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UNIVERSITY OF KWAZULU-NATAL

**Research Into Factors Influencing The Economic Upliftment of The uMhlabuyalingana
Municipality**

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of
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DEDICATIONS

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DECLARATION

I, Siphon Moses Ndlovu, hereby declare that the work submitted is entirely my own work unless so indicated in the text and that no part of this work has been submitted for a degree purpose at any other University.

Signature :.....

Date :.....

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ABSTRACT

The post 1994 dispensation brought about the introduction of developmental local government whereby municipalities are duty bound by constitutional clauses to enhance their local economies. The development paradigm created a new euphoria in distant localities amongst poor and vulnerable rural and urban communities. The establishment of Local Economic Development units in virtually all municipalities was a direct pursuit of local developmental agenda. This study assesses and critiques the little shortcomings of local economic development in the area. An approach embedded in this study is to examine the role played by various stakeholders in local economic development.

The concept of local economic development in this study is not viewed in isolation from infrastructural development. An intensive investigation of infrastructural backlogs was undertaken to determine whether the Umhlabuyalingana municipality has invested enough towards its economic viability. Through rigorous engagement with the IDP, the researcher was able to ascertain whether there is a synergy between local economic development programmes/projects and the integrated development plan of the municipality. The data generated through intensive fieldwork was analyzed and interpreted to give impetus to the discourse of local economic development.

The qualitative findings of the study reveal that local entrepreneurs are still faced with daunting problems and obstacles in starting their own businesses. Funding and the lack of support from well established business organizations and political leadership were also cited as the stumbling blocks towards progression. The results also reveal that development in the area is top down as opposed to bottom up and as a result communities do not own decisions. Despite the negatives, there is significant progress noted in the area of projects that are linked to development which are abundant in the area. Lastly, the quantitative results clearly depict that local economic development has had an adverse effect on communities depending on their age, gender, educational qualification and income.

List of Abbreviations

ANC	African National Congress
CBPWP	Community Based Public Works Programme
CBO's	Community Based Organisations
DPLG	Department of Provincial and Local Government
DSD	Department of Social Development
DTI	Department of Trade and Industry.
EPWP	Expanded Public Works Programme
GATS	General Agreement on Trade in Services
GDP	Gross Domestic Product
GSLWP	Greater St Lucia Wetland Park
IDP	Integrated Development Planning
IDT	Integrated Development Trust
JIPSA	Joint Initiative on Priority Skills Acquisition
KBF	KaNgwanase Business Forum
LED	Local Economic Development
MEC	Minister of Economic Development
NEDLAC	National Economic Development and Labour Council
NGOs	Non Government Organisations'
OVA	Opportunity Value Assessment
PFMA	Public Financial Management Act
RF	Representative Forum
SDI	Spatial Development Initiative
SIDAP	SABITA Infrastructure Development Assessment Project
SPSS	Statistical Package for Social Sciences
UNEP	United Nations Environment Programme
WTO	World Trade Organisation

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Chapter One

The Research Problem

1.1 Introduction

“We are not there yet. But no one, except ourselves, shall ensure that this dream is realised. And so, let us roll up our sleeves and get down to work, fully understanding that the task to build the South Africa for which we yearn is a common responsibility we all share”.

Thabo Mbeki (2007)

Not that long ago the terms “local economic development (LED) and “pro-poor growth” were Utopian ideas. The post 1994 democratic South Africa era witnessed a major policy shift towards a developmental agenda which simultaneously gave rise to the discourse of local economic development. Local economic development encourages local people to work together to achieve sustainable economic growth, bringing economic benefits and improved quality of life for all residents in a specific locality. Developing nations across the globe recognised LED as a critical approach to turn around their development misfortunes through active participation which in turn paves the way for pro-poor development. The rise of LED partially accords with post-modern concepts of unique local action, as has been outlined in the writings of the Localities School (Carter, Donald and Squires 1993; and Wilson 1996b). This is an attempt to bridge the skewed allocation of resources perpetuated by the past apartheid government which left huge infrastructure, services and institutional capacity backlogs which hinder local economic development.

Census 2001 statistics reveal that uMhlabuyalingana has a rural population of 140 962 people who resides within 25 961 households. uMhlabuyalingana is extremely rural with informal settlements at Mbazwana and Manguzi. It has tourism potential in the form of heritage sites such as Lake Sibaya, Sodwana Bay and Kosi Bay (KwaZulu-Natal Top Businesses, 2008). For the vast majority of the residents, Kosi Bay offers an opportunity to improve their lives as a result of public-private growth coalitions. For one to thoroughly understand the strengths and weaknesses encountered by the municipality in ensuring a “better life for all”, as articulated by Mbeki (2007), one needs to comprehend local economic development programme. This research engages and interrogates the

municipality Integrated Development Plan (IDP) with a view of understanding what it is that the municipality is doing and what it is that people want. The developmental challenges facing the uMhlabuyalingana municipality, as captured in their IDP of 2005, are economic development, infrastructure, capacity and skills, social infrastructure, environment, water, roads, sanitation, telecommunications and housing development.

1.2 Rationale

South Africa's political rebirth in the 1990s rightly captured world attention and admiration for the phenomenal process of reconciliation and nation-building which took place. Less well known internationally, is the severity of the economic and employment crisis which South Africa has inherited. Officially, unemployment stands at nearly 40%, although figures of up to 80% have been recorded in certain rural districts. Inherited racially-based inequalities still largely persist, whilst the country has not attracted the amount of foreign investment hoped for. It is estimated that nearly one million jobs were lost in the 1990s, as a result of poor economic performance, global competition and deindustrialisation, which severely affected the gold mining industry in particular (Lester Binns and Nel, 2000; Wakeford, 2000).

Statistics of employment by main industries in uMhlabuyalingana as at 2008, reveal that farming employs 412 workers; mining 156; manufacturing 257; utilities 21; construction 376; trade 783; transport 193; business services 286; social services 2064 and diplomatic corps 2 (KwaZulu-Natal Top Businesses, 2008). The above statistics exclude the informal sector which provides a significant number of jobs to the majority of unskilled people. Across South Africa, the informal economy undoubtedly makes a huge contribution to local economic development at a nodal level. The biggest challenge facing the uMhlabuyalingana municipality is the lack of a revenue-generating mechanism. This in turn derails local economic development.

What drove the choice of this research issue is the role played by uMhlabuyalingana municipality in developing the area and the factors responsible for economic development. With the new emphasis placed on local economic development in South

Africa, all municipalities are required to continuously review their integrated development plans (IDP) to be in line with local challenges. As unemployment crises soar in 2008, communities need to decide what LED programmes and projects they will adopt to achieve their LED vision, goals and objectives. Hence the LED Strategic Plan must provide clear guidelines to all relevant role players and agencies to ensure a co-ordinated economic development initiative that contributes towards the economic goals of the municipal area.

Key powers have been devolved to local government, as enshrined in the Constitution (RSA, 1996a), the Municipal Systems Act (RSA, 2001a) and the Municipal Structures Act (RSA, 2001b) (Constitution of the Republic of South Africa, 1996). These Acts and the associated Local Government White Paper (RSA, 1998) introduced the concept of “developmental local government” to the national development lexicon. The development strategy of LED has been a key strategy for local governments, as part of the integrated planning process (DPLG, 2000).

According to Nel (2001), significant financial transfers targeted at LED will be required if local government is to pursue these strategies, over and above the limited support that is currently available. LED is a “new” local government responsibility and it will, as such, be regarded as secondary to traditional activities in most areas. With the possible exception of the metropolitan areas, most local governments do not appear to have any money to invest in the process. The poorest councils tend to be those facing the greatest development challenges. Non-payment for services by many impoverished urban residents, seriously impedes the actions and capacity of local states. There is an urgent need to make available significantly larger amounts of dedicated state funds for LED, as discussed above (Nel, 2001).

The research investigates the current status of LED at uMhlabuyalingana and the role played by the municipality, business, community and other stakeholders in ensuring that sustainable local economic development becomes a reality. Several governments, such as Limpopo Provincial government has established comprehensive LED programmes

including the establishment of LED units and the pursuit of a range of developmental strategies, whilst in parallel, an array of community and NGO initiatives are in place. The main LED objective in Limpopo programme is to support pro-poor economic growth and job creation through an integrated approach (Limpopo Local Economic Development Partnership, 2008). The huge infrastructure, services and institutional capacity backlogs, tend to signal that the progress made through LED's are still of a rather limited nature.

A situational analysis on the demographic profile and livelihoods analysis of the people of uMkhanyakude released by two prominent research consortiums Khanya-aicdd and Strategy and Tactics in 2007, reveals that unemployment in the District municipality currently stands at 22% with 78% of households surviving on less than R800 a month. These statistics are regardless of the figures released by the Government Digest in August 2006, that 53 000 short-term jobs nation-wide were created through the Expanded Public Works Programme (FRAC News Digest, 2006).

1. 3. Statement of The Problem

Local Economic Development is a buzzword in the post apartheid South Africa and is solely regarded as the engine towards achieving the better life as clearly articulated in the Freedom Charter and the Reconstruction and Development Programme (RDP) vision of the African National Congress (Human Science Research Council, 2004). The current role of LED at uMhlabuyalingana municipality needs to be contextualised based on the locality demands. The research problem advanced in this study is that the limited investment in infrastructure and human capital, unsatisfactory access to employment and the lack of funds injected towards programmes and projects aimed at achieving sustainable livelihoods, has negated the Local Economic Development at uMhlabuyalingana municipality to a peripheral activity.

1.3.1 The Objectives of The Study:

- To clearly understand the Local Economic Development trends at uMhlabuyalingana
- To determine whether there is alignment between LED and the Integrated Development Planning in the municipality
- To assess whether the available LED platforms indeed cater for local participants
- To establish whether the existing projects are community-driven through local electorate or by non-state actors.
- To establish what structures of accountability are available to stakeholders

1.3.2 The Key Research Questions in Support of The Research Objectives:

- Has the uMhlabuyalingana municipality been successful in implementing Local Economic Development?
- Does uMkhanyakude, as the District municipality, support programmes and projects aimed at LED?
- Are the programmes and projects located within the municipality viable and financially sustainable?
- Who are the key role players in the LED of the municipality?
- Has the development reached the intended beneficiaries within the municipality?
- How and where are decisions regarding LED taken?
- How is the relationship between the private and the public sector in the municipality?
- What are the challenges that need to be overcome for better realisation of LED?

1.4 Study Area

uMkhanyakude District municipality (DC27) is made up of five local municipalities which are: Big 5 False Bay municipality; Hlabisa municipality; Jozini municipality; Mtubatuba municipality and uMhlabuyalingana municipality. The recorded Census 2001 statistics reveals that the population of uMhlabuyalingana (KZ271) was 140 962 people. Migration trends pinpoint that the area is influenced by massive influx of people who migrate from Swaziland and Mozambique. For example, Kosi Bay one of the last

relatively unspoilt estuarine systems in the country with natural attributes which makes it environmentally unique is also overpopulated by documented and undocumented migrants. For centuries, traditional fishing practices in Kosi Bay have been able to provide a sustained source of food for the local people but that is now questionable. The United Nations Environment Programme (UNEP) of 2000 emphasise the importance of the links between trade and the environment, which are multiple, complex and important. Mayekiso (1994) noted that urban and rural development has been presided over by state bureaucrats and had been designed to entrench apartheid. Take for instance the development of a harbour at Kosi Bay which was proposed in the 19th century and again in 1981, but the plans have been shelved (South African Government Information, 2008). The obvious obstacle being that the government cannot afford huge infrastructure and capital investment. The other problem being that the Maputo, Richards Bay and Durban harbours are close to one another. The proposed Kosi Bay development which might promote tourism in Northern Zululand has been severely criticised by other stakeholders (South African Government Information, 2008). Environmental activists strongly argue that the development would lead to the destruction of a system which, if properly managed, could become one of the major tourism draw cards in the area.

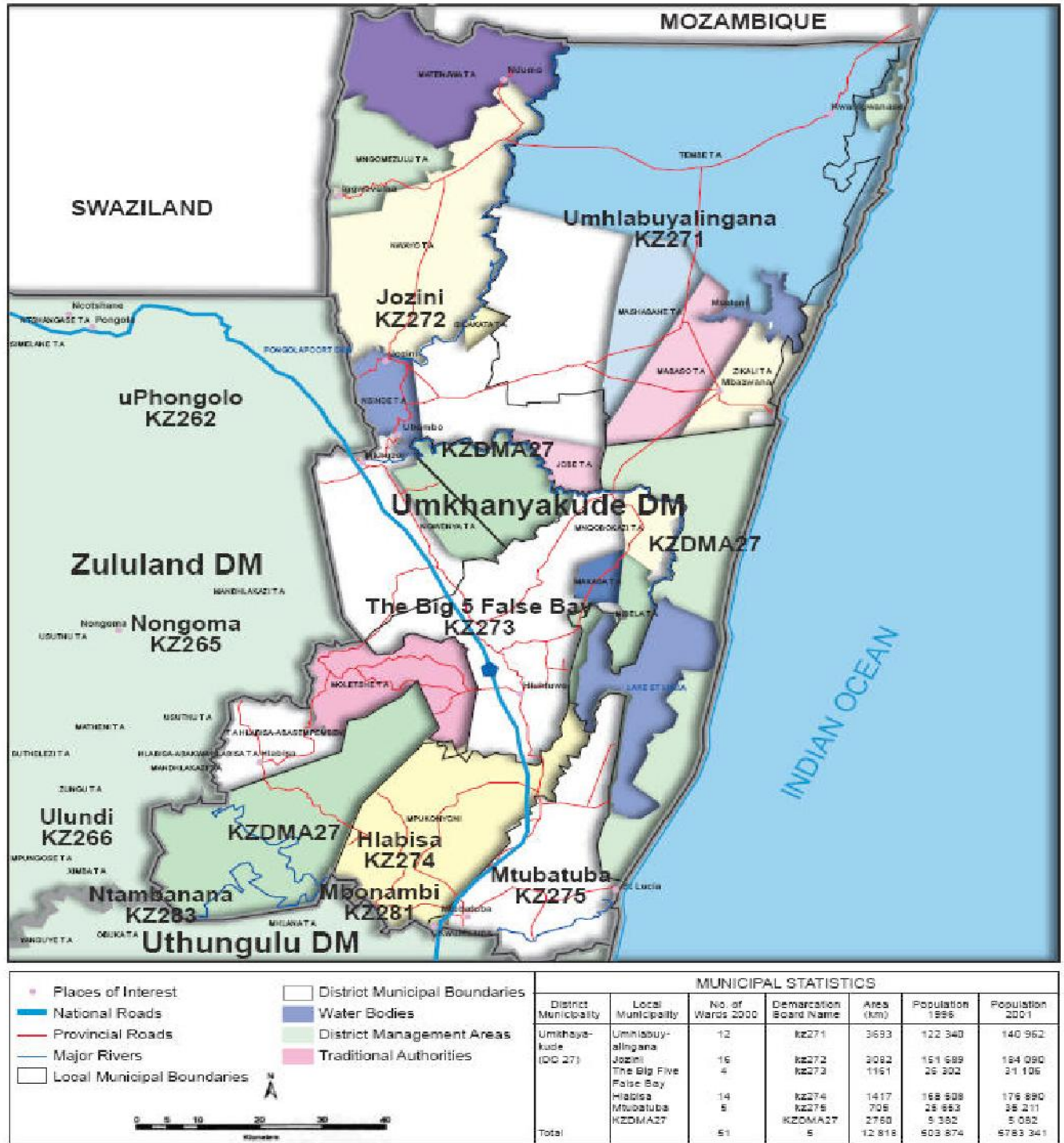


Figure 1.1 Area Map

Source KwaZulu-Natal Top Businesses

Despite the implementation of extensive rehabilitation and mitigating measures, the estuary system and its surroundings will be severely modified and impacted by this development. From an environmental perspective it would be preferable to upgrade existing facilities at Maputo or Richards Bay. The problem of growing the economy is now at the mercy of conservation of nature, stemming from 1996. An ordinary underprivileged person would first want to satisfy the basic needs as clearly articulated in Maslow's hierarchy of needs (Maslow, 1943).

1.5 Principal Theories Upon Which The Research Will be Constructed

Karl Marx (1844) once said that there will indeed, always be a theory, since man is a theory-making animal; but the theory is always something invented afterwards, to fit the facts; it is not the reason which directed their production. The theory deemed suitable for the study after facts were gathered is Maslow's hierarchy of needs.



Figure 1.2 Maslow's Hierarchy of Needs

Source Maslow (1943)

The theory reveals that the physiological needs are the most pre-potent of all needs. Examples of physiological needs are: air, food, drink and shelter. If physiological needs are relatively well gratified, then emerge safety needs which include protection, security, law and order. The social needs will emerge if the physiological and safety needs have

been well gratified. The social needs include belonging to a family, affection and relationships. The self esteem needs will follow whereby the desire for strength, for achievement, for adequacy, for confidence in the face of the world, and for independence and freedom will dominate the self. Lastly, the self actualisation needs, which is the fulfilment of a personal growth path. The relevance of the theory in local economic development can be attributed to the importance of the fulfilment of various needs for the actual development to take place.

1.6 Research Methodology

After carefully considering the problem under investigation it was decided to conduct a survey at uMhlabuyalingana municipality with a population of 140 962 people. Since it was not going to be feasible to reach such a large number of people, a small sample of 20 participants who are involved with the Local Economic Development was drawn using a non-probability sampling technique called judgmental or purposive sampling. The sample includes important stakeholders in Local Economic Development at uMhlabuyalingana i.e. local elected leadership, traditional leadership, municipal staff, local business organisations, non-governmental organisations, project participants/beneficiaries, representatives from civil society and various service providers. The technique employed made it possible to interact with people who are in the best position to offer valuable knowledge to the inquiry. In addition, as part of the small sample, an in-depth interview was conducted with the Local Economic Development Manager as well as contract workers. Sekaran (1992) specified that scientific research ought to have a minimum of 30 respondents to be considered suitable as a statistically sound sample. The small sample of 20 respondents was sufficient considering the limited number of participants who avail themselves for the research. Despite the sample limitation, the results generated from the study give meaningful insight into the discourse of LED at uMhlabuyalingana municipality. However, the results cannot be accepted as absolute nor be generalised taking into consideration that they were generated using a non-probability sampling technique.

Data collection occurred through the use of a questionnaire. The questionnaire consisted of a combination of closed and open-ended questions drawn strictly from the objectives of the study. To test the reliability of the measuring instrument, it was firstly piloted to a small sample. Data generated through questionnaires was analysed using the Statistical Package for Social Sciences (SPSS). From the data generated, descriptive statistics such as frequency and percentages were generated and presented using pie charts and histograms. Furthermore, inferential statistics dealing with cross-tabulations and the Pearson correlation matrix were computed to give more impetus to data. The data generated from the interview with the Local Economic Development Manager was qualitatively analysed using themes and thick descriptions of phenomenon. The narratives gained through interaction with various stakeholders were very useful in understanding the past and the present and in making informed predictions about the future.

1.6.1 Limitations of The Study

The anticipated limitations are well captured by Nel's (2001) analysis that LED is in its early stages, government and local governments are often still in the first phases of policy development and application and it would be difficult to claim that significant, concrete results have been achieved to date. Community initiatives, though often well established, do not receive significant policy support at present. Another crippling factor is that the study cannot be generalized because there is no single approach to LED which will work in every municipal area. Each area has a unique set of opportunities and problems and must develop a Local Economic Development strategy that is specific to the local context.

1.7 Conclusion

As noted by Mayekiso (1994), rural development has been developer-driven and often carefully organised to dis-empower communities. He argues that the result of that is that much of that sort of development has failed, not only in the view of the communities but also in terms of the developers. That era has ended. People-driven development is now the watchword according to Mayekiso. He remains concerned about how to transform a set of institutions consciously designed to prevent people-driven development and harness them to support communities.

1.8 Chapter Outline

This study is divided into five Chapters. Chapter One deals with the introduction and rationale of the study. Chapter Two interrogates the literature and the theoretical framework underpinning the ethos of local economic development. This Chapter also draws rich data from international literature on the discourse. Chapter Three interrogates the research methodology. Chapter Four deals with data analysis and interpretation. Chapter Five will be the conclusion and recommendations of the study.

Chapter Two

Literature Review And The Theoretical Framework

2.1 Introduction

Internationally, local economic development promotion is closely associated with political decentralisation; mobilisation of actors and resources at local level is given centre-stage; and the state, including local government, plays an enabling rather than driving role (Sharing Experiences of Local Development in Africa, 2008). The World Bank (2001) defines local economic development as a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation. A study conducted by Klarenberg and Masondo (2005) on Good Practice of Civil Society Organisation reveals that people must be empowered to be involved in, and to take control of, their own development.

2.2 The Department of Local Government Local Economic Development Programmes

The department provides support in the following key areas:

- Development and review of national policy, strategy and guidelines on LED;
- Providing direct and hands-on support to provincial and local government;
- Managing the Local Economic Development Fund;
- Management and Technical support to National Economic Development Planning;
- Facilitating, coordinating and monitoring of donor programmes, and
Assisting on LED capacity building process (Provincial and Local Government January, 2008)

2.3 Local Economic Development Plan

The five major LED interventions as articulated by Provincial and Local Government (Department: Provincial and Local Government, 2008) are:

- Financial support
- Land and building development
- Information and marketing assistance

- New planning and organisational structures
- Training and employment (Nel, Hill and Eising, 2002).

2.4 The Impact of Globalisation on Local Economic Development

“Start at home! Much policy advice has been given to facilitate global finance, trade and investment to connect with the global economy. But much less to reinforce local communities and local markets where people live and want to stay if given the opportunity. There cannot be successful globalization without successful localization” Somavia (2004).

The local developmental practitioners in South Africa have now adopted a new vocabulary of globalisation which says think global and act local (Pinto, 2004). In the context of globalisation, development is also focusing on the importance of local economic development, the immediate objective of which is seen as economic growth, whilst poverty reduction and improvement in the quality of life are taken as the overall goal. Local economic clustering has grown in significance under globalisation, as the clustering of firms within regions can strengthen the competitive advantages of those regions and the countries in which they are located (Department: Provincial and Local Government 2008). The rampant changes created by economic globalisation led to the creation of what Manuel Castells (1997) in ‘The information Age: Economy, Society and Culture’ termed ‘the New World Order’. The linkages between regions and global markets governed by various WTO agreements have in the end created borderless societies.

Local Economic Development strategic objectives in a macro context should accommodate the fast changing global, national and regional economic context as well as the constitutional legislative framework and the developmental role of Local Government (Hemson, 2006). Involvement of local agencies like Business, Unions, NGOs, CBO’s and Government who have interest in local economic development is of crucial importance (UNEP, 2000). Utilisation of local resources - natural, human and social factors should also form the basis for LED development. The above objectives are supported by the World Bank (2002) analysis that LED is about local people working together to achieve

sustainable economic growth that brings economic benefits and quality of life to all in the community.

Local economic development cannot be viewed in isolation from international local economic development approaches which include :

- Traditional approaches that seek to attract investments into the local area;
- Entrepreneurial/competitive approaches that emphasises supporting local business through research, loans, grants, premises, technical infrastructure and so on;
- Urban efficiency approaches that aim to raise urban productivity by lowering the costs of running businesses;
- Human resource development that aims to develop the skills base;
- Community-based strategies that emphasise working directly with local communities and their organisations; and
- Progressive approaches that explicitly aim to link profitable growth to redistributive development (iMvula 2008).

South Africa is an active global player. Its local economic development objectives are in line with the Millennium Development Goal of halving poverty by 2014 (Growth Development Summit, 2003). South Africa's overall strategic objectives of local economic development are to:

- Promote the development of Small, Medium, and Micro Enterprises;
- Create jobs and opportunities;
- Develop Local Human resources;
- Attract investment;
- Create sustainable livelihoods;
- Implement a procurement system that favours the locals (Limpopo Provincial Government 2008).

The development strategy of Local Economic Development has been widely practised in the countries of the North for several decades now. In the South, by contrast, in a formal

sense, it appears to be a relatively recent phenomenon and one, which in an era of economic crisis, needs to be evaluated in terms of its potential to help address the challenges of poverty and unemployment and to simultaneously encourage growth. Reasons for the emergence of LED in the North and the South differ as detailed below (Nel, 2001).

A study conducted (Ingle, 2003) on the evaluation of LED in South Africa's Free State Province, reveals that LED has indeed become well established in the country and the province, at least as a concept, an idea, or something to work towards. However, a series of key blockages are impeding the widespread and successful implementation of LED at all levels. Whilst some noteworthy LED successes have been achieved across the country, there are key constraints related to shortages of funds, staff, skills and resources, particularly at local government level. Additionally, government and various researchers have established that LED is not living up to expectations. There seems to be confusion regarding its definition and application. Furthermore, there is confusion regarding the purpose of LED, and whether LED is purely about poverty relief or whether it is about encouraging economic growth. Ideally, it should be about a combination of the two (Free State Province, 2008).

According to Khanya (2006), LED can be seen to be relevant to the following sustainable seven principles:

- **“Poverty-focussed and Sustainability.** The aim of local economic development ultimately is to produce higher standards of living, improve the quality of life, alleviate poverty, create more and better jobs, advance skills and build capacity for sustained development in the future. It thus will address poverty, provided a developmental approach is taken which addresses inequalities”;
- **“People-centred.** Developmental LED strategies place people back in the centre of development, understanding their strengths and weaknesses rather than focusing on the resources that they use”;
- **“Holistic.** Cross-sectoral and multiple strategies are key to LED, since LED plans require a broad approach to the local economy”;

- **“Strengths-based.** Central to LED is the theme of endogenous development, which stresses the use and potential of local human, physical, social, natural, financial and institutional resources”;
- **“Participatory, responsive and empowering.** The active participation of the local community in LED is vital to its long-term success”;
- **“Partnerships.** An important component of LED is building on the range of local actors and their differing roles and competences to promote development and economic growth”;
- **“Micro-macro link ages.** LED encourages links between macro level policies, meso level institutions such as local government, and local communities, SMMEs etc. In essence, LED is the meso and micro level strategy and tool to implement macro -level policy”.

The research conducted by Higgins (2004) in the field of local economic development reveals that every municipality has its own unique challenges. The urban-rural divide strategy left many municipalities virtually paralysed. The funding formula for the municipalities places smaller municipalities in a disadvantaged position. The key local economic development challenges were identified through a rigorous engagement with Local Economic Development policy documents of uMhlabuyalingana.

2.5 Local Economic Development Challenges Facing uMhlabuyalingana

The uMhlabuyalingana is an extremely rural area with informal settlements at Mbazwana and Manguzi. It has tourism potential in the form of heritage sites, Lake Sibaya, Sodwana Bay and Kosi Bay. The area is influenced by the influx of people who migrate from Swaziland and Mozambique. In terms of the Gross Domestic Product (GDP) contribution to the former uPhongolo sub-region, agriculture dominates the economy. The agricultural sector is followed by the government sector, the informal sector and community and social services. Tourism is making an increasingly greater contribution to the local economy. Efforts are needed to reduce obstacles currently facing the agricultural sector. Key constraints include: lack of access to water resources despite the abundance of natural resources (development of irrigation schemes to support small

growers is considered uneconomical); lack of road access to agricultural production areas, and internal and external markets (KwaZulu-Natal Top Businesses , 2008).

Subsistence agricultural activities make a limited contribution to the local economy. Key development problems include a limited road network, inadequate sanitation and electricity and the lack of a district waste disposal site (KwaZulu-Natal Top Businesses , 2008).

2.6 Key Development Objectives and Strategies of uMhlabuyalingana Municipality

Statistics reveal that a number of councils in South Africa are not able to provide basic services to at least 60% of their constituency:

Table 2.1 Key Development Objectives

203 out of 284 councils could only supply	Sanitation to 40% or less of inhabitants
182 out of 284 councils could only supply	Refuse removal
155 out of 284 councils could only supply	Water
122 out of 284 councils could only supply	Electricity

Source: Mail & Guardian, 'Ministers' report card, December 20 05

uMhlabuyalingana municipality is one of the under-performing councils in KwaZulu-Natal. This is partly because it is an impoverished area

2.6.1 Water

In South Africa between 12 and 14 million people are without access to safe water. Women and children are disproportionately affected by the lack of access to basic water services. Rural women spend more than four hours a day collecting water and wood for fuel, and thousands of children die annually of avoidable diseases related to poor sanitation and the lack of clean water (Liebenberg and Pillay, 1998). The citizens are presently heavily relying on untreated water sources since there are no reticulation systems. While extensive reticulated provision may not be an option given the rural nature of the area and scattered settlement pattern, incremental provision and alternative

water supply systems require consideration (KwaZulu-Natal Top Businesses, 2008). Seedat and Cottle's (2002) case study on cost recovery and prepaid water meters and the cholera outbreak in KwaZulu-Natal at Madlebe in McDonald and Pape (2002) confirmed that community participation is a crucial component of development.

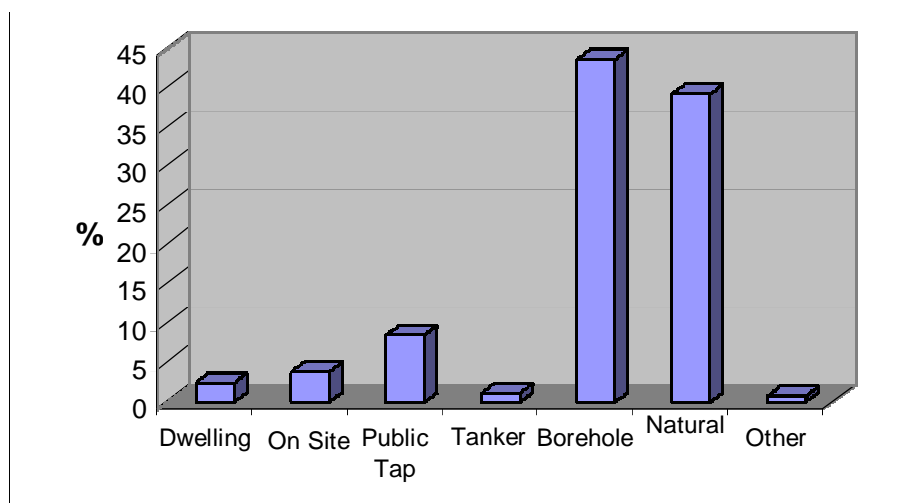


Figure 2.1 Water Sources

Source Statistics South Africa, 2001

According to the uPhongolo sub-regional plan (1999), the following boreholes are located in uMhlabuyalingana (in accordance with Tribal Authority areas) :

Table 2.2 Boreholes According to Traditional Authority Areas .

TRADITIONAL AUTHORITY	NUMBER OF BOREHOLES
Tembe	35
Mashabane	13
Mabaso	4
Zikali	5

Source uPhongolo Sub-Regional Plan, 1999.

In Mbazwana, water is pumped from Lake Sibaya with electrical pumps to a water treatment plant. The water from this lake is of a very high quality and, therefore, does not require significant purification (Mbazwana Integrated Development Framework, 2000). The treatment plant has connections to the forestry complex and sawmill. The

existing water supply is not sufficient to accommodate a major expansion of Mbazwana. The pumping of water from Lake Sibaya has been limited by a refusal from the Department of Agriculture and Environmental Affairs to grant a permit for increased pumping which therefore requires that alternate sources of water need to be identified. The biggest challenge in Mbazwana, and probably other settlement areas provided with water, is the payment for water consumed over and above the quantity granted free by government.

As rural settlements are generally sparsely populated and remote, the provision of piped water is difficult and this serves to restrict development. In addition, the current reliance on natural water sources and boreholes is considered unsustainable. Education on borehole maintenance and other options requires investigation (KwaZulu-Natal Top Businesses 2008).

The management of water resources within the study area, need to take the following key issues into consideration:

- Poor land use practices, such as overgrazing, are resulting in soil erosion.
- A lack of funding has resulted in restricted water provision to rural areas.
- The administration of tariffs and permits for water utilisation is necessary in order to ensure the sustainability of water resources (uPhongolo Sub-Regional Plan, 1999).

2.6.2 Sanitation

According to the uPhongolo sub-regional plan (1999), a phased programme needs to be developed to provide basic sanitation to communities within uMhlabuyalingana municipality. The IDP of 2001 further states that careful investigation is required as the study area is characterised by sandy soil conditions, potentially leading to seepage and groundwater pollution (KwaZulu-Natal Top Businesses, 2008).

The nature of sewerage disposal is indicated in the figure below.

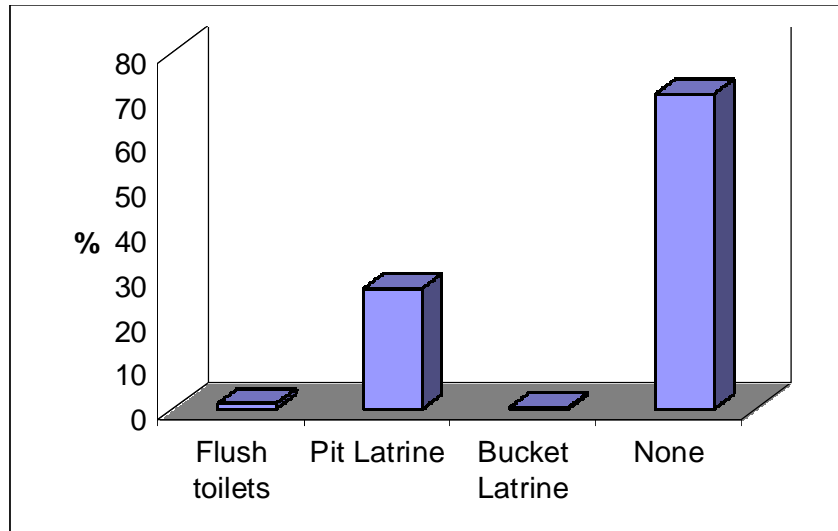


Figure 2.2 Types of Sewerage Disposal in uMhlabuyalingana
Source Statistics South Africa, 2001

This figure clearly indicates that the majority of people do not have access to sewerage facilities in the area. Within Mbazwana, sanitation is generally poor. While only community facilities and businesses have their own septic tank, it is unlikely the water-borne sewerage will be necessary. The sanitation backlog is estimated at 12,379 people (IDP, 2001).

The majority of Wards in uMhlabuyalingana are in a situation where more than half of the population do not have access to formal sanitation (African National Congress, 2008).

2.6.3 Roads

Patterson (2008) of the SA Roads Federation and the Zululand Chamber of Commerce and Industries, also sees roads as critical towards economic development (quoted with consent). The establishment of proper road infrastructure would improve participation in the economic activity.

2.6.4 Electricity

A municipality should develop a phased programme for electricity provision throughout the municipality (KwaZulu-Natal Top Businesses, 2008). The issue of electricity in Manguzi has caught a lot of attention both from the community and business owners. In a meeting held between Eskom and KwaNgwanase Business Forum (KBF) in 2006, Eskom acknowledges having made a mistake by not planning for the development in the area. This means industrial developments cannot take place as electricity is a key requirement. However, in that meeting, Eskom agreed to buy electricity from Mozambique and sell it to Manguzi (African National Congress, 2008).

The nature of electricity provision is demonstrated in the figure below.

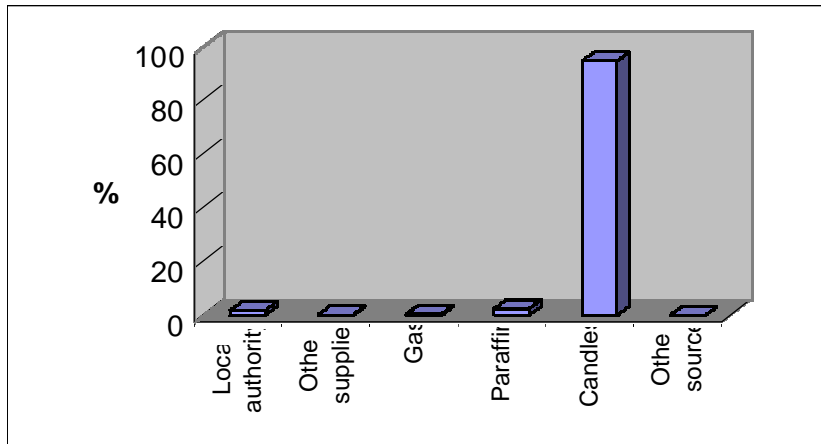


Figure 2.3 Types of Electricity Provided

Source Statistics South Africa, 2001.

Candles appear to be heavily relied upon. Electricity is supplied in bulk by Eskom who is also responsible for reticulation in the majority of informal towns and settlements. They (Eskom) supply electricity to rural areas from the supply points (uPhongolo Sub-Regional Plan, 1999). A key challenge is the cost implications of supplying electricity to scattered settlements. Consequently, alternative forms of energy supply need to be investigated (IDP, 2001).

There is no bulk electricity supplied in uMhlabuyalingana. The reticulation network extends westwards from Jozini through to Manguzi, perpendicular to the coast, and from

Mkuze (in Jozini) to Mbazwana and Mseleni, according to the IDP document of 2001. The IDP document of 2001 provides that there is a need to extend this network to the rest of the municipality.

2.6.5 Economic Development

The economists, by dint of their refusal to see that economic choices are practicable only if the political and social compromises that they imply are acceptable, are encouraging a utopian economism. Amin (2003)

Natgrass (1988) argues that economic growth is more easily maintained in an economy that has a well developed financial infrastructure. Although growth itself is ultimately measured in terms of an increase in the flow of goods and services, the existence of a well developed financial structure oils the wheels of the economy and greatly facilitates the generation of the needed increases in output. An adequate financial structure makes it easier for businesses to obtain the funds that they need for expansion, and provides a simple link between the people in the economy who are saving and those needing the investment funds (Natgrass; 1988).

The reliance of LED initiatives, particularly at the community level, on high degrees of social cohesion and the joint identification and implementation of projects ensures that there is a complementary relationship between LED and the vague notion of social capital (Nel, 2001). Such is achievable by promoting the development of appropriate infrastructure, such as market stalls at accessible locations; investigating the establishment of training programmes in the hospitality industry; providing agricultural extension services (fertiliser, seeds and irrigation.) including training programmes with the participation of the Department of Agriculture; identifying high potential agricultural land and promoting high value agricultural produce to broaden rural livelihoods; promoting agricultural beneficiation which could involve the development of agri-processing factories; identifying suitable areas for development of community gardens; and identifying potential tourism opportunities (KwaZulu-Natal Top Businesses , 2008).

Poor households protect themselves from income risk by diversifying their sources of income. A rural household is likely to depend on some agricultural production, small scale entrepreneurial activities, a remittance from a family member, and, if at all possible, a pension. None of these is secure, so even when one seems to offer real hope of raising household income, a broad range of activities is often maintained. The wider the range of jobs and activities that is created in an area, the more people can provide services to each other, the more markets will be created, and money circulated. A developmental plan for a rural area must therefore tackle employment issues through as wide a range of activities as possible (African National Congress 2008).

In terms of economic development and job creation, a number of strategies are proposed (KwaZulu-Natal Top Businesses, 2008):

- Strengthening the competitive advantage.
- Promoting the creation and expansion of SMMEs.
- Enhancing the security of livelihoods, and self-reliance.
- An increased share in the tourism market and investment in the economy.
- Expanding and diversifying the agricultural sector (agri-processing).
- Developing and expanding the transport and distribution industry (expansion of warehousing).

Mlambo-Ngcuka (2007) said the government believed in and supported the growth-development nexus that shared economic growth was a condition for development and in the long-run, people development was a condition for meaningful and sustainable economic growth (South African Government Information, 2008).

Simutanyi (2006) argued that development involves both quantitative, i.e. economic growth; and qualitative challenges, i.e. involving improvement of people's standard of living (Harold Wolpe Memorial Trust 2008). Ingle (2003) argued that it is unrealistic to expect municipalities which struggle to supply or charge for basic services, to be able to manage economic projects.

2.6.6 Land And Housing

Upgrade existing structures and rural housing; locate new housing projects within primary and secondary nodes; ensure housing projects meet RDP requirements; consider objectives of the Land Reform Programme (KwaZulu-Natal Top Businesses, 2008). Rural housing has been identified to be faced with some constraints in the housing policy of 1994. Some of these constraints included large population of low-income earners who cannot afford adequate housing using their own financial means (South African Government Information, 2008).

In the new policy, it was resolved that there is no single formula for attending to South Africa's housing dilemma. It is only by mobilising and harnessing the full diversity of resources, innovation, energy and initiative of individuals, communities, the State and the broader private (non-State) sector, that the challenge can be met effectively. It is this belief that most significantly underpins the approach to housing that has been adopted by the Government (South African Government Information , 2008).

2.6.7 Health

Point 11(d) of Rural Health for South Africa (2005) points out that Municipal Health Services will be provided in all areas with appropriate attention being given to the availability of safe water and sanitation, health and hygiene education, waste management and air pollution, as well as to appropriate outbreak reporting and response. Other environmental health services such as malaria control will also be coordinated with all district health services (Limpopo Provincial Government 2008). Within the district there are no specialised health care services and one has to go as far as Richards Bay, which is approximately 200km away from Manguzi, for these services. The surrounding hospitals, i.e Mosveld, Mseleni and Hlabisa are also government hospitals and incapable of providing specialised services (KwaZulu-Natal Top Businesses 2008).

2.6.8 Education

In the ANC discussion document (1995), the Minister of Education argued that Africans living in rural areas were denied educational opportunities to an even greater extent than those in urban areas. Most rural schools are poorly resourced with buildings, equipment, books and access to infrastructure such as electricity and running water. Children usually walk long distances to school and class sizes of 70 students are not uncommon. Drop out and repetition rates are high and a large number of children do not attend school at all. Opportunities for secondary education are restricted. Opportunities for childhood education and adult education are rare although the needs are immense (African National Congress, 2008).

Under the ANC discussion document of 1995, the Ministry of Education proposed as the new policy for rural education that access to schooling be improved to meet the State's Constitutional obligation to provide basic education for all. This will involve building more schools and classrooms to satisfy demand and expanding opportunities for secondary schooling and adult education. Improving educational quality also requires adequate provision of stationery, textbooks and other reading material, decreasing the teacher: student ratios, providing in-service training for teachers, strengthening teachers' advisory services, and providing electricity, clean water and telephones to educational institutions. Ultimately, education improvement is tied up with the general economic upliftment of the rural areas. This will make infrastructure improvements easier to achieve, improve the educational potential of children and adults, help rural areas to attract and retain qualified teachers, and improve the health and general welfare of children (African National Congress 2008).

2.6.9 Community Facilities

According to agreed planning standards in the IDP document, one police station is required for every 25 000 people. Certain measures of progress towards these goals have been achieved. However, education plays a role in the maximum utilization of these facilities (IDP 2001).

Ideally, as outlined in the IDP standards (2001), one sports field should be provided for every 6500 people and a community hall for every 7500 people. While these standards are important, the provision of these facilities should be determined on the basis of community-expressed need in conjunction with the Department of Education, Sport, and Recreation's allocation for the area (African National Congress, 2008).

2.6.10 Telecommunications, Landfill Sites and Cemeteries

The IDP document (2001) provides that investigation for locations for future landfill sites be conducted; determination of the need for cemeteries; development of a phased programme, in conjunction with Telkom, to extend telecommunication networks to secondary nodes. Postal facilities and boxes also require consideration (KwaZulu-Natal Top Businesses, 2008). In urban areas one postal point per 10000 households should be provided or located at nodal points in accordance with the settlement hierarchy and standards of facility provision (KwaZulu-Natal Top Businesses, 2008).

According to Hemson (2006), most municipalities with a largely rural nature, burials occur in tribal areas. He argues that this could have potential negative natural environmental consequences with the contamination of groundwater and reduce the amount of potentially potable water available to residents in the area.

2.6.11 The Natural Environment

Jordan (1996) argues that poverty impacts on the environment in two ways. Firstly, poor rural and urban communities in developing countries hardly have the opportunity to think through the consequences of the over-utilisation of resources because their priority is survival. Secondly, those governments in developing countries, spurred by the imperative of economic growth as the key to prosperity, are often tempted to embrace ecologically unsound development strategies (African National Congress, 2008). Accordingly, the natural environment has been impacted likewise.

2.6.12 Spatial Development

South Africa's most expensive legacy is the inefficiency of its spatial arrangements. Not only were people separated geographically, pushing the poor to the edge of working systems, they were also separated in administrative, economic, social, service, information and cultural ways. Effective and quick ways to reintegrate on all fronts are needed. Periodic markets, set up in weekly rings of markets, can act to correct underlying structural imbalances (African National Congress, 2008).

Since the launch of the Lubombo Spatial Development Initiative (SDI) in KwaZulu-Natal, the Tourism Authority has played an active role in promoting development in Eastern KwaZulu-Natal with the Lubombo SDI Project Managers. The Tourism Authority contributed funds towards organising the launch of the Lubombo SDI at the Crowne Plaza in Durban on 5 and 6 May 1998. This high-profile launch was attended by more than 300 delegates and addressed by the three heads of state, then South African President Nelson Mandela, Mozambican President Joaquim Chissano and King Mswati III of Swaziland (African National Congress, 2008).

On 9 and 10 December 1998, the Town and Regional Planning Commission assembled a team to investigate the operations and location of tourism projects which had been established on traditional land without formal planning approval. The tour was part of an initiative by the commission to make improvements to the current procedures (Zulu Kingdom, 2008).

2.7 Historical And Other Places of Interest

2.7.1 Heritage Sites

Greater St Lucia Wetland Park (GSLWP), St Lucia Lake System, turtle beaches and coral reefs, Lake Sibaya, Kosi Lake System, Ndumo Game Reserve; Sodwana Bay; Tembe Elephant Park. The attention drawn to GSLWP has resulted in the park changing its name to Isimangaliso Park, which is meaningful to the residents, effective 1st November 2007.

While not strictly falling within the jurisdiction of the Local municipality in question, the St. Lucia Wetland Park is seen as an essential asset for the development and planning of the district as a whole. As such, measures have been suggested, as stated in (KwaZulu-Natal Top Businesses, 2008), for the management of areas situated on the interface between the GSLWP and the uMhlabuyalingana municipality. In addition certain parts of the Greater St Lucia Wetland Park fall within the uMhlabuyalingana area. The Greater St Lucia Wetland Park is the largest estuarine system on the African continent and was declared a World Heritage site in December 1999. Five sites within the park are also recognised under the Ramsar Convention as wetlands of great international value: the St Lucia Lake System, the Turtle beaches and coral reefs, Lake Sibaya, the Kosi Lake System and the Ndumo Game Reserve (KwaZulu-Natal Top Business, 2008).

2.7.2 Forest Reserves

The available forest reserves in the area are Tembe, Sileze, Manguzi, Malangeni, Coastal and Mbazwane (KwaZulu-Natal Top Businesses, 2008). The dominant source of energy is from wood fire; the forestry restriction places citizens under pressure since their only concern is to kindle fire for whatever reason necessary. Proper forest reservation may be realized once the area is fully electrified.

2.8 Tourism Aims, Projects And Plans for The Next 5 Years

Tourism development has the potential to bring consumers to new areas and to encourage outside funding. However, communities have to also consider, and perhaps take evasive action, against problems that can be created by tourism. Income from tourism can be

unreliable and is usually seasonal, so it should be one part of a wider economic planning; it can be stressful to local communities if not well planned; and it requires a sophisticated chain of support networks (African National Congress, 2008).

Mthombeni (2005) summed the local economic development trajectory, saying:

“The municipality lies along the Indian Ocean and has the biggest natural lake in South Africa, namely Sibaya Lake. Tourists are attracted to Tembe Elephant Park, Mabaso Game Reserve and natural vegetation forests. This is the deepest rural municipality with very few roads. We are, however, lucky that the Maputo Corridor runs through the municipality to Mozambique. A 4 X 4 vehicle is necessary to reach wonderful places like Sodwana and Kosi Bay.

Whoever wishes to contribute towards the development of this municipality should do their best to attract business sectors to establish facilities such as hotels, lodges and shopping centres. There is ample space for ploughing and stock farming. The warm climate favours peanuts and other leguminous crops, forestry, sugar-cane and cotton. With agricultural training for inhabitants and intensive farming, local people will develop well. There is a high rate of unemployment, particularly amongst the youth who, after completing Matric, sit at home. Skills centres are particularly necessary, as people would be able to use their hands and earn a better life. People or investors interested in the development of uMhlabuyalingana municipality are encouraged to actively participate. It is very quiet, with very little crime, but with great potential” (KwaZulu-Natal Municipal Portfolio, 2008).

Despite the abundance of opportunities that exist as indicated by the Mayor in the speech, conducting business that contributes to economic development is a challenge (Mthombeni). Part of this challenge is that if the members of the Ingonyama Trust, a body that regulates land ownership under Tribal Authority disapproves, the development may not occur.

2.9 Lubombo Spatial Development Initiative (SDI)

The Lubombo SDI was formed by three governments, namely, the South African, Swaziland and Mozambique government with the intention of launching tourism investment opportunities on a scale unparalleled in Africa. The programme straddled southern Mozambique, eastern Swaziland and north eastern KwaZulu-Natal (Kosi Bay) and, for the first time then, provided access to some of the most picturesque and unspoiled natural attractions this continent has to offer (KwaZulu-Natal Top Businesses, 2008). The Lubombo region is currently enjoying the biggest and most prolonged tourism boom in its history. The growth in international tourism comes on top of a large, established domestic tourism market currently worth twice as much as its foreign counterpart. The World Travel Council estimated that, in total, South Africa's tourism now contributed about R70 billion a year to the economy, and it expects this to grow at around 12% annually, to reach R270 billion in 2010 (KwaZulu-Natal Top Businesses, 2008).

Recognising the opportunities offered by this robust growth, a number of exclusive groundbreaking investment opportunities with exceptional attributes in tourism terms have been identified in each of the three countries. Until now, the region's inaccessibility has inhibited development beyond some game reserves and a few lodges. A major new tourist road and secondary roads are being constructed as part of the Lubombo SDI. To date, some R630 million has been committed to regional support networks (including new roads and the upgrading of the major national access route), park infrastructure (including game fences, internal road networks and tourism facilities), the restocking of the park (with a wide range of species including elephant and - ultimately – lion) and various regional programmes including a major new malaria eradication drive. These improvements were, when the programme started, being implemented in a phased manner over three years. The new infrastructure is opening up the Lubombo region, thus creating opportunities for developing tourism facilities on a meaningful scale in prime location within an approved development plan (KwaZulu-Natal Top Businesses, 2008).

2.10 Political Dimensions

“In politics we will have equality and in social and economic life we will have inequality. In politics we will be recognising the principle of one man, one vote and one vote, one value. In our social and economic life we shall, by reason of our social and economic structure, continue to deny the principle of one man, one value. How long shall we continue to live this life of contradictions? How long shall we continue to deny equality in our social and economic life? If we continue to deny it for long, we do so only by putting our political democracy in peril”. BR Ambedkar, leader of India’s ‘Untouchables’, 1949 quoted in Khinani, The idea of India.

Nattrass (1988) argues that there is a strong relationship between the development of the political system and the growth of the economy. This relationship is extremely complex, as these systems interact both positively and negatively with each another. At a simple level, in South Africa, the relationship is reasonably straightforward, as social and political unrest appears to be negatively related to economic progress, in the short term at least, as is shown by the sharp economic downturns which followed on from the social upheavals that took place in 1960, 1976 and 1984/85.

From a policy perspective, LED finds accord with the post-apartheid government’s pursuit of a neo-liberal economic strategy and a commitment to devolve powers of government to the local level and to support community-based endeavours (ANC, 1994; RSA, 1996a, 1996b). In its operation, LED can either have a ‘*pro-poor*’ focus (i.e. seeking poverty alleviation) as encouraged by the Department of Provincial and Local Government, or a ‘*pro-growth*’ focus (i.e. seeking economic growth), as encouraged by the Department of Trade and Industry (Tomlinson, 2003).

Such was evident in the point made by Jordan (1996):

“I was gravely concerned to learn of Portnet’s intention to develop a harbour for passenger vessels at Kosi Bay to promote tourism in that area. I have been made to understand that Portnet envisages developing a passenger vessel terminal at Kosi Bay to promote the local tourism industry in this area. According to Portnet, a preliminary environmental impact assessment is being undertaken to assess the impacts of the proposed harbour development on this pristine estuary. However, I am not aware of any formal project proposal or of any need and desirability

investigation into this proposed harbour development. Despite the limited information available at this stage and considering the potential detrimental impact of this development on this very sensitive estuarine system, as well as the potential social impact on the traditional subsistence fishing industry, it is my opinion that great caution is required before rushing into this proposed development”

Any economic development path will only be maintained so long as there is a corresponding evolution in the socio-political structure of the community sufficient to meet the aspirations of the groups who are gaining economic power as a result of the economic growth process (Nattrass, 1988). Her argument carries more weight as it is debatable that the political instability imposes another development obstacle.

2.11 Roads And Rail Links

When most South Africans, who live in cities, speak of “rural SA” they often mean anything with a bit of farmland around it; they might be talking about Paarl or Muldersdrift or Hilton, but there’s rural and then there’s really rural. A place that is truly in the hinterland is the village of KwaNgwanase (referred to by most locals as Manguzi). At the heart of Maputaland on the far side of the Lobombo Mountains, KwaNgwanase is the last population centre one encounters on the way to Mozambique using the Kosi Bay border gate. Its 10000 people live on Zulu tribal land, where real estate cannot be bought nor sold (African National Congress, 2008). There is no central industry to concentrate employment opportunities, and the land and rainfall will not support the sorts of crops that can generate high agricultural profits.

Thus one might suppose that however well conceived a development strategy were implemented in SA, KwaNgwanase would be among the last parts of the country that could experience the fruits of such a strategy—if indeed any development is possible there at all.

This was basically the view of the staff of the SABITA Infrastructure Development Assessment Project (SIDAP) when they surveyed possible infrastructure projects for North-Eastern KwaZulu-Natal (District Council 27, uMkhanyakude) in 2002. The

original Integrated Development Plans (IDPs) prepared by the District municipality presumed that for the area as a whole – including parts of it that are close to Richard’s Bay, and thus much less isolated than KwaNgwanase – the only growth and development potential lies in agriculture and eco-tourism.

SIDAP’s brief was to examine this potential in light of microeconomic principles. In particular, they(SIDAP) aimed to assess the district as an exercise in what they call Opportunity Value Assessment (OVA). This is based on the notion that if government aims to try to jump-start an area’s growth by injecting capital that can bring self-sustaining enterprises into being, it is crucial to coordinate complementary pieces of infrastructure (e.g., roads, utilities, commercial capital assets) that multiply each another’s value, and to sequence investments so that those that might most quickly turn into revenue-generators can then provide flows of funds that expand budgets for the riskier interventions often required by the most deprived sectors of the population. OVA is ultimately intended to be a custom-designed capital coordinating and sequencing instrument for infrastructure development and enhancement throughout SA. But SIDAP began OVA implementation in uMkhanyakude because of the relative simplicity of that area’s economic base. SIDAP needed to test out basic principles and assumptions in circumstances where they weren’t overwhelmed by the number of variables, before moving on to the more complex urban environments.

When SIDAP developed more technically detailed IDPs for uMkhanyakude, they retained the view of the previous planners that economic development would have to be focused around agriculture and eco-tourism. In the case of Maputoland, this meant two specific things. First, a paved road connecting Hluhluwe, Sodwana Bay, Lake Sibaya and Kosi Bay via KwaNgwanase, and thus linking this whole network to the Tembe Elephant Park, might bring roadside spending from increased volumes of tourist travel to the Park and to the diving sites on the coast. These volumes must necessarily remain small by the standards of SA’s burgeoning tourism industry; but, one supposed, that one must make do with such development potential as exists in the region, however unpromising in size. Second, one designed a scheme whereby people around Kosi Bay who engage in artisanal

aquaculture—gathering fish and prawns the way their ancestors have done for generations—could retain larger shares of profits than they presently do through establishment of a cooperative that could exploit the new road to forge a direct link with retailers and thus eliminate transport and warehousing middlemen. As with the hopes based around passing tourists, this is a modest economic ambition in light of the maximum possible aquaculture yields. This modesty implied that, by OVA principles, KwaNgwanase should wait behind other uMkhanyakude centres, such as Jozini to the west, on the project priority queue. Nevertheless, it was SIDAP's view in 2002 that the identified possibilities in Maputoland justified the new paved road, making it a potentially sound investment in local development. But SIDAP cautioned that this might only be true if, along with the road itself, investment was put into assets necessary for the business capacity enhancements just described.

KwaNgwanase got the road and not much else. Road M439, now designated National Road S58, was completed in early 2004. It links Maputoland, and its border with Mozambique, into the national paved grid. With M439 were built a community market complex, a multi-purpose physical centre, and some small access roads. But the aquaculture cooperative has yet to be established. Accommodations for the wealthier sorts of tourists who go to Tembe and to the diving sites have not been capitalized or built. Pressure from environmental activists has kept access to the stunning potential tourist magnet of Kosi Mouth sharply restricted. Eskom supplies electricity to the village, but there is still no formal sanitation system. Water is drawn from Lake Shengeze, the Maputa River and boreholes, treated at the local hospital and reticulated from there. Public infrastructure, beyond the road itself, is limited to three schools (one secondary and two primaries), the hospital, some provincial government department offices, a community hall and the police station. This does not mean that the objectives identified by SIDAP have been abandoned, but they have certainly not yet materialized.

KwaNgwanase would still be much as it was in 2002, only now with a few cars and lorries whizzing obliviously through it on their way to Mozambique. What KwaNgwanase looked like in 2002 was rural Africa in the full sense of the picture. The

market entailed people selling hand-picked fruits and vegetables, and far more craft products than local demand warranted, on the verges of dirt tracks that often turned into sand-traps for 2-wheel drive vehicles. There were few physical shops, let alone standing private service businesses (where, when they exist, lie the truly impressive potentials for profit).

2.12 The White Paper

The White Paper on Local Government (1998) argues that “developmental local government is 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”. Such vision clearly pinpoints that the role of local government has shifted from being a bureaucratic institution to a model and responsible institution.

2.12.1 uMhlabuyalingana’s IDP Document

An Integrated Development Plan (IDP) is a process by which municipalities prepare 5-year strategic plans that are reviewed annually in consultation with communities and stakeholders. These plans adopt an implementation approach and seek to promote integration by balancing social, economic and ecological pillars of sustainability without compromising the institutional capacity required in the implementation and coordinating of actions across sectors and spheres of government (Department: Provincial and Local Government, 2008).

The Integrated Development Plan (IDP) review document for 2005/6 was prepared by the company called Isiphethu Sempilo Sivest Consortium. The IDP is a process whereby municipalities strategically plan development for a five-year period. It is the outcome of the planning process and is the key tool for guiding and informing all planning, budgeting, management and decision-making in the municipal area. This process is required by legislation (the Municipal Systems Act, 2000) and applies to all municipalities in the country and supersedes all other plans that guide development at a local government level.

Section 34 of the Municipal Systems Act, requires that each municipality must review its IDP annually due to:

- Changing circumstances
- New information
- Comments from the MEC
- Comments from the advertisement process
- Comments from the Local Council as well as Alignment between the uMkhanyakude District municipality and the uMhlabuyalingana Local municipality
- Sectoral plans that have been updated and/or developed as part of the IDP review process.

2.13 Census Statistics

This section of the report has been included into the IDP Review to show any changes between the 1996 and 2001 census results that have recently been made available at the municipal ward level. Amongst others, details are shown for population characteristics, employment and income, access to services etc. The following is noted:

- There has been a significant increase (15%) in the population figures for uMhlabuyalingana between 1996 and 2001. The population increased from 122340 in 1996 to 140963 in 2001.
- The level of employment has decreased from a low 11, 6% of the 15-64 age cohort (1996) to 9, 8% % of the 15-64 age cohorts (2001).
- There has been an increase in the use of electricity from 2.2% of the households in 1996 to 6.4% of the households in 2001. However, the 90.6% of households in 2001 that rely on candles for lighting is indicative of economic constraints as well as a lack of grid electricity within the uMhlabuyalingana municipal area.
- Between 1996 and 2001 there has been a slight increase in the number of households that have their refuse removed by the municipality. However, a very high number of households have no method of formal refuse disposal.
- Since 1996, there has been an increase in the number of households that have access to piped water in their dwellings, within their yards, or communal stands within

200m. However, approximately 83% of households do not have access to RDP minimum standard of water supply and rely on communal stands further than 200m, boreholes, springs, rain tanks, dams, pools, stagnant water, rivers, streams and water vendors for water.

2.14 Development Priorities And Projects

Development Sector prioritization was undertaken at the development cluster level and the combined development sector prioritization is listed hereunder:

- Infrastructure
- Economic Development
- Community Services
- Land and Housing

Table 2.3 KwaNgwanase Cluster

Infrastructure	Water	<p>Extension of water pipe from Phelandaba to Scabazini</p> <p>Provision of water from KwaGeorge to Mnyayiza</p> <p>Provision of water at Thelizolo area</p> <p>Provision of water at Mvutshani and Engozini</p> <p>Provision of water at Makhanya and Emfihlweni</p> <p>Sanitation project required at KwaMakhanya and Emfihlweni</p>
	Sanitation	<p>Sanitation project required at M anzengwenya</p> <p>Sanitation project required at Mvutshana and Engozini</p> <p>Sanitation project required at Mshudu</p>
	Roads	<p>Upgrading of road from Thandizwe to P ikinini</p> <p>Upgrading of Mvelabusha and Thengani road</p> <p>Upgrading of road from Merto via Manguzi LP</p>

		to Kwa D Upgrading of road from Mazambane to Kosi mouth via Hlomula
	Electricity	KwaZibi Thandizwe and Mvutshana Mshudu and Thengani KwaGeorge
Economic Development	LED	Ayikho inkomo yo buthongo diesel project Sizanani ground n uts Hlomula chi llie project Ethengani youth development project
	Tourism	Cultural village near PK N gubane Inyoni Emnyama lodge Amalinda cultural village Cultural village at Sibhayi
	Agriculture	Mvelabusha pineapple project Pinkinini pineapple project Eyethu hardware pro duction Mnyayiza pineapple project Zamani rose project
Community services	Social Welfare	Provision of shelter at Manzengwenya pension payout point and Hlomula comm unity hall Provision of shelter at Mshudu pensio n payout point Provision of shelter at Thandizwe pension payout point
	Health	Provision of a c linic at Chief Nduna Masinga Mloli and Gazin i clinic to operate 24hrs Provision of a c linic at Mloli and KwaGeorge Provision of a c linic at eNgoz ini Require a c linic at Emfihlweni

	Sport and recreation	Upgrade of K waZibi sports ground Upgrade of P inkini Nyamazane sports ground Upgrade of Sw allows ground Upgrade of Mazambane sport ground Upgrade of Phumobala stadium
	Community Halls	Hlomula Mzambane Mvutshana Thengani A & B
	Education	Business College Learnership programme for unemployed graduates at Manguzi Renovation of all schools in ward 10
Land and Housing	Housing	Provision of Medium cost housing at KwaZibi area Provision of Medium cost housing at Gazini area Provision of Medium cost housing at Manguzi Provision of Medium cost housing at eNgozini Provision of Medium cost housing at Makhanya Provision of Medium cost housing at Emfihlweni

Source uPhongolo Sub-Regional Plan, 1999

Table 2.4 Environmental and Institutional Priorities

Project Type	Target Areas	Existing Projects
INSTITUTIONAL	Revenue generation by way of township formalizations.	Manguzi and Mbazwana formalization
	Appropriate and uniform land use management throughout the whole municipal area.	Kosi bay LUMS
	Preparation of municipal PMS	uMhlabuyalingana PMS
	Disaster Management	Budget provision towards the establishment of a Disaster Management Centre.
ENVIRONMENTAL	High proportion of households that do not have access to appropriate refuse disposal.	Details to be confirmed

Source uPhongolo Sub-Regional Plan, 1999.

2.15 Key Areas of Local Economic Development That Emanated From IDP Review

Mbeki (2007) said: *Access to electricity, water and sanitation has improved. By 2005, South Africa had already achieved the Millennium Development Goal in respect of basic water supply, with improvement of access from 59% in 1994 to 83% in 2006.*

The IDP Review consultation process, as well as the analysis of the census data, has alluded to the following recommendations:

- The provision of water, sanitation and electricity remains the priority developmental issue in uMhlabuyalingana municipality. In addition to the actual provision of infrastructure, a number of existing projects need attention in terms of maintenance and institutional management. Some examples are:
- The water plant at Mseleni hospital
- Tshongwe Malobeni water scheme

- Khanyezi and Mbazwana water supply where some beneficiaries are more than 200m from potable water.
- Sanitation provision at KwaNgwanase, i.e. unreliable waterborne system in town and the VIP structures of the Manguzi sanitation project.
- Eskom electricity supply options as well as the NURA alternative. SAFM had an interview with Fani Zulu of Eskom on June 05, 2008 where he expressed that Eskom was not allowed to build power stations as the government's strategy to liberalise the power utility. South Africans are now feeling the heat of this decision.
- There are a number of institutional issues that need to be resolved at the local and district municipality level. One of the most prominent being the dissemination of information pertaining to project priorities and status. The uMhlabuyalingana Local municipality has to stay informed of district projects as it is the local municipality that is seen to be the representative of the local communities. In other words, alignment is needed on an ongoing basis between the district and local municipality.
- A uniform prioritization model should be developed for the uMkhanyakude District and applied at local municipal level to ensure that all role-players understand and agree with the prioritization of development projects.
- During the last few years, there has been a decrease in employment levels in spite of an increase in population figures. This situation emphasises the need to undertake high impact economic development projects that are sustainable and create employment. As a first step to attain this, the uMhlabuyalingana municipality has to prepare an LED Regeneration Study that considers all aspects of, i.e. agriculture and tourism. It is important to further note that in years to come, the uMhlabuyalingana Local municipality will be responsible for the maintenance of infrastructure in its area and will need additional finances to maintain basic infrastructure. As such, the economic base of uMhlabuyalingana has to be strengthened.

- Local Councillors need to become more involved in the preparation of IDPs. It is recommended that ward councillors hold meetings with their sub-wards prior to Representative Forum (RF) meetings to ensure that RF meetings can focus on priorities and alignment issues. IDPs also have to be completed timeously and a councillor workshop held at least every quarter to assess progress with the implementation of the IDP.
- Provision should be made for the marketing of the uMhlabuyalingana IDP. Typical measures include the preparation of an attractive summary document, with advice on obtained information on the area, investment opportunities etc. The uMkhanyakude website is also one avenue to market the area.

2.16 Demographic Analysis

This section of the report has been included to show any changes between the 1996 and 2001 census results that have recently been made available at the municipal ward level. Amongst others, details are shown for population characteristics, employment and income, access to services etc.

Table 2.5 Mashabane Cluster

Mashabane Cluster				
Ward	HOUSEHOLDS (1996)	POPULATION (1996)	HOUSEHOLDS (2001)	POPULATION (2001)
6	1486	10440	1980	10936
7	2227	15754	3474	20302
Total	3713	26194	5454	31238

Source Statistics South Africa, 2001.

Table 2.6 KwaNdaba Cluster

KwaNdaba Cluster				
Ward	HOUSEHOLDS (1996)	POPULATION (1996)	HOUSEHOLDS (2001)	POPULATION (2001)
8	1560	9884	2421	13158
9	1762	11326	1983	10683
Total	3322	21210	4404	23841

Source: Statistics South Africa, 2001.

Table 2.7 Demographics of kwaNgwanase

KwaNgwanase Cluster				
Ward	HOUSEHOLDS (1996)	POPULATION (1996)	HOUSEHOLDS (2001)	POPULATION (2001)
1	823	5466	852	4178
4	1200	7759	2937	14441
10	1574	10015	2118	10155
11	1397	8204	1881	9644
12	1374	8005	1608	8227
Total	6368	39449	9396	46645

Source Statistics South Africa, 2001

Table 2.8 Mbazwana Cluster

Mseleni / M bazwana Cluster				
Ward	HOUSEHOLDS (1996)	POPULATION (1996)	HOUSEHOLDS (2001)	POPULATION (2001)
2	1991	14625	2916	17544
3	1521	11704	2115	12749
5	1493	9158	1689	8946
Total	5005	35487	6720	39239

Source Statistics South Africa, 2001.

It should be noted that the household column was determined, for both the 1996 and 2001 census years, by adding the responses to the “access to water question”. The above table shows a significant increase (15%) in the population figures for uMhlabuyalingana between 1996 and 2001. The table hereunder is a detailed presentation of the above table.

Table2. 9 Population Age Distribution

AGE CATEGORY (YEARS)	TOTAL POPULATION (1996)	% (1996)	TOTAL POPULATION (2001)	% (2001)
0 – 4	17526	14.9	19267	13.7
5 – 14	36063	30.6	42332	30.0
15 – 34	39340	33.4	47387	33.6
35 – 64	18823	16.0	24353	17.3
Over 65	6140	5.2	7623	5.4
Total	117892	100	140962	100

Source Statistics South Africa, 2001

A comparison of 1996 and 2001 population age data shows a slight decrease in the percentage contribution of the 0-4 age cohort and a slight increase in the percentage contribution of the 35-64 age cohorts.

2.17 Conclusion

LED does, however, represent a serious attempt by local actors, as representatives of the communities, to promote and sustain economic development in spite of recessionary and other global forces. Whilst there appears to be universal agreement that change has occurred, the degree to which it has taken place is open to debate as is the whole question of whether LED can really serve as a new growth option (Nel, 2001).

In an attempt to bring to light the potential that exists within Kosi Bay and the uMhlabuyalingana District as a whole, several obstacles have been identified, leading to no development at all. Among the obstacles facing the agriculture sector is the irrigation

system. It is a major obstacle despite the abundance of natural water resources in the area. Also, access to agricultural production sites poses another major problem as roads are underdeveloped.

Mthombeni (2003) invited investors to do business in the area but that is not as easy as it was made in the speech. The fact that a major part of the land belongs to the Ingonyama Trust, makes access to business premises another obstacle. During the interview with the LED Manager at uMhlabuyalingana municipality, Mr R. Mkhonto (quoted with consent); he indicated that budgetary constraints prevent them from carrying out their strategic objectives as listed in the IDP. The next Chapter on methodology outlines the rigorous methodological instruments utilised in the study and their usefulness. The following chapter focuses on research methodology.

Chapter Three

Research Methodology

3.1 Introduction

The research embarks on a systematic effort to secure answers to pertinent questions that surround the implementation and practicality of local economic development initiatives at uMhlabuyalingana. The purpose for undertaking this study is to understand the factors responsible for Local Economic Development at Umhlabuyalingana municipality which is part of the Umkhanyakude District municipality. Empirical data for this research was collected through face-to-face interviews using a questionnaire as attached in appendix 1. This section draws attention to the relationship between the 'subjects' of research and the research design including sampling and the nature of research questions.

The Chapter focuses on how the sample of 20 participants was drawn. The study adopts a qualitative approach which is defined by Babbie (1997) as a research style used to describe, interpret or reconstruct the subjectively meaningful worlds of people. Qualitative research attempts to explore how research participants understand, or make sense of what the researcher is interested in. The essence of this approach is to view events through the perspective of the subjects under investigation; the way they think and how they view the world. To safeguard against gate-keeping syndrome, permission was requested and granted from the traditional leadership and ward councillors to conduct this research.

3.2 Population And Sample

The sample for the study was drawn from the population of approximately 70 people and companies that conduct work for the municipality. Even though the sample was small, it was a fair percentage of the total number of respondents available. Huysamen (1997) defines a population as the total collection of individual who have attributes in common to which the research hypotheses refer.

Simon and Burstein (1992) define a sample as a collection of observation for which you have data with you from which you are going to work. Sekaran's (1992) definition of a sample as a subject or subgroup of the population confirms the above definition. Sampling is used as a process of selecting sufficient number of elements from the population so that by studying the properties or the characteristics of the sample of subjects, the researcher would be able to generalise the properties or characteristics to the population elements (Sekaran 1992:369). The sample comprised of 7 service providers (electricity, water, roads, housing, health, education and social welfare), 2 ward councillors, 2 traditional leaders, 2 district municipality officials, 2 project beneficiaries, 2 non project beneficiaries, 3 local business people. Furthermore, the local economic manager will be interviewed to add more impetus to the data collected.

3.3 Sampling Technique

In order for the required sample of 20 respondents from the area to be obtained, prior arrangements were made with the Municipal Council to identify potential respondents. Each respondent's experience in developmental issues in the node ensured that though small, the sample size was adequate. All stakeholders' opinions as advised by the Local Economic Development Manager at uMhlabuyalingana were included.

In selecting the sample, a non-probability sampling technique called judgemental or purposive sampling was used. This sampling method is considered as the most important kind of non-probability sampling, to identify the primary participants. Kruger (1988) defines judgemental sampling as a method used to look for those who "have had experiences relating to the phenomenon to be researched". For the researcher to be able to gain first hand information on local economic development, the appropriate people to supply the information are the selected sample of key stakeholders identified above. The participants were drawn from the list supplied by the Local municipality from representatives of the stakeholders Forum.

3.4 Data Collection Methods

The term method in this inquiry is used to refer to ways in which evidence is obtained and manipulated, or, more conventionally, to techniques of data collection and analysis. Having listened to numerous complaints about the lack of investment in human resource, fiscal constraints, lack of reliable transportation system and modern age telecommunication networks and access to energy at uMhlabuyalingana municipality, there is no doubt that this research is necessary.

It was through rigorous engagement with service providers and communities in meetings that suitable questionnaire was drafted as a measuring instrument. The following two data collection techniques were used:

- Formal interview with stakeholders and the Umhlabuyalingana Local Economic Development Manager.
- Questionnaire (self administered)

3.4.1 Formal Interview With Umhlabuyalingana Local Economic Development Manager

A formal interview with the local economic development manager was conducted on a face-to-face basis. This was deliberately done to avoid the existing contemporary trend among researchers of sending interviewers with limited understanding of the research process into the field. In conducting the interview with the local economic manager, the Demand Response Approach was utilised. This approach was used to assess the impact and sustainability of LED initiatives on the livelihoods of the people at Umhlabuyalingana. The data generated through such methodology can be used to re-orientate the municipality to respond to the needs of the communities. It is an internationally accepted methodology and a tool for measuring the levels of satisfaction of citizens in regard to local economic development. The opinions, feelings, perceptions and ideas of service providers from the electricity, water, roads, housing, health, education and social welfare, ward councillors, traditional leadership, district municipality officials, project beneficiaries, non-project beneficiaries, local business people were empirically tested in regard to these aspects of their experiences and

everyday life in relation to local economic development at Umhlabuyalingana. The lessons learnt from the process will be shared with the stakeholders in preparation for possible meaningful intervention in the future.

It was through critical engagement with these different stakeholders and the LED manager that the problems associated with local economic development initiatives in the municipality were uncovered. The interviews were based on carefully selected questions which were aimed at allowing stakeholders to fully explore their views on the strengths and weaknesses of local economic development in the area. The interviews also allowed the respondents to suggest possible ways that might assist in future planning. The study used this approach in order to allow stakeholders to freely articulate their views. Engaging the various stakeholders and the local economic development manager on local economic development proved to be an intellectual exercise on its own. The information given by respondents provided data that was useful when it was presented.

3.4.2 Questionnaire (self administered)

The questionnaire was designed to maximize the response rate and also to obtain accurate information on the state of local economic development at Umhlabuyalingana. Hence the measuring instrument had the combination of closed and open ended questions which, if used properly, could yield valuable information. The questionnaire was selected as the most suitable measuring instrument for the study because of its reliability to assess peoples' expectations and perceptions of local economic development. It is also a known fact that research on local economic development using questionnaires as a data gathering method, tends to provide valuable data. The selection of a questionnaire as a measuring instrument was informed by the aims and objectives of the inquiry which was to probe into the issues of local economic development, propose solutions to problems and develop theories of interest to service delivery and ultimately add to the existing knowledge of local economic development in the field.

A questionnaire was used as the data gathering technique in this study and the questionnaires were administered personally to the subjects of the research. A questionnaire is defined as "a pre-formulated written set of questions to which

respondents record their answers usually within rather closely defined alternatives" (Sekaran, 1992). Sekaran regards it as an efficient data collection mechanism when the researcher knows exactly what is required and how to measure the variable of interest. According to O'Sullivan and Rassel (1999), questionnaire writing involves deciding what variables to measure and how to accurately and adequately measure the variables. For the study to be able to maximise responses, the project used two types of questions. The two types of questions are the open-ended questions and the closed or fixed alternative questions.

Open-ended questions allow the respondent to explore a range of possible themes arising from an issue, to present their answers freely, in their own words without limitations imposed by the interviewer or by phrasing of the question. O'Sullivan and Rassel (1999) define open-ended questions as those questions that allow the respondent to answer in his or her own words. Haralambos (1985) defines open-ended questions as those questions that allow the respondent to compose his own answer rather than choosing between a number of given answers. This may provide more valid data since he can say what he means in his own words. As a result, all participants in this study had an opportunity to express themselves freely. However, these types of responses may be difficult to classify and quantify in the end.

The closed or fixed-alternative questions were also considered to be a suitable form of data collection. The yes/no answers are the best examples of fixed-alternative questions. According to Schultz (1982), the fixed alternative question limits a person's answer to a fixed number of alternatives. These types of questions do not allow the respondent to qualify and develop his answer. These questions are easy to code, record, and analyse quantitatively.

3.4.2.1 Questionnaire Intensity

The questionnaire including the biographical data is 4 pages long and consists of 14 questions. Experienced researchers emphasised the importance of having minimum questions rather than more but ineffective questions. Empirical evidence shows that while many people may enjoy the attention and stimulation of being interviewed, others may consider it a nuisance, particularly if the interview comes at a time when they are tired, pre-occupied or uncomfortable.

3.4.3 Research Instrument

The questionnaire utilized in this study comprises of two sections namely, the demographic details (age, gender, educational level, employment status and income per month). The local economic development questionnaire consisted of 14 questions or tap items. The questionnaire was drafted based on the objectives of the study which are to clearly understand the Local Economic Development trends at uMhlabuyalingana ; determine whether there is alignment between LED and the Integrated Development Planning in the municipality; assess the available LED platforms; establish whether the existing projects are community -driven through local electorate or by non-state actors and establish the available structures of accountability available to stakeholders .

The questionnaire was carefully design after an intensive desktop research and literature survey was undertaken. The representativeness of the sample of questions included in the instrument, highlight the importance of content validity in research. Hence the content validity of the research was fully addressed.

3.4.4 Piloting The Questionnaire

A pilot study was undertaken prior to the actual research being undertaken to test the questionnaire. The purpose of this exercise was to ascertain which questions were to be omitted and what changes needed to be made to the questionnaire's final draft. Overall the process was successful as problems were identified and corrected.

3.4.5 Integrated Development Plan 2007/2008

3.4.5.1 Water

Those born and bred in the area agree that the provision of water should be given high priority as it has a direct impact on the welfare of the citizens. The municipality needs to determine the feasibility of water provision by means of water tanks; investigate the construction of micro dams to facilitate agricultural irrigation; expand the pumping and treatment works at Mbazwana to accommodate future expansion of the town; upgrade the Mseleni and Manguzi water plants; and investigate the implementation of an appropriate tariff structure for payment of water. Hemson's (2006) hypothesis that 'children bear the brunt of collecting water' is very relevant for the inquiry. (KwaZulu-Natal Top Businesses, 2008).

3.4.5.2 Education

The education department at uMhlabuyalingana is facing a mammoth task of providing additional classrooms at overcrowded schools; identifying locations for new schools and technical colleges; providing adequate infrastructure at existing schools; improving safety and investment in technology. (KwaZulu-Natal Top Businesses, 2008).

3.4.5.3 Health

The major part of the area is classified as high risk for malaria, which places pressure on health facilities and necessitates relevant education. HIV/AIDS will also place additional strain on the facilities. A better approach to health is to develop a co-ordinated approach to include all role players; identify appropriate locations for the establishment of health care centres; improve infrastructure at existing clinics; identify and investigate establishment of abattoirs in primary and secondary nodes. Such an approach will prevent investment made towards human resource development from evaporating into thin air. (KwaZulu-Natal Top Businesses, 2008).

3.4.5.4 Telecommunications

The current situation is such that the community would use the postal address of the nearest supermarket where the all the mail is kept in one box. This poses the threat of some mail not reaching the intended recipients. Post offices are located at Manguzi and Mbazwana; a postal agency operates at Mseleni, and there are 7 postal points concentrated along the eastern border of uMhlabuyalingana. There is a need to provide postal services to Wards 5-11 to improve both internal and external communication. (KwaZulu-Natal Top Businesses, 2008).

3.4.5.5 Roads

Strategic places like clinics, schools and police stations have poor or no road infrastructure and as a result are difficult to access. As such, a coordinated effort in basic infrastructure is required because even the tar road that runs through Manguzi is not of high quality. This is evidenced by the number of potholes that show up after roughly three years in the life of the road. (KwaZulu-Natal Top Businesses, 2008).

3.5 Status Quo

Based on this research study, certain issues have been noted, and they may provoke thought and raise questions.

It was observed that KwaNgwanase has become a hive of small businesses, with brightly painted facades and hand-lettered signs announcing original, often funny, identities. Each small cinderblock building done up in this style sports a brick façade with three arches, usually painted pink, sky blue or lime green. Spelling, as in the case of architecture, is frequently experimental. One of many beauty salons calls itself the “Afghanistan Saloon”. There are taverns, clothing stores, car-repair shops, cafes, stores selling household goods, and many cell phone kiosks from which people can place calls. Mixed among it all, but complementing rather than dominating the scene, are representative South African branded chains: Engen, Steers, First National Bank and

others. These shops line the new road and the access streets perpendicular to it. On both days of observation, bustling crowds of pedestrians surged back and forth across the road, leaving no doubt that, however much money there might in fact now be in KwaNgwanase, it is circulating vigorously.

What has happened here? Many towns in rural KwaZulu-Natal (KZN) have been given physical market-places, and one knows from experience that this, in itself, does not cause commerce to spring to life. Has the road brought the tourists one hoped for, and have they paused for longer and spent more than we expected? Is increased lorry traffic bearing trade to and from Mozambique part of the explanation? How has a road, and a bit of associated roadside infrastructure, brought so much apparent economic transformation so far from any major centre of population, industry or commercial agriculture?

Proximity to a border that can now serve lorry traffic seems not to be a significant part of the story. The border post is small and the traffic one observed through it is still light and sparse. This corresponds to what recent statistics tell us about trade volumes between SA and Mozambique: they are growing, but slowly and from a very low base, as Mozambique struggles to supply the technical capacity necessary to lower established barriers to the free flow of goods.

The hypothesis that the road has brought more big-spending tourists than anticipated also seems untenable. There is, to be sure, a craft market on the most salient corner, offering a mix of non-standard carvings superior in quality and originality to most such stands in South Africa. The customers for this are surely drive-through tourists. Yet one of the kinds of stores in greatest abundance is beauty salons, and their signs and the emphasis on services that are clearly aimed at South Africans: aromatherapy, hair-straightening and other recent local fads. Foreign tourists on their way to go diving or see elephants are not likely to be on the lookout for high-heeled shoes – which are on sale in abundance. As indicated above, one can simply look and see that most of the people shopping are not from abroad – and, for that matter, not in cars. This expresses the puzzle most starkly.

Why should a new road stimulate business that appears to be based mainly on pedestrian traffic? The old dirt roads weren't especially challenging to people on foot.

Could it merely be a coincidence that KwaNgwanase has suddenly sprung to life as a market at the same time that it was joined to the paved road network? Might our thinking that a road alone has kick-started development at KwaNgwanase just be based on a spurious correlation?

One cannot be sure that the road has created a new economy unless a proper, scientifically designed, microeconomic household survey is done. After what was seen, doing this is now high on SIDAP's priority list. But formal tests need to be inspired by motivated hypotheses, and, based on something else we observed in the village, we have one. This hypothesis represents a possible link between rural roads and rural economic development that had not occurred to us until our recent experience of KwaNgwanase.

On the outskirts of the village, for about five miles in both directions along the new road, substantial houses are either newly built or are under construction. Who is building them? Again, only a careful household survey can reliably and fully answer this question. However, anecdotes suggest the answer. A number of people from the area have found solid careers working for government or for corporations in Durban, Richards Bay and Gauteng. As subjects of their 'Indunas', they are entitled to 99-year allotments of land on which they can build houses of a size and quality that they could not afford in the urban centres – and which might well not be as significant to them there, away from their family networks, anyway. The service trade observed in KwaNgwanase as a result of demand from the builders of the new houses and the money they bring with them and set into local circulation. If this conjecture is correct, then Maputoland is being developed not by the government, but by its own sons and daughters.

The tarred road has reduced travelling time through the area by half. Of course, this last remark must be qualified in one crucial respect. Had the road not been built, few people would or could have considered a lifestyle involving regular shuttling between KwaNgwanase and the cities.

There have often been worries raised in SA – that if roads in rural areas were improved in the absence of investment in complementary public infrastructure, the main result would be accelerated migration to the cities of both people and money. This concern has been exacerbated by the decline in remittances from mine workers, long a principal source of rural income. If successful people from KwaNgwanase are setting up country homes there, this is likely to be a more productive source of remittance, because it brings to the area not only money itself, but also sophisticated consumers whose complexity of tastes will force local business people to think their way up value chains (i.e., away from middle-transaction goods retailing and toward service provision and proprietary brands). The returning Kosi Bay citizens knowledge of the so-called ‘first economy’ and its institutions may be expected to demonstrate the importance of formal education to local young people; and that person will also be in better position than others to counsel young scholars on setting ambitions and choosing subjects. Education and the fostering of well informed ambitions are probably more central to SA’s development than any other set of factors.

3.6 Data Analysis Techniques

The data analysis techniques adopted in this study are both quantitative and qualitative. When both methods are applied in the study of the same phenomenon to complement each other, the end result is called triangulation. Descriptive statistics and inferential statistics were employed to understand the data and to assess the relationship between the independent variables and dependent variables and to make inferences from the data. Percentages, graphs and cross tabulations are used to describe and depict data.

3.7 Conclusion

The rigorous methodological interventions necessitated by this study were presented to display the relationship between the objectives of the research and the method adopted. The following chapter highlights the results of the study.

Chapter Four

Data Analysis And Interpretation

4.1 Introduction

This Chapter presents the analysis and the interpretation of data generated through questionnaires.

4.2 Data Analysis

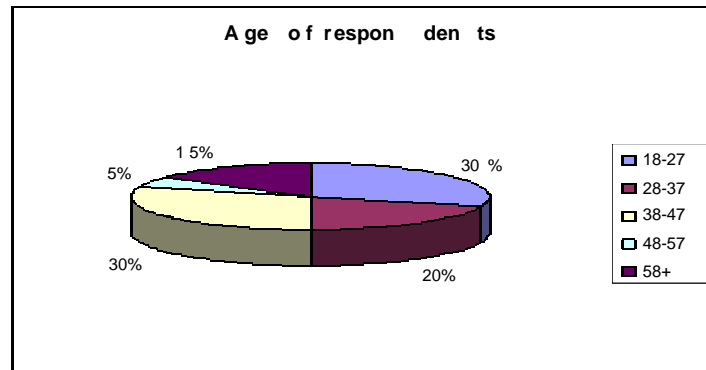


Figure 4.1 Age distribution of respondents

The majority of respondents with 6 are those between ages 18-27 and 38-47 who account for 30% respectively, followed by age 28-37 with 20% (4), age 58+ accounts for 3 (15%) and the least number of respondents with 1 (5%) is between age 48-57. With the exception of age 48-57 category, there was a fairly balanced distribution of respondents.

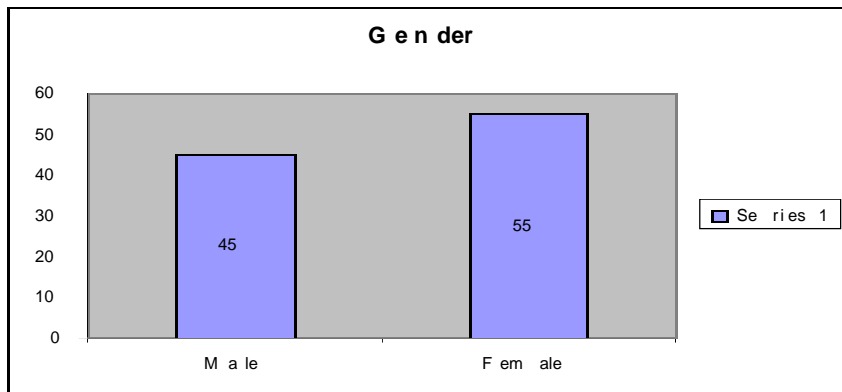


Figure 4.2 Gender distribution of respondents

The issue of gender representation in the new South Africa is treated with serious sensitivity. A total of 11 (55%) females participated in the research as opposed to 9

(45%) males. The above percentages reveal the gains made through various legislations, like employment equity and affirmative action, in ensuring that women representation at various stakeholder forums, is visible. What might have inflated the percentages is the fact that women are mostly involved in projects and occupy strategic positions within the uMhlabuyalinga local municipality. However, this must be confirmed and researched in a different study.

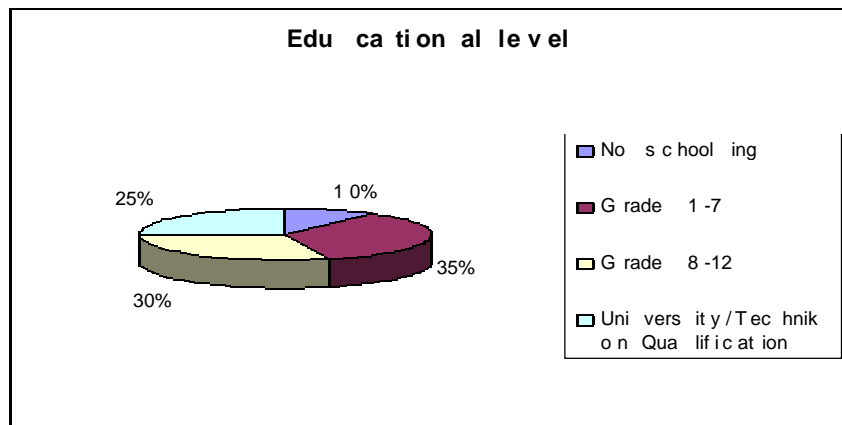


Figure 4.3 Educational level of respondents

The percentage distribution of respondents pinpoint that grade 1-7 with 7 (35%) accounts for the majority, followed by grade 8-12 with 6 (30%), university/technikon degree with 5 (25%) and the least number of respondents 2 (10%) are those with no schooling. These glowing statistics are an indication that the battle against illiteracy is almost won through programmes such as the Adult Basic Education Training. Indeed these are the positive signs that the prospects for development in the area will materialize.

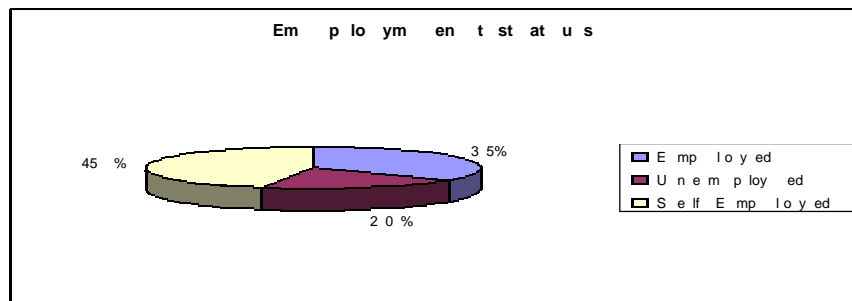


Figure 4.4 Employment status of respondents

The majority of respondents 9 (45%) are self-employed, followed by 7 (35%) employed and 4 (20%) unemployed. When the self-employed and employed are combined, they

account for 80% employment. This does not in any way signal that the municipality is successful in addressing the unemployment crisis. The fact that the sample is drawn from individuals who represent key stakeholders and have prior exposure to various means of sustaining their livelihoods, should also be taken into consideration when analysing the employment status of respondents.

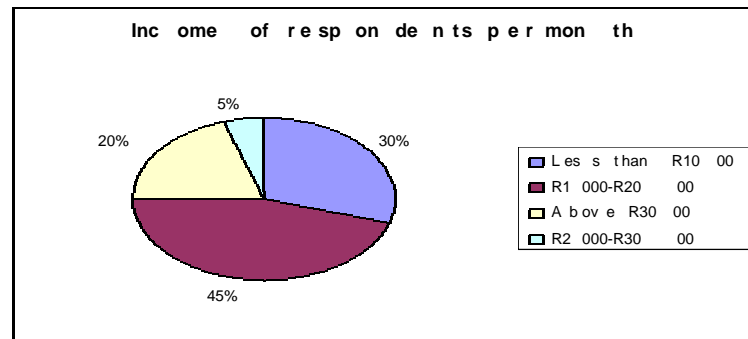


Figure 4.5 Income of respondents per month

The income distribution of respondents reveals that the majority of respondents, 9 (45%) earn between R1000-R2000, followed by 6 (30%) who earn less than R1000, above R3000 accounts for 4 (20%) and R2000-R3000 with 1 (5%) respondent. The statistics reveal that 15 (75%) of the respondents earn from R2000 down. Income disparities between the urban and the rural areas remain pertinent and need to be addressed urgently. The minority who earn from R2000 and above R3000, bear testimony to wage inequalities existing in the country.

The major challenges facing the Local Economic Development at uMhlabuyalingana, as identified by the respondents, are the lack of infrastructure with 6 (30%), followed by 5 (25%) with unsatisfactory access to employment and skills and capacity deficiency respectively. The least number of respondents with 4 (20%) pinpointed the lack of financial aid injected into LED programmes/projects.

The age cross tabulation reveals that a total of 3 (15%) between age 18-27, followed by 1 (5%) between ages 28-37 and 38-47 respectively, complained about unsatisfactory access

to employment. Among the 5 (25%) respondents who complained about unsatisfactory access to employment, 3 (15%) are male and 2 (10%) are females. A total of 1 (5%) respondent between ages 28-37; 38-47; 48-57 and 58+ respectively, identified the lack of financial investment into LED programme/projects. Among the respondents who cited the lack of investment into LED programmes/projects, 3 (15%) are males and 1 (5%) is female. Furthermore, 2 (10%) respondents between ages 18-27 and 38-47 respectively, followed by ages 28-37 and 58+ respectively, complained about the lack of infrastructure such as roads, education, energy, water and health care. A total of 2 (10%) are males and 4 (20%) are females. Lastly, 2 (10%) respondents between age 38-47, followed by 1 (5%) between ages 18-27; 28-37 and 58+ respectively, pinpointed the need to address skills deficiencies existing in the area which negatively impacts on local economic development. Only 1 (5%) male and 4 (20%) females felt that there is a skills deficiency problem.

The majority of the respondents 8 (40%) felt that the challenges facing local economic development at uMhlabuyalingana can be resolved through active involvement by the uMkhanyakude District municipality. A total of 7 (35%) respondents suggested that there should be training programmes aimed at capacity building and lastly 5 (25%) identified the lack of proper planning, budgeting and coordination of Local Economic Development.

The cross tabulations on age reveal that 3 (15%) of the respondents between age 18-27 and 2 (10%) between age 38-47 felt that challenges can be resolved through proper planning, budgeting and coordination of LED activities. A total of 2 (10%) between ages 18-27 and 28-37 respectively, followed by 1 (5%) between age 38-47; 48-57 and 58+ respectively, suggested that there should be training programmes aimed at capacity building. Lastly, 3 (15%) respondents between age 38-47, followed by 2 (10%) between ages 28-37 and 58+ respectively, and 1 (5%) between age 18-27 pinpointed that there should be active involvement from the Umkhanyakude district municipality.

The gender crosstab statistics show that 1 (5%) male and 4 (20%) females felt that there should be proper planning, budgeting and coordination of LED activities. A total of 5 (25%) male and 2 (10%) females suggested that there should be training programmes aimed at capacity building. Lastly, 3 (15%) male and 5 (25%) female respondents felt that the uMkhanyakude District municipality should be actively involved.

A total of 10 (50%) respondents vehemently criticised LED initiatives that they have not reached the vulnerable groupings in the area, and if they have penetrated the area, there are still many challenges. A total of 25% felt that the approach to LED is narrow-focused because of its emphasis on tourism. Lastly, 5 people (25%) said that the LED initiatives are limited to a few projects which in turn does not have the trickle down effect.

The age cross tabulation reveals that 2 (10%) respondents between age 18-27 and 1 (5%) between ages 28-37; 38-47 and 58+ respectively, felt that there are limited or few LED programmes/projects and from the 5 (25%) respondents, 3 are male and 2 are females. A total of 2 (10%) respondents between ages 28-37 and 38-47 respectively, followed by 1 (5%) between age 18-27 complained that the focus is only on tourism and from the 5 (25%) respondents, 2 (10%) are male and 3 (15%) are females. Lastly, 3 (15%) respondents between ages 18-27 and 38-47 respectively, followed by 2 (10%) with 58+ and 1 (5%) between ages 28-37 and 48-57 respectively, are of the opinion that LED initiatives have not yet reached the vulnerable groupings. From the 10 (50%) respondents who are of the opinion that LED initiatives have not yet reached the vulnerable groupings, 4 (20%) are male and 6 (30%) are female.

For an example the case of Respondent A:

Respondent A is an Entrepreneur who responds to mostly government tenders and also grabs any business opportunity that comes his way. He explains that doing business in the area is a bit more costly when compared to their counterparts in urban areas. He makes reference that for him to get a tax clearance it means travelling a minimum of 250 km. For government tenders, when they are required to give quotations and/or quality certificates, it means travelling to urban areas in order to meet such requirements. The fact that KZN tenders are

centralized at Piet ermaritzburg makes it ne cessary to travel to and fro in order to participate in the tendering busin ess.

A total of 9 (52.9%) of the respondents said that the uMkhanyakude District municipality offers funding and 8 (47.1%) identified capacity building and training. The latter can be attributed to the Joint Initiative on Priority Skills Acquisition which is located in the Presidency Office headed by Phumzile Mlambo Ngcuka. The earlier is a benefit drawn from Provincial Government funding targeting the Ministerial Projects in KwaZulu-Natal.

The age cross tabulation of respondents reveals that 3 (17.6%) between age 18-27, followed by 2 (11.8%) between age 38-47 and 58+ respectively, and 1 (5.9%) between ages 28-37 and 48-57 respectively, complemented the funding support they are receiving from the District municipality. From the respondents who said that they are receiving funding from the municipality, 3 (17.6%) are male and 6 (35.3%) are female. A total of 3 (17.6%) respondents between ages 28-37 and 38-47 respectively, and 2 (11.8%) between age 18-27 identified capacity building and training initiatives, from these respondents 4 (23.5%) are male and 5 (29.4%) female.

Success stories on local economic development, especially in the rural areas, can be told through projects existence in the area. The majority of respondents, 9 (52.9%), identified the gardening projects, followed by 4 (23.5%), who commended the mushrooming poultry projects and the availability of jobs from the expanded public works programme.

The age cross tabulation reveals that ages 18-27 and 58+ respectively, account for 3 (17.6%) of the respondents who identified food gardening projects, of which 4 (23.5%) are male and 5 (29.4%) are female. A total of 2 (11.8%) respondents between age 28-37, followed by 1 (5.9%) between ages 18-27 and 38-47 respectively, cited the mushrooming poultry projects. From the same respondents, 1 (5.9%) is male and 3 (17.6%) are female. Lastly, 3 (17.6%) respondents between age 38-47 and 1 (5.9%) between age 18-27,

commended the availability of jobs from the Expanded Public Works Programme. Among the latter respondents, 3 (17.6%) are male and 1 (5.9%) is female.

Scores recorded from the respondents in relation to successes are attributed to the availability of land with 5 (26.3%), community involvement in projects with 5 (26.3%), funding from the Independent Development Trust with 4 (21.1%), support from the local business community with 3 (15.8%) and the Department of Social Development interventions with 2 (10.5%).

The story of Respondent B sums it up:

“Respondent B is heading the Thuthukani Bomama Project. This women-only project has four-fold functions. The first one is making and selling building blocks. They also sell chicken and eggs. From time to time they would be called in to do catering for different occasions. The last service on offer is dress-making. She explains that this project was initiated due to the lack of employment opportunities in the area. The difficulty they are faced with, is injecting more capital into their organization that would grow the business. She went on to say having approached the banks and government organizations, she has realized that without education, one is unable to participate meaningfully in the economy. This was said in light that this women’s organization is unable to prepare a business plan, hence cannot get a business loan anywhere. Whilst the government assists Entrepreneurs in this regard, age is a problem with this group. Had age been not a problem, location would still pose as one since Manguzi is far and those participating in Umsobomvu Youth Fund are required to do travelling which means sleeping away from home. As Thuthukani Bomama Project is merely for mothers, it becomes impossible to sleep away from home, she explained.”

The majority of respondents 7 (35%) felt that the failures in LED were caused by the projects that never received funding, 6 (30%) cited the lack of cooperation between councillors and the traditional leadership, 4 (20%) felt that the LED initiatives are not community driven and lastly, 3 (15%) are of the opinion that programmes/projects aimed at LED should be able to employ the locals. To remedy the situation, the respondents suggested that support structures should be capacitated, make funding available,

projects/programmes be need-driven rather than be driven by expenditure and spaces for social dialogue be created

The majority of the respondents 8 (42.1%) suggested that the municipality should work in conjunction with the LED structures, 6 (31.6%) suggested that it is the municipality's responsibility to invest in infrastructure and 5 (26.3%) felt that the municipality should integrate LED initiatives into their Integrated Development Plans. From the mouths of the youth at high schools, they uttered their frustrations that when they want to visit the municipality, they are denied access, however, when you speak to someone who shares the same political beliefs as you, access is granted. It would seem that youth at high school need to take a political stand very early in life as it may be the only means for them to get the necessary exposure.

The majority of respondents 14 (70%) felt that the programmes/projects established via LED are sustainable and only 6 (30%) felt otherwise. The reasons cited for sustainability are the number of jobs provided, projects are able to generate their own funds and the reasons cited for the non-sustainability are that funds are quickly exhausted, programmes/project are not need-driven and the lack of capacity. The jobs created through LED for communities are in the informal trading sector, co-operatives and EPWP (Expanded Public Works Programme).

Take for instance the case of Respondent C:

Respondent C is an informal trader who sells fruit, specifically mango and has a twenty-one year old daughter who also sells peanuts at a nearby school. She lives in a house very far from the Manguzi complex where much trading is taking place, but that does not prevent her from trading at the complex. She wakes up very early in the morning and picks mangos on nearby trees along the path to the Manguzi complex. Upon her arrival at Manguzi, she sells the available stock at the complex and returns to pick more.

For the LED initiatives to be successful in the future, the majority of respondents 8 (40%) suggested that the stakeholder forums should be capacitated, 7 (35%) felt that there should be more participation from the business sector and lastly, 5 (25%) cited the

importance of various service providers' intervention and co-operation in the rendition of services. The respondents did not ignore the fact that some LED initiatives are budgeted in the IDP and driven by the District Council. However, 12 (60%) of the respondents felt that the LED initiatives have not penetrated the nuclei of the family and 8 ((40%) felt otherwise. Among those of the opinion that it has not penetrated the household, they cited poverty levels that still reside within the household and those who feel that it has changed peoples' lives felt that poverty levels within the households have dropped.

The suggestions that were made by the majority of respondents, 13 (65%), to the LED Manager in relation to the betterment of LED interventions within the municipality, were to involve more stakeholders, 4 (20%) suggested a bottom up approach to LED programmes/ projects and lastly, 3 (15%) felt that more developmental workers should be employed. When the LED Manager was asked about the contribution made by the Local municipality he said :

We still have to see people passionate about the development of the area. Key positions in the municipality are held by people who are not from the area. These individuals, he said, have less to worry about the development since it has no impact on them. The political affiliation drives the appointment into the municipality, he added. Political agenda is one of the greatest predicaments that results in the failures of LED programmes.

Mayekiso (1994), national chairperson of the South African National Civics Association, highlighted that "urban and rural development has been presided over by state bureaucrats and has been designed to entrench apartheid. It has been developer-driven and often carefully organised to disempowering communities. The result is that development has failed, not only in our terms but in their terms as well. That era is ending. People-driven development is now our watchword. But how do we transform a set of institutions consciously designed to prevent people-driven development and harness them to support communities?"

4.3 Pearson's Correlation Matrix

Table 4.1 Pearson's Correlation Matrix

		Correlations				
		Age	Gender	Educational Level	Employment Status	Income Per Month
Age	Pearson Correlation	1	.070	.127	.451(*)	-.161
	Sig. (2-tailed)		.769	.593	.046	.497
	N	20	20	20	20	20
Gender	Pearson Correlation	.070	1	.137	.215	.033
	Sig. (2-tailed)	.769		.565	.363	.890
	N	20	20	20	20	20
Educational Level	Pearson Correlation	.127	.137	1	-.318	.193
	Sig. (2-tailed)	.593	.565		.171	.416
	N	20	20	20	20	20
Employment Status	Pearson Correlation	.451(*)	.215	-.318	1	-.599(**)
	Sig. (2-tailed)	.046	.363	.171		.005
	N	20	20	20	20	20
Income Per Month	Pearson Correlation	-.161	.033	.193	-.599(**)	1
	Sig. (2-tailed)	.497	.890	.416	.005	
	N	20	20	20	20	20

* Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

The Pearson correlation matrix reveals that there is no significant positive correlation ($r = .070 > 0.05$) between age and gender of respondents. The respondents' views are not influenced by age or gender in relation to how they view local economic development. There is also no significant positive correlation ($r = .127 > 0.05$) between age and educational level, which, means that the age and educational levels variable does not have a bearing on the outcome of the investigation. There is also no significant positive correlation ($r = .451 > 0.05$) between age and employment status. Lastly, there is a significant positive correlation ($r = -.161 < 0.05$) between age and income which is an indication that age and income when combined, influenced the respondents perception of the state of local economic development at uMhlabuyalingana.

There is no significant positive correlation ($r = .137 > 0.05$) between gender and educational level of respondents. There is no significant positive correlation ($r = .215 >$

0.05) between gender and employment status of respondents. Lastly, there is no significant positive correlation ($r = .033 > 0.05$) between gender and income of respondents per month.

There is a significant positive correlation ($r = -.318 < 0.05$) between educational level and employment status of respondents. The respondents with higher educational levels tend to be employed in higher positions of power which in turn give them unlimited access to their own personal development via opportunities offered by the local economic development platforms. There is also a significant positive correlation ($r = -.599 < 0.05$) between educational level and monthly income of respondents. In essence, the statistics reveal that respondents' educational level has a direct bearing on their income which in turn influences their views on local economic development. The higher the educational level, the better the income and the more positive are the views from respondents about prospects of local economic development.

4.4 Data Interpretation

Evidence from the study pinpoints the importance of an integrated planning approach towards infrastructure provision. A study commissioned by the African National Congress on Social Transformation Service Delivery (2003), confirms that at the heart of integrated planning for infrastructure delivery is the need for co-ordination and integration, across areas of infrastructure delivery, and with meaningful participation at community level. The commission findings reveal that a short sighted approach will lead to the country replicating the worst apartheid's spatial, social and economic legacy.

A study conducted by Klarenberg and Masondo (2005) on Good Practice of Civil Society Organisation reveals that people must be empowered to be involved in, and to take control of, their own development. Such is confirmed by the national and international experience which shows that development is far more sustainable if local people have a sense of ownership and participation in their own development initiatives. Such is confirmed in this study by the general feeling of respondents and the citizens of the area that not enough is being communicated, let alone being done. There is also no

appreciation of the municipality because even though jobs were created through its existence, the beneficiaries who hold key positions are not from Manguzi.

Deedat and Cottle's (2002) case study on cost recovery and prepaid water meters and the cholera outbreak in KwaZulu-Natal at Madlebe in McDonald and Pape (2002) confirmed that community participation is a crucial component of development. They argue that if the community has ownership, it will look after the project but if people are not part of the process and are not held responsible and accountable, the project will fail. They also won't care if the project is looked after or if it fails. Such was also evident at uMhlabuyalinga with most community members arguing for community-driven development with projects being driven by their needs.

The Commission on Social Transformation Service Delivery confirms that in areas such as uMhlabuyalinga, the Department of Health has done a remarkable job in reversing the rural-urban bias in the health system delivery (e.g. the deployment of Cuban Doctors to rural areas). It is through such developmental interventions that the pillars of local economic development are built upon. However, there are a number of measures that need to be put in place in enhancing local economic development which should be born out of concentrated effort by all stakeholders.

4.5 Conclusion

The developmental path being witnessed today emanates from the noble goals of the reconstruction and development programme articulated a decade earlier. The key to development is the provision of the infrastructure that will provide the necessary and the much required access to modern and effective services like telecommunications, electricity, water, transport, health, education and training of people. The availability of these core infrastructural requirements will enhance and boost exports and imports which in turn will contribute to sustainable local economic development. The last chapter, which follows, discusses the conclusions and has the recommendations on how the identified problems may be addressed.

Chapter Five

Conclusion A nd Recommendations

5.1 Introduction

In concluding this chapter, a quotation from Ndebele is appropriate:

“In any society people need basic services to grow and prosper. In KwaZulu-Natal 56% of our schools are accessible only by footpaths or gravel roads and 60% of schools have no power supply; in spite of having the most abundant water resources in the country. 27% of households in the province had no access to piped water in 2001 and 34% of schools have no water on site in an information dependant society 85% of schools have no library. More than 11,000KM of local roads are required to meet the priority access needs of communities in rural areas of the Province 63% of surfaced roads are poor, 29% are fair, and only 8% good” (Ndebele, 2004).

Municipalities operate within a limited budget, guided by a variety of policy frameworks which need to be taken into consideration by various stakeholders. The District municipality's budget is far less than the Urban municipality's budget. The capacity to generate revenue by rural municipalities is very limited which in turn impacts on its ability to render quality development to people. It is the responsibility of the Umkhanyakude District municipality to assist local municipalities like Umhlabuyalingana in their local economic development initiatives. The following recommendations which might be useful are made based on responses received from stakeholders about the problems associated with local economic development in the area.

The Objectives of the study as articulated in Chapter One are reiterated in order to link the findings of the study and the recommendations advanced :

- 5.1.1 To clearly understand the Local Economic Development (LED) trends at uMhlabuyalingana
- 5.1.2 To determine whether there is alignment between LED and the Integrated Development Planning in the municipality
- 5.1.3 To assess whether the available LED platforms do cater for local participants.

5.1.4 To establish whether the existing projects are community driven through the local electorate or by private actors.

5.1.5 To establish what structures of accountability are available to stakeholders

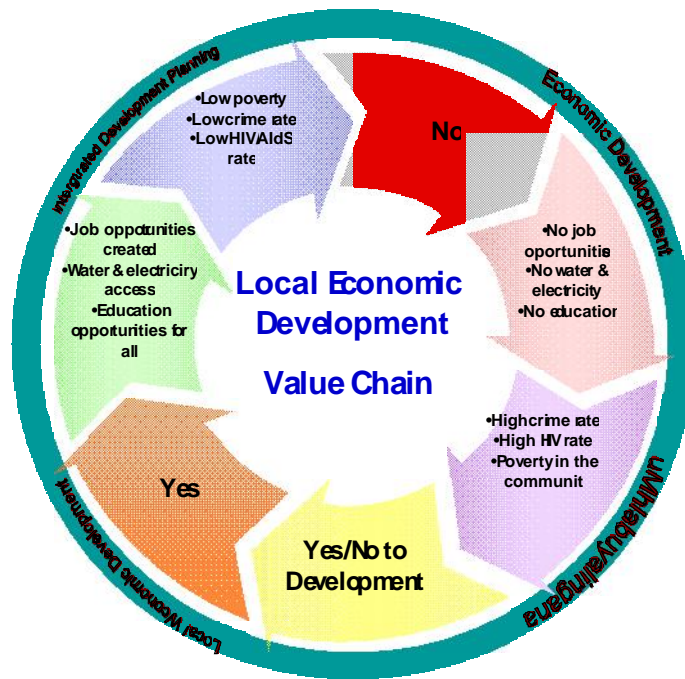
5.2 Recommendations And Conclusions

The following conclusions have been made with specific recommendations that might assist in ensuring that Local Economic Development in the area is viable:

5.2.1 Objective:

To clearly understand the Local Economic Development trends at uMhlabuyalingana

The uMhlabuyalingana's state of affairs in as far as local economic development is concerned leaves much to be desired if one considers the impact that LED has in the area. It has been the findings of this research that there is little or no development in the area and the repercussions as depicted in the diagram below as developed:



LED Value Chain

The Local Economic Development trends at uMhlabuyalingana as outlined in objective 5.1.1 above can be best understood by doing a thorough investigation of infrastructural backlogs. It is a known fact that an investment in infrastructure is the basic foundation for local economic development. For example, communities might have jobs, water and housing but have no access to electrification. In essence the area will not develop because it does not have technology, faster energy for household chores, etc. In the absence of the above facilities, one can conclude that such an area will not have reached the Rostow's take off phase as clearly elaborated

in his stages of economic development (Rostow's Model- the Stages of Economic Development 2008).

5.2.1.1 Recommendation:

Local economic development planners should prioritise infrastructure development. This could be done by identifying and prioritising key basic infrastructure and focus on them. A limited budget is a bottleneck, therefore it is the findings of this study that the municipality should focus on a single basic infrastructure within a given financial year and move to the next one in the following financial year. For instance, if the council focuses on providing water to every household, it should stick to this project until every household has access to water and it should be done within reasonable timeframes.

5.2.2 Objective:

To determine whether there is alignment between LED and the Integrated Development Planning in the municipality.

It is the findings of this study that alignment between LED and IDP is not strong enough. Section 24(1) of the municipality's Act in chapter 5 specifies that "the planning undertaken by a municipality must be aligned with and complement the development plans and strategies of other affected municipalities and other state organs / government departments (i.e. Service Providers)". As such, proper alignment will reduce the chances of duplication of programmes as evidenced by projects aimed at uplifting the tourism and agricultural industries which are both in the IDP and LED at uMhlabuyalingana municipality. An alignment between LED and the Integrated Development Planning in the municipality as outlined in objective 5.1.2 above is only feasible if there is synergy amongst service providers as articulated in the municipality's act quoted above. Unsystematic planning does not yield positive development outputs and this can be measured through the duplication of programmes/projects aimed at local economic development evident in the area as mentioned above. The Department of

Agriculture and Forestry, Social Development, Health, Labour, Transport, Education, Energy and Water etc should have continuous interaction amongst each other as to how to invest in local economic development. If one Departmental arm of development is lacking, it will definitely paralyze the other working arm. For example, the Health department in the municipality has first world infrastructure in terms of computerised systems and clinics in rural areas but only to find that the people cannot access them due to the lack of road infrastructure.

Generally, every developed and developing nation's success stories, make reference to the importance of investing in human capital. Such is not feasible if human capital is not prioritised in Local Economic Development and Integrated Development Planning processes. The feasibility of human capital development relies solely on the importance of having an alignment between LED and the Integrated Development Planning in the municipality. Even the General Agreement on Trade in Services emphasis is on the importance of human capital. If the uMhlabuyalingana municipality local economic development is to be successful, more investment should be channelled towards capacity building. Programmes and projects will never function in the absence of capacity. Such is confirmed in the Reconstruction and Development Programme that by investing in human resource development, the country will enhance its export capacity.

5.2.2.1 Recommendation:

Greater effort be made to develop synergy among Service Providers to bring about an alignment between LED and Integrated Development Planning. A synergistic approach would best improve alignment. For instance, if the IDP proposes to erect training centres, Service Providers from LED may offer Training Facilitators. In this fashion both entities work synergistically towards the common goal in a holistic manner.

Another recommendation on this objective is investment in human capital through the framework provided by the LED and Integrated Development Planning. To elaborate on the above statement, the LED and IDP could assist the community by training them in order to acquire farming skills, in doing so, this will create jobs and also assist in feeding the community. Government has been known to offer grants and food parcels which is well and good, however, it is desirable to teach a man how to fish because one will then be feeding him for the rest of his life instead of offering him a fish, an act which feeds him only for a day.

5.2.3 Objective:

To assess whether the available LED platforms cater for local participants.

uMhlabuyalinga municipality has over the years tried to engage the citizens in the formulation of its IDP. It is thought the level of education, the kind of responses received from public participation and other stakeholders, the municipality felt it necessary to engage consultants to come up with a comprehensive document pertaining to IDP. It is also possible that the “we have always done it that way” syndrome negates the necessary input to the IDP. For instance, the fact that roads to schools are only accessible by 4x4 vehicles will not ring a bell in the local participant’s mind to have this point placed on an agenda.

Local Economic Development can only be achieved if all stakeholders collaboratively work together towards the common goal which in this case, is the betterment of the local populace. Such is clearly articulated in the System Act (RSA 2000) which outlines a public participation process for the formulation of Integrated Developments Plans (IDPs). Input from stakeholders gathered through an extensive consultation process, should form part of the final integrated development plan. In most cases the community involvement in IDP formulation is inclusive and thorough but in the case of uMhlabuyalingana, capacity deficiency among stakeholders has negated the processes to consultants.

5.2.3.1 Recommendation:

Broad stakeholder participation to enhance local participation. UMhlabuyalingana has Tribal Authority, with this in mind stakeholders such as the Chiefs (Amakhosi), platforms such as the Imbizo, where the local citizens gather to debate local issues may well serve as the right platform for local populace to partake in issues of Local Economic Development.

5.2.4 Objective:

To establish whether the existing projects are community driven through local electorate or by non state actors.

Based on this study it is the findings of this project that not all projects are community driven. For example, in the electrification project Eskom met representatives of the Kosi Bay Business Forum which is not necessarily representative of the entire community. Omitted from this group were local opinion-makers who are not business individuals. Also, the water project involved the local participants at the implementation stages after all decisions on the project were taken and that indicates a top down approach.

Every local economic development initiative should take into consideration the needs, desires and demands of the local populace. For example the Public Works Programmes taking place in the rural areas, should consider the wealth of talent that lies within these communities. Unless such talent is discovered and mentored, the future of the rural poor will remain bleak. In turn, this will speed up service delivery of infrastructure such as roads, water, electricity, and sanitation while creating jobs.

All successful developmental programmes and projects can succeed if there is a memorandum of understanding between the public and the private sector. For example the Lubombo Development Corridor has been financed entirely by the private sector but the government has a role to play as a regulator to ensure that

quality, tariffs and standards are monitored and maintained. Hence all stakeholders should be initially involved from the planning phase to the execution phase of any local economic development initiative. Such will ensure that there is a buy in from the locals. This recommendation suggests a way forward as per objective 5.1.4 which outlines the importance of having local electorate and non-state actors driving projects .It outlines the need for both the private and public sector to be partners in local development which is still minimal at uMhlabuyalingana.

5.2.4.1 Recommendation:

Fostering Private Public Partnership to stimulate the role of the local electorate and non state actors could be done by consulting with the communities (as has done) and improving the communication channels as follows:

- * The council could organize the community by way of an Imbizo (a gathering of the community)
- * Council could have a suggestion box that maybe used by public to voice their opinions.

The council could then hold meetings and skills development sessions with the citizens. It should also be instrumental in fostering apprenticeship which bridges the gap between the experienced and inexperienced.

5.2.5 Objective:

To establish what the structures of accountability available to stakeholders are.

Maladministration of financial resources seems to be the plague engulfing most municipalities, whether rural or urban. Hence the question as to what the budget is spent on in the communities will remain critical in the next few years. The priority list in the uMhlabuyalingana IDP which is aimed at achieving local development, reveals that most infrastructural backlogs and service delivery gaps were budgeted for in the past financial year but never undertaken due to the fact that they have

always received less than what their budget requested, in some cases there was corruption in the awarding of tenders.

5.2.5.1 Recommendation:

Adherence to the Public Financial Management Act (PFMA) in order to promote accountability.

The following three general recommendations emanated from the opinions of many of the respondents during the research. Hence the researcher decided to include them as part of recommendations drawn from opinions which could not be overlooked. These recommendations also need to be considered for future research purposes.

5.3 General Recommendations

5.3.1 More Funds For Local Economic Development Programmes/Projects

Not all municipalities have the capacity to generate enough revenue to grow their local economies. The Umkhanyakude District municipality should channel more funds towards the upliftment of struggling municipalities within its boundaries. The developmental focus should change from using tourism as a benchmark for local economic development, but rather the number of new business ventures created in the area, adequate recreational facilities, institutional development or the decline in crime rate and unemployment statistics. After all tourism is seasonal and development is an ongoing activity which does not stop when there are no tourists visiting the area.

5.3.2 Support From The Political Representatives

Rural local governance is plagued by the influence of politics in development, to such an extent that community votes are bought and sold on an open market. It is a known fact that political parties have a tendency to invest in development of the areas where their constituencies reside. Such skewed allocation of resources will exert strain on one area that is heavily resourced. If the area is to develop and reach

its potential, resources located within the politician's boardrooms should be to serve all community members equitably.

5.3.3 More Women Involvement in Local Economic Development

Engels (1965) long ago asserted that the work situation liberates women from isolation and creates the historical condition for their social consciousness – praxis and class solidarity and that it liberates them from domination of men and paves the way for their incorporation into the working class for the new social order. By getting more women involved in local economic development initiatives, will in the end breach the gender stereotypes engulfing development in the rural areas.

5.4 Suggestions For Further Research

This research was undertaken with limitations in terms of time and funding. However, the findings contained herein will be supplied to the municipality concerned in order that it may study and determine the merits of the findings and recommendations, in the hope that some improvements may follow.

Further research could focus on:

- The role and impact of political affiliation within the municipality
- Investigating employment practises as embraced by this municipality
- Researching, identifying and developing economic activities which will create jobs and allow for the transfer of skills to the local population and enable at least some of the people to venture into business on their own
- Identifying economic activities that the municipality could play a lead role in, in order to create jobs in the area such as the manufacture of curios for sale in other parts of the province and globally

5.4 Closing Remarks

This research was designed to research specific objectives concerning the factors responsible for economic development in uMhlabuyalingana municipality. Having done so, suitable recommendations have been made so that the issues identified as needing attention, may be attended to. It is contended that the results of this study could be used by people in senior posts and by decision makers when they consider factors affecting the economic upliftment at uMhlabuyalingana municipality.

However, as this is a small scale study and as the results are not statistically sound due to the small sample, any implementation of recommendations made should be closely monitored to ensure that problems as identified in this research exist and that the recommendations made are appropriate. The study was qualitative, based on observation, literature research and interviews and it is contended that the issues identified are relevant.

The research developed out of the perception that limited investment in infrastructure and human capital, unsatisfactory access to employment and the lack of funds injected towards programmes/projects aimed at achieving sustainable livelihoods, have negated the Local Economic Development at uMhlabuyalingana municipality to a peripheral activity. Unless the highlighted deficiencies of the municipality are addressed, local economic development in the area will remain a distant reality if not a utopian vision.