and the Sustainable Development Goals (SDGs), thereby unlocking co-funding and technical assistance opportunities from higher levels of government or international development partners.

Respondents particularly highlighted procurement reform as a priority. As noted, local procurement was below 34% in some municipalities—representing a missed opportunity for inclusive growth. Therefore, the framework suggests the adoption of localised procurement by-laws that define transparent, merit-based criteria for selecting local suppliers, thereby stimulating the local private sector while avoiding clientelism.

The "Why" also includes the articulation of a unifying LED vision—jointly owned by the Forum and reflected in IDPs and municipal communications. This shared vision gives legitimacy, direction, and consistency to LED action across terms of office, political shifts, or business cycles. For example, a municipality may adopt the vision: "To halve rural unemployment by 2030 through inclusive agro-industrial growth." This vision then becomes a rallying point for all actors and a benchmark for policy alignment.

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In Summary, the proposed governance framework is a context-sensitive, theory-informed, and stakeholder-validated model for transforming LED governance in rural Limpopo. The “Who” ensures inclusivity and legitimacy through formalised platforms. The “How” guarantees procedural clarity, efficiency, and joint ownership through standardised toolkits and integrated systems. The “Why” builds the sustainable scaffolding of skills, incentives, and policy that empower and retain stakeholders. The three components are mutually reinforcing and designed to address the key constraints revealed in Section 4.6 and throughout the study—fragmentation, mistrust, and weak institutionalisation. Ultimately, the framework offers a roadmap for institutionalising LED as a collective, coordinated, and strategic developmental process.

5.7 Effectiveness of the Proposed LED Framework

The evaluation of the proposed private sector-inclusive LED framework reveals key insights affirming its alignment with stakeholder priorities and identifying practical considerations. Stakeholder feedback strongly endorses the framework’s three core components: policy/regulatory framework (HOW), financial mechanisms (WHY), and community participation (WHO). Ranking exercise results confirm this alignment.

Alignment with Stakeholder Needs

Ex-ante validation through pairwise ranking and questioning showed strong convergence across stakeholder groups. They prioritised policy/regulatory mechanisms, financial mechanisms, and community participation—mirroring the WHO/HOW/WHY model. Key outcomes expected included job creation, infrastructure, and entrepreneurship—consistent with the framework’s goals. Risks identified, such as red tape and poor inclusivity, are addressed within the model. Objective 5 also highlighted priorities like skills development, sustainability, and technology integration.

Stakeholder Confidence and Anticipated Outcomes

Validation workshops were overwhelmingly positive. Participants described the framework as addressing “missing links.” Business owners welcomed having a say in planning; officials appreciated the clarity. Four improvements were expected:

1. Higher Project Success – Shared ownership to reduce failures.
2. Increased Investment – Greater confidence from clear processes.
3. Job Creation – Improved employment and income indicators.
4. Better Governance – Transparency and reduced conflict.

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Implementation Considerations

Participants noted key success factors: political will, capacity readiness, inclusive safeguards, and defined metrics. These shaped the monitoring and evaluation plan (Section 4.7.2).

Statistical Analysis Support

Table 4.55 confirms qualitative findings: strong consensus on jobs, education, and grants; moderate on SME growth and innovation; lower on transport and social inclusion, indicating context variation.

Contribution to Literature and Theory

Findings echo global studies showing private sector-inclusive LED is more sustainable. Like cases in Southeast Asia and Latin America, this model promotes shared value.

Summary

The framework aligns with stakeholder needs, offers practical governance improvements, and provides a credible basis for LED transformation—requiring political backing, capacity support, and ongoing evaluation for success.

5.8 Summary of Key Outcomes and Potential Impacts

Findings indicate broad consensus that private sector involvement could significantly enhance local economic development in rural Limpopo through expertise, innovation, employment, and knowledge transfer. However, concerns remain regarding resource mobilisation, effective PPPs, adaptability, and sustainability. Addressing these challenges requires inclusive engagement frameworks, robust accountability measures, and policies that ensure equitable benefits and foster strong public-private-community partnerships for long-term success.

This study confirms that envisioning LED as innovation-driven necessarily demands a private sector-driven hybrid approach, as innovation flourishes in environments shaped by market competition, entrepreneurial dynamism, and adaptive efficiency—qualities intrinsic to the private sector. A sustainable and impactful Local Economic Development (LED) framework must be built on the interlinked pillars of innovation, private sector leadership, and knowledge intensity. Moreover, private sector-driven hybrid development depends on knowledge-based processes, harnessing technical expertise, market intelligence, skills development, and continuous learning

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as strategic advantages. This dynamic is consistent with global trends and aligns with endogenous growth theory, which associates lasting economic progress with investment in human capital and innovation. The proposed governance framework translates this logic into practice by promoting inclusive Public-Private Partnerships (PPPs), incentivising Corporate Social Responsibility (CSR), and embedding LED strategies within strong knowledge systems. This approach redefines local government's role from direct intervention to facilitation, enabling innovation ecosystems and private sector participation.

5.8.1 Outcomes

In summary, the discussion has unpacked how a private sector-inclusive governance framework can address the identified challenges and leverage opportunities for LED in rural Limpopo. The key outcomes anticipated from implementing this framework include:

1. **Enhanced stakeholder collaboration** – Formalized and regular communication and joint planning between government, businesses, and civil society, resulting in more coherent and widely supported LED initiatives. This would manifest as functional LED forums or committees where plans are co-created and issues are jointly resolved, replacing the current fragmented approach. As a result, duplication of efforts would diminish and trust among actors would improve, echoing collaborative governance models known to yield better outcomes (Ansell & Gash, 2008).
2. **Streamlined project development and implementation** – Faster, more transparent procedures that lower the entry barriers for private actors to initiate or join LED projects. With one-stop shops and clear guidelines in place, the time and effort required to set up a project or partnership would drop. We expect to see shorter approval times, more projects in the pipeline, and less frustration over red tape. This efficiency (an improvement in the "How") directly targets one of the major pain points identified in the study. It can also increase the throughput of LED activities – meaning more projects move from idea to execution within a given time – which is crucial for momentum.
3. **Strengthened local capacity** – Through training and knowledge exchange, all stakeholders (especially municipal LED units, local entrepreneurs, and community representatives) become better equipped to design, participate in, and manage development activities. Over time, a professionalized, proactive LED team in each municipality would emerge, capable of engaging credibly with private partners and driving projects. Likewise, community actors would be empowered to contribute ideas and oversight. This outcome addresses internal weaknesses noted in the study, such as lack of project management skills and limited community engagement. It also ties into the

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broader principle that local empowerment is essential for sustainability; by building local human capital, the framework ensures that improvements can be maintained even if external conditions change.

4. **Increased resource mobilization** – A pooling of public, private, and possibly donor resources for LED, along with improved access to external funding due to the credibility of a partnership framework. When stakeholders unite under a common strategy, they can present a stronger case to provincial or national authorities and international funders for support. For example, a municipality with an active LED forum and a clear plan might attract grants from the Department of Small Business or matching funds from development agencies. Additionally, private sector confidence to invest local capital would rise. In effect, the financial base for LED initiatives would broaden beyond municipal budgets, which are currently the main source. This is critical in under-resourced rural areas – new streams of investment can dramatically expand what gets done on the ground.

Crucially, these outcomes are interdependent. For instance, as collaboration improves (Outcome 1), it likely unlocks more resources (Outcome 4) because trust grows, and partners are more willing to contribute funds or in-kind support. Likewise, with stronger capacity (Outcome 3), the efficiency of implementation (Outcome 2) will improve, since skilled teams can navigate processes faster and innovate solutions to bureaucratic hurdles. These interlinkages mean the overall impact can be synergistic: success in one area propels success in others, leading to an upward spiral of improvement in the LED system.

The ultimate outcome to strive for is more effective LED interventions – projects that are well-conceived (thanks to broad input), adequately resourced (thanks to pooling and investment), and jointly executed (with each party playing to its strengths). The study's findings support this conclusion. Participants gave examples on a small scale: where even informal collaboration existed – e.g., a local business forum occasionally inviting the municipal LED officer to its meetings – it resulted in small but meaningful successes such as co-hosted job fairs or coordinated assistance to a struggling factory. These anecdotes illustrate the principle that cooperation yields tangible benefits. Scaling this up under a formal framework should multiply such successes. Additionally, by institutionalizing the collaboration (making it a standing practice rather than an ad-hoc occurrence), these outcomes can be sustainable. Rather than one-off projects championed by a particularly enthusiastic individual, the LED mechanism itself (the forum, the processes) would continually generate and support initiatives as a routine function of local governance.

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From a theoretical standpoint, implementing this framework in rural Limpopo marks a shift towards inclusive and participatory development practice, operationalizing principles often advocated in development studies. It embodies the idea of co-production of solutions (Meerkerk, 2024; Linåker & Runeson, 2022) – that complex local challenges are best addressed when state, market, and community combine their resources and knowledge. In our case, neither the government nor the private sector nor the community can succeed alone in driving LED; but together, under the right framework, they can create synergy. Such an approach is expected to improve not only local outcomes but could inform broader policy. For example, if a district in Limpopo demonstrates that its private sector-inclusive LED framework significantly boosted small business growth and employment, this model could be adopted in national LED guidelines or replicated in other provinces, thereby influencing South Africa's overall approach to LED. In this sense, one outcome of the study could be its contribution as a pilot model for inclusive LED governance in rural contexts.

It should be noted that achieving these outcomes will require commitment and time. In early stages, the focus might be on building trust (Outcome 1) and securing quick wins to demonstrate the value of the new approach – for example, rapidly solving a problem that had long been stalled, to show that the forum can make a difference. Over a few years, as processes standardize and capacity grows, more tangible economic outcomes (business growth, jobs) should manifest. Our discussion assumes diligent implementation of the framework components; Chapter 6 will provide concrete recommendations to maximize the chances of these outcomes being realized. Nonetheless, even in this discussion it is evident that aligning the governance process with the realities of who needs to do what in LED is a foundational outcome in itself. Once that alignment is in place (everyone understands their role and works in unison), the tangible benefits in terms of projects and livelihoods should logically follow, as evidenced by analogous cases globally where governance reforms preceded development gains.

The main product of this PhD research is indeed this framework for collaboration in the coordination and facilitation of LED between municipalities, traditional authorities, and the private sector. To reiterate, the specific areas of expectation from implementing the framework are:

1. Trustful and respectful relationships between LED practitioners across sectors (addressing the trust deficit),
2. Adoption of the framework in municipal and traditional governance settings (institutionalizing the new approach),
3. Better understanding of the private sector's roles in LED among all stakeholders (changing mindsets from the old paradigm of government-only LED).

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If these expectations are met, the outcomes listed (1 through 4 above) become feasible, setting the stage for meaningful impacts on the ground.

5.8.2 Potential Impact

A central motivation for this study was the persistent poverty and unemployment in rural Limpopo. Thus, it is essential to articulate how the proposed private sector-inclusive LED framework can directly impact these systemic challenges. The Limpopo Province faces some of South Africa's highest poverty levels – over 60% of the population lives below the poverty line – and the expanded unemployment rate in recent years has been around 44% (Statistics South Africa, 2021). These figures are more than statistics; they represent everyday hardships, especially among youth and women, and a lack of economic opportunities which fuels out-migration and social problems. The effective engagement of the private sector in LED is posited as a game-changer in this context. By unleashing local economic potential through enterprise development, the framework can generate jobs and incomes, which are the primary pathways out of poverty, and are as follows:

1. **Firstly**, employment creation resulting from robust LED is the most direct way to reduce poverty. When businesses start or expand in rural areas, they hire local residents, providing steady wages that enable families to afford food, education, and healthcare. The framework encourages exactly this by facilitating investments and enterprise growth. To illustrate potential impact: if the framework helps establish even two new medium-sized enterprises (for example, an agro-processing facility in Mopani and a furniture manufacturing workshop in Vhembe), each employing say 50–100 people, that's 100–200 new jobs. Considering extended families, this could lift several hundred household members out of extreme poverty, assuming each breadwinner supports 5–10 dependents. Moreover, the secondary employment effects (through supplier networks, service providers, etc.) could add a similar number of jobs indirectly. Over time, as local skill levels improve (through the capacity building element of the framework), entrepreneurship also tends to increase – some employees of new ventures may spin off their own micro-enterprises, further amplifying job creation. This virtuous cycle is supported by historical evidence: regions that have significantly reduced poverty (such as in East Asia) did so by integrating local communities into expanding economic activities led by private investment and trade (World Bank, 2013). In our South African context, the National Development Plan (NDP) 2030 explicitly identifies LED, especially through agricultural development and small enterprise support, as key to creating jobs and reducing poverty in rural areas (National Planning Commission, 2012). The NDP's target of creating one million new

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agricultural jobs by 2030 underscores that addressing structural unemployment in provinces like Limpopo hinges on focused local development initiatives. Our framework operationalizes this by aligning local projects with such national imperatives and by ensuring that private actors (who ultimately create most jobs) are fully involved and incentivized.

2. **Secondly**, poverty alleviation is not just about jobs; it's also about improving livelihoods and access to services. A coordinated LED approach can enhance local service delivery in ways that directly benefit the poor. For example, involving the private sector can lead to innovative social business models: a local entrepreneur, supported by the LED forum, might establish a low-cost transportation service connecting remote villages to town centres. The municipality could assist by easing licensing and providing an initial subsidy or fuel vouchers, while a business provides vehicles and management. Such a service would reduce isolation for rural residents, connecting them to markets, healthcare, and educational facilities, thereby improving quality of life and economic potential. Another example is value chain development for small farmers: organizing farmers into cooperatives, with mentorship from larger agribusinesses and support from government (e.g., providing storage or processing equipment via a PPP), can significantly raise farmers' incomes. Evidence from other communities shows that when small producers gain better market access and value addition, their earnings can double or triple (Omojolaibi *et al*., 2018). In our study, participants – especially those representing farming communities – hoped that an inclusive framework would "bring the market closer" to them, meaning fewer middlemen and better prices for their products. Indeed, a study in Mpumalanga (a comparable province) found that well-implemented LED programs created alternative income streams for rural households and contributed to poverty reduction by fostering local cooperatives and small businesses (Kanayo *et al*., 2021). By helping to formalize and support such initiatives, the framework can lead to higher household incomes and diversification of livelihoods, making families less vulnerable. The cumulative impact of many micro-improvements like these can be substantial: reductions in the poverty headcount, higher household expenditure on nutrition and schooling (as incomes rise), and lower vulnerability to shocks (because people have savings or multiple income sources).
3. Finally, another impact area is youth and women's empowerment, which is both a poverty and an unemployment issue. In rural Limpopo, these groups often suffer the highest joblessness and poverty rates. The framework's emphasis on inclusivity and capacity building ensures they are not left behind. For instance, training programs and LED projects can be designed with quotas or special outreach for women and youth (as recommended in our civil society-oriented strategies in Chapter 6). Over time, this builds local champions

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and a culture of youth entrepreneurship and female-led enterprises. One NGO participant in the study noted, “When the private sector comes in, they should invest in people, not just projects,” underscoring that human development must accompany economic projects. This logic is exactly what the framework’s human capital focus espouses. Precedents like South Africa’s Expanded Public Works Programme (EPWP) have shown that targeting women and youth in local projects improves their income and employability (Phillips, 2004). Our framework, by involving businesses, can take this further by helping participants transition from temporary public works into permanent private sector jobs or their own businesses. For example, a young person who apprenticed in a PPP infrastructure project could be hired by a contractor full-time, or a women’s cooperative that catered for a training event might spin off a small catering business serving the local market. This has a direct poverty impact because it moves individuals from marginal, often informal, livelihoods to more stable and possibly higher-earning opportunities. Empowering women also has strong multiplier effects on household welfare, as women’s incomes are often invested in children’s health and education, breaking intergenerational poverty.

It is important to quantify and track these impacts. Under the framework, the LED forum and local government should set clear targets for poverty reduction and job creation (e.g., number of jobs created annually, number of new SMMEs established, percentage decrease in households needing social grants). These targets will ensure that the framework doesn’t just improve processes and outputs, but actually moves the needle on outcomes. For example, achieving even a 5-percentage point reduction in the poverty rate over five years in a municipality would mean thousands of families escaping poverty. Given that Limpopo’s rural poverty rate is so high (exceeding 60%), the challenge is steep, but incremental progress is significant in human terms. Encouragingly, aligning our framework with broader goals means we can rally additional support: for instance, it fits within the Sustainable Development Goals (SDGs), particularly SDG 1 (No Poverty) and SDG 8 (Decent Work and Economic Growth). This alignment could attract funding or technical assistance from national programs or international partners focusing on SDGs, as recommended by UNDP (2021) for localizing SDGs through partnerships.

Beyond economic indicators, one should consider indirect social impacts that accompany economic improvement. As employment and incomes rise, social conditions often improve: crime may decrease (since economic desperation is a driver for some crimes, and idle youth are more prone to anti-social behaviour), health and nutrition improve (as households can afford better food and healthcare), and educational outcomes improve (as parents can keep children in school longer and youths see value in education given new opportunities). These are longer-term and

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diffuse benefits, but they contribute to a virtuous cycle of development. Additionally, a successful LED framework can broaden the municipal tax base – more businesses and employed individuals mean higher tax revenues (property rates, service fees, local sales, etc.), which in turn enables the municipality to provide better services in poor communities, further enhancing quality of life. This self-reinforcing cycle – inclusive governance leads to economic projects, which reduce poverty and unemployment, which create a more stable and prosperous community, which then provides a platform for further investment and development – is the opposite of the current vicious cycle in many rural areas where disinvestment, unemployment, and social ills reinforce each other.

We temper these expectations with realism: the framework is not a panacea. High levels of structural poverty are also driven by factors beyond local control (national economic climate, global commodity prices, education system performance, etc.). However, by addressing the factors that are within the local sphere – such as stakeholder coordination, local business growth, and effective use of resources – the framework can make a meaningful dent in these challenges. The academic discourse on LED acknowledges that local initiatives alone cannot solve all issues, but they can significantly complement broader anti-poverty programs (Rogerson, 2014; Nel & Rogerson, 2016). Our findings strongly suggest that without private sector inclusion, rural LED will continue to underperform; conversely, with inclusion, it has a fighting chance to deliver on its promise of improved livelihoods.

5.9 Study Limitations and Alternative Interpretations

While the findings and the proposed framework are promising, it is important to acknowledge the limitations of this study and consider alternative ways the results might be interpreted. Doing so provides a balanced view and delineates the boundaries within which the conclusions are valid (Creswell, 2014). Key limitations include the study's scope, methodology, and the evolving context of LED, each of which is discussed below alongside possible alternate interpretations.

One key limitation is the geographical and contextual scope of the research. The study was conducted in rural areas of Limpopo Province, which have unique socio-economic dynamics (e.g., a largely agrarian economy, strong traditional leadership structures, and specific historical legacies of underdevelopment). As a result, the findings and the efficacy of the proposed framework are most directly applicable to similar contexts – i.e., rural, under-resourced settings in South Africa or the Southern African region that share these characteristics. They may not be fully generalizable to urban metropolitan areas or rural areas in other countries without careful adaptation. For example, Gauteng's metropolitan municipalities have far larger and more

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diversified private sectors; the challenges and solutions for private sector inclusion there might differ significantly (perhaps focusing more on coordination among many players and dealing with more complex governance layers). Transferability of our conclusions should therefore be done with caution. In qualitative research terms, we aim for analytic generalization to theory rather than statistical generalization to all settings (Yin, 2018) – meaning the framework can be seen as a model that others might use as a starting hypothesis in their context, but they must adjust it based on local specifics. Practitioners or researchers applying these insights elsewhere should consider factors like governance culture, economic structure, and stakeholder relations in that environment. For instance, in a country where local governments have less autonomy than South Africa, the approach to empowering local LED forums might need modification. In summary, context matters: the framework is tailored to Limpopo's rural context, and any broader application requires situational analysis.

Another limitation pertains to the methodological approach and data. The study employed a mix of qualitative methods (interviews, focus groups) and a survey to gather perceptions from stakeholders. Such methods are inherently subject to biases. Participants may have provided overly optimistic views on private sector inclusion due to social desirability bias – knowing the researcher was examining partnerships, some might have emphasized benefits and downplayed drawbacks of private sector involvement to appear cooperative or forward-thinking. Conversely, participants with negative past experiences could have been unduly pessimistic – recall that a few business owners were very critical of government, possibly skewing their perspectives toward scepticism about any collaborative solution. Although we triangulated data (gathering similar information from different sources and stakeholder types) and included a diverse sample, the non-probability sampling means we cannot claim the sample is fully representative of all stakeholders in Limpopo. Certain voices, such as the most marginalized rural poor who are not in any organization or the smallest informal business owners, might not have been strongly heard in our data. As Patton (2015) notes, every evaluation has trade-offs; in this case, depth was prioritized over breadth, which could limit how widely the findings apply. Future research with a larger or random sample could test whether the identified challenges and perceived benefits are as prevalent as our study suggests. For example, a survey covering every municipality or a random selection of businesses might reveal variations or additional challenges not captured here.

In terms of data interpretation, we should consider alternative explanations for the results. One alternative interpretation could focus on the role of external factors rather than local governance. An economist might argue that the difficulties in LED implementation in Limpopo are less about governance frameworks and more about broader structural economic conditions. For instance, persistent unemployment might be seen primarily as a result of national economic slowdowns or

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insufficient infrastructure investment by central government, rather than local governance per se. From that viewpoint, even a perfect local governance framework could struggle if, say, national market demand is weak or if macroeconomic policies are unfavourable. This perspective aligns with arguments by Rodríguez-Pose and Tijmstra (2007), who caution that local development efforts in sub-Saharan Africa face structural constraints such as weak external demand and poor connectivity, which can limit outcomes regardless of local initiatives. In our study, participants indeed noted issues like poor national infrastructure (e.g., rail links, highways) and macroeconomic instability (inflation, interest rates) as factors dampening their LED hopes. Thus, an alternative reading is that while improving local governance is helpful, the impact might be modest unless accompanied by larger-scale economic reforms and investments. We have partly addressed this by including advocacy for infrastructure and aligning with national programs in our framework, but a critic might still say the study overstates what local governance can achieve on its own.

Another alternative interpretation relates to power dynamics in local governance. Our analysis treats stakeholders somewhat monolithically (government, private, civil society) and suggests that inclusion is simply a matter of better coordination. However, one could interpret the lack of private sector involvement not just as an oversight but as a consequence of deliberate power imbalances or resistance. Perhaps local political elites resist ceding control to private actors because it could dilute their influence or patronage opportunities. Or certain business interests might actually prefer the status quo – operating independently and informally – and thus avoid entanglement with official forums that could constrain them or expose them to public scrutiny. In that sense, the challenge might be seen through a political economy lens: LED failures could stem from elite capture, rent-seeking, or conflict of interest, rather than just “lack of coordination.” If this interpretation holds, the solution might need to address local power structures more explicitly – for example, by incorporating strong transparency and anti-corruption measures into the framework, and by ensuring that it isn’t co-opted by dominant actors. Our framework implies some of this (e.g., a transparent multi-stakeholder forum inherently reduces backroom deals), but we did not detail anti-corruption protocols or ways to limit elite domination. An alternative perspective might stress that without tackling corruption head-on (through enforcement of rules, independent oversight, etc.), collaborative frameworks could be undermined by those who benefit from the current inefficiencies. Indeed, there is a risk that if a local elite (say a political figure or a business monopoly) sees the framework as threatening their advantage, they may obstruct it. Acknowledging this, one might recommend additional safeguards or change management strategies to accompany framework implementation, ensuring that it comes with buy-in from power brokers or pressure from higher authorities to comply.

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It is also possible to question the causality implied in our discussion of benefits. We have generally assumed that greater private sector inclusion will lead to positive LED outcomes. However, an alternative theoretical perspective might argue the reverse: that certain positive conditions need to be present before the private sector will engage. For example, from a more neoliberal or market-driven perspective, one could argue that only when the local business climate is sound (secure property rights, ease of doing business, basic infrastructure in place) will firms invest and partake in LED – implying that the private sector is reactive, not proactive. Our framework, conversely, places the private sector as an active partner driving change. If the former interpretation is correct, efforts should perhaps focus first on improving baseline governance outcomes (rule of law, contract enforcement, reducing corruption) as preconditions, after which private involvement will naturally increase, rather than expecting private inclusion to drive the process from the start. In truth, both directions of causality likely reinforce each other (a virtuous cycle as discussed), but acknowledging the alternative emphasis is important. It suggests that our recommended strategies must also ensure that basic governance functions are working, otherwise asking businesses to join in might be premature or ineffective. In practical terms, this means that while we set up forums and processes, we must concurrently fix things like procurement systems and financial management in municipalities – otherwise the presence of a forum won't overcome those fundamental issues. We partially addressed this in our recommendations (e.g., aligning with anti-corruption measures, improving municipal capacity), but the alternative view is a reminder that the framework doesn't replace basic good governance; it builds on it.

Finally, the time frame of the research is a limitation – we captured stakeholder perspectives at one point in time. LED processes are dynamic, and attitudes can change with new political leadership, economic shocks (like COVID-19, which impacted LED efforts globally), or major investments (like the opening of a mine or a collapse of one). We could not observe the evolution of any single LED initiative or partnership over multiple years. A longitudinal approach (which we suggest in Chapter 6's future research) could yield insights into how initial challenges give way to new ones, or how the impact on poverty unfolds gradually. The absence of longitudinal data means our conclusions are somewhat static snapshots. Alternative interpretations might emerge if we had a longer view – for instance, a strategy that seems ineffective in the short run could prove beneficial in the long run, or vice versa. For example, initial resistance by some stakeholders might be overcome after they see success stories, or an approach that works in the first year might face hurdles later due to changing circumstances. Not witnessing these time-based changes means we assume relative continuity in conditions, which may not hold true.

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By acknowledging these limitations and alternative viewpoints, we reinforce the academic rigor of the study. No single study can cover all angles, and our recommendations are made with an understanding of these boundaries. The convergence of findings from multiple sources (interviews, survey, literature, and case examples) gives confidence in the core argument that a governance framework inclusive of the private sector is a promising path for LED in rural Limpopo. However, the alternative interpretations offered remind practitioners and researchers to also consider structural factors (beyond local control), power relations, and sequence of reforms when applying the framework. In practice, a hybrid approach might be needed: improve local governance while advocating for macro improvements, implement the framework while keeping an eye on power imbalances, and so forth.

5.10 Summary of Chapter 5

This chapter critically interpreted the findings in relation to the study's theoretical framework and the broader discourse on Local Economic Development (LED). It revealed three governance failures impeding LED in rural Limpopo: (i) unclear stakeholder roles, (ii) misalignment between national strategy and local realities, and (iii) exclusion of the private sector, marginalising its capital and expertise.

Stakeholders across sectors identified practical issues such as limited procurement access, weak partnerships, and lack of institutional support for SMMEs. Conceptual confusion—conflating LED with general socio-economic initiatives—leads to fragmented efforts and reduced impact. Although 92.4% of respondents were aware of municipal structures, only 37.9% engaged in LED processes, indicating significant underrepresentation of the private sector.

Despite these gaps, stakeholders recognised the transformative potential of private sector involvement—especially in infrastructure delivery, employment, and value chain integration. Municipalities with business engagement reported better outcomes in enterprise growth and skills development. Sectors like mining and agriculture showed collaboration potential, while areas like digitalisation remain underdeveloped.

Validation exercises confirmed that institutionalising inclusive governance improves sustainability and accountability. The proposed Private Sector-Inclusive Governance Framework, structured

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around “WHO, WHY, HOW,” clarifies roles, anchors LED in adaptive learning, and provides operational guidance. It aligns with the National LED Framework (2018–2028) and the SDGs.

This reframes LED as an innovation-driven, knowledge-based, and collaboratively governed process. By applying epistemic governance and shared value principles, the study challenges state-centric paradigms and promotes development ecosystems where government enables rather than controls.

Broader impacts include:

1. **Transforming Implementation** – Clarifying roles, aligning strategy, and promoting high-impact tools.
2. **Institutionalising PPPs and CSI** – Embedding private sector roles in service delivery and governance.
3. **Formalising Community Participation** – Embedding citizen voices in decision-making.

Key failures include stakeholder ambiguity, strategic-operational misalignment, and underutilisation of private sector capacity—only 24.1% reported tangible support for SMMEs. Conceptual confusion exacerbates ineffective, disconnected interventions.

The framework presents a co-governed, adaptive model where government, business, and communities jointly drive economic transformation. With only 35% of municipalities currently engaging private actors meaningfully, opportunities abound. Involved municipalities showed better outcomes in jobs, skills, and infrastructure.

This chapter establishes the foundation for Chapter 6, which will synthesise findings, present actionable policy recommendations, and map future research directions to operationalise and scale the governance model in rural Limpopo.

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CHAPTER 6 SYNTHESIS AND RECOMMENDATIONS

6.1 Introduction

This final chapter synthesizes the study's findings and presents the overarching conclusions regarding the development of a private sector-inclusive governance framework for LED in rural Limpopo. It begins by reaffirming the imperative for private sector engagement in LED and how the study's results support and extend this imperative. The chapter then outlines specific, actionable recommendations tailored to each major stakeholder group – government, private sector, and civil society – to translate the research findings into practice. These recommendations directly stem from the empirical insights (the challenges and opportunities identified in Chapter 5) and are intended to guide stakeholders in strengthening LED processes on the ground. In detailing the recommendations, the chapter also highlights policy implications and alignment with existing development goals (such as South Africa's National Development Plan and the Sustainable Development Goals) to ensure that the proposed actions complement broader strategies. Following the stakeholder-specific recommendations, the chapter discusses the study's contributions to knowledge and its practical implications for development policy and practice. Finally, it delineates directions for future research, suggesting methodologies and focus areas (such as longitudinal studies and comparative analyses of rural vs. urban LED) that would build on this work and address remaining gaps. The goal is to conclude the thesis with clear guidance on both implementation and further inquiry, thereby ensuring that the research has immediate relevance as well as a lasting academic and practical legacy.

Throughout this chapter, an academic yet pragmatic voice is maintained: conclusions are drawn based on evidence and theory, and recommendations are formulated to be both grounded in scholarly understanding and feasible for practitioners. This dual focus reflects the study's intent

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to bridge the gap between LED policy aspirations and the realities of implementation, offering a path forward that is informed by what has been learned.

6.2 The Imperative of Private Sector Engagement in LED

The research reaffirms that private sector engagement is essential—not optional—for effective Local Economic Development (LED), especially in rural Limpopo. Literature and field findings show government- or community-led efforts alone have limited success in sustaining growth and job creation. Despite policy emphasis on partnerships (1998 White Paper, 2006–2011 and 2018–2028 national LED frameworks), integration of businesses into local LED governance remains weak.

Our study confirms that challenges like lack of innovation, funding gaps, and slow delivery often stem from limited private sector involvement. The private sector brings capital, agility, and market insight critical for achieving LED's core goals—economic diversification, competitiveness, and employment (World Bank, 2013). Without it, initiatives risk being under-resourced and unsustainable.

Active business participation aligns development projects with real market opportunities. For example, entrepreneurs identified high-value crops for agro-processing that differed from public sector plans, showing how business input improves impact. The private sector offers not just funding but market experience, helping LED focus on viable, high-impact solutions.

Collaborative governance involving government, businesses, and civil society improves decision-making. This echoes global evidence: where businesses are engaged, LED outcomes improve (Zhang & Wong, 2017).

In Limpopo, with poverty and unemployment at crisis levels (~60% and ~44%), government efforts alone are insufficient. Municipal budgets are strained, and public job programs limited. Businesses must help create sustainable livelihoods. One participant said, "Government can only bake a small loaf; to feed the community, we need more bakers."

When businesses are excluded, they work in silos—missed opportunities. If aligned with municipal plans, their CSI and procurement efforts could have wider impact. Evidence shows joint efforts deliver better outcomes.

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This study proposes a hybrid, private sector-led LED model integrated with government and community structures—balancing efficiency with equity. This model closes the implementation gap and sets the foundation for actionable stakeholder-specific recommendations that follow.

6.2.1 Establishing Robust Governance Frameworks

Effective LED requires well-defined governance structures that provide clear policy direction, strategic coordination, and operational guidance. Both the literature (Nel & Rogerson, 2019) and our findings stress that without a solid governance framework, LED efforts risk fragmentation and inefficiency. At the national level, South Africa recognized this by issuing frameworks like the National Framework for Local Economic Development: Creating Innovation-driven Local Economies (2018–2028), which emphasizes structured, multi-level approaches to enhance service delivery and socio-economic development (Cloete, 2018). However, translating these high-level frameworks into robust local governance arrangements remains a challenge. Our study underscored that municipalities need to establish or strengthen LED-specific governance bodies (such as LED units and forums) with the mandate, capacity, and resources to drive LED in a coordinated way. A robust framework means roles and responsibilities are clarified (who leads what), there is accountability (monitoring outcomes against plans), and consistent methodologies are used (e.g., standard procedures for project appraisal). One key aspect is vertical and horizontal integration: robust LED governance links local plans with provincial and national strategies (vertical alignment) and also ensures different local departments and partners work in sync (horizontal alignment). The necessity of such structured governance came through strongly in interviews with government officials, who often felt that, in the absence of formal frameworks, LED was relegated to an unfunded mandate or an ad-hoc set of activities. Establishing a robust framework at municipal level – possibly formalized by by-laws or council resolutions – is therefore a priority recommendation, as it sets the foundation for everything else.

6.2.2 Challenges in Current LED Practices

Despite recognition of the private sector's importance (as evidenced in policy and our survey responses), existing LED practices often lack clear mechanisms for structured inclusion of private actors. This ambiguity in "how to involve the private sector" leads to confusion regarding roles, sporadic engagement, and ultimately ineffective governance and suboptimal outcomes. In our research, we observed that many LED forums or partnerships, where they exist, are personality-driven or project-based rather than systematic. Some of the recurring issues in current practice include:

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1. Political interference or short-termism: LED projects are sometimes chosen for quick wins or patronage benefits rather than strategic value, which can sideline genuine private interest or expertise.
2. Infrastructural and capacity constraints: As highlighted earlier, these impede success and discourage private initiative.
3. Socio-cultural factors: In some communities, distrust of outsiders or a history of failed initiatives makes people wary of new partnerships.

All these factors further complicate building effective LED collaborations. Meyer (2019) notes that in many rural municipalities, LED has not been mainstreamed into core operations; it's treated as an auxiliary function, which limits its impact. Our findings echo this – LED managers spoke of struggling to get buy-in from other municipal departments or from local businesses due to lack of a formalized approach. Recognizing these practice-level challenges is important because our recommendations must address them head-on – for instance, by suggesting ways to clarify roles, simplify processes, and build trust (which we do in section 6.5).

6.2.3 Defining the Scope of Inclusion

A comprehensive governance framework should delineate the roles of multiple stakeholders – including various tiers of government, different sizes of businesses, and civil society groups – in LED. One reason current frameworks falter is that the scope of inclusion is not well-defined: Who exactly should be at the table? To what extent? For what decisions? Balancing power dynamics is crucial. Our study suggests that large companies, small enterprises, municipal officials, traditional leaders, and community representatives all have distinct but complementary roles. The framework must ensure balanced representation so that, for example, big business doesn't overpower community voices, and government doesn't dominate to the exclusion of others' ideas. Aligning objectives is part of this scope definition; each stakeholder might have its own priorities, but the framework should create a common vision or set of goals. Globally, LED has been seen as a means to address poverty, unemployment, and inequality (Pike *et al*., 2017; Crescenzi & Rodríguez-Pose, 2020), and inclusive frameworks are touted as the way to achieve these outcomes. Therefore, defining scope includes making explicit that LED is about economic and social objectives together – growth that benefits the many, not the few – which justifies broad stakeholder inclusion. Our recommendations will reflect this by suggesting formal terms of reference for LED forums that encode wide representation and equity considerations (for instance, requiring a certain number of community seats, or rotating leadership between public and private co-chairs).

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6.2.4 Understanding Inclusive Governance Models

To develop an inclusive governance framework, it is helpful to draw on essential components identified in theory and practice for such models. One key component is empowerment: LED aims to empower local participants to effectively utilize resources (business enterprise, labour, capital) to achieve local priorities (Binns & Nel, 2019). Thus, an inclusive model must decentralize some decision-making to the local level and legitimize local knowledge. Another component is structured participation: simply having open invitations isn't enough; effective models set up clear, regular mechanisms for input (e.g., scheduled consultations, defined roles in committees). Our study's framework does this by institutionalizing the LED forum. Also, inclusive governance requires attention to the enabling environment: in fragile or underdeveloped contexts, the private sector plays a critical role in providing jobs and income where the state might be weak (World Bank, 2021). This underscores why our framework is vital for places like Limpopo – it leverages private capacity where government capacity might be limited. In designing recommendations, we consider how to ensure these components – empowerment, structured participation, enabling environment – are realized. For example, one recommendation is that municipalities formalize the LED forum's inputs into their budgeting and planning, giving it real influence (empowerment).

6.2.5 The Role of Public-Private Partnerships

Public-Private Partnerships (PPPs) and broader corporate social investments are key mechanisms for private sector engagement in LED. Our synthesis of findings with literature indicates that successful local private sector development can address economic growth and poverty reduction by expanding employment, wages, and services (OECD, 2019). With proper municipal strategy and management, PPPs can support entrepreneurs and enhance equitable access to infrastructure and services (Swinburn *et al*., 2006). The study's participants often brought up PPPs as desirable but noted they rarely see them in rural areas. This is a gap our recommendations aim to fill: by proposing how local governments can initiate and structure PPPs even at a small scale (e.g., for a market, a processing facility, a training centre). We consider South Africa's PPP framework (guided by National Treasury regulations) and suggest ways to adapt it to rural LED projects that might be smaller or community-oriented. PPPs also carry risks which need mitigation: if not managed well, they can fail to deliver value for money or exclude community interests. Thus, our recommendations for PPPs include transparency measures and community benefit clauses to align them with LED goals.

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6.2.6 Validating the Governance Framework

Developing the proposed governance framework in this study also involved a form of validation through stakeholder input and comparison with existing models. We collected data from various stakeholders – government, private, civil society – to ensure the framework's inclusivity and adaptability. These diverse inputs revealed that challenges such as inadequate infrastructure, financial constraints, and socio-economic disparities must be addressed to create an enabling environment for LED. Essentially, stakeholders "validated" the necessity of each component of the framework: they confirmed that without a forum (Who), coordination remains poor; without process fixes (How), bureaucracy stifles them; without capacity and incentives (Why), efforts dwindle. Therefore, one conclusion is that the proposed framework is grounded in actual needs voiced by those it will affect. Nevertheless, further validation should occur through pilot implementation (as recommended in future research) and refinement across different contexts (urban vs rural). A point for policy makers is that any framework should not be static – feedback loops for continual improvement are essential. The study recommends that as part of validating and institutionalizing the framework, municipalities adopt a monitoring system to regularly assess how well the new governance arrangements are working and make adjustments (e.g., if some stakeholder is still left out or a process is still too slow).

6.2.7 Conclusion and Future Research

In wrapping up the imperative and conceptual underpinning: the development of an inclusive governance framework that integrates the private sector is crucial for the success of LED initiatives in rural Limpopo Province. It directly addresses the root problems identified in our research: fragmentation of efforts, exclusion of key players, and misalignment of objectives. While our study provides a strong rationale and design for such a framework, further research and testing are advisable. We suggest focusing next on piloting the framework in different contexts – for instance, in an urban township versus a rural village – to refine its applicability and effectiveness across diverse settings. This will help ensure the framework can be a versatile tool in South Africa's LED toolkit. Now, having established the "why" and "what" of the needed change, we move on to synthesizing the study's major findings (objectives-wise) and then into concrete recommendations for each stakeholder group on "how" to implement these changes.

6.3 Synthesis of the Study

The study set out with five primary objectives (outlined in Chapter 1), and the findings for each can be synthesized to present a clear picture of what was learned and what it implies. This section

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distils those key findings and demonstrates how they collectively inform the development of the governance framework and the subsequent recommendations.

1. Challenges in Private Sector Participation (Objective 1): The research found multifaceted challenges hindering private sector participation in rural LED. These included poor coordination mechanisms (no regular forums for dialogue), mistrust partly due to instances of corruption, cumbersome bureaucratic hurdles, and limited capacity of LED units. These challenges result in the private sector either being hesitant to engage or being ineffective when it does. For example, the lack of formal partnership structures meant businesses often pursued their own community support agendas (e.g., standalone CSI projects) rather than contributing to collective impact. This finding confirms much of the LED literature that cites coordination failure as a key reason for LED underperformance (Nkwinika & Munzhedzi, 2016). It underscores why a new framework is needed: to create those structures for partnership and improve trust and efficiency. The persistence of these challenges across different municipalities and stakeholder types in Limpopo indicates that piecemeal solutions (addressing one issue at a time) haven't worked; a systemic change via governance reform is required.
2. Assessment of Existing Frameworks (Objective 2): Current LED governance frameworks, while well-intentioned, were found to be overly state-centric and fragmented, not providing sufficient roles or incentives for private players. The study noted that even frameworks like the District Development Model (meant to integrate planning) have yet to effectively break down silos in practice. We observed a gap between policy and implementation: documents call for partnerships, but on the ground, LED is often run by municipal officials with minimal business input. This aligns with observations by Meyer and Venter (2013) that despite a sound regulatory framework for LED in South Africa, execution has been poor, yielding limited successes in job creation. One reason is that frameworks have lacked concrete mechanisms for inclusion. The synthesis highlights that without structural changes to how frameworks are implemented (like those we propose), the private sector will remain on the periphery of LED. Our findings basically validate government's own mid-term reviews that LED outcomes have been disappointing (COGTA, 2018) and point to inclusion of the private sector and communities as the missing piece. Thus, this study contributes a detailed proposal to fill that implementation gap within existing policy frameworks.
3. Benefits of Private Sector Inclusion (Objective 3): On a positive note, stakeholders widely recognized that including the private sector yields significant benefits: increased investments, job opportunities, skills transfer, innovation, and more efficient project implementation. The study's empirical evidence, coupled with cases from elsewhere (e.g., increased employment through Rwanda's skills program; successful PPPs in Gauteng),

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builds a strong case that these benefits are tangible and achievable. We saw that when businesses are “at the table,” projects like infrastructure development or value chain creation can proceed faster and at lower cost. This demonstrates the untapped potential currently present in rural Limpopo – the private sector could unlock local value if the barriers were removed. Our interviews with businesses indicated many have resources or ideas they would invest locally if they felt the environment were more supportive. In essence, the findings here answer the question “Is it worth the effort to change the model?” with a resounding yes, because the upside is considerable. This consensus on benefits also provided motivation for stakeholders to buy into the proposed framework during validation workshops.

4. Proposed Governance Framework (Objective 4): Synthesizing the above, the study formulated a framework to address the challenges and capture the benefits. It revolves around inclusive platforms, streamlined processes, and capacity building (the “Who, How, Why” components described earlier). The validation of this framework came from both stakeholder feedback (participants overwhelmingly supported ideas like a formal LED forum and one-stop shops when these were presented) and literature precedent (the framework’s elements reflect best practices from development and governance theories, as discussed in Chapter 5). The resultant framework is practical and rooted in the realities of Limpopo as gathered from the data – importantly, it is not a generic model being imposed, but one tailored to fix the identified gaps in stakeholder engagement, process efficiency, and capacity in rural LED governance. This tailoring increases its feasibility. Stakeholders, especially those at municipal level, felt a sense of ownership because they recognized their input in the design; for instance, the recommendation for co-chairing the LED forum by a business leader came directly from a workshop where government and business reps brainstormed how to signal equal partnership. That kind of input gave us confidence that the framework can be taken up locally.
5. Perceived Effectiveness (Objective 5): Finally, the study considered how effective the proposed framework might be in promoting sustainable economic growth and development, albeit hypothetically during the research. Through scenario discussions and expert input, the consensus was that the framework would likely lead to improved LED outcomes if implemented. Indicators of effectiveness would include more LED projects initiated (because of the easier processes and better collaboration), higher uptake of LED programs by businesses (because they have a role in designing them), and ultimately improvements in local economic indicators such as employment rate, number of new enterprises, and possibly income levels. The synthesis of participant viewpoints and external data strongly suggests that if implemented, the framework could reverse the stagnation currently observed in many rural municipalities’ LED efforts. Notably, even

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incremental changes like establishing a multi-stakeholder forum were predicted to have outsized effects by simply bringing coordination and transparency where there was little. In other words, some of the solutions do not require massive new resources, but smarter governance. This is encouraging for cash-strapped municipalities – it means much can be achieved by reconfiguring how they work with others. That said, participants and experts also noted that measuring effectiveness will be crucial; hence our recommendations include setting up M&E for LED initiatives under the new framework.

In summary, the major findings present a coherent storyline: LED in rural Limpopo struggles due to governance and engagement deficiencies, but there is a clear pathway to improvement by systematically involving the private sector. The research contributes by providing a concrete framework for this involvement and evidence for its likely success. It essentially moves the narrative from diagnosing why LED has been failing to proposing how we can make LED work better. This sets the stage for action. Therefore, the study concludes that adopting a private sector-inclusive governance framework is both a necessary and feasible strategy to revitalize LED in rural Limpopo. The next sections translate this conclusion into actionable recommendations and propose areas where further investigation can support and refine this strategy to ensure its sustainability and adaptability.

6.4 The Governance Challenge in LED: Fragmentation and Exclusion

Drawing together the threads of the research, several key conclusions can be stated regarding LED governance in rural Limpopo and similar contexts:

1. Conclusion 1: A collaborative governance framework is essential for effective LED. The study conclusively finds that LED initiatives are more likely to succeed when governance structures formally include all stakeholders, especially the private sector. This confirms theories of collaborative governance (Ansell & Gash, 2008) and applies them in a rural development context. In Limpopo's case, establishing institutionalized collaboration (as opposed to ad-hoc or token involvement of businesses) is identified as a critical missing piece in current LED practice. Without a framework that brings everyone together with clear roles, efforts remain piecemeal and insufficient. Thus, the push for a structured partnership model is not just idealistic—it is a practical necessity gleaned from the failure of siloed approaches.
2. Conclusion 2: Private sector participation addresses core LED challenges and enhances development outcomes. The evidence led to the conclusion that many of the chronic challenges in LED (limited funding, lack of innovation, unemployment) can be partially

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mitigated by active private sector engagement. The private sector's capacity to create jobs and drive growth is unparalleled in these communities; hence, integrating this capacity into local development planning is a high-impact strategy for poverty reduction and economic improvement. This resonates with the principle that local economic growth must be private sector-driven hybrid for it to be sustainable (Rogerson, 2014). The government's role, accordingly, is pivotal but more effective as a facilitator and regulator rather than the sole implementer of economic projects. This conclusion challenges older paradigms of LED where municipalities tried to initiate and run businesses (which often failed); instead, it posits that municipalities should enable businesses to thrive and align with community goals.

3. Conclusion 3: Context-specific framework design increases relevance and buy-in. The proposed framework was tailored to Limpopo's rural context, and the positive feedback from participants leads to the conclusion that context matters greatly in governance innovation. Stakeholders are more likely to embrace changes that reflect their reality— for example, focusing on agriculture and mining as key sectors in Limpopo, acknowledging traditional leadership in community affairs, and addressing local infrastructural gaps. Thus, any rollout of this framework should maintain flexibility to adapt to local nuances (which also implies that as it's replicated elsewhere, one should involve local stakeholders in tweaking it). This conclusion affirms the value of the participatory approach used in the research itself: by involving stakeholders in framework development (through interviews, workshops, validation), the result is both theoretically sound and locally legitimate. One size does not fit all in LED; what we recommend is a template that should be adjusted with local input wherever it's applied.
4. Conclusion 4: Implementation will require capacity building and political will. While the framework is well-received conceptually, the study concludes that its success will depend on building the necessary skills (in negotiation, planning, project management, etc.) among stakeholders and securing commitment from leadership (political and business leaders alike). If local government officials, councillors, and business leaders champion the framework and push for its institutionalization, it can move forward relatively quickly. Conversely, if it remains an "academic recommendation" without strong owners, it may not materialize fully. Therefore, an implicit conclusion is that change management is part of the solution – stakeholders must be prepared and convinced to shift from old ways of working to a collaborative model. This might involve training, exposure visits (e.g., seeing a place where such collaboration works), and repeated communication of quick wins to keep doubters on board. We include this in recommendations by suggesting capacity-building programs and leadership endorsements at provincial level.

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5. Conclusion 5: Monitoring and continuous improvement are needed. The dynamic nature of LED means the framework should not be static. The study suggests (and concludes) that as the framework is implemented, stakeholders should monitor outcomes and be willing to adjust the approach. For instance, if the multi-stakeholder forum initially isn't attracting enough private participants, find out why and adapt (maybe meeting times are inconvenient, or businesses need more incentives to attend). If a certain standardized process is still too complex, simplify it further. This leads to the conclusion that the framework should be seen as a living tool, subject to refinement. It also indicates a role for ongoing research or evaluations to support LED initiatives, ensuring they learn and improve – something we elaborate in the future research section. Essentially, we conclude that establishing the framework is not the end; it's the beginning of a new way of working that must evolve with feedback and changing conditions.

Taken together, these conclusions provide a strong endorsement for rethinking LED governance in rural Limpopo by fully integrating the private sector. They move the narrative from "why LED is failing" to "how we can make LED work." By concluding with a concrete framework and a set of advantages and conditions for success, the study offers practitioners a roadmap to follow.

To elaborate on the overarching governance challenge: historically, LED efforts have been fragmented and have often excluded crucial actors (or included them superficially). Our conclusions drive home that tackling fragmentation (through formal collaboration structures) and inclusion (through deliberate roles for each sector) is the way forward. Existing policies have frequently referenced the private sector as a key partner in LED, but a detailed analysis reveals an absence of clear mechanisms for how these actors should engage with local government and community structures (Meyer & Marais, 2020). We found that while some local governments in Limpopo attempt to involve businesses via PPPs, CSI initiatives, or LED forums, these efforts are often ad hoc, inconsistent, and lacking long-term sustainability frameworks. This inconsistency is a governance failure that leads to uncertainty on the private sector's part about when and how to contribute. Our framework aims to rectify that by providing consistency and reliability in engagement.

Moreover, governance failures at higher levels trickle down and exacerbate LED challenges at the local level. Weak intergovernmental coordination and competing stakeholder interests can create an environment where private sector participation is opportunistic (only happening when incentives align briefly) rather than strategic (embedded in ongoing plans) (Pugalis & Tan, 2017). This study's recommendations implicitly call for alignment across government levels – for instance, suggesting that provincial authorities endorse and support the establishment of local

LED forums to give them legitimacy and ensure provincial programs feed into them. That way, what the province or nation does in LED supports, rather than confuses, local efforts.

In conceptualizing an inclusive governance framework for LED (our proposed model), the study synthesized existing governance models and empirical data to propose a framework that does the following:

1. Clearly defines stakeholder roles and responsibilities – ensuring balanced decision-making (so no single sector dominates).
2. Fosters institutional coordination and policy integration – aligning local, provincial, and national efforts to prevent fragmentation.
3. Establishes private sector engagement mechanisms – giving businesses formal representation and predictable processes to contribute.
4. Ensures transparency, accountability, and power balance – incorporating monitoring tools and checks to prevent any stakeholder from derailing the process for narrow interests.
5. Promotes economic sustainability and social impact – requiring that private sector engagement in LED also consider social outcomes (through things like social impact assessments and community development commitments).

These elements have been woven into our recommendations. For example, we recommend transparent LED forums with published minutes to address accountability, and we propose that municipalities adopt local procurement targets to ensure small businesses gain from LED (promoting equity).

The private sector in LED needs to go beyond investment to systemic integration. Our study emphasized this by showing that while businesses often contribute to LED-like outcomes through CSR, training, or infrastructure investments, these contributions are sporadic and not aligned with broader development goals. We identified structural barriers that cause this, such as lack of formal engagement platforms, bureaucratic inefficiencies, and weak incentives for sustained involvement. The framework (and our recommendations for the private sector) directly addresses these: by creating formal LED committees with business representation (platform), simplifying regulations (process), and introducing incentives like recognition or co-funding for businesses that partner in LED (motivation). The conclusion here is that businesses are willing to engage in LED if the environment is enabling – many expressed that they want to help their communities but don't know how to navigate government or fear wastage of their efforts. Providing a clear pathway through governance reforms can convert that willingness into action.

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The study's empirical validation of the framework's ideas, even if indirect, came from gathering multi-perspective data. Key findings confirmed that:

1. Private sector inclusion does enhance LED outcomes (we saw data where areas with more business involvement had better employment or project completion rates, aligning with Rogerson, 2021).
2. Existing governance frameworks are inadequate in their current form (highlighted by stakeholder dissatisfaction and observed deficiencies).
3. The proposed framework addresses these gaps – stakeholders reviewing the framework concept (in validation meetings) felt it touched on their main pain points, particularly structuring private participation and ensuring policy coherence.

In light of all the above, the stage is set to move from analysis to actionable recommendations. The next section (6.5) provides specific guidance for each stakeholder group to implement the needed changes, informed by the conclusions we've just outlined. Each recommendation is designed to operationalize one or more aspects of the framework, thereby tackling the governance challenge of fragmentation and exclusion and moving toward an inclusive model that can drive LED success.

6.4.1 Conceptualizing an Inclusive Governance Framework for LED

The study synthesized existing governance models and empirical data to propose an inclusive governance framework that:

1. Clearly Defines Stakeholder Roles and Responsibilities – The framework delineates the roles of government, private sector, and civil society actors, ensuring balanced decision-making processes (Binns & Nel, 2019).
2. Fosters Institutional Coordination and Policy Integration – It ensures alignment across various governance layers, from local municipalities to provincial and national institutions, to prevent policy fragmentation (Crescenzi & Rodríguez-Pose, 2020).
3. Establishes Private Sector Engagement Mechanisms – The framework introduces structured mechanisms for private sector participation in LED decision-making, including permanent representation in municipal LED units and formalized consultation processes (OECD, 2019).
4. Ensures Transparency, Accountability, and Power Balance – To mitigate potential conflicts of interest and ensure equitable participation, the framework incorporates monitoring and evaluation tools, as well as mechanisms to balance power among stakeholders (World Bank, 2021).

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5. Promotes Economic Sustainability and Social Impact – Recognizing that private sector engagement should not solely be profit-driven, the framework mandates social impact assessments and community development commitments from participating businesses (Rogerson, 2021).

6.4.2 The Private Sector in LED: Beyond Investment to Systemic Integration

The private sector is often perceived primarily as a source of investment in LED. However, this study emphasized the need to move beyond a transactional approach toward a systemic integration of businesses into governance frameworks. Empirical evidence from Limpopo's rural areas showed that businesses often contribute to LED through corporate social responsibility (CSR) initiatives, skills development programs, and infrastructure investments. However, these contributions are sporadic and lack alignment with broader development goals (Meyer, 2019).

Through workshops and surveys with private sector representatives, the study found that businesses are willing to engage in LED but face structural barriers, including:

1. **Lack of a formalized engagement platform** – Many companies expressed uncertainty about how to collaborate with local governments and traditional authorities.
2. **Bureaucratic inefficiencies and policy uncertainty** – Inconsistent government policies and slow regulatory processes discourage long-term business investments in LED (Pike, Rodríguez-Pose, & Tomaney, 2017).
3. **Weak incentives for sustainable private sector involvement** – While businesses are expected to contribute to LED, there is often no clear incentive structure to encourage sustained engagement beyond compliance requirements.

To address these issues, the study proposed establishing formal LED governance committees that include permanent representation from key business sectors, particularly those with significant rural economic impact, such as mining, agriculture, and tourism.

6.4.3 Empirical Validation and Findings

To validate the proposed governance framework, the study collected data from multiple perspectives, including private sector actors, government representatives, and civil society organizations. The mining sector was selected as a focal area due to its substantial economic footprint in rural Limpopo. Key findings included:

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1. **Private Sector Inclusion Enhances LED Outcomes** – Empirical data confirmed that LED efforts that actively integrate the private sector yield better economic outcomes, particularly in employment creation and infrastructure investment (Rogerson, 2021).
2. **Existing Governance Frameworks Are Inadequate** – A critical analysis of current LED governance structures highlighted significant deficiencies in institutional coordination, stakeholder engagement, and accountability mechanisms (Meyer & Marais, 2020).
3. **The Proposed Framework Addresses Key Governance Gaps** – Stakeholder feedback and policy analysis demonstrated that the proposed framework effectively resolves critical governance shortcomings, particularly in structuring private sector participation and ensuring policy coherence (OECD, 2019).

6.5 Recommendations for Stakeholders

Based on the study's findings and conclusions, this section offers specific and actionable recommendations for each of the main stakeholder groups in LED: Government, Private Sector, and Civil Society/Communities. The recommendations are designed to be practical steps that stakeholders can take to realize the proposed framework and improve LED outcomes. They also incorporate policy implications and best practices drawn from literature and similar contexts. Implementing these recommendations will help align local efforts with national development goals (like the NDP 2030 and SDGs) and ensure that the private sector-inclusive framework has the support structures it needs. Each recommendation is presented with a brief rationale, concrete action points, and expected outcomes to illustrate its impact.

Table 6.1 summarizes the stakeholder-specific recommendations for clarity and to aid implementation planning.

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Table 6-1: Summary of stakeholder-specific recommendations

Stakeholder Group	Recommendations (Actionable Items)
Local Government	1. Institutionalize regular LED forums including private sector, community and traditional leaders for joint planning and review. 2. Simplify regulations and provide incentives to attract and support local entrepreneurs. 3. Invest in rural infrastructure (roads, utilities, ICT) to enable business growth. 4. Build municipal capacity for inclusive planning and ensure transparent, participatory governance. 5. Use local procurement to bolster small and medium enterprise development.
Provincial Government	1. Align provincial development plans with rural needs and allocate dedicated resources for LED programs. 2. Facilitate public–private partnerships, co-funding mechanisms and investment incentives for rural projects. 3. Provide technical support and training to municipal LED teams on inclusive governance. 4. Promote value-chain initiatives (e.g. agri-hubs, tourism clusters) linking rural producers to markets. 5. Monitor LED outcomes and disseminate best practices across municipalities.
Private Sector Actors	1. Participate actively in local economic development forums and decision-making processes. 2. Invest in rural enterprises and infrastructure (via PPPs) while sharing expertise and technology. 3. Establish mentorship and training programs for local entrepreneurs and workforce development. 4. Prioritize local procurement and hiring to support community businesses. 5. Advocate for enabling policies and provide feedback to government on regulatory barriers.
Community Representatives	1. Engage in planning platforms and voice local priorities in decision-making. 2. Organize into cooperatives or associations to strengthen collective bargaining power. 3. Mobilize local resources (land, labour, knowledge) for community-led projects. 4. Monitor implementation of projects and ensure benefits reach intended groups. 5. Encourage inclusive participation (especially women and youth) and hold stakeholders accountable.
Traditional Leaders	1. Secure community consent and facilitate land allocation for local economic initiatives. 2. Advocate for fair benefit-sharing and protection of community interests in projects. 3. Integrate cultural values in development (e.g. eco-tourism, sustainable agriculture). 4. Mediate conflicts and build trust between investors, government and communities. 5. Encourage youth engagement and skill transfer while preserving traditions.
Civil Society Organizations	1. Facilitate inclusive dialogue and capacity-building among government, businesses and communities.

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Stakeholder Group	Recommendations (Actionable Items)
	2. Advocate for transparency, accountability and inclusive LED policies. 3. Provide training (entrepreneurship, financial literacy, etc.) to empower community members. 4. Monitor project outcomes and ensure equitable distribution of benefits. 5. Connect communities to networks, funding sources and share best-practice models.

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6.5.1 Recommendations for Government

1. Establish Multi-Stakeholder LED Forums: Every local municipality (or at a district level where municipalities are small) should formally constitute an LED Forum or Council that includes representatives from the private sector, civil society, and where relevant, traditional leadership. This forum must be backed by a council resolution or by-law giving it legitimacy and a clear mandate to participate in LED planning and oversight. It should meet regularly (e.g., quarterly) and be involved in key LED decisions – from strategy development to project selection and monitoring.
    a. Action: The municipal LED unit can initiate this by identifying key business and community leaders and convening an inaugural LED Summit to launch the forum. Involve the provincial Department of Economic Development early for support and to lend credibility. Draft terms of reference that specify membership, roles (consider co-chairing by a municipal official and a business representative), meeting frequency, and decision-making processes. Ensure that at the outset, expectations are set that this body will co-create LED plans (not just advise). For example, commit that the forum's input will be integrated into the municipality's Integrated Development Plan (IDP) and annual budgets for LED.
    b. Expected outcome: Improved communication and trust among stakeholders, joint identification of development opportunities, and reduced duplication of efforts. This directly addresses the coordination failure highlighted in the study. With a structured "Who" in LED governance, information sharing will become routine, and misunderstandings can be cleared up in meetings rather than breeding frustration. Over time, these forums can become incubators of public-private projects and a watchdog for LED, improving transparency. This recommendation aligns with South Africa's policy emphasis on participatory governance and gives it a local form. It also resonates with the District Development Model's intent of "One Plan" by ensuring all actors contribute to one LED plan.
2. Create One-Stop Shops and Simplify Regulations for LED-related business activities: Local governments, with provincial support, should implement a one-stop shop for investors and SMMEs at the municipal level. This means streamlining procedures for common business-related needs: company registration, licensing, permits (land use, construction, environmental), accessing municipal incentives, and information on projects. If resources allow, set up a dedicated LED support office or desk that acts as a concierge for any entrepreneur or investor needing to navigate municipal processes. Where full physical one-stop centres aren't feasible, an online portal combining these services can be developed.
    a. Action: Conduct a review of all municipal by-laws and procedures related to starting or expanding a business (with help from legal advisors and possibly the provincial

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government's red tape reduction program). Identify regulations that are redundant or overly cumbersome and fast-track their amendment or removal (e.g., overly complex zoning approvals for small businesses, lengthy permitting for events or markets). Integrate applications – for instance, create a single application form or online interface that covers multiple departments (planning, health, environmental) instead of separate submissions. Collaborate with entities like the Department of Trade, Industry and Competition (DTIC) and provincial investment agencies to possibly station representatives or link services to the local one-stop centre (as was done in East London's one-stop shop). Train municipal staff in customer service and quick turnaround for business queries. Publicize the one-stop shop widely so local entrepreneurs know about it.

   b. Expected outcome: Reduced red tape, faster turnaround for LED project implementation, and increased interest from private investors in engaging with the municipality. This directly tackles the "How" issues identified – making it easier for the private sector to engage, thereby improving the ease of doing business in rural municipalities (often cited as a barrier in developing areas). We anticipate more business registrations, quicker launch of projects, and perhaps even businesses from outside coming in because bureaucracy is less daunting. In the long run, this improves the municipality's reputation as "open for business." This step also supports national goals of improving South Africa's overall business environment, just at a micro level.

3. Invest in Capacity Building for LED Officials: Municipal and provincial governments should prioritize training and capacity-building programs for officials involved in LED. Key areas include public-private partnership management, community facilitation, project management, basic business literacy, and monitoring and evaluation. The aim is to create a professional cadre of LED practitioners who can effectively engage with businesses and communities and drive projects to completion.

   a. Action: Partner with academic institutions (e.g., University of Venda, University of Limpopo) or training bodies like the South African Local Government Association (SALGA)'s capacity-building programs to design and deliver training workshops and short courses tailored for LED. Consider exchange or mentorship programs: for example, assign each municipal LED officer a mentor from the private sector for a few weeks ("a job shadow") to learn how businesses operate and, conversely, allow businesspeople to shadow municipal processes to understand constraints – building empathy both ways. Secure funding (possibly through provincial LED capacity grants or donor programs) for LED staff to attend provincial or national LED forums and conferences to learn best practices and network with peers. Encourage certification or formal education in LED or economic development for key staff (perhaps through part-

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time programs). Additionally, improve internal capacity by filling LED vacancies and advocating for a larger LED unit staff if current numbers are too low; make the case using our findings that a staffed LED unit can leverage private investment far beyond its salary cost.

   b. Expected outcome: A more professional, proactive LED team at the local level that can engage credibly with private partners. Better capacity means officials can prepare bankable project proposals, negotiate with investors effectively, and manage multi-stakeholder projects competently. This addresses internal weaknesses noted in the study, such as lack of project management skills, which often resulted in good ideas faltering in execution. Over time, institutionalizing such capacity will ensure the framework's sustainability (the "Why" remains strong within government because staff are skilled and motivated). We expect to see improved quality of LED plans, more successful funding applications for LED projects, and smoother facilitation of partnerships. This recommendation aligns with existing programs like the National Capacity Building Program for municipalities but calls for a specific focus on LED skills, which are often neglected in favour of technical or financial training.

4. Align Policies and Incentives to Encourage Private Sector Involvement: Government should review and adjust its local policies to ensure they incentivize rather than hinder private sector participation in LED. This means using policy levers to encourage desired behaviour from businesses (investment, local procurement, skills development) and to assure them of fair, transparent dealings. For instance, introduce or enhance local procurement policies that require a certain percentage of municipal procurement to come from local businesses (with transparency to avoid patronage). Offer tax rebates or rate reductions for businesses that invest in LED-priority projects or neglected areas. Ensure these incentives are well-publicized and easy to access.

   a. Action: The municipal council can pass a resolution or by-law creating an LED Incentive Scheme. This might include property rate rebates for new businesses setting up in designated development zones or for existing businesses that expand operations and jobs. It could also include waiving certain fees for LED-aligned projects (e.g., fast-tracking building plan approvals at no extra cost if the project is in manufacturing/tourism etc. as identified in the LED strategy). At the provincial level, lobby for the Limpopo provincial government to establish a risk-sharing fund or guarantee facility to de-risk private investments in rural LED (for example, guaranteeing a portion of bank loans to local SMMEs or co-investing in community-public-private projects). Strengthen anti-corruption measures in tandem: adopt open budgeting for LED funds, allow forum or community observers in tender processes, and enforce the use of electronic procurement portals to limit interference. These

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governance measures build business confidence that partnerships will be fair. Update integrated development plans (IDPs) to explicitly mention these incentives and how businesses can qualify, linking it to the LED forum's oversight to ensure incentives hit their mark.

b. Expected outcome: Businesses have clear financial and procedural reasons to engage – lower costs and risks when partnering with government on LED projects, and assurance of fair play. We expect a rise in proposals for public-private initiatives when businesses see tangible support (like cost savings or risk mitigation). For example, if a company knows it could get a two-year property rates holiday by opening a branch in a rural town, that might tip their cost-benefit analysis in favour of investing. By tackling corruption and lack of transparency, these policies also improve the environment for honest businesses to thrive, indirectly attracting more private actors into the LED space. Essentially, government is sharing both the benefits and burdens of development with business – rewarding those who contribute to public goals and reducing uncertainties. Over time, this could build a local culture where doing business with developmental impact is normalized and celebrated. Aligning with development goals, a local incentive scheme could echo national ones (e.g., the Youth Employment Tax Incentive)5. Foster Public-Private Partnerships (PPPs) for Infrastructure and Services: Government should actively pursue PPP arrangements to tackle infrastructure deficits (roads, markets, electricity) and to deliver certain services (such as vocational training centres, business incubators) that are crucial for LED. The idea is to leverage private capital and expertise for public good projects that also offer business opportunities.

c. Action: Identify a few priority projects in each district that would unlock significant economic potential. For example, this could be an agro-logistics hub (to consolidate and ship local produce), a community-owned tourism lodge in a nature reserve, or a produce packhouse for farmers. Prepare basic project concept notes for these and invite private sector proposals (through an expression of interest or tender). Offer to contribute public assets (e.g., land or existing facilities) or co-funding (seed funding, tax incentives) to make the projects attractive. Utilize South Africa's existing PPP framework – engage the National Treasury's PPP Unit or provincial treasury for guidance on structuring these deals transparently and fairly. In smaller PPPs, consider fewer formal arrangements too: for instance, a mining company could "adopt" a local road it heavily uses, maintaining it in exchange for a tax deduction or public recognition. Similarly, a group of businesses might partner with the municipality to upgrade the local market square, sharing costs and management, which improves their trading environment.

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d. Expected outcome: Acceleration of infrastructure development that benefits both community and businesses, and creation of jobs during both construction and operation phases. Improved infrastructure (roads, utilities, market facilities) in turn lowers costs and risks for the private sector, supporting business growth – thereby addressing one key external factor limiting LED. Additionally, each successful PPP will demonstrate the value of partnership: by formalizing roles and sharing responsibilities, PPPs deepen the partnership culture between sectors and build mutual confidence. Over time, local governments and businesses will gain experience in crafting win-win deals, making future collaborations easier. This recommendation aligns with the national emphasis on blended finance for development and can help cash-strapped municipalities access new resources. It is a direct way to operationalize the inclusive governance approach – rather than government trying to do infrastructure alone (often failing due to limited funds), it becomes a joint venture with those who also stand to gain from it.

Together, these government-focused recommendations create an enabling environment and institutional framework in which private sector-inclusive LED can flourish. Government, particularly at local level, must take the lead in implementing these changes, using its convening power (to bring stakeholders together) and policy tools (regulations, incentives) to set the stage. If these actions are taken, they effectively lay the groundwork on which the private sector and civil society can more actively and confidently contribute. In other words, government is building the "platform" and "rules of the game" for collaborative LED. The expected result is a virtuous cycle: easier processes and better governance attract more business involvement, which leads to more LED success, which in turn justifies and motivates further improvement in governance.

6.5.2 Recommendations for the Private Sector

1. Proactively Participate in LED Structures: Private sector actors – from large corporations to local microenterprises – should not remain passive or wait to be invited; they need to take initiative to join and actively engage in the newly formed LED forums and any public consultation processes related to local development. This means treating local economic development as a shared responsibility and an opportunity, not just the domain of government.
    a. Action: If not already in place, form or strengthen local business associations or chambers of commerce in each municipality. A united platform helps amplify the voice of businesses. Ensure that these associations seek and secure representation in municipal LED forums/committees. If a formal LED forum (as per recommendation 6.5.1.1) exists, lobby for membership and show up consistently. For larger companies

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operating in rural Limpopo (e.g., mining companies, commercial farms, agribusiness firms), assign a dedicated community or LED liaison officer whose role is to engage with local government and communities – attending LED forum meetings, following up on partnership opportunities, and reporting back internally. Engage with official planning: when municipalities develop or update their Integrated Development Plans (IDPs) or LED strategies, businesses should review these documents and submit comments and proposals. For instance, if the draft IDP proposes an industrial park, a manufacturing business might express interest or provide input on necessary incentives; if it overlooks a sector, businesses in that sector should advocate for its inclusion. Businesses can also invite municipal LED officials to their own industry meetings or forums – making collaboration a two-way street. Essentially, treat the LED forum not as a symbolic committee but as a key part of your business environment that merits time and input.

b. Expected outcome: The private sector will have its interests and insights reflected in local development plans, leading to more realistic, market-informed, and jointly owned LED initiatives. Over time, public plans will likely become more opportunity-driven (because business input highlights what's viable) and private plans (like expansion decisions) can better align with public infrastructure and programs. Business presence also improves accountability: if companies publicly commit to projects or actions in the forum, they're more likely to follow through, and if government promises certain support (like infrastructure improvements or regulatory changes), businesses can hold them to it in subsequent meetings. This mutual accountability can remedy the trust deficit found in the study. Consistent engagement will also humanize each side to the other – government officials see businesses as partners, and vice versa, gradually building trust and reducing the suspicion that "the other side isn't doing enough." In essence, proactive engagement operationalizes the "Who" component of the framework from the private side.

2. Align Corporate Social Investment (CSI) with Local LED Priorities: Many medium and large companies allocate budgets for CSI or socio-economic development projects, especially under B-BBEE (Broad-Based Black Economic Empowerment) obligations. Rather than implementing these in isolation or based only on internal corporate criteria, companies should deliberately align their social investments with the development strategies and priority needs identified by local LED forums and communities.

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a. Action: Shift from ad-hoc charity projects to strategic CSI planning in consultation with local stakeholders. Companies can start by obtaining the municipal LED plan or community needs assessments (often available via the LED forum or IDP documents) to identify where gaps and opportunities lie. For example, if local stakeholders have flagged youth skills training as a priority, a company could channel its CSI funds to establish or support a training centre or apprenticeship program in relevant trades – perhaps in partnership with a TVET college or NGO, rather than, say, donating sports uniforms which might have less impact. Initiate dialogue with local leaders and the LED forum: “These are our CSI focus areas; how can they complement what the community and government are doing?” This might lead to co-funding a project that was out of reach for the community alone. As another example, if access to water is a constraint for local agriculture and a food processing company needs that agriculture improved, the company’s CSI could invest in boreholes or irrigation schemes that benefit communities and secure the supply chain – aligning social need with business interest. Ensure transparency in this alignment: communicate through the LED forum what the company is doing and invite feedback. This avoids duplication (multiple entities unknowingly working on the same issue) and ensures resources address pressing needs. Anglo American’s experience mentioned in the study, where misaligned CSR projects missed local needs, should be a lesson: companies ought to avoid a top-down approach to CSI. Instead of, for instance, sponsoring once-off events for visibility, invest in structural changes like education, healthcare, infrastructure, or enterprise development that local plans prioritize.

b. Expected outcome: CSI projects will have a deeper and more sustainable impact, contributing to structural improvements (better skills, infrastructure, etc.) that help reduce poverty and create an environment more conducive to business. For the companies, aligning with local priorities will improve community relations and their social license to operate. Communities and local government will see the company as a true development partner rather than a distant benefactor. This can lead to reduced conflicts or protests and a more stable operating environment. Essentially, by investing in people and the community (and not just in, say, marketing-oriented donations), the private sector helps build the very market and workforce it needs for the future – a clear shared value scenario (Porter & Kramer, 2011). Moreover, aligning CSI with local LED goals can enhance the effectiveness of public spending too – a training program funded by a company might complement a municipal youth centre, making both more effective than they would be alone. Over time, one might see improved indicators like higher education enrolment, better health outcomes, or more entrepreneurs, which indirectly benefit businesses by creating a healthier, more skilled society.

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3. Develop Local Supply Chains and Support Entrepreneurship: Private companies, especially larger ones (e.g., supermarkets, mines, processors), should intentionally cultivate local suppliers and entrepreneurs as part of their business model. This means identifying inputs or services they use that could be sourced locally and helping local SMMEs meet those needs, rather than automatically sourcing from outside. It also involves providing mentorship or partnership opportunities to local startups and small businesses.
    a. Action: Conduct an internal supply chain audit to identify goods or services currently procured from outside the community or province that could feasibly be supplied by local businesses if they were given support. Common examples might be catering, cleaning services, maintenance, security, uniforms/PPE, raw materials, transport services, etc. Then, work with the LED forum or local NGOs (perhaps those focused on enterprise development) to find local businesses or cooperatives that could fill these gaps, or to identify entrepreneurs who could be trained to do so. Establish supplier development programs: for instance, a mining company could set up an incubator or mentorship scheme for local machine repair shops or geotechnical services; a retailer could partner with local farmers to source fresh produce, providing guidance on quality standards and even guaranteed purchase contracts (contract farming) to reduce the farmers' risk. International best practices show that inclusive business practices like these can significantly boost local economies (Porter & Kramer, 2011) – and in South Africa, they also help companies meet B-BBEE enterprise and supplier development criteria. Businesses can also lobby for and tap into government programs like the Small Enterprise Development Agency (SEDA) or sector-specific grants to co-fund training of their potential local suppliers. Essentially, adopt a "grow your own" approach to suppliers and partners: invest in building them up. Additionally, host or participate in local "opportunity fairs" through the LED forum where businesses announce upcoming procurement opportunities and how local firms can bid or prepare for them, giving SMMEs foresight and motivation to build capacity.
    b. Expected outcome: Strengthening of the local SME sector, which creates jobs and keeps more value within the community (thus directly fighting poverty). For the companies, while this approach may require initial effort and perhaps tolerating a learning curve for new suppliers, in the long run it can secure a more stable and nearby supplier base (which can reduce costs like transport, improve turnaround time, and foster goodwill). It also fulfils B-BBEE requirements, yielding regulatory benefits such as improved B-BBEE scorecards that can enhance competitiveness for contracts. From a community perspective, this recommendation means that big businesses become engines of local enterprise growth rather than islands of prosperity. We would expect to see new businesses emerging or existing ones scaling up as they gain

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contracts with big buyers – leading to increased local employment and innovation. This approach aligns with the framework's "inside-out" ethos by leveraging local resources and talents, and it operationalizes inclusive growth by making sure the community shares in the economic activity of big firms.

4. Embrace PPPs and Shared-Risk Investments: The private sector should not shy away from co-investing in community infrastructure or services when there is a clear business case or shared benefit. Businesses can take the initiative to propose or join PPPs for local development projects and be willing to share risks and rewards with public partners. Additionally, businesses can collaborate to create local investment funds for LED-aligned ventures, spreading risk among multiple investors.
    a. Action: Evaluate PPP opportunities presented by government (per recommendation 6.5.1.5) seriously and respond constructively. If a municipality advertises a PPP for a market or an agro-processing facility, do the due diligence and if the fundamentals are promising, consider forming a consortium with other companies to bid or negotiate – this spreads risk if one company finds it too high alone. Large firms in an area can also pool resources to set up a local development fund or trust. For example, several mines and agribusinesses in a district might each contribute to a fund that finances local startup businesses or infrastructure, possibly managed by a third party (like a development finance institution or a joint board). Innovative financing models could be adopted: the concept of outcome-based financing is one (as seen in the African Development Bank's social impact bonds) – businesses could commit to pay for certain results (e.g., increased graduation rates from a training program) rather than fronting all costs, ensuring money is used effectively (this was piloted with things like the "Rhino Bond" for conservation outcomes. Essentially, look for win-win investment opportunities: where investing in a public good also provides a direct or indirect payoff to the company. Examples include partnering to build a solar power plant that powers both the community and a company's facilities, or co-financing a logistics hub that makes it cheaper to get products to market. By taking a broader view of ROI (including community stability and growth as returns), companies can justify these investments to their boards/shareholders.
    b. Expected outcome: More capital flows into under-invested sectors of the local economy, addressing one of the main hurdles of LED (lack of funding for projects). When businesses co-invest with government or each other, projects are more likely to be financially viable and sustainable because they undergo the scrutiny of multiple parties and are designed with financial sustainability in mind (not just dependent on grants). Successful PPPs can provide services or infrastructure that also benefit the

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private partners – exemplifying shared value. For instance, a PPP that builds a vocational training centre produces skilled workers that local companies can hire. Moreover, corporate involvement in financing development demonstrates commitment to the community beyond short-term profit, improving corporate reputation and stakeholder relationships. It breaks the notion that corporate involvement in community projects is purely philanthropic or PR-driven – instead, it shows it can be commercially sound and socially beneficial, reinforcing the idea that doing good and doing well can align (Nelson & Zadek, 2000). In the long run, this can attract even more investment, as success breeds confidence.

5. Uphold Good Governance and Transparency in Partnerships: Businesses must commit to high ethical standards and transparency in their LED engagements to counteract any fears of corruption or exploitation that communities or officials might have. By setting an example of integrity, the private sector can build trust and ensure that partnerships are based on merit and mutual benefit.
    a. Action: When entering into partnership agreements or MOUs with municipalities or community organizations, insist on clear documentation of roles, contributions, deliverables, and timelines, and then honour those agreements. Advocate for and practice open-book approaches in joint projects: for example, if a company is managing funds for a community project, regularly report how funds are used and invite oversight (possibly through the LED forum or independent auditors). Avoid any form of bribery or unethical conduct in securing contracts – instead, compete fairly and encourage municipalities to use open, competitive bidding processes. The business community can collectively commit to a “no corruption” pledge in LED dealings and perhaps establish a local ethics committee under the chamber of commerce to handle any grievances. Support the idea of having civil society observers in procurement or project committees (as noted earlier) – while this might feel like more scrutiny, in the end it will protect honest businesses and weed out unscrupulous competitors. If issues arise (e.g., suspicion of misused funds or conflict of interest in the forum), businesses should address them transparently in the forum rather than in backdoor meetings, demonstrating commitment to the new way of doing things. Essentially, be champions of clean governance: since our framework partly relies on trust in institutions, the private sector should bolster that by refusing to partake in corrupt practices and helping establish norms of accountability.
    b. Expected outcome: Enhanced mutual accountability and trust among stakeholders. Communities and governments will be more trusting and willing to partner if the private sector visibly demonstrates integrity and fairness. It also protects businesses from

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reputational damage or legal risks. Our study noted trust deficits; by actively demonstrating good governance, private actors help mend this rift. Over time, a culture of ethical collaboration can form, reducing the risk that LED funds or projects are misappropriated and ensuring that benefits reach intended targets. In tangible terms, this means projects are more likely to be completed as planned, resources are efficiently used, and all partners feel confident about scaling up investment. Also, businesses that lead in this way often gain respect and a competitive edge – being known as a reliable and principled partner can open doors to further opportunities (both with government and within the community, say in attracting talent or customer loyalty). In summary, committing to good governance is both the "right thing" and the "smart thing" for long-term business sustainability in the community.

These recommendations for the private sector encourage a shift from a passive, reactive stance to a proactive, co-leadership role in local development. By stepping up engagement, aligning their strengths with community needs, and adhering to high ethical standards, businesses not only contribute to local prosperity but also create conditions for their own success. It challenges businesses to look beyond short-term profits and see the long-term value of investing in the communities that host them – a perspective increasingly validated in contemporary business strategy and sustainability thinking (e.g., ESG criteria, shared value concept). If businesses in Limpopo adopt these actions, we can expect more robust local economies with stronger companies and more prosperous communities – truly a win-win outcome.

6.5.3 Recommendations for Civil Society and Communities

1. Act as a Bridge between Communities and LED Initiatives: Civil society organizations (CSOs) – including NGOs, community-based organizations, faith-based groups, and development forums – should position themselves as intermediaries that communicate community needs to LED structures and explain LED plans and opportunities to the broader community. Essentially, they can bridge gaps in understanding and ensure a two-way flow of information and feedback.
    a. Action: Actively participate in the LED forums and consultations, representing the interests of marginalized groups (women, youth, the very poor). Community representatives on the forum should regularly liaise with their constituencies (through village meetings, ward committees, etc.) to gather input and share what is being discussed or decided. CSOs can conduct independent needs assessments or social audits in communities and present those findings to the LED forum, thus bringing ground-level data into planning discussions. For example, a local NGO might survey

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youth on what kind of training they want or survey residents on infrastructure needs, and then table that in the forum to influence project selection. Conversely, when municipalities and businesses plan projects, CSOs should help raise awareness in communities about these initiatives and how to engage. If an LED project is setting up a new agricultural cooperative, CSOs can help identify interested farmers and inform them about how to join or benefit. If a training program is launched, spread the word among target groups to ensure maximum participation. Use accessible communication channels – community radio, local language pamphlets, traditional leaders' announcements, WhatsApp groups – to disseminate LED information. Essentially, become the communications wing of LED: translating government or business jargon into local context and making sure people know what's happening and how to get involved.

b. Expected outcome: Improved two-way communication – communities feel heard in the planning of LED, and they also better understand LED initiatives and how to leverage them. This leads to projects that are more relevant to community needs and to higher community uptake of programs (for instance, if people know about a skills workshop, more will attend). It also reduces resistance or apathy: when people see that LED projects address their needs and that they had a say in them, they are more likely to support and maintain them. Essentially, civil society can foster grassroots support and ownership of LED initiatives, which was lacking when top-down approaches were used. Our study found that in past, communities often saw LED projects as government's thing – bridging changes that to "our collective project." This bridge role also ensures inclusivity – it prevents LED from becoming an elite pact between government and big business by keeping community voices front and centre.

2. Enhance Community Capacity to Engage in LED: Civil society should help build the capacity of community members to participate effectively in LED processes. This includes raising awareness about how local governance works, developing leadership skills, and even imparting basic business or technical skills to those interested in entrepreneurship or participating in projects.

    a. Action: Provide civic education and leadership training at the grassroots. NGOs and educational institutions can hold workshops in villages on topics like "Understanding the Municipal Budget and LED Plans," "How to Advocate for Your Community Needs," or "Basics of Starting a Small Business." By demystifying local governance and economics, more community members can contribute ideas or hold others accountable. For example, training community monitors on how to track project progress (community-based monitoring) can empower locals to oversee LED projects (ensuring a road is built to spec, or funds are used correctly). Additionally, identify and

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mentor community leaders (youth leaders, women's group leaders, etc.) so they can effectively voice community priorities in meetings. Facilitate peer learning – take a group of farmers to visit a successful cooperative elsewhere, or youth to visit a well-run youth enterprise hub – to inspire and inform them. Also, establish community monitoring committees for major LED projects: train locals to track progress against objectives and report back to the forum or public meetings. Toolkits from organizations like Transparency International on social accountability can be adapted for this purpose, ensuring communities have the know-how to scrutinize and contribute to projects. Another aspect is equipping community members with skills that LED projects demand: for instance, if a tourism project is upcoming, CSOs might coordinate basic hospitality training so locals can get employed rather than outsiders.

b. Expected outcome: Communities move from passive beneficiaries to active partners in LED. When people have the skills and knowledge to engage, they can co-create solutions or even initiate their own projects (for example, a trained youth group might set up a tourism homestay network after recognizing an opportunity). This empowerment is a pillar of sustainable development and complements external investments. It addresses the gap noted in the study that many community members lacked understanding of LED and thus were not engaged – now they would be better equipped to take charge of aspects of LED. In the long term, this builds local leadership and reduces dependency on external actors. It also means that once a project is up and running, the community can often manage or sustain it (as seen in successful community-driven development initiatives where local committees manage water schemes, etc.). For civil society, it also builds credibility as an enabler of progress, which can attract further support or funding for their work.

3. Ensure Transparency and Accountability: Civil society has a watchdog function and should promote transparency and accountability in the LED process. By keeping an eye on how decisions are made and how funds are spent, CSOs can help prevent corruption or mismanagement and ensure LED initiatives deliver results.

   a. Action: Demand transparency, but in a constructive way that builds trust. For example, advocate that the LED forum's meetings, decisions, budgets, and project outcomes be made public (through community notice boards, local media, or municipal websites). CSOs can partner with local media (community radio, newspapers) to broadcast or report on LED plans and progress. If an LED project is approved, track its implementation: follow the money from approval to execution. If there are signs of corruption or misuse of funds, raise concerns through proper channels – e.g., municipal oversight committees, the Office of the Public Protector, or corruption hotlines – and provide evidence collected via social audits. Equally, highlight

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successes and proper use of resources to build public confidence in LED. Consider hosting an annual “LED Accountability Forum” or town hall where officials and business partners report back to the wider community on what has been done (similar to an imbizo). Civil society can convene or moderate these, providing a platform for praise and critique. Also, encourage a culture of feedback: set up suggestion boxes or community scorecards for LED projects, compile the feedback, and present it to the LED forum for course correction.

b. Expected outcome: Higher accountability will deter corrupt practices and ensure resources reach their intended use. All stakeholders will feel pressure to deliver on promises when they know the community is watching and will call out failures. This environment of accountability helps sustain effective implementation of the governance framework because it flags issues early and demands corrective action. As a result, LED projects are more likely to meet their targets (since mismanagement is curtailed), thereby more directly reducing poverty and improving services as intended. For the community, this builds trust in the system – when they see transparent reporting and consequences for misuse, confidence in local governance improves. For government and business, while accountability means scrutiny, in the long run it improves the legitimacy and support for their projects. Essentially, civil society acting as a vigilant, yet fair referee keeps everyone honest and focused on outcomes.

4. Champion Equity and Inclusivity in LED Projects: Civil society should ensure that LED initiatives actively include marginalized groups, particularly women and youth, and that benefits are equitably distributed. They should advocate for concrete measures in project design and implementation that promote inclusivity.

   a. Action: Advocate for inclusion targets. For instance, push for a certain percentage of LED program beneficiaries or trainees to be women or youth, reflecting their share of the unemployed population. When projects are being designed, provide input on how to make them accessible to disadvantaged groups – e.g., ensure training sessions are at times and locations women (who may have household duties) can attend; ensure information is provided in local languages and through channels accessible to those without internet or formal education. If a business hub or incubator is set up, suggest supportive measures like on-site childcare to enable women entrepreneurs to participate. During hiring for LED projects, monitor that local hiring is maximized and merit-based, and that nepotism or elite capture is minimized (perhaps through community observers in interview panels or public job postings). CSOs focused on specific groups (like a women’s rights organization or a youth council) should take the lead in monitoring and advocating within the LED forum to ensure their constituencies

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get a fair share of opportunities. For example, a youth organization could volunteer to coordinate outreach to other young people when a new training or grant opportunity arises, to make sure information reaches them. Continually bring stories and data on inequities to light – if, say, women are not getting selected for a certain program, investigate why and propose solutions (additional support, changed criteria, etc.).

b. Expected outcome: A more inclusive LED process where benefits (jobs, contracts, training) are distributed broadly, not just to well-connected individuals or already-advantaged groups. This helps ensure that LED truly contributes to equity and does not inadvertently widen gaps. By championing inclusivity, civil society helps LED fulfil its mandate of benefiting the whole community, including those historically excluded (Rogerson, 2014). In practical terms, one would expect to see increased participation of women and youth in training, more of them starting businesses or getting jobs in LED projects, and considerations for disabled persons or minority groups being integrated into project planning (if relevant in the community). Widespread community support for LED projects will also grow because people perceive them as fair and beneficial to those in need, which in turn reinforces the projects' success and sustainability. For instance, if youth see that an LED initiative is giving them skills and a stake in the local economy, they are more likely to stay in the area rather than migrate, contributing to local development.

In summary, civil society and community members play a critical supporting role in the governance framework. Their actions ensure that LED remains people-centred, transparent, and accountable. By acting as bridges, building capacity, watchdogging processes, and advocating for inclusivity, they complement the roles of government and business. In fact, these three sets of recommendations (for government, private sector, and civil society) are synergistic – if each party carries out its part, the likelihood of LED initiatives succeeding in reducing poverty and unemployment in Limpopo is greatly enhanced.

With these strategic recommendations in place, the final section of this chapter discusses future research directions to continue advancing knowledge and practice in private sector-inclusive LED. While implementation of the current findings is paramount, ongoing inquiry will be important to refine the framework, adapt it to new contexts, and address emerging challenges.

6.6 Future Research Directions

While this study has addressed its objectives and yielded a proposed framework for private sector-inclusive LED, it also opened up several avenues for further investigation. Future research

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should build on the findings to deepen understanding of LED governance and to test the proposed framework's effectiveness across different settings and over time. Key directions and suggested approaches include:

1. Longitudinal Studies of Framework Implementation: A noted limitation of this study was the lack of long-term observation. Future research should undertake longitudinal case studies in one or more municipalities that adopt a private sector-inclusive LED framework (such as the one proposed). By tracking these cases over multiple years, researchers can observe the evolution of partnerships, the trajectory of LED projects, and long-term outcomes in poverty reduction and employment. A mixed-methods longitudinal design would be ideal – for instance, conduct annual stakeholder interviews/focus groups (qualitative) to gauge changes in attitudes, trust, and collaboration, alongside biennial community surveys (quantitative) measuring economic and social indicators (jobs created, income levels, business growth, etc.). This approach would provide rich temporal data to evaluate sustainability and to capture any lag effects (Creswell & Plano Clark, 2018). Additionally, participatory evaluation methods could be employed, involving community members in monitoring changes (aligning with the collaborative ethos of the framework). The results could answer questions like: Do trust and coordination improve after 3-5 years? Are increases in local investment and jobs sustained or do they plateau? What factors help maintain momentum or cause setbacks? Such evidence is crucial for validating and refining the framework in practice, offering insights that a one-off study cannot.
2. Comparative Analysis of Rural vs. Urban LED Practices: The context-specific nature of LED begs comparative research to delineate which findings are universal and which are context-dependent. A study comparing rural LED governance (like in Limpopo) with urban LED governance (such as in Gauteng or Cape Town metro) would illuminate differences in stakeholder dynamics, resource availability, and effective strategies. Researchers could conduct comparative case studies of several municipalities categorized as rural or urban, or even a broader survey-based study across many municipalities with an urban-rural variable. Key variables to compare might include stakeholder network density, types of private sector actors involved (informal vs. formal, SMMEs vs. large firms), resource levels, and outcomes achieved. One approach could be cross-case comparison with in-depth interviews in each context, complemented by Q-methodology or surveys to compare stakeholder perceptions across settings. Alternatively, a quantitative approach could create an "inclusive LED governance index" – factoring in the presence of forums, private co-funding, etc. – and examine its correlation with development indicators across municipalities, then test differences in rural vs. urban subsets. Thematic focus could also examine differences in incentive structures (urban areas may have more market-driven LED, rural may need more

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public incentives) or capacity constraints (rural might need more external support, urban might have more local skill but also more competition). Such comparative research would guide how our framework might be adjusted for different environments and test the hypothesis that rural contexts require relatively greater emphasis on partnership to achieve LED outcomes (because their economic bases are smaller and more constrained, making each stakeholder's contribution relatively more important).

3. Action Research on Pilot LED Initiatives: Future researchers might engage in action research or pilot interventions to experiment with elements of the proposed framework in real time. For example, a researcher-practitioner team could facilitate the creation of an LED multi-stakeholder forum in a willing municipality as a pilot and document the process and initial results. Through iterative cycles of planning, action, observation, and reflection (hallmarks of action research), they can refine collaboration techniques or process innovations on the ground. This approach is well-suited to testing specific interventions: e.g., setting up a digital platform for LED stakeholders to share information (to address communication gaps) or piloting a local procurement policy in one municipality to see how businesses respond. By being embedded in the change process, researchers can gather insights on practical challenges like resistance, capacity issues, or communication breakdowns that purely observational studies might miss. Such pilots, if documented rigorously, could serve as proof-of-concept for broader application and provide detailed how-to guides. They also help in understanding the change management aspect – how to effectively move a community and its institutions toward a new governance model, which is often where real-world attempts falter.
4. Quantitative Impact Evaluation of LED Interventions: As more data becomes available from municipalities implementing collaborative LED approaches, future studies could apply quasi-experimental or econometric methods to assess the impact of private sector-inclusive LED interventions on economic outcomes. For instance, researchers could use a difference-in-differences approach by comparing municipalities (or districts) before and after adopting elements of the framework, against a control group of similar municipalities that did not (assuming comparable conditions). Key outcome metrics would include employment rates, number of new businesses registered, household income levels, and poverty rates, drawn from sources like Stats SA or municipal records. Admittedly, controlling for all external factors is challenging, but careful case selection or matching can strengthen validity. Another approach is using instrumental variables – e.g., one might use an external factor like distance to a major highway or the presence of a particular industry as an instrument for the likelihood of private sector engagement, to isolate its effect. Additionally, social network analysis could quantitatively measure changes in stakeholder networks (Has the network between government-business-CSO become denser over time? Do information flows increase as

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evidenced by communication frequency?). These quantitative analyses would complement qualitative insights and provide policymakers with "hard evidence" of the value (or limitations) of inclusive governance models. For credibility, academic-practitioner partnerships could ensure access to needed data (like internal project performance data) and nuanced interpretation of the numbers in context.

5. Thematic Studies on Specific Factors: Future research should also delve into specific thematic issues that intersect with private sector-inclusive LED, which our broad study could only touch on. These include:
    a. Gender and LED: Investigate how women's participation in LED governance affects outcomes and identify gender-specific barriers or enablers. Methodologies could include gender-disaggregated data analysis (e.g., tracking how many women-led projects are initiated and succeed) and feminist participatory research engaging women entrepreneurs and community leaders to voice their experiences. This would address gaps in understanding how to make LED frameworks truly inclusive across gender lines (as recommended in our civil society actions, but meriting deeper study).
    b. Informal Economy and LED: In many rural areas, much economic activity is informal (street vendors, informal transport, smallholder farming). Research could study how these informal actors can be integrated into formal LED planning or benefit from it. Ethnographic methods or case studies in informal markets or farming communities could shed light on their needs and how partnerships can be forged between informal groups and formal institutions. This ties to alternative interpretations that local economies often operate outside formal structures – understanding this better will improve framework inclusivity and effectiveness.
    c. Technology and LED: With the rise of digital tools, exploring how ICT can facilitate stakeholder coordination or market access is vital. A design science research approach could actually prototype a digital platform for LED coordination (perhaps a mobile app that sends updates on LED projects or allows reporting of issues) and evaluate its uptake and outcomes in a community. Alternatively, studying how communities use tools like WhatsApp or Facebook for economic coordination could reveal organic innovations to be scaled.
    d. Comparative Policy Analysis: Once Limpopo (or other provinces) implement such frameworks, comparing their approach to other countries' rural LED models could yield insights. For example, research could look at India's cluster development programs or Colombia's local competitiveness councils and compare their governance structures with our framework. This might involve international case studies or cross-country policy analysis focusing on governance frameworks elsewhere. It can highlight

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practices we haven't considered and position our framework in a global context of LED strategies.

Each of these thematic studies would provide depth on particular aspects that our broad study could not fully explore. They also respond to the "alternative interpretations" by examining factors like gender norms or informality that could alter how one views LED success.

6. Evaluating Systemic Impacts and Unintended Consequences: As the framework gets applied, researchers should watch for systemic changes and any unintended effects. For example, does increasing the private sector's role in local governance shift power dynamics in a way that might sideline elected officials or community voices? Political science-oriented research, possibly using stakeholder power analysis or surveys on public trust, could assess whether the new governance model is perceived as legitimate and fair by citizens over time. Conversely, positive systemic effects like reduction in outmigration (if local opportunities improve, do fewer people leave for cities?) or improved social cohesion (due to the partnership ethos) could be studied via demographic tracking and social surveys. Essentially, future research should not only verify direct economic outcomes but also examine broader socio-political consequences of this governance change.

In closing, the research agenda ahead is rich and impactful. Longitudinal and comparative studies stand out as particularly important: longitudinal research will provide evidence of sustained impact (or lack thereof) and reveal dynamic processes, while comparative research (rural vs. urban, across regions or countries) will help generalize findings and tailor frameworks to different environments. Utilizing a mix of methodologies – from participatory and qualitative approaches to rigorous quantitative evaluations – will give a holistic understanding of how private sector-inclusive LED can be optimized. Since development challenges are ever-evolving, future research must remain responsive, interdisciplinary, and closely linked to practice. By pursuing these directions, scholars and practitioners will not only test and refine the framework proposed in this thesis but also contribute to the broader discourse on collaborative governance and local development in South Africa and beyond.

This study successfully developed and preliminarily validated a governance framework that ensures the structured inclusion of the private sector in LED within rural Limpopo. By addressing the governance deficiencies that hindered private sector engagement, the proposed model provides a foundation for more effective and sustainable local economic development strategies. However, while our focus was on private sector inclusion at the local level, further research (as outlined) is needed to evaluate broader governance trade-offs involving government and civil society actors, and to test applicability in different contexts (including urban and peri-urban

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settings). Expanding the study to semi-urban and urban areas will further validate the framework's scalability and adaptability, ensuring its relevance in diverse socio-economic environments.

In conclusion, the findings and recommendations of this research chart a clear course for Limpopo and similar regions to reinvigorate their LED efforts. By embracing a partnership-based governance framework, aligning with national development goals, and committing to continuous learning, local stakeholders can transform LED from a struggling policy mandate into a driving force for inclusive growth and development. The journey will require effort and change from all parties, but the evidence and insights provided here offer both hope and a practical roadmap for achieving a more prosperous and equitable future in rural South Africa.

6.7 Implications for Policy and Practice

6.7.1 Overview Implications

The findings of this study have direct and significant implications for local economic development policy, municipal practice, and stakeholder collaboration in South Africa's rural areas as follows:

1. **Firstly**, the study highlights the urgent need for policy reform that formalises the role of the private sector as lead and co-creator—rather than a peripheral contributor—in LED initiatives. Municipal policies should explicitly mandate the inclusion and lead by private sector chambers and/or forums. This requires amending Integrated Development Plan (IDP) regulations to ensure business actors are systematically consulted and allocated roles in decision-making.

2. **Secondly**, the proposed governance framework can effectively operationalise South Africa's innovation-driven National LED Framework 2018-2028, and offers a model that can be incorporated to the DST's Innovation-for-LED (ILED) initiative under the Technology Innovation Agency (TIA). Wherefore it should be adopted at national and provincial level, and should be piloted within the District Development Model (DDM), which is designed to foster stakeholder-driven, multi-sectoral solutions. By embedding multi-stakeholder platforms, monitoring systems, and standardised project tools into LED practice, the framework provides municipalities with a replicable structure to strengthen coherence and accountability.

3. **Thirdly**, implementation of the framework necessitates building institutional capacity, especially in rural municipalities that currently lack technical and financial resources. Wherefore the pilot should include the development of Training programmes for LED officers which should include modules on stakeholder engagement, value chain

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facilitation, project management and digital monitoring tools. Public-private dialogue (PPD) platforms for must also be institutionalised core chaired by private sector and universities, with clear guidelines on frequency, scope, and follow-up mechanisms. The PPDs will assist with knowledge management and fuelling innovation.

4. **Fourth**, at a national level, there is a need for a fiscal incentive structure that rewards municipalities for achieving measurable outcomes in private sector inclusion—such as procurement localisation rates, infrastructure co-investments, and employment creation through PPPs, PGS and CSIs interventions. This could take the form of performance-linked conditional grants or competitive LED innovation funds.

5. **Lastly**, development partners and civil society organisations should be engaged to support municipalities by acting as knowledge brokers and facilitators in early stages of framework adoption. International donors and business support institutions could provide technical assistance for piloting the framework in one or two Limpopo districts, helping generate lessons for national scale-up. Wherefore the PPDs must be used to highlight areas of possible participation by development partners and getting reports on performance with development partners driven initiatives.

In summary, the framework developed through this study provides a concrete, scalable approach to transforming LED from a bureaucratic obligation into a dynamic, inclusive engine of rural development. Implementing it effectively will require coordinated policy changes, capacity building, and adaptive partnerships between government, business, and civil society.

6.7.2 Policy Recommendations to Enhance the NFLED 2018–2028

Despite its aspirational vision, the National Framework for Local Economic Development (LED) 2018–2028 is marked by several critical shortcomings that hinder effective implementation. First, it relies on broad and ambiguous definitions that blur LED's economic purpose with social and political development aims. This conceptual drift creates fragmented strategies in municipalities, as they often equate LED with service delivery rather than championing private-sector-led local economic growth. Additionally, the Framework remains overly public-sector-centric, offering little more than rhetorical encouragement for private-sector engagement. Without enforceable structures—such as mandatory representation in LED councils or targeted incentives—municipalities struggle to involve businesses meaningfully in the design, execution, and oversight of LED initiatives.

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A further challenge relates to institutional capacity. Though the Framework acknowledges skill deficits, it provides only generic solutions like “training” without mandating standardized competency frameworks or linking funding to demonstrable capacity. This gap impedes municipalities from executing ambitious LED plans grounded in market diagnostics, value chain mapping, and rigorous monitoring and evaluation. Similarly, the Framework proposes alignment with national policies such as the NDP, IPAP, and BBBEE, but lacks guidance on translating these broad agendas into actionable, local contexts, leaving rural jurisdictions especially disadvantaged. Lastly, while the Framework references monitoring and evaluation, it does not mandate adaptive mechanisms. Municipalities must be equipped to learn from outcomes, pivot strategies where necessary, and foster accountability through continuous evidence‑based practice.

To address these limitations, a sharper legal definition of LED is essential. Amending the Municipal Systems Act to delineate LED’s economic role—separate from social or service mandates—would ground policy in clarity. Operational manuals based on the “WHO–WHY–HOW” model should guide municipalities in defining stakeholder responsibilities, clarifying economic objectives, and adopting standardized methodologies for implementation rooted in diagnostics and value‑chain analysis. Embedding private‑sector leadership into LED governance is also crucial. The establishment of district and municipal LED councils, with private‑sector majorities and tangible incentives—such as tax credits or fast‑tracked regulatory approvals—would lend substance to partnership rhetoric and promote shared ownership of economic outcomes.

Strengthening human capital is equally important. A national certification programme for LED officials should impart advanced skills in market analysis, value‑chain design, project management, and M&E. Linking future LED funding to verified staff competencies would incentivize municipalities to prioritize professional development. To enable adaptive governance, a digital LED dashboard could facilitate real‑time tracking of defined KPIs across projects. Complementing this, national learning forums would institutionalize periodic knowledge-sharing, review of lessons learned, and collaborative problem-solving. Requiring cost‑benefit analysis and post-project evaluation for significant LED initiatives would further encourage evidence-based decision-making.

Digitising governance processes is another transformative step. An e‑LED portal could streamline procurement, stakeholder engagement, and performance reporting, while focused efforts to

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expand rural broadband infrastructure would ensure equitable access. To align national aspirations with local potential, the development of an LED Localisation Toolkit is recommended, translating macro frameworks such as the NDP into modular resources for local economic diagnostics, stakeholder mapping, and sector-specific value-chain strategizing.

Finally, the role of municipalities must evolve from direct economic actors to enablers of private-sector-driven hybrid growth. Municipal investment should be restricted to areas of clear market failure, with focus placed instead on regulation, coordination, and infrastructure provision. Enhancing transparency and accountability, annual LED performance reports should be co-signed by both municipal and private-sector representatives. These reports would disclose private sector contributions, local hiring figures, and enterprise-development outcomes, thereby fostering public trust and reinforcing collective commitment to local economic advancement.

6.7.3 Policy Implications for Advancement of the SDGs

The National Framework for Local Economic Development (NFLED) 2018–2028, with its focus on integrated, inclusive LED driven by innovation and sustainability, inherently aligns with multiple SDGs—most notably SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), and SDG 17 (Partnerships for the Goals). However, the Framework's limited operationalisation far short-circuits its potential to meaningfully contribute to these global objectives. Without clear legal definitions, private sector leadership, capacity building, adaptive M&E, and digital governance tools—the Framework cannot fully support SDG goals such as inclusive job creation, resilient infrastructure, or science-driven enterprise development. This deficiency mirrors national reports that flag persistent poverty, inequality, and unemployment remaining midway toward 2030, highlighting a key implementation gap in localising SDG targets.

To remedy this, we must reposition LED as an integral vehicle for SDG delivery. Explicitly anchoring LED policy within the language of the SDGs would make the connection between local development activities and global goals unambiguous. For example, embedding indicators such as SME access to credit (SDG 9.3) or youth employment rates (SDG 8.6) into municipal LED performance metrics would ensure local strategies directly contribute to measurable SDG outcomes. Similarly, the creation of an e-LED portal for digital governance and real-time performance tracking would directly support SDG 17's technologies and data innovation targets. The Framework should also explicitly integrate social innovation, a concept recognised as critical for embedding sustainability within LED strategies and ensuring stakeholder-driven development that truly leaves no one behind. Institutionalising social innovation and inclusive stakeholder

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participation within LED governance directly supports SDG 17, transforming partnerships with the private sector and communities into high-impact, measurable collaborations for sustainable development.

Finally, aligning municipal LED funding with the SDGs will help operationalise a coherent multi-scalar development agenda. By requiring alignment of local LED strategies with national SDG reporting and embedding SDG-linked KPIs in funding agreements, municipalities will be accountable both locally and globally. This vertical integration reflects post-2015 development principles calling for coherent multi-stakeholder frameworks and localised SDG indicators.

6.7.4 Policy Recommendations for Institutional Realignment

A persistent contradiction in the implementation of the NFLED lies in assigning responsibility to CoGTA and CoGHSTA—departments primarily oriented toward governance, disaster management, and traditional affairs—while simultaneously mandating that LED be private-sector driven. This dichotomy creates structural misalignment, as these departments often lack both the economic mandate and sector-specific networks required to catalyse market-based local economic development. Consequently, LED becomes a public-sector retrofit project rather than a co-created economic agenda.

South Africa's historical experience further underscores this issue. Between 2009 and 2019, an independent Department of Economic Development provided focused leadership on economic policy and local growth initiatives. However, it was merged into DTIC in 2019, in turn diluting its direct influence in spatial and municipal economic planning.
The result is a disjointed governance landscape: CoGTA supports municipalities administratively, while economic policy impulses reside within DTIC. Meanwhile Treasury and National Treasury play allocative and fiscal roles without a dedicated growth vision anchored in local contexts.

Re-establishing a standalone Department of Economic Development would therefore fill this institutional void. Such an entity could provide coherent leadership, align LED framework responsibilities with economic development priorities, and bridge the public-private leadership gap that currently persists. If political and structural constraints make this unfeasible, a realistic alternative is to reassign LED stewardship to DTIC. As the custodian of industrial strategy and enterprise development, DTIC possesses both the mandate and networks to integrate private-sector leadership effectively .

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In practice, situating the LED Framework within DTIC—or creating a renewed Economic Development ministry—would offer several advantages. First, it would re-align policy ownership with economic purpose, ensuring that LED strategies are conceived by those with direct oversight of business incentives, trade policy, and enterprise support. Second, it would facilitate the institutional embedding of private sector leadership, transforming councils from token bodies into empowered governance forums. Finally, it would enable coherent capability building and performance-linked funding: economic ministry officials could be certified in diagnostics, value-chain analysis, and adaptive M&E, with municipal LED funding tied to progression in these competencies.

Absent these reforms, LED will continue to be hamstrung by diffuse responsibilities and weak private sector participation. Re-establishing a Department of Economic Development—or logically situating LED within DTIC—institutionalises accountability, empowers market-led local growth, and finally aligns policy architecture with the Framework's aspirations. This alignment is critical to moving LED from rights-based rhetoric to performance-oriented action.

A further layer of institutional misalignment undermining the implementation of South Africa's National Framework for Local Economic Development (NFLED) relates to the role of the Department of Small Business Development (DSBD) and its associated entity, the Small Enterprise Finance Agency (Sefa). While established to promote small business growth, DSBD has increasingly engaged in activities resembling welfare provisioning—such as distributing equipment and starter packs to micro and informal businesses. These interventions, while socially beneficial, often blur the line between social welfare and enterprise development, treating survivalist enterprises as economic growth drivers rather than recognising them as subsistence activities requiring broader socio-economic support (DSBD, 2024).

Such welfare-oriented interventions risk mischaracterising LED's economic purpose. In many international contexts, including the United States, direct grants or asset transfers to informal businesses fall under social protection or welfare policy, not economic development. By contrast, genuine enterprise development—aligned with LED objectives—focuses on improving productivity, competitiveness, market linkages, and the integration of local enterprises into higher-value economic activities (World Bank, 2023).

Moreover, DSBD and Sefa's mandates are predominantly focused on the micro and small enterprise segment and lack structured engagement with medium and large enterprises, which are essential actors in Corporate Social Investment (CSI), Public-Private Partnerships (PPP), and

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value-chain development. These larger firms are critical for enabling the market linkages, investment flows, and skills transfer that the NFLED identifies as prerequisites for transformative local economies. Consequently, assigning DSBD and Sefa as national coordinators of enterprise development efforts within the LED ecosystem is a strategic misplacement.

This institutional gap suggests that the stewardship of national enterprise development—and particularly its integration into LED—may be better situated within a re-established Department of Economic Development or directly under the Department of Trade, Industry and Competition (DTIC). Such repositioning would leverage DTIC's established relationships with large corporates, sectoral value chains, and provincial economic development agencies. It would also facilitate more cohesive coordination between national industrial policy, investment promotion, and subnational LED efforts.

Creating a National Economic Development Agency under this revised structure would further enhance institutional alignment. This agency could operate as a technical and coordinating hub, bridging national strategies with provincial and local LED agendas. It would enable differentiated approaches—social support for vulnerable micro-enterprises via social development departments, while focusing economic departments on enterprise upgrading, innovation diffusion, and competitive participation in regional and global markets.

In sum, the current role of DSBD and Sefa in LED reflects a misalignment between welfare-driven interventions and market-oriented development strategies. Correcting this institutional placement is critical for transforming LED from fragmented, survivalist support into a robust, private-sector-driven hybrid economic growth mechanism.

6.7.5 Provincial Institutional Misalignment and Pathways for Realignment

At the provincial level, further structural misalignment compounds the issues observed nationally. In many provinces—such as KwaZulu‑Natal and Limpopo—the Department of Economic Development, Tourism and Environment (e.g., LEDET) carries explicit responsibility for economic development and even hosts LED functions. Despite this, oversight and coordination of the LED Framework remain with CoGHSTA, creating a bifurcated institutional architecture lacking coherence. This division removes direct strategic linkages between provincial economic drivers and the municipalities they are intended to support. Without aligned institutional mandates, provincial economic development offices and LED authorities operate in parallel, undermining synergy and reducing local impact .

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The lack of direct coordination between LEDET and national departments like DTIC and CoGTA exacerbates the problem. Provincial LED authorities often pursue tourism and enterprise development mandates under LEDET, yet find themselves administratively anchored to CoGHSTA with no formal economic linkage to DTIC's industrial and small business portfolio. This disconnect means economic development efforts are fragmented across governance silos, and municipalities receive mixed signals and insufficient strategic guidance aligned with national economic policy .

To resolve this, provincial institutional architecture must be revised so that LED responsibilities reside within departments that hold economic mandates and direct channels to national economic policy frameworks. One solution would be reassigning provincial LED oversight from CoGHSTA to LEDET or an equivalent economic development department. Such a move would better align tourism, enterprise, and LED functions under a unified economic portfolio. Critically, formalised coordination mechanisms—such as joint steering committees and interdepartmental protocols—should be established to maintain close communication between LEDET and national entities like DTIC and CoGTA.

In provinces where LEDET does not formally coordinate with DTIC, legislative or administrative provisions should mandate integrated planning and reporting. Provincial economic development departments should be required to align their annual economic strategies with national industrial objectives, while CoGHSTA should limit its role to governance support rather than direct economic leadership.

If the re-establishment of a national Department of Economic Development is pursued, a coordinated provincial structure must follow. Provincial economic development ministries should be empowered to liaise with their national counterpart, thus creating a vertically integrated LED ecosystem across spheres of government. Whether through structural reassignment or reinforced collaboration protocols, realignment at the provincial level is an essential step if the NFLED 2018–2028 is to exercise its intended effect of delivering place-based, private sector-driven hybrid growth embedded in coherent institutional design.

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7 APPENDICES

APPENDIX 1: ETHICAL CLEARANCE

Consent Letters

Consent letter

My name is Albert Jeleni. I am a Doctoral student at the University of Venda registered for the Doctorate of Philosophy in Rural Development (PhDRDV) Degree. My research focuses on “A Private Sector-Inclusive Governance Framework for Local Economic Development in Rural Areas of Vhembe District in South Africa.” I am inviting you to participate in this study. Please note that any information you will provide will be treated as confidential and therefore will not be disclosed to anyone without your consent. Note that your participation is voluntary, meaning that you are free to pull out at any time should you feel uncomfortable during the course of the study.

Signature of researcher_____ Date _____

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I _____ have read and understood the contents and terms of this invitation to participate in this study. I hereby declare that I am voluntarily participating in this research.

Respondent's signature _____ Date _____

Request To Conduct Research

The HOD Localization & Transformation
Limpopo Chamber of Commerce and Industry
PO Box 370
Malamulele
0982

Dear sir/Madam

Subject: Permission to conduct research

This communication refers:

My name is Albert Jeleni, a PhD student in Rural Development at the University of Venda. I write this communique to request for permission to conduct research on - A Private Sector-inclusive

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Governance Framework for Local Economic Development in Rural Areas of Limpopo Province in South Africa which falls under your jurisdiction. Specifically, the research will be conducted amongst LED practitioners who work with your organisation consisting of rural communities, traditional leaders, Government departments, Government Agencies, Municipalities and the Private Sector.

Your favourable response in this matter will be highly appreciated. Sincerely,

Signature .....Date: ……..

Ethical Clearance Letter

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University Higher Degree Committee approval letter

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Editing Certificate

APPENDIX 2: DATA COLLECTION INSTRUMENTS

A. Section A Questionnaire

1. Gender
    a. Female
    b. Male

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2. Highest level of educational attained
    - **a.** None
    - **b.** Primary School
    - **c.** Secondary school but not matric
    - **d.** Matric
    - **e.** Certificate
    - **f.** Diploma
    - **g.** Degree
    - **h.** Honours
    - **i.** Masters
    - **j.** PhD
3. Village/Town where your institution/business is located.
4. What Position do Hold?
    a. Entrepreneur
    b. LED Practitioner
    c. Traditional/Community Leader
    d. Other (Please specify in the next question)
5. I other please specify.
6. What type of an Institution are in?
    a. SMME
    b. Informal
    c. Pty
    d. Association
    e. Municipality
    f. Agency
    g. Department
    h. SOC/SOE
    i. Public
    j. **Other**
7. **If other, please** specify_____
8. What is the size of your institution by number of employees?
    a. 1-2
    b. 3-5
    c. 6-10
    d. 11-20
    e. 21-100
    f. >100

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9. Select your age range?
    a. 18-23
    b. 24-30
    c. 31-40
    d. 41-50
    e. 51-60
    f. >60
10. Years of Working Experience?
    a. 0
    b. 1-2 [
    c. 3-5
    d. 6-10
    e. 11-20
    f. 21-30
    g. >30
11. Years of Running own business?
    a. 0
    b. 1-2
    c. 3-5
    d. 6-10
    e. 11-20
    f. 21-30
    g. >30
12. Managerial Level?
    a. Committee member
    b. Entry
    c. Supervisor
    d. Manager
    e. Middle Management
    f. Top Management
    g. Executive
    h. Board member/Director

B. Section B Questionnaire

13. Name 3 government departments that has support for SMMEs
14. Name 3 government agencies that has support for SMMEs
15. Name 3 government programs aimed at supporting SMMEs

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16. Name 3 funding programs by government agencies for SMMEs
17. Have you ever applied for support/funding
18. Which Agencies/Departments have you applied from support/funding
19. Which Agencies/Departments did you receive support/funding
20. What is the name of your municipality?
21. and who is the Municipality LED Manager?
22. What is your nearest SEDA branch
23. What is the name of your SEDA branch Manager?
24. What is your nearest LEDA branch name
25. What is the name of your LEDA branch Manager
26. What is your nearest NYDA branch name
27. What is the name of your NYDA branch Manager?
28. Which 3 business associations, forums or chambers do you know
29. Which business association, forums or chambers are you a member of
30. what is the name of the chairperson of your association
31. Which 3 big companies offers support for SMMEs including funding
32. Which 3 big companies have you applied for support/funding
33. Which companies has given you support?
34. and what king of support did you receive
35. Which 3 big companies have you collaborated with to support SMMEs
36. Which 3 government institutions have you collaborated with to support SMMEs
37. Which 3 Associations/Forums/Chambers have you collaborated with to support SMMEs
38. Do you know about the Public Private Partnership (PPP) ?
39. What do you know about PPP or what comes to mind when you hear PPP
40. Do you know any PPP project
    a. Yes
    b. No
41. if yes, which PPP projects do you know
42. Have you ever read the LED document
    a. Yes
    b. No
43. Have you ever read the IDP document
    a. Yes
    b. No
44. Have you ever read the NDP document
    a. Yes
    b. No

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45. Which Acts/Policies of government have you read
46. Have you ever attended a public participation for an Act/policy
    a. Yes
    b. No
47. Have you ever attended an IDP meeting
    a. Yes
    b. No
48. Have you ever attended an LED meeting
    a. Yes
    b. No
49. Which other kind of municipal meetings have you attended?
50. Which government meetings or conferences have you attended?
51. Which private sector / company meetings or conferences have you attended?
52. What kind of support do you need now
53. What kind of training do you need now
54. Which 3 companies would you like to work with or partner with now
55. Which 3 government institutions would you like to work with or partner with now
56. What problems do you have in your work or company when it comes to collaboration or partnership
57. What do you think can be done to solve the problems
58. Which 3 incubations do you know
59. What are your needs from the Mining incubation
60. What are your suggestions for the incubation

C. Section C Questionnaire

61. Name 3 to 6 economic problems we have in South Africa
62. Name 3 to 6 problems/challenges faced by SMMEs
63. Name 3 to 6 kind of partnerships needed to solve the problems
64. Name 3 to 6 problems that an incubation must solve
65. Name 3 to 6 government departments that must partner with the mining incubation
66. Name 3 to 6 government Agencies that must partner with the mining incubation
67. Name 3 to 6 companies that must partner with the mining incubation
68. Name 3 to 6 organisations that must partner with the mining incubation
69. Name 3 to 6 problems that makes partnerships between government & private sector to fail

D. Section D Questionnaire

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70. Private sector suffers restrictive terms and conditions for access to loans/credit and insurance to be able to invest in LED initiatives (Objective Number 2)
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
71. Private sector suffers punitive high interest rates, impatient loans and no opportunity to restructure debt making borrowing prohibitive for private sector inclusion
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
72. Poor spatial and LED planning, and inadmissibility of rural land as collateral hinders access for private sector to venture capital and grants restricting opportunities for investment in rural area-based LED projects
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
73. Inadequate roads, telecommunications and basic services hinder private sector engagement in LED initiatives
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
74. Lack of essential services such as electricity, water and sanitation deter private sector investment in LED initiatives
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.

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75. Poor transport networks (transport, logistical and storage services) impede the movement of goods and services, limiting economic opportunities
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
76. Lack of readily available office and industrial parks makes it expensive to start LED projects in rural areas
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
77. Lengthy administrative processes and unclear regulations discourage private sector inclusion in LED initiatives
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
78. Unclear legal frameworks and property rights create hesitation in private sector investments in LED initiatives
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
79. Lack of clear government policies or inconsistent regulations deters private sector commitment in LED initiatives
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
80. Lack of inclusion of the private sector and roles in legislation and policies hinders private sector from influencing legislation and policies for LED initiatives

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a. Completely Agree
b. Somewhat Agree
c. In Between
d. Somewhat Disagree
e. Completely disagree.

81. Insufficient skilled labour force in government for specialized tasks in LED initiatives discourages private sector inclusion in LED initiatives
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
82. Scarcity of local professionals with expertise in 21st Century LED hampers private sector participation in LED initiatives
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
83. Lack of vocational programmes tailored to LED initiatives results in shortage of specialized skills in LED initiatives
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
84. PPPs facilitate collaboration on infrastructure and service delivery but their effectiveness might varies and tend to favour capitalism Objective (Benefits)
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
85. Sector-specific councils/structures aid in policy formation and industry growth but inclusivity could be a major concern
    a. Completely Agree
    b. Somewhat Agree

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c. In Between
d. Somewhat Disagree
e. Completely disagree.

86. Agencies coordinate efforts yet effectiveness might be hindered by bureaucracy or lack of resources needed
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
87. There are Platforms where stakeholders converge but might lack actionable follow-through on agreements or plans
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
88. There are Bodies for policy formulation and advice yet their impact might be limited by bureaucratic hurdles
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
89. It is usually not clear which platforms are to be used for collaboration and may vary from one area to the other and dependent on persons in charge
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
90. The efficacy of existing platforms for collaboration might vary in terms of promoting genuine collaboration and impact
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree

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e. Completely disagree.

91. Concerns about inclusivity, accessibility and representation might limit effectiveness of the collaboration platforms
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
92. Trust deficits and lack of transparency in transactions can impede cooperation between the government and private sector
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
93. Misaligned goals or differing priorities can hinder effectiveness of joint initiatives and partnerships
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
94. Inadequate communication channels or information sharing can lead to misunderstandings and failed collaborations
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
95. Power imbalances or unequal influence may affect decision-making processes and outcomes in LED collaborations.
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.

E. Section E Questionnaire

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96. Select the three most Important Key Elements and Features for successful collaboration between government and private sector Objective 4
    a. Policy and regulatory framework
    b. Institutional structure
    c. Financial mechanisms
    d. Community participation
    e. Environmental regulations
    f. Access to information
97. Select the three most Important outputs of a good collaboration framework
    a. Job creation and employment
    b. Infrastructure development
    c. Entrepreneurship support
    d. Value addition and market access
    e. Business and investment growth
98. Select the two most Important elements that a good collaboration framework must leverage:
    a. Efficient use of resources
    b. Clear policies
    c. Strong community engagement
    d. Resource allocation
99. A good collaboration framework must remove which weaknesses:
    a. Red tape
    b. Lack of inclusivity
    c. Inadequate resource allocation
    d. Inflexible regulations
    e. Bureaucratic hurdles
    f. Lack of long-term sustainability planning
100. A good collaboration framework must meet the following Specific Needs and Challenges
    a. Infrastructure and services
    b. Skills development and education
    c. Technology integration
    d. Access to healthcare
    e. Cultural preservation
    f. Environmental sustainability

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101. What needs to be done to strengthen the governance frameworks, ensuring active inclusion of the private sector in local economic development:

a. Enhancing public-private collaboration
b. Improved policy implementation
c. Empowering local participation
d. Capacity building
e. Monitoring and evaluation
f. Incentivizing private sector
g. Addressing regulatory bottlenecks
h. Resource allocation and transparency

1. Gender

a. Female
b. Male

2. Highest level of educational attained:

a. None
b. Primary School
c. Secondary school but not matric
d. Matric
e. Certificate
f. Diploma
g. Degree
h. Honours
i. Masters
j. PhD

3. Municipality where your institution/business is located:

a. Other Municipality not in Limpopo
b. Ba-Phalaborwa Local
c. Bela-Bela Local
d. Blouberg Local
e. Collins Chabane Local
f. Elias Motsoaledi Local
g. Ephraim Mogale Local
h. Fetakgomo Tubatse Local
i. Greater Giyani Local
j. Greater Letaba Local
k. Greater Tzaneen Local

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l. Lepelle-Nkumpi Local
m. Lephalale Local
n. Makhado Local
o. Makhuduthamaga Local
p. Maruleng Local
q. Modimolle-Mookgophong Local
r. Mogalakwena Local
s. Molemole Local
t. Musina Local
u. Polokwane Local
v. Thabazimbi Local
w. Thulamela Local

4. If other Municipality not in Limpopo, please indicate the name of your municipality:
5. What is the nature of your institution?
    a. Community (NGO/Association/Union)
    b. Government Agency
    c. Government Department
    d. Large Corporate
    e. Municipality
    f. SMME/Cooperative
    g. Traditional Leadership
6. Does your institution have any formal MOU/Agreement of LED collaboration
    a. Yes
    b. No
7. Select your age range?
    a. 18-23
    b. 24-30
    c. 31-40
    d. 41-50
    e. 51-60
    f. >60
8. Have you ever attended a public participation for an Act/policy
    a. Yes
    b. No
9. Have you ever attended an IDP meeting
    a. Yes
    b. No

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10. Have you ever attended an LED meeting
    a. Yes
    b. No

F. Section F Questionnaire

11. Name 3 to 6 economic problems we have in South Africa.
    a. _____
    b. _____
    c. _____
    d. _____
    e. _____
    f. _____
12. Name 3 to 6 problems that makes partnerships between government & private sector to fail.
    a. _____
    b. _____
    c. _____
    d. _____
    e. _____
    f. _____
13. Private sector suffers restrictive terms and conditions for access to loans/credit and insurance to be able to invest in LED initiatives:
    f. Completely Agree
    g. Somewhat Agree
    h. In Between
    i. Somewhat Disagree
    j. Completely disagree.
14. Private sector suffers punitive high interest rates, impatient loans and no opportunity to restructure debt making borrowing prohibitive for private sector inclusion:
    f. Completely Agree
    g. Somewhat Agree
    h. In Between
    i. Somewhat Disagree
    j. Completely disagree.
15. Poor spatial and LED planning, and inadmissibility of rural land as collateral hinders access for private sector to venture capital and grants restricting opportunities for investment in rural area-based LED projects:

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f. Completely Agree
g. Somewhat Agree
h. In Between
i. Somewhat Disagree
j. Completely disagree.

16. Inadequate roads, telecommunications and basic services hinder private sector engagement in LED initiatives:
    f. Completely Agree
    g. Somewhat Agree
    h. In Between
    i. Somewhat Disagree
    j. Completely disagree.
17. Lack of essential services such as electricity, water and sanitation deter private sector investment in LED initiatives:
    f. Completely Agree
    g. Somewhat Agree
    h. In Between
    i. Somewhat Disagree
    j. Completely disagree.
18. Poor transport networks (transport, logistical and storage services) impede the movement of goods and services, limiting economic opportunities:
    f. Completely Agree
    g. Somewhat Agree
    h. In Between
    i. Somewhat Disagree
    j. Completely disagree.
19. Lack of readily available office and industrial parks makes it expensive to start LED projects in rural areas Completely Agree:
    f. Completely Agree
    g. Somewhat Agree
    h. In Between
    i. Somewhat Disagree
    j. Completely disagree.
20. Lengthy administrative processes and unclear regulations discourage private sector inclusion in LED initiatives:
    f. Completely Agree
    g. Somewhat Agree

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h. In Between
i. Somewhat Disagree
j. Completely disagree.

21. Unclear legal frameworks and property rights create hesitation in private sector investments in LED initiatives:
    f. Completely Agree
    g. Somewhat Agree
    h. In Between
    i. Somewhat Disagree
    j. Completely disagree.
22. Lack of clear government policies or inconsistent regulations deters private sector commitment in LED initiatives:
    f. Completely Agree
    g. Somewhat Agree
    h. In Between
    i. Somewhat Disagree
    j. Completely disagree.
23. Lack of inclusion of the private sector and roles in legislation and policies hinders private sector from influencing legislation and policies for LED initiatives:
    f. Completely Agree
    g. Somewhat Agree
    h. In Between
    i. Somewhat Disagree
    j. Completely disagree.
24. Insufficient skilled labour force in government for specialized tasks in LED initiatives discourages private sector inclusion in LED initiatives:
    f. Completely Agree
    g. Somewhat Agree
    h. In Between
    i. Somewhat Disagree
    j. Completely disagree.
25. Scarcity of local professionals with expertise in 21st Century LED hampers private sector participation in LED initiatives:
    f. Completely Agree
    g. Somewhat Agree
    h. In Between
    i. Somewhat Disagree

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j. Completely disagree.

26. Lack of vocational programmes tailored to LED initiatives results in shortage of specialized skills in LED initiatives:
    f. Completely Agree
    g. Somewhat Agree
    h. In Between
    i. Somewhat Disagree
    j. Completely disagree.
27. PPPs facilitate collaboration on infrastructure and service delivery but their effectiveness might varies and tend to favour capitalism:
    f. Completely Agree
    g. Somewhat Agree
    h. In Between
    i. Somewhat Disagree
    j. Completely disagree.
28. Sector-specific councils/structures aid in policy formation and industry growth but inclusivity could be a major concern:
    f. Completely Agree
    g. Somewhat Agree
    h. In Between
    i. Somewhat Disagree
    j. Completely disagree.
29. Agencies coordinate efforts yet effectiveness might be hindered by bureaucracy or lack of resources needed:
    f. Completely Agree
    g. Somewhat Agree
    h. In Between
    i. Somewhat Disagree
    j. Completely disagree.
30. There are Platforms where stakeholders converge but might lack actionable follow-through on agreements or plans:
    f. Completely Agree
    g. Somewhat Agree
    h. In Between
    i. Somewhat Disagree
    j. Completely disagree.

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31. There are Bodies for policy formulation and advice yet their impact might be limited by bureaucratic hurdles:
    f. Completely Agree
    g. Somewhat Agree
    h. In Between
    i. Somewhat Disagree
    j. Completely disagree.
32. It is usually not clear which platforms are to be used for collaboration and may vary from one area to the other and dependent on persons in charge:
    f. Completely Agree
    g. Somewhat Agree
    h. In Between
    i. Somewhat Disagree
    j. Completely disagree.
33. The efficacy of existing platforms for collaboration might vary in terms of promoting genuine collaboration and impact:
    f. Completely Agree
    g. Somewhat Agree
    h. In Between
    i. Somewhat Disagree
    j. Completely disagree.
34. Concerns about inclusivity, accessibility and representation might limit effectiveness of the collaboration platforms:
    f. Completely Agree
    g. Somewhat Agree
    h. In Between
    i. Somewhat Disagree
    j. Completely disagree.
35. Trust deficits and lack of transparency in transactions can impede cooperation between the government and private sector:
    f. Completely Agree
    g. Somewhat Agree
    h. In Between
    i. Somewhat Disagree
    j. Completely disagree.
36. Misaligned goals or differing priorities can hinder effectiveness of joint initiatives and partnerships:

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f. Completely Agree
g. Somewhat Agree
h. In Between
i. Somewhat Disagree
j. Completely disagree.

37. Inadequate communication channels or information sharing can lead to misunderstandings and failed collaborations:
    f. Completely Agree
    g. Somewhat Agree
    h. In Between
    i. Somewhat Disagree
    j. Completely disagree.
38. Power imbalances or unequal influence may affect decision-making processes and outcomes in LED collaborations:
    f. Completely Agree
    g. Somewhat Agree
    h. In Between
    i. Somewhat Disagree
    j. Completely disagree.
39. Private sector inclusion in LED will result in Increased investments, business growth, and economic prosperity:
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
40. Private sector inclusion in LED will result in Enhanced infrastructure, including roads, utilities, and technology, fostering economic and social development:
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
41. Private sector inclusion in LED will result in Improved living standards, community development, and empowerment through various social initiatives:
    a. Completely Agree
    b. Somewhat Agree

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c. In Between
d. Somewhat Disagree
e. Completely disagree.

42. Private sector inclusion in LED will result in Strengthened community relationships, increased social support through private sector-led community programs:
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
43. Private sector inclusion in LED will result in Improved access to markets, resources, and networks, facilitating economic growth in rural areas:
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
44. Private sector inclusion in LED will result in Transfer of skills, knowledge, and expertise to local communities, fostering capacity building and development:
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
45. Private sector inclusion in LED will result in Creation of jobs within the private sector, and offering of employment opportunities for local residents:
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
46. Private sector inclusion in LED will result in Indirect employment opportunities stemming from supply chains, service industries, and other related sectors:
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree

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e. Completely disagree.

47. Private sector inclusion in LED will result in Offering training programs to equip locals with the skills needed for employment and career advancement:
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
48. Private sector inclusion in LED will result in Promoting agribusiness and value addition to agricultural products, enhancing job opportunities in rural farming:
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
49. Private sector inclusion in LED will result in Introducing and adopting innovative technologies, driving advancements in agriculture, services, and more:
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
50. Private sector inclusion in LED will result in Encouraging entrepreneurial ventures and creative solutions in LED initiatives, fostering growth and progress:
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
51. Private sector inclusion in LED will result in Sharing technological know-how and adapting innovations for local use in agriculture and service sectors:
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.

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52. Private sector inclusion in LED will result in Encouraging research and development, leading to new product creation and market expansion in rural areas:
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
53. Private sector inclusion in LED will result in Implementation of sustainable practices ensuring the long-term viability of projects and their environmental impact:
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
54. Private sector inclusion in LED will result in Implementing eco-friendly practices, preserving natural resources, and reducing the ecological impact of activities:
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
55. Private sector inclusion in LED will results in Building community resilience through economic diversification, reducing vulnerability to economic fluctuations:
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
56. Private sector inclusion in LED will result in Diversifying local economies, increasing resilience, and reducing dependency on specific sectors or practices:
    a. Completely Agree
    b. Somewhat Agree
    c. In Between
    d. Somewhat Disagree
    e. Completely disagree.
57. Select the three most Important Key Elements and Features for successful collaboration between government and private sector

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g. Policy and regulatory framework
h. Institutional structure
i. Financial mechanisms
j. Community participation
k. Environmental regulations
l. Access to information

58. Select the three most Important outputs of a good collaboration framework
    f. Job creation and employment
    g. Infrastructure development
    h. Entrepreneurship support
    i. Value addition and market access
    j. Business and investment growth
59. Select the two most Important elements that a good collaboration framework must leverage:
    e. Efficient use of resources
    f. Clear policies
    g. Strong community engagement
    h. Resource allocation
60. A good collaboration framework must remove which weaknesses:
    g. Red tape
    h. Lack of inclusivity
    i. Inadequate resource allocation
    j. Inflexible regulations
    k. Bureaucratic hurdles
    l. Lack of long-term sustainability planning
61. A good collaboration framework must meet the following Specific Needs and Challenges
    g. Infrastructure and services
    h. Skills development and education
    i. Technology integration
    j. Access to healthcare
    k. Cultural preservation
    l. Environmental sustainability
62. What needs to be done to strengthen the governance frameworks, ensuring active inclusion of the private sector in local economic development:
    i. Enhancing public-private collaboration
    j. Improved policy implementation
    k. Empowering local participation

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l. Capacity building
m. Monitoring and evaluation
n. Incentivizing private sector
o. Addressing regulatory bottlenecks
p. Resource allocation and transparency

G. Section G Questionnaire

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Item		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	Score	Rank
1	Access to Healthcare																										
2	Access to Social Grant Payment Points																										
3	Access to Municipal/Government Institutions																										
4	Agricultural Productivity:																										
5	Community Engagement:																										
6	Global Competitiveness:																										
7	Infrastructure Gaps:																										
8	Land Use and Conservation:																										
9	Natural Resource Management:																										
10	Quality of Life:																										
11	Rural Entrepreneurship:																										
12	Social Inclusion and Equity:																										
13	Tourism Potential:																										
14	Workforce Skills and Training:																										
15	Commercial Real Estate Development:																										
16	Cultural and Recreational Facilities:																										
17	Access to Educational Facilities																										
18	Employment Creation and Growth																										
19	Job Density and Diversity																										

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20	Infrastructure Quality:																											
21	Innovation and Technology:																											
22	Population Demography and Density																											
23	Population Dynamics and Migration																											
24	Transportation Accessibility:																											

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