An investigation into the Management and implementation of local economic development initiatives and their impact on the improvement of socio-economic conditions in Thulamela Municipality, Vhembe District

By

Netshifhefhe Khathutshelo John

(Student No: 11523445)

A Mini dissertation submitted in the School of Management Sciences of the University of Venda in partial fulfilment of the requirements for the degree of Master of Public Management

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DECLARATION

I, **Netshifhefhe Khathutshele John** hereby declare that the dissertation for the degree of Master of Public Management at University of Venda hereby submitted by me, has not been submitted previously for a degree at this university or any other university; that it is my own work in design and execution, and that all reference material contained therein has been duly acknowledged.

09. 04. 2013

Signature **Date**

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ACKNOWLEDGMENTS

My sincere gratitude is directed to the following persons who supported me during the enormous task of my studies towards the Masters degree and who made the completion of this research possible:

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- I would like to thank my Aunt, Mashapha Dorah. You were there for me all the way;

For all these people my thanks are due.

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DEDICATION

- On my personal note, I dedicate this project to my parents, the late Mr Netshifhefhe Ntsandeni Philemon and my mother Mrs Netshifhefhe Salminah Nyadzani. You were there for me all the way.
- My beloved wife, Netshifhefhe Fulufhelo who accompanied me every time I had to attend discussion sessions with my supervisor.
- My children, Fulufhelo, Mukonazwothe, Muhulu and Tsireledzo, who remained behind during our absence and played the role of father and mother at home.

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ABSTRACT

The study was carried out at Thulamela Municipality in Vhembe District Municipality in the Limpopo Province, Republic of South Africa. The study is about The **Management and implementation of local economic development initiatives and their impact on the improvement of socio-economic conditions in Thulamela Municipality, Vhembe District.** Local economic development (LED) is about local people working together to achieve sustainable economic growth that brings economic benefits and improves quality of life for all in the community (World Bank,2002:3). The role of local government has always been to develop local economies to uplift the local communities (Ishmael et al, 1997:3). As stated in the Integrated Sustainable Rural Development Strategy (ISRDS) document, local government must, amongst other objectives attain socially cohesive stable rural communities with viable institutions, sustainable economies and access to social amenities so to contribute to the growth and development of local communities.

The Constitution of the Republic of South Africa Act of 1996 encourages the involvement of communities, particularly stakeholders to become involved in matters relating to development of local government, thereby promoting socioeconomic development. The Local Economic Development programme established by the Department of Provincial and Local government is an outcome- based initiative driven by local stakeholders. It involves identifying and harnessing local resources, ideas and skills to stimulate economic growth and development. The aim of LED is to create employment opportunities that will benefit all local people. The South African Local Government White paper on local government defines local government as a sphere of government that is committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve their quality of life. Needs of the community should be responded to and the community has to be seen as taking the lead.

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The study used quantitative technique for data collection and analysis. Quantitative techniques were mostly used in that they provide the researcher with an understanding of experiences and Management and implementation of local economic development initiatives and their impact on the improvement of socio-economic conditions in Thulamela Municipality. Random and purposive samplings were used for the selection of sample for the study. Both primary and secondary data were used for analysis in this study. Secondary data were obtained from government publications, research publications, and reports. Primary data were obtained through personal observation, and questionnaires.

The research contained the following as findings:

- The finding showed that about 64.5% of the officials interviewed participated in ward committee structures. A low percentage participated in structures outside the ward committees.
- The finding indicates that 87.1% of the respondents were involved in integrated development planning of the municipality
- Also 93.5 % of the respondents indicated that employment creation strategies were not in existence in the municipal area
- The findings were further supported by the literature review, which indicated that considerable progress was being made in putting in place constitutional policy and institutional frameworks in terms of local government transformation and mandate. Now attention needed to be focused on implementation.
- Since the municipality is very slow to develop resources and infrastructure. Funding for implementation of municipal strategies came largely from the Municipal budget with very little coming from donors and grants

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The following were recommendations which were made to the local government:

- It was recommended that the Thulamela Municipality secure greater participation by residents in matters of governance. Besides the fact that this is a constitutional and legislative requirement, it is also one of the important principles of good corporate governance.

- It was recommended that the Municipality focus on acquiring skilled qualified and competent officials. Furthermore, staff should not be appointed based on their political connections, but on their ability to do the job. An open, flexible and transparent but effective recruitment framework is also recommended.

- This recommendation also complements recommendation, which proposes the use of monitoring and evaluating systems to measure the service delivery and development performance of the Thulamela Municipality. What will be monitored and evaluated is the implementation of plans.

- It is also recommended that relevant municipal officials should attend service excellence training courses.

The above findings and recommendations suggest that much still needs to be done on the Management and implementation of local economic development initiatives and their impact on the improvement of socio-economic conditions in Thulamela Municipality.

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LIST OF ABBREVIATIONS

ABET	Adult Basic Education Training
ADR	African Development Report
ANC	African National Congress
AUSAID	Australian Aid
BRAIN	Business Referral and Information Network
CDM	Capricorn District Municipality
CLGFR	Commonwealth Local Government Forum Report
CMDA	Cato Manor Development Association
DPLG	Department of Provincial and Local Government
GDP	Gross Domestic Product
HRDC	Human Resource Development Corporation of Canada
IDAs	Individual Development Accounts
IDASA	Institute for Democracy in South Africa
IDP	Integrated Development Planning
IDPNC	Integrated Development Panning Nerve Centre
ISRDS	Integrated Sustainable Rural Development Strategy
LED	Local Economic Development
LEDF	Local Economic Development Forum
LTDP	Long-term Development Plan
NVTC	Noordhoek Valley Training Centre
OECD	Organization for Economic Co-operation and Development
PMS	Performance Management System
RDP	Reconstruction and Development Programme
SEDI	Social Enterprise Development Innovations
SMMEs	Small, Medium, Micro Enterprises
SRDC	Social Research and Demonstration Corporation
TLC	Transitional Local Council

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CHAPTER 1: ORIENTATION OF THE STUDY

1.1 Introduction

This chapter focused on the rationale, the context, the problem statement and the purpose of this study. The background and legal grounding on which the research was conducted also received attention. The study's paradigmatic perspective was discussed, together with the clarification of the key concepts. This introductory chapter set out the background for this study. It clarified its main research problem, the aims of the research, the main research question and the subsidiary research questions. It further explained the purpose and objectives of the research, and it provided an introduction to the succeeding chapters.

1.2 Background of the Study

Local economic development (LED) is about local people working together to achieve sustainable economic growth that brings economic benefits and improves quality of life for all in the community (World Bank,2002:3). The role of local government has always been to develop local economies to uplift the local communities (Ishmael et al, 1997:3). As stated in the Integrated Sustainable Rural Development Strategy (ISRDS) document, local government must, amongst other objectives attain socially cohesive stable rural communities with viable institutions, sustainable economies and access to social amenities so to contribute to the growth and development of local communities.

The Constitution of the Republic of South Africa Act of 1996 encourages the involvement of communities, particularly stakeholders to become involved in matters relating to development of local government, thereby promoting socioeconomic development. The Local Economic Development programme established by the Department of Provincial and Local government is an

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outcome- based initiative driven by local stakeholders. It involves identifying and harnessing local resources, ideas and skills to stimulate economic growth and development. The aim of LED is to create employment opportunities that will benefit all local people. The South African Local Government White paper on local government defines local government as a sphere of government that is committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve their quality of life. Needs of the community should be responded to and the community has to be seen as taking the lead.

According to the 1996 Census, 55 % of South Africa's population lives in urban areas, with a significant component living in metropolitan areas. On the other hand, the spatial distribution of poverty is such that 75 per cent of South Africa's poor live in rural areas. Given these realities local governments cannot abrogate responsibility in the economic development process and poverty alleviation (HSRC, 2000:34). Currently there is no effective form of monitoring and evaluation of poverty alleviation programmes and local economic initiatives in most local municipalities. The strategic management of LED programmes aimed at reducing poverty and inequalities in rural communities requires the establishment of such a system.

1.3 Problem of the Statement

The Constitution of the Republic of South Africa Act of 1996 encourages the involvement of communities, particularly stakeholders to become involved in matters relating to development of local government, thereby promoting socioeconomic development. The Local Government White Paper (1998) suggests amongst others that local government is responsible for the achievement of local economic development, playing an important role in job creation and in boosting the local economy through the provision of business-friendly services, local procurement, investment promotion, and support for small

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businesses and growth sectors. The duties and powers are based on the Constitution (RSA, 1996a) and are generally of a service type nature, but include the following LED-related competences, namely: tourism, planning, public works, infrastructure development and markets. The Municipal Systems Act (RSA, 2000a) indicates that municipalities are specifically required to involve communities in the affairs of the municipality, to provide services in a financially and sustainable manner and to `promote development in the municipality'.

Despite all government initiatives in local economic development, rural areas of Thulamela are still lagging behind in essential services and poverty alleviation initiatives. According to the 2005 LED plan of the Thulamela Municipality the following facts constitute the socio-economic, health and infrastructural challenges:

- Thulamela has a total population of 147 000 according to 2001 census. Dwelling types are mostly formal houses with limited rooms, with more than two people occupying the same room. Rooms are also used for multiple purposes. The housing backlog indicates that there is a house of three rooms per household. The figures reveal high levels of illiteracy and therefore there is a need for targeted literacy and intervention in the form of further education programmes.
- This high illiteracy rate is due to being previously disadvantaged owing to a lack of educational facilities and resources. However, there are attempts to eradicate the legacy of the past. Presently there are a total of nine ABET centres catering for a total of two hundred and forty three (243) learners. The challenge of low employment rate in areas of technical discipline is caused by lack of learnership programmes, because the national skills development programme has not been implemented in the municipality.

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Due to a high demand for elementary education, there are more people working in community projects and private households, than in agriculture, construction and financial industries. This at present adversely affects economic development in the municipality. As a result most people are unemployed.

1.4 Research aim

The overall aim of the study was to investigate the management and implementation of local economic development initiatives and their impact on the improvement of socio-economic condition in Thulamela Municipality, Vhembe District

1.5 Research Objectives

- To examine and determine the national framework of local economic development and its impact on rural communities.
- To evaluate the local economic development in an international context, a South African context and more specifically the Thulamela Municipality.
- To investigate the roles and impacts of local economic development programmes relating to rural community development in Thulamela Municipality.
- To evaluate the guidelines for implementation of local economic development programmes in Thulamela municipality.

1.6 Research Questions

- What is the national framework of local economic development and its impact on rural communities?

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- What is the local economic development in an international context, a South African context and more specifically the Thulamela Municipality?

- What is the role and impact of local economic development programmes relating to rural community development in Thulamela Municipality?

- What are the guidelines of the implementation of local economic development programme in Thulamela municipality?

1.7 Significance of the Study

This study sought to identify challenges in local economic development support for rural local governments and to further explore current local economic trends in selected international countries. It was furthermore important to establish whether the Local Economic Development programmes address the following: LED programmes initiatives throughout implementation stages; Existence of monitoring and evaluation systems of LED programmes; Local Economic development pilot programmes; and Local initiatives with the context of the National Framework of Local Economic Development.

After completion of this study the community of Thulamela could be able to use the results for LED programmes initiatives. This includes providing support in innovative and creative mechanisms for poverty alleviation, job creation and economic development.

1.8 Limitation of the Study

The limitation of this dissertation relates to the fact that upon completion of the, research, the research findings were generalised to all Government institutions seeing that only national departments could be analysed. Funds were a limiting factor as the study required a lot of funds for travelling, typing, binding and

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photocopying. Due to the sensitivity of the topic, some staff managers felt uncomfortable to answer research questions because they were not sure where the information would be taken to.

1.9 Delimitation of the Study

The de-limitation of this dissertation relates to the fact that questionnaires were only distributed to one specific geographical area namely, all national departments in the Limpopo Province. The purpose of demarcating the study was to make it more manageable and to this end, the proposed research was limited to selected villages in the Thulamela Municipality of Limpopo Province, South Africa

1.10 Definition of the terms

- **Constitution of RSA, Act of 1996**

This document outlines the political principles and structures of power such as Parliament and the Presidency as well as national, regional and local forms of government. It does include a Bill of Rights, which is a document containing essential and basic rights for society as a whole (Rural Development Strategy, 1995:13).

- **Municipal officials**

Officials that are employed by the municipality (Rural Development Strategy, 1995:17)

- **Community representatives**

Representatives that are elected by the community to represent them in various community forums viz councillors and ward representatives (Rural Development Strategy, 1995:93)

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- **Integrated development plans**

According to Craythorne (1997: 149), the concept of IDP was first introduced into municipal law by the Local Government Transition Act (Second Amendment Act, Act 97 of 1996). The Act required metropolitan councils to have an IDP and permitted district councils to formulate and implement an IDP for a local council. The Act also defined an IDP by means of a plan aimed at the integrated development and management of jurisdiction in the municipality concerned in terms of its powers and duties.

- **Local economic development (LED)**

Local Economic Development that has local people working together, to achieve sustainable economic growth that will bring economic benefits and quality-of-life improvements for all in the community. Although the concept of Local Economic Development (LED) is relatively new in South Africa, it enjoys wide acceptance and credibility. It is currently initiated in variations which range from typical, northern style urban entrepreneurial approaches implemented in major cities to a host of community and NGO initiatives which have much in common with strategies pursued throughout the developing world. LED is in line with the post-apartheid government's pursuit of an economic strategy and a commitment to devolve powers of government to local level, and to support community- based endeavours (ANC,1994;RSA,1996a)

- **Reconstruction and Development Programme**

The Reconstruction and Development Programme is a policy launched as a post 1994 White paper on Reconstruction and Development designed to provide a broad framework for South Africa's new development vision, priorities and operational procedures and it aimed to lay a basis for subsequent laws and actions to address extreme social and spatial inequalities resulting from years of the apartheid policy, and to promote overall development (ANC 1994:7).

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- **Rural area**

A rural area in apartheid South Africa was essentially an area that was "urban without services". It had a high concentration of people living in an area where the economic base was some distance from the city. A rural area is areas that have the lowest of services, and greatest average distance to the nearest service points (Rural Development Strategy, 1995:13).A rural area often has a population that is spatially dispersed. Agriculture is often the dominant, and it is an exclusive economic sector.

- **Poverty**

Poverty can be defined as the inability to attain minimal standards of living determined by factors such as low income, human under-development, social exclusion, lack of capability and functioning, vulnerability and lack of basic needs (Rural Development Strategy, 1995:113).

- **Socio- economic conditions**

Socio- economic conditions can be defined as conditions in rural communities that require an integral strategy to facilitate sustainable economic growth for meeting the people's needs. These include underdevelopment, poverty and lack of economic opportunities (Rural Development Strategy, 1995:33)

1.11 Organisation of the Study

CHAPTER 1: ORIENTATION OF THE STUDY

This study consists of five chapters. Chapter 1 supplies the background of the study, statement of the study problem, research objectives, research hypotheses, and significance of the study, delimitations of the study, limitation of the study, operational definitions and chapter overview.

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CHAPTER 2: LITERATURE REVIEW

Chapter 2 has to do with a review of the related literature materials on local economic development, socio-economic activities and political factors of local economic development, impacts caused by socio-economic on the rural development and the associated benefits of local economic development.

CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

Chapter 3 provides the overall research design which outlines research methodology and methods of data collection and analysis.

CHAPTER 4: DATA INTERPRETATION, PRESENTATION AND ANALYSIS

Chapter 4 deals with data presentation, interpretations and analysis of the findings.

CHAPTER 5: FINDINGS, RECOMMENTATIONS AND CONCLUSION

Chapter 5 is a summary of findings, recommendations and conclusions, suggestions and issues for further research.

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CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

It has been widely reported that the majority of the people in South Africa, in particular, and the world, in general, are poor. This is mostly true of the African continent. By the year 2001 the African economy had grown moderately with Gross Domestic Product (GDP) estimated at 3.4 percent as compared to 3.2 percent in 2000. The high rate of unemployment, lack of services delivery to local communities and unclear structural cohesion for emerging entrepreneurs contribute to the legacy of poverty. (African Development Report, 2002:1) Local governments globally have to respond to the economic challenges in order to improve and sustain local economies.

According to the local economic development forum report (Taylor, 2002:1) municipalities have been challenged to respond to three main categories, viz, global competitiveness, job creation and poverty alleviation. Most local economic growth is generated by small and medium-sized businesses that are already established in the community. Encouraging local business growth involves providing advice, support and resources. These strategies are sometimes called business retention and expansion strategies. The range of initiatives that support local business is vast. (World Bank, 2002:15) According to Hawkins (1997:445) economic growth has increasingly become associated with new technologies rather than with dependency on raw materials and energy. Production has become less material-intensive and less labour-intensive.

More skills, knowledge and technologies have fostered a much greater degree of integrated production. This chapter deals with the global trends in local economic development in various countries since LED has become a prominent force in economic intervention in South Africa and globally. This has tended to take on two key forms in pro-market or pro-poor development.

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2.2 Legal framework on local government development role

The various laws impacting upon 'developmental local government' and LED are located within the general Acts, pertaining to local government matters and the Constitution and build on the thinking detailed in the preceding policy documents.

2.2.1 The Constitution of the Republic of South Africa Act of 1996

The basis for all laws in the country is the national Constitution of the country, which is the supreme law upon which all other laws are based (RSA, 1996). In terms of local government affairs, the Constitution recognizes them as a distinctive level of government and mandates them to give priority to the basic needs of the community, and to promote the social and economic development of the community, and participate in national and provincial development programmes'(RSA,1996a:82). The constitution makes provision for different categories of local government, which the Local Government White paper (RSA,1998a) defines as:

- Metropolitan Councils, i.e. large conurbations with multiple business districts;
- Municipal Councils, i.e. non- metropolitan local councils; and
- District Councils which oversee groups of Municipal Councils in urban and rural areas.

2.2.2 Local Government Transition Act , 1993 (Act 209 of 1993)

Although the more recent legal provisions pertaining to the development role of local government have been based on the1998 Local Government White Paper (RSA,1998a), pre-1998 Acts have also served as a basis for this new role. The Local Government Transition Act (RSA, 1996c) assigned various powers and duties relating to service provision to local governments and specifically required

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metropolitan councils to promote integrated economic development, the equitable distribution of municipal resources and the delivery of services with a developmental focus in mind.

2.2.3 The Development Facilitation Act, 1995 (Act 67 of 1995)

A key local government planning and development instrument is the Development Facilitation Act (RSA,1995), which introduced measures to facilitate and accelerate the implementation of reconstruction and development programmes and projects in relation to land, laying down general principles to govern land development throughout the country. Local governments are empowered to develop what are known as 'Land Development Objectives'. This Act was formulated to rationalize the complex apartheid geography of the country, to redress development imbalances and accelerate development through more efficient utilization of land.

2.2.4 The Municipal Demarcation Act, 1998 (Act 27 of 1998)

The Local Government Municipal Demarcation Act (RSA,1998c), determined new municipal boundaries throughout South Africa. This process was undertaken between 1998 and 2000. This Act sought to eliminate small and ineffective local councils by combining neighbouring or close local authority areas under a single jurisdiction, while also assigning rural areas surrounding urban centres to the control of the latter.

2.2.5 The Municipal Structures, 2000 (Act 33 of 2000)

The Municipal Structures Act (RSA, 2000), with the Systems Act, extends and develops the provisions of the Local Government Transition Act of 1996 (RSA, 1996c). The Act also allows for participation of traditional leaders within local government administration in the areas in which they reside. It also mandates

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district councils to assist municipalities lying within the areas under their jurisdiction through integrated development planning, major infrastructural development, capacity development and the equitable distribution of resources.

2.2.6 The Municipal Systems Act, 2000 (Act 32 of 2000)

This piece of legislation has had the most direct impact on popular participation in local-level development. The Municipal Systems Act (RSA, 2000a) provides for the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of communities, and ensure universal access to essential services that are affordable to all. This particular Act has very defined implications for LED in terms of the operational procedures, powers and management systems, which in themselves can be regarded as mechanisms to promote pro-poor development. Municipalities are specifically required to involve communities in the affairs of the municipality (RSA,2000,a)

2.3 An integrated development plan and performance Management system for Thulamela Municipality

The IDP is an implementation plan for development that has been adopted and is reviewed annually. Both projects are funded by the municipality, by other departments or government institutions. The IDP therefore guides developments. Community consultative meetings are held to ensure meaningful participation [Thulamela LED report, 2005:13].

According to the 2005 Thulamela municipal report (LED Report) numerous plans have been developed to form a comprehensive strategy towards poverty eradication and development of informal economic sectors. The commitment and co-ordination of IDP by all stakeholders, amongst others, provincial government departments and non governmental institutions (NGOs) including the municipal

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council are critical. Plans in the IDP raise expectations in the communities hence funding is a challenge and a critical focal point. A performance management system (PMS) is developed to measure and evaluate implementation of projects identified in the development plan. Subsequent to the adoption of IDP, a Performance Management System framework was adopted and this has led to the signing of agreements among all managers in the year 2004/2005. The progress-tracking system is in place.

FUNCTIONS: The following aspects constitute the core business of Thulamela Municipality:

- Water
- Electricity
- Roads
- Sanitation
- Transport
- Lost-cost housing
- Land and tenure
- Waste management
- Health and education
- Town development
- Sport
- Telecommunications
- Safety, pollution and environmental health
- Fencing of grazing camps [Thulamela LED report, 2005:13].

2.4 Socio-economic, health and infrastructural challenges of Thulamela, Limpopo Province

According to the 2010 LED plan of the Thulamela Municipality the following facts constitute the socio-economic, health and infrastructural challenges:

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- Thulamela has a total population of 147 000 according to 2001 census.
- Dwelling types are mostly formal houses with limited rooms, with more than two people occupying the same room. Rooms are also used for multiple purposes.
- The housing backlog indicates that there is a house of three rooms per household.
- The figures reveal high levels of illiteracy and therefore there is a need for targeted literacy and intervention in the form of further education programmes. This high illiteracy rate is due to being previously disadvantaged owing to a lack of educational facilities and resources. However, there are attempts to eradicate the legacy of the past. Presently there are a total of nine ABET centres catering for a total of two hundred and forty three (243) learners.
- The challenge of low employment rate in areas of technical discipline is caused by lack of learnership programmes, because the national skills development programme has not been implemented in the municipality. Due to a high demand for elementary education, there are more people working in community projects and private households, than in agriculture, construction and financial industries. This at present adversely affects economic development in the municipality. As a result most people are unemployed.
- The annual household income shows that people with low-income status are in the category of between none - R19 200.00 (income brackets in 2000 and in 2001 statistics).
- Illiteracy and an inactive labour force have a bearing on this household income problem.
- 90% of the people still have to walk from one point to another because of a lack of adequate transport. A poor road network also contributes to this problem.
- The statistics reveal that 45% of the households do not have electricity. Only 55% of the households have electricity. Only 55% of the households

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which are connected use electricity because among those households which are connected, many cannot afford to pay for the service. Not being in a position to use electricity defeats the purpose.

- No refuse removal service is provided. The current practice of piling refuse at street corners exposes the community to high health risks. 100% of the households have a pit latrine. This is below the RDP standard. As there are still households without any form of sanitation, this presents health hazards.
- The Municipal statistics show that there are a sizeable number of people who do not have access to telephones. Public telephones are a distance away with a distance of approximately 15km.
- Although the statistics show that every yard has a water connection all these connections are informal. There is a serious wastage of water due to these informal connections. Besides those who use water from informal connections inside their yards, there are a sizable number of people who draw water from the rivers and ponds. This practice exposes them to health hazards.
- The community members who need health care, have to pay high transport costs. As the clinics serve communities within a radius of 25km to the communities, community members pay R10.00 to R20.00 for transport. This negates the idea of free medical services. As all clinics do not have doctors, most of the people who want to see a doctor travel to two hospitals, Tshilidzini and Donald Fraser which serves communities within a radius of 50km. The transport costs to this hospital vary from R20.00 to R70.00 for a return trip. This is costly for an ordinary member of the community who struggles to make ends meet [Thulamela LED report, 2005:13].

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2.4.1 Welfare

These services seem to be accessible to many though they have costs implications. The satellite offices have been opened in all tribal offices in Thulamela. The community members have to travel to the satellite offices at a cost not less than R10.00 return.

2.4.2 Roads

The Thulamela roads are divided into three, namely; provincial, district and municipal roads. All the municipal roads are used to connect one village to another. These roads are mainly gravel and at present the Department of Public works is responsible for maintaining them. The district roads are also 99% gravel except provincial roads, which although tarred, still need reconstruction to cope with heavy transport vehicles that commonly use the road from the city, cutting across Thulamela to the Zimbabwe border.

2.4.3 Settlement patterns

Thulamela settlement patterns make cost-effective delivery services very difficult. This is due to the distances between villages and the relative sizes of those villages.

2.5 Planning for Local Economic Development in South Africa

Under apartheid spatial planning, heavy emphasis was given to top-down regional policy interventions which were centred upon promoting industrial decentralization in the country's peripheral Homelands or Bantustan regions (Rogerson, 1994:34). LED planning was undeveloped and confined largely to a scatter of small initiatives for 'place marketing' designed to attract inward

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investment. However, in the post-apartheid South Africa LED has gained considerable prominence in development planning.

The mainstream of LED planning in South Africa is dominated by market-led activities that are geared towards achieving sustainable high economic growth rates (Nel & Rogerson, 2005:23). Several variants of "place entrepreneurialism" can be identified with the most important relating to promoting localities as competitive spaces for production, consumption and information-processing activities (Rogerson, 2000:2). The IDPs and broader restructuring plans of major centres highlight the issue of 'positioning the city in the global economy' (see Hall and Robbins, 2002:23; Nel et al, 2003:2). Commonly, this has been associated with sectoral targeting or "picking a number of winning sectors or sub-sectors that the municipality believes, through targeted support, and may become their city's competitive advantage in the global economy" (SACN, 2004:21). Other strategies include skills development, enhancing institutional efficiency and the efficiency of the urban form, improving safety and security, and Business Improvement Districts.

Refocusing Development on the Poor' argued a case for promoting 'pro-poor' LED which would explicitly target low income communities and the marginalized as the policy focus of government policy. At least six "developmental" LED strategies are suggested for support, namely: community-based economic development; linkage; human capital development; infrastructure and municipal services; leak plugging in the local economy; and, retaining and expanding local economic activity. Three critical policy areas are those which relate to improving regulatory frameworks, municipal services delivery, and issues of employment creation through the stimulation of local economic activities (Rogerson, 1994:12).

In 2004 the national government's support framework for small business development was redesigned, including the establishment of the Small Enterprise Development Agency (SEDA) in all provinces and districts. The critical

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role of local governments is openly acknowledged in terms of the expansion of business infrastructure facilities, in the making of IDPs and in shaping local regulatory frameworks which directly affect the performance of small businesses, and especially of those working in the informal economy (Rogerson, 1994:45).

2.6 The history of local government transformation in South Africa

In preparation of the ushering of a new democracy, an overarching plan for the transformation of local government was set out in the Local Government Transition Act (LGTA) (Act No. 209 of 1993). The process of local government transformation has been proceeding logically and systematically according to this plan. The Local Government Transition Act, 1993 (Act No.29 of 1993) outlined a three-phase transition for local government. The first phase, pre-interim phase, was defined as the period lasting from the publication of the LGTA to the date of elections for transition councils. The second phase was defined as the period lasting from the date of elections of transitional councils until the legislation and the implementation of 'final arrangement" for local government. The LGTA did not explicitly define a final phase, but it implicitly envisaged a further period of change as municipalities were re-established and structured in accordance with the final legislative arrangements (OECD, 2003:3).

A focused strategy was developed and adopted to drive the change process on the local government sphere for each phase transition period. It is now a Final Phase of the Local Government transition, which is divided into three phases, namely:

- Establishment Phase (2000-2001) in which newly amalgamated municipalities develop new organizations, systems and operating practices to manage the day –to- day business of the local government. This phase is largely aimed at the stabilization of municipalities with new boundaries.

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- Consolidation Phase (2002-2004) where systems and practices of developmental local government will be consolidated in municipalities.
- Change will be driven through comprehensive programmes of the support and monitoring, by means of which national and provincial government will stimulate and guide local government towards a more developmental approach.
- Sustainability Phase (2005-2010) where the role of local government will be enhanced with the strengthening of the capacity in each municipality and continued empowerment from national and provincial government.

The reality is that in 2005 (Limpopo Provincial Administration Annual Report, 2005:6), 14 out of 29 of municipalities in the Limpopo Province had not completed the consolidation phase. In fact the remaining 15 out of 29 municipalities were still in the establishment phase. This has led to Government adopting the Project Consolidate Programme and a clear Five Year Local Government Strategic Agenda. This was the political and strategic challenge of newly elected councils (OECD, 2003:3).

2.7 Local economic development in selected countries

According to the World Bank (LED) report, (2002:33) Local Economic Development Agencies were set up in Europe at the end of the 1950s. Local Economic Development Agencies are promoted by various European governments, as well as by the International Labour Organisation (ILO) with specific objectives to:

- Foster the economic development of the territory where it works;
- Tap the endogenous potential of a territory;
- Capitalize endogenous resources and concentrate on support for those groups that have the most complex access to regular economic and financial circuits;

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- Foster integration of and co-ordination with local institutions and associations to engender a shared vision of local economic development;
- Promote local small and medium-sized business;
- Create an entrepreneurial climate;
- Plan and establish a system of services to public and private organizations that can support local economic development;

Pay special attention to identifying the most vulnerable social groups and poverty traps; For the purpose of this study both Canada and Australia have been used to assist the researcher to draw on a global approach when addressing local needs and implementing local economic development initiatives. Further -more it has broadened a global understanding of Local Economic Development. The local economic development programmes in both Canada and Australia are discussed.

2.7.1 Canada

The government of Canada has a parliamentary system of government with a constitutional monarchy. The powers and functions of local municipalities are largely decentralized with limited central control. However, the functioning of provinces is directly linked to municipal programmes since no matters or bills that have a direct bearing on a municipality can be passed by any minister without consultation with the affected municipality. Canada has about 20 municipalities, comprising 13 cities, 6 regional municipalities and 1 metropolitan community. The municipalities of Canada are clustered in a structure known as Federation of Canadian Municipalities (FCM) (Rogerson, 1994:12)

According to the FCM quality-of- life report of 2005, a global perspective on the role of municipalities with respect to the environment and economy is important, since cities and communities are connected by the movement of large amounts of materials and energy across ecosystems (Rogerson, 1994:33)

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In terms of the report the number of urban dwellers in Canada increased by 50 percent, from 16-24 million, during the 1971 to 2001 period. As a result, Canadian cities have experienced varying degrees of population growth, as well as economic development. A few urban regions, such as the greater Vancouver and the greater Toronto area, have had to contend with a rapid pace of population growth. Communities across Canada have experienced and will continue to experience the benefits associated with growth. These benefits include vibrant diversified economies, higher education institutions, arts, culture and recreational opportunities. On the other hand, increasing emphasis on educational, cultural and environmental amenities in a continually expanding city can also result in a reduced quality of life. In turn , the ability to attract and retain high trained, educated and creative entrepreneurs and employees may be reduced. This can compromise the long term sustainability of economic growth in any given place (OECD, 2003:3).

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2.7.1.1 Local governance and economic development in Canada

The central challenges that faced the municipalities in Canada entailed managing population growth and economic growth. Municipal governments are increasingly called upon to bring about changes in the way local initiatives are managed within the context of economic growth. In terms of the Canadian model municipal charter, 2005, the intergovernmental relations are as follows:

- Every minister responsible for an applicable provincial or territorial matter is obliged to give written notice and consultation opportunity to the municipality if the matter will directly and specifically affect the municipality in the following matters: Introducing a bill in the Legislative Assembly; Making, amending or repealing a regulation, or starting, changing or eliminating a provincial / territorial government programmes
- The provincial/territorial government may not transfer new powers, duties or responsibilities to the municipality, or require the municipality to act in

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relation to a matter in respect of which the provincial/territorial government acts or otherwise exercise power at the time the law comes into force. The minister responsible first has to give notice and provide consultation

2.7.1.2 Local Economic Development Programmes

The Canadian municipalities developed various programmes and policies to address the long- term economic challenges facing local communities. Plans were meant to address the Individual Development Accounts (IDAs) of various municipalities within the context of Canada' s Social and Enterprise Development Innovation (SEDI) plan (OECD, 2003:3). Until 2001, Canada had only two community-based IDA programmes, one in Calgary (Alberta) and the other in Kitchener- Waterloo (Ontario) which proved to be successful. The Toronto-based non-profit group, Social and Enterprise Development Innovation (SEDI) decided in 1997 to research the potential of a significant IDA demonstrations project.

Various initiatives in deferent cities emerged through government funding from the Human Resource Development Fund of Canada (HRDC). The five-year Learn/Save project targeted 3675 low-income Canadians with IDA accounts. The programme was run by community partners in ten sites around the Provision of direct and hands-on support to provincial and local government; Management of the Local Economic Development Fund; Management of and Technical Support for Nodal Economic Development planning; Facilitation, coordination and monitoring of donor programmes; and Assistance with LED capacity-building processes.

The HRDC provided funding whilst the Social Research and Demonstration Corporation (SRDC) took responsibility for the evaluation, including research designs built into the operational side of the project (OECD Policy Debate, 2003:12). The city of Edmonton approved implementation of recommendations contained in a long term plan called Smart Choices for Developing our

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Community. The document sets out strategies to manage local economic growth through redevelopment, re-investment and building on existing infrastructure.

Plan Edmonton, the city's municipal developmental plan, ensures balanced growth based on several strategies. The plan supported development adjacent to existing developments in order to accommodate growth in an orderly and efficient fashion, promote development around transportation corridors and employment areas and support increased densities of land use through Smart Choices for Developing our Community (SCDC) development plan that takes into account existing developments (Rogerson, 1994:11)

The Regina municipality's major development plan was to share the increased population with neighbouring municipalities, and to maintain population in the city central area. The development plan prohibited 'leapfrog' development, supported the preservation of agricultural land and established a density target that supported efficient use of infrastructure, school and transport services. Other policies provided incentives for residential conversions in the downtown area, and new-home and model-housing construction in designated inner-city neighbourhoods (Rogerson, 1994:12)

Peel Region's official plan contained a "Zozi Regional Urban Boundary" which divided the region into an urban section and a rural section. Development within the urban system was to be phased in using growth management strategies prepared by the region's lower tier municipalities. The rural system's economic growth was directed to three "Rural Service Centres". The region was also engaged in various growth management initiatives that would create policies to guide urban development and ensure a consistent response to growth pressure. In particular, there was a need to maintain a firm urban boundary in the face of rapid population and employment growth pressure, and to develop nodes and corridors in the Greater Toronto Area to increase population densities and a public transport system, as well as to alleviate traffic congestion. York Region's

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official plan called for the creation of compact, well-designed communities to protect agricultural lands, rural countryside and green spaces. To achieve this objective, the region had to recognize the need to direct a significant portion of its growth to existing urban areas (Rogerson, 1994:38).

A key part of this strategy is the creation of the system of regional centres linked by rapid transport in regional corridors. Developing regional centres and corridors necessitated working closely with local municipalities' partners and the private sector, as well as the people of the York Region and provincial and federal governments. Ontario municipalities worked within a new development policy environment as a result of steps taken by the provincial government in 2004. Bill 136 of the proposed places to grow policy Act, enabled the province to designate any area of land as a growth plan area and to initiate a growth plan. Municipalities were required to ensure that official plans conformed to the growth plan. Bill 135, the Greenbelt Act, protected valuable natural resources and outlined where growth should not occur designating permanent, protected greenbelt area of continuous countryside on south-Ontarian.

2.7.2 Australia

Australia is a constitutional democracy based on a federal division of powers. It is primarily governed by both state and territory constitutions founded on the Commonwealth Constitution. Local government is an important component in the Australian federation, delivering a broad range of key services at local level. Local government has a limited constitutional position in Australia, falling under state or territory legislation on broadly similar lines across Australia. Each state and territory has a number of local government areas, known variously as cities, municipalities, boroughs and districts. The generic local body established for a local municipality is called a council. By October 2004 there were 717 local councils. In each local council area various local services are provided. However

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there are many variations between states as well, as between urban and rural councils (Australian Bureau of Statistics Report, 2005:12).

2.7.2.1 Local governance and economic development

Australia's long term approach has been to help weaker states to address development, economic security and political issues in a comprehensive and sequenced way. According to the AusAID (Australia's Aid Report of 2004) Australia's local governance and economic development are based on the following elements:

- Building sustainable government institutions Australian government is central to the building of an affordable institution suited to individual country municipalities, where good governance can flourish. While Australia agencies give practical in-country advice to local governments, AusAID is fostering deep institutional and personal links between government departments in Australia.
- Strengthening political governance and target corruption Australia is working with recipient government (municipalities) to improve administrative systems in many Pacific nations. The main purpose is to ensure greater accountability and stable functioning of the democratic processes. Australia Aid Programmes support grassroots civic education and political accountability.
- Tackling corruption effectively and visibly is essential to maintain public confidence in reform. Improved political accountability can only be achieved by demand for reform from within a country.
- Providing opportunities to stimulate economic growth the majority of the poor in most fragile states live in rural areas. Australia is supporting activities to revitalize agriculture, forestry and fisheries, with particular emphasis on sustainable management of natural resources. It is also looking at other ways for people living of land and water to make a better

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living by using local technologies maintaining the delivery of services to minimize the impact of system failures on the poor Australia helps to provide basic health and education services that would otherwise not reach poor and rural communities. Australia helps community and church organizations to maintain basic services, particularly where government systems have broken down.

- Investing analysis Australia continues to foster a practical approach to understand what works in fragile states and how to prevent future fragility. Australia has set up a dedicated unit comprising officials drawn from different government agencies to promote an integrated cross-government approach.

2.7.2.2 Economic Development Programmes

According to the (AUSIDS report: 2001) the Australian Aid Programme for good governance and economic development targets four priority areas:

- Improving economic and financial management (23%);
- Strengthening law and justice (8%);
- Increasing public sector effectiveness (28%); and
- Developing civil society (41%)

Local government plays a central role in reducing poverty, through local economic development, effective community planning and improved service delivery. These interventions and resource mobilizing, local role players and interest groups are set to attain economic growth and to create jobs thereby reducing poverty. By 1999 the National, Provincial and Local spheres of government had included LED national imperatives in their development frameworks with specific reference to redistribution, job creation, poverty alleviation and public participation. As a result Integrated Development Plans

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were put in place in terms of the Local Government Transition Act, Second Amendment, Act 97 of 1997 (IDASA, 1999:3).

Integrated Development Planning (IDP), as spelt out in the Local Municipal Systems Act, Act 32 of 2000, is a process by which municipalities prepare 5-year strategic plans to be reviewed annually in consultation with communities and local stake-holders. These plans foster an implementation approach and seek to promote participatory economic development by balancing social, economic and ecological pillars of sustainability without compromising the institutional capacity required for the implementation and co-ordination of sectors and spheres of government (Business Referral and Information Network BRAIN, 2005:23).

Within the national framework for local economic development, the Department of Provincial and Local government has the responsibility to develop and promote systems and structures of effective governance, particularly at the local level of government. Furthermore the department has a responsibility to develop and promote a system of integrated governance among the three level of government.

2.8 A national and provincial local economic development approach

In South Africa, the mandate for LED is derived from the Constitution of the Republic of South Africa Act of 1996. This obliges municipalities to promote the economic development of local communities. The mandate is reinforced by the Municipal Systems Act, 2000 (Act 32 of 2000) in which the Department of Provincial and Local Government is expected to build institutional capacity within Municipalities to provide LED. Thulamela Municipality benefited from the DPLG initiative. The White Paper on Local Government of 1998, introduced 'developmental local government'. This is defined as local government committed to working with citizens and groups within the community find sustainable ways of meeting their social, economic and material needs and improve the quality of

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their lives. The Constitution of the Republic of South Africa Act of 1996 outlines a vision for developmental local government as a municipality that is able to govern its affairs on its own initiation by demonstrating the financial and administrative capacity to:

- Provide democratic and accountable government;
- Ensure the provision of services to communities in a sustainable manner;
- Promote social and economic development;
- Promote a safe and healthy environment, and
- Encourage community involvement.

Given this background, LEDs undertaken by district municipalities such as Vhembe District Municipality (VDM) and local municipalities such as Thulamela are a legal imperative (Thulamela municipality, LED PLAN, 2005:4).

2.9 Local Economic Development (LED) initiatives is South African Municipalities

The new municipal boundaries that were drawn in terms of the Local Government: Municipal Demarcation Act, Act 27 of 1998 cut across the old apartheid divisions of municipalities and cities. The Department of Provincial and Local government LED programmes provide support in the following areas:

- Development and review of national policy, strategy guidelines for LED;
- Provision of direct and hands-on support to provincial and local government;
- Management of a local economic development fund;
- Management and technical support for nodal economic development planning;
- Facilitation, coordination and monitoring of donor progress;
- Assistance with LED capacity-building programmes.

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These interventions and resources, mobilize local role players and interest groups to achieve economic growth and create jobs thereby reducing poverty (DPLG LED website, 2004) the interventions of various cities in South Africa, highlight the three essential aspects of LED: global competitiveness, job creation and poverty alleviation. Major challenges were to address backlogs on basic services, stimulate slow economic growth, alleviate poverty and unemployment, HIV/AIDS, crime and lack of security. The inclusion of almost half a million rural residents into the newly demarcated municipal area and the lack of customer focus in government presented new challenges.

Based on business and community feedback, the city engaged in five major programmes and projects to kick-start Local Economic Development:

- Enhancing and repositioning the "platform" for economic growth by upgrading development and support for existing developments such as inner city development, point waterfront development and coastal tourism resources;
- Providing service and support to key customers e.g. sub-regional business centres;
- Supporting the industrial sector e.g. tourism marketing, and improving logistical support for manufacturing;
- Empowering existing structures e.g. overhauling Council procurement system, enhancing existing SMME support networks; and
- Building partnerships and capacity e.g. initiate formalization of key stakeholder partnerships structure to drive economic programmes.

2.10 Local economic development: the legal and policy framework

Local Economic Development (LED) is process-oriented. That is, it is a process involving the formation of new institutions; the development of alternative industries; the improvement in the capacity of existing employers to produce

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better products; the identification of new markets; the transfer of knowledge; and the nurturing of new firms and enterprises (Fox & Van Rooyen, 2004:95). No matter what form it takes, local economic development has one goal, namely, to increase the number and variety of job opportunities available to rural local communities. In performing these activities, developmental local government and/or community groups should take the initiative rather than assume a passive role. It is clear that the eradication of poverty is one of the goals of local economic development and it may be reached when job opportunities are increased (Fox & Van Rooyen, 2004:95).

In all the developed and developing countries, South Africa amongst them, various pieces of legislation guides all interactions between people, governments and private sectors in their processes of development. Because development is a form of interaction and a process, there is legislation that deals specifically with it. In international law, development is accepted as a right and it is also part of the law of the present-day South Africa. The right to development became part of the international law when the United Nations adopted the Declaration of the Right to Development in 1986 (United Nations General Assembly Resolution 41/128 of 4 December of 1986). The declaration established the right to development as an inalienable human right, with people as central subjects of that right. It is also a universal right. General Assembly Resolution 34/46 of 1979 contents that the right to development is a human right and the equality of opportunity for development is as much a prerogative of nations as of individuals within nations.

It can be deduced that the right to development is based on the following principles (Report of the Section General E/CN - 4/1334 of 1979), namely, the need for every person, including traditional leaders, to participate fully in shaping her/his own reality; the realisation of human potential in harmony, with the rural local communities as the central purpose of development; human beings being the subjects and not the objects of development; respect for human rights being fundamental to the development process; development requiring the satisfaction

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of both material and nonmaterial basic needs; achievement of a degree of individual and collective self-reliance as an integral part of the development process; and equality and non-discrimination as essential pre-requisite for development. This means that an individual is both the subject and beneficiary of the development process.

Accordingly, the state has an obligation to advance the human development of its citizens (Secretary General of the United Nations (UN): The Realisation of the Right to Development Report on Global Consultations on the Right to Development, United Nations (1991:10)). The Covenant on Economic, Cultural and Social Rights links the right to development to an adequate standard of living and to the continuous improving of living conditions. The Declaration on the Right to Development supports and promotes the idea that it is the responsibility of a government to see to it that this human right is protected and honoured (Report of the United Nations Secretary General in New York UN, 1991:29).

2.11 The necessity of local economic development

The International Republican Institute and National Business Initiative (1998:3) provide that local economy is necessary because it will create needed jobs for the rural local communities. This in turn will create a revenue base for developmental local government because residents will be able to pay for services provided to them. A strong revenue base for developmental local government will enable developmental local governments of municipalities such as the Vhembe district and Thulamela local Municipalities, to provide more, better and more appropriate, efficient and effective services.

It will also enable developmental local government of both municipalities to focus on development. In order to stimulate the local economy, developmental local governments of the two municipalities should provide political leadership, make policies that promote economic development, explore the economic potential of

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their resources, promote their locality, take initiative in creating an environment that attracts investment, and lobby the Limpopo Provincial and South African national governments for policies and programmes that will benefit their areas (International Republican Institute and National Business Initiative, 1998:4). In rural areas, local economic development is an even greater challenge because unemployment and poverty are at their worst.

According to a Human Science Research Council (HSRC) Survey (2005), 38 out of 100 percent of municipal residents of municipalities such as the Vhembe distict and Thulamela Municipalities, are not working and depend on food parcels from government and non-governmental organisations (NGOs) feeding schemes. In view of this, co operative model, integration and coordination between all rural local structures are necessary and obligatory. Thakathi (1995:34) states that elected municipal councillors have a role and function to play in local economic development. Elected municipal councillors of municipalities are responsible for establishing communication channels and developmental local government forums, and also for empowering rural local communities.

Thakathi (1995:35) further contents that traditional leaders of municipal areas are also among the role-players in the process of rural local development, and there should be synergy between traditional leaders and elected municipal councillors. Traditional leaders are a required structure given that they control the bulk of rural land and are trusted by the rural local communities. Therefore, the real traditional leaders versus elected municipal councillors issue is about developing a new set of relationship in which both traditional authorities and municipal administration put the task of serving the people first.

2.12 The nature of developmental local government

According to Craythorne (2003:13), developmental local government is multidimensional because it operates in a number of dimensions, and is a living

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and dynamic organism. The dimensions in which it operates include political, social, economic and legal/statutory dimensions.

2.12.1 Political Dimension

Cloete (1999:33) points out that politics always played a role in developmental local government, because decisions taken, although in some cases purported to the nonpolitical, were always political. Fox and Van Rooyen (2004:121) then aver that, because of that, it is required to ensure that rural local politicians adhere to tenants of democracy, that is, rural local politicians must be transparent and accountable in their actions. Rural local politician's failure to adhere to, or uphold these tenants can lead to rural local politicians being removed from office. Traditional leaders are not elected into office but hold office by virtue of birth, that is, only children born of the royal family can ascend the throne. This aspect creates questions as to how traditional leaders, holding political office, can be held accountable, and thus resistance to traditional leaders' participation in rural local politics (Ministry for Provincial Affairs and Constitutional Development and White Paper on Political committee, 1997:28).

2.12.2 Social Dimension

Rural local communities in developmental local government of the municipalities in question are faced with many social ills, such as high rate of crime, abuse, poverty, and high rate of unemployment. According to the survey conducted by the Human Science Research Council (2004), every 3 out of 5 adults were found unemployed in developmental local governments of municipalities such as the Vhembe district and Thulamela local Municipalities. This, according to Reddy, Sing and Moodley (2003:48), concerns all spheres of government, particularly the developmental local government.

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Developmental local governments should, therefore, take cognisance of the nature of its population, adopt policies that are balanced, be open and responsive, but ensure fairness in exercising authorities. According to Motshekga (1995:39), in municipalities such as the Vhembe district and Thulamela local Municipalities, society is divided along racial lines because of its apartheid past. Municipalities, therefore, have a challenge on their hands, namely, to create a non-racial society that should be treated fairly and justly. This means mobilizing resources into areas that need them most, but maintaining a balance by ensuring that no areas are neglected.

Khoza (2001:19) confirms that Black areas, in particular rural areas, suffered most under apartheid. This is a situation that should be reversed in creating a better life for all. In order to encourage the participation and support of rural local communities in developmental local government of the municipalities under focus, traditional leaders should play a role in the decision-making process in matters affecting their rural local communities.

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2.12.3 Economic Dimension

In terms of Section 152(1) of the Constitution of the Republic of South Africa Act of 1996, one of the roles and functions of developmental local governments of municipalities is local economic development. This is a rural local initiative intended to stimulate rural local economy. Its role and function is to create a rural local economy that is capable of creating needed employment, and will enable rural local communities to pay for their services. This will in turn create a revenue base for the developmental local government of the two municipalities. A developmental local government of these municipalities with a strong economy will be fewer dependants on Limpopo Provincial and South African national governments, while being capable of delivering essential services to the rural local communities.

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Section B of the White Paper on Local Government (South Africa,1998:25) discusses developmental local governments of municipalities such as the Vhembe district and Thulamela local Municipalities, that is, their responsibilities towards local economic development. It reviews its existing policies and procedures, and provision of special economic services. Although, according to the White Paper on Local Government (South Africa,1998:18), municipalities are not directly responsible for creating jobs, can however, provide good quality, cost-effective services and make the rural local areas pleasant places to live and work in. It is deduced that the developmental local governments of municipalities such as the Vhembe district and Thulamela Municipalities, can adopt policies such as affirmative procurement policies wherein municipal contracts are linked to social responsibility, speeding up approval procedures, or pro-actively identifying and releasing land for development. These are activities that boost investor confidence and, thus, promote local economic development.

The International Republican Institute and the National Initiative (1998:v), in its introduction to the developmental local government of both municipalities' roles and functions in economic development, indicates that changes in South Africa, and the world as a whole, should challenge municipalities to play a more active role in supporting rural local economic growth and development. This mandate is also provided for by the Constitution of the Republic of South Africa Act of 1996 in which developmental local government is mandated to promote the social and economic development of municipalities of the rural local communities. In his opening address to Parliament on 7 February 1997 (the Presidency, Mandela: State of the Nation Address, 1997:3), the President of South Africa at that time, Mr Nelson Mandela, reiterated the need to train elected municipal councillors so that they could appropriately, effectively, and efficiently engage in matters of rural local government development, such as attracting investment, housing and the provision of infrastructure.

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2.13 The National Framework for Local Economic Development

It is estimated that nearly one million jobs were lost in the 1990s as a result of poor economic performance, global competition and industrialization, which affected the gold mining industry detrimentally (Lester et al, 2000; Wakeford, 2000). Within this context a variety of employment generating strategies has been investigated and experimented with by the state and private organizations. One of which has enjoyed considerable attention, though it has yet to really prove itself in practice, is that of Local Economic Development (LED) in South Africa (Nel, 2001:23).

Local Economic Development programmes aim to maximize the economic potential of all municipal areas in the country and to enhance the resilience of macro – economic growth through increased local growth, employment creation and development initiatives within the context of sustainable development. The word "local" in economic development indicates that the political jurisdiction level is often the most appropriate place for economic intervention as it carries with it the accountability and legitimacy of a democratically elected body (DPLG LED Report, 2005). The National Department of Provincial and Local government LED programmes provides support in the following areas:

- Development and review of national policy, strategy and guidelines for LED; opportunity to the municipality in respect of the provision by the provincial/territorial government of financial or other resources required by the municipality to perform the new duty or function or to take the required action.
- The municipality's by-laws (including by-laws imposing taxes, fees, levies, changes and assessment) apply to provincial / territorial crown corporations and agencies.
- The charter requires assent of the electorate in each targeted municipality, therefore there will be no amalgamation.

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2.13.1 Strengthening local government for service delivery

The new developmental local government system was put in place following the passing of the Local Government: Municipal Systems Act of 2000, (Act 32 of 2000). The Act affords South Africans the opportunity to participate in matters of governance and development of their communities. (DPLG Report, 2006) In terms of the Municipal System Act of 2000,(Act 32 0f 2000) government introduced a practical and developmental third level of government by amalgamating and integrating previously segregated communities and municipalities. Before 2000 there were 843 local authorities. After the first democratic municipal elections held in 2000, these were rationalized into 284 municipalities. In 2000, government adopted an approach to manage and support local government transformation process, namely through a phased approach that focused on establishment, consolidation and sustainability of municipalities.

2.13.2 Intergovernmental relations regarding sustainable development at local level of government

Through the Intergovernmental Relations Act, Act 13 of 2005 all government departments across the three levels are now able to interact and to consolidate their efforts to improve the lives of South Africans. Municipalities stand to benefit from an improved system of co-operation between national, provincial and local government that in turn should lead to accelerated service delivery. Through this collective government effort, municipal capacity to deliver services will be improved. According to the DPLG report of 2005 municipal services have to be provided to all people and business, therefore they are important in contributing to economic development that will benefit all citizens.

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2.13.3 Integrated development planning (IDPs)

Integrated development planning as laid down in the Municipal Systems Act, 2000, (Act 32 of 2000) is aimed at promoting intergovernmental planning. The process is meant to help reconcile local development with national and provincial legislation, policy, plans and programmes. (Business Referral And Information Network, 2005) In pursuing the goal of shared development objectives the national and provincial levels are in turn, required to consider IDP process outputs, extend support and assistance to municipalities and involve local government in any plans and policies which affect municipalities.

According to the Department of Provincial and Local government report, the five year Integrated Development plans are meant to address among others, the following:

- How municipalities will grow their local economy and create jobs;
- How municipalities will manage their environment and natural resources;
- How the municipality plans to facilitate community access to government information, programmes, services.
- How the municipalities will involve communities in matters of local government and service delivery; and
- How the municipality will extend basic infrastructure and services to all residents living within the municipal area.

2.13.4 The Reconstruction and Development Programme

The RDP was launched as the main ANC policy document before the elections in April 1994. It was formalized in September 1994 as the new government's "White Paper on Reconstruction and Development". It was designed to provide a broad framework for South Africa's new development vision, priorities and operational procedures, and it aimed to lay a basis for subsequent laws and actions to

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address the extreme social and spatial inequalities entrenched by years of apartheid, and to promote overall development (ANC,1994). In a radical break with the past, the RDP was promoted essentially as a people-driven process, focusing on our people's most immediate needs, and relying on their energies to drive the process of meeting these needs (ANC,1994:5).

The RDP also placed considerable emphasis on grassroots empowerment, implying that development is not about the delivery of goods to a passive citizenry, but rather about active involvement and growing empowerment which integrates 'all levels of the state together with non-governmental organizations and community- based organizations' (ANC,1994,p5). The RDP emphasized fundamental links between participation and pro-poor development.

The Reconstruction and Development Programme was designed to tackle inequality and poverty through the need for 'an integrated and sustainable programme. The RDP brings together strategies to harness all our resources in a coherent and purposeful effort that can be sustained into the future. These strategies will be implemented at national, provincial and local levels by government, parastatals and organizations within the civil society working within the framework of the RDP' (ANC,1994:34)

2.14 Conclusion

The structures for international forums on Local Economic Development and Local Governance seek to fill the capacity building and economic growth of the developing countries in particular and the world in general. It further stimulates the exchange of expertise between relevant municipality/local governments globally. Local development structures learn effectively from one another lessons from the partnership experiences. This helps to make the best use of good practice and to avoid costly failures (OECD,Local partnership for better governance, 2001:34). According to the Commonwealth Local Government

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Forum Report of 2001a healthy inclusive local government structure is at the heart of an active democracy. This is the level at which citizens most engage in or disengage with decision-makers. Local government can play an important role in reducing poverty, through local economic development, effective community planning and improved service delivery. With the changing role of local government LED has to operate according to business principles. The inherited legislative context within which local authorities operate is often not conducive to local government developmental activities.

In many instances local development is inhibited by inappropriate bye-laws and legislation that contains time-consuming processes. Many local authorities have circumvented bureaucratic hold-ups by establishing Section 21 Companies to act as development agents, and use them to channel funding into development projects, while providing the necessary information and/or training of SMME support.

The present approach to local economic development outside the metropolitan areas has largely resulted in small-scale community initiatives that have not created sustainable jobs. The South African government has put in place a suite of legislative and intergovernmental structures since 1994 to ensure that the objective of reconstruction and development is achieved. The Department of Provincial and Local Government has established the IDP Nerve Centre (IDPNC), which will enable municipalities and departments to share key planning, programme and project-based information.

All municipalities in South Africa are required to draw up five year plans, called Integrated Development Plans (IDPs). As the National and Provincial governments are obliged to support local economic development and poverty alleviation, effective co-ordination among the three levels of government is the cornerstone of every locally driven anti-poverty plan.

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CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

The discussion focuses on the research instrument used, the sampling techniques engaged and the parameters of the study. In this chapter attention will be given to the research methodology and techniques used in the study. This process will assist in addressing the problem statement.

3.2 The study area

The research focused on declared areas which fall under jurisdictions of Ha-Tshivhase Territorial Council and Mphaphuli Traditional Authority in Thulamela Municipality in the Vhembe District Municipality, in Limpopo Province, South Africa

3.3 The research methodology

According to Thomas (2004:20) designing a research project is all about making decisions. This means that certain decisions must be made before the research process can begin. These range from broad, general decisions about what approach to adopt in order to tackle a particular topic, to narrow more specific decisions about what specific data to obtain, from where and how.

The most general decisions are those concerning research strategy. This outlines the broad procedure that will be used for the research process. Research strategies are rather like genres, indicating very broadly the style of the work, perhaps a survey, an experiment or a case study (Thomas,2004:20).

Decisions about research methods involve choices of techniques of data construction and analysis. For example, a case study strategy might include

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interviews and observation, while a survey strategy would likely include a questionnaire. Both methods may use quantitative data, which is measurable; qualitative data, which is descriptive, or a combination of both (Thomas, 2004:21). According to Thomas (2004:20) the outcome of the research design process is an operational plan detailing each activity and its expected duration. The research design is therefore a detailed plan of the way in which the research process will be implemented.

For example, where it will take place, how it will be done and the amount of time it will take. By considering these factors in detail, the research will have an objective, an understanding and a road map to guide the process. Different methods of conducting the research were considered for this study. The quantitative research was found to be appropriate.

Quantitative research is the numerical representation and manipulation of observations for the purpose of describing and explaining the phenomena that those observations reflect. It is used with the collection of statistics, based on real data, observations or questionnaires. Opinion surveys are a form of quantitative research in which respondents are asked a set of fixed questions and their responses are tallied. According to Mouton and Marais (1990:155) the quantitative research is mainly concerned with numbers and data that are easily quantified.

The most popular quantitative technique is the survey, often based on a large number of cases, where a broad overview of a market is required. Surveys can be administered by mail, telephone, face to face, or more recently by the Internet or World Wide Web. They usually take less time to complete by the respondent and most often require choosing between several responses rather than long verbal responses. For example, in market research, surveys often aim to understand a target market better by breaking down the sample by demographics (http://www.asia market research.com).

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According to Leedy (1993:142) the quantitative approach might be categorised as "cold". It is impersonally experimental. Decisions are made with the coldness of a steel rule. Quantitative methodologies manipulate variables and control natural phenomena. They construct hypotheses and test them against the hard facts of reality. Of all quantitative hypotheses, the hypothesis is perhaps the most often tested; the researcher decides what factors or variables might cause certain results (causes and effects) and carries out tests to either support or reject the null hypothesis at some level of statistical probability. The whole process is cold, calculating, deductive logic from the position of a hypothesis to supporting or not supporting it. The aim of quantitative research is to determine how one thing (a variable) affects another in a population. Quantitative research designs are either descriptive (subjects measured once) or experimental (subjects measured before and after a treatment). It is imperative to mention that quantitative research is all about quantifying the relationships between variables. Variables are things a researcher measures his/her subjects, which can be human, animals or cells.

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Variables can represent subject characteristics (e.g. weight, height, sex) the things a respondent is interested in (e.g. athletic performance, rate or injury) and variables representing the tuning of measurements and nature of any treatments subjects receive (e.g. before and after a real drug or a sham drug. To qualify the relationship between these variables, and researchers use values of effect statistics such as the correlation coefficient, the difference between the means of something in two groups, or the relative frequency of something in two groups (Babbie, 1998:109). Once a methodology for the study has been outlined it is important to consider the techniques to be used in the study for data collection.

3.4 Population of the Study

The population of this research was a group of people about whom this research wanted to draw conclusions (Babbie, 1998:109). Not all the members of the

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population were studied, only those who were selected by means of purposive sampling were involved. The research population consisted of local and district municipals managers, Ward committees, Traditional leaders in Thulamela Municipality.

3.5 Sampling

Mouton further mentions that the aim of sampling is to produce representative's selection of population elements. With regards to presentation Wimmer and Dominick (1983:58) mentioned that a sample that is not representative of population, regardless of its size, is inadequate for testing purposes. The results cannot be generalised for the population.

Cohen and Manion (1989:10) view a sample as a smaller group or subset of the population from which the researcher attempts to collect information so that the knowledge gained typifies the total population under study. Best and Kahn (1993:13) also share similar views regarding sampling by defining a sample as a small proportion of a population selected for observation and analysis.

In conclusion, sampling makes it possible to estimate characteristics of a large group by examining the characteristics of smaller groups. The larger group is referred to as a population. The smaller group drawn from the population is called sample.

3.6 Sampling Methods

Mouton further mentions that the aim of sampling is to produce representative's selection of population elements. With regards to presentation Wimmer and Dominick (1983:58) mentioned that a sample that is not representative of population, regardless of its size, is inadequate for testing purposes-the results cannot be generalised for the population.

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According to Leedy and Ormrod (2001:218), in non-probability sampling, the researcher has no way of forecasting or guaranteeing that each element of the population will be presented in the sample. Furthermore, some members of the population have little or no chance of being sampled. The selected type for this research was therefore the purposive or purposeful sampling. Purposive sampling has been selected for this research. It is appropriate for the research problem for this study.

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3.7 Sampling Size

According to Wimmer and Domminick (1988:68), determining an adequate sample size is one of the most controversial aspects of sampling. How large a sample should be in order to be representative of the population has no simple answer (1983:68)? Best and Kahn (1993:19) stated that there is no fixed number or percentage of subjects that determine the size of an adequate sample. It may depend upon the nature and the population of interest or data gathered and analysed.

Table 3.1: Sampling size

TARGET	STUDY POPULATION	STUDY SAMPLE
Municipal mangers	10	5
IDP officers	4	2
Ward Committee	20	13
Traditional leaders	10	5
Total	**44**	**25**

3.8 Data collection techniques

According to Hysamen (1994:139) once decisions have been made as to a particular research design and on the operationalisation or measurement of

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variables, the research participants have to be found to carry out the research in terms of the chosen research design. In order to measure properties, a research scholar must collect the units of analysis which are called the research data. All phenomena one observes or comes across through literature are not data. But data are those phenomena which have to be used in a particular research. So the collection of data is important for the researcher upon which much of the significance of the research work is based. Whatever type of data one may use in a research work, the first requirement for empirical research is a comprehensive knowledge of the literature on the subject in question.

According to Mouton (1996:67) data collection involves applying the measurement to the sample or cases selected for the investigation. "We must constantly remind ourselves that the human senses (our eyes, ears, and occasionally even our taste and touch) are our "first-order" measuring instruments if they are qualitative (ibid). On the basis of our visual auditory and tactile observations and perceptions, we begin to classify responses, people, actions and events.

However, because we aspire to truthful representations of the social world, we have to augment our observations by more reliable and valid measuring instruments, such as scales, questionnaires and observation schedules. If properly constructed and validated such instruments assist in collecting data that are more likely to be reliable than they would be had instruments not been used.

3.8.1 Questionnaires

According to Huysamen (1994:128) survey questionnaires may be used to obtain the following kinds of information from respondents: biographical particulars (their age, educational qualifications, income etc) typical behaviour (which brand of toothpaste they use or which television programmes they favour, etc), opinions, beliefs and convictions (about any topic or issue, e.g. the present state of the

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economy), and attitudes (e.g. towards affirmative action). However, attitudes should preferably be assessed by means of attitude scales rather than survey questionnaires.

There are many possible ways of gathering information directly from participants if such information cannot be obtained by observation. (Bless and Higson-Smith, 1995:104). One of the ways is the questionnaire. Because questionnaires represent a common and concrete illustration of the operationalisation process, they are a fit method for completing the general examination. Several general guidelines can help frame and ask questions that serve as an excellent operationalisation of variables (Babbie, 1998:147).

Though the term questionnaire suggests a collection of questions, an examination of a typical questionnaire will probably reveal as many statements as questions. This is not without reason. Often, the researcher is interested in determining the extent to which respondents hold a particular attitude or perspective. This is the technique that is to be followed in the study. For example, if one can summarise the attitude in a fairly brief statement, one can present that statement and ask respondents whether they agree, or disagree with it. Rensis Likert has greatly formalised this procedure though the creation of the Likert scale, a format in which respondents are asked to strongly agree, disagree or strongly disagree, or perhaps strongly approve, approve, disapprove or strongly disapprove (Babbie, 1998:147-148).

In this study 25 questionnaires with structured questions were divided and distributed to the households to solicit for household demographic information, information on present traditional leadership, local economic development and roles of traditional leadership, livelihood activities, maintenance of infrastructure and preferred choices in terms of basic services, functions of traditional leadership, economic growth and community participation. These were also used

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in collecting data on the characteristics of the respondents, education level and employment.

3.9 Data analysis

Mouton (1996:161) points out that the term analysis basically means the resolution of a complex whole into the parts. It involves reducing to manageable proportions the wealth of data that one has collected or has available. According to Fraenkel and Wallen (1990:47:98), data analysis is the process of simplifying data in order to make it comprehensible. Earlandson, Harris, Skipper and Allen (1993:111) define data analysis as the process of bringing order, structure and meaning to a mass of collected data.

Miles & Huberman (1994:90) state that data anlyses is the process of systematically searching and arranging the interview transcription, field note, and other materials that are accumulated to increase the researcher's own understanding of them and to enable one to present what one has discovered.

The data gathered was grouped into categories. An analysis was done using Statistical Package Social Sciences (SPSS) immediately after the data has been collected and thereafter the results were interpreted in order to generate research report. The results were presented in the form of tables and percentages. A brief discussion representing tables are given to summarize the whole data.

3.10 Ethical Consideration

The previous sections have dealt with the technical side of social research, with issues of research methodology up to data collection techniques. Besides these technical aspects, there is another dimension to the social science that must be considered i.e. the moral dimension. When researchers think about how to

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conduct research, they must think not only of using the right techniques they have learned. They must think about research ethics (Singleton 1998:144). There are some vital non-scientific concerns that shape the activities of social researchers.

These are the ethical considerations that must be kept in mind as the researcher learns the logic and techniques of social research (Babbie, 1998:38). According to Babbie and Mouton (2003:520), an ethical issue arises out of our interaction with other people, other beings (such as animals) and the environment especially where there is potential for, or is, a conflict of interests. The scientist has the right to the search for truth but not at the expense of the rights of other individuals. For example, researchers have the right to collect data by interviewing people but not at the expense of the interviewees' right to privacy. Just as practical considerations can prevent researchers from implementing research design or obtaining as large or diverse a sample as possible, so too can ethical considerations constrain scientific enquiry.

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Ethics may prohibit researchers from using experimental treatments that could harm research participants, from asking questions that would prove extremely embarrassing or threatening, from making observations that would deceive or place subjects under duress, and from reporting information that would constitute an invasion of privacy. In addition, researchers are expected to be completely honest in observing, analysing, and reporting findings, and to be responsible about the limits and application of scientific knowledge (Singleton, 1988:444). Some of the ethical considerations will be briefly outlined.

3.10.1 Protection from harm

Researcher should not expose research participants to unnecessary physical or psychological harm. Participants should not risk losing life or limb, nor should they be subjected to unusual stress, embarrassment, or loss of self-esteem. In

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cases where the nature of study involves creating a small amount of psychological discomfort, participants should know this ahead of time, and any necessary debriefing or counseling should follow immediately after the participation.

3.10.2 Informed consent

According to Paul and Jeanne (2010:101) they say when people are intentionally recruited for participation in a research study, they should be told the nature of the study to be conducted and given the choice of either participating or not participating. Furthermore, they should be told that, if they agree to participate, they should have the right to withdraw from the study at any time. Any participation in a study should be strictly voluntary.

3.10.3 Right to privacy

Paul and Jeanne (2010:102) further say that any research study involving human beings should be respect participants' right to privacy. Under no circumstances should a researcher report, either oral or written, be presented in such a way that others become aware of how a particular participant has responded or behaved. In generally, a researcher must keep the nature and quality of participants' performance strictly confidential.

3.10.4 Honesty with professional colleagues

Researchers must report their findings in a complete and honest fashion, without misrepresenting what they have done or intentionally misleading others about the nature of their findings. And under no circumstances should a researcher fabricate data to support a particular conclusion, no matter how seemingly "noble" that conclusion may be.

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In this study, respondents were assured of anonymity and that information provided by the participants would be regarded as confidential unless agreed upon by the participant and the researcher.

3.11 Conclusion

This chapter offered a detailed description of the method used in the empirical study. The research instrument used to collect data was described as well as sampling procedures followed and methods of data analysis employed. The following chapter interprets data gathered from the survey.

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CHAPTER 4: DATA PRESENTATION, INTERPRETATION AND ANALYSIS

4.1 Introduction

This chapter presents the data analysis, interpretation and description of findings from the empirical research. The data which were collected by means of questionnaires were analysed and interpreted to be utilized by management in the implementation of local economic development initiatives and their impact on the improvement of socio-economic condition in Thulamela Municipality, Vhembe District. The questionnaires analysed in this chapter were based on limited statistics such as counts of frequency distribution and percentages results which were interpreted.

4.2 Biographical information

Table 4.1: gender status of the respondents

	Frequency	Percentage
Male	12	47
Female	13	53
Total	**25**	**100%**

Out of the 25 responses the observations made were that 25 were males and 13 were females which constitute 53% and 47% respectively while 47% of respondents they were male. This shows that males were in majority and the two local municipalities had to recruit more females to participate in ward committee structures and municipal governance. In addition, the 50/50 male and female ratio as required in terms of Project Consolidate was not yet achieved by the municipalities.

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Table 4.2: Years of employment in the public sector

Years	Frequency	% of the respondents
0-5	11	44
6-10	2	8
11-15	6	24
16-20	1	4
21+	5	20
Total	**25**	**100**

The data in Table 4.2 shows the length of service of the respondents in the public sector. 11 respondents (44%; n=25) have been working in the public sector for less than five years whilst five respondents had worked in the public sector for over 21 years. The significance of this finding is not clear since the questionnaire did not ask about the number of years as a registered public worker. When considering table 4.10 below, 20% (5; n=25) of the respondents who have been in the public service for less than five years were in the age group 30-39 years.

Table 4.3: Employment status of the respondents

	Frequency	Percentages
Full time	3	12
Part time	3	13
Unemployed	16	62
Pensioner	3	13
Total	**25**	**100**

In terms employment status the majority of the ward committee members were unemployed, that is, 62%. Ironically, 25% of the respondents were employed although the majority of this category was employed on a part-time (i.e. 14% and 11% full-time employed). In addition, pensioners constituted 13% of the total number of respondents.

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Table 4.4: Education and Qualifications of the respondents

Qualification	Frequency	% of the respondents
Certificate	0	0
National Diploma	21	84
Honours	2	8
Masters	1	4
Post Graduates	1	4
Total	**25**	**100**

When participants were asked questions about their education and qualifications, the results revealed that 84.2% of them had BSc degrees and 15.5% diplomas (Table 4.4). Of those who had diplomas, 83.0% were females and all had qualified as professional before 2000. At 26.3%, it was only a relatively few respondents who already had postgraduate degrees, and 6.6% who said that they were currently pursuing them. Furthermore, 21.0% of the respondents already had other qualifications.

Table 4.5: Marital Status of the respondents

Status	**Frequency**	**% of the respondents**
Single	7	28
Married	15	60
Divorced	3	12
Total	**25**	**100**

Table 4.5 shows that the majority of the respondents (60%) were married. When the marital status was combined with gender it was found that the predominant group was married women (48%). No items were asked regarding the number of dependants or home and family life situation. This information would have helped in determining the existence of any work-life conflict as discussed in Chapter 2. Research on the work-family life conflict indicated that the greater the conflict, the

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lower the job satisfaction level. This conflict was seen mostly in two career families and when a child was sick. However, the effect of work-family conflict amongst the respondents was not investigated in this research.

4.3 Management and implementation of local economic development initiatives and their impact on the improvement of socio-economic condition

Table 4.6 Local people know about the local economic development initiatives

	Frequency	Percentages
Strongly Disagree	10	40
Disagree	6	25
Neutral	1	5
Agree	3	10
Strongly Agree	5	20
Total	**25**	**100**

The results found from table 4.6 found that 16 respondents constituting 65% of the total sample disagreed that local people knew about the local economic development and this could be due to the fact that the local people do not attend the local economic development forums like ward committees. It must be noted however that people align local economic forums with political affiliation, and due to political immaturity this has a tremendous influence towards participation.

Contrary to the above 8 respondents which constituted 30% of the total sample agreed that local people know about the local economic development the notion which could be solely based on the lack of knowledge of the dynamics of the entire local economic development. No wonder why respondent constituting 5% of the total sample was neutral; few local inhabitants knew nothing about the local economic development.

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Table 4.7: Local people are informed about the local economic development initiatives

	Frequency	Percentages
Strongly Disagree	4	15
Disagree	5	20
Neutral	1	5
Agree	7	27
Strongly Agree	8	33
Total	**25**	**100**

It is very clear from table 4.7 above that local people were informed about the local development initiatives. It is very explicit that 15 respondents constituting 60% of the total sample agreed that local people were informed about the local development initiatives but the very same people contributed very little towards local economic development due to problems which needed further intensive investigation. Against the above background 9 respondents constituting 35% of the total sample disagreed that local people were informed about the local economic development initiatives.

This could be based on the fact that certain respondents in the minority knew very little about the local economic development initiatives. The fact that 1 respondent constituting 5% of the total sample was neutral revealed lack of information and misconception certain respondents.

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Table 4.8: The municipality does not have sufficient funds to render service delivery to the communities

	Frequency	Percentage
Strongly Disagree	43	28.8
Disagree	16	10.9
Neutral	27	18.2
Agree	46	30.9
Strongly Agree	18	11.8
Total	**150**	**100**

There was a slight different between the respondents agreeing and disagreeing that the municipality had sufficient funds to render electricity supply to communities. Those disagreeing were 59 and constituting 39.3% while those who agreeing were 64 which constituted 42.7%. Were 18 % were neutral to this factor (Table 4.8).

It is evident from the results that the municipality did not have sufficient funds to render electricity to the communities. The backlog regarding service delivery in the rural communities needed a lot of money to address. The demand by townships and urban residents put more constraints on the municipality to an extent that funds became insufficient for the municipality to fulfill its obligation.

Table 4.9: Local development projects help local people economically

	Frequency	Percentages
Strongly Disagree	5	20
Disagree	3	11
Neutral	3	10
Agree	8	34
Strongly Agree	6	25
Total	**25**	**100**

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Table 4.9 confirm that 14 respondents which constituting 59% of the total sample agreed that the local economic development projects helped local people economically and this had a positive economic impact towards the socio-economic development towards the local people concerned. As local economic development initiatives are complex, it is not surprising to note that 8 respondents constituting 31% of the total sample disagreed that local development projects could help local people economically.

Something which could be based on the fact that those who were engaged to operate on a temporary basis were few. This hardly addressed serious socio-economic problems amongst the local people and this was further worsened by the tender entrepreneurship which sometimes benefitted the owners of the tender, totally ignoring the basic needs of ordinary local people 3 respondents who constituted 10% of the total sample were neutral and this could be based on the misconception of the minority of respondent in the community.

Table 4.10: The is poor implementation in local economic development initiation

	Frequency	Percentages
Strongly Disagree	4	15
Disagree	3	10
Neutral	1	5
Agree	8	33
Strongly Agree	9	37
Total	**25**	**100**

Poor implementation of local economic development initiatives was likely to affect socio-economic of the local people. This is well confirmed by table 4.10 in which 17 respondents which constituted 70% agreed that there was poor implementation of local development initiatives, something which could be based on the fact that there was no attempt to initiate or simply to put the necessary

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mechanisms in place to initiate the local economic development initiatives. The fact that 7 respondents constituting 25% of the total sample disagreed that that there was poor implementation in local development initiatives, something which was more visible on the ground as it seemed that there was difficulty in any effort to kick start any development which would in one way or another change the plight of the poor people. Ignorance could not, however, be ruled out amongst certain respondent as 5 respondents which constituted 5% of the total sample were neutral

Table 4.11: The local people have the necessary skills applicable for local economic development initiatives

	Frequency	Percentages
Strongly Disagree	9	35
Disagree	6	25
Neutral	1	5
Agree	5	20
Strongly Agree	4	15
Total	**25**	**100**

South Africa was affected by lack of skills since 1994 and this had a negative impact towards the local economic development initiatives. This is clearly confirmed by table 4.11 in which 15 respondent which constituted 65% of the total sample disagreed that the local people had the necessary skills applicable for local economic development initiatives, and this could be based on the fact that many people were unemployed due to lack of skills, and this posed the local economic development in jeopardy.

Contrary to this 9 respondents constituting 35% of the total sample agreed that the local people had the necessary skills applicable for local economic development initiative, something not surprising as misconception and lack of

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knowledge affected certain respondents, the fact that 3 respondents constituting 10% of the total sample were neutral demonstrated gross ignorance on the side of the minority of respondents.

Table 4.12: Ward committees play a role in local economic development initiatives

	Frequency	Percentages
Strongly Disagree	6	25
Disagree	9	35
Neutral	1	5
Agree	5	20
Strongly Agree	4	15
Total	**25**	**100**

Ward committees are structures which touch people on the ground, particularly with regard to local economic development initiatives. Contrary to the mandate given 15 respondents which constituted 60% of the total sample disagreed that ward committees play a role in the local economic development initiatives. Ward committees are likely to misuse the mandate they have been given and this is likely jeopardizing the entire local economic development initiatives. Ward committees member are appointed not because of the skills they have, but just because of being robust in political matters.

Against the above context 9 respondents constituting 35% of the total sample agreed that ward committees play a role in local economic development initiatives. This is because certain respondents could hardly define the concepts local economic development. Some people regard economic development with meetings committee members attended while others equate development with the necessary skills one acquires and it is not surprising why the above respondents agreed. The fact that 1 respondent was neutral in terms of local

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economic development demonstrated lack of information to the minority of certain respondents.

Table 4.13: conflicts between SANCO and traditional leaders hinders the local economic development initiatives

	Frequency	Percentages
Strongly Disagree	4	15
Disagree	3	10
Neutral	1	5
Agree	9	37
Strongly Agree	8	33
Total	**25**	**100**

Conflicts have been the order of the day since the new dispensation in1994. No attempt was done to demarcate the roles of traditional leaders and civics. Very often the two structures clashed when it came to service delivery particularly the local economic development initiative. As the apartheid government used traditional leaders in bringing development, the new democratic dispensation which demanded the mandate from the people caught the traditional leaders on the wrong foot and they thought their roles as traditional were somehow. This notion is confirmed by table 4.13 where 17 Respondents constituting 70% of the total sample agreed that indeed conflicts between SANCO and traditional leaders hinder the local economic development initiatives.

There were instances where development was stopped after the traditional leaders refused to hand over land simply because the civic members failed to follow the proper protocol in terms of land release, and this tug of war and is destroying the local economic development initiatives in many areas. The fact that 7 respondents constituting 25% of the total respondents disagreed demonstrated lack of information to certain respondents in the community and there should be a room to accommodate such people. Respondents constituting

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5% of the respondent were neutral and this could be due to lack of knowledge and misconception which are likely to affect people in the wider spectrum of the society

Table 4.14: Ward committee need training and local economic development initiatives

	Frequency	Percentages
Strongly Disagree	5	20
Disagree	3	10
Neutral	2	8
Agree	7	30
Strongly Agree	8	32
Total	**25**	**100**

The table above found out that the majority of respondent representing the entire community in the study area agreed that there was a need for training of ward committee on local economic development initiatives. This is clearly demonstrated by 15 respondents constituting 62% of the total sample confirming that indeed ward committee need training on local economic development initiatives. This is due to the fact that when deliberations were undertaken nothing tangible about economic development initiatives was deliberated upon, due to lack of knowledge of participants. It must be noted however that membership in the ward committee is sometimes not based on the skills one has, but on political affiliation, so if one supersedes the other that puts the question of local economic development initiatives in jeopardy.

In the contrary 8 respondents constituting 30% of the total sample disagreed that ward committees need training on local development initiatives. That did not surprise the researcher for certain people were not trained at all on local economic development initiatives but had become agents of the programmes of the municipality and hence innovation was sometimes very far from them. The

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fact that 2 respondents constituting 8% of the total sample clearly demonstrated misconception on the dynamics of local economic development initiatives in rural areas of Thulamela municipality

Table 4.15: Tender entrepreneurs are monitored to effect the local socio-economic development

	Frequency	Percentages
Strongly Disagree	6	25
Disagree	7	30
Neutral	3	10
Agree	4	15
Strongly Agree	5	20
Total	**25**	**100**

As South Africa has adopted capitalism as a guiding and driving ideology since 1994, most services are rendered privately through tender system. In this critical scenario there had been mechanisms to pressurize the tender entrepreneurs to implement local economic development initiatives to address the socio-economic people. In view of table 4.15 it seems there was a serious problem as 13 respondents representing 55% of the total sample disagreed that tender entrepreneurs were not monitored when implementing the local economic development initiatives.

It is the prerogative of the tender entrepreneurs to pay workers and in most cases those who get the tender are the ones to benefits financially while ordinary employees get nothing, so there is a need to monitor them for the benefits of local economic development initiatives. Against the above 9 respondents constituting 35% of the total sample agreed that there was monitoring of tender entrepreneurs for the local economic development and this could be based on the fact even though there were challenges in one way or another a certain minority group did benefit. 3 respondent representing 10% of the total sample

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was neutral. One could conclude that ignorance which probably affected certain individuals could not be entirely ruled out and there was a need to accommodate that

Table 4.16: The current local economic development initiatives are sustainable

	Frequency	Percentages
Strongly Disagree	7	30
Disagree	10	40
Neutral	1	5
Agree	3	10
Strongly Agree	4	15
Total	**25**	**100**

Sustainability is the core of any local economic development for if you fail to sustain what you have currently for future use, you are likely not making any progress in life. In view of table 4.16, 17 respondents constituting 70% of the total sample disagreed that the current local economic development initiatives were sustainable. This was due to the fact that the focus was not on skills development. Our people only do manual labour and when it comes to skills there is a serious problem. The matter was further worsened by the employers who were reluctant to implement the basic principles of skills development.

On the one hand 7 respondents constituting 25% of the total sample agreed that the current local economic development initiatives were sustainable, something which could based on the fact that certain individuals in the community did not know the definition of sustainability and thus end up contradicting themselves. Of course some respondent constituting 5% of the total sample was neutral, and one could deduce that in any community there are people who cannot draw a line between right and wrong, and as a defense mechanism they always opt to be always neutral.

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Table 4.17: poor planning, poor management and poor implementation have a negative impact on the local economic development initiatives.

	Frequency	Percentages
Strongly Disagree	3	10
Disagree	3	10
Neutral	3	10
Agree	8	35
Strongly Agree	8	35
Total	**25**	**100**

Many projects were started and never finished and it could not be noted that whether a project succeeds or fails. Finances were expended thereof, but this affected the local economic development in a very bad way. This idea is corroborated by table 4.17 above were 17 respondents who constituted 70% of the total sample agreed that poor planning, poor management and poor implementation had a negative impact on the local economic development initiatives. Very often they saw other people finishing projects started by others due to poor planning and implementation.

The fact that 5 respondents constituting 20% of the total sample disagreed clearly shows how confused certain members of the community were with regard to the local economic development initiatives. The confusion clearly confirms lack of knowledge on planning, management and implementation thereof. It was surprising to note that 3 respondents constituting 10% of the total sample were neutral but this could be based on the fact that people were not trained on planning, management and on implementation which could benefit the local economic development initiatives.

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Table 4.18: The capacity of rural and municipal councils should be improved and sustained

	Frequency	Percentages
Strongly Disagree	4	15
Disagree	4	15
Neutral	3	10
Agree	8	35
Strongly Agree	6	25
Total	**25**	**100**

On the table 4.18, of whether the capacity of rural and municipal councils should be improved and sustained, the overwhelming majority of 14 (60%) agreed while 8 (30%) disagreed and 3 (10%) were neutral. This shows that there should be sustainable provision of services to rural local communities to promote social and economic development and to encourage the involvement of rural local communities and their participation in developmental local government which is required to ensure that the delivery of services meets their needs.

Table 4.19: Different system of developmental local government of the municipalities should be developed for rural areas

	Frequency	Percentages
Strongly Disagree	3	10
Disagree	3	10
Neutral	5	20
Agree	5	20
Strongly Agree	9	40
Total	**25**	**100**

With regard to the suggestion whether a different system of developmental local government of the municipalities should be developed for rural areas, 14 (60%) of the respondents agreed, while 6 (20%) disagreed and 6 (20%) decided to

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remain neutral. A feeling was expressed that even where traditional leaders of Thulamela municipality were involved, their participation was mere window-dressing. They were not consulted even on matters that directly affected them, such as the demarcation of municipal boundaries

Table 4.20: New projects that are sustainable can assist in local economic development initiatives.

	Frequency	Percentages
Strongly Disagree	4	15
Disagree	3	10
Neutral	1	5
Agree	7	30
Strongly Agree	10	40
Total	**25**	**100**

Since 1994 many projects were put in place as a way of boasting local economic development but the sustainability of those projects were questionable. Table 4.20 above confirms this as 17 respondents constituting 70% of the total sample agreed that new projects that were sustainable could assist in local economic development initiatives. In the contrary 7 respondents who constitute 25% of the total sample disagreed that new projects that were sustainable could assist in local economic development.

This idea categorically reputes the above notion, and this could be based on the lack of knowledge of the respondents concerned. Misconception could not be avoided to certain respondents as some respondents constituting 5% of the total sample were neutral, something which had its bases on the lack of knowledge of the respondents concerned.

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Table 4.21: Mismanagement of funds is hindering the success of local economic development initiatives.

	Frequency	Percentages
Strongly Disagree	4	15
Disagree	1	5
Neutral	3	10
Agree	8	33
Strongly Agree	9	37
Total	**25**	**100**

Financial problems have affected many departments and some of the problems were caused by lack of skills in financial matters. This was well supported by table 4.21 in which 17 respondents constituting 70% of the total sample agreed that indeed mismanagement of funds is hindering the anticipated success of the lack economic development initiatives.

Against the above 5 respondents constituting 20% of the total sample disagreed that mismanagement of funds was hindering the success of local economic development initiatives, and this could be

4.4 Conclusion

The newly developed local economic development plan of Vhembe has triggered the municipality's economic potential and capabilities. This should ensure being proactive in tracking the economic changes and dynamics, as well as assessing patterns and trends relating to the external environmental factors. These could have an impact on realizing broader economic growth within the municipal area. The local economic development plan of Vhembe is looking to different stakeholders to provide more holistic intervention mechanisms to address economic backlogs and provide initiatives

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CHAPTER 5: FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The research undertaken in this thesis was based on the assumption stated in Chapter One that the Thulamela Municipality, like other Municipalities in South Africa, is confronted by numerous challenges in all five key performance areas of the local government transformation agenda namely municipal transformation and institutional development; basic service delivery and infrastructure development; local economic development; municipal financial viability and management; and good governance and public participation. A series of recent service delivery related protests throughout the country and in Thulamela municipal area has confirmed that challenges do exist.

It is important that these challenges are identified and analysed and that appropriate responses are developed if local government is to fulfill its developmental mandate given to it in terms of the Constitution of the Republic of South Africa Act of 1996. These challenges should therefore be identified and contextualized so as to develop responses and undertake proper planning.

The anticipated outcomes of the questionnaire are discussed in this chapter as well as recommendations to improve the socio-economic conditions of Thulamela Municipality residents. The integration of different sources and reference material provided a comprehensive analysis of the study. Major findings for a new approach to Local Economic Development initiatives by Thulamela municipality are provided in this chapter.

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5.2 Findings of the study

- The finding of the study indicates that about 51.6 % of the interviewed officials had a grade 12 certificate (matric). A significant number of about 48.4% had an educational level above grade 12 (matric)

- The finding shows that about 64.5% of the officials interviewed participated in ward committee structures. A low percentage participated in structures outside the ward committees.

- The finding indicates that 87.1% of the respondents were involved in integrated development planning of the municipality

- The finding shows that 93.5 % of the respondents indicated that employment creation strategies were not in existence in the municipal area

- This finding was further supported by the literature review, which indicated that considerable progress was being made in putting in place constitutional policy and institutional frameworks in terms of local government transformation and mandate. Now attention should focus on implementation.

- The municipality is very slow to develop resources and infrastructure. Funding for implementation of municipal strategies came largely from the Municipal budget with very little coming from donors and grants

- The finding of the study indicates that 89% of LED initiatives were funded by the budget of the municipality with no donors and grants

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5.3 Conclusion

From this study it is can be concluded that the integration of local economic development and poverty alleviation is not an easy task. As far as governance is concerned, it is essential not to underestimate the impact of the political process on the policy-making process. The impact has an influence on access to public resources, particularly given the important role of local governments in the service-delivery process. As local municipalities look forward to their own resources and skills to promote local economic development, they often seek a unique place for themselves in an increasingly global economy and society. We live in an era of rapid change which is giving rise to important major shifts in society and economic activity and the way in which we understand them.

The results of the study also indicate the limitations in capacity of officials regarding policy development and implementation. This study has not turned up much evidence on the impact of the current Local Economic Development programme in Vhembe district Municipality. Of major importance is the reality that in many parts of the country, local governments are dealing with an "unfounded mandate. They lack the power, resources and capacity to implement plans while many local authorities have LED strategies; very few are actively implementing them.

Based on what has been discussed in this chapter, it can, therefore, be said that community participation is an integral part of developmental local government. The mandate for local government to be developmental cannot be realised if effective public participation is not present. The community should be made part of the new initiatives, including their implementation, monitoring and evaluation. Furthermore, public participation is a constitutional and legal requirement.

This means that it is not optional, but must be achieved and provided for. The community should not merely be consulted, but should undertake an active role

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in matters of governance. The Constitution of the Republic of South Africa, Act 108 of 1996, as well as all subsequent legislation, make provision for this need and also provide mechanisms to enhance public participation. Although public participation is a legal requirement not only for local government, but for all spheres of government, it should be seen as going beyond issues of legislative compliance. Issues of compliance tend to concentrate only on the framework of the legislation, disregarding innovation and extra effort. It is, therefore, necessary for both councillors and officials to take it as a moral duty and responsibility to always involve local communities in decision-making. There has to be both a political and administrative will to improve and extend community participation.

Despite the constitutional and legislative imperatives that demand open and accessible processes of public participation, insufficient and unfavorable conditions for public participation defeat this noble requirement. Public participation requires the creation of a conducive climate and provision to maximize its impact. Although elections are part of the public participation process, ongoing public participation between elections is vital in enhancing democracy in government.

This enhances quality service delivery and sound community relations and enriches decision-making. It further allows citizens to check and monitor if the governing party is honouring its election manifesto. There has been much debate on what constitutes the optimum public participation level needed to guarantee a functional democracy. However, the key dictum remains that public participation is essential to make democratic societies work. Poor public participation provides a recipe for lack of legitimacy of decisions and actions, civic disobedience and riots, as was evident during the recent service delivery riots throughout the country.

Public participation strikes directly at the core of the structuring of the relationships between citizens and their government. Public participation need to

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be institutionalized to make it the normal process of government. As a feature of developmental local government, the challenge to maximize public participation is pursued further in this research and possible solutions are proposed.

5.4 Recommendation of the study

As South Africa shows similarities with both first and third world countries economically, it is inevitable that LED is experienced in various forms ranging from urban entrepreneurialism to rural survival strategies. In many cases where LED was in its early stages, government and municipalities were often still in the first phases of policy development and application, therefore it would be difficult to claim significant, concrete results.

5.4.1 Financial support

Financial support is important for the development of and support for local economic initiatives therefore the following are recommended:

- Below market rate loans and revolving credits for small entrepreneurs need to be established;
- Tax incentives need to be offered for small businesses and entrepreneurs;
- Investment packages for prospective investors are essential considering the rural nature of Thulamela Municipality;
- Community banking and group loan schemes need to be established by the municipality.

5.4.2 Land and infrastructure development

The following recommendations are based on the findings on land and infrastructural support:

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- The need for provision of infrastructure and land development strategies in order to enable economic development;
- A structured and formal agricultural support for small scale rural farmers in the municipality; and
- The essential need to provide workshops on land use, agricultural support and establishment of small industrial premises.

5.4.3 Community participation

According to Section 16 (1) the Municipal System Act 2000, a municipality must develop formal representative government with a system of participatory governance, and must for this purpose encourage, and create conditions for, the community to participate in the affairs of the municipality. It is, therefore, imperative that municipalities in South Africa adhere to this form of community participation to the best of their ability in order to construct healthy relations with their communities. Thus, the study suggests that community involvement in municipal activities should not appear only on paper, but be practically and effectively implemented. Members of the communities should be actively involved in all municipal so that they are kept abreast of what is happening in their municipalities.

5.4.4 Councilors' accountability to their political organizations

Councilors are being deployed by their political parties to their positions as councilors. Therefore every councilor should be accountable for his/her duties and responsibilities to his/her political organization. For this reason, the study recommends that political organizations/parties should strengthen their branches by electing dedicated and committed members to the executive positions of their branches and that the councilors should have people to whom to account for their duties and responsibilities.

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5.4.5 Community involvement in IDP

Communities should be involved at implementation and decision making levels and in the implementation of projects. Projects are supposed to be part of the IDPs of each municipality. They are intended to achieve the objectives of services availability and concomitantly provide the much needed jobs. The Ward committees of municipality must be vigilant in ensuring that projects benefit the communities in which they are located. Communities should benefit directly from programmes in matters such as employment and training. Certain projects can also be coordinated by Ward committees to ensure better mechanisms of completion and progress of projects. Moreover, ward committees have to be trained and their involvement will minimise the mistrust prevalent in the community.

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5.4.6 Payment of services by rural residents

According to Section 74(2) of the Municipal System Act 2000, a tariff policy must have the following principles: namely, that users of municipal services should be treated equitably be in the application of tariff; the amount individual users pay for services should generally be in proportion to their use of that service, and tariffs must reflect the cost reasonably associated with rendering the service; including capital, operating, maintenance administration and replacement of cost and interest changes. The study, therefore, recommends that the residents in rural areas should be made to understand by their councilors that it is essential to pay for the services that they are receiving, because no services will be rendered to the people who are not contributing anything to the municipalities. Some residents in the rural areas are working and they qualify pay for the services rendered by the municipalities.

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5.4.7 Information and marketing assistance

The establishment and development of business nerve centres can be achieved through the following:

- The development of municipal nerve centres in the heart of communities will ensure the provision of single, web-based information system that will allow for multiple stakeholder involvement in municipal service delivery;
- Nerve centres will also assist in the supply of information and advice for community members;
- The promotion of commercial exporting of locally produced materials will ensure great economic prosperity.

5.4.8 New planning and organizational structures

The municipality has not established any community development corporations except for the rigid/less functional prescribed ward committees as provided for in the Municipal System Act, Act 32 of 2000. Ward committees provides for community participation through integrated development planning guidelines. New structures need to be developed to assist with the comprehensive planning strategies of the municipality that has to deal with challenges of socio-economic development of local communities.

5.4.9 Training and development

Vhembe district and Thulamela local Municipalities have developed the local economic development plan for the municipality. Without the deployment of resources for a local economic enabling environment, the strategy remains merely a plan. Lobbying for financial grants/loans is very important for the success of LED.

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5.4.10 Intergovernmental relations

Integrating poverty alleviation strategies with the local economic development process is an undertaking that cannot be handled by local government alone. Improved intergovernmental liaison will mean that national and provincial governments can play a role in supporting local economic development and poverty alleviation. Effective co-ordination among the three levels of government is a cornerstone of a locally driven anti-poverty focus. It is important for the municipality to ensure that it plays a meaningful role in targeting the poor, instituting programmes that are synchronized with national and provincial programmes and in addressing service delivery issues that are particular to their own communities.

5.4.11 A minimum qualification requirement (grade 12) for the appointment of councilors

According to Section 68 Subsection of Municipal Systems Act, 2000, a municipality must develop its human resource capacity to a level that enables it to perform its powers in an economically effective, efficient and accountable way and, for this purpose, must comply with the Skills Development Act, 1998, and the Skills Development Services Act, 1999. Hence a minimum qualification requirement should be set (grade 12) for the appointment of councilors to their positions, because this Grade 12 qualification will allow councilors to study and fully comprehend municipal by-laws and legislation. This will make them more effective in carrying out their duties and responsibilities.

5.5 Further Recommendation of the Study

- It is recommended that the Thulamela Municipality secure greater participation by residents in matters of governance. Besides the fact that

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this is a constitutional and legislative requirement, it is also one of the important principles of good corporate governance.

- It is recommended that the Municipality focus on acquiring skilled qualified and competent officials. Furthermore, staff should not be appointed based on their political connections, but on their ability to do the job. An open, flexible and transparent but effective recruitment framework is also recommended.

- This recommendation also complements recommendation, which proposes the use of monitoring and evaluating systems to measure the service delivery and development performance of the Thulamela Municipality. What will be monitored and evaluated is the implementation of plans.

- It is also recommended that relevant municipal officials should attend service excellence training courses.

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APPENDIX A : QUESTIONNAIRES

Please make a tick in the appropriate block for each of the following statement

SECTION A: BIBLIOGRAPHIC INFORMATION

Table 4.1: gender status of the respondents

Male	
Female	

Table 4.2: Years of employment in the public sector

0-5	
6-10	
11-15	
16-20	
21+	

Table 4.3: Employment status of the respondents

Full time	
Part time	
Unemployed	
Pensioner	

Table 4.4: Education and Qualifications of the respondents

Certificate	
National Diploma	
Honours	
Masters	
Post Graduates	

Table 4.5: Marital Status of the respondents

Single	
Married Divorced	

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SECTION B:

Management and implementation of local economic development initiatives and their impact on the improvement of socio-economic condition

Please complete all questions Mark with an "x" Mark from Strongly Agree to Strongly Disagree

Statement	Strongly agree	agree	Neutral	disagree	Strongly disagree
Local people know about the local economic development initiatives					
Local people are informed about the local economic development initiatives					
The municipality does not have sufficient funds to render service delivery to the communities					
Local development projects help local people economically					
The is poor implementation in local economic development initiation					
The local people have the necessary skills applicable for local economic development initiatives					
Ward committees play a role in local economic development initiatives					
Conflicts between SANCO and traditional leaders hinders the local economic development					

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initiatives					
Ward committee need training and local economic development initiatives					
Tender entrepreneurs are monitored to affect the local socio-economic					
The current local economic development initiatives are sustainable					
Table 4.17: poor planning, poor management and poor implementation have a negative impact on the local economic development initiatives					
The capacity of rural and municipal councils should be improved and sustained					
Different system of developmental local government of the municipalities should be developed for rural areas					
New projects that are sustainable can assist in local economic development initiatives					
Mismanagement of funds is hindering the success of local economic development initiatives.					

Thank you for your Contribution

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