



COLLEGE OF LAW AND MANAGEMENT STUDIES

**Local Economic Development Planning In Local Government: Evidence
from Vulamehlo Local Municipality**

BY

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Declaration

I, **Siyabonga Sizwe Neville Hlongwane**, declare that:

- i. The research reported in this dissertation, except where otherwise stated, is my original research.
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Siyabonga Sizwe Neville Hlongwane

Date 25/02/19

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Abstract

Background: Against the escalating levels of poverty and unemployment affecting the majority of the developing nations, including South Africa, in 2003, World Bank raised the question of what it would take to end poverty and to improve the lives of the indigent. Amongst the proposals made by various international development agencies, such as the IMF, is the need to accelerate economic growth and to ensure that poverty-stricken people share in the benefit of that growth. Against this background, it is recommended that local government play a more developmental role in terms of facilitating socio-economic opportunities for local citizens in order to escape poverty. Local economic development (LED) was introduced during the first decade of the South African democracy, in which municipalities were expected to work with local stakeholders in developing local entrepreneurial skills and job opportunities for disaffected citizens. However, despite having well-defined LED objectives, most municipalities have not implemented nor achieved their LED targets. This is evident, given the magnitude of the existing challenges, including lack of skills among local entrepreneurs, lack of funding to support emerging local business and public participation in processes of economic development.

Study Objective: This study was conducted to explore various mechanisms utilised by the South African local government to implement their Local Economic Development (LED) strategies. In particular, the former Vulamehlo Local Municipality (VLM), now part of eThekweni and Umdoni Municipalities, was used as a case study.

Methodology: The study is qualitative in nature. In-depth interviews were used to collect data. Twenty interviews were conducted with the municipal officials and members of the business community.

Findings, analysis and discussion: Among other findings, the study results demonstrate that the former VLM has an existing LED plan; however, it was not properly aligned with the Provincial Growth and Development Strategy of KwaZulu-Natal. Furthermore, since LED is an unfunded mandate of local government, the former VLM did not have the capacity to fund community business projects.

Recommendations: As such, the study recommends that, in light of the current global socio-economic challenges which are also experienced by South Africa, municipalities should strive to utilise available resources and institutional structures to create a favourable environment for economic development. It is assumed that these recommendations will assist

South African municipalities to revive their LED strategies for the general welfare of the local citizens.

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Acronyms and Abbreviations

ANC	African National Congress
ASGISA	Accelerated and Shared Growth Initiative for South Africa
BEE	Black Economic Empowerment
BBBEE	Broad-Based Black Economic Empowerment
CBOs	Community Based Organisations
CED	Community Economic Development
COGTA	Cooperative Governance and Traditional Affairs
DPLG	Department of Provincial and Local Government
GEAR	Growth, Employment and Redistribution
GNU	Government of National Unity
HSRC	Human Science Research Council
ICPs	International Cooperating Partners
IDP	Integrated Development Plan
ILO	International Labour Organisation
IMF	International Monetary Fund
ICLEA	International Council for Local Environmental Affairs
ISRDS	Integrated Sustainable Rural Development Strategy
JIPSA	Joint Initiative for Priority Skills Acquisition
LED	Local Economic Development
MIG	Municipal Infrastructure Grant
NDP	National Development Plan
NGOs	Non-Governmental Organisations
NGP	New Growth Paths
NPOs	Non-Profit Organisations
OECD	Organisation for Economic Cooperation and Development
PGDS	Provincial and Growth Development Strategy
PPPs	Public Private Partnerships
RDP	Reconstruction and Development Programme
RSA	Republic of South Africa
SADC	Southern African Democratic Community
SALGA	South African Local Government Association

SEDA	Small Enterprise Development Agency
SDGs	Sustainable Development Goals
SDP	Spatial Development Framework
SMMEs	Small Medium and Macro Enterprises
SWOT	Strengths, Weaknesses, Opportunities, and Threats
VLM	Vulamehlo Local Municipality
WCED	World Commission on Environmental Development
WPLG	White Paper on Local Government
WWII	Second World War

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Chapter One

Introduction and Overview of the Study

1.1 Chapter Introduction

The study was designed to explore various mechanisms utilised by the South African local government to implement their Local Economic Development (LED) strategies. In particular, the former Vulamehlo Local Municipality (VLM) was used as a local case study. This introductory chapter of this dissertation provides an overview of the study including the research background, problem statement, research objectives, and the key questions guiding the study. Furthermore, the chapter outlines the preliminary literature, theoretical framework, research methods, paradigms, sampling approach, data-collection strategies adopted in the study, and ethical consideration observed in collecting data. Finally, the outline of chapters and the brief summary of the chapters are presented.

1.2 Background and Outline of Research Problem

Local economic development (LED) programmes in local government involve various stakeholders who are determined to improve lives of the people at the grassroots levels. These stakeholders include local government officials, private and business sectors, and any other interested parties (Reddy and Wallis, 2012:1). Generally, there is a growing consensus at the global scale that the LED initiatives have more advantages for economic development than the top-down methods (Rodriguez-Pose, 2001; Beyer, Jayne and Rogerson, 2003; cited in Rodriguez-Pose and Tijmstra, 2007; Swinburn, Soraya, Goga, Gwen, Murphy and Fergus (2007:8). Among others, the main advantage of LED stems from its ability to create economic self-sufficiency at a local level.

The escalating levels of poverty and unemployment are affecting the majority of the developing nations and sub-national governments, including the South African municipalities. The World Bank (2015:11) raised the question of what it will take to end poverty and improve the lives of the indigent. On this topic, amongst other proposals made by various international development agencies, such as the IMF (2012), there is the need to accelerate economic growth and to ensure that disaffected people share in the benefit of that growth. In the light of global economic challenges and the drive to introduce the much-

needed remedies, this study is designed to explore various mechanisms employed by the South African municipalities in general, to improve their economic conditions. Specifically, the study investigated LED planning with reference to VLM, which is now part of Umdoni Local Municipality (ULM). It should be noted that data for this study was collected before the merger. As such, the research results reported in this dissertation will consistently refer to the former VLM.

1.3 Preliminary Literature Review and Reasons for Choosing the Study

Economic planning is an essential component of local government in South Africa. For instance, Section 152(d) of the South African Constitution of 1996 directs municipalities to play a key role in advancing social development, including the alleviation of poverty levels in their areas of jurisdiction (RSA, 1996). In realising this mandate, the government has promulgated a number of significant pieces of legislation since 1994 to outline plans and programmes for the implementation of LED strategies. The broad discussion on the legislative and policy framework regulating LED in local government is presented in Chapter Two of this dissertation. Hence, preliminary literature review is presented below.

1.3.1 Preliminary Literature Review

Owing to the global economic challenges confronting the developing and underdeveloped nations, several countries within the global community have introduced various economic strategies to improve their economic opportunities. During the 1990s, for instance, the South African government introduced LED as a pro-poor economic strategy, and mandated local government to drive this initiative (Rodriguez and Tijmstra, 2003:19). This was (precisely) adopted to benefit the indigent communities whose economic endeavours had been for many decades isolated by the Apartheid legacy.

According to Reddy and Wallis (2012:1) LED in South Africa is practised, adopting various strategies. These include, among development strategies, poverty-relief programmes in the form of short-term employment creation at the municipal levels. In essence, the LED socio-economic strategies are intended to address, among other things, the scourge of poverty, and unemployment, and to enhance entrepreneurial skills. It is assumed that, through community

entrepreneurship, citizens will be able to drive their own business establishments in the form of Small, Medium, and Micro Enterprises (SMMEs) (Rogerson, 2011:67).

Nel and Rogerson (2007:105) note that, despite the attempts to improve the standard of local economies, communities continue to face challenges, including poor economic growth. The high level of unemployment and unsustainable livelihood reflect this reality. For example, unemployment in South Africa stood at just over 28% during the last quarter of the 2017 financial year (Stats, 2017). Against this background, it was deemed essential by the researcher to conduct a study of this nature, as further accentuated later in this section.

Through the Reconstruction and Development Programme (RDP) of 1994, LED was introduced as a more collaborative development process that considered various stakeholders in communities through mobilising local resources for economic, social, and spatial development, to mention a few. Moreover, the national government introduced state-driven initiatives such as the empowerment of the informal economy, including the establishment of the SMMEs, urban and rural agricultural business activities, and Black Economic Empowerment (BEE) (Rogerson, 1997:8).

To formalise economic development through LED, the Department of Provincial and Local Government (DPLG) in 2006 established LED grants so that municipalities could implement job-creation strategies in their respective communities (DPLG, 2008:65). However, these interventions did not result in the anticipated economic growth and employment levels.

Local Economic Development is a globally recognised phenomenon in which governments strive to build and sustain an economic foundation through the utilization of local business skills, knowledge, and resources for the alleviation of unemployment, poverty, misery, and many other social and economic ills that may affect social sustainable livelihoods (World Bank, 2015:77). From a socio-economic perspective, LED is seen as an instrument with potential to create stability following the demise of Apartheid in South Africa (Van der Waldt, 2009:67). Cameroon (2012:41) confirms that, with the slight economic growth towards the end of the first decade of democracy, LED is a system of correcting Apartheid imbalances, bringing a sense of relief to the millions of South African citizens who have grappled with Apartheid injustices for many decades.

Several approaches have been developed in South Africa to enhance the LED programmes. Among others, these included the National Framework for LED in South Africa in (2006 – 2011). The National Framework for LED in South Africa reacts to the failures of the past LED initiatives, placing emphasis on the importance of partnership. As suggested by Reddy *et al.* (2012:11), this framework draws on the collaborative endeavours between local government, the community, and the private sector, in creating growth and redistributing it equally amongst all community stakeholders. In same vein, Meyer-Stamer (2005:3) acknowledges the collective action through partnership between the public sector, the private sector, and civil society, as the success factor for LED. In response to policy objectives, Public-Private Partnerships (PPPs) were then created in townships to deliver projects that would benefit all stakeholders. Projects, including shopping malls, have been seen booming in townships as part of LED strategies. These developments are said to be promoted by partnerships between the municipality, private investors, local business organisations, and local community representatives.

Linked to this research study, the 2014 Municipal IDP of the then VLM noted the following factors that need to be addressed in order for the municipality to improve its economic base (IDP, 2014:38):

- High levels of poverty;
- Low levels of employment;
- Backlogs in service delivery;
- Low skills base owing to inadequate levels of education and training;
- Limited and irregular household incomes; and
- Poor physical and social infrastructure.

The aforementioned challenges are operational in nature. They therefore require proper strategic planning of the municipal functionaries, and a strong institutional capacity to devise a comprehensive approach of bringing about and improving the socio-economic and sustainable livelihood of local communities.

Despite the clear intentions of the South African local government system of promoting local economies, LED projects have not been leading to inclusive and envisaged growth (Reddy

and Wallis, 2012:13). The authors argue that most LED projects, for instance, lack the collective engagement of the government, private, and business sectors, NGOs, and ordinary citizens in issues of LED (2012:11). There is thus the need for continued research to identify the existing challenges impacting on LED initiatives, and to propose strategic interventions required to improve future LED strategies. It is against this background that this research was proposed and undertaken.

The research objectives and questions for the study are presented next.

1.4 Research Objectives

Primarily, the objectives of the study were to investigate the role of LED planning in accelerating economic growth at local levels, with specific reference to VLM, which merged with Umdoni Local Municipality in 2016. Linked to the main research objective of the study, the following secondary objectives were identified for the study:

- To ascertain the nature of the existing LED strategies within VLM;
- To evaluate the capacity and the strength of the institutional arrangements of VLM in implementing LED initiatives;
- To determine the extent to which VLM's economic growth strategies are aligned with strategic planning and economic growth strategies of the provincial and national governments;
- To assess the priorities placed by VLM in promoting entrepreneurial skills and self-sufficiency amongst its citizens in participating in economic activities;
- To examine the role of VLM in engaging its external LED stakeholders in boosting the capacity of the VLM thereby improving LED initiatives; and
- To propose the future LED strategies for VLM.

1.5 Research Questions

The study aimed to elicit perceptions on 'what is the role of LED planning in accelerating economic growth at local levels with specific reference to the former VLM?' Linked to the main research question, the study posed the following secondary questions:

- What is the nature of the existing LED strategies within VLM?
- What is the capacity and strength of the institutional arrangements of VLM to implement LED initiatives?
- To what extent are the VLM's economic growth strategies aligned with the strategic planning and economic growth strategies of the provincial and national governments?
- What are the priorities placed by VLM in promoting entrepreneurial skills and self-sufficiency amongst its citizens in participating in economic activities?
- What is the role of VLM in engaging its external stakeholders in boosting the capacity of the VLM thereby improving LED initiatives?
- What future LED strategies may be proposed for VLM?

The next section of this chapter presents the research design and methods for the study.

1.6 Research Methodology

The research design and methods provide an explanation of the approaches used by a researcher to investigate a specific research phenomenon, thereby reaching conclusions and submitting recommendations. The research design, strategy and methods used in this study are presented below.

1.6.1 Research design for the study

Babbie and Mouton (2002:647) define research design as a plan or structured framework that the researcher intends to use in conducting the research process. Mouton (2009:107) reiterates that a research design is a set of guidelines and instructions to be followed by the researcher in addressing the research problem. In addition, Terre Blanche (2011:5) postulates that research design is a framework that explains how research questions are pursued to research conclusions about the research phenomenon being investigated. For this study, the researcher used qualitative research design and methods to understand the processes involved in the LED planning of VLM.

According to Creswell (2009:16) research designs that are applicable to social sciences are either quantitative, qualitative, or mixed methods research designs. Each of these research designs is briefly explained below.

1.6.1.1 Quantitative research design

Quantitative research design relies mainly on the analysis of statistical data to answer the research problem or to give numerical insights into the research phenomenon being investigated. That said, Creswell (2008:98) defines quantitative methodology as the type of research that explains phenomena by collecting numerical data, analysing them using mathematically based methods. This suggests that in quantitative research the findings of the study are presented in the form of numbers or statistics.

1.6.1.2 Qualitative research design

Qualitative research strives to provide deeper insights into the research phenomenon being investigated, and its procedure. Qualitative data is presented in the form of words as opposed to numbers (Michaelson, 2013:10).

1.6.1.3 Mixed methods research design

Mixed methods is a common research design used in social sciences and other academic disciplines (Phiri and Zyne, 2014:8). It is described with its unique features of combining qualitative and quantitative methods in a single study. Martins and Jordan (2013:12) affirm that mixed methods research is both a method and methodology for conducting research that involves collecting, analysing, and integrating quantitative and qualitative research in a single study or a longitudinal programme of inquiry. This implies that researchers may adopt this research method in order to draw conclusions based on their generalizations or statistical findings (Creswell, 2009:5).

For this particular study qualitative research design was deemed suitable because of its nature and purpose. This study sought to explore LED planning approaches employed by VLM. Creswell (2009: 19) notes that qualitative research design is applied in studies that seek to

explore a particular phenomenon in social sciences. Furthermore, Yin (2009:56) notes that qualitative research design is used for studies that seek to answer the “*why and how*” of social behaviour. In-depth interviews were conducted with key stakeholders involved in LED planning in VLM, namely the municipal manager, councillors, the business community, NGOs, CBOs and private-sector institutions.

The next section provides a discussion of the research methods used for the study.

1.7 Data-collection Methods

There are various data-collection methods used to collect data.

1.7.1 Interviews

Interviews may be defined as a strategy of collecting research data through direct engagement between interviewers and interviewees (Mouton, 2009:17). Interviews require pre-planned questions, which in most cases are linked with the objectives of the study being pursued. There are three types of interview, namely, structured, semi-structured, and unstructured interviews.

1.7.1.1 Structured interviews

In a structured interview the researcher approaches the data collection phase with a pre-planned set of questions. This implies that all the questions asked during the interview process are directly linked to the purpose of the study (Michaelson, 2013:9). Preece, Rogers and Sharp (2012:33) explain that questions in structured interviews require a specific answer, and all interviewees respond to the same set of questions.

1.7.1.2 Unstructured interviews

Contrary to the structured interviews, in unstructured interviews the researcher does not have a specific set of questions to ask the interviewees (Bless and Higson-Smith, 2009:13). In this type of interview, questions may arise informally, being determined by what researchers have intended to unearth in the study (Michaelson, 2013:11). In addition, Hemson (2014:7) states

that unstructured interviews use probing: researchers may ask follow-up questions based on the points raised by interviewees. For this particular study, the participants were probed and required to elaborate on their explanations, in order to allow the researcher to draw valid conclusions on the study.

1.7.1.3 Semi-structured interviews

Semi-structured interviews use a combination of both structured and unstructured interviews (Bless and Higson-Smith, 2009:12). In the semi-structured interviews, the researcher may ask both pre-planned and spontaneous questions.

For this study, the structured interviews were utilised to gain a profound insight into the processes involved in LED planning within VLM. As indicated above, these interviews were conducted with the municipal manager, councillors, the business community, NGOs, CBOs and private-sector institutions. Moreover, semi-structured interviews were conducted informally with the municipal officials and the members of the business community. This type of interview was necessary to build rapport and to allow participants freely to express their views and opinions, no limitations being imposed.

1.7.1.4 Study site

The study was conducted in VLM. A brief profile of the municipality is shared below.

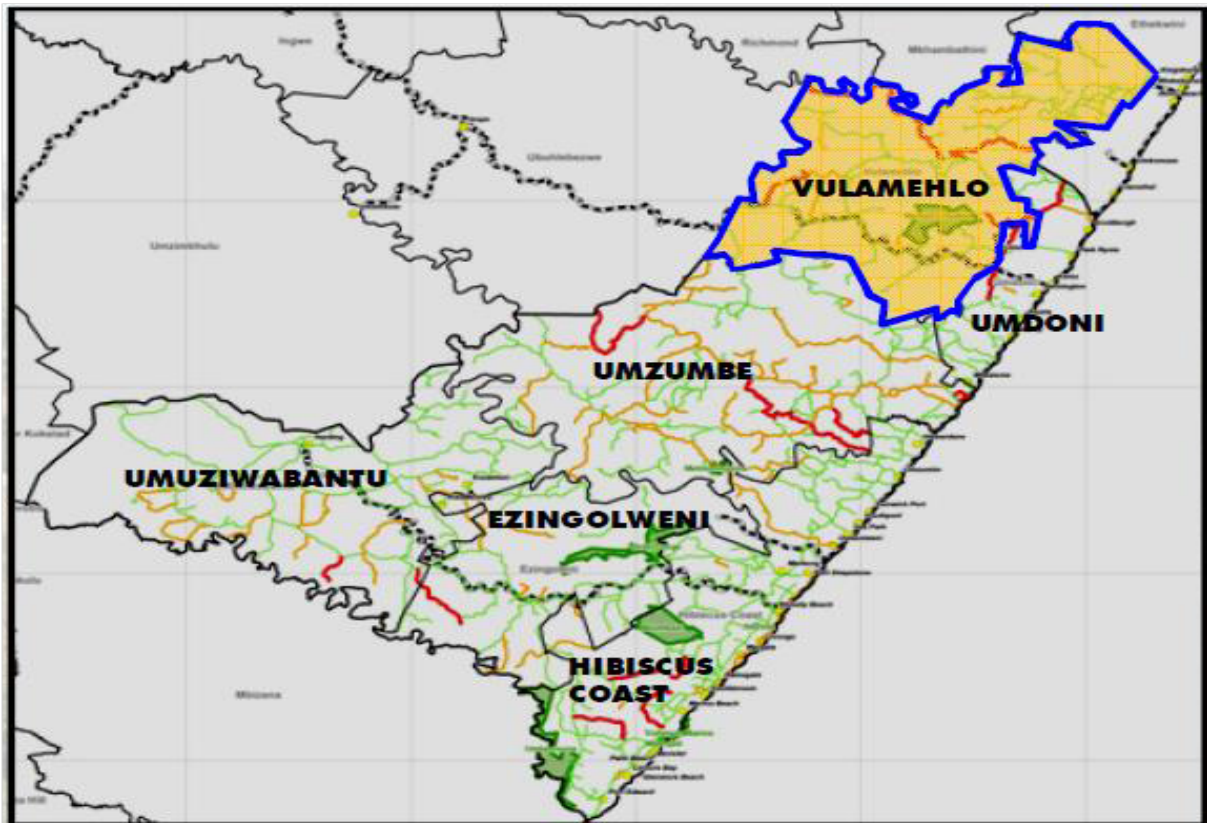


Figure 1-1: Map of Former Vulamehlo Local Municipality
 Source: VLM IDP (2016-2017)

1.8 Research Sampling and Target Population

Sampling refers to the method of identifying the relevant population who possess necessary characteristics to benefit the study being pursued (Mouton and Serename, 2014:648). According to Bless and Higson-Smith (2009:35), one of the most important decisions that any researcher makes is how to reach a sufficient number of research participants to form part of the research processes. As such, this study used scientific and comprehensive methods to target the participants who would contribute to the valid and concrete findings as per the objectives set for this study. A research population may be classified into both sampling and target population.

1.8.1 Sampling population

According to Zikmund, Saunders and Thornhill (2013:108), population sampling refers to the general sample consisting of elements that possess characteristics which are of interest to the researcher in addressing the problem outlined in the study. For this study, the sampling

population comprised the members of the communities, municipal functionaries, including municipal officials and councillors, private-sector institutions, and the business community. These participants formed part of the study, in being the key role players in the creation of economic opportunities for indigent communities (World Bank, 2008:89).

1.8.2 Target population

Sekaran and Bougie (2010:264) reason that for a research involving several hundreds and even thousands of elements, it would be practically impossible to collect data from every element, thus the need for a target population.

The target population for this study was drawn from the five wards of VLM, namely, 1, 6, 8, 9, and 10. These wards were selected on the basis of their levels of poverty and unemployment, which seemed to be greater than those of other areas of VLM. Therefore, the researcher assumed that this sample would adequately meet the basic objectives of the study noted earlier in this chapter. Furthermore, the target population comprised a total of ten municipal officials, including the municipal manager of VLM, six 6 ward councillors, two members from the economic development unit of the municipality, and one community participation manager. In addition, ten members of the business community were drawn into the study. These participants formed part of the study in being the key role players in the creation of economic opportunities for disaffected communities (World Bank 2008:89).

1.9 Sampling Methods

Sampling refers to the method of identifying the relevant population which possesses necessary characteristics to benefit the study being pursued (Mouton and Serename, 2014:648). Likewise, Bless and Higson-Smith (2009:35) note that one of the most important decisions that any researcher makes is how to reach a sufficient number of research participants to form part of the research processes. There are various types of sampling technique. These include non-probability and probability sampling techniques. Each of these techniques is briefly discussed below.

1.9.1 Probability sampling

According to Newman (2000:1), probability sampling is a sampling technique in which the samples are gathered in a manner that gives all the individuals in the population an equal chance of being selected. Similarly, Robertson (2013:701) explains probability sampling as a sampling technique that uses random selection for ensuring that all elements of the populace stand an equal chance for consideration to participate in the study. Hemson (2009:12) postulates that, through probability sampling, the researcher is able to eliminate any form of bias and sampling error. Creswell (2009) reasons that probability sampling is more advantageous because the sample has either a known zero or known probability for selection, and the researcher is afforded an opportunity to work with the sample that will provide accurate and reliable findings of the study.

1.9.2 Non-probability sampling

Contrary to the probability sampling which relies on the randomization of samples, in non-probability sampling, the researcher uses non-random sampling techniques to make judgements about the type of sample to be used in the study (Russell, 2009:108). This implies that the researcher may use his own discretion or judgement to select the sample which is presumed to match the characteristics of the study being pursued (Conning, 2009:58). This is also elaborated by Bless and Higson-Smith (2009:13), that the use of the researcher's judgement is a main feature of non-probability sampling.

This study adopted non probability sampling in which convenience sampling was used. Research participants were selected on the basis of the experience, knowledge, and information they possessed on the LED in the identified study site.

1.10 Sampling Size

The sufficient and relevant sample is key in the findings of the study. Russell (2009:38) warns that an undersized study may be a waste of time and resources, while an oversized sample may result in redundancy and the duplication of data. The table below reflects sample size for the proposed study.

Table 1-1: Research Participants

Research Participants	Area/Municipality	Number of Participants
Business Community	Ward 1	2
	Ward 6	2
	Ward 8	2
	Ward 9	2
	Ward 10	2
Municipal Manager	VLM	1
Councillors	VLM	6
Community Participation Unit	VLM	1
Economic Development Unit	VLM	2
Total		20

The sample size of this study was limited to 20 LED stakeholders in VLM. This is in line with the recommendations of Griffin (2007:109) that 20-30 in-depth interviews are necessary to cover 90-95% of all dimensions for the product categories studied.

1.11 Data Analysis and Interpretation

The study used thematic analysis to simplify and categorise data collected through interviews from the study participants. Thematic analysis is therefore explained as a type of qualitative analysis that analyses, classifies, and presents themes (patterns) that relate to the data. The decision to employ thematic analysis in this study was informed by the fact that the qualitative methodology relies mainly on the simplification, clarification, and interpretation of data (Christianson, 2014:6).

1.12 Significance of the Study and Justification

The study sought to investigate LED planning in local government with specific reference to the former VLM. The study assumed that the recommendations and conclusion drawn by the study, as presented in Chapter Six would help the municipality to align its Spatial Development Framework (SDF) and the Integrated Development Framework (IDP) with other development frameworks, including the SDGs, the NDP, and the PGDS. Factors discussed below further validate the significance for the proposed study.

- **The creation of employment strategies**

The successful implementation of LED strategies promotes the employment creation for local communities. In addition, LED is the government's formal establishment in which municipalities are mandated by the Constitution (RSA, 1996) to devise mechanisms for implementing this initiative. It is therefore assumed that recommendations of this study will assist local government in intensifying its LED strategies.

- **LED as a tool for community participation**

The Local Economic Development requires a joint collaboration between communities, private sector organisations, the business community, and community organisations. It is therefore essential to bring together the different stakeholders in the quest for community development. The Constitution (RSA) mandates local authorities to liaise freely with communities in a manner enabling them to realise their socio-economic aspirations.

- **Improvement of LED policies**

The study was designed as a requirement of the academic enterprise. Recommendations of the study will therefore assist in blending the theory and practice of LED. In this way it will benefit local government in planning its economic policies and the social transformation mandate which is enshrined in Section 152 of the Constitution (RSA, 1996).

- **Extension of social security coverage**

The study investigated the potential of informal economic activities in contributing to economic growth within the identified municipality. This will in turn contribute towards the broad understanding of the plight and future prospects of the informal economy as a business adventure in local government.

1.13 Ethical Considerations

According to Saunders *et al.* (2009: 113), ethics refer to the “...appropriateness of the researcher’s behaviour in relation to the rights of those who participate in the research study or are affected by it”. Moreover, research ethics relates to the questions about how the research topic is formulated and clarified, and how data collection procedures are designed and access granted to the subjects (Saunders *et al.*, 2009:96). For the purpose of this study, a gatekeeper’s letter from the former VLM granted permission for the researcher to conduct this study. The letter is attached as Annexure One. In addition, the researcher applied the following ethical procedures in collecting data from the research subjects.

- **Ensuring that permission is obtained:** ethical clearance was obtained from the University of KwaZulu-Natal’s (UKZN) Ethics Committee. The ethical clearance letter from UKZN is attached as Annexure Two.
- **Ensuring participants have given informed consent:** the researcher secured consent from the participants who volunteered to participate in the survey study. Each participant was made aware of the nature and purpose of the study and encouraged to participate. Participants were alerted of their rights to discontinue participating in the research study at will, no explanation required.
- **Ensuring confidentiality and anonymity:** the participants in the survey were encouraged to participate, and confidentiality was guaranteed, thereby ensuring that their anonymity was protected. They were, however, not coerced.

1.13. Outline of Chapters

The study is presented in the following sequence of chapters.

Chapter 1: This chapter provided an overview of the research background and introduced the problem statement, research objectives, and the key questions guiding the study. Furthermore, the chapter presented the preliminary literature. The chapter introduced the research methods, sampling approach, data-collection strategies adopted in the study, ethical consideration observed in collecting data, and the inventory of chapters for the study.

Chapter 2: This chapter provided the literature review for the study. The literature is presented in two parts. Firstly, it reviews the global perspective of LED, with the purpose of highlighting best international practices that may be emulated by South African municipalities in implementing their LED strategies. Secondly, the chapter covers the broader perspective of LED practice and strategies in the former VLM that encourage economic opportunities for its citizens. The literature is discussed in a manner that responds to the problem statement of this study which envisaged poor economic development in VLM as attributed to the lack of strategic direction of the municipality to plan its LED initiatives. The discussion in this chapter paves the way for the theoretical foundation of the study.

Chapter 3: This chapter presents the conceptual framework for the study. The key construct of the conceptual framework involves social, economic, and environmental dimensions. These dimensions are critical for economic development on a global scale. Furthermore, the chapter examines the role of various stakeholders in VLM in the quest for economic development.

Chapter 4: This chapter presented the research design and methods of the study and the ethical considerations observed in conducting this study.

Chapter 5: This chapter presents data collected for the study and proceeds to the analysis of results.

Chapter 6: This chapter recapitulates the research objectives and questions set for the study in the introductory chapter. It also presents a synopsis of the chapter. The recommendations and future considerations in the quest for LED planning in local government are also outlined in this chapter.

1.14. Definition of Terms

Table 1-2 provides the definition of key terms and concepts used in this dissertation.

Table 1-2: Key Terms and Definitions

Key Term	Definition and Source
Community Economic Development	Community Economic Development (or CED) represents a form of local economic development of local government, which emphasises community economy-driven endeavours for the alleviation of poverty (OECD, 2009:104).
Entrepreneurship	The ability and desire to create a business undertaking, managing, and organising its processes in order to generate profit in a manner that can sustain one (Wheelan and Hunder, 2011:1).
Integrated Development Plan	In the South African context, the Integrated Development Plan is defined as a five-year strategic framework used by municipalities to strategise their development plans (Thornhill, 2013:7).
Local Community	A group of people who interact on a daily basis in a societal structure; and who share common ideas, beliefs, cultures, and preferences (Haralambos, 2005:237).
Local Government	The government substructure, which operates on district level to assist with the facilitation of service delivery and any other important activities for the satisfying of urgent human needs.
Local Economic Development	A government activity to stimulate economic growth (World Bank, 2012:603). LED is also defined by the OECD (2014:1) as a system towards economic development and planning that allows citizens to draw on their available resources, skills, and potentials to achieve sustainable economic growth in their respective communities.
Municipality	A local government structure which is located at community levels in order to bring government to the local populace (Reddy, 1999:5) cited in Van der Waldt (2014:9).
Public Participation	Direct engagement of ordinary citizens in government planning in order to inform policy-making and to advance democratic processes (Taylor and Raga, 2016:8).
Small, Macro and Micro Enterprises	The informal business undertakings which are normally operated by ordinary citizens in their respective communities, in order to create and sustain their livelihood strategies without formal employment (Kheswa and Martins (2014:8)).

1.15. Chapter Summary

This chapter provided an overview of the study and introduced the problem statement. The study is designed to investigate factors that affect LED planning in local government with specific reference to the former VLM in the Province of KwaZulu-Natal (KZN). The preliminary literature review was also presented in this chapter.

Chapter 2

Literature Review

2.1 Chapter Introduction

There is a two-fold aspect to this literature review chapter. First, it explores the practise of LED in the broader global community, and more specifically in the South African context. It traces the origins of the concept, its conceptualization and application, its key factors and dimensions, and the legislative body governing the concept. Secondly, the chapter makes specific reference to Vulamehlo Local Municipality (VLM) – which is the focus of this study. That is, it reviews the strategies utilised by the municipality in planning its LED strategy, elaborating on successes and challenges which have been encountered along the way. The discussions in this chapter form the basis for the theoretical perspective which will be explored in the next chapter.

2.2 Conceptualization of LED

One vital dimension of local municipalities in South Africa is the ability to create and promote sustainable economic development for their communities. Furthermore, one of the preconditions guiding the interrelationships between national and local government demands that local government play a significant role as a partner in national and regional development (Van der Waldt, 2014:20). This role further creates the need for economic opportunities for local citizens through LED initiatives. The underlying demand for LED strategies in the South African context emanates from its legacy of economic exclusion and marginalization. Thus, LED is seen as a government strategy capable of addressing socio-economic challenges, namely, poverty, unemployment, and inequality, which were noted in the introductory chapter. It is against this background that LED is increasingly regarded as an alternative to the traditional top-down development strategies – in which the government provides economic opportunities to passive citizens who are at the receiving end (Rodriguez, Pose and Viesti, 2013:303). Despite common teething challenges of capacity and uniformity in applying the LED strategy, particularly at the municipal level, the contemporary literature is awash with a multitude of successful economic development cases showing that this approach provides viable economic development alternatives in a more integrated manner.

The World Bank (2003) cited in Tijmstra, 2005:6) defines LED as the process by which public, business, and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation. The aim is to improve the quality of life for all. This definition encapsulates the role of the various stakeholders in making the LED initiative a success. Similarly, Thornhill, Van Dijk and Ile (2014:148) define LED as a participatory process that encourages partnership arrangements between the private and public stakeholders of a defined territory. From a LED perspective, this form of partnership enables the joint design and implementation of a common developmental strategy. Of significance in this definition is the recommendation by various observers for the formation of partnerships to deal with the challenges of underdevelopment in general, and within municipalities in particular (Rodriguez, Pose and Viesti, 2013:321).

From a constitutional perspective, partnerships between different stakeholders can promote cooperative governance at local level. This is enshrined in Chapter Three of the Constitution, in which government spheres are required to work together in partnership with a range of other key developmental stakeholders, such as the private sector, to rejuvenate social and economic conditions for citizenry (Rodriguez, *et al.*, 2013:56). Later in the study, is demonstrated the way in which the former VLM has utilised such partnerships for the mobilization of economic opportunities in its area of jurisdiction.

The promotion of LED is the responsibility of local government together with various stakeholders committed to ensuring the economic prosperity for locals. Moreover, it is essential to note that economic growth is not only determined by the formal economy that, for instance, involves the economic sectors that are legally registered and pay tax, but also by the informal economic sector, comprising activities that are not legally registered, but whose operations are within the ambits of the law. These may include street trading or street vendors, community tuck shops, and the taxi industry (Mthethwa, 2012:89). These entrepreneurs from the former VLM were identified as key informants for the study, with the purpose of the researcher gaining a deeper understanding of economic activities of the informal economy in the area.

2.3. LED Practice in South Africa: Challenges, Trends and Prospects

In more general terms, LED is the system intended to uplift in a sustainable manner, the standard of living for local communities (World Bank, 2013:12). Countries across the world have had different experiences with LED. For example, in Mexico political polarization has often coincided with economic hardship, resulting in high unemployment rates (Rodriguez *et al.*, 2013:15). In Zimbabwe, with the lowering of economic life from 2000 owing to political turmoil, citizens have engaged in the informal economy as a coping strategy (White, 2013:8).

In the South African context, prior to the 1994 democratic dispensation, the racially based system of government excluded the majority of the South African communities from meaningful participation in the economy, confining wealth to the racial minority Van der Waldt, Khalo, Nealer, Phutiagae, Van der Waldt, Van Niekerk and Venter (2014:143). Consequently, the majority of communities remained unemployed, marginalised and with no economic opportunities. With the introduction of a democratic state in 1994, the Government of the National Unit (GNU) fulfilled the vision of the Freedom Charter, emphasising the need for an economy that meets the needs of the people in a more equitable manner (Freedom Charter, 1955). This vision was later refined and developed into what came to be known as the Reconstruction and Development Programme (RDP) (ANC, 1994, cited in Van der Waldt *et al.*, 2014:144). The RDP initially emerged as the ANC manifesto for the 1994 elections.

To validate the importance of economic sustainability in the South African communities, the RDP document (1994) makes implicit reference to the notion of LED through the apparent support for community-based development and local-based initiatives in which citizens are mandated to drive their LED initiatives in their respective communities. It was against this backdrop that the Urban Development Framework and the Rural Development Framework were formulated to ensure that economic opportunities are extended to both the urban and rural communities, respectively (ANC, 1994).

Upon its victory in the election, the ANC government transformed the RDP vision into economic policy, which was defined as “people driven initiative aimed at meeting basic needs by developing human resources, building economy and democratising South African societies” (ANC, 1994:83).

Besides the Freedom Charter and RDP, the South African government has adopted a range of economic strategies in an attempt to deal with economic difficulties. These strategies include, *inter alia*, Growth Employment and Redistribution (GERD), Accelerated and Shared Growth Initiative for South Africa (ASGIISA), Joint Initiative on Priority Skills Acquisition (JIPSA), Broad-Based Black Economic Empowerment (BBBEE), and the Integrated Sustainable Rural Development Strategy (ISRDS). The role of these strategies in complementing LED initiatives has been essential in creating employment opportunities and enhancing self-sufficiency in many South African communities. Each of these strategies is discussed in detail later in the chapter.

Despite common challenges such as poor economic growth facing developing nations including South Africa, implementing LED has generated considerable interest and therefore has gained much prominence in indigent communities since the introduction of a democratic state. Furthermore, the dualistic economy recognising informal and formal economic activities has been constitutionalised, giving municipalities and other local stakeholders, including the business sector and community organisations, autonomous powers to drive LED initiatives (Khalo and Basheka, 2013:102). These stakeholders have also demonstrated their commitment in promoting LED through job creation and the enhancement of skills. This has had a huge impact on promoting the welfare of local communities. However, the following challenges remain pervasive (Reddy and Wallis, 2012:84):

- There is a need to develop capacity, enhance business-related skills, and inculcate an entrepreneurial attitude among local government functionaries;
- The LED promotion mandate and functional assignment is not defined adequately and articulated in the relevant local government legislation; and consequently, it is not recognised nor reflected in the legal and regulatory frameworks;
- Traditional leadership is critical to local government particularly in the rural areas, for example, on land issues. Therefore, it is imperative that such leadership be drawn into LED programmes. In some cases, there are political tensions between the elected municipal councillors and traditional leaders; and
- Unequal development has consequences for LED, that is, unattractive localities for investment and poor physical infrastructure, notably road networks, inadequate water supply, and lack of electricity supply.

With regard to VLM, financial constraints for funding LED projects, lack of capacity, and community participation in LED programmes have been noted (IDP, 2015:235). In addressing these challenges, the municipality appointed the Urban-Econ KZN (Pty) Ltd as an external consultancy to review and give recommendations on ways in which the municipality can enhance its LED strategies (IDP, 2015:120).

There are various categories of LED. These are discussed below.

2.4 Categories of LED Initiatives

For ease of understanding, the study reviews three categories of LED as proposed by Thornhill *et al.* (2014:148). These categories are essential because each local area has unique opportunities and challenges, and must therefore develop strategies specific to a local context (Van der Waldt, 2014: 145).

2.4.1 Category A: Community economic development

Community economic development refers to economic activities of the rural and urban areas. The scope and characteristics of this economic generation differ from community to community. However, the common philosophy is to facilitate livelihood strategies as a means of creating employment opportunities, and reducing poverty and vulnerability.

2.4.2 Category B: Enterprise development

This category consists of the supporting structures engaged in formulating specialization for overcoming obstacles hindering growth and development in a market context. For example, in 2004, the South African government formulated the Small Enterprise Development Agency (SEDA) as a support mechanism for the issues affecting the growth and development of the Small Medium Macro Enterprise Developments (SMMEs). The role of these institutional structures in LED and in relation to VLM will be explored in the next chapter.

2.4.3 Category C: Overall planning and management

This category refers to the overall planning and management of the economic and physical development of an area. With regard to the former VLM, the municipal functionaries, such as the Corporate Governance Unit, played a significant role in the SEDA in facilitating the LED planning. Blakely (1994), cited in Hemsing (2003:69-73), states that proper planning for economic development is essential for enabling the locality to improve its economic activities in order to stay competitive and economically viable.

Arising from the above-mentioned LED strategies, in the absence of formal economy, alternative LED strategies should be devised as a collaborate effort that involves government sectors, the private sector, NGOs, CBOs, and other interested parties. This is essential in dealing with the issues of poverty, unemployment, and inequality (Nel, 2016:12).

2.5 Local Economic Development in South Africa

Post 1994, the South African government recognised the level of unemployment and poverty which confronted the majority of citizens. Consequently, the government explored the concept of LED as an alternative mechanism for addressing the existing socio-economic ills. Section 152 of the Constitution (1996), for example, requires local government to work closely with local communities in identifying and providing solutions to issues affecting the development of local people (RSA, 1996). Amongst these issues is the promotion of economic opportunities. Besides LED, the Government of the National Unity (GNU) has, since 1994, committed itself to crafting strategies on developing a prosperous post-Apartheid South Africa, through social, economic, and political initiatives (ANC, 1994). For example, it was through the RDP initiative that the foundations of LED were laid, with municipalities given a central mandate to drive this initiative in collaboration with the private sector, the business sector, and community organisations. Furthermore, in 1999, the DPLG launched the LED Fund (LEDF) as part of government's commitment to boost LED initiatives. The fund provided support to municipalities of up to R1,5 million for projects that would lead to poverty alleviation and job creation within their localities (Patterson, 2008:13). Unfortunately, the fund ultimately failed to deliver long-term sustainable LED, and resulted in a number of small, unsustainable projects scattered around the country, unable to

overcome financial and capacity challenges. The ensuing subsections of the chapter provide a brief discussion on the legislative framework that made provision for LED in South Africa post 1994.

2.5.1 South African Constitution of 1996

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

2.5.2 White Paper on Local Government (1998)

The White Paper on Local Government (1998) introduced the notion of ‘Developmental Local Government’, suggesting that local government should play a developmental role in the South African communities. Broadly defined, this refers to the “system of local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of their lives” (RSA, 1998). This definition envisages the role of community participation as essential to the delivery of the local government mandate of involving citizenry in development-planning projects to benefit them, such as through LED.

2.5.3 Local Government Municipal Systems Act (Act 32 of 2000)

The Local Government: Municipal Systems Act 32 of 2000 is a framework that guides municipal planning, performance-management systems, and the effective use of resources. It provides an outline in which economic opportunities may be created in order to achieve economic advantages for local communities (Van der Waldt, 2014:74).

2.5.4 Development Facilitation Act (Act 67 of 1995)

The Development Facilitation Act 67 of 1995 aims to integrate market principles into the land-development paradigm. This implies that policy administration and environmental laws should promote the effective use of land for open competition between the suppliers of goods and services (RSA, 1995). This also requires municipalities to reserve land for business development in the municipal areas for the benefit of local entrepreneurs. In the current context of local government, land restitution remains a challenge in the realization of this mandate (RSA, 1995).

The macro-regulatory framework for LED is discussed and presented next.

2.6 The Macro Regulatory Framework of LED

In addition to the legislative framework on LED, there are macro-regulatory frameworks including Growth, Employment and Redistribution (GEAR), the Accelerated Growth Initiative for South Africa (ASGISA), the Joint Initiative for Priority Skills Acquisition (JIPSA), the New Growth Path (NGP), the National Development Plan, and the Integrated and Sustainable Rural Development Strategy (ISRDS). Such frameworks may be seen as cross-sectional. Various programmes through which LED initiatives may be enhanced are outlined. Each of these strategies is briefly discussed below.

2.6.1 Growth, employment and redistribution

Challenges in implementing the RDP, which were noted earlier, contributed to the shift towards the adoption of GEAR, which was a market-based economic initiative. Through GEAR the government intended to improve the economy of South Africa, which had been for many decades run along racial lines, excluding the majority of black communities. Tshandu and Kariuki (2010:195) note that one consequence for the adoption of GEAR was that development priorities, including the provision of social services and economic infrastructure, were subjected to fiscal discipline, cost recovery, and financial sustainability. The incoherencies in terms of implementing of GEAR, and the state of readiness to adopt the economic policy of this magnitude, are widely taken as contributing to its collapse. However,

the GEAR initiative had positive outcomes in terms of gearing-up the constrained economy, by proposing various strategies such as economic self-sufficiency among communities, which assisted in enhancing the economy of South Africa. Amongst these outcomes was the formulation of LED. From the GEAR standpoint, LED encouraged municipalities to work with various stakeholders in creating economic opportunities for local citizens. The adoption of Broad Based Black Economic Empowerment (BBBEE) was promoted as an initiative to empower the black communities with business opportunities.

2.6.2 Broad Based Black Economic Empowerment

In order to broaden the scope and accelerate economic opportunities for the black majorities, the government adopted the BBBEE Act 53 of 2003. Cook (2013:18) clarifies the rationale for the implementation of BBBEE by asserting that Black Economic Empowerment (BEE) policies primarily sought to increase access to jobs by blacks and other marginalised groups in all occupational categories and levels of employment, and to increase rates of ownership and management of firms and other types of productive entities by these groups. Despite the challenges of the capacity and scarcity of financial resources, among other challenges, to roll over the BBBEE initiatives to all the deserving communities, the Act encouraged entrepreneurial skills amongst black communities.

2.6.3 Acceleration and shared growth initiative for South Africa

Further to GEAR, ASGiSA was introduced in 2005 as government's commitment to eradicating poverty by creating economic opportunities for the majority of South African communities. Of significance in this initiative, among other strategic objectives, was its comprehensive vision of transforming the South African economy, and its zeal in enforcing ethical conduct and professionalism amongst government officials in their interactions with the public (Chagunda, 2006:3).

2.6.4 Integrated Sustainable Rural Development Strategy

The ISRDS was designed to realise and promote social cohesion and stable rural communities with viable institutions, sustainable economies, and universal access to social

amenities. Communities would be imbued with abilities to attract and retain skilled and knowledgeable people, equipped to contribute to growth and development (Mbeki, 1999:8). This initiative began in 1999 with selected communities, particularly in the rural areas, later being expanded to urban areas. According to Van der Waldt (2014:148), the strategy presents an opportunity for South Africa's rural people to realise their own potential and to contribute more fully to their own and the country's future as a whole. Of significance in this strategy is its emphasis on LED's principles in creating sustainable livelihoods for impoverished communities.

2.6.6 Joint Initiative on Priority Skills

In 2007, responding to the shortage of relevant skills which could support economic growth, the government introduced the Joint Initiative on Priority Skills (JIPSA); this further supported the envisioned prospects of ASGiSA. Realising that unemployment is mainly owing to low levels of education and shortage of skills, it was necessary for the government to formulate JIPSA as a catalyst for skills development. The Report on South African Activities (2007:7) states that skills acquisition is at the heart of economic and labour market issues, thus the need for a responsive education and training system, which is dependent on the social partners, as well as on government. Thus JIPSA was strategically planned so that it could facilitate interaction and engagement across different sectors within the education and training environment, and other stakeholders.

2.6.7 New Growth Path and National Development Plan

The South African economy continues to recover from the global crisis that erupted in 2008. However, owing to the intensity of unemployment, poverty, and inequality, economic growth is still uneven and fragile (Venter, 2014:1). It is against this background that local economic initiatives at municipal level should be strengthened to complement national growth strategies. In many communities, the government targets social livelihood strategies by local citizens with the aim of transforming and converting them into comprehensive and self-employment strategies for the benefit of local citizens. This however, requires skills and scientific knowledge so that these livelihood strategies become sustainable. With regard to the issues of skills, two critical questions remain, that is, how to enhance skills for the benefit

of the local economy; and how to transform local economic initiatives so that they filter into the Vision 2030 of the NDP for the rejuvenation of the South African economy. In response to these questions, two overarching economic interventions have been established. These include the New Growth Path, (NGP) of 2010, and the National Development Plan (NDP) of 2012. On the one hand, the NGP seeks to create youth employment in particular, through infrastructure development, agriculture, mining, manufacture, tourism, and the promotion of a green economy (Zarenda, 2013:1). On the other hand, the NDP aims to support local economies in realising their optimal potential and making local communities active participants in the economy of the country (RSA, 2011, 39).

Viewed from the NGP and NDP, the former VLM encouraged local citizens to be self-sufficient in creating job opportunities through the mobilization of available resources in their communities (Vulamehlo Local Municipality, IDP 203-2014). Practices similar to this of VLM, in which people participate in the systems which improve their lives, are viewed by Oakley (1995:16) as a basic human right; and also as essential for realignment of political power in favour of disadvantaged groups, and for social and economic development.

2.7. Local Economic Development: A Regional Perspective

South Africa, according to the Centre for Public Service Innovation (CPSI, 2005:3), is a lower-middle income country with a well-developed urban economy. This implies that, being the economic powerhouse in the African region, South Africa has the capacity and potential to unlock local and regional economic challenges. This depends on how the South African government provides leadership in mobilising the people and resources for regional growth. Within the regional context, South Africa is a member of the South African Democratic Community (SADC) community, which, amongst other things, aims to transform regional economy through the creation of sustainable jobs (CPSI, 2005:3).

The LED practise at the regional level is informed by Regional Indicative Strategic Development Plan (RISDP) which was introduced in 1999 by SADC Heads of States. This response was in order to review the operations of the SADC institutions in dealing with issues of poverty eradication and creating social and economic opportunities at a regional level. The RISDP initiative is also driven by the participatory principle, through which all

members states, including, Angola, Botswana, the Democratic Republic of Congo, Lesotho, Malawi, Mozambique, Namibia, Seychelles, Swaziland, Tanzania, Zambia, Zimbabwe, and South Africa communicate their developmental strategies which are pertinent to sustainable growth and economic development in the region (SADC Regional Indicative Strategic Development Plan, 2013:4). This requires progressive consultation with government agencies, CBOs, civil society, academic and research institutions, and International Cooperating Partners (ICPs). In a broader context, the RISDP focuses on meeting the following objectives.

2.7.1 Science and technology

Science and technology is imperative for economic development and growing competitiveness within the SADC region. In this regard, the RISDP aims to develop and strengthen national systems of innovation in order to infuse scientific and technological solutions in the quest for sustainable socio-economic development. In the South African context, there has been an increase in the use of technology, particularly in the banking industry and government sectors. As such, the South African education sector has in the recent past introduced universities of technology with the purpose of enhancing development through technology. In the case of Lesotho, the Ministry of Technology, Communication and Innovation has a project underway of implementing e-Government programmes. Malawi has recently opened the Science and Technology University. Angola is facing a shortage of skilled personnel; and this is greatly detrimental in terms of the country's economic growth and development (Scheerpers *et al.*, 2002:79).

The use of modern technology to cascade information and communication is viewed by the SADC region as a key indicator for successful regional integration (SADC Regional Indicative Strategic Development Plan, 2013:4).

2.7.2 Environment and sustainable development

The RISDP regards the issue of environment and sustainable development as pivotal to ensuring equity in the distribution of natural and environmental resources. This principle stems from the 1992 Agenda 21st Sustainable Development Conference in Brazil in which the

resolution to protect the environment for the ‘benefit of present and future generation’ was adopted (Scheepers *et al.*, 2002:38). Within the regional context, the mission for environmental protection is crucial in forging the harmonization of compliance with environmental policies.

2.7.3 Poverty eradication

Poverty presents a threat in the lives of the majority of African communities, particularly in the SADC region. It is against this background that the RISDP accords attention to poverty eradication as its primary objective. This is achieved through the creation of various projects such as SMMEs and rural livelihood activities, which promote self-sufficiency amongst the citizens in the region (World Bank, 2013:6). The focus areas and targets of poverty eradication are covered in all focus areas of the RISDP.

2.7.4 Private sector development

The priority of this objective is to integrate the private sector policies and processes of the private sector in the SADC programmes in order to harness and achieve sustainable regional economic integration and poverty eradication (Scheepers *et al.*, 2002:38).

2.7.5 Trade, economic liberalization and development

This focus area aims to promote trade and economic prosperity across the entire SADC region by enhancing all the systems and mechanisms which are pertinent to financial liberalization, competitive and diversified industrial development, and increased investment through the establishment of a SADC Common Market. This practice will ensure that the SADC region applies standard norms in their quest for economic sustainability and industrialization processes (SADC Regional Indicative Strategic Development Plan, 2013:13).

2.7.6 Gender equality, and development

The goal of gender equality and development is to facilitate the achievement of substantive equality between men and women in the SADC region by mainstreaming gender equality in all economic policies and programmes. Specific focus includes the positive measure to accelerate the monopolization of resources by women; particularly in impoverished or rural backgrounds. From an economic development perspective, women, who in most cases play a leading role in the agricultural productions and trade, should be empowered, as they are the engines for economic growth in the African region.

The effort of the SADC region in promoting LED has had a major impact on stabilization of its finances, industrialization, equity, and innovation. Despite challenges which have been encountered in these economic liberalization endeavours, the region is continually engaged in forging a progressive regional integration. There has been significant improvement since the inception of SADC initiatives and its programmes to boost the economy, except for the period between 2008 and 2009 in which there were economic difficulties around the globe (SADC Regional Indicative Strategic Development Plan, 2013:13).

2.8 Local Economic Development: A Global Perspective

This section explores the extent to which LED strategies are becoming necessary and a viable mechanism to complement the formal or traditional economic activities, particularly in the international community. The global economic depression which took place after the Second World War (WWII) in 1945, and the global economic failure of 2008, have made it necessary for the creation of alternative livelihood strategies across the world. The economic success of contemporary societies depends upon their ability to adapt to the dynamics of local, national, regional, and international market economies. Hence LED remains one of the economic tools for realising global economic prosperity. Furthermore, the International Labour Organisation (ILO) (2014:1) observes that regions, localities, and cities around the world are increasingly turning to LED in response to the challenges of globalisation, and the drive for decentralization.

Rodriguez-Pose and Tijmstra (2009:6) further elaborate that one of the most significant consequences of globalisation is the development of a new economic thinking, in which the

existing economic forms are being altered; leading to the formation of a more heterogeneous and complex socio-political and economic landscape. These alternative '*new modes*' of economic developments, which include, *inter alia*, LED, are increasingly regarded as solutions which tackle developmental challenges, depending on their appropriateness and application in the various countries.

Ndlovu and Makoni (2014:16) assert that LED strategies are not a neutral panacea for the development challenges that face the world today. While LED strategies are generally viewed as effective tools for circumventing the harsh realities of globalisation, they are also generally spared negative criticism. This negativity includes their causal impact in causing dependency and coloniality for the developing economies, such as South Africa on the African continent.

Growing opportunities for LED in the international arena are accompanied by critical questions which are often attributed to the failure of this economic initiative. For example, (ILO, 2014:9) asks the following questions about the future developments of LED:

- Do local governments have the capacity and resources to live up to obligations to drive local economic initiatives?
- What is good practise in promoting quality work locally?
- How may participation of the private sector, social partners, women, and youth be ensured?
- How can multinational enterprises contribute to the development of local economies in a sustainable way? and
- How do local strategies fit into the broader national policy framework?

Answers to these pertinent questions require a comprehensive and an all-encompassing strategy which will ensure that the stakeholders who drive this initiative, particularly at local government level, as in South Africa, are capacitated to deal with challenges which have potential to hinder their effectiveness.

Contrary to the practise of many developing nations in which the '*welfare state*' is promoted in many forms (such as in the provision of social grants in South Africa), the ILO's approach to LED aims to promote a culture of self-sufficiency among citizens, and the promotion of

quality employment that delivers a fair income, provides social protection, and allows for a meaningful role of women and youth in economic development. This may be achieved by:

- Focusing on the specific needs of a specific territory;
- Targeting sectors in those territories with economic potential;
- Linking job quality to enterprise competitiveness;
- Building capacity of local citizens; and
- Prioritising strategies and tools to benefit the indigent (ILO, 2014:1).

It is evident with these strategies, that for ILO, LED means more than simply economic growth, but also the process of social empowerment, aiming to capacitate the citizens with quality work opportunities. The ILO (2014:6) further postulates that LED strategies should be people-centred and locally managed. This is imperative in promoting community participation and local dialogue. As noted earlier, local government should work closely with communities in identifying opportunities with potential for economic prosperity and citizen empowerment for local communities (ILO, 2014:6).

From an economic point of view, a people-centred approach refers to the roles of the government, private sector, and other interested parties, in creating economic opportunities by capacitating citizens with, among other aspects, entrepreneurial skills and financial support so that they may take control of their economic aspirations (ILO, 2014:8). The Organisation for Economic Cooperation and Development (OECD (2008:12) outlines the following characteristics of people-centred development:

- **Expanding, diverse, inclusive citizen participation:** in which capacity is being built at a local level, the majority of people being included and encouraged to participate in all types of community activities and decisions.
- **Enlarging the leadership base:** community leaders that engage citizens in decision-making are building community capacity. Also, providing opportunities to acquire skills and to learn and practise leadership is an important part of developing the community leadership base.
- **Strengthening individual skills:** A community that uses a variety of resources to create opportunities for individuals' skill development is building community capacity in an important way. As individuals develop new skills and expertise, the capacity of both the individual and the community is increased.

- **Creating a strategic community agenda:** Creating a vision of the best future is one step in bringing a community together. When individuals and organisations consider future changes and plan together, the result is a strategic community agenda. Setting a community-wide agenda is one way of understanding and managing change (OECD, 2008: 12).

The degree to which communities successfully influence their economic opportunities depends mainly on their willingness to engage with their authorities at community level. This may be problematic for the contemporary South African political and economic landscapes in which public discontent with community leadership has culminated in hostile relations owing to poor services and failure to deliver on promises (Venter, 2014:1).

2.9 The Practice of LED in Vulamehlo Local Municipality

In compliance with the legislative framework governing LED, the municipal council of the former VLM took the initiative to ensure that the overall economic and social conditions of the locality is conducive to the creation of job opportunities. Furthermore, in response to the NDP, the municipality has reviewed its LED strategy to align its job creation and poverty alleviation strategies with the Provincial Growth Development Strategies (PGDS). This implies the allocation of economic resources in the form of skills enhancement and job opportunities to the communities in the province of KZN. To this end, the LED strategy of the former VLM was underpinned by the following objectives:

- To undertake a detailed economic analysis in order to enable the identification of interventions that will lead to economic independency of local communities;
- The creation of jobs through investment in key sectors;
- Ensuring the improvement of training and skills development;
- The transformation of rural and urban areas through LED interventions; and
- Building the capacity of the municipality to undertake LED through a coordinated approach to LED (IDP, 2015:6).

The LED strategy of the municipality which is interpreted by the above-mentioned objectives was developed in 2006 and adopted in 2007 in consultation with communities and other

interested parties. It identified four main sectors which were considered to have the potential to unlock economic opportunities in the municipal area. These include:

- Agricultural productions;
- Manufacturing industries;
- Tourism; and
- Retail (IDP, 2015: 16).

It is through these economic sectors that the former VLM could enhance and sustain its economic base, thus contributing to employment for its citizens.

2.10 Vulamehlo Local Municipality's Strategy for Economic Growth

In meeting its objective for growth as mentioned in Section 2.9 above, and addressing the challenges identified in the NDP, the LED Document (2014) of the former VLM has implemented the following key strategies:

- **Strategic infrastructure investment:** The intention was to utilise investment in infrastructure in order to spatially reconfigure the local municipality, generate jobs, and to boost economic activity. The local municipality's Spatial Development Framework and Infrastructure audit has been completed in order to guide this investment.
- **Education and Skills development:** The idea was to mobilise all key stakeholders, focusing on a single Human Resource Development Strategy (HRDS) for the region. The HRDS would address life-long and quality learning throughout the municipal area with the aim of ensuring higher employment, productivity, and entrepreneurship levels in the community.
- **Strategic sector engagements:** The VLM was partnered with key sectors such as production of furniture, sugar, bananas, macadamias, clothing, textiles, and design, through jointly managed action-research projects that identify value-chain investment opportunities and support needs within these industries. Joint implementation plans were being agreed upon that sought to maximise their shared growth and job creation potential in the region.
- **Institutional development:** This goal addressed the need to strengthen and build collaborative partnerships within government, and amongst the public, private, and

civil society sectors. The acknowledgement was that better coordination, collaboration, governance, and the creation of an enabling environment for businesses and institutions to prosper, was essential for development within the municipal area.

- **Environmental Sustainability:** There was a commitment to reverse the environmental degradation that took place within the municipal area and to adopt a ‘green’ approach to all public and private sector activity within the region. The intention was to consider all investment aspects, including the people, profit, and the planet (3Ps), and to ensure that trade-offs were made apropos of the long-term interests of the region.

Significant progress was registered with regard to the implementation of the above-mentioned strategies; however, there were challenges along the way arising from poor community participation, lack of input by external agents, including CBOs, NGOs, NPOs pressure groups, among others. This was had a major setback with regard to issues of institutional development.

2.11 Interpretation of the LED Implementation Cycle of the former Vulamehlo Local Municipality

The diagram below demonstrates the LED implementation cycle of the former VLM

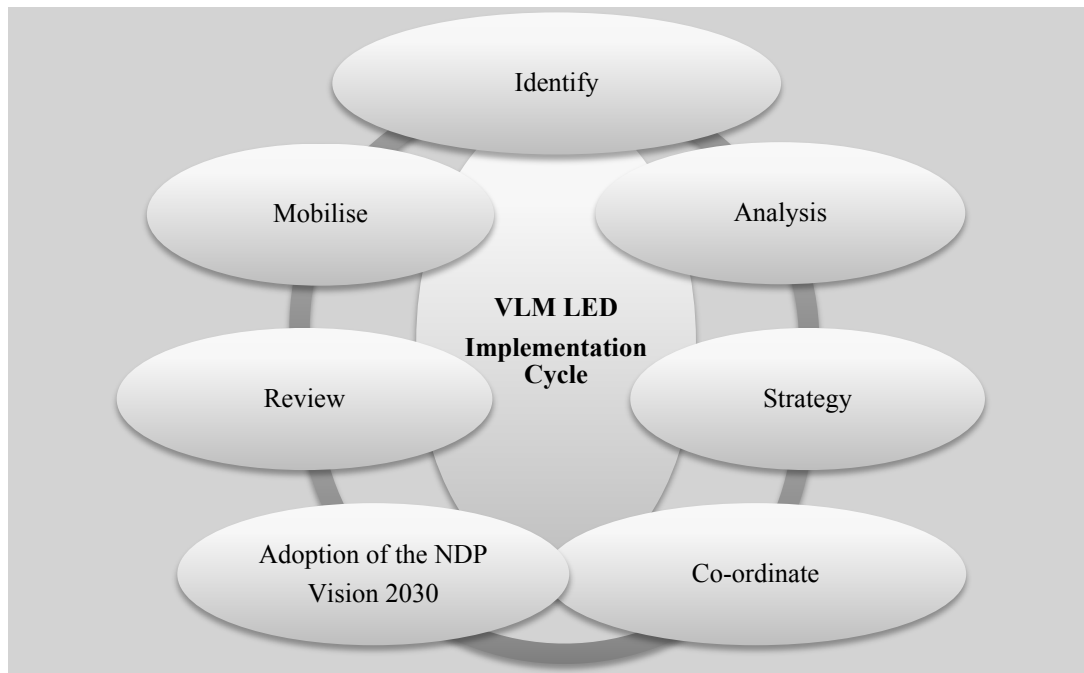


Figure 2-1: Vulamehlo Local Municipality's implementation cycle of the LED Programme
Source: IDP, 2015:108

Each of the implementation phases in the cycle is discussed below.

Mobilization of resources: The mobilization of economic resources is reflected in the SADC Regional Indicative Strategic Development Plan (2013:13). Human and financial resources are critical to economic stability and success of the LED projects in the municipal area. While the municipality did not have funding allocated specifically for LED projects, it relied much on donor grants from the municipal external partners, such as the business and private sectors. The notion of the culture of cooperative governance enshrined in Chapter Three of the Constitution of South Africa of 1996 is essential to these situations, in which the municipality is able to mobilise assistance from its stakeholders. Citizens are also encouraged to be self-sufficient in this regard so that they may assist the municipality in generating sufficient financial support for funding LED initiatives (IDP, 2015:19).

Identification of job job-rich areas: The municipality regarded tourism and the agricultural sectors as areas with potential for employment and economic growth. This confirms that the identification of job rich areas is essential to the municipality in propelling resources where they are most required (SADC Regional Indicative Strategic Development Plan (2013:13).

Analysis of the regional and international economic trends: National and regional economic trends have a direct impact on the practise of LED at the local level. For example, the inflation rate, and the increase in interest rates can influence the country's employment levels. It is against this background that in its endeavours towards economic growth, the former VLM had to continually analyse contemporary issues of the global and international political economy (IDP, 2015:19).

Strategy for economic growth: The strategy of the former VLM for economic growth included the creation of vibrant, equitable, and sustainable rural and urban communities with equal opportunities for employment, and expanding opportunities for women, youth, people with disabilities, and older persons who live in rural areas. The strategy also encouraged the citizens to engage more critically in job-rich areas such as tourism and agriculture (IDP, 2015:20).

Coordinated efforts for LED Programmes: This calls for coordinated efforts of the municipal Economic Development Unit to engage on a regular basis with the municipal LED stakeholders, such as the private and business sectors, NGOs, CBOs, and other interested parties, to play a meaningful role in finding solutions for growth within the municipal area (IDP, 2015:20).

Adoption of the principles of NDP Vision 2030: In order to give effect to the LED success, the municipality adopted seven priorities in line with the NDP Vision 2030. These included poverty alleviation, job creation and skills development, stimulating economic growth, infrastructure development, curbing of fraud and corruption, and fostering of good governance (IDP, 2015:21).

Review of LED strategies: The municipality reviewed its LED strategies on a quarterly basis in order to ensure that its strategies were in line with the provincial growth strategies and the Vision of the NDP (IDP, 2015:23).

2.12 Chapter Summary

This chapter presented a conceptual understanding and practise of LED from the local, regional and global contexts. The chapter also demonstrated that the quest for economic

development in the underdeveloped and developing nations requires the active role of various stakeholders and social institutions. Furthermore, economic policies should be both resilient and flexible in understanding the context in which economic initiatives are constructed. The chapter finally reviewed the strategies adopted by the former VLM in implementing its LED strategy. The following chapter presents the conceptual framework of this study

Chapter Three

Conceptual Framework Underpinning the Study

3.1 Chapter Introduction

This chapter presents the conceptual framework underpinning the study. Of significance to this conceptual framework is the presentation of the key dimensions which are critical to economic development, in the international, regional, and local contexts. Furthermore, Chapter 1 reflects that the quest for economic development is a multifaceted process requiring the interactions of many different stakeholders in the economic landscape, and the utilization of many different approaches. With regard to VLM, the business sector, private and civil society organisations are the key agents for sustainable economic development in VLM communities.

3.2 Sustainable Development

The economic development challenges are complex and multidimensional. These have in turn resulted in the development of a number of theories, explanations, assertions, and arguments surrounding the role of sustainable development in improving economies of the developing nations (World Bank, 2000:101). The World Commission on Environment and Development (WCED) defines sustainable development as “development that meets the needs of the present without compromising the ability of the future generations to meet their own needs” (WCED, 2001, cited in Van Der Waldt *et al.*, 2014). This concept highlights four important aspect of the economy, namely:

- The basic needs of the disaffected sectors of society which should be given priority;
- The environmental challenges limiting the abilities of the generations to achieve their goals;
- The environmental management and conservation for future use; and
- The role of the state organs in supporting economic endeavours for citizens in indigent economies (Van der Waldt, 2014:7).

These factors relate to the context of the contemporary South African economy, and impact negatively on economic growth. For example, the current threat of drought in the province of KZN symbolises environmental strain. The previous chapter has indicated that the agricultural sector in the former VLM was conceived as one of the areas that has the potential to create job opportunities. Therefore, the impact of the drought would certainly prohibit any form of economic activity in the agricultural sector.

In an attempt to locate the concept of sustainable development within the context of municipalities, the International Council for Local Environmental Affairs (ICLEA) (1995) developed a definition of sustainable development for use by municipalities which emphasises their developmental role. The definition of sustainable development by the ICLEA denotes the “development that delivers basic environmental, economic and social services to all without threatening the viability of the natural, built and social systems upon which these services depends” (Nel, 2014:108). In South Africa, the role of local government in ensuring sustainable economic development stems from the view that most of the socio-economic challenges currently experienced by citizens have their roots in a social arrangement designed by the legacy of Apartheid. As a sphere closest to the people, local government is essential in addressing poverty and social exclusion and issues affecting the environment. In addition, the successful achievement of sustainable development at the local government level depends on the integration of well-defined economic programmes in all municipal IDPs (Van der Waldt *et al.*, 2014:126). Constitutionally, for example, local authorities have a key role of promoting a safe and healthy environment (RSA, 1996).

3.3 Dimensions of Sustainable Development

Harris (2000:6) notes that in the literature of economic development, the concept of sustainable development is closely linked to three dimensions, namely, economic, environmental, and social.

- **Economic**

An economically sustainable development must be able to produce goods and services on a continual basis in order to maintain economic status of the society and to avoid social inequalities and imbalances. From a South African perspective, social inequalities and

imbalances were experienced on a vast scale during Apartheid in which economic development was established along racial lines. The Apartheid system mainly benefited the White minority. Through RDP and other macro-economic policies discussed in the previous chapter, the South African government has made concerted efforts to address the existing inequalities and imbalances. Related to this study, the LED strategy is one of the government's initiative adopted to engage local citizens more actively in economic development activities.

- **Environmental**

Section 152 (d) of the Constitution of South Africa of 1996 requires municipalities to promote a safe and healthy environment. Therefore, it is essential that extra precautionary measures are established to ensure the reasonable utilization of the environment. Against the backdrop of the outbreak of the drought in the Province of KZN, the environmental aspect of sustainable development calls for all government entities, community organisations, and other interested parties to develop strategies for environmental preservation (RSA, 1996). However, Chambers (1998:12) presents an appalling dimension of environmental management. He asserts that penurious people, in their struggle to survive, are driven to conduct environmental damage with long-term negative consequences.

- **Social**

A socially sustainable aspect should be channelled towards ensuring social equity and fair distribution of economic and employment opportunities, benefiting the disaffected communities. The above-mentioned dimensions have resonance and the ability to accelerate economic opportunities at the community level. However, this depends on how well they are incorporated by local authorities into their planning frameworks, such as IDPs, strategic planning, and turnaround strategies. Failure to address such aspects will certainly jeopardise economic endeavours of local communities (OECD, 2014:7).

The dimensions of sustainable development as a conceptual framework for the study are depicted in Figure 3-1 below.

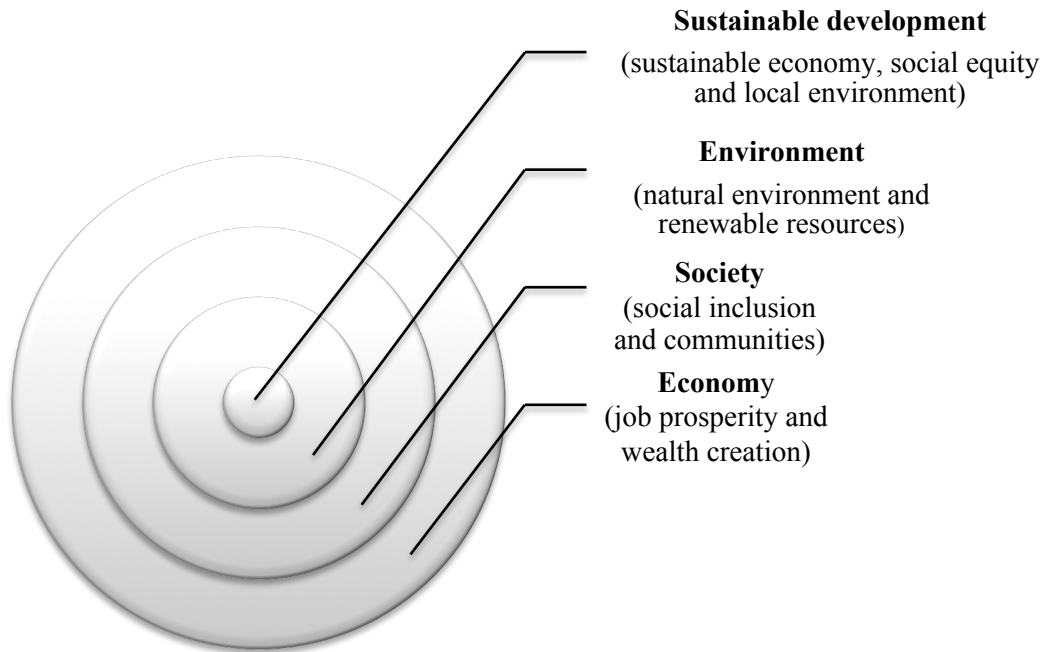


Figure 3-1: The economic aspect of sustainable development
 Source: Howe, 2016:9

As indicated in Figure 3.1, the successful implementation of sustainable development requires the combination of economic, environmental, and social dimensions discussed earlier in this section. Understanding this interconnection is essential to building a strong economic base and channeling resources more directly, to make economic development more sustainable. From the perspective of a strategic management and sustainable economic development, sustainable development signifies the new role of local government as discussed below.

3.4 Local Government and Sustainable Development: A Strategic Management Perspective

Local government, because of its position in society in being the sphere closest to the people, has a major role in promoting and working towards sustainable development. In this regard, Section 152 of the Constitution (RSA, 1996) articulates five basic objectives that highlight the role of municipalities on sustainable service delivery for community development. Amongst these objectives is the need for local government to strategise on ways in which the socio-economic opportunities may be created at the community level. However, as noted

previously in Chapter Two, there are challenges experienced in this regard owing to the lack of expertise and financial resources in local government (Basheka *et al.*, 2013:603).

The role of local government on sustainable development is also observed by Van der Waldt *et al.* (2014:103) who advance that municipalities in South Africa are currently undergoing transformation. This requires flexibility and strategic vision for the acceleration of services, promotion of social and economic opportunities, and the manner in which municipalities engage citizens in policy decisions. In this regard, the White Paper on Local Government (1998) highlights the need for municipalities to be guided by a clear and strong leadership which is able to take balanced development policies. For example, municipal development policies must be flexible and innovative in exploring business ventures for current and future generations. This requires strategic planning for sustainable economic growth (Nolan and Pfeifer, 1993:3).

For Fox, Bayat, and Ferreira (2006:32) strategic management and sustainable development should cater for issues of policy formulation, implementation, and evaluation of actions that will enable organisations to achieve their objectives. It is evident from these assertions that, in the quest for economic growth, municipalities should have clear policy directions informed by a vision that promotes economic abilities and sustains local economic growth.

3.5 Sustainable Economic Development

The Local Government Municipal Systems Act (Act 32 of 2000) highlights the concept of LED, which municipalities must implement in order to create opportunities within their areas of jurisdiction (RSA, 2000). Despite these provisions, the escalating levels of poverty at community levels have necessitated a major improvement in development thinking, prompting the government, including local government, to design tailor-made interventions of dealing with economic challenges. Babier (2008:101) notes that such interventions emphasise meeting the basic needs of the impoverished, advocating cultural sensitivity, and encouraging grassroots participation in the development processes. As with elsewhere in the African diaspora, the assertions of economic development stress the consideration of citizens' needs and their involvement in development planning.

Tolba (1990:98) warns that there will be no sustained economic growth or meaningful development without mass participation at community levels and a commitment to preserve the environment and promote the rationale use of resources. This suggests that local government – as a sphere ‘closest’ to the people – should utilise its limited resources to sustain economic endeavours at community level.

3.6 Planning for the Implementation of Sustainable Economic Development

There is a growing consensus amongst governments, and development and economic practitioners, that to reduce poverty, development efforts need to focus on stimulating sustainable economic development at the international, national, regional, and local levels. This will, in turn, boost revenues, and create employment leading to sustainable economic growth. The Canadian International Development Agency (CIDA) (2009:33) states that proper planning and the implementation of plans and strategies involving the following strategies is key to economic growth.

3.6.1 Effective policies and institutions

The rule of law and political accountability enhances economic growth. Transparent and properly enforced laws, proper financial management and resource allocation, appropriate regulatory systems and strong institutional leadership are all essential to economic growth. The South African government has coined the concept of ‘good governance’ to refer to the institutional requirements of transparency, openness, accountability, impartiality, and fairness, efficiency, and effectiveness, representation, and the rule of law, to improve the performance of bureaucratic systems which continue to affect public administration in the 21st century (Basheka *et al.*, 2013:600). Leftwich (1993:606) also observes that good governance is now seen as key to achieving socio-economic development. Poor institutionalization of systems at the municipal levels has impacted negatively on the quest for South Africa’s economic development. This is mainly due to corruption, mismanagement of funds, incompetency, lack of professional and ethical values, and poor implementation of monitoring and evaluation (M&E) systems.

3.6.2 Infrastructure development

Infrastructure development is increasingly regarded as a key component of an enabling environment for economic growth. This stems from the fact that, for example, enterprises need an adequate transportation system from rural roads to airports and ports to access markets for their goods and services. Furthermore, the availability of reliable energy and communication technologies makes enterprises more productive and innovative. In developing countries, the absence of such basic infrastructure is a chronic barrier that contributes to poor economic conditions. This was the case with the former VLM in which poor topographical arrangements precluded economic activities, particularly for emerging entrepreneurs.

3.6.3 Skilled workforce

A skilled workforce is an asset and important foundation of sustainable economic development. In the South African context, as discussed earlier, JIPSA highlighted the importance of skills in the workforce. The JIPSA organisation sought to empower citizens so that they become more competitive for entrepreneurial and employment opportunities (RSA, 2009:7). The CIDA (2009:100) also states that countries that invest heavily in human capital usually demonstrate the strongest economic growth. However, this is not always the case in developing countries in which many working-age adults are illiterate and lack numerical skills required for employment, or to take part in any form of economic activity. In such countries many youth have become a major socio-economic burden. In addition, economic and development theorists and academics note that the lack of entrepreneurial market and management skills needed from the youth have played a role in deterring economic growth (Nel, 2014:14).

3.6.4 Women empowerment

Recognising the colonial, imperial, and Apartheid experiences in the developing nations which excluded women's participation in economic development, CIDA (2009:9) notes that women have potential, playing a central role in economic development as income earners, in uplifting themselves and emancipating their families and their communities from poverty. It is, however, documented in much contemporary literature on development and gender studies

that women still face endless challenges in engaging in numerous social and economic activities as role players, owing to social and cultural barriers confining their duties within household settings (Venter, 2014:1).

3.6.5 Agricultural sector

Agriculture is the largest economic sector in many developing nations. It is a significant generator of employment, contributing to poverty reduction and food security. Improvements in agricultural productivity and innovation can drive economic growth. However, for example, barriers to trade, market access, infrastructure, and land tenure, high input costs, and poor access to technologies, restrain the ability of developing countries to harness potential for growth in agricultural sectors (IDP, 2015:89).

To complement the above-discussed economic growth strategies, the IDP Document (2013-2014) of the former VLM highlighted the following mechanisms to steer economic growth:

Building Economic Foundations: This involves supporting the interested citizens with skills and knowledge for participation in the labour market by equipping them with soft skills. Youth were encouraged to focus on their secondary studies and to further their studies at tertiary institutions of education. The Masakhane Project has also been established in which citizens boost each other through community projects. These initiatives have potential to lay a firm foundation for economic growth, however, the lack of funds and donors is often a challenge.

Growing Businesses: This involved supporting the (SMMEs) such as the community tuck shops and street traders – not excluding other business ventures which have potential for growth.

Investing in People: Citizens are the source of economic growth. As such, the municipality cascaded information to local people leading to employment opportunities in the formal and informal sectors.

3.7 Chapter Summary

The conceptual framework for the study was presented in this chapter. This framework reflects a number of dimensions, including those economic, environmental, and social, which are critical for economic development. This chapter revealed that there is an increasing consensus that economic development is a multifaceted process that involves interactions among various stakeholders in the economic landscape, and the utilization of many different approaches. For example, the chapter has discussed the role of local government in strategic planning of economic development. Furthermore, various initiatives involved in economic growth such as sustainable development, and sustainable economic development, were explored in detail.

Chapter Four

Research Design and Methods

4.1 Chapter Introduction

This chapter presents the research design, methods, and strategies used to collect the empirical data for the study. The general aim of the study was to explore the notion of LED as a strategy for accelerating economic growth at the local government sphere, with specific reference to the former VLM. Given its nature, the study therefore adopted a qualitative research design, thus interviews were set for collecting data. The research participants included the stakeholders such as the municipal manager, ward councillors, the business community, and the economic development unit of the municipality, who were involved in the implementation of the LED strategy in the former VLM. The chapter begins by defining research, rationalising the application of research design and methods for the study. The chapter finally elaborates on the reliability and validity of findings and ethical considerations for the study.

4.2 Research as a Concept

Research refers to production of scientific knowledge in a systematic and logical way for the purpose of solving a problem (Creswell, 2008:63). Relating to this, Bertram and Christiansen (2014:207) state that research is a process of investigation that is systematic, controlled, empirical, and self-correcting. As such, research is not haphazard; rather, it is logical and based on the collection of scientific evidence. For effective research findings, Yin (2010:35) advises that formal research should use the principles of scientific investigation, such as the rules of random sampling in surveys in order to replicate results. This study was designed as an exploratory research, in which issues pertaining to LED planning in the then VLM were broadly explored.

4.2.1 Exploratory research

Exploratory research is conducted to provide insight into and understanding of a particular subject of interest to the researcher. This is also elaborated by Burns and Groove (2012:374) who state that this type of research aims to discover new insights, investigating new research areas to broaden the knowledge base of the phenomenon. Likewise, Marlow (2010:334) perceives exploratory research as a form of research that generates initial insight into the nature of the research phenomenon, and develops questions to be investigated by more extensive studies. For this study, the notion of LED and its practise in the former VLM was explored in more detail, with the purpose of understanding its contributions towards alleviating poverty by creating job opportunities. The research, in question form was presented in Chapter One of this dissertation.

4.3 Research Design and Methods

There are various research designs from which the researcher may choose when conducting research. These include quantitative, qualitative, or mixed methods research designs. These are discussed in detail below.

4.3.1 Quantitative research

Quantitative research is usually referred to as hypothesis-testing research. This stems from the observation that quantitative studies begin with statements of theory from which research design is established. Van der Merwe (2014:606) confirms that quantitative research is a research approach aimed at testing theories, determining facts, demonstrating relationships between variables, and predicting the outcomes. The techniques used in quantitative research include random selection of research participants from the study population in an unbiased manner, the standardised questionnaire or intervention they receive, and statistical methods used to test predetermined hypotheses regarding the relationship between specific variables (Newman and Benz, 2011: 215).

4.3.2 Qualitative research

According to Van der Merwe (2014:5, cited by Garbers, 2015:2) qualitative research is a research approach aimed at the development of theories. Denzin and Lincoln (2009:33) define qualitative research as a situated activity which locates the observer in the world. It involves an interpretive, naturalistic approach to the world. For example, qualitative researchers study phenomena in their natural settings, attempting to make sense of, or to interpret phenomena in terms of the meanings people bring to them. Qualitative research implies an emphasis on the qualities of entities, and on processes and meanings that are not experimentally examined or measured (Denzin & Lincoln, 2009:10).

4.3.3 Mixed methods research

Kemper, Stringfield and Teddlie (2009:107) define mixed methods design as a method that includes both qualitative and quantitative data collection and analysis in parallel form. In simple terms, this methodology uses qualitative and quantitative methods in a single study. In mixed methods research, the researcher uses the qualitative research paradigm for one phase of a study and a quantitative research paradigm for another phase of the study Denzin and Lincoln (2009:39).

Creswell, Fetters and Ivankova (2011:7) argue that mixed methods research is more than simply collecting both qualitative and quantitative data. It implies that data are integrated, related, or mixed at some stage of the research process. The researchers further indicate that the underlying logic to mixing is that neither qualitative nor quantitative methods is sufficient in independently capturing the trends and details of the situation as they are when used in combination. As such, both qualitative and quantitative research designs complement each other and yield a more complete analysis. Sales, Lohfeld and Brazil (2002:46) comment that both approaches may be combined because they share the goal of understanding the world in which we live. Moreover, they share a unified logic, and the same rules of inference apply to both. A combination of both approaches provides a variety of perspectives from which a particular phenomenon may be studied. They share a common commitment to understanding and improving the human condition, and a common goal of disseminating knowledge for practical use. Johnson and Onwuegbuzie (2004:17) indicate that mixed methods research

includes the use of induction, which refers to the discovery of patterns; deduction, which involves testing theories and hypotheses; and abduction, which refers to uncovering and relying on the best set of explanations for understanding one's results.

The study adopted a qualitative research methodology. The rationale for the adoption of this methodology stems from the exploratory nature of the study. Furthermore, since the main objective of the study was to explore broadly the concept of LED within the local government sphere, it became necessary to utilise a strategy that allowed the researcher to interact closely with the LED key informants. This was in exploring and developing a deeper understanding of LED as a main variable of the study. The inductive approach was used to discover data patterns. These are presented as themes and in matrixes in Chapter Five of the study.

4.4 Research Sampling and Population

The manner in which the sample of research subjects is selected from the population is critical to the level and quality of feedback received during the data-collection process. Fields (2005:109) distinguishes between a sample and population by explaining that a sample is a smaller, but representative unit selected from a population. The term 'population' refers to all elements of the natural environment that meet specific criteria for consideration in the study. Sampling is, therefore, the system, method, or strategy of choosing an appropriate sample of a population for the purpose of determining characteristics of the entire population (Creswell, 2008:33). For the current study, the research subjects were drawn from the then VLM. The sample included ten municipal officials and ten members of the business community.

According to Van Heerden (2012:108), proper selection of the research sample is advantageous for the following reasons:

- A sample provides relevant respondents with an opportunity to participate in the study;
- It saves time by choosing respondents who will provide needed information expeditiously;
- It ensures that specific groups who are the key informants are involved in a study; and

- It ensures balance of group sizes when multiple groups are to be selected.

There are two approaches used in sampling. These are probability and non-probability samplings which are further elaborated below.

4.4.1 Probability sampling

Probability sampling is a sampling method that relies on random selection of research subjects (Sekaran, 2011:17). Using probability sampling, the researchers may want to identify specific elements from the research population that they are interested in studying (Kothari, 2009:126). Neumann (2007:76) further postulates that, in probability sampling, each population member has a known and non-zero chance of participating in the study. This suggests that in random sampling, researchers may select subjects who are the key informants in responding to the research problem being pursued in the study. The random sampling consists of five sampling techniques, namely:

4.4.1.1 Simple random sampling

Simple random sampling is a small subdivision/subgroup which is selected from a larger population to participate in the study (Kothari, 2009:83). The procedure is that the subjects are selected randomly to avoid bias. Each subject in this category stands an equal probability for selection (Human Science Research Council (HSRC), 2015: 13).

4.4.1.2 Stratified sampling

Stratified sampling, also referred to as “*stratification of the population*” refers to the selection of a sub-division of the entire population for the purpose of identifying a ‘strata’ or a small portion to participate in the study (HSRC, 2015:17). According to Creswell, (2013:24) the stratification of the population often enhances the representativeness and accuracy of the sample by avoiding sampling error that may occur during the selection of research subjects.

4.4.1.3 Systematic sampling

Systematic random sampling is also known as interval sampling because sampling is conducted at different intervals (Van Heerden, 2012:17). Using this procedure guarantees that each element in the population has a known and equal probability of selection to participate in the study.

4.4.1.4 Cluster sampling

Cluster sampling or a multi-state sampling procedure is conducted in two phases (Babbie and Mouton, 2001:23). Firstly, the sample is selected from the population. In the second phase, the researchers identify a specific category of respondents from the sample (Babbie and Mouton, 2001:108). The rationale for this rigorous selection process is to ensure that only subjects who possess key information are selected to participate in the study.

4.4.2 Non-probability sampling

Non-probability sampling refers to the situation in which researchers may haphazardly select subjects from the population that they are interested in studying (HSRC, 2015:200). The decision to use non-probability sampling may be motivated by this type of sampling being user friendly, non-technical, less expensive, and less time consuming (Robertson, 2009:7). Battaglia (2011:27) notes that, while sampling involves an infinite sample of the population, the non-random sample does not focus on the random sample of the researcher's interest. Non-probability is divided into three categories, namely:

4.4.2.1 Quota sampling

Quota sampling involves the selection of a small portion or 'strata' of the population being studied (Neumann, 2007:109). In quota sampling each element in the population has a known and non-zero chance of being selected through the use of a random selection procedure, such as simple random sampling.

4.4.2.2 Purposive sampling

Purposive sampling or judgemental sampling aims to identify a sample that is representative of the population being studied (Babbie and Mouton, 2001:36). This refers to subjects with the characteristics or background information required to answer research questions. The challenge with this sampling technique is that the identification of a sample may require the expert knowledge of the sample. This becomes difficult when researchers do not have the prerequisite knowledge of the sample (Neuman, 2007:110).

4.4.2.3 Convenience sampling

Convenience sampling contrasts with purposive sampling in that expert knowledge is not necessary in selecting the sample from the research population. Instead, the researcher relies on the ease of obtaining the representative sample (Battaglia, 2011:9).

For the purpose of this study, the study adopted non-probability sampling in which convenience sampling was used. Research subjects were selected based on their knowledge of LED matters within the former VLM, in order to acquire in-depth information on the subject.

4.5 Data-collection Instruments

The quantitative and qualitative research methodologies use various instruments to collect data. The quantitative methodology relies on questionnaires as a research instrument, while qualitative methodology uses interviews to collect data.

4.5.1 Questionnaires as quantitative data-collection instrument

Questionnaires are used in quantitative methodology. Quantitative methodology usually deals with large samples; hence the administering of questionnaires is regarded as the most appropriate instrument of data collection (Michaelson, 2008:89). Questionnaires are a set of questions designed in sequence, which measure the understanding of research participants on the problem investigated in a study (Bartram and Christiansen, 2014:8). Maughan (2009:9)

asserts that questionnaires are more relevant for accommodating wider audiences compared with interviews which deal with smaller samples. Maughan (2009:8) distinguishes between two types of questionnaire, namely:

5.5.1.1 Self-evaluation questionnaires

These questionnaires are designed to measure a respondent's individual understanding of a matter being pursued in the study (Maughan, 2009:11). Self-evaluation questionnaires also seek to determine respondents' attitudes and perceptions. The researcher may draw conclusions based on respondents' attitudes towards a research problem.

4.5.1.2 Observational evaluation questionnaires

Observational evaluation questionnaires are directly linked to the American adage "you can observe a lot just by watching". In this regard, the researcher draws conclusions by merely recording behaviour patterns of the research subjects. The disadvantage with this data-collection technique is that respondents may alter their behavioural patterns when they noticed that they are being observed.

4.5.2 Interviews as qualitative data-collection instrument

Interviews are techniques of collecting data in the form of oral quizzes in which the researcher asks a set of questions of the research respondents (Creswell, 2009:7). Furthermore, Neumann (2007:45) notes that interviews provide a deeper understanding of social phenomena than would be obtained from purely quantitative methods, such as questionnaires. The interview process can be more efficient and produce reliable findings because it is a direct engagement between respondents and interviewers (Creswell, 2008:67). In this regard, the researcher may pursue any questions until the satisfactory answer is provided.

The study was guided by the tenets of qualitative methodology. Therefore, the above-mentioned factors contributed toward the collection of data for the study. The researcher engaged in robust debates with the municipal officials and business community in the quest

for exploring strategies that would contribute to economic growth of the then VLM. Depending on the nature of the study, the interviews may be unstructured, structured, or semi-structured.

4.5.2.1 Structured interviews

Through structured interviews, the interviewer asks questions in a pre-planned sequential order without any deviations (Sekaran, 2011:103). Similar to this viewpoint, Leedy (2009:11) postulates that, in structured interviews, the interviewer uses a set of predetermined questions which are short and clearly worded. In most cases, these questions are closed and therefore, require precise answers in the form of a set of options read out or presented on paper.

4.5.2.2 Unstructured interviews

As opposed to structured interviews, unstructured interviews are similar to brainstorming sessions, in which interviews do not have preconceived answers on the questions (Williamson, 2007:308). They are more informal, without any clear direction for the questions (Leedy, 2009:12). The role of the interviewer in these interviews is to pose open-ended questions, in which interviewers are flexible in responding as much as they wish. For this particular study, unstructured interviews facilitated a more flexible environment, thus respondents expressed their views without any restrictions.

4.5.2.3 Semi-structured interviews

Semi-structured interviews use a combination of both structured and unstructured interviews (Van Heerden, 2012:89). In some instances, the response given by interviewees prompts the interviewer to divert from structured questions and ask questions which were not pre-planned. In this regard, the semi-structured interview has the advantage of both structured and unstructured interviews.

In order to solicit a diversified data for this study, the researcher used the combination of structured and unstructured interviews. The structured interviews were directly linked with the objectives of the study and were aimed at developing a better understanding of economic

development strategies at a municipal level. The unstructured interviews were informal but focused on LED issues in the former VLM. The sample of interview questions for this study is enclosed as Annexure 3.

4.6 Research Data Analysis

Data analysis procedures involve the Statistical Package for the Social Sciences (SPSS) for quantitative data, and thematic analysis for qualitative data.

4.6.1 Quantitative data-analysis procedure

Quantitative data analysis involves data extracted from the questionnaires, and in many instances, it is interpreted in the form of statistics or numbers (Creswell, 2009:108). To analyse this type of data, researchers may opt for the Statistical Package for the Social Sciences (SPSS) as an analysis procedure (Creswell, 2009:108). In the case of this research, quantitative data analysis was not utilised because the study was qualitative in nature.

4.6.2 Qualitative data-analysis procedure

Qualitative methodology was the main technique utilised in the study to develop a deep insight into issues pertaining to economic development in the identified municipality for the study. Against this background, the study deemed it necessary to use thematic analysis to analyse data gathered through interviews with the municipal officials and business community. The rationale for thematic analysis arises from qualitative data requiring a great deal of simplification, clarification, and inference.

4.6.1.1. Thematic data analysis

Thematic analysis is defined by Braun and Clarke (2006:7) as a system used by researchers to identify, analyse, and report data patterns (themes) which emerged during data collection. It is also a method of sifting data by transcribing, eliminating irrelevant details by focusing on key themes that will serve as key variables of the study (Kothari, 2011:9). For this study, this

practice allowed the researcher to focus on the data that sufficiently met the objectives of the study as presented in Chapter Five of this dissertation. Furthermore, using thematic analysis was deemed necessary for producing insightful analysis that responded to the research questions. The principal objective of thematic analysis is to maintain consistency in the entire process of identifying and coding themes. Kothari (2011:8) suggests that themes became relevant when they are attached to the main scope of the study being pursued.

As noted earlier, the inductive approach was adopted to identify data patterns. According to Babbie and Mouton (2001:111), there are three reasons for utilising an inductive approach during qualitative data analysis. Firstly, it reduces raw data to a summary format. Secondly, it identifies correlations between the research problem and the qualitative research findings. Thirdly, it creates a normative model for drawing a schematic presentation of the issues emanating from the raw data.

4.6 Reliability and Validity of Findings

Reliability and validity of findings form a strong base for any scientific enquiry. This is because the accuracy and trustworthiness of research findings influence conclusions and recommendations of the study.

4.7.1 Reliability

The principal objective of reliability is to demonstrate how accurate and consistent the research findings are in terms of data collection and analysis procedures used during the research process (Babbie and Mouton, 2001:76). According to Creswell (2009:105), reliability refers to the accuracy and relevancy of data-collection instruments in measuring consistency of the research process. Similarly, Creswell (2009:107) posits that reliability is a test of the amount of consistency between different measurements of an individual's response, with the purpose of ensuring that these responses are consistent and similar over time and across different situations. This implies that it does not matter how results are drawn in a study, as long as they remain similar and produce the same results if tested by many different techniques (Creswell, 2009:111).

4.7.2 Validity

The emphasis on validity in qualitative research stems from the realization that qualitative data collection involves extensive interpretation of meanings, opinions, and perceptions. In this regard, it becomes imperative that information not be distorted and misinterpreted. Bertram and Christiansen (2014:111) contend that maintaining validity of qualitative data implies yielding to concepts of trustworthiness, soundness, and credibility. According to Babbie and Mouton (2001:407), validity refers to the level on which the interpretation of meanings create mutual meanings between the researchers and their respondents. In light of this study, the literature review assisted to confirm validity and reliability of the study.

4.8. Ethical Considerations

Ethics, according to Leedy (2009:88), refer to the appropriateness of the researcher's behaviour in relation to the rights of those who participate in the research study or are affected by it. Research ethics relates to the questions about ways in which the research topic is formulated and clarified, data-collection procedures are designed, and access to the subjects granted (Leedy, 2009:89). For the purpose of this study, a permission letter from the former VLM was obtained. The letter is attached as Annexure 1 of this dissertation. In addition, the researcher applied the following ethical procedures in collecting data from the research subjects.

- **Ensuring participants have given informed consent:** Consent was sought of and given by the participants who volunteered to participate in the survey study. Each participant was informed of the nature and purpose of the study, and encouraged to participate, without being coerced. Prospective participants were aware of the nature and details of the research being conducted; they understood their right to discontinue the research study at will, no questions being asked.
- **Ensuring no harm comes to participants:** This was assured. Participants were made aware of the nature and purpose of the study; nothing would be traceable to any particular participant, as the responses were not going to reflect any particular references.
- **Ensuring confidentiality and anonymity:** The participants in the study were encouraged to participate, and confidentiality was guaranteed. The interviews were designed to cover and protect all participants in such a way that there was no provision requiring

participants to divulge their personal details. Participants' details will remain confidential and protected.

- **Securing ethical clearance:** Necessary efforts were made to obtain ethical clearance (EC) from the University of KwaZulu-Natal's Ethical Committee. The EC letter is attached as Annexure 2 of this dissertation.

4.9. Chapter Summary

This chapter presented the research design and methods used by the researcher to undertake the study reported in this dissertation. The study employed qualitative data analysis to collect data from the municipal officials and members of the business community in the former VLM. The discussion covered in this chapter therefore reflects data collection through the traditions of qualitative methodology. The data-collection instruments used in the study were both structured and semi-structured interviews. A purposive non-random sampling was used to identify respondents for the study. Thematic data analysis was used to analyse the qualitative data. The reliability and validity of findings and ethical considerations for the study are elaborated in this chapter.

The findings of the study are presented in the next chapter.

Chapter Five

Data Presentation, Analysis and Discussions

5.1 Chapter Introduction

The preceding chapter on research design and methods explained the various types of research methodologies and procedures that researchers can employ to collect data. The chapter presented the research design and methods the researcher used to collect data for this study. In turn, this chapter presents, analyses and discusses the research data collected through individual interviews at VLM.

5.2 Case Context of Vulamehlo Local Municipality and Documentary Evidence

It is reiterated that the study research reported in the dissertation was conducted prior to the merger of VLM with ULM. As such, the case context of VLM is presented in this section. Vulamehlo Local Municipality was one of the 226 local municipalities in South Africa before its merger with Umdoni Local Municipality in 2016. The challenges of unemployment, poverty, and high levels of illiteracy, were the prominent features in the areas of VLM. The rural background of the municipality and the poor infrastructure development affected the development efforts planned by the municipality (IDP, 2015:171). The resource constraints faced by the municipality, together with skills shortages, were the main reasons behind the decision by COGTA to merge the municipality with Umdoni Local Municipality. Vulamehlo Local Municipality had created LED strategies with the mission to empower its citizens through job opportunities. Of significance regarding the VLM LED strategies was the fact that it was formulated in line with the vision of the national and provincial governments to enhance and sustain economic growth at the community level, in particular (KZN Provincial Growth and Development Strategy, 2015:197).

5.3 Primary Qualitative Data

The qualitative research data was collected using semi-structured interviews in order to elicit information pertaining to LED planning in VLM. Table 5-1 hereunder outlines interview participants' demographic data, as follows:

Table 5-1: Vulamehlo Local Municipality Interview Participants' Demographic Data

Research Participants	Area/Municipality	Number of Participants
Business Community	Ward 1	2
	Ward 6	2
	Ward 8	2
	Ward 9	2
	Ward 10	2
Municipal Manager	VLM	1
Councillors	VLM	6
Community Participation Unit	VLM	1
Economic Development Unit	VLM	2
Total		20

Overall, 20 participants, including business community members and municipal officials, took part in the study.

Table 5.2 below presents the interaction between the emerging themes of the study, with the research objectives and research questions.

Table 5-2: Interaction between the Emerging Themes and Sub-themes of the Study with Research Objectives and Research Questions.

Table 5-2: Interaction between the Emerging Themes and Sub-themes of the Study with Research Objectives and Research Questions

<p>Research Objective One: To ascertain the nature of the existing LED strategy within VLM.</p>	<p>Research Objective Two: To evaluate the capacity and strength of the institutional arrangements of VLM in implementing LED initiatives.</p>	<p>Research objective Three: To determine the extent to which VLM's economic growth strategies are aligned with strategic planning and economic growth strategies of the provincial and national government.</p>	<p>Research objective Four: To assess the priorities put in place by the VLM in promoting entrepreneurial skills and self-sufficiency amongst its citizens when participating in economic activities.</p>	<p>Research objective Five: To examine the role of VLM on engaging its external LED stakeholders in boosting the capacity of the VLM and improving LED initiatives.</p>	<p>Research objective Six: To propose future LED strategies for VLM.</p>
<p>Research Question One: What is the nature of the existing LED strategy within VLM?</p>	<p>Research question Two: What is the capacity and strength of the institutional arrangement of VLM to implement LED initiatives?</p>	<p>Research question Three: To what extent are the VLM's economic growth strategies aligned with the strategic planning and economic growth strategies of the provincial and national governments?</p>	<p>Research question Four: What are the priorities placed by VLM in promoting entrepreneurial skills and self-sufficiency amongst its citizens in participating in economic activities?</p>	<p>Research question Five: What is the role of VLM in engaging its external stakeholders in boosting the capacity of the VLM and improving LED initiatives?</p>	<p>Research question Six: What are the future LED strategies that may be proposed for VLM?</p>
<p>Emerging Theme 1: Local Economic Development strategies.</p>	<p>Emerging Theme 2: Capacity, strength and institutional arrangements to implement LED initiatives.</p>	<p>Emerging Theme 3: Alignment between LED strategy of VLM and Provincial and National priorities.</p>	<p>Emerging Theme 4: Priority of developing economic capacity amongst citizens</p>	<p>Emerging Theme 5: Stakeholder engagement in promoting LED</p>	<p>Emerging Theme 6: Future LED strategies</p>

Source: Data interpretation and analysis of the study, 2017

The researcher adopted sustainable development as a conceptual framework for the study as discussed in Chapter Three. The interaction between sustainable development as a conceptual framework for the study and the collected data for the study is presented in Table 5.3.

Matrix 5-1: Interaction between Sustainable Development Conceptual Framework and the Qualitative data

Constructs of the Conceptual Framework	Qualitative Data
Economy	Citizens are encouraged to be self-sufficient. In this way they can assist the municipality in generating sufficient financial support for funding LED initiatives. (CLrNgc).
Environment	As a highly rural community, VLM depends mainly on agricultural production as a livelihood strategy for many communities (CLrJwa)
Society: social inclusion and communities	I know about its existence but I am not sure of the contents of the strategy (CLrDla).

Source: Data interpretation and analysis of the results, 2018

The overall data presentation, analysis and discussion is presented in the next section.

5.3.1 Interview data presentation, analysis and discussion

The qualitative data presented in this section is arranged into matrixes. The presented data is further analysed using the thematic analysis technique. According to Lapadat (2018:1) thematic analysis is a systematic procedure used in qualitative data analysis to identify and categorise data according to themes for the purpose of drawing interpretations.

5.3.2 Emerging themes from the qualitative data in relation to research objectives and research questions

The next section presents the themes that emerged from the data. These themes are linked to the research objectives provided in Chapter One of the study. As noted above, the data sets are arranged into matrixes. The researcher interrogated literature presented in Chapter Two to analyse and discuss data.

5.3.2.1 Local Economic Development strategies

Relative to Objective One of the study which sought to ascertain the nature of VLM's LED strategy, the findings demonstrated that to meet its objective of economic growth, and addressing the challenges identified by the diagnostic tool of the National Development Plan, VLM adopted and implemented a number of LED strategies. These strategies are broadly discussed in Chapter Two of this dissertation.

While there is significant progress registered with regard to the implementation of the LED strategies in VLM, there have been challenges arising from poor community participation and lack of input from other key external stakeholders. This has incurred a major setback with regard to the goal which seeks to respond to the issues of institutional development. There seems to be a gap in the public participation in terms of the community's knowledge of the LED strategy and other economic development strategies. This is contrary to the VLM IDP which advocated community involvement, thus encouraging local citizens to be self-sufficient in creating job opportunities, through the mobilization of available resources within their communities (Vulamehlo Local Municipality, IDP 2013-2014).

According to Lynda Herbert-Cheshire & Vaughan Higgins (2004), rural development policy and practise in more advanced Western nations is based increasingly on community-led strategies that seek to manage risk and facilitate change at the local level, with minimal direct state intervention. It is widely assumed that such development strategies enable local people to have a greater say in transforming the fortunes of their communities and are therefore a means of empowerment. Perusing the responses of business people and councillors clearly shows that these strategies were developed without involving communities. Thus, involvement of community in development of LED strategies in VLM would have assisted in empowering local communities. Practices similar to the one in which people participate in the systems which improve their lives are viewed by Oakley (1995:107) as a basic human right. This is also essential for realignment of political power in favour of disadvantaged groups, and for social and economic development. The qualitative findings relating to the LED strategies in VLM are presented in the matrix below:

Matrix 5-2: Local Economic Development Strategy of Vulamehlo Local Municipality

Variable	Response	Source
Knowledge of VLM LED strategies.	No knowledge about VLM strategy.	Bus1W10, Bus2W6
	I know of its existence but I am not sure of the strategy content. ClrDla	ClrDla
	Cannot confirm as to when it was developed.	ClrMng

The findings on the existence of a LED strategy in VLM present varied opinions amongst the municipal councillors of VLM. For instance, while some councillors believed that the municipality had a LED strategy, other councillors were unaware of the existence of the LED strategy within the municipality. Clr Dla. said that yes that they do have LED strategy but he is not familiar with it and what it is all about.

5.3.2.2 Capacity and strength of the institutional arrangements in VLM to implement LED initiatives.

The underlying need around the LED strategy within the South African context is to develop a socio-economic livelihood strategy as an intervention which assists government to address the triple challenges of development, namely, poverty, unemployment, and inequality. It is against this background that LED is increasingly regarded as an alternative to the traditional top-down development strategies, in which the government provides economic opportunities to passive citizens at the receiving end (Rodriguez, Pose and Viesti, 2013:303).

The contemporary literature is awash with a multitude of successful economic development cases showing that this approach provides viable economic development alternatives in a more integrated manner. In VLM the strength and gains of LED initiatives were only known and recognised by some councillors and municipal officials. The business community did not recognise the strength and gains of a VLM LED strategy. Municipal officials are those who give direction on LED initiatives showing how these should be planned and executed. According to Stohr, (1990:101) LED programmes should be locally initiated and local people should be drivers of their economic initiatives. However, there are a number of examples around the world in which the ‘top-down’ approach can unlock local-level potential for LED. The strengths and weaknesses of VLM’s LED strategy are reflected in matrix below.

Matrix 5-3: Strengths and Weaknesses of Local Economic Development

Variable	Response	Source
Strengths of VLM LED	Provide for skills development for local community.	PP
	The strategy aligns local LED initiatives with government policies.	LEDO
	The strength of LED strategies is the promotion of public consultation and community participation.	Clr Dub
	A LED strategy is informed by needs; it creates opportunities for the local business community.	Clr Ndl
	No knowledge of any strengths with regard to LED strategies	Bus1W1 & Bus2W9

Linked to objective two which deals with the strengths and weaknesses of the LED strategy of VLM, the empirical findings of the study concur with the literature that LED strategies provide platforms for local communities to create and sustain their livelihood strategies. However, for LED strategies to be successful, municipalities should engage more actively with their communities and various stakeholders to unlock economic potential sectors in the municipal area. According PP, the aim of LED in Vulamehlo municipality is to equip people of Vulamehlo with skills of participating in local economy. In the case of VLM, it is evident that its LED strategy was formulated in a manner that capacitated its citizens with entrepreneurial skills. For instance, SMMEs have been developed in the area, as have many other livelihood strategies.

5.3.2.3 The alignment of LED strategy of VLM with the strategic planning of the national and provincial governments

Municipalities are entrusted with playing a pivotal role in encouraging social and economic development in line with constitutional imperatives as envisaged in the national and provincial development frameworks. Thus, through the LED strategy, local municipalities have taken on an important role in contributing to job creation, lessening of poverty through improved local economies. A linked and integrated approach on the part of all spheres of

government is therefore important for the achievement of growth and development (Koma, 2012:8).

The South African economy continues to recover from the global crisis of 2008. However, owing to the high levels of unemployment, poverty, and inequality, economic growth thus far is uneven and fragile. It is against this background that local economic initiatives at municipal levels should be strengthened to complement provincial and national growth strategies. Impressively, the VLM LED strategy did reflect the Provincial Growth Development Strategy (PGDS) and the National Development Plan (NDP). State success in supporting economic development will depend on the extent to which the three spheres of government align their developmental strategies, coordinate their actions and achieve integrated development outcomes in municipal areas (Policy Guidelines for Implementing LED, 2005:12).

In order to give effect to the LED success, VLM adopted seven priorities that are in line with the NDP Vision 2030. These priorities include poverty alleviation, job creation and skills development, stimulating economic growth, infrastructure development, curbing of fraud and corruption, and good governance. Many municipalities are unclear about the meaning of LED and how to implement it (MeyerStairer, 2002 in Rogerson, 2006). Although LED initiatives should be led by local communities, national and provincial spheres of government should give direction and guidance on how to plan and implement LED programmes at a local level. Through the NDP and PGDS, both spheres of government play a major role in executing their duties with regard to LED planning and implementation. The alignment between VLM's LED strategy and the national and provincial governments is reflected in the matrix below.

Matrix 5-4: Vulamehlo Local Municipality's Economic Growth Strategies

Variable	Response	Source
Linkage between VLM strategies with provincial and national economic strategies.	There is linkage between local economic strategies and provincial and national policies.	PP
	Yes, there is an alignment with other spheres of government.	Clr Dla,Clr Ngco.
	There is economic growth in the area, which means that the municipality is complementing provincial and national policies.	MM

Linked to Objective Three which focuses on the linkages between the LED strategy of VLM and the national economic strategies, the empirical findings of the study indicate that the LED strategy of the municipality was formulated in line with the economic development vision of the KZN provincial and national government. This alignment between the municipal LED strategy and the national and provincial imperatives should assist the municipality to develop its economic potential areas in order to benefit the indigent.

5.3.2.4 The priority placed by VLM on developing economic capacity amongst its citizens

As a predominantly rural municipality, VLM is solely dependent on the agriculture sector to grow its local economy. In order for the agriculture sector to yield positive results there must be adequate and suitable land. Communities of VLM did not have enough land to practise commercial farming, hence most farmers rely on subsistence farming alone. Large acres of land in VLM are still in the hands of the few previously advantaged people and the Ingonyama Trust. The potential of Vulamehlo to have a large number of emerging farmers on the land will illustrate a strong commitment to entrepreneurialism by the community. The much-anticipated land restitution will help the local communities to participate meaningfully in agricultural activities, thus promoting commercial farming.

Agriculture was the main sector in VLM. However, its LED strategy identified other sectors that have the potential of unlocking economic opportunities in the area. These sectors include:

- Manufacturing industries;
- Tourism; and
- Retail industries.

A shortage of suitably skilled labour is identified as one of the constraints mitigating against achieving desired growth rates and development in South Africa (AsgiSA, 2007:18). Related to this study, the shortage of skills among local communities to graduate from being subsistence farmers to commercial farming was identified as the principal challenge. The matrix below indicates activities employed by the municipality to promote entrepreneurial skills amongst the citizens.

Matrix 5-5: Vulamehlo Local Municipality Promotion of Entrepreneurial Skills

Variable	Response	Source
Main economic sector	Agriculture is the main economic sector and there is abundant arable land. Farming is the main sector of the economy in VLM, the challenge being that ordinary people do not own land.	Clr Ndl PP

The development of human skills to participate in economic development activities remains an important aspect for municipalities to accomplish. Relative to Objective Four of the study, the empirical data indicate that the then VLM has identified its areas for economic development as agriculture. It is therefore imperative for the municipality to capacitate its citizens so that they can excel in these areas of economic development.

5.3.2.5 The role of the stakeholder engagement in the promotion of LED in VLM

In relation to Objective Five of the study, the empirical data reveal that there was no or minimal community participation in planning the LED activities in the former VLM. This contradicts the nature of the LED, which, by its definition, signifies the role of different stakeholders together making the LED initiative a success. The World Bank (2003, cited in Tijnstra, 2005:6) defines LED as the process by which public, business, and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation, thus improving the quality of life for all. Similarly, Thornhill, Van Dijk and Ile (2014:148) define LED as a participatory process that encourages partnership arrangements between the private and public stakeholders of a defined territory, enabling the joint design and implementation of a common developmental strategy.

Although community participation is important, the form and effectiveness of community participation in LED policy development has become an area of vagueness, because, whilst civil society representatives are officially acknowledged within conglomerate arrangements as being equal associates, they often lack the power and resources and technical knowledge to operate on an equal footing with other partners (Colenutt and Cotton, 1994: 239). To return to local community initiatives, proper partnerships in which all stakeholders will have the same stake, can also be understood as one way of promoting a neo-liberal agenda for local capacity

building (Eisenschitz & Gough, 1993). The role of stakeholder engagement in the LED planning of VLM is reflected in the matrix below.

Matrix 5-6: Vulamehlo Local Municipality Stakeholder Engagement

Variable	Response	Source
No/lack of stakeholder engagement	VLM do not involve communities when they are planning.	Clr Jwa
	The municipality does not involve the community members.	Clr Mng
	Municipality does not involve ordinary people within the community.	Bus2 W10
	Involvement of ordinary community members is limited	Bus2 W8

It is evident from the empirical findings of the study that LED initiatives cannot be sustainable without the active involvement of various municipal stakeholders. From these findings, it may be deduced that the municipality did not incorporate the concept of public participation in planning its LED initiatives. “From my personal view the municipality does not involve the community and stakeholders in planning their LED initiatives”, Bus W10. According to MM one of the challenges in LED planning in Vulamehlo municipality is that stakeholder involvement is limited.

5.3.2.6 Future LED strategies

The enterprise development is an important part of promoting LED. The LED strategy of the former VLM had a detailed plan on ways in which to develop both formal and informal enterprises. Although the municipality did not have stand-alone enterprise development strategies and policies, it was thoroughly covered by its LED strategy document. The category of enterprise development of the then VLM responded to the development call as espoused in PGDS and NDP.

This category consists of the supporting structures that are engaged in formulating specializations for overcoming obstacles hindering growth and development in a market context. For example, in 2004, the South African government formulated the Small Enterprise Development Agency (SEDA) as a support mechanism for the issues affecting the growth and development of the Small Medium Macro Enterprises (SMMEs).

The success of the LED at the then VLM would have potentially assisted with the amelioration of poverty and unemployment levels as the majority of communities remained unemployed, marginalised and with no access to any form of economic opportunity. With the introduction of a democratic state in 1994, the Government of the National Unit (GNU) fulfilled the vision of the Freedom Charter promoting an economy that meets the needs of the people in a more equitable manner (Freedom Charter, 1955).

The matrix below indicates the future LED strategies of VLM, which has since been amalgamated into eThekweni and Umdoni Municipalities.

Matrix 5-7: Vulamehlo Local Municipality Small Medium and Micro-Enterprises and Information Sector Strategies

Variable	Response	Source
Strategies promoting SMMEs and informal economy.	Need a formal and informal business structure in VLM to support enterprises.	BUS1 W6

The empirical findings of the study indicate that the SMMEs have potential to unlock economic development opportunities in the former VLM. As part of its strategic planning, the municipality should invest in SMMEs as they have strength to create job opportunities for the unemployed. To further develop SMMEs, the municipality should support the emerging entrepreneurs with funding and work towards mitigating the challenges that affect economic prosperity of the SMMEs.

5.3.2.7 VLM council’s legislative role in the drafting of municipal LED document

The former VLM council adopted the VLM strategy in February 2013 as confirmed by the administrative component of the municipality. The only component that does not know about the adoption of the LED strategy is the business sector and some municipal councillors. The lack of knowledge on the adoption of the former VLM’s LED strategy by the business sector may be owing to the lack of interaction between the community and the municipality. Some policy documents are adopted by council without councillors properly understanding what is contained in those policy documents; hence some VLM councillors did not know when the LED strategy was adopted.

The Local Government: Municipal Systems Act 32 of 2000 is a framework for municipal planning, performance management systems, and the effective use of resources. It provides an outline in which economic opportunities may be created in order to achieve economic advantages for local communities (Van der Waldt, 2014). This Act gives a mandate to the municipal council to adopt the LED strategy, making it a legal municipal document. Accordingly, local governments must provide the vision and leadership role in the development and the adoption of the new approaches, such as buying local, encouraging social responsibility, speeding up planning, and forming partnerships (Nel, 2001:65).

Furthermore, and also in terms of the Municipal Systems Act, 2000 each municipal council must adopt a single, inclusive, and strategic plan for the development of the municipality within a prescribed period after the commencement of its elected term. Thus, in the formulation of LED strategies, a municipality is informed by the IDP adopted by the municipal council. The IDP is a comprehensive and sophisticated planning tool for assessing municipal service delivery and infrastructure development. According to Fourie and Valeta (2008:139), invariably, IDPs are prepared and adopted with minimal input from provincial and national departments. Many IDPs are not aligned with provincial and national priorities and many programmes and projects identified in the IDP process are unfunded. Credible IDPs should include LED plans that elaborate on strategies and programmes required for ensuring local economic growth, job creation, and poverty alleviation. The matrix below reflects the municipal council's legislative role in the implementation of the LED strategy in VLM.

Matrix 5-8: Local Economic Development Strategy of Vulamehlo Local Municipality as Legal Document

Variable	Response	Source
Adoption of LED strategy	It was adopted in 2013	MM, PP, LEDM
	It was developed late 2012 and was adopted February 2013	ClrDub
	It was adopted in 2013.	ClrJwa

The empirical findings of the study indicate that the LED strategy of the former VLM was formulated to comply with the legislative and policy framework regulating local government in South Africa. It may therefore be deduced that the LED strategy of the municipalities is a formal and recognised instrument for economic development in the area. Furthermore, the

findings indicate that the municipal council plays a critical legislative role in terms of implementing the LED strategy of the municipality.

5.3.2.8 Challenges of LED implementation in VLM

The level of unemployment in the municipality has remained high. This was coupled with a low educational skills level and income among households, thus a large number of the population in the area are depending on government's social grants for a living. As such VLM was regarded as a base for cheap labour by employers outside the Municipality; many job seekers become migrant labourers. Poverty in the rural areas is severe, and a large number of the population depends on social grants for a living.

The main challenge is that the municipality did not have funding allocated specifically for LED projects; it relied much on donor grants from the municipal external partners such as the business and private sectors. The notion of the culture of cooperative governance enshrined in Chapter Three of the Constitution of 1996 is essential in these situations, in which the municipality is able to mobilise assistance from its stakeholders. Citizens should also be encouraged to be self-sufficient in this regard, so that they may assist the municipality in generating sufficient financial support for funding LED initiatives. In South Africa research and policy advice in LED is commonly funded by provincial and national governments. The LED Fund was created to support local government development projects and the Social Plan Fund (SPF) to assist in regeneration studies in local communities affected by high job loss (LED News, 1999).

Throughout the 1990s, the challenges associated with a top-down method resulted in a number of changes in policy development, giving rise to the degree of community participation and empowerment within policy-making processes (Lawless, 1996). The method used by the former VLM in developing its LED strategy resulted in few local businesses community understanding the strategy. The matrix below reflects the challenges facing the LED strategy of VLM.

Matrix 5-9: Strengths and Weaknesses of Local Economic Development

Variable	Response	Source
Weaknesses of VLM LED	Strategy presented in a language which most of the local people do not understand.	Clr Dub
	The strategy does not promote feasibility studies for start-ups which results in most businesses failing.	Clr Ngco
	Lack of public participation in developing the strategy.	MM
	Lack of funds in implementing LED strategies.	LEDO
	I don't know.	Bus2 W10
	Poor communication between VLM officials and local business people	Bus1W9

The findings presented in the above matrix indicate that, while the former VLM had a LED strategy, a concerted effort should have been made to enhance its potential so that it could contribute meaningfully in the quest for economic development, such as the creation of employment opportunities.

5.3.2.9 The existence of formal and informal business structures in VLM

Local Economic Development has one primary goal, which is to increase the number and variety of job opportunities available to the local communities. However, in order to facilitate these activities, municipalities and community groups must take on active initiating, rather than a passive role (Giloith and Meier, 1989). It is against this backdrop that the solicitation of inputs, resources, and views from various stakeholders, including municipalities, is crucial for realising LED objectives. The setting up of LED institutions and structures are attempts at facilitating an inclusive and robust approach to achieving LED objectives (Koma, 2012). Hence there was a need to promote involvement of the stakeholders by the former VLM with regard to the strategy development. Furthermore, it is important to mention that it is easier to work with organised structures of the community than with individuals. The business sector in the former VLM seemed unimpressed with the level of engagement to facilitate the economic growth of the municipality. The study revealed that there was no business and stakeholder's forum within the former VLM. This contradicted the municipality's vision as advocated by the IDP and the practise regarding stakeholder engagement in matters concerning LED. Therefore, the municipality needed to use the forums at their disposal to

engage with their stakeholders. The Growth, Employment and Redistribution (GEAR), proposed different strategies which assisted in enhancing the economy. Amongst these strategies was the formulation of the LED Forum, in which municipalities were encouraged to work with various stakeholders in creating economic opportunities for local citizens. Accordingly, LED is a participatory process which must involve public, private, and independent stakeholders. It was therefore important for the VLM to involve stakeholders such as private and civil society in all LED-related activities. Municipalities are strategically placed to undertake long-term planning in the arena of poverty alleviation, particularly as this relates to relationships with non-governmental organisations (NGOs), community-based organisations (CBOs), and the private sector (Pieterse, 2000: 10). The information pertaining to both formal and informal LED structures in the former VLM is presented in the matrix below.

Matrix 5-10: Business Structures in Vulamehlo Local Municipality

Variable	Response	Source
Any business formations in VLM	<p>There are no business structures; however, VLM engages social structures like ward committees and youth and women structures.</p> <p>Stakeholder involvement is through ward committees because municipal policies promote stakeholder involvement</p>	<p>PP, Clr Jwa</p> <p>LEDM</p>

It is recommended that the municipality operate with the accredited structures in its endeavours on LED planning and implementation. The civil society organisation, ward committees, women, and youth structures are the key stakeholders in LED planning, however, such structures may not play a complete role in this regard, owing to their resource and capacity constraints.

5.3.2.10 LED planning in VLM

According to the Local Government: Municipal Systems Act, 2000 as amended, Section 23 (1) (a–c)) local government planning is to be developmental-orientated. In order to achieve this objective, all municipalities must undertake developmental-orientated planning to obtain three purposes:

- That municipalities strive to achieve the objects of local government set out in the Constitution;
- That municipalities give effect to their developmental duties set out in the Constitution; and
- That municipalities, with other organs of state, contribute to the progressive realization of the (socio-economic) fundamental rights contained in the Constitution.

According to Koma (2012:132), a municipality is informed by the IDP adopted by the municipal council in developing the LED strategy. The IDP precedes the LED plan or strategy shaped by a municipality. It is, therefore, imperative that proper coordination and alignment are ensured as far as both the IDP and LED planning processes are conducted. The national and provincial legislation set out strict time frames for the adoption of these plans.

In compliance with the legislative framework governing LED, the Municipal Council of the former VLM took an initiative to ensure that the overall economic and social conditions of the locality were conducive to the creation of job opportunities. Furthermore, in response to the promulgation of the NDP Vision 2030 in 2012, the municipality reviewed its LED strategy and aligned its job creation and poverty alleviation strategies with the Provincial Growth Development Strategies (PGDS) for the allocation of economic resources in the form of skills enhancement and job opportunities to the communities in the province of KwaZulu-Natal. According to Van der Waldt (2014:148), the strategy in its totality presents an opportunity for South Africa's rural people to realise their own potential and contribute more fully to their own and the country's future as a whole.

Matrix 5-11: Processes involved in LED Planning

Variable	Response	Source
LED planning processes in VLM.	Community-based planning to promote partnership between VLM and community.	PP
	Although LED planning does not involve business stakeholders, the community at large is consulted during the planning phase.	ClrNdl
	LED planning is only conducted internally by officials; there is no stakeholder consultation.	LEDM
	Communities who have an interest in economic development are invited during LED planning, but unfortunately the attendance is always poor	

Local Economic Development planning is a cornerstone for economic development and sustainability in local government. However, in many instances, this mandate is affected by poor institutional arrangements and the lack of capacity and expertise in local government structures. The findings of the study indicate that LED planning in the former VLM was affected by the lack of key role players such as within the business sector.

5.3.2.11 LED implementation in VLM

According to the Policy Guidelines for Implementing LED (2004:4), effective implementation of LED will be a critical contributor to government success in increasing the national economy and building a single and integrated economy that benefits all. National government must ensure that local and provincial governments operate within the national enabling framework and are structured and capacitated to best promote economic development and growth as a whole (Bekink, 2006:103–104).

The provinces and district municipalities are also required to work with local municipalities, providing assistance in their capacity-building efforts, and encouraging consistent LED-initiatives implementation. Municipalities are required to prepare IDP encapsulating a LED strategy (Turok, 2010:503).

While the former VLM had the implementation guidelines for their economic development processes, the lack of stakeholder involvement in LED implementation remained a concern.

Matrix 5-12: Economic Stakeholders’ Involvement in LED Implementation

Variable	Response	Source
Do stakeholders understand how planning and implementation of LED initiatives take place?	There are no LED initiatives in VLM that I know of, as a business person.	BUS1 W6
	We are not involved as a business sector in planning of LED initiatives.	BUS1 W9

Improving socio-economic development at a municipal level is key for the alleviation of poverty and the creation of employment opportunities. Poor planning and the lack of participation by various municipal stakeholders was cited by respondents as the principal challenge affecting the implementation of LED strategy in the former VLM. Therefore, it may be deduced that, with the identified LED challenges in the former VLM, it was sensible to amalgamate this municipality with other municipalities in the district.

5.4 Chapter Summary

This chapter presented the findings of the study. The research results were arranged thematically using matrixes. The findings were presented in line with the objectives set for the study. In this regard, the main focus of the findings relate to the strategy used by the former VLM. Of significance to the findings of the study is the need to develop LED initiatives and identify strengths and weaknesses thereof, aligning LED initiatives with provincial and national government’s policy imperatives and priorities afforded by the municipality towards unlocking economic potential. The chapter concluded by presenting findings pertaining to the challenges experienced by the defunct VLM municipality in implementing its LED strategies. The next chapter presents the recapitulation of the research objectives, presentation of chapter summaries, conclusions, and recommendations of the study.

Chapter Six

Summary of Findings, General Conclusions and Recommendations

6.1 Chapter Introduction

For this chapter, a recapitulation of research questions and objectives is presented. This chapter provides an overview of all chapters with regard to the research questions; the summary of the main findings and conclusions is offered. Furthermore, this final chapter presents the significance of the study to LED practice at local government and suggestions for future research which outlines the limitations of the study.

6.2 Recapitulations of Research Objectives and Research Questions

In light of the persisting levels of unemployment, poverty, and inequalities, the study reviewed the practise of LED in local government with specific reference to the former VLM. To that effect, the research objectives were designed and presented in the introductory chapter of this dissertation. Table 6-1 below provides the recapitulation of the research objectives and questions.

Table 6-1: Research Objectives and Research Questions

Research Objectives	Research Questions
<ol style="list-style-type: none"> 1. To ascertain the nature of the existing LED strategies within VLM. 2. To evaluate the capacity and the strength of the institutional arrangements of VLM in implementing LED initiatives. 3. To determine the extent to which VLM’s economic growth strategies are aligned with strategic planning and economic growth strategies of the provincial and national governments. 4. To assess the priorities placed by VLM in promoting entrepreneurial skills and self-sufficiency amongst its citizens in participating in economic activities. 5. To examine the role of VLM in engaging its external LED stakeholders and boosting the capacity of the VLM in improving LED initiatives. 6. To propose the future LED strategies for VLM. 	<ul style="list-style-type: none"> • What is the nature of the existing LED strategies within VLM? • What is the capacity and strength of the institutional arrangements of VLM for implementing LED initiatives? • To what extent are the VLM’s economic growth strategies aligned with the strategic planning and economic growth strategies of the provincial and national governments? • What are the priorities placed by VLM in promoting entrepreneurial skills and self-sufficiency amongst its citizens in participating in economic activities? • What is the role of VLM in engaging its external stakeholders and boosting the capacity of the VLM in improving LED initiatives? and • What are the future LED strategies that may be proposed for VLM

The section below presents the summary of chapters of this study.

6.3 Summary of Chapters

This section demonstrates the outcome of each chapter in relation to the research objectives and research key questions as reflected in Table 6-1.

Chapter One: This chapter provided an overview of the study. It argued that the alleviation of poverty, unemployment, and inequalities at the community level depends on the effective planning of LED strategies in local government. The problem statement in this chapter highlighted complications regarding the implementation of LED in the former VLM. In this regard, the research objectives and research questions were set and rationalised. This chapter also presented the research methods, sampling frames, and the ethical considerations observed in conducting the study.

Chapter Two: This chapter presented the literature review for the study. The literature review presented gave a regional and global perspective of LED with the purpose of highlighting best international practices that may be emulated by South African municipalities in implementing LED. Furthermore, the chapter provided the broader perspective of LED practice in the former VLM. This reflected the strategies employed by the municipality to encourage economic opportunities for its citizens. Overall, the literature was presented in a manner that responded to the problem statement of this study which pictured poor economic development in the former VLM. The discussion in this chapter paved the way for the conceptual framework which formed the theoretical foundation of the study.

Chapter Three: This chapter presented the conceptual framework of the study which formed the theoretical orientation of the study. Overall, the conceptual framework presented key elements and measures which have been undertaken by the more industrialised and advanced nations in creating their economic sustainability.

Chapter Four: This chapter presented the research design and methods adopted for collecting data for the study.

Chapter Five: This chapter presented the research findings, analysis, and discussion of results. The data was presented and analysed according to the themes that emerged from the empirical survey, and were aligned with each of the study objectives.

Chapter Six: The recapitulation of the research objectives and questions set for the study in the introductory chapter is presented in this chapter. This chapter also presents the synopsis of each chapter of the study. The recommendations and future considerations in the quest for LED planning in local government are outlined and also presented in this final chapter of the chapter.

6.4 Main Research Findings and Conclusions

The literature and empirical findings for this study both reveal that LED is a common socio-economic strategy utilised by the underdeveloped and developing nations to create and

sustain the socio-economic well-being of all societies. Considering the role of LED in improving the lives of disaffected people, as the study reveals, it is recommended that local governments play a more developmental role in terms of facilitating the creating of employment and entrepreneurial opportunities in order to escape poverty at the community level. From a South African perspective, LED was introduced during the first decade of democracy, in which municipalities were expected to work with communities and various stakeholders in unlocking socio-economic opportunities. In this regard, the former VLM has embraced the concept and formulated its strategies for implementing LED. Despite the challenges of LED implementation in the municipality, the findings pointed to some strengths indicating the potential that the municipality had to alleviate the cases of poverty in its area of jurisdiction.

The complete findings of the study are presented in the section below. The findings are arranged according to themes which emerged from the study investigation. These are aligned with the research objectives and questions which were set in the introductory chapter of this dissertation.

6.4.1 Research Objective One and Research Question One

- **Research Objective One:** To ascertain the nature of the existing LED strategies within VLM.
- **Research Question One: What is the nature of the existing LED strategies within VLM?**

6.4.1.1 Finding: LED strategies in local government

LED is to a large extent regarded as a constitutional mandate in South Africa. Municipalities are expected to play a leading role in terms of its formulation and implementation. Against this background, municipalities should have plausible LED strategies that will assist towards job creation for the indigent. However, in the case of this study, business people and councillors revealed that the LED strategy of the former VLM was predominantly driven by the municipality and excluded communities and other municipal stakeholders. Thus, public participation and stakeholder engagement in the development of LED strategies in the former VLM would have assisted to cement the future of LED initiative in the municipality.

6.4.1.2 Conclusion

It is evident from the findings of the study that local government does not have prescribed strategies for LED implementation. Therefore, given the unstable nature of LED in local government, and more specifically in VLM, the study concludes that the national government should amend the LED policy to prescribe the compulsory strategies that will assist municipalities in their quest for economic development. Such strategies should be reflected in the Local Government: Municipal Systems Act (Act 32 of 2000) which defines the role of local government in LED implementation.

6.4.2 Research Objective Two and Research Question Two

- **Research Objective Two:** To evaluate the capacity and the strength of the institutional arrangements of VLM in implementing LED initiatives.
- **Research Question Two:** What is the capacity and strength of the institutional arrangements of VLM for implementing LED initiatives?

6.4.2.1 Finding: Capacity and strength of the institutional arrangement of VLM for implementing LED initiatives

The majority of municipalities in South Africa have complied with the stipulations of the Local Government: Municipal Systems Act (Act 32 of 2000) on the formulation of LED strategies, which are intended to promote the socio-economic conditions at the community level. According to Van der Waldt (2014:154), the capacity of municipalities to implement their LED strategies should impact positively on the economic welfare of citizens at the grassroots levels. However, it should be noted that some municipalities, including the former VLM, did not have sufficient strength and capacity to implement LED strategies. In the case of VLM, issues of insufficient funding and the lack of entrepreneurial skills within the municipality affected the implementation of the LED strategies.

6.4.2.2 Conclusion

To boost the capacity and strength of municipalities for LED implementation, the LED concept should be revised and become a funded mandate for local government. This would

require close collaboration between the municipalities, provincial (Co-operative Governance and Traditional Affairs (COGTA)) and business communities.

6.4.3 Research Objective Three and Research Question Three

- **Research Objective Three:** To determine the extent to which VLM's economic growth strategies are aligned with strategic planning and economic growth strategies of the provincial and national governments.
- **Research Question Three:** To what extent are the VLM's economic growth strategies aligned with the strategic planning and economic growth strategies of the provincial and national governments?

6.4.3.1 Finding: Alignment of VLM's LED strategy with the national and provincial imperatives.

The findings of the study reflect that, since local government is a sphere that is 'close' to the people in their respective communities, it plays a crucial role in promoting economic opportunities by creating employment and development of entrepreneurial skills. To enhance economic development in South Africa, Van Niekerk (2015:108) emphasises the commitment between the national, provincial and local government sectors in finding solutions for alleviating poverty. Impressively, the LED strategy for the former VLM was aligned with the provincial imperatives such as the PGDS as well as the national imperatives strategies, including the NGP, JIPSA, NGP, and ASGISA, discussed in Chapter Two. Despite the common local government challenges pertaining to the lack of capacity, the former VLM managed to cement its economic position within the UGU District Municipality.

6.4.3.2 Conclusion

Based on the literature review and empirical findings of this study, it may be concluded that the responsibility of economic development in local government is a continuous and collaborate endeavour. This partnership requires active involvement of various governmental and non-governmental stakeholders and the implementation of policies that regulate economic development in all government sectors. The promotion of synergies in terms of

policies between the three spheres of the South African government will further assist towards economic development and sustainability in South Africa.

6.4.4. Research Objective Four and Research Question Four

- **Research Objective Four:** To assess the priorities placed by VLM in promoting entrepreneurial skills and self-sufficiency amongst its citizens for participating in economic activities.
- **Research Question Four:** What are the priorities placed by VLM in promoting entrepreneurial skills and self-sufficiency amongst its citizens for participating in economic activities?

6.4.4.1 Finding: The priority placed by VLM in promoting entrepreneurial skills and self-sufficiency amongst its citizens in participating in economic activities

The literature review of the study demonstrated that the former VLM has identified the agricultural sector as its primary component of economic development (IDP, 2015:109). This was also confirmed by the empirical findings of the study that agricultural production is key for the economic development in the area. The rural nature of the former VLM was regarded as a strength of the municipality in the promotion of agricultural production in the area. The secondary areas that have potential in the former VLM areas include manufacturing, tourism, and retail industries. However, more concerted efforts could have been placed on these secondary areas towards economic development of the then VLM.

6.4.4.2 Conclusion

While agricultural production is regarded as a primary economic development strategy in VLM, this study noted the shortage of agricultural land as the major impediment to the municipality economic development vision. The development of human skills to participate in economic development activities remains an important aspect for municipalities.

6.4.5 Research Objective Five and Research Question Five

- **Research Objective Five:** To examine the role of VLM in engaging its external LED stakeholders and boosting the capacity of the VLM in improving LED initiatives.

- **Research Question Five:** What is the role of VLM in engaging its external LED stakeholders and boosting the capacity of the VLM in improving LED initiatives?

6.4.5.1 Finding: The role of LED external stakeholders in economic development in VLM

The lack of public participation in local government is a major impediment for service delivery and economic development at the community level (Koma, 2010:2). This was confirmed by the empirical findings of the study, that there was very little community participation in planning the LED activities in the former VLM. This is contrary to the vision of the DPLG, which propounds that the planning for community development should involve close engagements and commitments between municipalities and local citizens. The definition of the World Bank (2003, cited by Tijnstra, 2005:6) also emphasises the role of various local government stakeholders in developing and sustaining economic opportunities for the indigent.

6.4.5.2 Conclusion

The success of constitutional democracies across the globe depends mainly on the inputs of the citizens on ways in which government operations should be conducted. With regard to the South African local government system, the civil society organisations, communities, private and business sectors play a significant role in the acceleration of service delivery and economic development. Therefore, in order to succeed with LED and poverty alleviation, the then VLM council is required to engage more actively with its external stakeholders.

6.4.6. Research Objective Six and Research Question Six

- **Research Objective Six:** To propose the future LED strategies for VLM.
- **Research Question Six:** What are the future LED strategies that may be proposed for VLM?

6.4.6.1 Finding: Future LED strategies in VLM

Local Economic Development in local government remains an essential tool for economic development and prosperity of the local communities. The significant contribution of local government restructuring and transformation in the former VLM saw the introduction of LED which in turn cemented the economic foundations of the municipality. In the process, among other things, the municipality identified agriculture as an area with potential for economic growth within its jurisdiction. Other areas such as manufacturing, tourism, and the retail industries were also identified.

6.4.6.2 Conclusion

Considering the poor state of economic development in South Africa and globally, the future of LED in local government is also uncertain. Currently, LED in South Africa is practised as a development strategy for poverty relief programmes in the form of short-term employment creation.

The recommendations of the study are presented in the next section.

6.5 Overarching Recommendations of the Study

First, for the purpose of the contribution of this study to the field of knowledge on LED, it is important to reiterate that the study reported in this dissertation was undertaken before the VLM was merged with eThekweni and Umdoni Municipalities. Therefore recommendations furnished in this chapter are intended to benefit any municipalities which are part of the South African local government structure. This particularly includes eThekweni and Umdoni Municipalities which now are incorporated parts of the former VLM. As such, based on the research findings pertaining to the LED planning in local government elicited from the former VLM, the study submits the following recommendations.

6.5.1 Recommendation One: Funding of Local Economic Development Initiatives in Local Government

The findings of the study pointed to the factors affecting the implementation of LED in local government. One of these factors relates to LED remaining an unfunded mandate of local

government. Since LED has the potential to steer economic growth through employment creation at the community levels, LED should be funded. This will require the government to supplement Municipal Infrastructure Grants (MIG) in which a certain portion will be dedicated to funding municipal LED programmes across the country. The formalization of LED practices in local government will benefit the majority of rural municipalities who do not have adequate resources with which to implement LED strategies.

6.5.2 Recommendation Two: Rethinking Local Economic Development

One of the objectives for the existence of municipalities across the globe is to ensure economic prosperity at the community level. Therefore, given South Africa's current economic environment, municipalities should revise their IDP documents and LED strategies to focus more intensely on economic development.

6.5.3 Recommendation Three: Local Economic Development and Stakeholder Engagement towards LED Implementation

The findings of this study revealed the lack of public participation and active engagement with external stakeholders as a challenge for economic development. The study therefore recommends that municipalities reconsider the role of stakeholder participation as a catalyst for community development and economic planning.

6.5.4 Recommendation Four: Monitoring and Evaluation in Local Government

The findings of the study pointed to many factors affecting the smooth operation of municipalities in the KZN province. Amongst these factors is the lack of the clear policies regulating the practise of LED at the municipal level. While the Local Government Municipal Systems Act (Act 32 of 2000) and Section 152 (c) of the Constitution (RSA, 1996) promote social and economic prosperity at community level, the functions of the municipal councils in this regard are not clearly articulated. Therefore, COGTA and South African Local Government Association (SALGA) should provide the capacity and should monitor economic development practices for the municipalities.

6.6 Significance of the Findings of LED Practices at Local Government Level

The findings presented in this study denote LED as a concept which has gained popularity in the South African context since the attainment of its democracy in 1994. The findings of the study demonstrated that, while LED is a cornerstone for the economic growth at the municipal level, the initiative experiences major institutional challenges emanating from poor planning and implementation. The findings of this study are significant for local government in terms of institutional planning and the revision of the manner in which LED initiatives are coordinated. The findings point to a need for local government to devise more innovative and strategic mechanisms that will assist in the implementation of LED initiatives.

6.7 Suggestions for Further Research

Owing to the scope of this study which was limited to LED planning in VLM, the study did not focus on other areas such as intergovernmental relations, which may be useful for enhancing LED implementation in local government. It is therefore recommended that this niche research area be explored in future studies.

6.8 Chapter Summary

The study was designed to investigate LED planning in local government, with specific reference to the former VLM, now part of the eThekweni and Umdoni Municipalities. This final chapter presented the recapitulation of the research objectives and research questions set to guide this study. Furthermore, the chapter demonstrated how the methodological approach and data presentation assisted towards drawing conclusions and proposing recommendations on enhancing LED within local government. In its final analysis the study concludes that the recommendations made have the potential of assisting South African municipalities to revive their LED strategies for the general welfare of the local citizens.

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Annexure 1: Permission letter to conduct the study



P/Bag X 5509 Phone: 039-9740452/50

SCOTTBURGH Fax : 039-9740432

4180 E-mail: Msizi@venturenelco.

23 July 20 –

To: Mr. S. S. N. Hlongwane

PERMISSION TO CONDUCT RESEARCH STUDY AT VULAMEHLO MUNICIPALITY

I would like to acknowledge receipt of the letter requesting to conduct research in Vulamehlo Local Municipality.

The permission for you to conduct research at Vulamehlo Local Municipality has been granted.

I wish you a good luck to your studies.

Yours faithfully



Mr. M.H. Zulu
Municipal Manager

Annexure 2: Ethical Clearance Letter



06 April 2016
Mr Slyabonp Slzwe NevDe Hlongwane (20752&ol09)
School of Managment, IT & Governance
WeItville Campus

Dear Mr Hlongwane,

Protocol reference number: HSS/0316/01&M

Project title: Local Economic Development Planning in Local Government: Evidence from Vulamehlo Local Municipality.

Full Approval -Expedited Application In response to your application received on 01 April 2016, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol have been granted FUU APPROVAL

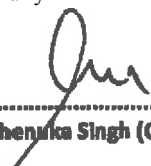
Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendments/ modifications prior to its Implementation. In case you have further queries, please quote the above reference number.

Please note: Research data should be securely stored in the discipline/department for a period of 5 years,

The ethical clearance certificate is only valid for a period of 3 years from the date of Issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everythin1 of the best with your study.

Yours faithfully



.....
Dr Shenuka Singh (Chair)

/ms

CC Supervisor: Mr BR Qwabe
CC Adademic **Leader** Research: Professor
Brian McArthur CC School Administrator.Ms
Angela Pearce

Hi1mantles & So:ial Scenc:N Raearch Ethli:s Committee

Dr **Shenuka Sildl** (Chair)

Weetville campus, Govan Mbld

Annexure 3: Interview Schedule

**INTERVIEW SCHEDULE FOR MUNICIPAL COUNCILLORS/OFFICIALS OF
VULAMEHLO LOCAL MUNICIPALITY**

**LOCAL ECONOMIC DEVELOPMENT PLANNING IN LOCAL GOVERNMENT:
EVIDENCE FROM**

VULAMEHLO LOCAL MUNICIPALITY (VLM)

SECTION A: BIOIGRAPHICAL INFORMATION

1. What is your position in your institution?

2. What are your responsibilities in your current position?

SECTION B: LED STRATEGY IN VLM

3. When was the current LED strategy of VLM adopted?

4. What are the strengths and weaknesses of the of the LED strategy of VLM?

5. What have been the success and/or challenges of LED strategies of VLM in the last 3-5 years?

SECTION C: STAKEHOLDER ENGAGEMENT IN LED

6. To what extent does the municipality involve ordinary community members in the LED planning process of VLM?

SECTION D: ALIGNMENT OF LOCAL STRATEGY WITH PROVINCIAL AND NATIONAL STRATEGIES

7. Explain how VLM creates synergy with the provincial and national strategies of enhancing economic growth in South Africa.

SECTION E: GENERAL COMMENTS

8. Are any other general comments and inputs that you may want to provide in order to improve comprehensive LED planning for VLM?

THANK YOU

Annexure 4: Informed consent



Law and Management

School of Management, IT & Governance

Master of Administration Research Project

Researcher: Mr. Siyabonga Sizwe Neville Hlongwane: (083 997 6323)

Supervisor: Dr. BR Qwabe (031) 260 - 8020

Research Office: Mrs. M. Snyman (031) 260 8350

I, **Siyabonga Sizwe Neville Hlongwane** a Master of Public Administration candidate, at the School of Management, IT & Governance, of the University of KwaZulu Natal. You are invited to participate in a research project entitled “. Local Economic Development planning in Local Government: Evidence from Vulamehlo Local Municipality”. From a pedagogical perspective, the aim of this study is to solicit information on how planning for Local Economic Development (LED) is being done in local government in South Africa. Thus, the proposed study will explore LED planning processes at Vulamehlo Local Municipality through interaction with careful selected stakeholders in order to assess the LED planning in local government.

Through your participation, I hope to understand the significance of LED planning in local government. The results of the survey are intended to contribute towards improving the planning processes of LED in local government and to ensure that LED has positive impact to local community.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequences. There will be no monetary gain from participating in this survey. Confidentiality and anonymity of records identifying you as a participant will be maintained by the School of Management, IT & Governance, UKZN.

If you have any questions or concerns about participating in this study, you may contact me or my supervisor at the numbers listed above.

The interview process will take at least an hour.

Sincerely

Investigators' signature _____ Date _____

CONSENT

I..... (full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project. I understand that I am at liberty to withdraw from the project at any time, should I so desire.

I agree to audio recording of the interview

I do not agree to recording of the interview

SIGNATURE OF PARTICIPANT

DATE