



**Examining stakeholder perceptions on Local Economic Development and
implementation: A case study of uMgungundlovu District Municipality**

**Submitted by
Ayanda Christine Makhaye**

**A doctoral thesis submitted towards the fulfilment of the requirements for the
degree of Doctor of Administration**

**School of Management, IT and Governance
College of Law and Management Studies**

Supervisor: Prof. M Subban

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DECLARATION

I, Ayanda Christine Makhaye declare that:

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Ayanda Christine Makhaye

Student no: 208513727

DEDICATION

I dedicate this thesis to my dear husband, Sandile Makhaye, for his unwavering patience, love and support throughout my whole academic career, but especially during the last 2 years of study, which was full of obstacles. My wonderful kids Yandile, Zazie, Bantu and Langa for understanding when I had to be away from them because of my studies. I hope this motivates you to reach for your dreams and never waver. I also dedicate this thesis to my mother, twin sister and my late grandparents (Gogo Mthembu and Mkhulu Mthembu), whose memories and guiding principles continue to light my path.

You have all been a beacon of inspiration and my mentors. You instilled in me the courage to dream and the resolve to make those dreams a reality. Your belief in my potential was the wind beneath my wings, propelling me towards this very moment as the first doctoral scholar at home. Your spirit and teachings resonate on every page of this work, in every discovery, and in every step of this journey.

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‘Every tiny step forward is a win against the doubts that formerly held us back.

Always remember that sometimes our most fearless efforts provide the most magnificent results’.

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ABSTRACT

The Constitution requires municipalities to promote and support Local Economic Development (LED). However, most municipalities continue to struggle due to conceptual differences among stakeholders about how to effectively implement LED. This is exacerbated by the evolving understanding of LED in response to dynamic and complex environments. According to research, most municipalities fail to promote LED due to a lack of common understanding, inadequate prioritisation of LED initiatives, and difficulty forming strong collaborative partnerships. This study investigated perceptions of stakeholders involved in LED implementation and their role as proactive contributors in promoting LED and facilitating successful implementation. It examined the role of various stakeholders in implementing LED and investigated the perceptions that stimulate or hinder LED whilst identifying challenges confronted by stakeholders. Exploratory questions included: Who are the stakeholders relevant in successfully implementing LED? What are the roles of the stakeholders in implementing LED? What are their perceptions on LED and its implementation? What perceptions are critical for the success or failure of LED? What are the challenges hindering successful LED? What framework is required to successfully implement LED? The study used qualitative analysis at a prominent district municipality in KwaZulu-Natal, South Africa, with semi-structured open-ended interviews with 24 participants. Data was transcribed and analysed using thematic and content analysis with data themes based on relevant issues, underlying patterns and connections that helped explain pertinent research findings. The literature review incorporated a range of social science research, including those in the fields of public administration, management, leadership and economic development. The findings indicated that several perceptions exist that both hinder and promote LED between and among the stakeholders. These perceptions further exacerbate existing challenges faced by stakeholders in successfully implementing LED. The study recommends a comprehensive multi-stakeholder LED framework to address complex challenges, intricate relationships, and varied perceptions between municipalities and stakeholders. Successful implementation of this framework requires effective policy engagement from the municipality to mobilise all key stakeholders and foster an enabling quality-of-life through local government. Furthermore, establishing productive ecosystems, increasing adaptive capacities, developing engagement strategies, improving urban and rural resilience, and professionalising LED is also recommended in the district.

Key words: Local Economic Development, perceptions and LED challenges, collaborative partnerships, multi-stakeholder LED framework, municipalities

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GLOSSARY OF TERMS

BPO	Business Process Services and Offshoring
CoGTA	Co-operative Governance and Traditional Affairs
CTO	Community Tourism Organisation
DAFF	Department of Agriculture, Forestry & Fisheries
DDA	District Development Agencies
DDM	District Development Model
DOT	Department of Transport
EDTEA	Economic Development, Tourism and Environmental Affairs
EIA	Environmental Management Act
EPWP	Expanded Public Works Programme
FPSU	Farmer Support Production Unit
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
IPPs	Independent Power Producers
KZN	KwaZulu-Natal
LED	Local Economic Development
NDP	National Development Plan
NDP	National Development Plan
PGDS	Provincial Growth and Development Strategy
PPP	Public-Private Partnership
RSA	Republic of South Africa
SALGA	South African Local Government Association
SANRAL	South African National Road Agency SOC Limited
SDBIPS	Service Delivery and Budget Implementation Plan
SDFs	Spatial Development Frameworks
SDG	Sustainable Development Goals
SEDA	Small Enterprise Development Agency
SEFA	Small Enterprise Finance Agency
SMME	Small, Medium and Micro Enterprises
SPLUMA	Spatial Planning Land Use Management Act
TIKZN	Trade and Investment KwaZulu-Natal
TRERS	Township and Rural Economies Revitalization Strategy

UMEDA	uMgungundlovu Economic Development Agency
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CHAPTER ONE:

OVERVIEW AND SCIENTIFIC ORIENTATION OF THE STUDY

1.1 INTRODUCTION

The significance of addressing poverty and inequality in the country is underscored by the National Development Plan (NDP, 2030), as highlighted by the National Planning Commission (NPC, 2012). South Africa remains confronted with the persistent triple challenges of unemployment, poverty, and inequality, which hinder the achievement of its envisioned goals. The utilisation of Local Economic Development (LED) as a strategy for economic advancement offers a promising avenue for tackling these issues within the purview of local government (Meyer, 2014; Reddy, 2018). The successful implementation of LED, however, necessitates partnerships and collaboration among all stakeholders. It is imperative to establish collaborative governance in order to drive this process effectively. The implementation of LED at the local level is primarily spearheaded by municipalities, with the support of government sector departments and agencies, as well as active involvement from local communities and businesses. There is, however, a notable absence of robust partnerships, effective co-operation, and meaningful engagement for its successful implementation. The lack of clarity regarding the respective roles and responsibilities of various governmental entities has led to challenges in effectively implementing LED initiatives (Meyer & Meyer, 2016; Cooper & Meyer, 2019). Consequently, local government faces challenges in establishing conducive business environments and robust partnerships to effectively implement LED as an integrated strategy at the local level.

The primary objective of this study is to establish the contextual framework of the research subject being examined, emphasising its significance and the rationale behind its implementation. This section covers the historical and contextual background; the research problem at hand; the significance of the study; the rationale behind the research questions and objectives, and the conceptual framework utilised; as well as a brief overview of the research methodology and research design implemented, and the limitations of the study.

1.2 BACKGROUND OF STUDY AREA

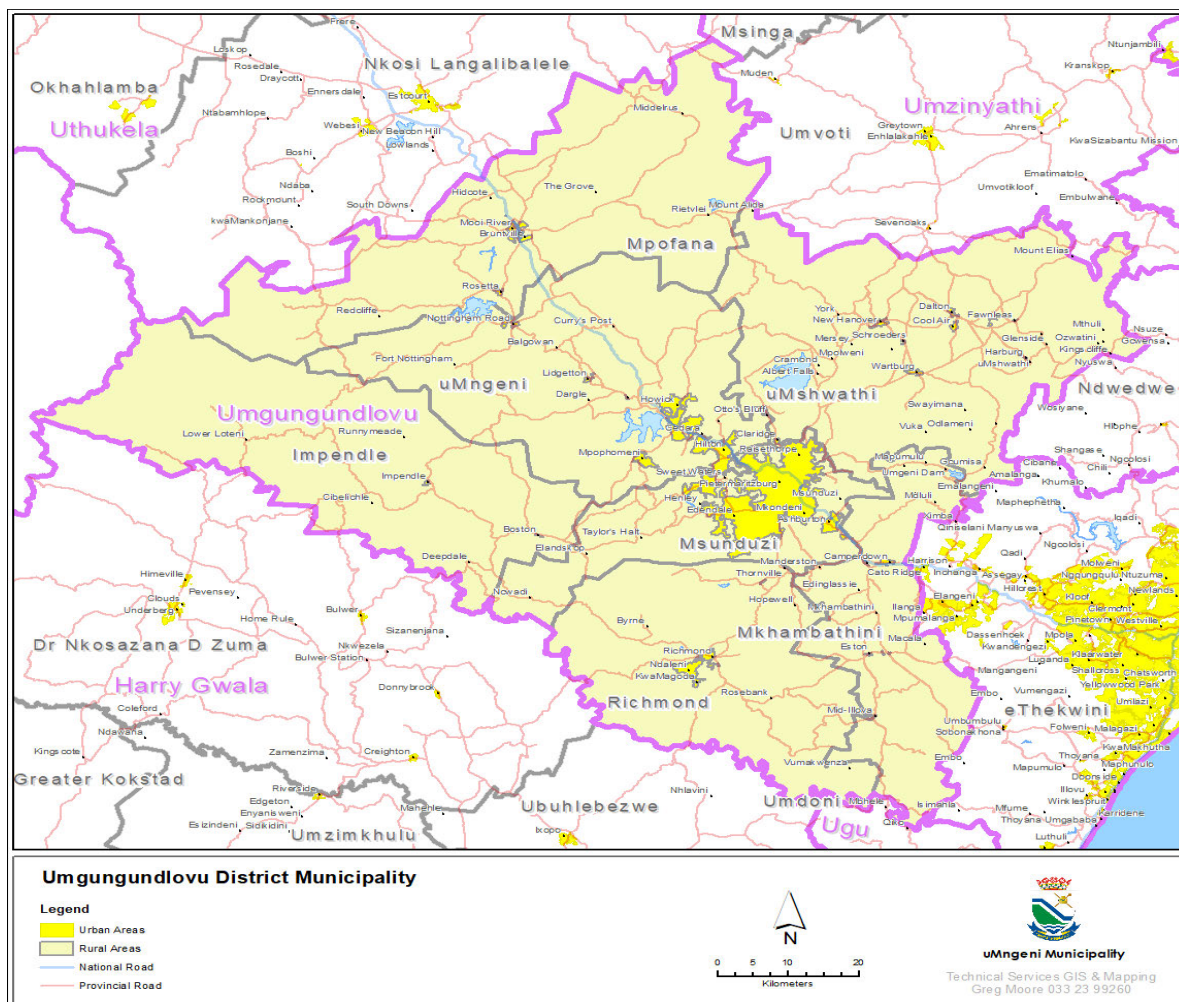
The uMgungundlovu district holds the position as the second-most prominent economic contributor within the province of KwaZulu-Natal (KZN), trailing behind the eThekweni metropolitan municipality. This suggests that the economic activity occurring within this district carries substantial importance and makes a significant contribution to the overall economic performance of the province. Trade and Investment KwaZulu-Natal (TIKZN)

estimates the province's aggregate gross domestic product (GDP) to be R750.75 billion in 2023, with a GDP per capita of R66,254 and an unemployment rate of 31.4%. The province offers a range of investment opportunities in various sectors, including agriculture; aviation; information and communication technology (ICT); logistics; manufacturing; pharmaceuticals; property development; renewable energy, and tourism (TIKZN 2023). This investment is estimated at R144 billion for the period between 2023 and 2025, with an estimated number of jobs to be created at 53 412 (TIKZN, 2023). The eThekweni municipality represents a substantial portion, precisely 61%, of the province's overall economic contribution. The eThekweni Metropolitan and the uMgungundlovu District play a crucial role in promoting economic growth and facilitating development through the attraction of investments, the creation of employment opportunities, and the generation of significant revenue for the province. However, the phenomenon of economic activity being concentrated in specific geographic areas can lead to the emergence of regional disparities and inequalities. Various regions within the province frequently encounter challenges in attracting investments and confront heightened levels of unemployment and poverty, thereby exacerbating social and economic concerns for the jurisdiction. This is especially evident in this district, with notable disparities between the urban and rural areas of the district. The current state of the labour market is characterised by a significant increase in unemployment, joblessness, poverty, and inequality (uMgungundlovu Municipality, 2022). Of the total revenue of the district municipality, a substantial portion (62%, R585 million) comes from government transfers, which includes the conditional grants, and provincial transfers. The remaining 38% (R364 million) is derived from locally generated funds, which are obtained from residents' payment for services, as well as from interest and investments during the 2020/2021 fiscal year (Municipal Money, 2022). The main source of locally-generated income within uMgungundlovu is from service charges. This is followed by interest and investment accounting, for R297 million and R50,9 million, respectively.

The district is afflicted by many challenges that hinder the effective implementation of LED in the area. These problems include the absence of necessary infrastructure, skills, and funding for business development, as well as addressing societal concerns such as unemployment, exploiting of others, and education, particularly in rural regions of the municipality (Makhaye, Subban & Gerwel Proches, 2021). There are several stakeholders within the district who possess the potential to play a crucial role in enabling LED. These stakeholders include municipalities, the business sector, institutional structures, the community, and conflicts related to traditional leaders (Makhaye et al., 2021). According to the district IDP (2022/2023), there is still no developed capacity for implementing LED in the municipality. Furthermore, it has been observed by the district that there exists a limited

capacity within the Municipality and business Chamber, including the local municipalities such as Msunduzi. Inadequate human and financial resource challenges have been emphasised as restricting the effective implementation of LED in the district. As depicted in the map in Figure 1.1, the district consists of seven local municipalities: Msunduzi and uMngeni, local municipalities that are largely urban; along with Mpofana, Richmond, uMshwathi, Impendle and Mkhambathini local municipalities, that are largely rural. Facilitating LED within the district is largely challenged due to the large disparities and the municipality's inability to collaborate and partner with its local stakeholders. Currently, the municipalities of Mpofana and Msunduzi are subject to an intervention in accordance with Section 139 of the Constitution of the Republic of South Africa, 1996 (RSA Constitution, 1996).

Figure 1.1: Map of uMgungundlovu District Municipality



Source: uMngeni Local Municipality (2021)

The uMgungundlovu District One Plan states that there has been a significant expansion of peri-urban settlements that are strategically located along key roads within traditional council

(Ingonyama Trust) land, in close proximity to urban areas. The plan asserts that some individuals with moderate incomes are opting to relocate from primary urban areas to peri-urban areas situated on communal/tribal land. The decision to take this option is primarily motivated by the advantages it offers, such as the convenience of being near urban amenities while enjoying the advantages of a rural way of life, as well as avoiding property taxes (uMgungundlovu Municipality, 2022). Furthermore, it argues that the agricultural sector in the district is adversely affected by land reform initiatives, such as applications for labour tenancy, land restitution, and redistribution claims. While acknowledging the importance of these initiatives, including the potential to facilitate the transfer of productive assets to individuals residing in rural areas who are socio-economically disadvantaged, it contends that, it is important to recognise that this may also lead to a decrease in the availability of commercial agricultural land and may lead to the formation of geographically isolated settlements. Significant expanses of land located within the district have been designated as irreplaceable, endangered, and essential for agricultural purposes.

1.2.1 Msunduzi Local Municipality

The Msunduzi Local Municipality, as the provincial capital, is of considerable importance due to its potential influence on the broader economic dynamics within the region. Msunduzi is situated within the uMgungundlovu district and borders with the uMshwathi municipality to the north, Mkhambathini to the east, Richmond municipality to the south, and Impendle and uMngeni to the west (The Msunduzi Municipality, 2022). The municipality serves as the primary economic hub within the district. The main urban centre, Pietermaritzburg, serving as the provincial capital, is the second largest city in the province after eThekweni Metro. The primary, significant sectors in the municipality include the manufacturing; agriculture; business process services and offshoring (BPO); government; tourism; the green economy; healthcare; information and communication technology (ICT); sports; and wholesale and retail, sectors. The municipality has identified several key catalytic LED projects that are expected to have a significant impact on the economy of Msunduzi and the surrounding region, with the potential to attract substantial investment (The Msunduzi Municipality, 2022). The total income of Msunduzi municipality in the 2020/2021 financial year came from approximately 14% (R756 million) in government transfers, which included conditional grants and provincial transfers, and 86% (R4.75 billion) from locally generated funds. The locally generated funds are derived from residents' payments for services, as well as from interest and investments (Municipal Money, 2022). The largest local contributor to income is service charges, accounting for R3.1 billion. This is then followed by property rates, at R1,2 billion (Municipal Money, 2022). Nonetheless, according to the Municipal Integrated Development

Plan (IDP) 2022/2027, the current state of the municipality is of concern, with the municipality still under administration. Thus, the municipality acknowledges the role of the ministerial representatives who are actively involved in restoring stability to the municipality and facilitating the provision of services to the city's residents. Like many municipalities in the country, the Msunduzi Municipality experienced significant repercussions as a result of COVID-19 and the social unrest, which had a detrimental impact on an already stagnant economy. The ensuing civil unrest led to significant damage and destruction of critical economic, industrial, and societal infrastructure. Nonetheless, amidst the period of social upheaval, the local governing body established an emergency command team to co-ordinate all responses, protecting the infrastructure under municipal jurisdiction, and overseeing the provision of essential services (The Msunduzi Municipality, 2022). Currently, the city's economy continues to undergo a process of recovery following the aforementioned devastation (The Msunduzi Municipality, 2022). Based on the municipal IDP, the municipality has made efforts to address a variety of challenges, including, but not limited to, basic service delivery, consequence management, and revenue collection. The electricity infrastructure in the municipality remains in a bad condition, leading to frequent and prolonged power outages. The occurrence of these outages has a significant and detrimental effect on the financial resources of the city and the overall local and district economy, as the municipality remains the major contributor to the district's economy. Therefore, the municipality emphasises implementing various strategies to effectively tackle these challenges. This includes executing an electricity maintenance plan to tackle the issue of deteriorating electricity infrastructure; implementing a comprehensive roads maintenance programme with the aim of effectively addressing the prevalent problem of potholes and other road-related issues within the municipality; and collaborating with diverse government departments at both the national and provincial spheres, as well as various government agencies, with the aim of revitalising the city to its previous glory (The Msunduzi Municipality, 2022).

1.2.2 uMngeni Local Municipality

The significance of the uMngeni municipality as the second-most prominent contributor to the district municipality, after Msunduzi, implies its substantial economic and service-oriented importance within the region. Consequently, the two municipalities, namely Msunduzi and uMngeni, emerge as the primary economic and service hubs within the district. In the 2020/2021 financial year, the uMngeni municipality's total income comprised approximately 23% (equivalent to R99.9 million) from government transfers, which included conditional grants and provincial transfers. The remaining 77% (equivalent to R339.9 million)

was derived from locally generated funds, including service charges paid by residents, as well as interest and investments (Municipal Money, 2022). Similarly, the municipal IDP states that the primary source of revenue for the municipality is derived from property rates, constituting the largest portion of income at 44% (uMngeni Municipality, 2022). The second-most significant source of revenue is derived from user payments for services, including the sale of electricity and fees for refuse removal. In the 2022/2023 fiscal year, operational grants and subsidies constituted the third-most significant revenue stream, accounting for a total of 23% (uMngeni Municipality, 2022). The IDP indicates that there is a significant demand for development across the entire municipality, with a large proportion of submitted applications being for subdivision. Furthermore, this demand is accompanied by a heightened need for extensive infrastructure and the necessity for improved co-ordination in planning between the municipality and other spheres of government. The municipality's LED is overseen by the Economic Development and Planning Department, which provides a range of services, including development planning; economic development; environmental management; and geographic information system services (uMngeni Municipality, 2022). The primary obstacles include a range of issues, such as the deterioration of infrastructure due to age; inadequate revenue collection practices; rampant electricity theft; inefficiencies within organisational structures; limited availability of land; various forms of inequality, including social, spatial, and economic disparities; interference from political groups; a high rate of unemployment; ineffective intergovernmental relations; and issues with basic service delivery (uMngeni Municipality, 2022). Other significant obstacles linked to the facilitation of business development within the municipality, as identified in the IDP, include the slow progress in bulk infrastructure investment, especially water and sanitation. Furthermore, insufficient allocation of funds to the upkeep of essential road and storm water infrastructure, which is crucial for facilitating business growth, impacts on economic development (uMngeni Municipality, 2022). The municipality has committed itself to achieving sustainable economic growth through an approach that is "integrated, comprehensive, coordinated, and varied" (uMngeni Municipality, 2022:110). It will centre on fostering both economic expansion and competitiveness, and community self-determination. uMngeni's competitiveness across almost all industries and service sectors stands to benefit from the increased use of information and communication technologies. The municipality claims that if more people used innovative methods of communication and information gathering, they would contribute significantly to the municipality's economic growth. To reach this objective, the municipality would need to network with public and private organisations in other parts of the world (uMngeni Municipality, 2022).

1.2.3 Mkhambathini Local Municipality

The municipal IDP states that the municipality is currently confronted with several challenges that require attention. One of these challenges pertains to the spatial location of the municipal area. A significant portion of the community resides in tribal authority areas, which are predominantly rural in nature. In the 2020/2021 financial year, the total income of Mkhambathini municipality comprised approximately 73% (R85 million) in government transfers, which included conditional grants and provincial transfers. The remaining 27% (R30.9 million) was derived from locally generated funds, including service charges paid by residents (Municipal Money, 2022). The biggest contributors from locally sourced income are property rates, followed by licences and permits. The municipality states that the lack of adequate funding allocated for large-scale infrastructure projects has emerged as a significant obstacle in supporting LED, especially in tribal areas within the municipality (Mkhambathini Municipality, 2023). This issue has had a detrimental impact on the timely provision of essential services, primarily due to the absence of proper geographic coverage in certain areas within the municipality. Rural areas lack even the most basic services, such as water and sanitation, access to refuse removal, and electricity. For instance, the provision of refuse removal services is exclusively restricted to urban areas in the municipality. The disposal of refuse in rural areas is a matter of growing concern as part of waste management. The rural communities continue to rely on pit latrines, or lack any formal sanitation infrastructure, which affect prospects of attracting investment to these areas. Moreover, the implementation of various restrictions and conditions associated with the global pandemic in an attempt to curb transmissions has led to an abrupt decline in revenue for businesses and individuals within the local community (Mkhambathini Municipality, 2023). Consequently, this has exacerbated levels of poverty and food insecurity. The negative impact of the current circumstances would be particularly burdensome for the rural areas in Mkhambathini, which already experience high levels of unemployment and rising poverty levels. The Mkhambathini Local Municipality, as alluded in their IDP, aims to respond to the request for the development of a socio-economic recovery plan in order to address the effects of the COVID-19 pandemic on local businesses, which are primarily composed of informal sector enterprises; as well as assisting communities, particularly those who are vulnerable.

Furthermore, Mkhambathini's economy ranks as the fifth largest in the uMgungundlovu District Municipality. The primary economic sectors of the municipality are agriculture, tourism, manufacturing, and Small Macro and Micro Enterprises (SMMEs). According to the municipal IDP, there are three notable challenges faced by LED within the municipality.

Firstly, there is a lack of investors to facilitate the development of businesses that can generate additional employment opportunities, particularly in the industrial sector, due to the unavailability of a wastewater treatment plant. Secondly, there is insufficient funding to support SMME by providing them with the required resources and SETA-credited trainings that could improve employment prospects in the area. Lastly, there are capacity issues within the municipality's LED, as the office is staffed by only two personnel (Mkhambathini Municipality, 2023). The municipality further states that one of the significant issues faced is the limited participation from various sector departments in municipal engagements aimed at improving sectoral coordination between the local and provincial government (Mkhambathini Municipality, 2023). The municipality nonetheless through its LED Unit, under the Community Services Directorate, is currently engaged in efforts to enhance the small, medium, and micro enterprises. The municipal IDP thus argues that the municipality must demonstrate a commitment to robust creativity and effort in advancing the aforementioned initiatives. In addition, the municipal IDP notes that the district has established a collaborative partnership with the Provincial Department of Economic Development and Tourism, resulting in joint financial support for various projects over the years. It argues that this above-mentioned partnership has been strengthened due to the fact that the department holds a permanent membership in the Economic Department Sub-committee of the Planning and Development Cluster, which is an integral component of the district locality intergovernmental relations (IGR). This seeks to fast-track LED in the district and its localities (Mkhambathini Municipality, 2023).

1.2.4 uMshwathi Local Municipality

uMshwathi is a local municipality situated within the uMgungundlovu district. It shares a common boundary with several other municipalities, namely Msunduzi; uMngeni; Mpofana; uMvoti; Ndwedwe; eThekweni; and Mkhambathini. The municipality is primarily characterised by agricultural landscapes, specifically those dedicated to timber and sugar-cane cultivation, as well as rural-residential settlements (uMshwathi Municipality, 2023). The total income of the uMshwathi municipality in the 2020/2021 financial year comprised 69% (R134.9 million) in government transfers, which include conditional grants and provincial transfers. The remaining 31% (R60.4 million) is derived from locally generated funds, including service charges paid by residents, and income from interest and investments (Municipal Money, 2022). Property rates contribute the largest share to the municipality's total local income. The primary challenges faced by the uMshwathi municipality are insufficient funding and revenue; a high level of unemployment; widespread poverty and inequality; deteriorating infrastructure and accumulated backlogs; ambiguous land use and ownership; a

substandard work ethic and organisational culture; and excessive political interference, resulting in a failure to adhere to established protocols (uMshwathi Municipality, 2023). The municipal IDP has identified several interventions to address these issues, which include designing and implementing a policy framework and corresponding programmes for the provision of grant-in-aid; and developing and executing capacity building initiatives targeted at women, the youth, SMMEs, and co-operatives. In addition, it identifies increasing accessibility to employment opportunities within the Expanded Public Works Programme (EPWP) and Community Work Programme (CWP) for individuals facing the greatest socio-economic challenges (uMshwathi Municipality, 2023), as well as advocating for increased procurement from local co-operatives and SMMEs, along with offering incentives to local businesses to encourage the employment of local labour. This involves designing and implementing comprehensive initiatives aimed at implementing agrarian projects, while establishing collaborative alliances with businesses and reskilling workers who have been retrenched, and providing support to local SMMEs and co-operatives. The call for action involves establishing minimum benchmarks for the utilisation of labour-intensive techniques in infrastructure initiatives, as well as formulating a well-defined initiative for the advancement of small-scale contractors to facilitate the implementation of LED (uMshwathi Municipality, 2023).

1.2.5 Mpofana Local Municipality

The Mpofana municipality is currently facing numerous inhibiting factors that have resulted in sluggish economic development, leading to a lack of investor interest in the region. In the 2020/2021 financial year, the total income of the Mpofana municipality came from two main sources. Approximately 38% (equivalent to R50.8 million) was derived from government transfers, which include conditional grants and provincial transfers. The remaining 62% (equivalent to R82.5 million) was generated locally through various means (Municipal Money, 2022). These include funds collected from residents as service charges, as well as income generated from interest and investments. Service charges are the primary source of locally-generated income, followed by property rates and fines, making them the largest contributors to the total revenue (Municipal Money, 2022). However, the municipality is actively working towards addressing these challenges. The municipal IDP states that the town of Mpofana is currently experiencing a decline, evident in its deteriorating infrastructure, dilapidated buildings, and inadequate maintenance of infrastructure affecting LED. These unfavourable conditions have hindered the town's ability to attract new investors, thereby impeding economic growth and the creation of job opportunities. The organisation has encountered difficulties in debt collection, with significant losses in electrical

distribution resulting from instances of electricity theft. In addition, losses have been incurred due to non-payment for refuse removal services and inaccuracies in debtors' information for billing purposes. These factors have exacerbated cash-flow challenges and shortages within the municipality, as evidenced by the municipality being placed under administration since 2018, in terms of Section 139(1)(b) of the Constitution. Furthermore, there are numerous challenges that include a rise in unemployment; a decline in the enrolment of youth in tertiary institutions; an increase in the involvement of youth in criminal activities; and the participation of youth in deliberate acts of infrastructure vandalism (Mpofana Municipality, 2022). This is evident in the series of truck torchings that have been recorded, setting a trend that continues to plague the economy of the country. Nonetheless, the municipality argues that investing in the upkeep and expansion of crucial services and infrastructure, such as water and sanitation; electricity; solid waste management; road infrastructure; stormwater management; and transit systems, is essential for improving services and the overall quality of life for all its residents. Additionally, such investments are expected to attract both local and foreign investors to invest in other sectors of the economy. As part of its IDP progress, the municipality has recognised the necessity of developing Infrastructure and Waste Management Sector Plans, both of which would contribute to its strategic objectives.

1.2.6 Impendle Local Municipality

The Impendle Municipality is one of the smaller municipalities within the district. The municipality predominantly consists of rural areas, characterised by numerous dispersed settlements primarily situated on Ingonyama Trust and freehold land. Approximately 80% of the municipal revenue is derived from grant funding provided by the National Government, specifically from the Dora Fund and MIG funding, as well as from the Provincial Government (Impendle Municipality, 2022). The total income of the Impendle municipality in the 2020/2021 financial year was comprised of approximately 83% (R44.2 million) in government transfers, which include conditional grants and provincial transfers. The remaining 16.5% (R8.7 million) was derived from locally generated funds, including service charges paid by residents, and interest and investments (Municipal Money, 2022). The primary source of revenue in terms of locally-generated income is property rates, with interest and investment being the next most significant contributors. The municipality is currently confronted with significant challenges in addressing various development issues, such as enhancing the living conditions of impoverished individuals and fostering LED. The Ingonyama Trust exercises control over the majority of the land that has been settled. The provision of services and development for settlements situated on privately owned land has

proven to be challenging until the acquisition and formalisation of the land ownership takes place. The expenses associated with the establishment of new infrastructure and the provision of maintenance services in this municipality show a notable disparity, when compared to the national average (Impendle Municipality, 2022).

1.2.7 Richmond Local Municipality

Richmond Municipality falls under the 'Category B' classification of municipalities and is composed of seven (7) wards (Richmond Municipality, 2022). The geographical location of Richmond is in the southern part of the uMgungundlovu District Municipality. It ranks as the fourth smallest municipality in the uMgungundlovu District Municipality. In the 2020/2021 fiscal year, the overall revenue of the Richmond municipality consisted of approximately 79.5% (R97 million) from government transfers, which included conditional grants and provincial transfers. The remaining 20.5% (R25 million) was derived from locally generated sources, including service charges paid by residents, as well as interest and investments. The primary source of revenue in terms of locally-generated income is property rates, with fines being the second largest contributor (Municipal Money, 2022). The municipality encounters several significant challenges in implementing LED, as detailed in its Integrated Development Plan. These challenges primarily pertain to economic, infrastructure, socio-economic, spatial, and housing matters. In addition, the municipality faces difficulties concerning social services and amenities, as well as sustainable infrastructure. Spatial inequalities within the municipality include the disparities or uneven distribution of resources, opportunities, and outcomes across different geographical areas. The municipality is one of the rural municipalities in the district that is also challenged by an absence of effective communication between the Ingonyama Trust Board (ITB) and the municipality; a lack of community awareness regarding land use matters; and concerns related to the legality of certain developments on the land. Economic development in the municipality is thus challenged by a deficiency in the capacity to effectively implement LED initiatives (Richmond Municipality, 2022), which is an area of immense concern, given its location.

1.3 RESEARCH PROBLEM

According to the Constitution of the Republic of South Africa, 1996 (RSA, 1996), municipalities are constitutionally obligated to promote and facilitate the implementation of LED in the country. The successful implementation of LED is, potentially, an avenue for generating employment opportunities that can effectively address the prevailing economic development priorities of the nation. Therefore, significant efforts have been undertaken to achieve the implementation of LED within the country. The National Department of

Cooperative Governance (2018) has recently conducted a comprehensive review of the National LED Framework (2018-2028), with the aim of enhancing LED practices in the country. This revised framework builds upon the initial LED framework established in 2006, seeking to significantly bolster LED efforts across the nation. This new framework aims to improve understanding of LED in the nation and foster innovation-driven LED as a means of tackling the triple challenges facing the country. The primary objective of this initiative is to enhance innovation, competitiveness, and inclusivity. In addition, it seeks to promote intergovernmental relationships and co-ordination by facilitating collaboration between public and private entities, with the aim of expediting economic development planning and ensuring its effective execution (Department of Cooperative Governance, 2018:19-20). The failure of local government to achieve its economic development objectives is apparent, as evidenced by budget and capacity constraints, as well as inadequate stakeholder engagement and relationships (Moyo, 2007; Meyer & Meyer, 2016; Carr, Hawkins & Westberg 2017; Rogerson, 2019). This inevitably exacerbates the country's capacity to address issues of unemployment, inequality, and poverty. According to Meyer and Meyer (2016:152), it is crucial for all stakeholders to fulfil their respective roles, as failure to do so could have detrimental consequences for the local economy. Ongoing research in the country is focused on the promotion of LED, with a particular emphasis on exploring various strategies for implementing effective LED strategies in municipalities. Several scholars have proposed various strategies for advancing LED in a more effective and efficient manner. These strategies include promoting regional LED (van Niekerk & Bunding-Venter, 2017; Luthuli & Houghton, 2019); professionalising LED (Pooe, 2019); adopting an innovation-driven approach to LED (Rogerson, 2018); emphasising the importance of good governance (Munzhedzi & Makwembere, 2019); and optimising management information systems for LED practice (Majola, 2020). The effective stimulation of LED continues to rely heavily on stakeholder engagement, co-operation, and partnerships. According to Woo-Cummings (1999:17), as cited in Cooper and Meyer (2019:184), the primary characteristic of a developmental state lies in its ability to foster robust partnerships through the integration of government leadership and private ownership. The concept of partnerships remains a persistent challenge for the majority of municipalities within the country.

Despite the considerable policy backing for LED within the country, scholarly research indicates that the majority of municipalities have been unsuccessful in effectively promoting LED initiatives. This failure can be attributed to several factors, including a lack of shared understanding; inadequate prioritisation; and an inability to establish sustainable partnerships that foster collaborative efforts. This assertion is supported by the work of Moyo (2007), Coetzee (2014), Meyer and Meyer (2016), and Rogerson (2019). Previous research

in the country has focused on various aspects related to the promotion of LED. These include improving the business environment for LED; enhancing LED capacities; conceptualising LED; addressing challenges in LED planning; fostering partnerships and collaboration; facilitating social dialogue; emphasising the role of secondary cities, small towns and rural areas; and promoting pro-poor LED and poverty alleviation. These studies have been conducted by several researchers, such as Rogerson and Rogerson (2011; 2012); Khambule (2018); Reddy (2014); Kamara (2017); Khambule and Mtapuri (2018); Simon (2003); Kritzinger (2011); Meyer (2014); Hardman (2011); Coetzee (2014); Khambule (2014); Khambule and Gerwel-Proches (2019); Nel (2005); Ingle (2014); Zulu and Mubangizi (2014), Marais (2016); Nel and Rogerson (2005); Rogerson (2006); and Mlambo, Ndebele and Zubane (2019). The LED framework for the period of 2018 to 2028 recognises the obstacles identified in the initial LED framework which have impeded the effective implementation of LED initiatives in the country. The challenges encountered in this context consist of poor intergovernmental relations; limited partnerships and engagements; limited conceptual understanding; and capacity constraints at both provincial and local spheres, to effectively support LED efforts (Department of Cooperative Governance, 2018).

According to Rogerson (2019:919), corruption and political interference, along with capacity constraints and inadequate funding, have contributed significantly to the lack of success of many of the country's LED initiatives. Furthermore, according to Moyo (2007:224-225), a key contributing factor to the unsuccessful promotion of LED in local government is the absence of a collective conception of LED, coupled with the inability to establish enduring partnerships. This assertion is reinforced by the district's argument that there remain considerable obstacles pertaining to the municipality's capacity to effectively implement LED within the district and its surrounding localities. Hitherto, the district argues that the implementation of LED is impeded by inadequate human and financial resources (uMgungundlovu Municipality, 2022). According to Mkhambathini Municipality (2023), a notable challenge in promoting LED, particularly in tribal regions, is the inadequate allocation of funds for bulk infrastructure within the municipality. The municipality has observed that this matter has had an adverse effect on the prompt delivery of crucial services, primarily as a result of the restricted geographical reach of specific regions within the municipality. Furthermore, it asserts that the growth of urban areas is impeded by numerous factors, such as a significant unemployment rate, a substantial poverty rate, and inadequate coordination and communication with stakeholders in the LED sector. According to the municipality, the significant issue stems from the limited willingness of certain sector agencies to collaborate in municipal initiatives that seek to enhance sectoral coordination between local and

provincial government. This coordination is crucial for ensuring efficient service delivery and fostering inclusive economic development (Mkhambathini Municipality, 2023).

The prioritisation of LED within many municipalities is lacking, due to an inadequate understanding of its roles and functions, as well as a lack of willingness to engage in collaboration with the private sector (Moyo, 2007; Meyer, 2014; Meyer & Meyer, 2016; Rogerson, 2019). This observation indicates discrepancies in the definition and comprehension of LED among the various stakeholders, potentially stemming from divergent perspectives on the nature of LED and its appropriate implementation. According to Rogerson (2010), there is a notable variation in the perceptions of LED practices, particularly when comparing larger cities and smaller towns. The significance of perceptions lies in their influence on organisational behaviour, which to some extent mirrors cognitive processes and actions. Likewise, the perspectives held by local businesses and entrepreneurs about the business environment and regulatory framework can influence their willingness to investment within the local area. If stakeholders perceive that the municipality is characterised by corruption or excessive bureaucracy, they may be reluctant to engage in investment activities or pursue business expansion within that particular area. Perceptions can be subject to various influences, including cultural norms, social networks, personal experiences, and accessibility of information. The literature presents diverse concepts of the promotion and implementation of LED, as well as the lack of holistic understanding among the different stakeholders of its complex nature. It, therefore, becomes crucial to analyse the stakeholders' perceptions of LED in order to comprehend the efficacy or inefficacy of LED initiatives within the realm of local government. Currently, there is limited knowledge and a paucity of literature regarding the influence of perceptions of LED and its subsequent implementation. Gaining insight into the perspectives of various stakeholders, and effectively managing any negative perceptions through strategic communication and engagement tactics, are essential components in garnering backing for economic development efforts and fostering enduring economic development within local areas.

1.4 SIGNIFICANCE OF RESEARCH

There are notable gaps in the understanding of LED and its implementation within local government, along with poor stakeholder relationships affecting the successful implementation of LED (Moyo, 2007; Meyer, 2014; Meyer & Meyer, 2016; Rogerson, 2019). Diverse conceptual views on the promotion and implementation of LED exist amongst stakeholders. There is still uncertainty about the conceptual approach to achieving LED, with the lack of an integrated approach to successfully achieve it (Rogerson, 2010). At the very least, it requires collaboration and co-operation amongst the stakeholders, who have

differing approaches and attitudes. This study, thus, explores the various stakeholder perceptions on LED and its implementation with a view to providing greater insights into developing successful LED strategies. It examines the differences in stakeholder perceptions of LED and highlights the consequences thereof. The research further explores and highlights the perceptions that either stimulate or hinder LED within uMgungundlovu District Municipality and establishes their significance. The study thus contributed to the body of LED knowledge by providing insights into the organisational behaviours prominent in driving successful LED implementation within uMgungundlovu District Municipality, to highlight opportunities for improvement. It provides a multi-stakeholder framework which can be used by the municipality to understand the complex relationships in implementing LED within the district and can assist in strengthening collaborative stakeholder relations.

1.5 RATIONALE OF STUDY

Perceptions are of the utmost importance in the realm of LED, as they exert a significant influence on attitudes to economic activities and policies; impact decision-making processes; and ultimately determine the overall efficacy of development initiatives. Perceptions incorporate the cognitive processes through which individuals or collectives comprehend the local economy, including an assessment of its inherent strengths, weaknesses, opportunities, and challenges. The study proposes more effective LED strategies to enhance economic development at the local government sphere. The research explores the theoretical foundations and practical approaches contributing to understanding stakeholder partnerships and management and provides a stakeholder management framework as a suggestion for successful LED implementation in the district municipality. Furthermore, it provides possibly valuable lessons for other municipalities on strengthening collaborative relationships; and highlights significant perceptions that either hinder or stimulate LED and its implementation. In order to effectively facilitate LED, it is imperative to possess an in-depth understanding of the social and cultural context of the district, including its perceptions, values, and beliefs. Gaining insight into the local perceptions is imperative in order to formulate effective economic development strategies that cater to the distinct requirements and priorities of the community. Policymakers must actively engage local stakeholders and consider their perspectives in order to develop strategies that are both effective and long-lasting, while also strengthening partnerships with the stakeholders.

1.6 RESEARCH QUESTIONS

The research questions were as follows:

- Who are the relevant stakeholders in LED implementation in uMgungundlovu District Municipality?
- What are the roles of the various stakeholders in implementing LED?
- What are the stakeholders' perceptions on LED and its implementation within uMgungundlovu District Municipality?
- Which perceptions stimulate or hinder LED implementation within uMgungundlovu District Municipality?
- In what ways are the main challenges hindering stakeholders in successfully implementing LED?
- What framework is required to successfully implement LED for sustainable development?

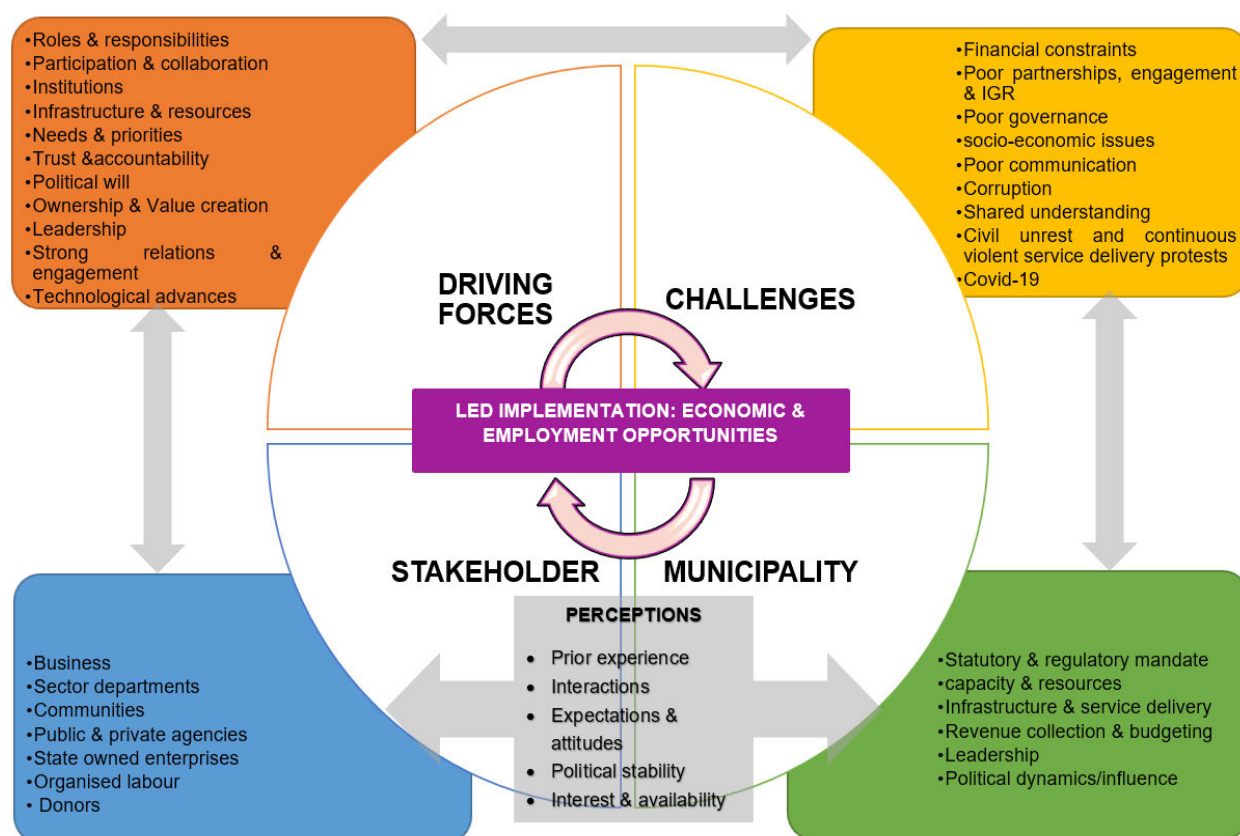
1.7 RESEARCH OBJECTIVES

The purpose of this study is to examine the perceptions of LED stakeholders as active participants in driving LED and implementation. The research objectives were to:

- Identify the relevant stakeholders in the implementation of LED in uMgungundlovu District Municipality.
- Explore the roles of stakeholders in implementing LED within uMgungundlovu District Municipality.
- Analyse stakeholder perceptions on LED and its implementation within uMgungundlovu District Municipality.
- Investigate the perceptions that stimulate or hinder LED within uMgungundlovu District Municipality.
- Examine the challenges confronted by stakeholders in successfully implementing LED within uMgungundlovu District Municipality.
- Provide a stakeholder management framework for integrating and aligning implementation of successful LED strategies.

1.8 CONCEPTUAL FRAMEWORK OF LOCAL ECONOMIC DEVELOPMENT IMPLEMENTATION

Figure 1.2: A conceptual framework illustrating LED implementation



Source: Researcher's perspective (2023)

The study's conceptual framework was developed through a thorough assessment and analysis of the relevant literature, drawing upon the researcher's own experiences as a municipal practitioner in LED. The research utilised various theoretical frameworks to examine the perspectives of multiple stakeholders of LED, in the context of local government. As previously highlighted, LED initiatives necessitate the involvement of multiple stakeholders and rely on the principles of collaboration, co-operation, and co-ordination in order to achieve their objectives. Hence, the complex process of engagement among pertinent stakeholders, such as the government, businesses, and society, is evident. Furthermore, the understanding of LED is subject to ongoing development, in light of its occurrence in complex and dynamic contexts. The development of the conceptual framework aimed to identify the fundamental notions pertaining to stakeholder perceptions in the context of LED. Thus, the research involved an examination of multidisciplinary research

on LED, incorporating a range of social science research, such as studies in public administration; management; leadership; and economic development. Figure 1.2 illustrates the conceptual framework utilised to explore stakeholder perspectives in LED in local government.

The framework shows the complex interconnections, as well as interactions between the municipality and its stakeholders, revealing four fundamental analytical concepts: stakeholders, perceptions, the municipality, and LED implementation. Figure 1.2 illustrates the impact of perceptions on the relationship between the municipality and its stakeholders, indicating that both negative and positive perceptions have an effect on LED. The subsequent analysis provides a concise examination of the fundamental nature of this illustration. The successful implementation of LED in municipalities necessitates the active participation of stakeholders and the establishment of partnerships. The successful implementation of LED is contingent upon the driving forces of stakeholders and the challenges faced by municipalities. These factors have a direct impact on the outcome and effectiveness of LED initiatives. The notion of perceptions incorporates the impact of past experiences; interactions; political stability; and the expectations and attitudes of stakeholders within the study area. These factors can ultimately affect stakeholder relationships and determine the success or failure of LED. The negative perceptions held by the municipality can have a detrimental impact on the successful implementation of LED. This is because these perceptions can exacerbate the existing challenges faced by municipalities in effectively implementing LED initiatives. Additionally, these negative perceptions can also hinder the motivation of stakeholders to fulfil their responsibilities and contribute to the implementation process. Similarly, there are unfavourable perceptions regarding the influence of stakeholders on the factors that drive the success of LED. These include the involvement and co-operation of relevant stakeholders; the establishment of ownership and trust; and the presence of the necessary infrastructure and resources to effectively facilitate LED.

The concept of stakeholders pertains to the identification of pertinent stakeholders, such as those of businesses; sector departments; communities; agencies and entities; organised community structures; and donors, who play a crucial role in driving LED within a municipality. This concept is closely linked to the municipality, its driving forces, and the actual implementation of LED initiatives. The notion of the municipality represents the various components inherent in the municipality which exert an influence on the effective execution of LED initiatives. The factors covered in this context are legal obligations imposed by legislation and regulations; capacities and resources of local governments; infrastructure

and delivery of services; collection of revenue and the process of budgeting; and the influence of leadership and political dynamics. This notion is found to have a direct correlation with stakeholders and the implementation of LED. Additionally, the influence of this concept is also contingent upon the municipality's capacity to effectively tackle challenges related to corruption; inadequate governance; limited engagement and internal revenue generation; deficient communication; socio-economic concerns; and financial limitations. These challenges also have a direct impact on the driving forces that are crucial for the stakeholders involved in driving LED. The implementation of LED is thus influenced by a combination of challenges, driving forces, municipal factors and the stakeholders. The successful implementation of LED in the municipality necessitates collaboration and co-operation between the municipality and its stakeholders, in order to strengthen the driving forces and effectively tackle the challenges at hand. The study aimed to investigate the perspectives of various stakeholders in the field of LED and to develop a comprehensive framework that illustrates the intricate interconnections among the different concepts in LED. It intended to improve understanding of the causal relationships between the key concepts and their influence on the implementation of LED within the municipality. This conceptual framework was significant in terms of informing the establishment of a stakeholder management framework for the district.

1.9 RESEARCH METHODOLOGY

The research employed the constructivist/interpretive paradigm, which posits that there is no singular reality or absolute truth, but rather that reality is constructed by individuals within a collective setting. This study focuses on the cognitive processes through which individuals perceive and interpret their work and living environments, resulting in them ascribing subjective significance of their experiences. By adopting this approach, researchers are able to investigate the dynamics of interaction among individuals or participants (Creswell & Poth, 2018:24). The design and methodology were based on a qualitative analysis at one of the largest district municipalities in the province of KwaZulu-Natal (KZN), involving multi-stakeholder partnerships through inductive reasoning. Auriacombe and Mouton (2007:441) assert that this type of research offers insiders insights into, and an understanding of, social phenomena, whilst Bartunek and Seo (2002:238) contend that the qualitative approach deepens an understanding of local perceptions. This approach provided rich content for the research, with the emphasis on understanding the research problem to address it appropriately. The study used the case study approach, as it was deemed suitable for addressing the research topic. The study, therefore, used purposive sampling, where participants were purposefully selected to take part in the study, based on their knowledge

and expertise of the focus of the research. The data was then collected using semi-structured, open-ended interviews of 24 participants deemed significant in driving LED planning and implementation in the uMgungundlovu District Municipality. This included the LED officers and co-ordinators; LED managers; IDP managers and economic development directors for each local municipality; and representatives from supporting sector departments and government agencies. The data was then transcribed and analysed using the thematic approach, whereby data was identified into themes, based on the relevant, emerging issues, fundamental patterns, and linkages that assisted in adequately explaining the research findings. NVivo 12 was utilised for the thematic content analysis of the qualitative data.

1.10 LIMITATIONS OF STUDY

The study was limited to a particular area in the district, resulting in a small sample size. As a result, the conclusions of this study may not be applicable to populations beyond the specific sample that was studied. Moreover, the research specifically concentrated on employing a qualitative methodology, utilising interviews as the primary means of data gathering.

1.11 CHAPTER OUTLINE

Chapter One: Overview and scientific orientation of the study

This chapter served as the fundamental preface to the study. It outlined the contextual environment of the research region and provided an in-depth explanation of the purpose of the study. It articulated the problem statement, outlined the associated aims and objectives that shape the study, and explored more deeply the fundamental question that is driving the research. In addition, it provided a concise summary and synopsis of the overall conceptual framework of the research and the limitations of the study, therefore presenting an understanding of the subsequent chapters.

Chapter Two: Linking complexity theory, governance theory and stakeholder management theory – a theoretical framework analysis

This chapter delves into the theoretical frameworks that have provided useful insights into the dynamics and behaviours of stakeholders. These theories were used to aid the municipality in analysing and understanding the current gaps, including addressing the complex difficulties related to different stakeholders in the effective implementation of LED. The chapter examines the frameworks that were utilised as the foundation for the development of the LED stakeholder management framework in this research.

Chapter Three: South African legislative framework and Local Economic Development planning and implementation

This chapter offers an overview of South Africa's strategies and policies for economic development, with a particular emphasis on LED and the participation of local governments. At the national, provincial and local spheres of government in South Africa, there is a co-ordinated effort to create a legal and legislative environment that encourages the growth of local economies. In the context of South Africa, the policies, strategies and regulations that are discussed in this chapter have been crucial in the development of LED. As a result, the objective of this chapter is to provide the fundamental background, as well as the setting, for the research.

Chapter Four: Leading Local Economic Development in the 'New' normal

The chapter explores the difficulties in economic development that South Africa has had to overcome. These difficulties have had a profound influence on the country as a whole and have resulted in the need for proactive moves to boost LED in the contemporary situation. As a consequence of the 'new' normal environment, the existing business landscape has experienced a shift. Businesses and governments have been required to modify their strategies and operations so that they were in keeping with the new realities. In this chapter, the notion of the new normal is then discussed.

Chapter Five: Research methodology and design

This chapter presents a comprehensive analysis of the methodological approach used in the study. The evaluation involves a comprehensive examination of the study's design and overall strategy; the strategies used for selecting the sample; the methods used to gather data; and the analytical tools utilised to analyse the obtained information. The chapter further outlines the strategies that were used to maintain data integrity and ensure quality control, along with the ethical guidelines followed throughout the study process. It discusses the ethical clearance procedures, informed consent protocols, and the steps taken to safeguard the confidentiality and anonymity of participants.

Chapter Six: Presentation and analysis of research findings

This chapter presents the empirical findings obtained from the interviews conducted with the participants of the research. The data acquired is presented in an organised way, providing a comprehensive analysis of the fundamental themes, patterns, and narratives that arose from the interview process. The chapter further provides an in-depth discussion and interpretive analysis of the research results obtained from the empirical investigations conducted in the

study. The analysis thoroughly examines the results of the interviews inductively, comparing and contrasting these findings with the existing research conducted by earlier scholars, whilst identifying gaps. Accordingly, the chapter provides a contextual framework for these results by situating them within the larger scope of the research questions.

Chapter Seven: Designing a multi-stakeholder framework for enhanced Local Economic Development

The chapter presents a multi-stakeholder framework for collaborative LED planning and implementation. Given that LED requires a participatory approach, involving several stakeholders from the public, private and non-governmental sectors who are key actors in facilitating and implementing LED, it therefore requires, not only a deeper understanding of complex interdependencies, but also a concerted effort to turn these challenges into opportunities for sustainable growth and development. The chapter then proposes a framework for effectively managing stakeholders within the district, which is carefully developed based on the research results. The framework proposed in this study is presented as a structured approach for effectively managing stakeholder relationships and promoting collaborative efforts within the district.

Chapter Eight: Conclusion, recommendations and contribution to body of knowledge – municipal service delivery, local government and public administration

This chapter brings together the investigative process, as it combines the study objectives with the empirical findings. The study carefully establishes a correlation between the predetermined objective of the study and the study's findings, thus providing clarity on the extent to which the research objectives have been achieved. Drawing on the acquired insights, the chapter presents recommendations aimed at improving the identified research problem and highlights the contribution of the study to the body of knowledge. In addition, it enhances the present academic discussion on the contemporary foci of LED, whilst proposing potential areas for further research.

1.12 CONCLUSION

The chapter presented an overview of the research study that evaluates the perceptions of stakeholders involved in the planning and execution of LED initiatives within the uMgungundlovu district municipality. It discussed the contextual background, the underlying need for, and ultimate aim of, the research. It also identified the research problem and established a conceptual framework. These elements, collectively, contribute to the form of the study and provide a comprehensive understanding of its purpose and justification. The

chapter provided a concise overview of the selected methodology that was considered essential for the study, and it also outlined the subsequent chapters. The next chapter presents the theoretical perspectives, applying the study's insights to the dynamics and behaviours of the stakeholders, which serves as the foundation for creating an LED stakeholder management framework for the identified district municipality.

CHAPTER TWO:

LINKING COMPLEXITY THEORY, GOVERNANCE THEORY AND STAKEHOLDER MANAGEMENT THEORY – A THEORETICAL FRAMEWORK ANALYSIS

2.1 INTRODUCTION

The study was grounded in the theoretical framework of stakeholder management theory, good governance theory and complexity theory. These theories were utilised to situate the study, whilst examining and comprehending the existing gaps in the uMgungundlovu District Municipality, and to address the complex challenges associated with various stakeholders in the successful implementation of LED. The three theoretical frameworks provide invaluable insights into the dynamics and behaviours of stakeholders, serving as the foundation for the creation of an LED stakeholder management framework for the identified municipality. By integrating these theoretical perspectives, a comprehensive conceptual framework can be developed to explain the intricate dynamics of organisational behaviour, the decision-making structures that shape these entities, and the diverse array of external and internal actors who exert influence on, and are impacted by, these organisations. The integration of various perspectives in organisational theory and practice offers a more comprehensive and nuanced understanding, hence facilitating the development of adaptable and resilient organisations in today's world.

2.2 STAKEHOLDER MANAGEMENT THEORY AND LOCAL ECONOMIC DEVELOPMENT

The stakeholder management theory is deeply embedded in the notion of the stakeholder, which suggests that businesses must generate value for all its stakeholders; thus, understanding businesses, as such, as a set of interactions between stakeholders (Dmytriiev, Freeman, & Hörisch, 2021:4). In acknowledging that businesses and organisations do not function in isolation, this theory places emphasis on the various stakeholders, ranging from shareholders to local communities, who have a significant interest in the actions and decisions of the organisation. It highlights the significance of effectively involving and managing the interests and requirements of different stakeholders in order to attain cohesive and enduring organisational results. Previous economic and health crises have demonstrated that a sole emphasis on economic principles is insufficient for effective business management, especially as is evident in a municipal context. Instead, it is

imperative for municipal managers to comprehend the societal obligations that their respective enterprises bear (Sciarelli & Tani, 2013). The application of stakeholder management theory can provide valuable support to managers in addressing complex tasks, such as the one described. Accordingly, it is imperative for managers to consider the reciprocal influences that connect the actions of the organisation with those of other societal participants, and to comprehend the corresponding outcomes (Sciarelli & Tani, 2013). In this regard, Moshodi, Coetzee and Fourie (2016:3) argue that stakeholder management is also extremely important in the public sector, and is not just limited to the private sector. The authors further contend that, in order for government to achieve its developmental objectives and goals, co-operation with other key stakeholders is needed, and this is a fundamental requirement within the local government sphere. As such, trust is vitally important amongst all stakeholders (Ghorbani & Azadi, 2021:172). Since stakeholder management theory is a framework that highlights the importance of identifying and managing stakeholders in achieving organisational goals, emphasis is therefore on the importance of organisations comprehending the requirements, concerns, and possible influence of stakeholders, on the organisation's own objectives. The underlying principle of this theory is that, through the meticulous identification of stakeholders and proactive management of relationships with them, organisations may increase their likelihood of accomplishing their objectives while mitigating possible risks and conflict (Moshodi et al., 2016, Sciarelli & Tani, 2013). Within the context of LED, the concept of stakeholder management becomes more complex as a result of the many, and sometimes conflicting, interests that are present. By using stakeholder management theory in the context of LED, businesses and municipalities have the potential to foster partnerships; get support and buy-in; prevent conflicts; and take advantage of the different roles of each stakeholder, in order to successfully promote economic development. This idea emphasises the notion that the success of LED efforts is contingent, not only on the economic policies or programmes that are implemented, but also on the nature of interactions and connections established across, and between, stakeholders. Stakeholder management theory is particularly relevant in the context of economic development in the local context, because LED requires the collaboration of various stakeholders, including businesses; government entities and agencies; organised labour; community organisations; and local residents. Stakeholder management theory proposes that organisations should identify their stakeholders, analyse their interests and power, and develop strategies to engage and manage them effectively (Dmytriiev et al., 2021; Moshodi et al., 2016; Sciarelli & Tani, 2013). This is clearly visible when it relates to community participation in both metros and district municipalities, where enlisting the participation of important local stakeholders has been institutionalised in the local government sphere. This approach can

help municipalities to build relationships with stakeholders and develop meaningful partnerships that promote LED. Shabangu and Oksiutycz (2018:199) argue that the involvement of stakeholders is widely regarded as a crucial factor in the achievement of favourable outcomes for municipalities. Furthermore, they identify several variables that contribute to the challenges faced by municipalities in the country, associated with establishing and sustaining strong relationships with the citizens they are expected to serve. These factors include issues such as inadequate service delivery, corruption, and ineffective stakeholder engagement strategies. In LED, stakeholders play a critical role in the planning and implementation of economic development strategies. For example, businesses can provide funding and expertise, while community organisations can provide local knowledge and grassroots support as a bottom-up approach. Therefore, it is important for municipalities to engage stakeholders in the LED planning process, including identifying their priority needs and interests, and incorporating their feedback into these strategies that should culminate in the integrated development plan as a strategic focus. Additionally, effective stakeholder management also involves building trust and better communication, and promoting transparency (Shabangu & Oksiutycz, 2018). By communicating clearly and regularly with stakeholders, municipalities can build trust and credibility and foster positive relationships (Moshodi et al., 2016). This, in turn, can facilitate collaboration and co-operation in achieving LED goals. Identifying and managing stakeholders effectively can assist municipalities in building partnerships and promoting sustainable economic development that benefits all members of the community.

Stakeholder management theory suggests that organisations should identify their stakeholders and prioritise their interests in order to effectively achieve their goals. The theory, therefore, recognises that businesses operate within a broader context and have relationships with multiple stakeholders. Stakeholders in LED involve businesses, government agencies, non-governmental organisations, community organisations and individuals. Effective management of these various stakeholders is crucial for the success of LED initiatives, due to potential conflicts arising from their competing interests and aims. These interests and expectations should, therefore, be considered. In support of this, Sciarelli and Tani (2013) argue that it is imperative to effectively manage relationships with stakeholders, which necessitates that managers move beyond simple transactions and the associated economic values. Instead, they must adhere to ethical concepts such as justice, transparency and fairness, while embracing a much broader principle of co-operation. Facilitating LED and implementing initiatives is a process that involves stakeholder identification, need and interest assessment, and the establishment of effective engagement strategies. This process begins with the meticulous identification of stakeholders, which

includes all entities that may affect or be affected by the LED efforts. With a clearer understanding of stakeholder needs and interests, the establishment of effective engagement strategies then becomes the focus. Since stakeholder management is a component of lifecycle management, it is integrated into every stage of the LED process, starting from the planning and implementation, to monitoring and evaluation. In the context of LED, effective lifecycle management necessitates a flexible and iterative approach. This strategy entails using insights and knowledge gained from each stage of the lifecycle to enhance and refine successive processes. Therefore, the process of LED stakeholder management involves the steps shown in Figure 2.1: (i) Identifying stakeholders, necessitates recognising all individuals or groups impacted by the LED initiatives. In this case, stakeholders consist of citizens, businesses, government departments/agencies/entities, non-governmental organisations, and community-based organisations. (ii) When evaluating key stakeholders, it is important to consider their demands (evaluate and make sense of external viewpoints), interests, expectations, influence, and power in relation to LED initiatives. In light of the increasing disparity between high expectations and limited resources, there is a growing imperative for public organisations to optimise their available resources and adopt innovative approaches (Boon, Wynen & Callens, 2023). However, de Vries, Tummers and Bekkers (2018) warn that it is crucial to differentiate between the diverse organisational stakeholders involved in the process of adopting innovation, due to the likelihood of varying attitudes towards the innovation. It, therefore, becomes imperative for managers to adopt a perspective that extends beyond their own perceptions, while adopting an innovative approach. (iii) The process of stakeholder engagement involves developing effective strategies, including consulting, communicating, and collaborating with stakeholders. Stakeholder engagement, as defined by Kujala, Sachs, Leinonen, Heikkinen and Laude (2022:1160), includes the objectives, actions and consequences of stakeholder interactions conducted with ethical considerations, strategic intent, and practical considerations. The authors found that there is a prevailing consensus that stakeholder engagement and stakeholder management are separate concepts. However, there remains some ambiguity in the literature, with instances where stakeholder engagement is erroneously used as a synonym for stakeholder management. Furthermore, the authors assert that, in contrast to the concept of reciprocity that is inherent in stakeholder engagement, stakeholder management is inherently unilateral. This is because organisations, when engaging in conventional stakeholder management practices, take measures to protect themselves from the demands of stakeholders. (iv) Implementing stakeholder engagement strategies involves executing the strategies developed in step three, while also monitoring and evaluating their effectiveness. (v) The

final step involves ongoing evaluation and adaptation of stakeholder engagement strategies to meet stakeholder requirements and interests and achieve the goals of the LED initiatives. It can, thus, be argued that stakeholder management in the context of LED is not a single and isolated undertaking, but rather an ongoing and dynamic process that undergoes transformation throughout all economic development initiatives. Effectively managing stakeholder relationships demands commitment, allocation of resources, and the establishment of a committed framework. This strategy not only improves the successful implementation of LED initiatives, but also helps to build resilient and inclusive local economies that are well-prepared to handle the intricacies of economic development. Improved stakeholder management can lead to better decision-making, communication, and successful implementation of LED initiatives within the municipality in this case study. Furthermore, fostering trust and support amongst stakeholders can contribute to the organisation's long-term sustainability and growth.

Figure 2.1: LED stakeholder management process



Source: Adapted from Zwikael and Smyrk (2019:95)

2.2.1 Managing stakeholder complexities and perceptions to promote Local Economic Development

A more intricate and adaptable approach is necessary to effectively address the ever-changing and unpredictable circumstances in LED efforts. Consequently, stakeholder management is important in order to understand stakeholder needs, roles and perceptions, along with growing communication and participation, relationships and co-operation, and trust. Collaboration and co-operation amongst all relevant stakeholders in LED are needed to promote economic development in municipalities, along with the strengthening of co-ordination (Makhaye et al., 2021). According to Wallis and Rizvi (2021:2), it can be observed that local authorities can participate in multi-organisational partnerships through two primary approaches. Firstly, the government at the national level has the ability to incorporate local entities alongside other organisations into policy initiatives, such as community policing, which are specifically aimed at the local populace. Secondly, it is within the jurisdiction of local authorities to independently initiate the establishment of collaborative co-operation arrangements with other organisations. The authors found that typical instances of this phenomenon occur when local governmental bodies collaborate with local business leaders and tertiary institutions to foster the growth of small businesses or devise a strategic plan to enhance the appeal of the local region for prospective investors (Wallis & Rizvi, 2021:2-3). This requires understanding the diverse stakeholders and their relationships to ensure partnerships for successful LED. Managing stakeholder partnerships and complexities is critical to fast-tracking LED in South Africa, with notable stakeholders including government entities and agencies; businesses; NGOs; CBOs; and other relevant stakeholders (Makhaye et al., 2021: 301-302). To effectively tackle complex problems, diverse stakeholders must work together, pooling their resources, knowledge and expertise (Munzhedzi & Makwembere, 2019:662-663).

Establishing partnerships between governments, the private sector, civil society, and international organisations can facilitate the sharing of best practices, promote knowledge exchange, and foster synergies in addressing LED. Moreover, perceptions of the various stakeholders require consideration as they impact on the different perceptions of LED, and the behaviour and thinking of the stakeholders. Meyer and Meyer (2016:159), in examining the perceptions of local business chambers in both urban and rural areas, found that business chambers perceived municipalities as incapable of creating enabling environments for business, limiting the possibility of partnerships. On the other hand, the study conducted by Masiya, Davids and Mangai (2019) examined the level of satisfaction among citizens regarding the provision of basic municipal services in South Africa. The researchers

analysed the perceptions of citizens in this regard by utilising data from the South African Social Attitude Survey. The research findings indicate that citizens' discontent with service provision is shaped by various factors, including perceptions of marginalisation and inequality; unmet political promises; unequal access to, and inadequate provision, of services; and significant levels of poverty, including disparities resulting from the post-apartheid era (Masiya et al., 2019). In a similar manner, key elements in the involvement of municipality in the development of tourism were identified by Giddy, Rogerson and Rogerson (2022:351). The researchers discovered that all participants in their survey held unfavourable opinions about the municipality, but with various levels of intensity. According to the responses, local government was identified as a significant issue, with two individuals acknowledging that, while it posed challenges, it had also provided some assistance to their own firms. Nevertheless, it is crucial to note and emphasise the significance of fostering favourable attitudes in the various stakeholders in order to stimulate business development.

Addressing negative perceptions is important to strengthen stakeholder relationships, and in promoting LED. Dlomo and Rogerson (2021:147) underscored the need to address diverse stakeholder attitudes to LED through tourism, as a catalyst for economic growth. Their study provides evidence that supports the presence of a series of significant obstacles in the expansion of tourism as a means to foster local economic growth. Rogerson and Sixaba (2022:363-364) highlight the significance of local stakeholder perspectives about the potential of rural tourism and the obstacles encountered by rural tourism businesses. Ohemeng, Amoako-Asiedu and Obuobisa-Darko (2017:76) argue that within an organisational setting, perceptions are crucial as people's behaviour is based upon what they perceive as reality, and not necessarily reality itself. Holbrook and Weinschenk (2020:472) investigated the extent to which perceptions of local conditions are rooted in objective reality. Their study examined three distinct factors that had an impact on voting preferences and local approval ratings. These factors included the state of the local economy, the quality of public schools at the local level, and the prevalence of crime within the community. The findings of the study provide compelling evidence that individuals' perceptions of these conditions correspond to the actual circumstances present in their communities. An examination of the perceptions of stakeholders in LED is therefore necessary, to identify their perceptions, and to examine their influence on LED planning and implementation within the case study municipality. Moshodi et al. (2016:3) contend that the manner in which individuals perceive an institution or organisation significantly impacts their subsequent behaviour towards it.

When stakeholders possess a poor view of an institution, their subsequent behaviour regarding this institution tends to be negative. Conversely, when stakeholders have a positive perception of an institution, their behaviour regarding the institution tends to be positive. A favourable perception and behaviour, which may be understood as a positive relationship, enable the institution to benefit from the collaboration and backing of its stakeholders. This in turn, allows the institution the opportunity to access the resources held by these groups and, in so doing, it facilitates the successful accomplishment of its purpose (Moshodi et al., 2016). These studies highlight the importance of understanding stakeholder perceptions in promoting LED and improving municipal service delivery in South Africa. They explore the perceptions of residents, business owners, and other stakeholders on topics such as service delivery, economic development, and the role of local government in promoting and fostering development. The findings suggest that perceptions are shaped by a range of factors, including socio-economic status, experiences with government services, and the quality of local infrastructure. Understanding these perceptions can help policy-makers and practitioners to design and implement more effective strategies for promoting LED and improving the mandate of municipal service delivery. The important implications for stakeholder relationships in South Africa include the need for both policy-makers and practitioners to engage with stakeholders in a meaningful way, and to consider the varying perceptions of different stakeholder groups. In addition, prioritising the delivery of basic services to improve perceptions of service delivery by residents, and the need for better communication and accountability between local government and residents in order to improve service delivery, is also considered to be important. Lastly, the need for more effective policy interventions to address these hindrances to LED is warranted to effectively manage stakeholder complexities and perceptions, and to promote economic development.

2.3 COMPLEXITY THEORY AND LOCAL ECONOMIC DEVELOPMENT

Complexity theory aims to understand and clarify complex behavioural patterns of social and natural systems over time (Jackson, 2003; McLean, Madden & Pressgrove, 2021). It is a collection of theoretical constructs applied to model and evaluate complex systems within a wide range of disciplines. Gear, Eppel and Koziol-McLain (2018:2) find that, in complexity theory, the emphasis is on understanding the interactions between the system's elements at varying levels and times, as opposed to examining the elements in isolation. Therefore, understanding the relationships which the parts of the system have with each other, and the system as a whole, is at the heart of complexity theory (Jackson, 2003:115). Complexity theory is regarded as critically important in this study, as it could facilitate the understanding and explanation of complex behaviours prominent in LED implementation in municipalities.

In recent years, there has been a noticeable increase in the expectations placed upon public organisations to improve their performance in circumstances that are becoming progressively more intricate, challenging, and unpredictable (Boon et al., 2023:2). Thus, complexity theory is one of the important frameworks that helps in understanding the behaviour of complex systems. It suggests that complex systems, such as LED, are made up of numerous interconnected parts that interact in unpredictable ways, making it difficult to predict the behaviour of the system as a whole. Hardman (2011:42) noted that LED is a complex process involving multi-stakeholder inter-dependence and interactions. It can be said that LED occurs in complex environments where understanding is evolving in response to the dynamic and complex environments. Consequently, the interactions and interdependencies amongst the various stakeholders with 'diverse perspectives and partially conflicting aims' give rise to complexities (Hildbrand & Bodhanya, 2014:406). In the context of LED, complexity theory suggests that LED initiatives are not simple cause-and-effect relationships, but rather a complex web of interactions between various stakeholders, economic factors, social and cultural factors, and political dynamics. Therefore, LED initiatives require a more holistic and adaptive approach that is responsive to the complex, dynamic and uncertain environment in which they operate, which is most relevant for the current dispensation of local government in the South African context.

Since, complexity theory emphasises the importance of self-organisation, emergence, and resilience in complex systems (McLean et al., 2021; Ramezani & Camarinha-Matos, 2020), it has the potential to provide significant insights into the development and evolution of local economies. The concepts of self-organisation, emergence and resilience, which are fundamental to complexity theory, have significant applicability in understanding and directing the process of LED. The notion of self-organisation suggests that systems have the inherent ability to organise themselves, without the need for external guidance or direction over time (Gear et al., 2018; Ziyae, Rezvani & Eynolghozat, 2022). In the context of LED, this means that LED initiatives need to be designed to enable self-organisation and emergence, by creating an enabling environment that allows stakeholders to work together in a flexible and adaptive manner and to respond to changes and new opportunities. This translates to communities and local stakeholders spontaneously coming together to establish partnerships aimed at effectively tackling economic difficulties. In contrast to relying only on top-down approaches, the implementation of LED is enhanced by the use of bottom-up strategies. These strategies include active participation and initiatives from local businesses, community organisations, and other individuals, who leverage their local knowledge and expertise to develop new solutions that are specifically adapted to their own contexts. The concept of emergence, on the other hand, refers to the spontaneous

manifestation of unexpected traits and behaviours inside complex systems, which cannot be anticipated solely, based on the attributes of their individual components. In the context of LED, emergence becomes evident when new economic patterns, opportunities or sectors materialise due to the unique interactions occurring inside a specific geographic area. These factors may include the unforeseen emergence of a novel sector or the natural evolution of a business cluster, subsequently serving as a catalyst for regional economic expansion.

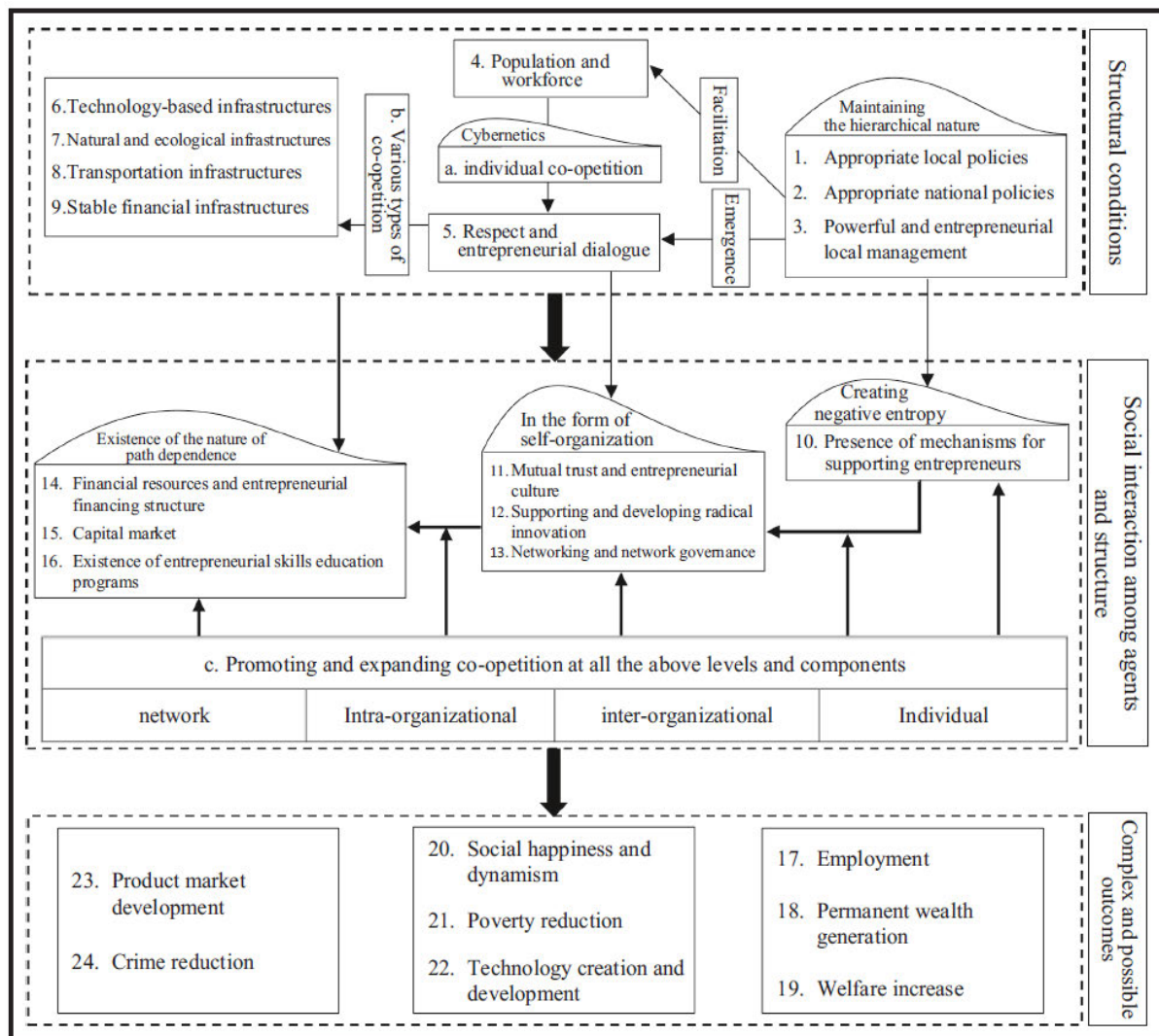
Furthermore, complexity theory highlights the importance of resilience in the face of uncertainty and change (McLean et al., 2021:17). Resilience refers to the inherent ability of a system to effectively absorb and adapt to changes, thereby maintaining its core function, structure and feedback mechanisms, while experiencing significant changes (McLean et al., 2021:3). Resilience, therefore, plays a pivotal role in facilitating the ability of a local economy to endure and recover from many adverse events, including, but not limited, to economic recessions, catastrophic events, and volatility in markets. This suggests that LED initiatives need to be designed to build resilience, by creating diverse and robust economic ecosystems that are able to withstand shocks and adapt to new challenges. The integration of ideas from complexity theory into LED entails the recognition of the dynamic and non-linear nature of local economies. It stands to reason that strategies are required in municipalities to formulate LED plans, with a comprehensive appreciation that even small alterations may have significant impacts. In addition, these plans must acknowledge that successful economic growth may sometimes emerge from spontaneous and unco-ordinated initiatives that naturally align into cohesive patterns.

2.3.1 Organisational behaviours prominent in Local Economic Development

From the preceding discussion in this chapter, one can see that LED is a complex and multi-faceted process that involves a multitude of stakeholders and variables that interact in unpredictable ways (Hardman, 2011; Munzhedzi & Makwembere, 2019). Clearly, in municipalities LED initiatives frequently involve a multitude of stakeholders with varying interests and views. The interplay amongst these stakeholders can result in the formation of new patterns of behaviour and consequences that cannot be anticipated only by examining the actions of individual participants (Hardman, 2011; Hildbrand & Bodhanya, 2014). The initiatives exhibit a level of complexity that surpasses basic cause-and-effect correlations, instead forming intricate networks of interactions among many components that can yield non-linear consequences (Ziyae et al., 2022:2-3). Thus, minor alterations in a specific domain might have substantial consequences for the entire LED system. Furthermore, LED initiatives often involve feedback loops, where the results of prior activities can have implications for future impacts, hence creating an ongoing cycle of behaviour that may result

in unexpected events. Hence, it is imperative for municipalities to embrace a comprehensive and interconnected strategy that considers the pertinent economic, social, cultural, and political elements within the specific context in which LED initiatives are being implemented (Khambule & Mtapuri, 2018; Munzhedzi & Makwembere, 2019). In particular, the complex behaviours observed in LED highlight the necessity for an adaptive, collaborative, and participatory approach to LED that includes various stakeholders and acknowledges their unique interests, expectations, and viewpoints. Organisational behaviours that are prominent in driving LED thus include collaboration and networking; an entrepreneurial orientation; strategic thinking; adaptive leadership; innovation; risk-taking and accountability; and trust. Many of these elements are seen as standard guidelines for municipalities. Successful LED initiatives, then, require collaboration and networking amongst a variety of stakeholders, including local authorities, businesses, community organisations, and local residents. It stands to reason, then, that effective collaboration helps to build trust and a shared sense of purpose, which in turn can lead to the development of more effective and sustainable LED strategies. An entrepreneurial orientation is characterised by a willingness to take risks, innovate, and identify new opportunities, and this orientation is important for LED because it enables local businesses and entrepreneurs to identify and capitalise on emerging market opportunities and to develop new products and services that meet the needs of the community.

Figure 2.2: Conceptual model of entrepreneurial city based on complexity theory



Source: Ziyae et al. (2022:2)

In their study, Ziyae et al. (2022:2) constructed a model (Figure 2.2) to promote the comprehension of entrepreneurial cities as complex systems. The authors contend that the utilisation of novel analytical approaches and a customised perspective attuned to complex circumstances is essential. This conceptual framework, drawing inspiration from complexity theory, categorises the dimensions and components of the entrepreneurial city into three overarching groups: (i) structural conditions; (ii) the social interaction of agents and structure; and (iii) the creation of complex and potential outcomes. This model demonstrates that the existence of certain variables, known as structural conditions, is essential for the development of an entrepreneurial city. Therefore, it is recommended by the authors that both national and local managers make efforts to establish these conditions within their respective areas and actively promote their implementation, particularly in metropolitan regions. The existence of these structural characteristics gives rise to circumstances in

which the many actors within the entrepreneurial city ecosystem, via their interactions with one another and the pre-existing structures, would establish the entrepreneurial city and develop an ecosystem. Furthermore, the authors recommend the use of a co-opetition strategy to foster a mutually beneficial relationship between agents and the organisational framework, resulting in intricate social and economic ramifications for urban areas, businesses, and their respective economic ecosystems. These authors (Ziyae et al., 2022: 2-4) argue that the guarantee of sustainable growth in this ecosystem is ensured via the recognition and perpetuation of its importance. Meanwhile, the extensive utilisation of diverse co-opetition tactics would enhance these circumstances and foster the expansion and advancement of the three components. Additionally, this could give rise to intricate outcomes that are expected to materialise, to a certain extent, and serve as a catalyst for urban sustainability, as well as expediting the progression of this emerging trend.

This model has significance to the study by providing a guide for the development of an LED framework to fast-track LED and conceptualise the impact of perceptions on LED. Furthermore, LED initiatives require strategic thinking to identify key challenges and opportunities, to set goals and objectives, and to develop and implement effective strategies. The practice of strategic thinking necessitates the utilisation of creative thinking, the ability to anticipate future events, and a deeper understanding of the subject matter (AlQershi, 2021:1004). A strategic thinker possesses a comprehensive understanding of the interconnectedness between the past, present and future (AlQershi, 2021:1004). Strategic thinking thus involves the ability to analyse data and information, to anticipate trends and changes, and to think creatively and innovatively about solutions. Adaptive leadership, deemed a fundamental requirement which is currently lacking in several dysfunctional municipalities in South Africa, is an organisational behavioural approach that emphasises flexibility and the ability to adapt to changing circumstances. This is important in the context of LED because initiatives may need to be adjusted in response to changing economic, social, or political conditions. Adaptive leaders are able to work collaboratively with stakeholders, to communicate effectively, and to make informed decisions in uncertain or ambiguous situations (Adobor, Darbi & Damoah, 2021). It stands to reason, then, that LED initiatives should be designed to empower local communities and to engage them in the planning and implementation process. This involves creating opportunities for community members to share their ideas, to participate in decision-making, and to take co-ownership of the initiatives that affect their daily lives. Innovation is another important organisational behaviour for LED. The adoption of smart city technologies has been identified as a significant factor in LED, as evidenced by anecdotal accounts and empirical research (Abutabenjeh, Nukpezah & Azhar, 2022:6), and is featuring as a contemporary focus area in

the South African local government sphere, in as much as it is a global phenomenon currently. It involves the development of new ideas, products, services and processes that can create value and promote economic growth.

Innovation can be driven by businesses, academic institutions, and other stakeholders, and can lead to the creation of new industries and jobs. Ndabeni, Rogerson and Booyens (2016:308) argue that policy-makers should prioritise the establishment of multi-spatial and publicly accessible innovation systems that promote robust connections with national and international agencies, institutions, and stakeholders. They argue that these systems should facilitate access to knowledge, financial resources and markets around the world, thereby encouraging learning, partnership and innovation for LED. The need for collaboration among municipalities is crucial. However, the presence of numerous prospective partners poses risks for LED managers (Carr et al., 2017). Risk-taking is an essential organisational behaviour for LED, as it involves taking on new ventures and initiatives that may not have a guaranteed outcome. According to Carr et al. (2017:210), the significance of this is particularly pronounced in urban regions. Consequently, they propose making use of joint ventures as a means for municipalities to distribute the risk associated with economic development initiatives amongst stakeholders. The authors contend that this can serve as a significant instrument for enhancing economic development within complex environments, such as urban areas. Local authorities, businesses, and other stakeholders, thus need to be willing to take calculated risks to pursue LED opportunities, such as investing in new infrastructure or supporting emerging industries. Effective LED initiatives require a co-ordinated effort among multiple stakeholders, and these behaviours are critical to achieving success. The results of the study conducted by Carr et al. (2017:223) suggest that individual perceptions of collaboration risk are significantly influenced by regional norms regarding interlocal collaboration. In addition, Davis and Gough (2019:292) argue that going beyond restricted collaborations in interlocal collaboration for economic development has been challenging. These organisational behaviours are essential in driving LED because they help to build trust, facilitate collaboration, promote innovation, and empower local communities. Achieving this would require organisations that are able to learn and adapt quickly. Learning and adaptation are thus important organisational behaviours for LED, as they involve continually learning from experience and adjusting strategies and initiatives as needed. Furthermore, LED is a dynamic process that requires constant adjustment and improvement, based on changing circumstances and feedback from stakeholders (Hardman, 2011:42). Lastly, accountability is another important organisational behaviour for LED, as it involves being transparent and responsible for the outcomes of LED initiatives. Local authorities, businesses, and other stakeholders, need to be accountable to the community for their

actions and outcomes and should be willing to adjust or take corrective action if needed. Accordingly, these organisational behaviours are critical for driving LED in a community and can help to build a sustainable and prosperous local economy.

2.4 GOOD GOVERNANCE THEORY AND LOCAL ECONOMIC DEVELOPMENT

Good governance is embedded in governance theory and its theory and practice were initially developed in the early 1990s (Keping, 2018; Poniatowicz, Dziemianowicz & Kargol-Wasiluk, 2020). It is a term that refers to the desirable behaviour of public institutions when managing state resources and affairs (Munzhedzi & Makwembere, 2019:659). The United Nations defines good governance as a system that is participatory, open, and accountable (Poniatowicz et al., 2020:540). This concept has grown in importance for societies, worldwide, as they attempt to adapt to the realities of a rapidly-evolving landscape (Munzhedzi & Makwembere, 2019:660). Numerous publications specify various values that define the concept of good governance (Poniatowicz et al., 2020:540). Therefore, its definition tends to be subjective (Eke, Ugwuibe & Olise, 2019; Munzhedzi & Makwembere, 2019). The significance of efficient administration has long been recognised, supported by strong empirical data indicating that efficient governance exerts a substantial influence on individuals' perceptions about, and attitudes to, the government (Jameel, Asif & Hussain, 2019). The establishment of trust is of utmost importance in the context of good governance, as supported by numerous researchers who have acknowledged the significant impact of good governance on trust (Beshi & Kaur, 2020). Although the connection between trust and good governance is subject to some ambiguity, trust serves as both a prerequisite for, and an outcome of, effective governance (Beshi & Kaur, 2020). Thus, government accountability and integrity play a crucial role in fostering public trust, as they are closely intertwined with the principles of good governance and are deemed fundamental for good public administration practices. Furthermore, the fundamental principles of good governance encompass democracy, transparency and co-operation, as demonstrated by scholarly works (Beshi & Kaur, 2020; Kemp & Vyas-Doorgapersad, 2020). According to Vyas-Doorgapersad and Ababio (2010:413-414), as cited in Kemp and Vyas-Doorgapersad (2020:2), it is argued that the fundamental characteristics of effective governance incorporate various aspects such as participation; the Rule of Law; transparency; equality; responsiveness; vision; accountability; oversight; efficiency and effectiveness; and professionalism.

According to Kemp and Vyas-Doorgapersad (2020:2), these objectives include the more expansive objective of enhancing political accountability; engagement; the efficacy of the democratic system; transparency; and the utilisation of blockchain technology (gaining prominence in the current era) in the interactions between governments and their citizens.

According to Jameel et al. (2019:300), the establishment of trust is facilitated by effective governance. However, it is also important to note that trust is a necessary condition for the existence of democratic government. The concepts of good governance and inclusive, people-centred development, are closely interconnected, as argued by Levin (2018:35). However, the author warns that a development approach, centred around the state, rather than the people, tends to prioritise particular programmes and projects that align with the state's interests, rather than those of the general public. This, subsequently, potentially, gives rise to corruption. Corruption undermines the integrity of good governance, which encompasses robust institutions and the efficient operation of government within a nation. Efforts aimed at eliminating corruption within the nation necessitate the active involvement of the private sector and individuals, facilitated by increased civic consciousness and improved accessibility to information (National Planning Commission (NPC), 2012:445). Consequently, Eke et al. (2019:119) contend that the implementation of good governance leads to a decrease in corruption, the inclusion of minority perspectives, and the representation of the interests of the most marginalised individuals in decision-making processes. Furthermore, according to Mahadea (2011:85), it is argued that the implementation of good governance can effectively prevent corruption and enhance accountability. Good governance possesses the ability to adjust to both current and forthcoming societal demands. Thus, the prevalence of corruption and fraud in the local government sphere and the provision of public services, poses a significant obstacle to effective governance in the public sector (Mamokhere, 2019; Munzhedzi & Makwembere, 2019). Marais, Quayle and Burns (2017:37) stated that the fundamental characteristics of good governance, namely openness and public involvement, are heavily dependent on the citizens' ability to obtain government information. Accordingly, the fundamental principles of openness, accountability, and responsiveness, serve as the foundation for mitigating corruption, fostering effective governance, and cultivating trust (Beshi & Kaur, 2020).

Many consider it as a panacea for several developmental problems and a critical factor in changing states into developmental states (Munzhedzi & Makwembere, 2019:660), as is applicable in the South African local government sphere. Similarly, Eke et al. (2019:118) state that, according to development researchers, effective governance is a necessary condition for the successful development that any country desires. Keping (2018:5-6) provides a summary of six crucial elements in promoting good governance, including: legitimacy; transparency; accountability; the Rule of Law, responsiveness and effectiveness. These elements resonate strongly with public administration, including the guiding principles of Section 195 of the RSA Constitution, 1996, on the values and principles of public administration, and for good municipal governance. Furthermore, good governance should

lead to the reduction of corruption, whilst advancing gender equality; contributing to sustainable development; protecting citizens' rights; and providing ways to fight poverty, deprivation, fear and violence (Poniatowicz et al., 2020). The good governance concept is one of the critical theories underpinning this study, as it emphasises participation, collaboration, openness and inclusiveness, all of which are key to how LED is perceived in municipalities, and serve as important principles for how municipalities engage with key stakeholders, especially the local communities whom they are called to serve.

2.4.1 Good governance in promoting Local Economic Development

Good governance theory emphasises the importance of effective, accountable, and transparent, government institutions and processes in promoting sustainable economic growth and development. In the context of LED, good governance is essential for creating an enabling environment for businesses to thrive and for communities to benefit from economic opportunities (Munzhedzi & Makwembere, 2019). Some of the key principles of good governance that are relevant to LED thus include participation; transparency; accountability; the Rule of Law; efficiency and effectiveness; and responsiveness. Effective LED requires the active participation of local stakeholders, including businesses, civil society organisations, and residents. This requires creating opportunities for meaningful engagement and consultation with these groups. Transparent decision-making processes and the disclosure of relevant information are critical to building trust and confidence in government institutions and promoting investment in LED initiatives. Government institutions and officials must, therefore, be accountable for their actions and decisions, and mechanisms must be in place to hold them responsible for any abuses of power or violations of laws and regulations. A predictable and stable legal framework is essential for promoting investment and economic growth. This requires a fair and impartial legal system that upholds the Rule of Law and protects property rights. Government institutions and processes must be efficient and effective in delivering services and implementing policies related to LED. This requires good management practices and the use of appropriate technology and systems. Lastly, government institutions must be responsive to the needs and concerns of local stakeholders, including businesses, civil society organisations, and residents. This requires a willingness to listen and engage in dialogue with these groups. These good governance principles for LED resonate synergistically with the notion of good public administration practices.

Whilst good governance is a crucial factor in promoting and sustaining LED initiatives, it is worth noting that political interference and corruption tend to hinder the involvement of other role players within local government, further impacting on development (Reddy, 2018). This

is something that is extremely prevalent in the South African local government sphere, where the political-administrative dichotomy is a force to be reckoned with in matters of municipal governance. Mlambo et al. (2019:707) insist that corruption within municipalities impacts significantly on social and economic access to opportunities, hindering the successful implementation of LED. Consequently, Mahadea (2011:85) argues that good governance can eradicate corruption and promote accountability, but it would require a concerted effort by those in power to not put their personal interests above those of the local citizenry. Good governance is, therefore, essential for successful LED and fostering partnerships between stakeholders (Meyer & Meyer, 2016; Govender, 2017; Reddy, 2018; Munzhedzi & Makwembere, 2019). Along with good governance, Mahadea (2011:85) argues that institutions are crucial for economic prosperity, with governance including multi-stakeholders. The significance of development agencies in enhancing municipal LED capacity is underscored by the National LED Framework (2018-2020). This involves establishing partnerships and promoting intergovernmental relations (IGRs) with key stakeholders to facilitate innovation and foster economic growth. Several studies have been conducted to examine the efficacy of local economic development agencies (LEDAs) in assisting local government to fulfil its developmental objectives (Malefane, 2011; Khambule, 2018; Khambule & Mtapuri, 2018; Lawrence & Rogerson, 2019). According to Malefane (2011:977), the research reveals that local economic development agencies (LEDAs) have a crucial role in facilitating the implementation of LED initiatives within local government. Although Khambule (2018), and Lawrence and Rogerson (2019), agree on LEDAs' contribution to LED, they are concerned about the high dependence of LEDAs on their 'parent' municipalities. Most municipalities have limited budgets for LED and poor revenue collection, with a very dismal financial status, and are unable to sustain themselves (Khambule, 2018, Khambule & Mtapuri, 2018). Van Niekerk and Bunding-Venter (2017) stress the issue of funding of agencies being determined by political priorities as a major constraining factor. Furthermore, the limited co-ordination of the roles and responsibilities of municipalities tends to challenge LEDAs in achieving their objective (Khambule, 2018). In conclusion, good governance theory emphasises the importance of creating an enabling environment for LED that is characterised by efficient, accountable and transparent government institutions and processes. This requires a commitment to the principles of participation; transparency; accountability; the Rule of Law; efficiency and effectiveness; and responsiveness. By promoting good governance, LED initiatives can help to build trust, foster economic growth and development, and improve the quality of life of local communities.

2.4.2 Growing municipal transparency and trust in the digital age

Kalonda and Govender (2021:10) argue that the function of leadership in public service delivery is of immense significance, as it helps in the establishment of good governance through the facilitation of transparency; collaboration; a clear delineation of duties; active involvement; comprehensive understanding, and accountability in the process of delivering services. In return, effective governance encourages the dedication of leadership and management to be held responsible for their actions and decisions. The presence of effective leadership and excellent governance is crucial for the optimal functioning of an organisation, specifically in the context of local authorities fulfilling their designated responsibilities (Kalonda & Govender, 2021:10). There is a growing recognition that promoting openness and maintaining ongoing public engagement are effective techniques for facilitating policy implementation and restoring trust (OECD, 2020). In a democratic political system, credibility is an essential component of public policy and administration at all spheres of government. In addition, legitimacy is an essential resource for the continued existence of an organisation, as well as the effective implementation of policies. In light of the unwavering requirement for legitimacy and the lack of clarity surrounding its foundation, novel and unorthodox research methods are required in order to understand how the actions of local governments are, or seek to be, legitimised (Olausson, 2020:441) in order to promote good governance. The onset of the worldwide pandemic compelled governments and businesses across the globe to undertake proactive measures. The adaptability of operational models based on information and technology has increased. Numerous firms were compelled to embrace novel business strategies or digital solutions as a means of ensuring their survival during and beyond the pandemic (Chivunga & Tempest, 2021). The use of digitalisation as part of the Fourth Industrial Revolution (4IR) has the potential to either facilitate or impede the progress of local government procedures (Reddy & Govender, 2019:1). It introduces novel technological advancements, encompassing nanotechnology; artificial intelligence; robotics; biotechnology; and blockchain, *inter alia*. According to Naidoo and Naidoo (2019:15), these technologies offer numerous advantages. According to the findings of Nalubega and Uwizeyimana (2019:1), the public service delivery sector in Africa has already integrated some disruptive technologies associated with the 4IR. Disruptive technologies possess the capacity to capture and analyse multi-dimensional information or data from various contextual elements at a reduced cost and within a shorter timeframe. The incorporation of novel technology into the mechanisms of service delivery has placed governments on a trajectory of transformation, encompassing administrative, financial and service supply improvements. The majority of government initiatives that prioritise the integration of new technology into their operations are characterised by a range of principles

that are designed to improve service delivery, achieve cost savings, promote government responsiveness, and facilitate flexible work arrangements (Makwembere & Garidzirai, 2021:2). There is a pressing need for a data-driven transformation that may promote trust, enhance influence, and facilitate systematic societal change. 'Blockchain', currently a prominent term in the fields of data and technology, is widely regarded as a pivotal factor in advances in the modern era (Naidoo & Naidoo, 2019:15). Chivunga and Tempest (2021:2) caution that, in order to fully leverage the advantages of blockchain technology, it is essential to possess an in-depth understanding of its intricacies, specifically recognising its pivotal function in enabling smooth and transparent operational processes. According to the World Economic Forum (WEF, 2021), the 4IR has numerous advantages and prospects, but it concurrently introduces a multitude of challenges that must be addressed within the realm of public discourse.

The extent to which governments and other institutions adopt and integrate the emerging technologies developed during the Fourth Industrial Revolution will play a crucial role in the contemporary period. Collaboration between the public and private sectors has the capacity to facilitate the advance of the 4IR, while concurrently addressing the potential risks and negative consequences linked with unethical or malicious use, as highlighted by the World Economic Forum (WEF, 2021). In order to oversee and govern the diverse range of stakeholders involved in 4IR novel technologies proficiently, integrative approaches, collaborative efforts, and a willingness to embrace change are needed. Nalubega and Uwizeyimana (2019:10) argue that, in order to effectively control the technologies associated with the 4IR, it is imperative to establish regulations that display qualities of dynamism, accessibility and sustainability, with a focus on the well-being of individuals. These characteristics are essential for effectively managing and guiding the development of these emerging technologies, while also ensuring that their potential for future expansion is not hindered. The primary goal in promoting innovation within the public sector should be the establishment of an efficient developmental state that is capable of exploring innovative approaches to effectively serve the public. This objective is crucial to mitigate the negative consequences that arise from burdensome procedures and regulations, which can have detrimental effects on residents, public employees, and the state itself. In addition, such procedures and regulations have the potential to be exploited for corrupt purposes (Levin, 2018:38). Consequently, the World Economic Forum (WEF) advocates for a revised governance structure that moves beyond traditional rule-based compliance and embraces a 'results approach' that can effectively respond to technological advances (Reddy & Govender, 2019:1). In order to enhance the quality, validity, and reliability of data collected by technological means, it is imperative to foster the development of new talents; provide

training opportunities; and encourage critical conversations among professionals specialising in monitoring and evaluation; technologists; economists; engineers, and technology enterprises, as a collective entity. Moreover, the continuing expansion of the digital divide within the nation remains a substantial obstacle. According to a study conducted by Research ICT Africa (2020), there has been a notable increase in Internet connectivity among individuals. However, it is observed that this growth in connectivity has been accompanied by a simultaneous expansion of digital divides. The Research ICT Africa (2020) report has already identified a number of challenges that have arisen after achieving digital access and use in the global south. These challenges include the necessary skills and abilities that citizens must possess in order to exercise their rights to participate in the digital realm; the limitations that hinder their ability to do so; and the various policy options available to governments for addressing and reducing digital disparities. Therefore, the presence of effective leadership and robust governance mechanisms is of utmost importance in adequately equipping the country for the 4IR.

According to the findings of Reddy and Govender (2019:4), the advent of the 4IR has the potential for joblessness, which could lead to a significant decline in employment that involves manual labour or clerical tasks. According to Statistics South Africa (2021), the unemployment rate during the initial quarter of 2021 reached a historically elevated level of 32.6%, with a notable disproportionate impact on the younger population. A significant portion of the knowledge and skills obtained by previous generations has become outdated in the modern day. Furthermore, there is a lack of co-ordinated initiatives to ensure universal adoption of digital transformation throughout all municipalities in the country. In the specific context of South Africa, a significant obstacle to the establishment of e-government is the lack of uniformity in technology adoption amongst various governmental departments (Reddy & Govender, 2019). The presence of diverse systems poses limitations on the potential for system convergence and alignment, alongside the constraint of limited budgets for expensive technology (Reddy & Govender, 2019). Furthermore, South African communities continue to face significant challenges in terms of basic infrastructure, resulting in a lack of readiness for the 4IR. The increasing digital divide has a significant impact on the level of connectivity within communities and the accessibility to information (NPC, 2020b). Therefore, it is essential to implement multiple aspects of transformation within the public sector, with a particular emphasis on the professionalisation of the public service in general, and local government in particular. The public's desire for access to public information has witnessed a notable surge, due to instances of corruption, embezzlement, theft and fraud. According to De Araujo and Tejedo-Romero (2016:328), there is a correlation between nepotism and the misuse of authority amongst government personnel. Governmental entities

have, therefore, been pushed to improve the level of transparency in their operational procedures (De Araujo & Tejedo-Romero, 2016:328). This underscores the necessity for increased educational efforts pertaining to the 4IR, including the establishment of mobile and WIFI hubs, as well as the advocacy for e-government initiatives to effectively embrace, and derive advantages from, the 4IR. The promotion of digital governance has the potential to transform the dynamics between government entities and citizens by fostering improved relationships and facilitating discussion (Fashoro & Barnard, 2021:61).

2.5 CONCLUSION

This study was theorised on the stakeholder management theory, the good governance theory and complexity theory, to contextualise the role municipalities, whilst exploring and understanding the gaps that exist, and to address the multiple stakeholder complexities in effectively implementing LED. The three theoretical frameworks have provided a greater understanding of stakeholder dynamics and the behaviours that provide the basis for the development of an LED stakeholder management framework for uMgungundlovu district municipality, which is what is advocated through this study, as a new contribution. The details of these three theoretical constructs is teased out in this chapter, setting the scene for more effective LED. The stakeholder management theory suggests careful management, and that attention is paid to stakeholders, to ensure that all stakeholders are effectively engaged and that policies are informed by a diverse range of perspectives and interests. Complexity theory suggests that LED initiatives need to adopt a more flexible and adaptive approach, whilst being responsive to the complex and dynamic environment in which municipalities operate. It requires a more collaborative, inclusive and participatory approach that involves multiple stakeholders, and considers the diverse interests, needs and perspectives of these stakeholders in facilitating LED. Lastly, good governance theory emphasises the importance of promoting transparent, accountable, and participatory institutions and practices in LED initiatives, along with the promotion of digital governance. This requires a collaborative and integrated approach that involves all stakeholders and considers the diverse interests and needs of these stakeholders.

CHAPTER THREE:

THE SOUTH AFRICAN LEGISLATIVE FRAMEWORK AND LOCAL ECONOMIC DEVELOPMENT PLANNING AND IMPLEMENTATION

3.1 INTRODUCTION

The significance of addressing poverty and inequality in the country is underscored by the National Development Plan 2030, as highlighted by the National Planning Commission (NPC, 2012). Nevertheless, South Africa remains confronted with the triple challenges of unemployment, poverty, and inequality, which hinders the attainment of its envisioned goals. The utilisation of LED as a strategy for economic development offers a promising avenue for tackling issues of poverty and unemployment within the purview of local government (Meyer, 2014; Reddy, 2018). However, the successful implementation of LED necessitates partnerships and collaboration among all stakeholders. In this regard, collaborative governance plays a crucial role in driving the process. The implementation of LED at the local government sphere is primarily facilitated by municipalities, with support from government sector departments and agencies, as well as active involvement from communities and local businesses. However, there is a notable absence of robust partnerships, effective co-operation, and meaningful engagement for the successful implementation of LED initiatives at the local government sphere, warranting the need for this study. The lack of clarity regarding the respective roles and responsibilities of various spheres of government has contributed to challenges in effectively implementing these initiatives (Meyer & Meyer, 2016; Cooper & Meyer, 2019). Ostensibly, local governments face challenges in establishing environments which are conducive to business, and robust partnerships to effectively implement LED as an integrated approach at the local level.

The chapter analyses the economic development strategies and policies of South Africa, focusing on LED planning and implementation and the involvement of local government. It provides an analysis of the key variables pertinent in the implementation of LED. It highlights the interplay between the key theoretical concepts of complexity theory, stakeholder management theory and good governance theory discussed in the previous chapter, and their influence on outcomes of LED by integrating them within the existing legal frameworks. The interconnection amongst the three aspects, namely theoretical constructs, economic development outcomes and legislative frameworks are pertinent for enhancing LED practices. The purpose of this chapter is to establish the necessary background and context

for the research. According to the Constitution of the Republic of South Africa (RSA, 1996), municipalities are constitutionally obligated to promote and facilitate LED in South Africa. It can be argued that LED offers potential for the generation of employment opportunities, thereby addressing significant concerns related to economic development within the country. As a result of this, significant activities have been undertaken to implement LED nationwide. The legal and policy framework at the national, provincial and municipal spheres of government in South Africa is designed to foster the expansion of the local economy. The subsequent policies, strategies and legislation have played a significant role in advancing LED within the specific context of South Africa.

3.2 LEGISLATIVE AND POLICY FRAMEWORK

This section presents the relevant legislative and policy framework that drives LED.

3.2.1 The Constitution of the Republic of South Africa

Municipalities are charged with making the nation's social and economic progress a top priority, under the RSA Constitution, 1996. In order to fulfil their mandate to participate in national and provincial development programmes, and to meet the basic needs of their constituents, municipalities must structure and manage their administrative and financial processes with these intended goals in mind. Sections 152 to 154 of the RSA Constitution, 1996, highlight the number of goals local government has to achieve, one of which is to offer democratic and accountable governance for the people they serve, as well as to guarantee that the services they provide are delivered according to their mandate, in a manner that is sustainable. Other objectives of local government include the promotion of social and economic growth, the maintenance of a secure and healthy environment, and the enhancement of community participation in matters of local government. A municipality is, therefore, required to make every effort, within the confines of the financial and administrative resources available to it, to achieve the goals specified in the aforementioned subsections (RSA, 1996). In addition, the 1996 RSA Constitution recognises the significance of intergovernmental interactions and sets out principles to guide the collaboration. These principles include co-operation in good faith and trust, through establishing and maintaining cordial relationships, whilst also providing mutual aid and support, sharing information, and consulting on issues of mutual concern; with all spheres of government and government agencies governing in a way that is efficient, open, accountable, and consistent. It also involves co-ordinating the legislative and executive actions of each institution (RSA, 1996). Consequently, in order for municipalities and provinces to provide necessary services and carry out allocated tasks, they have the right to an equal share of nationally raised revenue.

This is essential for promoting economic growth and fulfilling their mandate to contribute to the nation's progress, insofar as municipal matters are concerned.

The principles in the Constitution incorporate good governance theory and stakeholder management theory which play a crucial role in helping municipalities fulfil their Constitutional mandate. Good governance is essential for successful LED as it ensures that economic development policies are made in a transparent, accountable, and participatory manner. This is consistent with the findings of Meyer and Meyer (2016), Govender (2017), Reddy (2018), and Munzhedzi and Makwembere (2019), who argue that good governance is critical for successful LED and fostering cooperation. Its principles ensure that economic development is pursued in a way that ensures equitable distribution of economic development benefits, as well as advocating for inclusive growth strategies that consider the needs and voices of all local stakeholders, including marginalised communities, in LED planning and implementation. In this context, Eke et al. (2019) argue that implementing good governance reduces corruption, incorporates minority perspectives, and represents the interests of the most marginalised individuals in decision-making processes. This is critical for municipalities to realise the obligation of creating an enabling environment for businesses to flourish. Municipalities must manage local stakeholders in order to collaborate and maintain successful intergovernmental relations, as stated in the Constitution. Each institution's legislative and executive activities must be coordinated for this to occur. As a result, strategies requiring collaboration across various sectors and communities to be implemented over the long term must adhere to the principles of stakeholder management. Moshodi et al. (2016) contend that stakeholder management is also critical in the public sector arguing that in order for government to achieve its developmental objectives, it must collaborate with other key stakeholders.

3.2.2 Contextualising the National Development Plan, 2030, for Local Economic Development

South Africa's National Development Plan (NDP) is a long-term blueprint for the country's economic, social, and political development. It was adopted in 2012 and is intended to guide the country's development until 2030. The National Planning Commission (NPC) announced the National Development Plan in 2012, emphasising the country's 2030 aim of eradicating poverty and reducing severe inequalities. The plan aims to achieve these goals by leveraging on its people's efforts; expanding the country's economy to include more people; establishing a solid infrastructure; improving the state's administrative capabilities; and encouraging more people to assume positions of leadership and personal accountability (NPC, 2012). This stemmed from the Commission's Report, which was issued in 2011 prior

to the plan's creation. Slow progress was attributed to a lack of broad collaborative efforts and policy implementation, and several systemic problems were identified, including that not enough people were employed; black children received a sub-standard education; infrastructure was poorly located, inadequate, and under-maintained; spatial disparities hampered inclusive growth; the use of the economy's resources was unsustainable; and the situation in public health was dire.

The plan acknowledged that access to even the most basic services remained a distinct difficulty for many of society's most vulnerable, citing shortcomings in financial structures, as well as local planning and administration, as contributory causes (NPC, 2012). Fundamentally, the plan was designed to serve as a road map for the country's achievement of its development goals, as well as a tool to guide expenditure decisions until 2030. This is based on the fact that the NDP is built around the idea of creating a more prosperous, equitable, and inclusive society by addressing the country's most pressing challenges, such as poverty, unemployment, inequality, and underdevelopment. It provides a vision for a future in which all South Africans have access to quality education, healthcare, housing, and basic services, and where the economy is growing, creating jobs, and reducing poverty. Consequently, the development plan strategically sets out a number of key priority areas:

- Improve the quality of education and training in South Africa, from early childhood development to tertiary education, in order to equip young people with the skills they need to succeed in the modern economy.
- Create an inclusive economy that generates jobs and reduces poverty, through a range of measures such as investment in infrastructure, support for small and medium-sized enterprises, and the promotion of trade and investment.
- Address the challenges faced by rural communities, including poverty, lack of access to basic services, and limited economic opportunities, through targeted investments in infrastructure, agriculture, and rural enterprise development.
- Improve the health of all South Africans, through measures such as expanding access to primary healthcare, reducing the burden of disease, and improving the quality of healthcare services.
- Build a more cohesive and inclusive society, by addressing the legacies of apartheid, promoting social integration, and addressing the root causes of inequality and poverty (NPC, 2012).

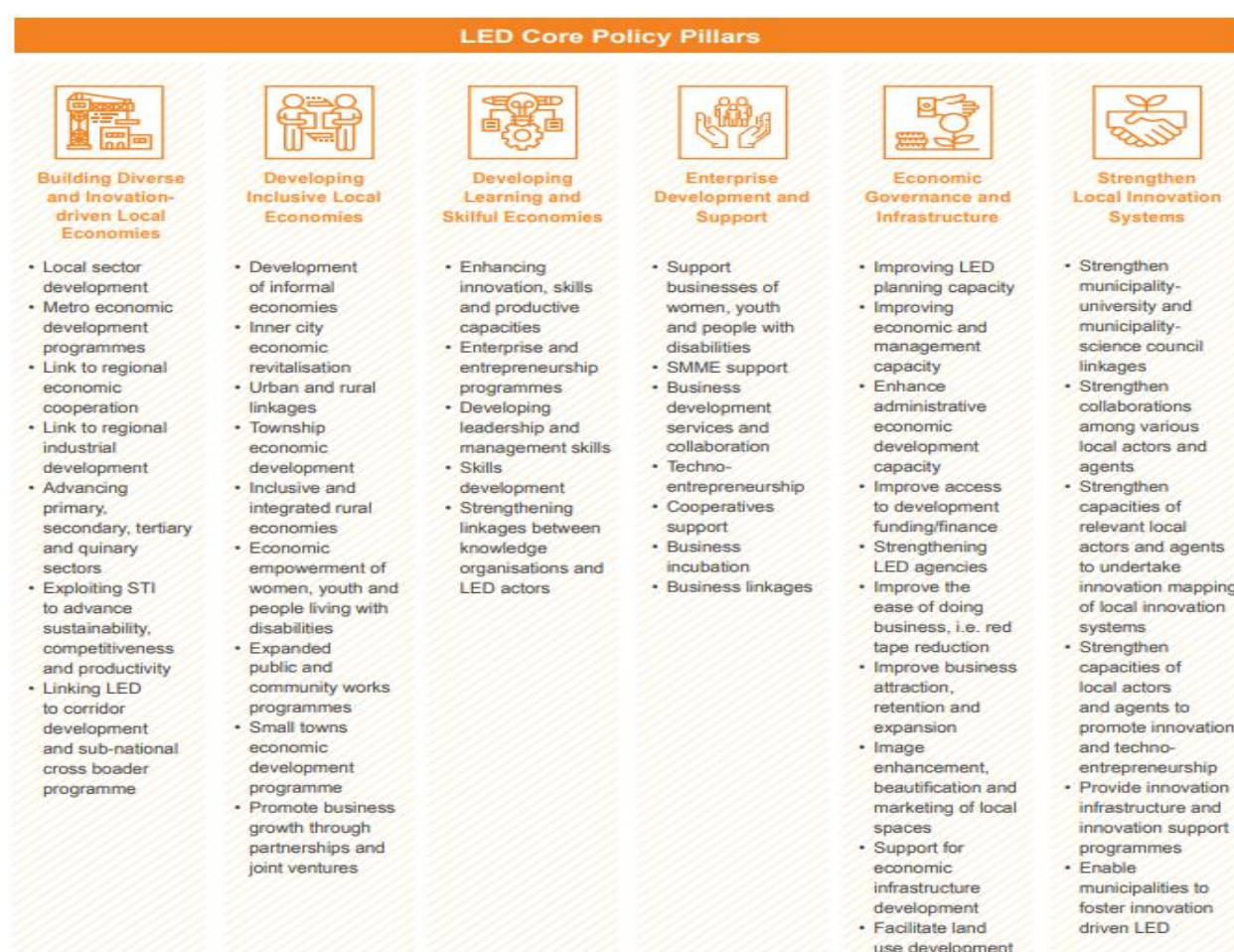
In order to achieve these objectives, the NDP sets out a comprehensive set of targets and indicators, as well as specific policy recommendations and implementation plans. Inequality, poverty, and unemployment were thought to be surmountable problems that could be solved by 2030, but this goal is now further away than it was when the vision was initially conceived. The plan was meant to be a living document, subject to ongoing review and revision as circumstances change and new challenges emerge. However, the plan continues to fail in addressing the development challenges faced by the country. The country is still plagued by issues of poor transformation, service delivery and infrastructure, leadership and a lack of capacity. Corruption, fraud and lack of accountability continue to hinder economic development, from the grassroots up. South Africa's unemployment level hit a record high in 2021, and several projections indicate that it could top 40% by 2030 (Businesstech, 2022). In order to give new life to this vision, therefore, a heightened sense of both urgency and dedication is necessary from all stakeholders, collectively. The significance of government adopting good governance principles to tackle these issues impacting successful economic development cannot be overstated. In their study, Poniatowicz et al. (2020) highlight the importance of good governance in achieving multiple positive outcomes. They emphasise that effective governance can help reduce corruption, promote gender equality, support sustainable development, safeguard citizens' rights, and address issues such as poverty, deprivation, fear, and violence. Furthermore, as suggested by President Cyril Ramaphosa, a social compact with the objectives of decreasing poverty and inequality, and increasing investment, would be advantageous. Local government remains at the forefront to fast-track the implementation and realisation of this NDP vision.

3.2.3 National Local Economic Development Framework (2018-2028)

The updated National LED Framework (2018-2028), developed by the South African National Department of Co-operative Governance (Department of Cooperative Governance, 2018), aims to improve the initial 2006 LED framework to reinforce LED across the nation. This framework seeks to expand the understanding of LED and foster innovation-driven LED to tackle the country's three primary challenges. It emphasises boosting innovation, competitiveness, and inclusivity, while also significantly improving inter-governmental relations (IGRs) and co-ordination by connecting public and private organisations to expedite economic development planning and effective execution (Department of Cooperative Governance, 2018:19-20). The vision states that LED will strive to establish competitive; sustainable; diverse; innovation-driven and inclusive, local economies, that serve as dynamic places to live; invest; work; innovate; capitalise on local opportunities; address local needs; and contribute to South Africa's national development goals, including the

sustainable utilisation of local resources and the expansion of learning capabilities (Department of Cooperative Governance, 2018:14). The vision is backed by a definition of LED that states that: LED is a flexible and reactive process in which government, public sector entities, citizens, businesses and non-governmental sector partners, collaboratively work to create favourable conditions for innovation-driven, inclusive economic development. This is characterised by knowledge transfer; competence building; job creation; capacity development; investment attraction and retention; and revenue generation in a local area to improve its economic future and the quality of life for all citizens (Department of Cooperative Governance, 2018:14-15).

Figure 3.1: National LED Framework core policy pillars



Source: Department of Cooperative Governance (2018:34)

The framework provides guidance on the essential components of LED, which includes completing an analysis of the local economy and identifying opportunities for expansion and development. This is in addition to marketing the local economy to potential investors and enabling investments in the region. It also specifies that the development of the skills of the local workforce to support economic growth and development is a priority. Moreover, the role

of small enterprises, as well as the development of the necessary infrastructure to support economic growth and development, such as roads, water supply, and telecommunications, are also identified as important, and currently a national imperative in the country. All these priorities are intended to support economic growth and development at a local level. Overall, the National Framework for LED provides a comprehensive approach to LED in South Africa that emphasises the importance of collaboration and sustainability. It provides guidance to municipalities and other stakeholders on how to promote sustainable economic growth and development in their respective areas. In this context, it is worth noting that collaboration requires stakeholder management which becomes more complex due to the various and sometimes conflicting interests involved. The stakeholder management theory is highly applicable because successful LED relies on the collaboration of different stakeholders, such as businesses, government entities and agencies, organised labour, community organisations, and residents. Through the integration of stakeholder management theory in the LED framework, businesses and municipalities can foster partnerships, garner support and buy-in, mitigate conflicts, and leverage the unique roles of each stakeholder to effectively drive economic development. According to Sciarelli and Tani (2013), it is crucial for managers to effectively manage relationships with stakeholders. This requires focusing on more than just economic values but also uphold ethical principles like accountability, transparency, and fairness, while also embracing the broader principle of cooperation. This further connects the framework to the theory of good governance. Applying this theory to LED, it can be argued that successful LED necessitates governance frameworks that engage stakeholders transparently, make informed decisions based on broad input, and are accountable for outcomes.

3.2.4 Contextualising the KwaZulu-Natal Provincial Growth and Development Plan

The KwaZulu-Natal Provincial Growth and Development Plan (PGDP) is a comprehensive strategic blueprint formulated by the KwaZulu-Natal provincial government in South Africa, with the aim of providing guidance for the province's economic, social, and environmental progress. The strategy was formulated for five years and undergoes annual revisions to maintain its relevance and effectiveness. The PGDP is guided by a vision of a province that is characterised by prosperity, equity, and sustainability. In order to realise this vision, the PGDP sets out the following objectives: Firstly, the plan seeks to stimulate economic growth and generate employment opportunities by providing support to sectors that demonstrate high growth potential. This includes attracting investments, fostering entrepreneurship, and facilitating the development of small businesses. Secondly, it aims to enhance social development and inclusivity by improving access to fundamental services such as

healthcare, education, and housing. In addition, it attempts to foster social cohesion and safety within the province. Lastly, the plan places a strong emphasis on environmental sustainability, also deemed a national imperative, with global climate governance placed high on the South African and global agendas. This involves the effective management of natural resources, the preservation of biodiversity, and the reduction of the province's carbon footprint. By pursuing these goals, the plan seeks to create a province that is both economically prosperous and socially and environmentally sustainable.

The PGDP outlines several strategic focus areas to achieve these objectives. They include infrastructure development, agriculture and agro-processing, tourism development, and technology and innovation. It acknowledges the significance of infrastructure in facilitating economic expansion and societal advancement, and it defines crucial infrastructure initiatives that will receive prioritisation over a five-year period. Agriculture and agro-processing are widely acknowledged as pivotal industries for continued advancement, given the agricultural sector's capacity to stimulate economic expansion and generate employment opportunities through its association with agro-processing; and leaning towards supporting small businesses in this regard. Furthermore, the significance of tourism in facilitating economic expansion and employment generation is acknowledged. Therefore, it outlines approaches to foster sustainable tourism, whilst enhancing the tourism infrastructure. Finally, the PGDP recognises the significance of innovation and technology as crucial factors in facilitating economic growth and fostering job opportunities within the province. The plan places significant emphasis on the importance of collaboration and partnerships among government entities, the private sector, civil society, and communities, in order to accomplish its objectives. Its success is thus contingent upon fostering active engagement by all stakeholders during its implementation. The KwaZulu-Natal Provincial Growth and Development Plan is an all-encompassing, strategic initiative designed to facilitate the growth of sustainable economic, social, and environmental development within the province. Through the proactive management of stakeholder relationships good governance and stakeholder management theories serve as valuable complements to the effective implementation of the PGDP as they underscore the importance of establishing efficient governance frameworks and fostering active engagement with stakeholders.

3.2.5 The KwaZulu-Natal Townships and Rural Economies Revitalization Strategy (2022)

The Townships and Rural Economies Revitalization Strategy (TRERS) is a strategic initiative formulated by the provincial government of KwaZulu-Natal in South Africa. Its primary objective is to foster economic growth and facilitate the generation of employment

opportunities within the townships and rural regions of the province. The strategy was formulated in acknowledgement of the prevailing circumstances, where these regions frequently encounter substantial economic difficulties and exhibit shortcomings in the essential infrastructure and support systems necessary to foster economic progress and growth. Experts have been engaged in a comparative analysis of rural and township economies, focusing on the increasing disparities between the two areas. The impact of planning during the apartheid era has had a negative influence on economic growth and development, particularly in rural and township areas within the country. In the province of KwaZulu-Natal, residents have intensified their efforts to seek solutions to these issues. The strategy outlines seven fundamental principles that are essential for the regeneration of rural regions and townships, by considering various factors that contribute to their economic growth and development. The seven pillars in this framework are as follows: facilitating access to commercial property and promoting its transformation; fostering infrastructure development; ensuring access to digital innovation; promoting the development of the informal economy; enhancing the agricultural sector; supporting the growth of tourism and the creative industries; and providing comprehensive support to existing businesses and manufacturing in order to stimulate economic growth in these areas.

The primary goal of TRERS is to stimulate economic activity in townships and rural areas through various interventions. These interventions have been identified as important to fast-track the implementation of the core pillars. They involve recognising the need for improved infrastructure such as roads, water and sanitation, and electricity to facilitate economic growth. In addition, TRERS aims to foster the development of small and medium-sized enterprises (SMEs) in these areas by providing targeted support and training programmes. The initiative also acknowledges the potential of agriculture and agribusiness in promoting economic growth and seeks to identify strategies for sustainable development in these sectors. Furthermore, TRERS recognises the potential of tourism in generating economic growth and employment opportunities and aims to promote sustainable tourism development. Lastly, TRERS aims to enhance the skills of the local workforce through training programmes and partnerships with educational institutions. This strategy also places significant emphasis on the necessity for fostering collaboration among governmental entities, the private sector, civil society, and local communities in order to effectively accomplish its objectives. The plan's success is ensured through the promotion of active participation from all stakeholders during its implementation. The implementation of this strategy requires government to integrate the good governance and stakeholder management principles to ensure its success. Facilitating and implementing economic growth and employment initiatives in townships and rural areas which have been previously

marginalised entails identifying stakeholder groups, assessing needs and interests, and developing effective engagement strategies that are transparent and inclusive. This approach can help government build relationships with stakeholders and develop meaningful partnerships as alluded by Shabangu and Oksiutycz (2018) to promote the implementation of strategy. Therefore, the strategy is a comprehensive initiative designed to foster economic growth and facilitate employment opportunities within the townships and rural regions of the province.

3.2.6 Contextualising the District Development Model

The District Development Model (DDM) programme was announced by President Ramaphosa in 2018 during the State of the Nation Address (SONA). The DDM was introduced as a development approach to promote integrated, collaborative and co-ordinated planning and implementation of development initiatives across all spheres of government. The DDM aims to address the challenges of inequality, poverty and unemployment in the country by ensuring that government resources are effectively utilised, and services are delivered efficiently and effectively to citizens. It aims to achieve this by addressing the disjointed planning and implementation within all spheres of government. The DDM is based on the concept of district-based development and is structured around the country's 44 district municipalities, which are the primary development planning and implementation units in South Africa. The model is intended to promote inclusive economic growth and sustainable development by focusing on key sectors and service delivery areas, such as agriculture, tourism, education, health, infrastructure, and social services.

It is a critical programme that aims to foster innovation and economic growth by bridging the divide between major economic centres (urban) and their underserved rural counterparts. Although not novel, this programme entails a social agreement between key role players in each district with the goal of increasing regional competitiveness and reducing inequalities, lowering business costs, and promoting an inclusive economy. It is expected that the District Development Agencies will work collaboratively with municipalities; traditional leaders; public and private investors; and civil society, using an integrated and co-ordinated approach to achieve its aims. Under the DDM, each district municipality is responsible for developing its own district plan, which considers the specific needs and priorities of the district, as well as national and provincial priorities. The district plan is developed in consultation with relevant stakeholders, including government departments, business organisations, civil society organisations, and communities. The DDM also involves a 'whole-of-government' approach, where different government departments and entities work together in a co-ordinated manner to implement the district plans. However, it begs the question whether

intergovernmental planning and development is achievable, with the current poor participation of national and provincial governments in municipal planning and implementation, and the continued focus on alignment rather than collaboration through joint planning and implementation.

Nonetheless, the model emphasises the importance of collaboration and partnerships between government, the private sector, civil society, and communities to achieve its goals, and has been piloted in several districts across the country with its implementation ongoing. The model is expected to drive development and transformation in South Africa by promoting inclusive economic growth and social development, and by ensuring that government resources are utilised efficiently and effectively to deliver services to citizens. As the model seeks to create opportunities for improvement, it will, therefore, require rebuilding institutions as well as eliminating investment barriers in order to succeed. In addition, leadership and willpower, along with the establishment of appropriate funding mechanisms for LED, will be required, as the programme does not generate new funding or budgets. This will then assist municipalities to facilitate LED through accelerated service delivery for the maximisation of development potential. Linking complexity, good governance, and stakeholder management theories to the implementation of the DDM creates a solid framework for understanding and improving the process of realising the districts' development potential. Integrating these into the model can provide a comprehensive strategy for achieving balanced and inclusive regional growth.

3.3 ROLE OF LOCAL GOVERNMENT IN LOCAL ECONOMIC DEVELOPMENT

As the sphere of government closest to citizens, local governments are responsible for delivering essential services and addressing local challenges (Khambule & Mtapuri, 2018; Mayor, 2014; Reddy, 2018; Tshishonga, 2018). For local governments to effectively fulfil their responsibilities, Reddy (2018) suggests that they require an enabling and innovative governance system that aligns with the desired outcomes that would lead to a transformation in their roles and priorities. This shift in roles and priorities emphasises the significance of local governance in driving positive outcomes and ensuring the well-being of communities. Municipalities, therefore, play a crucial role in LED, as they are responsible for creating an enabling environment for economic growth and development in the local areas (Khambule & Mtapuri, 2018; Meyer, 2014; Meyer & Meyer, 2016; Makhaye et al., 2021; Mashiteng, Gerwel-Proches & Singh, 2021). Moreover, they are responsible for providing and maintaining the necessary infrastructure, such as roads, water, sanitation, and electricity, to support economic growth and development. This includes upgrading and maintaining existing infrastructure and investing in new infrastructure where necessary. Creating an

enabling environment in local government often involves the formulation of policies and strategies that support economic growth and development, including developing a local economic development Strategy, which sets out the vision, goals, and objectives for LED in the local area (Meyer, 2014). Olausson (2020:440-441) argues that the economic development work done by municipalities lacks a clear basis for legitimacy as a result of the high levels of uncertainty in the world today. There are frequently various, murky, and convoluted forms of democratic involvement within the framework of the policy process of LED. Furthermore, it can be challenging to accurately analyse and assess the outcomes and effects of development initiatives on economic growth at a local level (Olausson, 2020:441).

Recognising that economic growth alone is insufficient, and that socioeconomic progress is also necessary, is crucial in the context of municipalities' roles in LED. This is because socioeconomic progress is heavily dependent, not only on the economic foundation and financial support opportunities, but also on institutional factors (Marks-Bielska, Wojarska, Lizińska & Babuchowska, 2020). To facilitate this, municipalities need to establish a strong connection between their development intentions and the creation of favourable conditions for business. This requires providing support to local businesses by facilitating access to finance, providing business advice and training, and creating an enabling environment for local businesses to thrive (Meyer & Meyer, 2016). Additionally, municipalities need to be able to retain and attract businesses within their areas of jurisdiction to further grow their local economies. Investment promotion as part of promoting the local area as an attractive investment destination, both locally and internationally, has become even more critical for local governments. This includes marketing the local area's unique selling points and opportunities, as well as creating an environment that is conducive to business investment in order to grow the local economies.

While municipalities may not have direct control over all factors attracting investments, it is crucial for them to understand and, within their capabilities, address the needs of current and potential investors. This includes measures like providing tax incentives; facilitating communication with business institutions; collaborating with research organisations; ensuring well-maintained infrastructure and office spaces; providing efficient municipal services; fostering a positive attitude to entrepreneurs; providing accessible investment areas; and building a skilled workforce through educational opportunities (Marks-Bielska et al., 2020). Constant engagement and partnerships with relevant stakeholders, including business organisations, civil society organisations, and communities remains important, to ensure that attracting investment, and LED initiatives, align with their needs and priorities (Meyer, 2014; Meyer & Meyer, 2016; Mashiteng et al., 2021). Thus, municipalities need to

be responsible for monitoring and evaluating the effectiveness of LED initiatives in the local area, which includes tracking key economic indicators, such as employment rates and business growth, and assessing the impact of LED initiatives on the local economy and community. Consequently, the attitudes, competencies, and actions of local authorities play a crucial role in attracting investors and are significant factors that influence LED (Marks-Bielska et al., 2020). Since local governments face the constant challenge of operating with limited resources, including financial, material, and human resources, they need to be extremely proactive and resourceful in order to address these constraints and effectively fulfil their development objectives.

3.3.1 Role of municipalities in Local Economic Development in South Africa

Municipalities have a crucial role to play in achieving their developmental mandate in enhancing the economic wellbeing of their communities. The Constitution of the Republic of South Africa (RSA), 1996, obliges municipalities to play a facilitative role in promoting LED within their locality and creating ideal environments for business that attracts investment (Mashiteng et al., 2021; van Niekerk & Bunding-Venter, 2017; Venter, 2012). LED is a tool that local government can use to alleviate poverty, reduce inequality and grow its economic base (Meyer, 2014; Mlambo et al., 2019; Venter, Steynberg, Grundling & Feng, 2019). Similarly, Rogerson (2019:918) states that, LED is an important tool for growing partnerships and ensuring economic development that seeks improved service delivery, participation, employment and the empowerment of vulnerable communities. Majola (2020:512) agrees, noting that the focus of LED in the country has been on achieving social and economic equality. There have been many efforts by municipalities in LED since the early 1980s (Simon, 2003; Azunu & Mensah, 2019). Despite the extensive policy backing for LED implementation in the nation, scholarly research indicates that the majority of municipalities have been unsuccessful in effectively promoting LED initiatives. This failure can be attributed to several factors, including a lack of shared understanding; inadequate prioritisation; and an inability to establish sustainable partnerships that foster collaborative efforts. This observation is supported by the works of Moyo (2007); Coetzee (2014); Meyer and Meyer (2016); and Rogerson (2019). Previous research in the country has primarily focused on various aspects of promoting LED. These include enhancing the business environment for LED; improving LED capacities; conceptualising LED; addressing challenges in LED planning; fostering partnerships and collaboration; promoting social dialogue; emphasising the role of secondary cities, small towns and rural areas; and implementing pro-poor LED strategies for poverty alleviation. These studies have been conducted by scholars such as Simon (2003); Nel (2005); Nel and Rogerson (2005); Rogerson (2006); Hardman (2011);

Kritzinger (2011); Rogerson and Rogerson (2011; 2012); Coetzee (2014); Ingle (2014); Meyer (2014); Reddy (2014); Zulu and Mubangizi (2014); Marais (2016); Kamara (2017); Nel (2017); Khambule (2018); Khambule and Mtapuri (2018); Khambule and Gerwel-Proches (2019); and Mlambo et al. (2019). More recently, these efforts include devoting resources to the provision of customised services, such as advice and technical assistance on modernisation options for small and medium-sized enterprises (SMEs); support for worker training for SMEs; LED and urban resilience; bridging the urban-rural gap; professionalising LED along with collaborative and network governance; and the role of development agencies. Such studies have been conducted by scholars such as van der Waldt (2018); Khambule, (2018; 2020); Azunu and Mensah (2019); Lawrence and Rogerson (2019); Munzhedzi and Makwembere (2019); Pooe (2019); Makhaye et al. (2021); and Mashiteng et al. (2021).

To effectively implement LED in municipalities, Meyer (2014:631) argues that proper institutional provisions, along with stakeholder collaborations, are required to transform municipal strategies into meaningful LED interventions. This is a challenge, as LED in municipalities is poorly planned, and limited communication and stakeholder engagement exists. If LED is to stimulate local or regional economic growth, encourage competitiveness, and provide additional employment possibilities through better utilisation of locally accessible resources, then LED needs to be funded. However, LED remains poorly funded, both at local government and provincial spheres, with most of government's budget and expenditure directed to social services (Meyer, 2014; Khambule, 2020). Cooper and Meyer (2019:181) concur, stating that much of government spending is on social welfare development, with limited attention paid to development projects that would stimulate economic growth and development to reduce state dependence. Fundamentally, the promotion of LED demands a plan built on an in-depth examination of the local economic potential, the institutional setting, and the socioeconomic perspectives (Azunu & Mensah, 2019; Luthuli & Houghton, 2019). Municipalities need to understand that LED is a potential driver for increased economic activities, revenue growth and municipal budget (Hristova & Tast, 2015:394). Economic development at local or regional level is directly impacted by decisions taken by municipalities as the main public authorities driving economic development policies. These decisions directly affect how the local area or region develops or grows over time (Carr et al., 2017:210). Cooper and Meyer (2019:181) recommend that the state should seek consensus and strengthen its partnerships to grow the economy. To successfully drive LED within local government, collaboration and partnerships between government, business and local communities is a necessity (Coetzee, 2014; Meyer, 2014; Meyer & Meyer, 2016; Kamara, 2017, Nel, 2017; Cooper & Meyer, 2019; Majola, 2020; Mashiteng et al., 2021). While noting

that LED requires multi-stakeholder participation for success, Coetzee (2014:26) argues that LED efforts and potential within the country and the province of KwaZulu-Natal (KZN) have not been realised due to failed spatial partnerships. This results from ongoing mistrust between the private and public sector, rooted in opposing conceptual beliefs and priorities, further straining partnerships and dialogue between the two groups (Rogerson, 2010:488). Accompanied by this is, perhaps, the persistent lack of a political will to successfully drive LED in municipalities.

It is a known fact that LED is a comprehensive community strategy that involves local communities and other external stakeholders in working together to create long-term, sustainable economic prosperity (Azunu & Mensah, 2019). As the facilitator of LED, local government is required to establish and strengthen partnerships and collaboration with all the relevant stakeholders for it to be achieved. Thus, the creation of stakeholder partnerships requires multi-stakeholder efforts and effective leadership to succeed (Shilangu, 2019:635-636). However, in South African local government, this is somewhat lacking, with issues of poor inter-governmental relations (IGR) and poor communication. Biyela, Nzamakwe, Mthuli and Khambule (2018) found that municipalities lack the suitable strategies required to deal with LED challenges and IGR. Phakathi (2019:564) examined the issue of trust in IGR and found it to be an important factor that necessitates accountability, which unfortunately is lacking within government, hindering successful LED implementation. In the field of local and regional development, the role of the state has undergone a transformative change, from being a mere provider to assuming the role of an enabler and facilitator. There is a growing sentiment among analysts that the state has shifted its focus from controlling the market to nurturing market processes and promoting decentralisation (Olausson, 2020:441). In addition, current research has defined the role of local government agencies in local development governance as that of network co-ordinators, employing an adaptive planning approach, as highlighted by Olausson in 2020.

3.4 LOCAL ECONOMIC DEVELOPMENT PLANNING AND CHALLENGES IN SOUTH AFRICA

Local economic development, as an economic development tool, continues to be significant in stimulating economic growth that will see employment creation and poverty alleviation in the country (Maxegwana, Theron & Draai, 2015:76-77). Still, many challenges continue to hinder local government from effectively promoting and facilitating LED implementation in the country. Municipalities in the country have, for a long time, been affected by challenges of poor funding; poor co-ordination and intergovernmental relations; poor governance; the inability to foster strong partnerships; and poor infrastructure and capacity to support LED,

inter alia. More recently, the added challenges of the global pandemic, natural disasters and riots have significantly challenged economic progress of many municipalities in the country. The South African Local Government Association (SALGA, 2020:37) further identifies four interlinking challenges facing municipalities and the local government sector, namely: capabilities, governance and leadership; spatial transformation and inclusion; fiscal policy and financial management; and service delivery and infrastructure challenges. These challenges, collectively, have led to the growing number of service delivery backlogs; increasing corruption and politicisation; poor financial management; and continuing service delivery protests within the country (Reddy, 2018; SALGA, 2020: 2022).

Over the past decade, the performance of local government has received extensive media coverage, shedding light on several concerning issues. These include poor service delivery and resulting public protests; fiscal challenges leading to inadequate financial management and poor audit outcomes; a lack of capacity to effectively govern and manage municipal affairs; insufficient investment in infrastructure development; instances of corruption and the abuse of political power; internal political infighting and factionalism; and a loss of values and ethics among the political class (Reddy, 2018; SALGA, 2020: 2022). The media coverage has highlighted these challenges and criticisms faced by local government, drawing attention to the systemic issues that hinder effective governance and service provision at the local level. Reports and studies have pointed out the need for improvements in various areas, such as financial management, leadership, ethical conduct, and the allocation of resources to address the pressing issues facing municipalities. The extensive media coverage has helped in creating awareness and public discourse around these issues, leading to calls for accountability, transparency, and better governance practices within local government, and also emphasising the importance of addressing these challenges to ensure that municipalities can effectively fulfil their roles and responsibilities in delivering services and promoting LED in the country. However, fast-tracking LED in the country is still a complex task that involves a variety of challenges and complexities. Some of these key complexities and challenges are associated with the following.

3.4.1 Structural challenges associated with planning Local Economic Development

There are several structural challenges associated with planning LED in South Africa, which can make it difficult to effectively implement LED initiatives. These challenges include: (i) persisting spatial inequalities and economic divides; (ii) access to finance and the financial health and management of municipal funding; (iii) fragmented responsibilities and limited capacities and skills; and (iv) complex regulatory environment affecting business facilitation. In order to effectively address these challenges, not only will a concerted effort from the

government and other interested parties be required, but also a dedication to fostering transparency, accountability and good governance practices.

(i) Persisting spatial inequalities and economic divides

South Africa is characterised by significant spatial inequalities, with a legacy of apartheid-era policies that continue to shape the spatial distribution of economic activity. According to Turok, Visagie and Scheba (2021), spatial inequalities persist in South Africa due to the historical legacy of apartheid, which segregated communities and allocated resources unequally. This has resulted in stark disparities between urban and rural areas. It means that some areas, particularly urban areas, have greater access to economic opportunities and resources, while others, particularly rural areas and townships, have limited economic opportunities and face significant challenges in accessing basic services (Makhaye et al., 2021; Sartorius & Sartorius, 2016). These inequalities manifest themselves in a variety of ways, including unequal access to education and skills, healthcare, housing, services and economic opportunities. Furthermore, there is a significant disparity in access to resources between urban and rural areas in the country in terms of infrastructure, such as transportation networks, electricity, and water supply. This divide is evident and exacerbates the disparities (Turok, 2012). Significantly, there is a clear distinction between urban and rural municipalities when it comes to development planning, execution, and service provision, with the issue of urban bias remaining a persistent problem for many rural municipalities, as pointed out by Sartorius and Sartorius (2016) and Makhaye et al. (2021).

Persisting spatial inequalities and economic divides in LED are prevalent in the country, as highlighted by Turok et al. (2021), and Ballard and Hamann (2021). They argue that, while some urban areas have experienced significant economic growth and development, rural areas continue to face challenges in attracting investment, creating jobs, and fostering economic activity. Makhaye et al. (2021) pointed out that spatial inequalities and economic divides are exacerbated by factors such as limited access to finance and business support services in disadvantaged areas. This further hinders LED in those regions. Economic opportunities tend to be concentrated in urban centres receiving more resources and investment, leading to a spatial imbalance in local economic development (Department of Cooperative Governance, 2018; Makhaye et al., 2021; Nyawo & Mashau, 2019). Urban areas offer more diverse job prospects, entrepreneurial opportunities, and access to markets; while rural areas face limited economic prospects and job creation (Makhaye et al., 2021; Todes & Turok, 2018). Unemployment rates in South Africa are disproportionately high in rural areas and townships compared to their urban counterparts (Department of Cooperative Governance, 2018). Rural areas generally have limited access to quality

education and training, resulting in a mismatch between the skills required by the labour market and the skills possessed by rural residents (Li, Westlund & Liu, 2017). Consequently, the limited job opportunities, along with inadequate skills development initiatives, perpetuate the cycle of poverty in these regions (Ncube & Monnakgotla, 2016).

In addition to the urban-rural divide, South Africa's economy is characterised by a dual structure, consisting of two distinct components. On the one hand, there is a modern, industrialised, formal economy that is highly developed and integrated into the global market. This component comprises advanced industries, technology-driven sectors, and well-established businesses operating within a structured regulatory framework. On the other hand, there exists an informal and underdeveloped economy that operates outside the formal sector. This component is characterised by small-scale businesses, subsistence agriculture, and informal employment (Department of Cooperative Governance, 2018). It often lacks proper regulation, access to formal financial services, and social protection (Khumalo, Mthuli & Singh, 2019). The coexistence of these two economies creates significant economic disparities and challenges for the country, such as income inequality, unemployment, and poverty. Addressing these disparities and promoting inclusive economic growth remains a central policy objective for South Africa. The persistent spatial inequalities and economic divides, profoundly rooted in historical injustices, continue to have a significant impact on the distribution of resources and opportunities across the different regions in the country.

According to Ncube and Monnakgotla (2016:75), creating favourable conditions for rural municipalities remains a persistent challenge as they encounter difficulties associated with inadequate infrastructure, high levels of unemployment, and poverty. Infrastructure development is often prioritised in urban areas, while rural areas suffer from inadequate infrastructure, hindering their economic growth potential (Makhaye et al., 2021; Nyawo & Mashau, 2019). This includes insufficient road networks, limited access to electricity, and inadequate internet connectivity (Todes & Turok, 2018). The disparity between urban and rural areas is exacerbated by digital divides, which is a result of inadequate infrastructure (Baskaran, 2021; NPC, 2020b). Moreover, rural areas face challenges in accessing financial services, such as banking and credit facilities, and limited entrepreneurship and investment opportunities, further widening the economic divide between urban and rural areas (Turok, 2012). Thus, LED can be sped up by addressing these systemic inequities. This includes implementing spatially integrated planning approaches that consider the specific needs and potential of both urban and rural areas, which is crucial for enhancing the capacity of local governments and promoting collaboration between various stakeholders. Furthermore,

promoting public-private partnerships to help leverage private sector resources and expertise to address development gaps in rural areas is required.

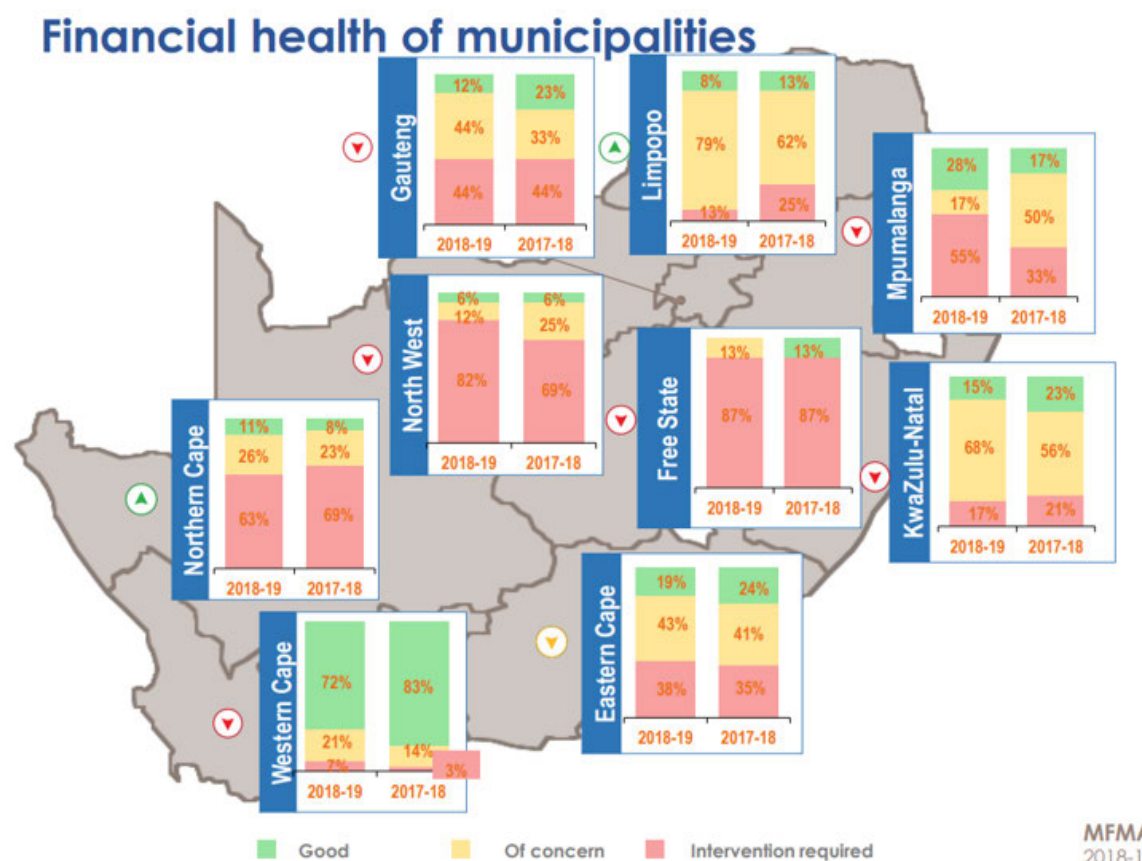
(ii) Financial health and management of municipal funding

Municipalities in the country often struggle with generating sufficient revenue to meet their financial obligations. This is due to factors such as high levels of unemployment, limited economic activity, and a significant portion of the population being unable to pay for services (Moloto & Lethoko, 2018; Walaza 2020; SALGA, 2022). Furthermore, many municipalities lack the necessary financial management skills and capacity to effectively manage their finances. These include challenges in budgeting; financial reporting; asset management; and debt collection, which can lead to poor financial health (Moloto & Lethoko, 2018). Since 2011, South Africa has experienced a series of events that have significantly impacted municipal finances. These events include a stagnant national economy, the COVID-19 pandemic, the impact of climate change; a continuing energy crisis; the rise of coalition governments; corruption; deteriorating local governance; and civil unrest and protests. The weak national economy has hindered economic growth and income production, putting municipalities under financial pressure. While the COVID-19 pandemic intensified the economic issues, it resulted in lower revenue sources and increased spending on healthcare and relief initiatives. The consequences of climate change, such as extreme weather events and natural catastrophes, have added financial pressure to communities through infrastructure damage and increasing service demands. Municipalities have been impacted by the current energy crisis, as inconsistent electricity supply impedes economic activity and raises the cost of alternative energy sources. Glasser and Wright (2020) contended that, since the establishment of democracy in South Africa, certain municipalities have faced financial difficulties. These financial failures have gained increasing attention from provincial and national governments, as well as the media, in recent years. The authors cite three significant events between 2018 and 2019 that have contributed to the financial management issues in these municipalities: The collapse of VBS Bank in 2018 had severe consequences, with municipalities facing significant losses due to their unlawful investments in the mutual bank, in violation of relevant regulations. A surge in service delivery protests has been observed, reaching a record number of 237 in 2018 and 218 in 2019. The Auditor-General's reports have shed light on the financial mismanagement in municipalities, particularly the fruitless and wasteful expenditure, which amounted to R2.07 billion during the 2018/19 financial year (Glasser & Wright, 2020:414).

Weak governance structures and inadequate oversight mechanisms contribute to financial mismanagement in municipalities. This includes issues related to corruption,

misappropriation of funds, and lack of accountability, which undermine the financial health and management of municipal funding (Glasser & Wright, 2020; Moloto & Lethoko, 2018). The South African Cities Network (SACN, 2022) has found that the rise of coalition governments has introduced complexities in financial planning and decision-making, as multiple political parties must navigate differing priorities and negotiate budget allocations. Corruption and deteriorating local governance have undermined fiscal discipline and transparency, diverting funds intended for public service delivery and infrastructure development; whilst civil unrest and protests have disrupted municipal operations and resulted in additional costs for security measures and the restoration of public infrastructure (SACN, 2022). Recent data, as mentioned by SALGA (2023) in a media briefing, indicates that businesses, government entities, and households cumulatively owe municipalities a staggering R290 billion for services rendered. This highlights a critical challenge faced by several municipalities in the country. This substantial debt poses a significant threat to the financial sustainability of these municipalities. Municipalities primarily rely on revenue generated from service charges to fund their operations and maintain essential services such as water supply, sanitation, energy, and refuse removal. These services are not only essential to the well-being and health of the communities they serve, but also, and importantly, contribute to LED. Reliable and efficient service delivery is essential for attracting and retaining businesses, which further stimulates economic growth and development in the municipalities. Consequently, municipalities face a growing problem of escalating debt levels, both in terms of outstanding debt owed to them by consumers and their own debt obligations. This can lead to a strain on financial resources and makes it difficult to access additional financing (Moloto & Lethoko, 2018). Together with this, is the inability of municipalities to access financial markets for borrowing due to their poor credit ratings, limited collateral, and perceived high risk, restricting their ability to secure affordable long-term financing for infrastructure projects and other developmental initiatives (SALGA, 2018; SACN, 2021;2022). Thus, the financial health of municipalities in South Africa in recent years gives further context to the discussion.

Figure 3.2: Financial health of municipalities in South Africa between 2017/18 and 2018/19



Source: South African Local Government Association (SALGA, 2020:13)

These events, collectively, present significant challenges for municipal finances in South Africa, necessitating strategic planning, effective governance, and innovative solutions to mitigate their impact and ensure sustainable financial management. Figure 3.2 demonstrates the bleak realities of the state of local government finances in the country. The financial health of municipalities in South Africa has been a longstanding issue, with many municipalities facing financial challenges and struggling to meet their service delivery obligations and fulfil their constitutional mandate. The COVID-19 pandemic has further exacerbated these challenges, with reduced revenue collection and increased demand for services. As seen in Figure 3.2, many municipalities in South Africa continue to face financial difficulties, with a significant number being unable to balance their budgets and meet their financial obligations, thus requiring financial interventions. Some of the key challenges include poor revenue collection ensues, when many municipalities struggle to collect revenue from their ratepayers, particularly in low-income areas where households may struggle to pay for services. The inability to collect owed revenues significantly impacts the municipalities' capacity to provide these essential services effectively. When service charges are unpaid, it creates a financial burden that can lead to the deterioration of infrastructure,

reduced service quality and, in some cases, the complete inability to provide certain services. This, in turn, can have a domino effect, negatively affecting local economies, deterring investment, and potentially leading to socio-economic instability. High levels of debt mean many municipalities are heavily indebted, with high levels of debt-servicing costs eating into their budgets and limiting their ability to invest in infrastructure and service delivery. Weak governance and management caused by practices that lead to mismanagement of resources and financial irregularities further exacerbates financial challenges, affecting financial viability. Limited access to funding means many municipalities struggle to access funding from national and provincial government sources, particularly those in poorer areas that have limited revenue-raising potential and limited investment coming in. Furthermore, this financial burden impedes the ability of municipalities to invest in new projects or upgrade existing infrastructure, which is essential for future growth and development. It also imposes additional pressure on municipalities to increase service charges or find other revenue sources, which can be politically and socially challenging. Inadequate maintenance and investment in infrastructure have led to service delivery failures and have further undermined their financial position. The COVID-19 pandemic also had a significant impact on the financial health of municipalities, with reduced revenue and increased demand for services further straining municipal budgets.

Municipalities with existing funding challenges face exacerbated funding problems. These could include challenges because of a reduction of intergovernmental transfer funds; losses in municipal revenue as a result of the inability of households and businesses to pay property rates and taxes; and substantial revenue losses from electricity supply (Walaza, 2020). Thus, the primary cause of financial distress in municipalities stems from challenges in revenue management, with the largest portion of outstanding municipal revenues owed by commercial customers and government entities (RSA, 2020a). This is further exacerbated by increased corruption and poor administration in many government institutions, leading to a rise in violent service delivery protests in the country. Despite the efforts made at all spheres of government, it is evident that local government continues to fail in achieving its economic development objectives, with issues of misappropriated budgets and capacity constraints, along with poor stakeholder engagement and relationships (Moyo, 2007; Meyer & Meyer, 2016; Carr et al., 2017; Rogerson, 2019). The financial health of municipalities is likely to deteriorate, with many of the municipalities in the country already experiencing financial concerns and requiring interventions, as evidenced in Figure 3.2. The substantial increase in the number of unemployed people; the reluctance of many households to pay for services; and the anticipated increase in the number of indigent households, all place added pressure on basic service provision and municipal revenue (Reddy, 2018).

(iii) Fragmented responsibilities and limited capacities, resources and skills

In South Africa, municipalities have faced numerous challenges and shortcomings in fulfilling its responsibilities. These include capacity limitations; poor financial management; maladministration; and the inability to deliver basic services effectively. These issues have hindered the ability of local government to address the country's triple challenges and adequately meet the needs of the population (Khambule & Mtapuri, 2018:450). Municipalities often face challenges due to the fragmentation of responsibilities across different spheres of government. This includes the unclear division of roles and responsibilities between national, provincial, and local authorities. Inconsistencies and overlaps in policy frameworks and implementation strategies among different government departments and agencies can create confusion and hinder co-ordinated efforts for LED. The Local Government Municipal Finance Management Act (MFMA), Act 56, of 2003, places the roles and responsibilities related to financial management and funding as shared between national, provincial, and local governments. This, however, could lead to difficulties in co-ordination and accountability gaps in municipalities. Moreover, in situations where a municipality faces challenges in fulfilling its duties, or undergoes a financial crisis, the constitutional solution involves provincial or national government intervention to provide support or, in severe cases, assume control of its responsibilities. However, past experiences with such interventions have demonstrated limited long-term improvements, largely attributed to deficiencies in the capacity of the intervention team and a lack of co-operation from municipal officials (RSA, 2020a). Fragmentation of responsibilities, and lack of co-operation and co-ordination, between different spheres of government can hinder effective LED. The LED framework (2018 - 2028) acknowledges the challenges and outlines the important roles to be played by the various government institutions in driving development in a local context.

The impact of the challenges faced by South African municipalities on LED are significant. The failure to deliver basic services due to capacity limitations, poor financial management, and maladministration, can have a detrimental effect on the local economy. Insufficient provision of essential services such as water, sanitation, electricity, and transportation can hinder business operations, deter investment, and limit economic growth. Moreover, the lack of effective local governance in promoting LED and understanding local economies can impede the development of vibrant and sustainable local businesses. Many municipal officials have been found to lack the necessary skills and training to effectively engage with private sector stakeholders, identify investment opportunities, and facilitate economic growth. These challenges may result in reduced employment opportunities and limited entrepreneurial activities; and may hinder overall economic progress at the local level.

Municipalities have been also found to lack the necessary capacities and skills to effectively manage their finances. The Municipal Demarcation Board (2018) asserts that, in South Africa, there exists a disparity in capacity, resulting in uneven performance across local, provincial, and national government. This disparity can be attributed to various factors, including challenges in the political-administrative interface; instability in administrative leadership; skill deficiencies; weakened accountability and authority structures; inadequate organisational design; and low staff morale. Furthermore, the availability of skilled workers is crucial for economic growth and development. The lack of qualified personnel and training programmes hinders the ability to make informed financial decisions (Moloto & Lethoko, 2018) that could have significant economic development impact. In South Africa, there is a shortage of skilled workers, particularly in technical fields such as engineering and information technology, limiting the ability of businesses to expand and innovate (Civil Engineering, 2019).

The limited availability of public resources, including financial resources and human capital, can also hinder LED in the country, with many municipalities struggling to attract and retain skilled workers, often constrained by limited budgets and resources. Inadequate business support services, including limited access to finance and business support services, such as mentorship, training, and advisory services, can hinder the growth and development of SMEs in local areas (Meyer, 2016). This can limit their ability to sustain and create jobs that contribute to local economic growth. Accordingly, Marks-Bielska et al. (2020:324), argue that, for a local government to effectively facilitate development, it is essential to have a certain level of efficiency in its executive actions, which includes possessing appropriate administrative skills. However, municipalities often face significant obstacles in fully undertaking the development task due to a lack of capacity, adequately skilled officials and a limited understanding of LED (Khambule & Mtapuri, 2018; Tshishonga, 2018). Khambule and Mtapuri (2018:439) found that these obstacles are rooted in the lack of prioritisation of LED within municipalities, resulting in insufficient capacity and a limited understanding of the local economy among officials. This can further be attributed to the overwhelming focus on institutionalising democracy and service delivery, which has overshadowed LED efforts. On the other hand, there is a tendency to conflate LED with poverty alleviation, or approach it as a project-based undertaking, which narrows its scope and potential impact. This reductionist approach to LED, focusing primarily on project implementation, limits the broader strategic approach needed for effective LED (Khambule & Mtapuri, 2018; Pooe, 2019). These findings suggest that a shift in priorities, enhanced capacity building, and a comprehensive understanding of LED are necessary to address the challenges and promote sustainable economic development at the local level in the country.

(iv) Complex regulatory environment affecting business facilitation

The slow economic growth experienced in South Africa over the last ten years can be attributed to several underlying structural factors that have hindered the country's competitiveness in the global market and discouraged investment (RSA, 2020b). Alongside these structural issues, regulatory constraints, policy uncertainty, and an economy marked by high concentration and inequality have further contributed to the challenges (RSA, 2020b). To achieve economic growth and foster transformation, it is crucial for the country to implement rapid policy and regulatory reforms. These reforms could play a significant role in unlocking the untapped potential of the economy and reducing transaction costs (RSA, 2020b). By facilitating increased investment and reducing market prices through the removal of entry barriers, the reforms will encourage greater competition, thereby promoting economic diversification. In the local context, LED plays a crucial role in mitigating the impact of the country's economic vulnerability and promoting business development. However, the complex regulatory environment often results in excessive administrative procedures and requirements for businesses. This administrative burden increases the time, effort, and costs involved in starting and operating a business, thereby impeding business facilitation (World Bank Group, 2020a). To support this point, the OECD (2020) found that fragmented regulatory frameworks with overlapping jurisdictions and multiple regulatory agencies add a lot of complexity to the business environment, as businesses often need to comply with regulations from various government departments and agencies, leading to confusion and inefficiencies. Furthermore, compliance with a wide range of regulations and requirements is found to impose additional burdens and costs on businesses. Meeting regulatory standards related to labour, the environment, health, safety, taxation, and other areas, can be time-consuming and resource-intensive, especially for small and medium-sized enterprises (SMEs) with limited capacities (OECD, 2020). When it comes to complying with lengthy regulations, businesses are frequently required to devote a substantial portion of their resources to tasks such as getting licenses and permits, as well as satisfying regulatory criteria. According to the World Bank Group (2020a), SMEs, as well as start-ups, may find it particularly difficult to meet this compliance expenditure. The process of applying for permits and licenses can be expensive and time-consuming, as businesses are required to provide the same information to multiple government entities.

According to the International Labour Organization (ILO, 2021), the involvement of different government departments and officers in various steps often leads to a lack of awareness about the overall complexity of the process, while inconsistent enforcement and interpretation of regulations across different jurisdictions and sectors adds more complexities

and increases compliance challenges. Consequently, complex regulations and overlapping regulatory frameworks create compliance challenges for businesses. Understanding and complying with multiple regulations can be burdensome, particularly for SMEs with limited resources and capacity (Bagus, Hall, Jeena & Sari, 2020; World Bank Group, 2020a). Furthermore, small businesses in South Africa often grapple with over-regulation and unnecessary bureaucratic burdens. These excessive regulations impede entrepreneurial activities, stifling innovation and hindering business growth. Thus, complex regulations can be a barrier to business entry and expansion, particularly for new entrepreneurs and international investors. Complicated procedures and restrictions make it harder for enterprises to set-up and scale-up operations, inhibiting entrepreneurship and economic progress (Bagus et al., 2020; World Bank Group, 2020a).

Streamlining regulatory processes and reducing red tape can create a more favourable environment for small businesses to thrive (Bowmaker-Falconer & Herrington, 2020:37). By focusing on simplifying regulatory environments for effective business facilitation, municipalities can thus promote economic growth, attracting investments and creating job opportunities at the local level that can help boost the overall economic resilience of local communities. These efforts can contribute to diversifying the economy, reducing dependence on specific sectors, and attracting new sources of revenue. Fostering a conducive business environment and supporting local businesses can help alleviate the effects of the country's stagnant economic growth and work towards economic recovery and stability. Addressing these challenges thus requires municipalities to streamline and simplify regulatory processes, improve regulatory clarity and consistency; enhancing co-ordination among regulatory bodies; and provide businesses with better access to information and support services.

3.4.2 Infrastructure challenges

In recent decades, there has been a growing adoption of collaborative approaches to economic development, aimed at addressing complex issues that cannot be solved by individual organisations alone (Chen, 2022). The decentralisation reforms of the past century have resulted in fragmented government authority, both in urban and rural areas, creating challenges for LED. This fragmentation has led to competition and negative spillover effects to rural areas, while the presence of overlapping services and infrastructure in metropolitan areas has led to inefficiencies, poor service delivery, and industry dissatisfaction (Chen, 2022:15). In South Africa, infrastructure and resource challenges are among the key obstacles to fast-tracking LED in the country (Nyawo & Mashau, 2019:220). Inadequate and poor physical infrastructure, such as inadequate road networks, unreliable power supply,

and insufficient water and sanitation services, hinders economic growth and development (Nyawo & Mashau, 2019:220-221). This makes it difficult to attract investment, create jobs and promote business development, and undermines productivity in local areas. Investing in infrastructural development is, therefore, crucial for creating sustainable employment opportunities and alleviating poverty within communities. A well-developed infrastructure provides a solid foundation for economic growth and social progress. However, inadequate infrastructure remains a significant challenge, particularly in rural areas of South Africa (Nyawo & Mashau, 2019:217). Rural areas in South Africa encounter various obstacles that impede development and hinder the progress of infrastructural projects. These areas often face high levels of poverty and unemployment, exacerbating social and economic inequalities. Limited access to basic services and inadequate infrastructure further compounds the challenges faced by these communities (Nyawo & Mashau, 2019:217).

One of the biggest threats to business development and attracting investment to the country is the energy crises, rooted in the failing energy infrastructure. The country has faced challenges in meeting the growing demand for electricity due to limited generation capacity (Makgopa & Mpetsheni, 2022:1-2). The Public Servants Association (PSA, 2015) cites aging power plants, delays in new plant construction, and maintenance issues, as major contributors to the supply and demand gap, leading to the need for the country to implement load shedding. Furthermore, years of underinvestment and deferred maintenance have resulted in a higher risk of breakdowns and unplanned outages, necessitating load shedding to prevent a complete system failure (PSA, 2015). Along with this, argued Mbomvu, Hlongwane, Nxazonke, Qayi and Bruwer (2021:5), are Eskom's financial and operational challenges, including allegations of corruption and mismanagement, that have also contributed to the load shedding problem. These systemic and governance issues have hampered the utility's ability to effectively address and mitigate the causes of load shedding (Mbomvu et al., 2021). Load shedding, which is the purposeful restriction of electricity supply by Eskom to prevent a total collapse of the national power grid, has substantial effects on the growth of the South African economy at the local level (Makgopa & Mpetsheni, 2022; Mbomvu et al., 2021). Businesses, particularly those that rely significantly on power, often experience disruptions to their routine operations as a result of load shedding. According to Mbomvu et al. (2019), businesses in a variety of sectors, including manufacturing, mining, retail, and hospitality, suffer from interruptions in output, decreased productivity, and revenue losses. Load shedding has far-reaching consequences for the economy of the country, affecting not only food security and mobile networks, but also businesses and industries (Businesstech, 2022). Small businesses use the municipal grid, rather than Eskom's grid, and are unable to negotiate preferential rates with the utility company. Furthermore, SMEs

often cannot afford the backup generators or solar system installations that larger enterprises may use to lessen the effects of power outages. As such, load shedding imposes substantial costs on small businesses (Businesstech, 2022; Mbomvu et al., 2021).

A steady flow of power requires both sufficient producing capacity and a solid transmission and distribution network. A growing number of blackouts at the local level are attributed to the fact that nearly half of South Africa's energy is distributed by municipalities (NPC, 2012). Theft and vandalism of power wires and transformers, and sabotage and fraud (RSA, 2022), as well as electricity theft through unauthorised connections and tampering with metres, are growing problems that result in Eskom and municipalities losing a staggering amount of money (NPC, 2012). This directly affects municipal revenue, their ability to facilitate LED and their ability to attract and retain investment within their municipalities. It is, therefore, important to note that load shedding is a complex issue influenced by various interconnected factors. This requires long-term planning; increased investment in infrastructure; diversification of the energy mix; improved governance and management practices; and increased co-ordination between stakeholders involved in the electricity sector (Public Servants Association, 2015; RSA, 2020b, 2022). Furthermore, to address these infrastructure challenges, municipalities need to strengthen their ability to plan, deliver, operate, and maintain infrastructure. This involves developing robust strategies, utilising appropriate technologies, and building skilled teams to ensure efficient infrastructure development (Municipal Demarcation Board, 2018; RSA, 2020b, 2022). In addition, there is a need for municipalities to prioritise improving the quality of new infrastructure, while also addressing the challenges posed by aging infrastructure. This involves regular maintenance, repairs, and upgrading of infrastructure (Municipal Demarcation Board, 2018).

With the increasing importance of the digital economy, digital infrastructure is becoming more critical for LED. The country lags behind in terms of its ICT skills base, in both the education system and the professional sector. While the country possesses untapped potential in terms of ICT capacity, it has yet to be fully realised on a national scale. Furthermore, Baskaran (2021:3-4) found that, in many parts of the country, access to high-speed internet and other digital infrastructure is limited, particularly in rural areas and townships. As with other infrastructure gaps, the digital divide is a direct reflection of the systemic and ingrained inequality in South Africa (Baskaran, 2021:3). Effective communication plays a fundamental role in building an inclusive market economy, promoting citizen engagement, and bridging the gap between those who can access services and those who cannot (Aruleba & Jere, 2022; Baskaran, 2021). The digital divide extends beyond mere disparities in technology access; it includes exclusion from vital services,

education, and economic opportunities (Aruleba & Jere, 2022; Baskaran, 2021; NPC, 2020a; NPC, 2020b). Furthermore, entrepreneurs face significant challenges, one of which is the relatively high data costs in the country. This issue is particularly crucial to address, because the digital economy offers numerous entrepreneurial opportunities. The cost of data can limit access to online platforms, e-commerce, and digital tools, hindering the growth and competitiveness of businesses (Bowmaker-Falconer & Herrington, 2020:45). Access to affordable and reliable internet connectivity is essential for businesses to thrive in the digital era. To address this, there is a pressing need to accelerate the digitisation of government services, bolster the ICT skills base, and increase access to digital infrastructure. Despite the sluggish economic conditions, there is a pressing need for the government to prioritise infrastructure investment. South Africa is also faced with environmental risks and the impact of climate change on LED. This includes challenges related to water scarcity, droughts, and extreme weather events, which largely affect agricultural productivity, tourism, and other sectors. Adapting to, and mitigating, these risks require investment in resilient infrastructure and sustainable resource management practices (Department of Environment, Forestry and Fisheries, 2018). Governments are, therefore, tasked with the responsibility of providing the necessary resilient economic infrastructure, such as reliable electricity and water, transportation networks, and digital connectivity, which are vital for fostering innovation and competitiveness. As highlighted in the reconstruction and recovery plan, the growth trajectory of the country hinges on a significant investment in infrastructure across key sectors, such as energy, telecommunications, ports, and rail. This investment will be a driving force behind the country's economic development (RSA, 2020b). To unlock the latent potential of the nation, rapid reforms will be necessary, creating an environment that encourages innovation and growth. The success of this growth story will also depend on an efficient state that upholds clean governance principles, ensuring transparency and accountability. Moreover, the plan recognises that the growth needs to prioritise inclusivity, embrace digital advances to bridge the digital divide, and ensure equitable access to opportunities. Sustainability would be a fundamental pillar of this growth, with a focus on environmentally friendly practices and green initiatives that promote a sustainable future (RSA, 2020b).

3.4.3 Leadership and governance challenges

The metrics used to assess the efficacy of municipal governance are contingent upon the development trajectory of a given nation. In South Africa, the assessment of effective governance at the municipal level is primarily focused on key factors such as democratic decision-making; transparency; public participation; consultation; and enhanced service

delivery (Netswera & Phago, 2011). In the context of democracy, the presence of corruption and poor governance at the municipal level emerges as a significant threat to effective leadership (Mchunu & Dlamini, 2020). The impediments to expediting LED in South Africa thus include significant inadequacies in leadership and governance. The challenges include various factors, such as political instability and corruption; the absence of effective leadership and vision; inadequate stakeholder engagement; limitations in capacity; insufficient accountability and transparency; and inadequate collaboration and co-ordination (Mchunu & Dlamini, 2020; Reddy, 2018). The municipal functionaries within the local government sphere exhibit a notable deficiency of ethical conduct, integrity, and good governance. According to Reddy (2018:719), there is a common perception that they are unresponsive, dismissive, and corrupt. The aforementioned assertion is substantiated by a multitude of studies and reports that underscore the pervasiveness of unethical behaviours within municipal administrations (Reddy, 2018). The lack of leadership and a dearth of strategic foresight, at both the national and local spheres, may impede the efficient formulation and execution of LED initiatives (Makhaye et al., 2021). This phenomenon can lead to a lack of co-ordination, and fragmentation, as well as an inability to effectively prioritise and allocate resources. According to Shava and Hofisi (2019:14), there is evidence of incoherent leadership within municipalities. This incoherence can be attributed to two main factors: the structural division of responsibilities, and partisan bias. These factors have been found to impede the effectiveness of governance and decision-making processes. In order to enhance effective leadership, it is therefore, imperative to cultivate a co-operative and impartial methodology that prioritises the optimal welfare of the institution or governance structure and its constituents. Reports and scholars often attribute the instability observed within municipal administrations, which in turn, affects governance, to the inadequate collaboration and communication between politicians and appointed staff (Mohale, 2018:4-5). Furthermore, political interference has significantly impacted the governance in South African municipalities, resulting in various challenges, including inefficient allocation of resources, favouritism in employment practices, and inadequate management of financial resources (Civil Engineering, 2019; Glasser & Wright, 2020; Mchunu & Dlamini, 2020). One prominent scandal concerned the allocation of funds by North West municipalities to VBS Mutual Bank, thereby contravening the Municipal Finance Management Act (Civil Engineering, 2019; Glasser & Wright, 2020). The aforementioned challenges frequently stem from inadequate governance at the political-administrative interface, which delineates the duties and obligations of political representatives and administrative personnel within local government entities (Civil Engineering, 2019).

The objective of a study conducted on behalf of the Local Government Sector Education and Training Authority (LGSETA), and referenced in Civil Engineering (2019), was to gain insight into the perspectives of municipal employees and external stakeholders regarding the management of the political-administrative interface in local government. The results of the study indicated that a majority of participants (56.6%) held the perception that the staff members were insufficiently safeguarded against political influences. The political intervention affected various aspects, such as procurement; recruitment; staff disciplinary measures; and training and development. The significance of addressing the political-administrative interface was acknowledged by a majority of the respondents (94.3%), as it was recognised that an inefficient interface could result in corruption, an unethical corporate environment, and inconsistent policy implementation (Civil Engineering, 2019). The indications of ineffective governance can be witnessed across multiple domains, encompassing insufficient economic growth and underdevelopment; an escalation in debt obligations; heightened levels of corruption and fraudulent activities; compromised institutional frameworks; concerning crime rates; difficulties in providing public services; and occurrences of public demonstrations (Coetzee, 2017; Glasser & Wright, 2020). South Africa has garnered the title of “protest capital of the world”, as a result of the surge in protests about inadequate service provision (Mchunu & Dlamini, 2020:69), which can be attributed to weak governance and sluggish growth in the economy. Numerous scholarly investigations have underscored the favourable correlation between effective governance and economic growth and development (Hossain & Roy, 2019). The adverse effects of weak governance and pervasive corruption on government revenues result in inadequate utilisation of funds and impede the country's potential for economic growth (Coetzee, 2017; Hossain & Roy, 2019). While the subject of governance, and its influence on development, has been extensively analysed at national level, there has been a recent shift in research focus to the examination of local governance and its relationship with LED (Hossain & Roy, 2019). In his work, Coetzee (2017) discusses a number of significant obstacles that impede effective governance. The challenges in this context include unregulated migration and lawlessness; insufficient communication; a dearth of accountability; strained relationships between communities and political officials; deficient financial management; limited capacity to deliver services; internal and external political conflicts; inefficient utilisation of supplies and resources; and a general lack of competence. The presence of these various factors collectively contributes to the intricate nature of, and deficiencies observed in, governance systems throughout the continent, which are often accompanied by instances of political instability. The lack of proficient leadership and interpersonal skills in a diverse organisational setting can pose considerable obstacles. According to Mohale (2018:6), the

presence of inadequate interpersonal skills, in conjunction with turf disputes between different offices, can lead to the emergence of divisions within a collective of political leaders.

The legacy of political instability inherited from the apartheid regime has contributed to an increase in political violence in South Africa. The South African Local Government Association (SALGA, 2019) found that, even after twenty-five years of democratic governance, the country is witnessing a rise in political violence, specifically targeted at individuals involved in local government. This includes councillors, municipal managers, senior municipal officials, and members of ward committees (SALGA, 2019). The alarming aspect is that such violence is often accompanied by property damage, further exacerbating the challenges faced by municipalities. The destruction of property undermines the institutional performance and functionality of municipalities (SALGA, 2019:21). This situation poses significant obstacles to effective governance and development efforts at the grassroots level. Another study conducted by SALGA (2019) found that the presence of poor socio-economic conditions has a significant impact on the competition for positions as a means of accessing control over social, political, and economic resources. In contexts where socio-economic disparities are prevalent, there tends to be intense contestation for political positions (SALGA, 2019). This competition often leads to instances of political violence, which can be perpetuated by different political parties, or even individuals within the same party (SALGA, 2019). The study further finds that the underlying reasons for this political violence are rooted in the link between socio-economic factors and political dynamics. High levels of income inequality and limited access to socio-economic opportunities can erode political legitimacy, especially when marginalised groups feel excluded from the benefits of governance. In such situations, various factions or interest groups may resort to violence as a means of challenging or removing the existing government to gain control over resources and power (SALGA, 2019). This dynamic of political violence driven by socio-economic conditions underscores the complex interplay between social, economic, and political factors in societies. It highlights the importance of addressing underlying socio-economic disparities, and promoting inclusive governance systems that ensure equal access to resources and opportunities. By reducing income inequality, enhancing socio-economic development, and fostering political legitimacy, societies can mitigate the drivers of political violence and promote peaceful and stable governance (SALGA, 2019:21). Addressing and mitigating this political violence is crucial to ensure stable and effective local government operations. It requires a multi-faceted approach, involving political leaders, law enforcement agencies, community organisations, and civil society (SALGA, 2019; Reddy, 2018). Restoring trust, promoting dialogue, and addressing the root causes of this violence are essential steps in building a more inclusive, peaceful, and functional local government system in South Africa.

Efforts to combat corruption, promote transparency, and strengthen accountability mechanisms are crucial to improving the performance and reputation of local government institutions. It requires the implementation of robust anti-corruption measures, the promotion of ethical behaviour among municipal functionaries, and the establishment of effective systems for citizen engagement and oversight (Reddy, 2018:719).

3.4.4 Socio-economic challenges

South Africa is similar to other developing nations in terms of poverty, unemployment, and inequality (Shava & Hofisi, 2019:2). Notwithstanding the advances achieved subsequent to the end of apartheid, specific sectors of society, particularly those historically disadvantaged, persistently encounter obstacles in their attempts to enhance their socio-economic circumstances (Mlambo, Mubecua & Mbatha, 2023:700). These include restricted availability of employment prospects, insufficient provision of crucial services such as healthcare, education, and housing, and persisting income disparities. Socio-economic challenges pose significant barriers to expediting LED within the country. Prominent among these challenges are poverty, unemployment, and inequality, which are especially and increasingly prevalent in townships and rural areas (Shava & Hofisi, 2019; Nyawo & Mashau, 2019). The success of LED initiatives relies on a number of crucial elements, namely political stability, good governance, and a well-defined municipal vision. According to Reddy (2018), the incorporation of these elements is crucial in order to obtain favourable results that can improve the economic situation in municipalities and effectively address urgent issues such as unemployment and poverty. Unemployment is a significant socio-economic predicament in South Africa, as evidenced by an official unemployment rate exceeding 30% (Statistics SA, 2023). High levels of unemployment frequently give rise to protests, criminal activities, and various societal issues, while also constraining economic expansion and development. Another pressing concern pertains to the escalating disparities between various segments of society. Although certain individuals and groups have witnessed enhanced living conditions and economic well-being, a significant portion of the populace continues to be ensnared in poverty and lacks access to fundamental resources and opportunities (Makhaye et al., 2021:288-290). Stoddard (2022), in his *Daily Maverick* article, highlighted the negative impact of unemployment, which is undoubtedly a major cause of the recent societal instability in South Africa, to investment in the country. The most recent publication follows a World Bank assessment that declared South Africa to be the most unequal nation in the world (Stoddard, 2022). The economy's inability to generate jobs at a rate that keeps up with population growth is a major factor in this worrisome state of affairs; along with other issues, including rising input costs, and an inadequate transportation infrastructure, including roads,

railways, and ports, which constrains the growth of industries. More generally, the entire economy is being stifled by deteriorating infrastructure and poor service delivery. The increasing disparity in wealth distribution presents a substantial challenge to better social cohesion and the promotion of long-term, sustainable progress within the country. Despite a multitude of development initiatives, the issue of poverty remains a persistent challenge in developing countries. The aforementioned circumstances have led governments to reconsider the strategies they have implemented to address the development bottleneck (Azunu & Mensah, 2019:406).

Successful LED outcomes necessitate the presence of political stability, effective governance, a well-defined municipal vision, and the prioritisation of economic development as a local agenda. According to Reddy (2018), these elements serve as a fundamental basis for achieving sustainable economic development, alleviating poverty, and effectively tackling the various challenges encountered by municipalities. Scholarly literature often presents LED as a way to create employment opportunities for individuals residing in a particular geographic area. Azunu and Mensah (2019:408-409) argued that the purpose of this initiative extends beyond the mere creation of employment opportunities. Its overarching goal is to effectively address poverty alleviation and foster equitable distribution of resources and opportunities among all individuals within the local community. Furthermore, LED entails a holistic approach to the development process, encompassing not only the economic and physical dimensions of a given locality, but also extending to other aspects. Thus, the authors acknowledged the importance of social, cultural, and institutional factors in influencing the development path of a specific geographic area (Azunu & Mensah, 2019:408-409). Abutabenjeh et al. (2022:13) argued that radical transformation can provide the impetus for the change needed to create sustainable and inclusive economies. Thus, radical transformation involves fundamentally changing the way society operates, with the goal of creating more equitable and sustainable systems. In the context of LED, this might involve creating new economic systems that prioritise sustainability and inclusivity, such as green energy, sustainable agriculture and the development of local supply chains which are cognisant of the different social and cultural factors.

The notion of a developmental local government recognises the importance of forging partnerships with the private sector in order to stimulate employment prospects through investment. The need to improve the local environment through the establishment of essential infrastructure as a precondition for attracting investments is recognised (Mohale, 2018:4). The implementation of improvements in infrastructure has the potential to effectively address the socio-economic issues experienced by a community, such as economic

inequalities, poverty, and unemployment, while simultaneously promoting economic development. Therefore, it can be argued that infrastructure plays a pivotal role in facilitating favourable outcomes and progress within a given society (Nyawo & Mashau, 2019:219). According to Shava and Hofisi (2019:2), the implementation of developmental local government by the state was intended to facilitate the collaboration between local governments, community members, and organisations in order to address enduring social, economic, and other associated, needs through the identification of sustainable solutions. However, the success of government-implemented co-operative strategies aimed at enhancing the quality of life for individuals residing in economically disadvantaged regions has been limited, as indicated by the findings of Shava and Hofisi (2019). The study's results unveiled a wide range of factors that have an impact on the effectiveness of co-operatives as tools for promoting LED. The notable challenges identified in the study conducted by Shava and Hofisi (2019) include poverty; unemployment; limited government funding; restricted market access; insufficient expertise; and inadequate monitoring and evaluation of co-operative initiatives. The persistent challenges faced by a significant portion of the population in meeting fundamental human needs indicate that the eradication of poverty in all its forms is expected to continue as a significant concern for humanity throughout the twenty-first century (Azunu & Mensah, 2019:408). Therefore, the concept of sustainability has emerged as a significant catalyst for promoting economic development at the local level. The United Nations (2015) asserts that the achievement of sustainable economic growth is imperative in order to effectively mitigate poverty, foster social inclusion, and safeguard the environment. Within the context of LED, the challenge at hand may include the growth of sustainable practices; including, but not limited to, resource efficiency, clean energy utilisation, and sustainable transportation. Such efforts have the potential to generate novel business prospects and bolster economic competitiveness.

According to the National Planning Commission (NPC, 2020a:30), the existing trajectory of economic growth in the country is inadequate to produce the requisite employment opportunities to effectively address the issues of unemployment and poverty. In a recent study conducted by Abutabenjeh et al. (2022:4), the authors examined the unemployment rate as one of the proxies for LED and found compelling evidence supporting its significance as an economic indicator that is closely associated with recessions. On the other hand, higher rates of employment serve as a reliable indicator of both regional and national economic expansion and prosperity (Abutabenjeh et al., 2022:5). In order to effectively stimulate economic growth, municipalities could consider implementing tax incentives for newly established enterprises, along with employing their expertise to promote the principles of public interest by engaging in LED initiatives aimed at addressing issues of social equality,

enhancing operational efficiencies and efficacy, and fostering the establishment of resilient communities (Abutabenjeh et al., 2022:4). Developing critical capabilities across human, physical, institutional, and financial domains is crucial to drive inclusive and sustainable economic growth, reduce inequality, and alleviate poverty in the country. However, this will be difficult to achieve, as the economic crisis in country was exacerbated by the COVID-19 pandemic and pre-existing economic difficulties. The pandemic had a substantial influence on the most susceptible groups among the population, specifically those who were already facing economic challenges (RSA, 2020b). The individuals in question experienced a direct impact on their livelihoods, which resulted in an elevated susceptibility to descending deeper into poverty and encountering heightened levels of uncertainty in their daily lives. The extensive disruptions caused by the pandemic, such as the implementation of lockdown measures and the closure of businesses, resulted in significant job losses, decreased incomes, and restricted availability of essential services for a substantial number of individuals in the country. The aforementioned challenges have disproportionately impacted the most economically disadvantaged communities, thereby intensifying pre-existing disparities and further widening the socioeconomic divide between affluent and impoverished populations (RSA, 2020b).

South Africa, as the most industrialised nation on the African continent, has encountered considerable obstacles pertaining to its infrastructure networks, as a result of a prolonged period of neglect, inadequate maintenance, and insufficient allocation of financial resources (Makhathini, Mlambo & Mpanza, 2020:102). The absence of sufficient investment has had adverse consequences on the country's economic development. Hence, it is imperative for South Africa to acknowledge the significance of infrastructure development in achieving socio-economic advances (Makhathini et al., 2020). Insufficient infrastructure is a significant obstacle in the provision of crucial services, including healthcare, education, and transportation, thereby exacerbating the marginalisation experienced by rural communities (Nyawo & Mashau, 2019:220-221). According to Makhathini et al. (2020:104-105), these factors are obstacles to economic growth, they hinder social development, and contribute to the persistent disparities between rural and urban regions. The prioritisation of infrastructural development in rural areas holds significant importance in addressing socio-economic disparities, mitigating poverty levels, and fostering opportunities for sustainable development. Consequently, investing in rural infrastructure aligns with broader development goals, including the United Nations' Sustainable Development Goals (SDGs). These goals emphasise the importance of ensuring inclusive and sustainable economic growth for all, leaving no one behind. In summary, the socio-economic challenges associated with fast-tracking LED in South Africa include poverty and inequality; unemployment; skills

development; infrastructure; health and well-being; gender inequality, and environmental degradation. Addressing these challenges will require a co-ordinated effort from government, the private sector, and other stakeholders, as well as a commitment to promoting inclusive and sustainable economic growth and development. This may involve initiatives such as investing in education and skills development, promoting gender equality, and promoting sustainable environmental practices.

3.4.5 Risks associated with pandemics and economic uncertainties

According to Makhathini et al. (2020:115), the future economic trajectory of South Africa is characterised by uncertainty, primarily influenced by factors such as sluggish growth, corruption, and the decline of state-owned enterprises. In the absence of addressing these challenges, South Africa will encounter difficulties in establishing LED as a viable strategy for generating revenue and mitigating poverty, irrespective of the provision of infrastructure and financial assistance. In April 2017, South Africa exhibited a notable degree of economic susceptibility, as its economy was downgraded to 'sub-investment', commonly known as 'junk status', by two different rating agencies within the span of one week. In addition, in 2020, President Cyril Ramaphosa officially proclaimed a National State of Disaster on 15 March, in accordance with the provisions outlined in the Disaster Management Act of 2000. This declaration was made in response to the worldwide pandemic and aimed to effectively limit its impact. Following this, the President declared a Level 5 lockdown in the nation, which would last for a period of 21 days, commencing at midnight on 26 March 2020, and ending on the 16 April 2020. This decision was implemented as a preventive measure, aimed at mitigating the transmission of the disease within the country. However, the duration of the stringent lockdown was extended to 35 days, during which all non-essential services were compelled to cease operations. The aforementioned actions resulted in significant ambiguity regarding the nation's economy, with potentially enduring consequences, and putting an additional strain on the socio-economic and economic circumstances in the country. The global health crisis engendered a considerable degree of unpredictability among many people and concurrently exacerbated existing disparities. South Africa's persistent status as one of the most unequal societies, globally, has posed significant challenges in effectively addressing the repercussions of the pandemic (Habib, 2020:1). Prior to the implementation of the lockdown measures, the nation was already facing an economic downturn, characterised by negative growth rates. According to Habib (2020:1-2), it can be argued that the measures implemented to contain the transmission of the disease within the nation may have resulted in unintended consequences, disproportionately affecting individuals from lower socioeconomic backgrounds. The implementation of the

lockdown measures resulted in a rise in both unemployment rates and poverty levels, accompanied by a widening of income inequalities (Garidzirai, 2020). According to the International Monetary Fund (2021), there has been a more pronounced decrease in employment within sectors, characterised by a greater concentration of younger or less skilled workers. The impact on the trade and tourism sectors was particularly severe, affecting nearly all sectors of the economy. The crisis had a disproportionate impact on specific sectors, as evidenced by a multitude of adverse consequences. The local economy has thus experienced significant negative impacts, particularly in the tourism sector, which has been identified as one of the most severely affected industries within the nation (Rogerson & Rogerson, 2020:383). Despite the tourism sector demonstrating a certain degree of resilience on a global scale in recent years, the COVID-19 pandemic has had profound and detrimental effects on the tourism economy (Rogerson & Rogerson, 2020:383).

According to the OECD (2021:18), there was a projected decrease of 60% in global tourism in 2020. Furthermore, it was anticipated that this reduction could potentially reach 80% if there had been any delays in the recovery process extending until the end of the year. According to Rogerson and Rogerson (2020:1083), South Africa, as a tourism destination, was significantly, and negatively, impacted. The tourism industry plays a significant role in providing employment opportunities across different skill levels and levels of experience, thus promoting greater social inclusivity (Glocker & Haxton, 2020:24). Similarly, the presence of small businesses and the informal economy in the nation significantly contribute to the generation of employment opportunities and local economic growth. The pandemic had a substantial impact on small businesses and individuals engaged in the informal sector, as stated by the World Bank Group in 2020. As noted by Ertel (2021), small businesses are currently confronted with additional challenges in addition to the pre-existing issues they faced prior to the onset of the pandemic. The challenges arising from the pandemic involved both tangible and intangible obstacles, as stated by Ertel (2021:8). The sentiments and conspiracy theories surrounding the implementation of COVID-19 containment measures and vaccination initiatives were bound to affect the nation's capacity to effectively combat the transmission of the disease and mitigate the emergence of viral mutations.

The present economic underperformance and slow recovery of the nation are anticipated to lead to a substantial increase in poverty rates, an escalation and deepening of reliance on social welfare initiatives, and a persistent upward trajectory in levels of unemployment. This situation was a cause for concern for municipalities, as they are the governing bodies closest to local communities and are responsible for aiding in the process of recovery. South Africa

demonstrated a commendable level of promptness in its response to the pandemic, as evidenced by its swift implementation of various measures such as lockdowns, travel and movement restrictions, and the enforcement of mask-wearing and social distancing protocols. Nevertheless, the actions implemented in response to this pandemic had significant, large scale economic and social ramifications for both the nation and local governments. According to the South African Local Government Association (SALGA, 2020), municipalities were expected to face various challenges including debt management, local economic development, service delivery, governance, and meeting legacy expectations. In relation to debt management, it was expected that municipalities would experience difficulties in recovering costs associated with services provided, leading to a rise in outstanding debt that would impact their ability to deliver services effectively. The challenges anticipated in LED involved a reduction in employment, a decline in household wages, and an upsurge in the number of impoverished households. These circumstances were likely to contribute to heightened levels of unemployment and severe poverty. The redeployment of resources in response to managing COVID-19 had a significant impact on service delivery. It was anticipated that this would result in ongoing challenges regarding service delivery expectations after the COVID-19 pandemic (SALGA, 2020). In a study conducted by the Department of Planning, Monitoring, and Evaluation (DPME) in 2020, various obstacles were identified that affected municipalities in South Africa as a result of the COVID-19 pandemic. The challenges included a rise in unemployment; non-payment of municipal service fees by businesses and households; an increase in unauthorised electricity connections; staff absenteeism; and inadequate planning and budgeting by municipalities due to the diversion of funds originally allocated for other purposes to address the COVID-19 pandemic. These challenges had significant consequences for local municipalities, establishing a downward cycle that contributed to the escalation of municipal debt. De Villiers, Cerbone and Van Zijl (2020:805) argued that, although it was commendable that efforts to control the transmission of the disease and prioritise human life were implemented, they carried potential risks in terms of economic stability and certainty. The authors contended that government's response to the economic impact of COVID-19 was notably sluggish in comparison to its initial efforts to address the health-related aspects of the pandemic.

The task of effectively managing public expectations amidst the ongoing pandemic posed a significant challenge for the majority of municipalities, given the persistent depletion of resources. Since the declaration of the COVID-19 pandemic, the national government allocated a sum exceeding R5 billion in order to provide financial assistance to municipalities in their efforts to combat the aforementioned crisis. The purpose of this measure was to empower municipalities to offer additional essential services to marginalised communities

and to conduct thorough sanitation of public facilities during the various stages of the lockdown (South African Government, 2020). The reallocation of funds, including the MIG funding, without adequate planning to ensure that the projects effectively addressed the pandemic and recovery efforts, posed a risk to service delivery and LED. According to SALGA (2020), it was expected that municipalities would need assistance in addressing governance concerns, such as expediting the implementation of comprehensive Information Technology (IT) systems, managing debt, and receiving guidance on service delivery support, as well as advice on development planning and re-prioritisation. Hence, it is imperative to establish institutional frameworks that can provide support to municipalities in effectively addressing and managing the impacts of the post-COVID-19 era.

3.4.6 Strategies and opportunities for municipalities to overcome persisting challenges

In light of the significant and complex challenges encountered by municipalities, there is, and remains, a growing imperative for local government to enhance its level of responsiveness and transparency (Ramírez de la Cruz, Grin, Sanabria-Pulido, Cravacuore & Orellana, 2020). According to Azunu and Mensah (2019:406), despite the implementation of various development interventions, poverty remains a significant obstacle in developing nations. This has led governments to reconsider their strategies for addressing the existing development deficit. Considering the circumstances mentioned above, various spatial strategies, such as local coping strategies, self-sufficiency, reliance on the informal sector, and the concept of 'development from within', have emerged as feasible alternatives to LED (Azunu & Mensah, 2019:406). The imperative for achieving inclusive economic growth and spatial transformation, ensuring good governance and resilience, and promoting financial sustainability at the local government sphere is evident. Therefore, it is imperative for local governments to prioritise the cultivation of innovative practices; enhance their utilisation of data intelligence; invest in research and knowledge management; foster capacity building initiatives; and fortify intergovernmental relations and partnerships. According to SALGA (2020), the implementation of these approaches will facilitate the transformation of municipalities into organisations that are focused on innovative problem-solving and continuing learning. In order to effectively respond to evolving circumstances, municipalities must improve their operational efficiency, expedite their decision-making processes, and foster collaborative efforts. This would facilitate a greater level of local awareness and adaptability, thereby generating prospects for municipalities to enhance their resource efficiency. Hence, it is imperative to have robust leadership within the public sector in order to combat these challenges, and potential future pandemics, and facilitate the efficient

delivery of public services. In accordance with the findings of Marks-Bielska et al. (2020:324), the presence of an effective local government is deemed necessary. This not only showcases the capacity to effectively address external factors, but also optimises opportunities, while mitigating potential risks. In order to accomplish this objective, it is recommended that local authorities focus their efforts on harnessing their internal capabilities and optimising the utilisation of pro-development instruments. These strategies may include providing investors with incentives in the form of reduced local tax rates; establishing partnerships with private sector entities; improving technical and social infrastructure; fostering collaboration with business-sector institutions; and strengthening ties with local and regional governments. By implementing these measures, municipalities can actively contribute to the promotion of LED.

While it is noted that the financial health of municipalities in South Africa remains a significant challenge, with many struggling to balance their budgets and meet their financial obligations, addressing these challenges will require a concerted effort from both government and the private sector, including investment in financial management capacity, improved revenue collection, and increased access to financing. Furthermore, municipalities must collaborate with a diverse range of social actors to create new technologies and strategies that generate and enhance collective benefits (Ramírez de la Cruz et al., 2020:686-687). Although the challenges of job losses, skills shortages, and poor infrastructure plague municipalities, opportunities exist to reskill the workforce; diversify skills offerings, such as digital skills; and fast-track investment in infrastructure. A strong and sustained recovery can be assisted by high levels of technology diffusion; and with the correct institutions and innovative policies to create suitable business-friendly environments that support economic development (SALGA, 2020). Science, technology, and innovation (STI) were critical in the response to the COVID-19 pandemic (OECD, 2021). Thus, the OECD (2021:3) suggested that government interventions should not only focus on addressing short-term financial challenges, but should also be accompanied by: an accelerated spread of technology in support of an inclusive digital transformation; the fostering of an environment and incentives conducive to innovation and the growth of start-ups, as well as to the entry of potential entrepreneurs; the fostering of an entrepreneurial environment conducive to exploration and resource redistribution; and assisting workers in transitioning to new jobs, particularly those from more disadvantaged groups. This will ensure that response and recovery is inclusive, bridging existing urban-rural divides and enhancing resilience, whilst establishing a foundation for structural reform. Moreover, de Villiers et al. (2020:807) suggested additional measures that government can use to stimulate the economy that do not need substantial cash investments, including: stable

regulatory environments throughout all industries; reduced red tape burdens on businesses; assurances regarding property rights protection; assurances regarding transformation targets and regulations; decreased public sector corruption; and strengthened law enforcement and court systems.

The global pandemic created opportunities for municipalities to reflect on how they do things and to shift to locally-led responses through participatory and inclusive methods. Thani (2020:261) argued that, on the continent, the pandemic created an opportunity for innovation that would fast-track public service delivery. Likewise, Cilliers, Oosthuizen, Kwasi, Alexander, Poee, Yeboua and Moyer (2020:2) agreed, adding that, the pandemic presented an opportunity for African countries to embrace the Fourth Industrial Revolution (4IR) and boost productivity and resilience. However, within the country, embracing the 4IR is proving to be challenging, as many municipalities are still struggling with the very basics of infrastructure, along with the issues of corruption and mismanagement of funds which will leave them wanting. More than ever, the relevance of innovation is in the spotlight. The pandemic thus created a lever for municipalities to move into 4IR to strengthen good governance and resilience using the benefit of technology. This requires the transformation of municipal governance systems and processes through investing in technological products that will upgrade government procedures and processes, and to simplify public services and development in an interoperable and integrated manner. For LED to thrive, both now and in the future, municipalities need to be innovative in creating enabling environments for entrepreneurial opportunities that are innovative, by increasing connectedness. This requires them to utilise this opportunity to enhance the digitisation of their economies, and to increase their resilience, efficiency and capacity to benefit in the 4IR environment.

3.5 CONCLUSION

The planning of LED is significant within the framework of South Africa's overarching national development strategy. The process entails establishing a conducive atmosphere for economic expansion and development at the regional level, with an emphasis on generating employment opportunities, mitigating poverty, and fostering social inclusivity. Nevertheless, and notwithstanding considerable initiatives to advance the adoption of LED in the country, there exist various obstacles that persistently impede its efficacy. Numerous municipalities in South Africa face a dearth of essential resources, including financial and human capital, which hinders their ability to execute LED initiatives proficiently. This constrains their capacity to allocate resources to infrastructure development, give assistance to businesses, and foster investment activities. The effectiveness of LED initiatives can be hindered by the limited capacity and skills of local government officials responsible for LED planning. South

Africa exhibits notable regional disparities in economic development, where certain regions demonstrate substantial economic growth, while others persistently lag behind in terms of development. This presents difficulties in the implementation of a universally applicable strategy for LED planning. Frequently, a lack of co-ordination is observed between various spheres of government, as well as between governmental entities and other relevant actors, leading to the duplication of activities and inadequate allocation of resources.

Involvement of the community is of the utmost importance in the achievement of LED initiatives, as it guarantees that these initiatives are in accordance with the prioritised needs of the local communities. Nevertheless, there is, currently, insufficient community engagement, leading to initiatives that fail to cater for the needs of the respective local communities. Corruption and mismanagement pose notable obstacles in South Africa, potentially compromising the efficacy of LED initiatives through the diversion of resources from their intended objectives. To summarise, the challenges encountered in the planning of LED initiatives in South Africa involve insufficient resources; restricted skills and capacity; uneven development; an absence of co-ordination; inadequate community engagement; and issues pertaining to corruption and mismanagement. Overcoming these challenges necessitates a collaborative and enduring effort from government organisations and other relevant actors, alongside a dedication to foster transparency, accountability and effective overall governance. In essence, the primary function of local government in the context of LED is to establish conditions which are conducive to fostering economic growth and development within the local jurisdiction. This could be achieved through the formulation of policies and strategies; the provision and upkeep of essential and innovative infrastructure and technology; the facilitation of business support services; the promotion of investment opportunities; active engagement with relevant stakeholders; and the ongoing monitoring and evaluation of LED initiatives.

CHAPTER FOUR:

LEADING LOCAL ECONOMIC DEVELOPMENT IN THE ‘NEW’ NORMAL

4.1 INTRODUCTION

This chapter focuses on the challenges in local government, necessitating them to adopt resilience strategies in order to adapt to the ‘new’ normal. It delves into the profound changes brought about by the COVID-19 pandemic, examining its impact on various facets of society and the economy. It explores how individuals, businesses and governments have adapted to the ‘new normal’, focusing on the resilience shown in the face of adversity and the innovative strategies developed to overcome unprecedented challenges. The chapter discusses shifts in organisational dynamics; the acceleration of digital transformation; changes in consumer behaviour; the impact on global supply chains; and the role of leadership when major crises affect the country.

4.2 NAVIGATING THE ‘NEW’ NORMAL IN THE POST-COVID-19 ERA

In the aftermath of the 2020 pandemic, a paradigm shift occurred, giving rise to what is commonly referred to as the ‘new normal’. The term ‘new normal’ acknowledges that the challenges we face today are not temporary or isolated occurrences but have become an enduring and pervasive part of our reality in terms of operations, processes and policies. It suggests that the current state of affairs is not a temporary anomaly, but rather a long-term and systemic condition that we need to adapt to. This ‘new’ normal is characterised by a fundamental change in the nature of these challenges, which is expected to persist and potentially become even more prevalent in the future (Mithani, 2020:510). As such, the new normal perspective implies that societies need to adapt to these changes and incorporate them into their long-term planning and decision-making processes. The COVID-19 pandemic has significantly influenced the emerging paradigm of the ‘new’ normal, introducing a notable level of uncertainty. The global health crisis has brought about an unparalleled degree of uncertainty, leading to significant disruptions in economies, industries and societies on a global scale (Chaudhary, Sodani & Das, 2020; Khambule, 2021; OECD, 2021; World Bank Group, 2020b). This uncertainty has exerted a significant influence on the development of the new normal, introducing distinct challenges and dynamics that businesses and governments must effectively manage. The pandemic has resulted in substantial economic disruptions, including recessionary conditions; heightened market volatility; disruptions in

supply chains; and fluctuating patterns of consumer demand (Chaudhary et al., 2020; Oberoi, Halsall & Snowden, 2021; World Bank Group, 2020b). The prevailing economic instability has presented governments and business alike with various obstacles pertaining to financial planning, the allocation of resources, and predictive analysis.

The pandemic has wreaked havoc on global financial markets, and dire warnings were issued about a global recession that could be far worse than the 2008 financial crisis (Oberoi et al., 2021:122-123). The current business landscape has undergone a transformation due to the emergence of the new normal environment, necessitating that organisations adjust their strategies and operations to align with the new realities (Ahlstrom, Arregle, Hitt, Qian, Ma, & Faems, 2020; Ramírez de la Cruz et al., 2020). The present environment is distinguished by notable transformations in economic, technological, demographic, and socio-political aspects (Ahlstrom et al., 2020:414). The aforementioned changes carry significant ramifications for individuals in managerial, strategic, and entrepreneurial roles, offering a distinct set of challenges and opportunities that deviate substantially from those of prior years (Ahlstrom et al., 2020:419). The occurrence of the financial crisis and pandemic over the last few years, and the subsequent consequences, have resulted in changes in consumer behaviour, market dynamics, and regulatory frameworks. Moreover, the proliferation of digital platforms and the emergence of e-commerce have significantly altered the operational and customer-engagement strategies employed by businesses (Ahlstrom et al., 2020:413) and governments. An improvement of public service delivery, with a specific focus on the establishment and development of e-services infrastructure, is of the utmost importance (Oberoi et al., 2021:124). This includes the allocation of resources for the development and improvement of digital platforms, the facilitation of broader internet accessibility, and the optimisation of online processes to enable business facilitation and development that speeds up LED in the 'new' normal. In order to effectively respond to evolving market conditions and meet the demands of customers, it is imperative for businesses and governments to possess the ability to swiftly adapt, modify strategies, and wholeheartedly embrace innovation (Ahlstrom et al., 2020; Cilliers et al., 2020; Thani, 2020). The crisis has expedited the process of digital transformation in various sectors, with organisations now compelled to embrace remote working, virtual communication platforms, and digital sales channels (Ahlstrom et al., 2020:412). The swift transition to digitalisation has presented organisations with both obstacles and opportunities to adopt technology and revolutionise their functioning. Thus, the significance of risk management and contingency planning has been highlighted (Ahlstrom et al., 2020).

The global pandemic has significantly heightened concerns regarding health and safety within the context of the new normal, with the emphasis on businesses enforcing rigorous health standards, guaranteeing workplace safety, establishing a secure environment for both employees and customers. The aforementioned has emerged as a pivotal aspect in business operations and the management of reputation. The pandemic's inherent unpredictability has thus underscored the significance of adaptability and agility within the context of the new normal. It challenged governments and businesses to be innovative in tackling the crisis and its consequences (Ramírez de la Cruz et al., 2020). Cilliers et al. (2020) anticipates that the effects of the COVID-19 pandemic on Africa will result in the regression of years of development on the continent. The pandemic has resulted in substantial obstacles that, it is anticipated, will hinder Africa's progress in achieving the ideals and strategic intent in the Sustainable Development Goals (SDGs) by 2030 (Cilliers et al., 2020; Khambule, 2021). The significant disruptions across multiple sectors of the economy, including health, education, agriculture, and commerce, and resulting in adverse socio-economic implications, are as a result of the pandemic (Cilliers et al., 2020; Khambule, 2021). The pandemic has also had a significant impact on both food security and nutrition, as evidenced by disruptions in supply chains, diminished agricultural productivity, and a decline in income among vulnerable populations (Khambule, 2021). This development has jeopardised the objective of eliminating hunger and achieving food security. In addition, the economic ramifications of the COVID-19 pandemic, including diminished levels of trade, tourism, and foreign direct investment, have resulted in heightened levels of poverty, unemployment, and inequality. These aforementioned factors have the capacity to hinder advances in the pursuit of poverty eradication and the promotion of inclusive economic growth, especially in South Africa where these challenges are persistent.

The COVID-19 pandemic has had a profound economic impact, posing a significant threat to the employment and survival of many people in South Africa, particularly those who are most vulnerable (Khambule, 2022; RSA, 2020b; Chaudhary et al., 2020; Makhaye et al., 2021; The Presidency, 2020). The Presidency in South Africa acknowledges that the ongoing pandemic has further intensified the pre-existing challenges of poverty and unemployment in the country, and has stated that as the process of reconstruction is underway, it is imperative that the objective should not be limited to restoring the previous state of affairs. Rather, it is imperative that the country capitalises on the current circumstances to effectively reconstruct the economy and society in a manner that induces significant positive change (RSA, 2020b). The economic reconstruction and recovery plan for South Africa acknowledges the need for targeted interventions to stimulate a rapid economic rebound; and to achieve this, the plan outlines several key actions that should be implemented quickly and efficiently:

- Place emphasis on the significance of making substantial investments in the development of infrastructure. This includes the improvement and expansion of transportation networks; the improvement of energy infrastructure; the expansion of digital connectivity; and the allocation of resources to social infrastructure, such as schools and healthcare facilities. The objective is to generate employment opportunities, foster investment inflows, and establish the groundwork for long-term and sustainable economic growth.
- Recognise the significance of a reliable and sustainable energy supply. The plan promotes a shift towards a new energy paradigm. This involves diversifying the energy mix; investing in renewable energy sources; improving energy efficiency; and ensuring a stable and affordable energy supply. This transition is anticipated to support economic activities, create green jobs, and contribute to environmental sustainability.
- Put in place measures to stimulate job creation and support livelihoods, particularly for those most affected by the economic downturn. This includes initiatives such as extended public works programmes; targeted support for industries with high employment creation potential; skills development and training programmes; and support for entrepreneurship and small businesses.
- Recognise the importance of the private sector in driving economic growth. The plan emphasises renewed support for South African businesses. This includes measures to improve access to finance; streamlining regulatory processes; promoting innovation and competitiveness; and facilitating market access for local businesses.
- Adopt reform measures to create a competitive and inclusive economy. This involves addressing policy uncertainty; reducing bureaucratic barriers; promoting fair competition; and ensuring a supportive business environment. Fast-tracking these reforms is anticipated to enhance economic dynamism, attract investment, and foster inclusivity in the country. (RSA, 2020b)

The National Planning Commission (2020) acknowledges that achieving the above strategic objectives would require a paradigm shift that embraces social cohesion. As such, the change in perspective suggests the necessity for a paradigm shift that acknowledges that challenges are no longer sporadic occurrences, but rather interconnected and deeply ingrained within our social, economic, and political structures. The concept of the 'new' normal, therefore, necessitates that our way of life, business practices, and interactions with the environment must undergo adaptation in response to this altered state of affairs. Furthermore, it emphasises the need for proactive and comprehensive strategies that consider the interconnectedness of environmental, social, and economic factors. It,

therefore, calls for a holistic approach that promotes sustainability, resilience, and adaptive capacity in the face of evolving social, economic and environmental challenges (NPC, 2020a). Adapting to the 'new' normal necessitates a demonstration of resilience; adapting to digital transformation; prioritising inclusivity and equity; and strengthening collaborations and stakeholder partnerships.

4.3 REMAINING RESILIENT DURING UNCERTAINTY, CHAOS AND ADVERSITY

Resilience is defined as the capacity to overcome hardship, to adapt and persevere in the face of adversity (Oberoi et al., 2021; Santos, Liguori & Garvey, 2023). Resilience encompasses the diverse strategies employed by individuals, institutions, and other entities to effectively navigate and adjust to disruptive disruptions in order to meet the demands presented by their surroundings (Mithani, 2020). According to Mithani (2020), resilience can be intentionally incorporated into an organisation to achieve avoidance, absorption, and elasticity; or it can be cultivated through processes of learning and rejuvenation. Each of these approaches has the option to either maintain the previous equilibrium in the face of a threat, through static resilience, or to strive for a different equilibrium through dynamic resilience (Mithani, 2020: 521-522). The latter approach demonstrates greater efficacy when confronted with persistent challenges, rendering it suitable for adaptation in the context of the new normal. Realising the Sustainable Development Goals (SDGs) within a VUCA (volatile, uncertain, complex, and ambiguous) context requires the implementation of a comprehensive and flexible strategy. The dynamic and evolving nature of the global environment poses distinct obstacles that necessitate the application of resilience and innovation. Resilience is a critical requirement in LED in South Africa, particularly in the face of uncertainty, chaos, and adversity. The role that local government plays in facilitating sustainable and resilient local communities is almost universally recognised (Auriacombe and Van der Walddt, 2020: 5).

South Africa faces many challenges, including economic inequality; high unemployment; social unrest; economic sabotage, and political instability, which can all impact LED initiatives. However, by fostering resilience, municipalities can adapt to changing circumstances, overcome challenges, and promote sustainable economic growth. Building strong partnerships with key stakeholders, such as businesses, community organisations, and government agencies, can help municipalities to share resources, knowledge, and expertise. This can enable municipalities to respond more effectively to challenges and promote sustainable economic growth. Thus, innovation and creativity can then help municipalities find new solutions to old problems and adapt to the changing circumstances they are faced with.

4.3.1 Building resilience post-major disruptions in South Africa since 2020

The economy of South Africa is currently on a negative trajectory, and the prevailing economic situation in the country poses significant challenges. According to a study conducted by Hayward et al. (2009), and referenced by Reddy (2017:1), it is argued that political instability is the predominant factor contributing to an underperforming economy. The economic performance of the country has been sub-standard in recent years, primarily attributed to the volatile political landscape, resulting in the country's current state of recession. According to Rezaei-Moghaddam, Badzaban and Fatemi (2021:10), small business owners, especially women owning businesses, carry the heaviest weight due to unfavourable economic circumstances. The current escalation of protests, leading to substantial economic and infrastructural damage (Vhumbunu, 2021:6), is a matter of concern. The country's ongoing violence shows no signs of abating, calling for a greater sense of urgency and political support for the security forces in order to effectively address the violent and criminal consequences of political conflict (Chipkin, Vidojevic, Rau & Saksenberg, 2022:2). Further complicating the situation is the absence of a sense of urgency in responding to this violence, coupled with the persistent disruptions caused by the COVID-19 pandemic, the Eskom electricity crisis, and natural disasters such as floods. Consequently, the current situation has adversely affected, *inter alia*, local supply chains, marketplaces, and the lives and livelihoods of small business owners and those who work for them (Pant & Jedrzejczak, 2022:3). Many businesses are at risk of not recovering and their ability to withstand challenges and sustain their operations over the coming years is at risk. This is, perhaps, due to a combination of factors, including the upward trend in inflation; increasing costs of fuel and electricity; disruptions to the supply of water and electricity; and the escalation of interest rates. The potential consequences of this situation are expected to significantly affect small businesses, specifically those classed as micro-, rural, and township enterprises (Khambule, 2022). These businesses are particularly vulnerable, due to their limited access to the necessary resources required for recovery and restoration after experiencing disruptions (Khambule, 2022).

Despite a promising start to 2022, several challenges have hindered economic activity in South Africa. These challenges include the adverse effects of flooding in KwaZulu-Natal, the unprecedented uprising that left the economy at a standstill, and the ongoing electricity crisis which is negatively affecting business development. These factors have had a significant impact on the overall economic performance of the country (RSA, 2023). In light of the worldwide health emergency that posed a substantial threat to the well-being and survival of individuals residing in South Africa, the country formally declared its first-ever national State

of Disaster in March 2020. The government's implementation of regulations effectively facilitated the prevention of disease transmission, leading to the preservation of a significant number of lives. The adoption of disaster mitigation strategies was prompted by four notable crises in the nation, as illustrated in Figure 4.1. In 2020, President Cyril Ramaphosa officially declared of a national State of Disaster, with the primary goal of implementing various measures designed to reduce the transmission of the COVID-19 virus. Subsequent to that, the civil unrest exerted significant strain on the province of KwaZulu-Natal (KZN), with the Premier of the province having to announce the implementation of a second State of Disaster for the year 2021 for KZN. This was then followed by the President's announcement, in April 2022, of the implementation of a national State of Disaster in KwaZulu-Natal (KZN) in response to the flooding. This declaration aimed to improve the mobilisation of personnel and their preparedness to effectively respond to the catastrophic events. The incidence of the three disasters in South Africa within recent years has led to considerable loss of human life; disruption to commercial activities; infrastructure damage; the proliferation of societal issues; and profound repercussions in the economy and labour market. Moreover, the Minister of Co-operative Governance and Traditional Affairs, on 9 February 2023, declared another State of National Disaster in response to electricity supply constraints. This was later terminated in April 2023. The analysis of these events should be contextualised within the wider macroeconomic context of the nation, which is marked by uncertainty, slow economic progress, and fiscal difficulties.

Figure 4.1: State of disasters declared in South Africa and KwaZulu-Natal



Source: Adapted from Makhaye & Subban (2022)

4.3.1.1 The pandemic-motivated National State of Disaster (2020)

The World Health Organisation (WHO) acknowledged the COVID-19 pandemic on 30 January 2020 as a Public Health Emergency of International Concern (Cilliers et al., 2020:3), and proclaimed it a pandemic on 11 March 2020. The pandemic, with its destabilising effects, has witnessed economic activity nearly coming to a stand-still as countries around the world imposed lockdowns and other tough restrictions as mitigation measures to halt the spread of the virus (Chaudhary et al., 2020; World Bank Group, 2020b). The COVID-19 pandemic, and its associated control measures, has led to an unexpected and rapid global recession, anticipated to be the worst recession since the Great Depression (World Bank Group, 2020b). This has affected both advanced economies and the emerging markets and developing economies (EMDEs), alike (OECD, 2021; World Bank Group, 2020b; Song & Zhou, 2020). Consequently, consumption, investment, labour supply and production have been drastically limited (World Bank Group, 2020b). The pandemic is anticipated to have

harsh, enduring effects on the socio-economic status of many countries, together with poor growth prospects in the long-run (World Bank Group, 2020b:xiii). Despite the easing of many strict measures by countries throughout the world, a great deal of uncertainty remains with the resurgence of the COVID-19 infections (OECD, 2021:2) and the uncertainty surrounding vaccines. Song and Zhou (2020:4) have contended that it is necessary to comprehend the uncertainties caused by this pandemic, to examine its impact on the global economy, and to forecast a path for economic recovery post-COVID-19.

Whilst the pandemic largely affected many countries in the world, the World Bank Group (2020b) maintained that countries from EMDEs with poor health systems, and heavy reliance on global trade, tourism and commodity exports were hardest hit. Moreover, the International Monetary Fund (IMF, 2021) asserts that diverging recovery trajectories are expected to widen the divide in living standards between poor and developed countries substantially, more than was anticipated prior to the pandemic. Measures that have been taken to curb the spread of the infection in many emerging and developing countries have resulted in millions of people left without work, especially in the informal sector (International Labour Organization (ILO), 2020). Ramírez de la Cruz et al. (2020:683) argued that, although there are parallels in the COVID-19 challenges facing developed and less developed countries, the latter already had existing structural challenges, intensifying these problems. Thus, Lone and Ahmed (2020:1304) asserted that the focus should be on developing economies, especially African countries, which are heavily reliant on developed nations. Income disparities between countries were expected to widen further, as young people and those with relatively low skills continue to bear a disproportionate share of the burden (IMF, 2021). The African continent was anticipated to be highly susceptible to the impacts of COVID-19, with the continent's economic crisis expected to worsen (Lone & Ahmed, 2020:1300). In Africa, poverty and inequalities will most likely increase; while at the same time, development progress and the attainment of the SDGs in 2030 will be delayed (Cilliers et al., 2020). Moreover, the African economy would probably see a reduction in imports of Chinese goods; lowered oil consumption because of stringent restrictions affecting the demand for oil; and devastating impacts on the mining industry and employment. In conjunction with the reduction in tourism, investment withdrawals, and the reallocation of budgets to support the health sector, reduced tax revenue was anticipated (Lone & Ahmed, 2020:1304-1305). The pandemic challenged national and local governments to be innovative in tackling the crisis it created (Ramírez de la Cruz et al., 2020). Consequently, Thani (2020) argues that COVID-19 compelled the continent to understand the importance of executing innovation in hastening the provision of public services and managing the pandemic.

Governments, thus, had a fundamental role to play in responding to the pandemic, with public services at the forefront. Along with health services and education services, the ILO (2020:1) specifies that curbing the spread of COVID-19 and subsequent recovery would require significant effort from all public servants. This included policing and correctional services; administration services; community services; supporting social services, such as social workers; and the implementation of economic and social policies. This further required collaboration with the private sector to manage the spread of the virus and work towards recovery. However, lack of confidence in the government to nurture and bolster partnerships and co-operation between the public and private sector, and with communities, remains problematic. Panganayi (2020:26) contended that the COVID-19 pandemic demonstrated three crises, that is to say, “the virus itself (threatening life), economic consequences of lockdown (loss of production hours) and state repression (police brutality and abuse of human rights during the enforcement of the lockdown)”. The latter further erodes confidence in government, hindering the potential opportunities for communities to work with government in controlling the spread of COVID-19. Pandemic readiness necessitated trust from the public in a robust and sustainable public service (ILO,2020:5). Additionally, government’s ability to deliver public services is dependent on the present socio-economic and political environment; the availability of resources such as staff, skills, infrastructure and systems; and levels of security (Reddy, 2018:713). However, the economic assets of many low-income cities are already depleted, and some will take longer to recover than their wealthier counterparts. Muggah (2020) found that cities, from Lagos, to Mumbai and Rio de Janeiro, had imposed lockdowns on residents in densely populated areas, who were forced to choose between the danger of contracting and transmitting the disease and the certainty of going hungry. Similarly, the total lockdown in South Africa left numerous households impoverished, and residents facing the same dilemma. Self-isolation and social distancing were seen as ‘luxuries’ that the poor and less affluent could not afford (Habib, 2020; Muggah, 2020).

The COVID-19 pandemic has had a significant influence on many different areas, including the global economy, societal structures, and governmental systems. The pandemic revealed deficiencies in governmental capacity to address increasing uncertainties, and negatively affected economies worldwide, across both developed and developing nations (Ebhuoma, 2022; Kumar & Gupta, 2022). South Africa, like other nations across the globe, has experienced the effects of the pandemic (Statistics South Africa, 2022). It led to the first official proclamation of a State of Disaster, declared on a national scale, with the major objective to restrict the spread of the COVID-19 virus. According to du Plessis, van Niekerk, Rosenkranz and Preiser (2022:901), South Africa emerged as the first African nation to

officially declare a national State of Disaster, a mere ten days after the identification of its first COVID-19 case on 5 March 2020. Khambule (2021) asserted that the socio-economic ramifications of the COVID-19 pandemic, which were unprecedented in nature, provided an ideal context for the South African government to subject its state institutions to a rigorous examination. This was particularly significant in the context of ensuring these institutions' ability to implement effective measures to counteract the pandemic's effects and to stimulate the economy, emphasising inclusive growth. The failure to do so would have potentially worsened South Africa's long-standing issues of unemployment, poverty, and inequality, which were already critical challenges for the nation. There was a risk that the pandemic could exacerbate the nation's triple challenge of unemployment, poverty, and inequality. De Groot and Lemanski (2020) argued that the COVID-19 pandemic brought to light, and exacerbated, pre-existing disparities in infrastructure accessibility in the country. Individuals residing in poverty-stricken conditions in South Africa encountered considerable challenges in effecting the necessary adjustments to their daily routines, primarily attributed to inadequate infrastructure, congestion, and high population densities. Consequently, it was the socio-economically disadvantaged individuals who experienced the greatest hardships in light of the epidemic (Khambule, 2022). The impact of COVID-19 on South Africa's social and economic landscape is influenced by the escalation of unemployment, poverty, and economic inequality (Kalina, 2021; Khambule, 2022). The adverse effects of the pandemic, and associated measures taken by government, on small and medium enterprises and entrepreneurship globally, have also affected small businesses within the country, leading to significant job losses and exacerbating poverty for numerous individuals. According to Fairlie's (2020) research, evidence indicates that some firms were compelled to cease operations permanently, as a consequence of diminished demand, resulting from the implementation of social distancing measures. The impact of the COVID-19 pandemic was particularly severe on small businesses, primarily due to their lack of insurance coverage, which hindered their ability to recover as swiftly as larger enterprises (Makhaye & Subban, 2022:1540). The pandemic has had both immediate and enduring consequences for small and medium-sized enterprises. The prevailing crisis and increasing business uncertainty, both now and in the future, necessitate significant adjustments to effectively tackle the existing challenges (Makhaye & Subban, 2021:660). Furthermore, the COVID-19 pandemic has posed a significant threat to the livelihoods of many individuals, particularly those engaged in informal sector employment (Khambule, 2022). Accordingly, Igbinkhase (2021) recommended that small and medium-sized enterprises and entrepreneurs learn lessons from the COVID-19 epidemic and subsequently strategise to achieve prosperity in the post-pandemic era.

4.3.1.2 Mass looting and unrest-induced state of disaster

In the month of July 2021, South Africa experienced an unprecedented turn of events, with large scale riots and social unrest, that resulted in significant destruction of both public and private property, along with widespread looting of stores and businesses. These events were particularly prominent in the provinces of KwaZulu-Natal and Gauteng (Africa, Sokupa & Gumbi, 2021; Chipkin et al., 2022; Kalina, 2021; Ngwane, 2021; Vhumbunu, 2021), and represented the most severe demonstrations, rioting and looting witnessed in the country since its transition to democracy. The demonstrations led to various negative consequences, including substantial property damage, job losses, disruption of people's livelihoods, and hindered access to the essential services required for addressing the COVID-19 outbreak (Vhumbunu, 2021). A significant loss of life occurred as instances of violence erupted in various urban and rural areas of the two provinces (Africa et al., 2021; Chipkin et al., 2021; Kalina, 2021). According to Kalina (2021), a significant number of individuals (over 300) lost their lives, while more than 2,500 individuals were apprehended during the period of violence and looting. Shopping centres; schools; highways; fuel stations; medical facilities; retail stores; warehouses; delivery trucks, and vehicles experienced significant destruction or complete devastation. These incidents inflicted substantial harm upon the country's logistical, retail and commercial hubs. This highlights the significant challenges within the socio-economic landscape of public administration in South Africa, which may indicate a potential lack of political will to implement viable remedies. During a national address on July 16, 2021, President Cyril Ramaphosa acknowledged that the government was ill-equipped to effectively manage the prevailing unrest (The Presidency, 2021). According to Africa et al. (2021), the nation incurred a financial loss of nearly R50 billion over a span of nine days, due to the civil unrest. Consequently, this event resulted in the proclamation of the second State of Disaster in the country, for the province of KwaZulu-Natal.

The prevailing discontentment with the nation's economic stagnation has led to the emergence of extensive demonstrations against inadequate service provision. A significant number of individuals living in poverty are engaging in public demonstrations due to the government's inability to provide their basic necessities (Khambule, 2021). The occurrence of the looting and violence in July 2021 should be interpreted within the framework of various challenges and issues currently faced by the nation. The future stability and confidence of the business community are adversely affected by a range of factors, including the generational legacy of high poverty rates, unemployment, and inequality. Inadequate planning has led to overcrowding and unsuitable living conditions for a significant portion of the population, exacerbating these challenges (Kalina, 2021). The situation is compounded

by rising racial and class tensions, adding to the prevailing uncertainty. Furthermore, the business community's trust is further eroded by persistent issues pertaining to poor service delivery and pervasive corruption across all spheres of government. Adding to this volatile mix, the instigators of the recent riots declared a 'state of conflict' against the nation, resulting in certain regions being subjected to sieges and acts of aggression (Chipkin et al., 2021), further destabilising the situation. As a consequence, the scrutiny of political divisions and internal conflicts, the perceived absence of a prompt reaction, and the perceived ineptitude of state security and intelligence agencies, were intensified. The occurrence of looting and social unrest was attributed to an alleged attempt of what can be termed 'political economic sabotage'. According to Chipkin et al. (2021:4), it is contended that conflicts within the ruling party's elite are a contributing factor to political instability and the occurrence of violent incidents. There was a divergence of opinions regarding the causal relationship between President Zuma's incarceration and the subsequent occurrence of the 'Free Zuma' demonstrations, looting incidents and societal turmoil (Reddy, 2021; Vhumbunu, 2021). According to Vhumbunu (2021:3), the initial protests in certain areas of KZN, which were characterised by their early occurrence, low intensity and intermittent nature, played a pivotal role in triggering the subsequent socio-political unrest and violence following the arrest and imprisonment of former President Jacob Zuma. Kalina (2021:1187) asserts that the impoverished majority in South Africa has reached a critical juncture, irrespective of the underlying political factors that may be less overtly apparent. The tipping point, as discussed by Kalina (2021), has been reached as a result of the discontent experienced by individuals who are unemployed, marginalised, and lacking access to necessary resources. The author then moves to highlight three primary sources of frustration: Firstly, unemployed individuals have experienced destitution and hunger as a result of the ongoing economic crisis caused by the COVID-19 pandemic. Secondly, the have-nots have been subjected to prolonged pressure to aspire to a lifestyle that is beyond their financial means. Lastly, certain communities have been neglected in terms of cleanliness and access to essential services, while neighbouring areas with greater wealth and resources have enjoyed both superior services and facilities. Riots and the looting of both essential and non-essential goods serve as manifestations of how economic limitations erode social unity and stability (Kalina, 2021:1186-1187). Hence, as posited by Hillesund (2022:166), the effective leadership of a rebellion or protest necessitates the involvement of a substantial collective of individuals. Accordingly, the author suggests that scholars of conflict research, in this context, have formulated assumptions regarding the variables of grievances and greed, or the absence of opportunities that render individuals vulnerable to recruitment (Hillesund, 2022:166).

Whilst the enduring repercussions of the nine-day protest continue to be experienced in the present day, the focus of protests in South Africa continues to revolve around matters pertaining to poor and fragmented service delivery, rising unemployment, and escalating poverty levels (Chipkin et al., 2022). A considerable number of individuals continually express feelings of irritation and outrage about these matters, which has been effectively exploited by political agitators for their own benefit (Chipkin et al., 2022; Kalina, 2021). Widespread corruption and a lack of accountability causes frustration among numerous individuals, potentially leading them to perceive a sense of entitlement to compensation (Kalina, 2021:1187). The issue of addressing the concerns of all individuals, particularly those who are currently living in impoverished conditions and facing limited access to essential services, is not being adequately addressed. As a result, there has been an alarming widening of gaps, especially in terms of poverty and access to basic services. The author presents a persuasive argument here, asserting that the eradication of poverty and inequality is not a straightforward task. In spite of the extensive societal and economic repercussions caused by the upheavals, Vhumbunu (2021:3-4) asserts that they have imparted valuable insights to South Africans regarding the prevention and management of conflict and violence, as well as social and political instability in future (Vhumbunu, 2021:3-4). The surge in violent protests and looting within the nation has resulted in significant challenges, including disruptions to business development and expansion, employment creation, and an increasing trend in inflation and economic instability, with lasting consequences that continue to be observed in the present. Presently, a matter of great significance pertains to the ongoing incineration of trucks on prominent national highways. Between 9 and 12 July 2023, about 21 trucks had been burnt in the Zulu-Natal and Mpumalanga provinces (Mitchley, 2022). During a media briefing, Minister Bheki Cele, the Minister of Police, asserted that the existing evidence indicates that the recent series of truck attacks and burnings in Mpumalanga and KwaZulu-Natal were orchestrated, well-coordinated, and characterised by a high level of sophistication and crime intelligence. The Minister further asserted that the underlying objective of these incidents was to subvert and disrupt the functioning of the state (Mitchley, 2022). While no evidence exists of the link between the torching of trucks and the 2021 looting, many in the country are worried about the future of the state. This act of setting fire to trucks on prominent national roadways in the country has substantial implications for the nation's economic recovery and the growth of business activity, adversely affecting supply chains; increasing the cost of doing business; increasing economic and job losses; and reducing investor confidence and increasing negative perceptions of South Africa as an unsafe business environment.

4.3.1.3 Flood-induced national State of Disaster

The province of KwaZulu-Natal is currently facing ongoing challenges and is attempting to manage the aftermath of severe flooding. This comes at a time when numerous businesses and households are still recovering from the adverse impacts of the COVID-19 pandemic and the looting incidents that occurred in 2020 and 2021. A total of 459 individuals lost their lives in the province, with an additional 88 individuals currently still unaccounted for, as at the end of May 2022 (Grab & Nash, 2023:2). According to a report published in The South African on April 19, 2022, cited in Grab and Nash (2023), a significant number of residences (over 4000 homes) were severely damaged or completely destroyed. This unfortunate event resulted in a substantial displacement of individuals, with approximately 40,000 people being rendered homeless (Grab & Nash, 2023; Madzivhandila & Maserumule, 2022). Furthermore, the incident had an adverse impact on the employment status of approximately 45,000 individuals, who experienced temporary unemployment. The overall economic repercussions were substantial, with estimates placing the total losses incurred by infrastructure and businesses at an amount exceeding 2 billion US dollars (Grab & Nash, 2023). A significant number of highways, bridges, and residential structures were also severely impacted. The flooding event in 2022 in the province is considered to be the most severe natural disaster in the past three decades. Regrettably, the majority of factors that intensified the consequences of the flooding can be attributed to inadequate preventative and mitigation measures implemented to address such catastrophes (Madzivhandila & Maserumule, 2022:193). Small businesses experienced negative consequences due to the sudden cessation of operations. The closure of the primary transportation routes and the largest port in the nation ensued. This event resulted in the subsequent declaration of a formidable third national State of Disaster between 2020 and 2022.

Grab and Nash (2023:17) argue that the 2022 Durban floods and the resulting geo-hazards, which led to significant loss of life and extensive damage to housing and infrastructure, could be attributed to a number of interrelated causes, emphasising the primary factor as the extended period of intense precipitation. Furthermore, they argued that this was due to the fact that the heavy rain occurred in an area characterised by the three factors. These factors included: the significant urbanisation, resulting in the proliferation of impermeable surfaces such as roads; the formation of water pools due to extensive infrastructure developments; and frequent obstructions in human-made drainage systems (Grab & Nash, 2023:17). The floods also drew attention to the insufficient allocation of resources by the government to the development and upkeep of critical infrastructure. Certain areas have failed to adequately address the upkeep and investment required for their stormwater drainage systems. These

include Ladysmith, the northern and southern areas of Durban, the Eastern Cape region, and some areas of Johannesburg, which have encountered instances of flooding due to a combination of these factors, and others. It is necessary, therefore, to prioritise the development of sufficient infrastructure, effective spatial planning and the integration of technology, to facilitate the processes of disaster prevention and mitigation. The socio-economic conditions ought not to compel many in the South African population to establish settlements in illegally occupied areas that are situated in low-lying regions that are prone to flooding (Madzivhandila & Maserumule, 2022). The occurrence of floods in the KwaZulu-Natal region has, thus, exerted a noteworthy influence on the process of LED. Floods have the potential to result in significant destruction to essential infrastructure, including, but not limited to, transportation networks, structural elements such as bridges, as well as various buildings. The aforementioned damage has the potential to significantly impede supply chains, thereby presenting businesses with formidable obstacles in the transportation of goods and services. Municipalities have the potential to collaborate with businesses in order to establish contingency plans aimed at minimising the adverse effects of floods on their operational activities. Moreover, municipalities have the capacity to allocate resources to actions aimed at enhancing the development and growth of the regional economy, thereby mitigating reliance on industries that are susceptible to the adverse impacts of flooding, such as agriculture and tourism. This includes building flood resilience, facilitating the growth of emerging sectors, and fostering initiatives to be entrepreneurial. However, Madzivhandila and Maserumule (2022:191-192) asserted that, while it is widely acknowledged that governments should prioritise prevention and mitigation efforts over relief and response measures, regrettably numerous nations, South Africa included, are encountering difficulties in adequately addressing the prevention and, at times, mitigation of disasters (Madzivhandila & Maserumule, 2022:191-192). In addition, it is imperative for government policies or strategies to strive to reduce people's social and economic susceptibility, while concurrently enhancing their resilience to challenges stemming from climate disruption and governance matters. Cloete (2012:347) found that responses to disasters involve three key aspects of resilience: physical resilience pertaining to the capacity of a city or community to reconstruct its physical infrastructure; emotional resilience, pertaining to the capacity of individuals, families, and communities to effectively manage and recover from traumatic experiences; and lastly, cultural resilience, which refers to the ability of cultural practices and norms to persist and adapt in the face of significant cultural trauma. To strengthen people's resilience in response to natural disasters, it is important to adopt a multi-dimensional approach that incorporates the social context in which they reside (Madzivhandila & Maserumule, 2022). Thus, enhancing adaptive capacity entails, not only the enhancement of physical

infrastructure, but also the consideration of emotional well-being and the cultivation of social connections within communities. In the event that adaptation interventions are narrow in scope or enforced by policymakers without taking into account local viewpoints, there exists a potential danger of placing excessive emphasis on technological and spatial elements, thereby neglecting other facets of vulnerability that vulnerable individuals or communities may experience. Essentially, support mechanisms should be readily available, inclusive, and customised, to suit the distinct requirements and capabilities of small enterprises and individuals, particularly those that are the most susceptible (Khambule, 2021; Madzivhandila & Maserumule, 2022).

4.3.1.4 Energy crisis-induced national State of Disaster

Eskom, the state-owned enterprise responsible for managing and generating a significant portion of South Africa's electricity, has faced various economic and management challenges. These challenges can be attributed to inadequate planning, mismanagement, delayed progress in diversifying energy sources, and the overall sluggishness of the national economy (Nel, Marais & Mqotyana, 2023). The inadequate preparation for increased demand in 2007 led to significant issues and a near collapse of the national grid, causing sporadic, planned power outages, commonly referred to as 'load-shedding' (Joffe, 2012; PSA, 2015). Capacity constraints, unpredictable operating performance, limited coal inventories, and exceptionally wet weather, have made meeting demand increasingly difficult (Joffe, 2012). Since then, Eskom, South Africa's primary electricity supplier has used load shedding to deal with issues like deferred maintenance on the country's aging power grid (Mbomvu et al., 2021). The PSA (2015) argued that load shedding has become a common occurrence in South Africa, representing the prevailing new normal. Although this phenomenon was initially attributed to a constrained electricity supply in order to meet the national demand. Mbomvu et al. (2021) found that a variety of factors were present, including corruption; internal mismanagement; design deficiencies in power stations; capital expenditure reallocations resulting from state capture; inadequate skills; insufficient emergency diesel supply; inadequate maintenance of electricity infrastructure; boiler leaks; and the utilisation of substandard coal, and were additional factors contributing to this phenomenon. Ensuring the continuous provision of electricity is, arguably, the most significant and urgent challenge faced by the country, both now and in the foreseeable future. This is also crucial to the economy's long-term outlook (Joffe, 2012). The government has officially acknowledged that, in the immediate future, the notion of a continuous and uninterrupted energy supply would be an impractical and unrealistic expectation. South Africa's energy crisis has had serious effects, prompting the country to declare a State of

Disaster in February 2023, which was later terminated in April 2023. The energy crisis is characterised by a shortage of energy supply, frequent power outages, and a stressed energy infrastructure. The appointment of the Energy Minister has not yielded any relief for the economy of the country, which continues to suffer as a result of the energy crisis. Power outages continue to impede business operations, resulting in lost production, decreased productivity, and supply chain interruptions. Manufacturing, mining, retail and agricultural industries that rely significantly on energy are particularly vulnerable. Heavy industry remains the primary consumer of electricity in the country, comprises 31 energy-intensive users that collectively account for 44% of the total energy consumption (Baker & Phillips, 2019:183). The impact of load shedding on a specific industry is determined by various factors, including the industry's size, the level of electricity consumption within the sector, and the capacity of firms in the industry to adjust to, or minimise, disruptions in electricity supply (Walsh, Theron & Reeders, 2021). Small businesses have seen a detrimental impact on their sustainability as a result of load shedding (Mbomvu et al., 2021:3). This is primarily due to the disruption it causes to their financial performance (Mbomvu et al., 2021:3). The energy shortage also undermines investor trust and continues to discourage direct foreign investment. In the long run, it therefore imposes significant limitations on the growth of the local, regional and overall national economy (Walsh et al., 2021). This is evident in the number of economic downgrades that the country has had (Baker & Phillips, 2019:183-184). According to Walsh et al. (2021:10) the occurrence of load shedding resulted in a financial loss of approximately R35 billion for the South African economy during the period between 2007 and 2019, whilst consumers and businesses have incurred increases in electricity costs, despite the limited access. The average electricity prices at Eskom were significantly increased by around 200% from 2008 to 2016 (Baker & Phillips, 2019:183). This has a direct impact on residents, businesses and municipalities, at large. Municipalities are responsible for the management and operation of, in excess of 40%, of the country's electricity distribution network through the procurement of electricity from Eskom at wholesale prices, subsequently applying a surcharge, and then distributing it to end-users. Baker and Phillips (2019:185) found that, of the 257 metropolitan, district and local municipalities, approximately 174 have obtained licenses from the National Energy Regulator of South Africa (NERSA) in order to operate as electricity distributors. Their responsibilities involve the maintenance of infrastructure, the establishment of new connections, and the development of service level standards and pricing structures, with a particular focus on serving disadvantaged consumers. The revenue generated from the sale of electricity is then utilised to facilitate the provision of various essential services (Baker & Phillips, 2019:185). However, this is impacted by the continued increases in tariffs and disruptions caused by

load shedding, affecting affordability for many residents and small businesses, and ultimately affecting municipal revenue and their ability to pay Eskom. Furthermore, the country has recently implemented a significant increase in its interest rates, reaching a level that has not been observed in the past 14 years (Miridzhanian, Acharya & Gumbi, 2023). The Reserve Bank has made the decision to implement its tenth consecutive interest rate hike, citing an upward revision of its inflation projection for the current year, largely due to a combination of the pandemic, looting, flooding and the persistent issue of power outages that hinder business development and expansion. Unemployment, poverty, inequality, and the ability to provide essential services are just some of the many areas that will be adversely affected by the current energy crisis.

It is worth noting that the energy sector in South Africa continues to be influenced by the historical legacy of apartheid, as well as the political, social, and economic dynamics that have emerged in the post-apartheid era (Baker & Phillips, 2021; Hanto, Schroth, Krawielicki, Oei, & Burton, 2022; Mqadi, Musango & Brent, 2018). The electricity sector in South Africa has become entangled with significant political and economic interests, resulting in the development of a distinct system of accumulation that forms the fundamental structure of the nation's minerals-energy complex (Mqadi et al., 2018:127). According to Nel et al. (2023:2), the goal of a renewable energy transition in South Africa is confronted by a multitude of complex factors. There exists significant political and union resistance due to the perceived potential negative impacts on employment and the economy. Furthermore, there is a profound reliance on coal, not solely for the purpose of generating electricity, but also for the manufacturing of synthetic fuels and meeting the substantial energy demands of the nation's historical economic hub (Nel et al., 2023:2). Thus, Hanto et al. (2022:166) argued that South Africa's substantial coal reserves have facilitated energy-intensive economic growth driving the national energy sector and other industries. The authors highlighted the prominent role played by coal in South Africa's political and economic landscape, and attributed to an interaction of various factors. These factors include an industrial policy that is focused on mining and the beneficiation of minerals; substantial government backing through both direct and indirect subsidies; and the attraction of domestic and foreign investors specifically interested in coal (Hanto et al., 2022:166). The authors further argued that, in light of these advantages, various stakeholders who profit from coal mining continue to advocate for the preservation and expansion of the industry. These consist of various entities within the government that support the concept of 'clean coal' by means of carbon capture (Hanto et al., 2022:166). Additionally, they noted that there are coal-related trade unions with divergent perspectives on the preservation of coal versus job creation, climate change policy, and the challenges associated with transitioning to alternative energy sources. Then there are the

local coal mining firms, their proprietors, and financial backers (Hanto et al., 2022:166). The transformation of electricity distribution has encountered notable political and economic obstacles that stem from the nation's socio-economic and racial disparities, as well as its substantial reliance on coal-fired power (Baker & Phillips, 2021; Nel et al., 2023). The prevailing discourse in the nation is thus found to centre predominantly on employment opportunities and the potential vulnerabilities faced by municipalities reliant on coal (Hanto et al., 2022). The authors asserted that, across the entirety of the coal value chain, the sector presently provides direct employment to approximately 120,000 individuals, constituting 0.7% of the overall national workforce (Hanto et al., 2022). This observation contributes to the prevailing understanding that coal plays a crucial role in driving socio-economic progress, particularly in regions with significant coal mining activities. Consequently, there is considerable resistance to embracing renewable energy sources.

Conversely, the concept of transitioning to a low-carbon economy and adopting renewable energy sources is propelled by a distinct set of stakeholders. This group comprises government entities that support renewable energy, emerging international independent power producers (IPPs), and civil society organisations, such as non-governmental organisations (NGOs) and research organisations (Hanto et al., 2022). Mqadi et al. (2018) thus argued that, despite the potential offered by different strategies to address the intricacies and uncertainties of contemporary strategic planning for the provision of sustainable energy services, there remains a lack of co-ordination, alignment, transparency, and integration of existing approaches within the electricity sector, particularly in relation to other significant national plans and policies designed to achieve sustainability objectives. Although there is a general tendency to adopt more renewable energy resource-friendly policies, the prevailing perception is that the regulatory environment remains fairly stringent. The gradual pace at which policies and regulations are being implemented, coupled with a temporary pause in government procurement of renewable energy sources, has resulted in a state of uncertainty for investors in the country (Hanto et al., 2022), which can have an adverse impact on local development from an economic perspective.

4.3.1.5 Resilience strategies for overcoming chaos, uncertainty and disruptions

According to organisational theorists, uncertainty is defined as the state of being unable to accurately predict the probability of future events (Adobor et al., 2021). The concept of resilience holds significant importance in the context of business dealing with crises, as it facilitates comprehension of how businesses either adapt to, or withstand, change (Adobor et al., 2021; Mithani, 2020; Thukral, 2021). The urgency in facing challenges and unpredictable circumstances, such as the COVID-19 pandemic, natural disasters and

electricity crises, faced by the country necessitates the cultivation of resilience in order to devise and execute strategies aimed at overcoming these crises. It is, therefore, crucial to consider the capacity of small and medium-sized enterprises to capitalise on precarious circumstances, such as pandemics and natural disasters. Additionally, their aptitude to anticipate, handle, or acquire knowledge from risks and uncertainties, while mitigating vulnerabilities, should also be considered. Consequently, it is imperative for small and medium-sized enterprises (SMEs) to adopt a proactive, dynamic and optimistic attitude to risk and uncertainty (Pant & Jedrzejczak, 2022). The susceptibility of small and medium-sized enterprises to external shocks, and the imperative to maintain competitiveness, are significant concerns. Compared to larger firms, SMEs typically exhibit lower resilience, as they require more time to fully, or partially, recover and resume normal operations following an unexpected event (Ciasullo, Montera & Douglas, 2022). Consequently, the concept of resilience has garnered considerable interest from scholars and policymakers alike (Thukral, 2021). Currently, a significant number of small enterprises are operating within a market characterised by volatility and unpredictability, leading to the emergence of a wide range of challenging concerns and uncertainties. The concern arises from the observation that a significant number of small businesses lack the essential strategic expertise, prudent decision-making abilities, and financial means, required to effectively respond to new situations and sustain their operations. Simultaneously, the impediments to business development within the nation during the four significant crises that hit the country between 2020 and 2023 appear to be linked to a scarcity of effective leadership and political resolve.

Wilson, Johnson and Stokan (2020:862) discovered that local governments were at the centre of managing the complex challenges of COVID-19, often with inadequate resources and the necessary infrastructure in place. Dealing with these challenges required breaking the barriers between the private sector and government and fostering stronger relationships between the two. Hence, Ramírez de la Cruz et al. (2020:683) indicated that intergovernmental relations between local authorities and the different spheres of government were required to respond to the COVID-19 challenges. However, the steps that were taken to curb the COVID-19 pandemic, including lockdowns, had a drastic impact on local municipalities around the world, wreaking havoc on local economic activity, with a negative impact on commerce (Wright, 2020). Thus, local governments had an important role to play in collaborating with local businesses, particularly SMEs, to reduce the impact of COVID-19 on jobs and the local economy, as well as to plan for post-COVID-19 recovery (Wright, 2020; Plaček, Špaček & Ochrana, 2020).

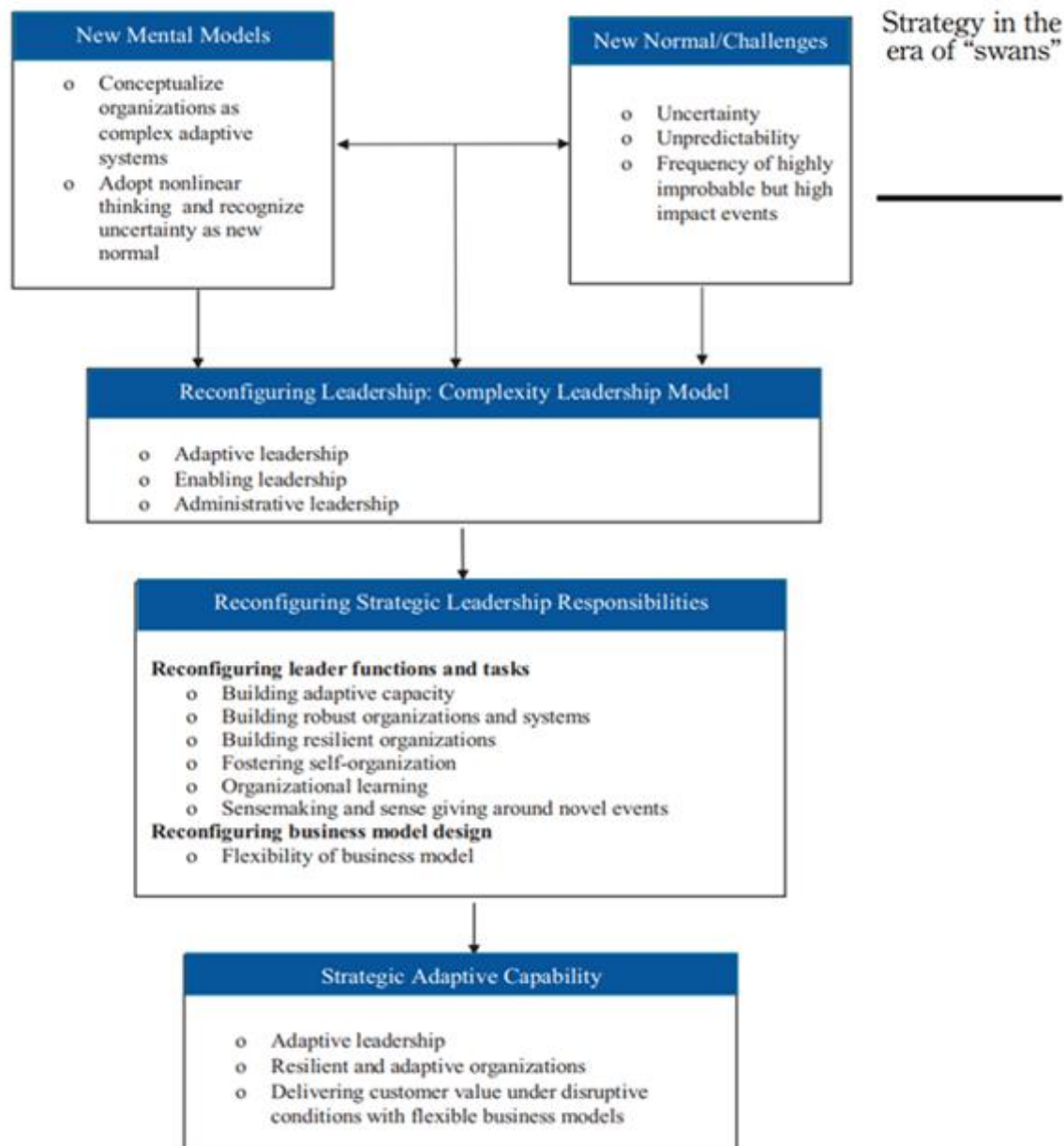
The complexities presented by the health, flood, looting and energy crises are primarily responsible for the increased emphasis being placed on resilient behaviour. Resilience refers to an individual's capacity to successfully navigate and surmount challenges and adversities within a context characterised by uncertainty (Thukral, 2021:155). Within the realm of business, resilience can be defined as the inherent ability of an entrepreneur to endure, adjust, and progress, in periods of instability and uncertainty. It represents a combination of diverse, positive individual attributes, characteristics, and behaviours, that empower individuals to effectively navigate through challenging circumstances and optimise their outcomes (Thukral, 2021:155). Resilience involves the capacity to adapt and adjust business operations in response to customer preferences and market demands, while also demonstrating creativity and innovation (Thukral, 2021:155). Anticipation, resistance, and adaptability are identified as three crucial characteristics that contribute to this phenomenon. Resilience, as defined by Gonçalves and Auret (2021), pertains to the capacity to forecast, prevent, reconstruct, or mitigate the consequences and duration of a disturbance caused by a potential danger or hazard. Resilience enables individuals to identify opportunities amidst chaos, and to navigate through uncertain times, effectively transforming these opportunities into tangible outcomes.

Since all the activities and responsibilities of local government may be viewed as a system involving a network of interconnected parts, there is now, more than ever, a need to stop thinking about problems in terms of individual parts (fragmentally) and start thinking about solutions in terms of complete systems (holistically). Using systemic analysis to enhance municipal administration and governance has become necessary to ensure organisational learning, individual mastery, shared vision and team learning. As a holistic strategy for management, empowerment, and provision, a systemic approach allows for creative, out-of-the-box solutions. This approach has become more popular and important in dealing with uncertainty and growing resilience. In recent years, there has been a noticeable increase in the expectations placed upon public organisations to enhance their performance within environments that are becoming progressively more complex, challenging, and uncertain (Boon et al., 2023). The complex activities observed in LED indicate the necessity for an adaptive, collaborative, and participatory approach that includes multiple stakeholders and considers the varied interests, needs, and perspectives of these stakeholders. Thus, a more intricate and adaptable approach is necessary to effectively address the ever-changing and unpredictable circumstances within LED initiatives. Rose et al. (2007), cited in Walsh et al. (2021:3), made a distinction between two types of economic resilience in relation to power disruptions, namely inherent resilience and adaptive resilience. They defined inherent resilience as the capacity of a firm to effectively respond to challenges and disruptions within

typical operating conditions. Adaptive resilience refers to a business's capacity to effectively respond to crisis situations through the application of additional innovation or effort. Adaptive resilience, thus, pertains to the strategies that organisations may adopt in order to address recurring challenges (Adobor et al., 2021).

Figure 4.2 illustrates the conceptual framework for growing strategic, adaptive capabilities which involve adaptive leadership, resilient and adaptive organisations, and delivering customer value under disruptive conditions with flexible business models. Through this framework, Adobor et al. (2021) asserts that enhancing resilience requires strategic leaders to adopt complexity leadership. This involves perceiving their organisations as complex adaptive systems and modifying their leadership approaches and organisational structures to develop strategic adaptive capabilities. This is centred around the emergence of new mental models and the 'new normal' events and challenges we are faced with in the current era. The framework emphasises that organisational leaders must adapt their mental models and leadership approaches to align with the current state of uncertainty and unpredictability. The authors argue that reconfiguring leadership requires adaptive, administrative and enabling leadership. This would, then, entail reconfiguring the strategic leadership responsibilities to focus on building adaptive capacities; building robust organisations and systems, and resilient organisations; fostering self-organisation and organisational learning, along with sense-making and sense-giving around novel events; and reconfiguring business model designs to be more flexible. Enhancing the strategic adaptive capability of organisations is crucial in equipping them to effectively handle high-impact occurrences. Ensuring business continuity amidst disruptions necessitates the development of flexible and adaptable business models. Adobor et al. (2021) argued that, in order to develop higher-level capabilities, such as strategic adaptive capabilities, leaders must undergo a shift in their fundamental frames of reference to align with the prevailing conditions of uncertainty and unpredictability.

Figure 4.2: The nature of strategic leadership under uncertainty



Source: Adobor et al. (2021: unnumbered)

It is imperative to prioritise the improvement of organisations' adaptive capacity and the cultivation of flexible business models, alongside other strategies, in order to effectively manage the disruptive and sporadic events that have become inherent in the current paradigm (Walsh et al., 2021:3). Another example of a pertinent organisational framework is the collaborative business ecosystem, which can be understood as a socio-technical, complex, adaptive system (Ramezani & Camarinha-Matos, 2020). This system effectively utilises the advantages of sharing and collaborating, while also incorporating a significant level of agility (Ramezani & Camarinha-Matos, 2020:1). Ecosystems represent a significant

collaboration between interconnected systems (Thukral, 2021:155). The presence of interdependent and interconnected capacities is essential for the development of resilience (Gonçalves & Auret, 2021). The theoretical basis for disruptive business ecosystems and their associated organisations is complex, encompassing various interdisciplinary perspectives. The concept of resilience has been formed through the integration of various ideas originating from diverse disciplines and paradigms (Amirzadeh, Sobhaninia & Sharifi, 2022:1-2).



As evidenced from Figure 4.3, the disciplines included in this domain comprise the examination of collaborative networks systems thinking; thermo-dynamics (a branch of physics that deals with heat, temperature and their relation to energy); social sciences; biology; management science; and information and communication technology (ICT). The amalgamation of knowledge derived from diverse disciplines serves as the foundation for our comprehension of these disruptive and intricate business ecosystems (Ramezani &

Camarinha-Matos, 2020:14) and is important to deal with the current challenges we are faced with. Ramezani and Camarinha-Matos (2020) asserted that the establishment of collaborative networks is imperative for fostering innovation and driving disruptive advancements. Through collaboration, businesses have the ability to create unique and distinctive products and services, while also gaining a competitive edge, by leveraging the competencies and advantages provided by their strategic business partners. Establishing collaborative networks requires a multi-disciplinary approach and understanding. The discipline of systems thinking posits that organisations and their environments are composed of interconnected elements, rather than existing as independent entities. The application of systems thinking allows businesses and government to gain an understanding of how modifications in one component of a system, such as the implementation of a novel technology or a change in customer behaviours, can result in a series of subsequent effects on the entire system. In the context of LED, understanding and managing the behaviour of individuals and groups within the local government sphere is crucial. A resilient local economy is supported by motivated and adaptable public servants who are committed to their community's well-being. This is particularly relevant in environments characterised by significant levels of business disruption.

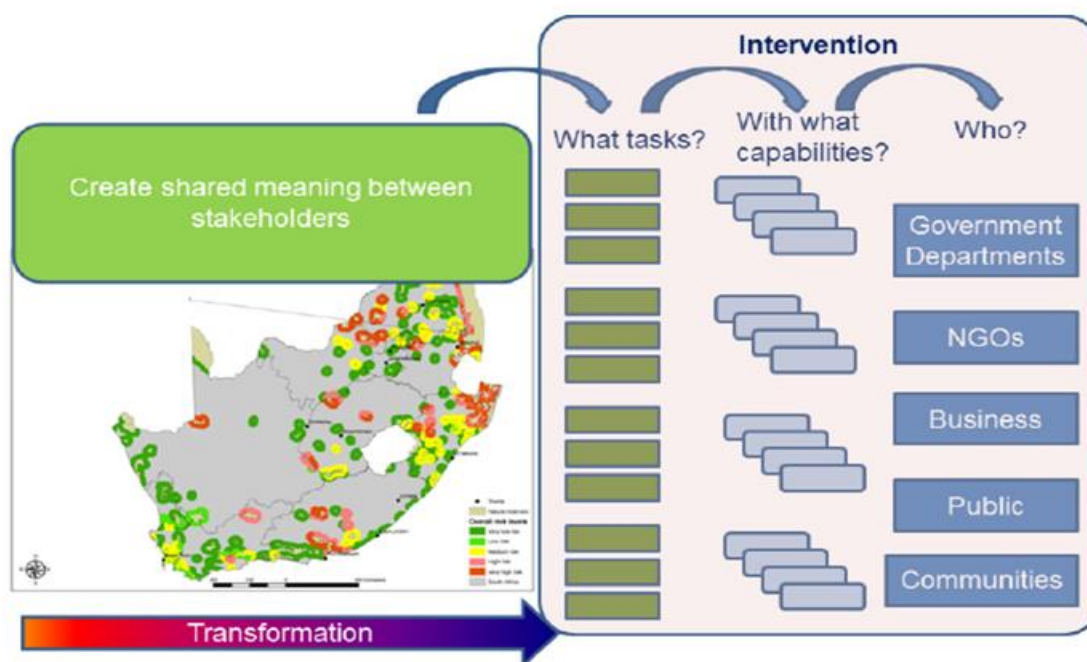
The principles of thermo-dynamics can be, metaphorically, employed in a business context to gain insight into the dynamics and conversion of energy (or resources) within an organisation or ecosystem. By acquiring a comprehensive understanding of these dynamics, organisations can enhance their capacity to effectively administer resources and respond to change. Principles espoused by the humanities and social sciences, including insights derived from disciplines such as sociology, psychology and anthropology, can assist organisations in developing a more comprehensive knowledge of human behaviours, including consumer needs, employee motivation, and societal trends. The acquisition of this knowledge has the capacity to lead to the development of innovative products and business tactics with the capability to disrupt the market. The ability of local governments to be innovative in the delivery of services and operational procedures can improve efficiencies, reduce costs, and increase responsiveness to citizen needs, thereby enhancing local economic resilience.

Metaphorical frameworks derived from biological concepts, such as evolution and adaptation, can facilitate our comprehension of the developmental and adaptive processes of organisations within their operational contexts. For example, similar to the adaptive changes observed in individual animals over time to enhance their suitability to specific habitats, organisations must also acquire the ability to adjust and adapt to evolving economic

environments. The authors find that the field of Management Science provides valuable tools and strategies that can enhance the planning, decision-making, and problem-solving processes within organisations. Applying the principles of management science and social science can provide local governments with a framework to build economies that are not only capable of withstanding shocks, but also capable of adapting and transforming in response to new challenges, insofar as municipal governance is concerned. The acquisition of these skills is imperative to navigate ambiguity proficiently, and oversee transformation within an ecosystem experiencing disruption. When integrated, these disparate disciplines collectively enhance our comprehension of the intricate dynamics within disrupted organisational ecosystems and the entities that inhabit them (Ramezani & Camarinha-Matos, 2020:14-19). The capacity of the systems to self-organise is a significant feature that is shared by all of the disciplines and serves as a unifying factor. In its most fundamental form, self-organisation can be thought of as a universal principle that directs the behaviour of systems on a wide range of stages, and in many different fields of study. It is the natural tendency of systems to find a state of equilibrium or stability, which frequently results in the formation of order from the initial condition of chaos. This is an essential component of resiliency.

To revitalise the entrepreneurial or local business ecosystem, specific interventions are necessary. According to Thukral (2021), the resilience of small and medium-sized enterprises depends on the resilience of their ecosystems. These ecosystems are crucial for maintaining uninterrupted market activities and promoting community development. Governmental support and public policies can promote and enhance the resilience of small enterprises, while also fostering inclusivity and sustainability (Thukral, 2021). President Ramaphosa emphasised the need to create a new social compact involving businesses, labour unions, communities, and the government. This is also illustrated by Gonçalves (2021:3) in Figure 4.4, which emphasises the need to move towards a whole-of-society approach to address complex challenges and create shared meaning with stakeholders. This would then lead to transformation that is intended to restructure the economy and promote greater inclusivity. The President asserted that this approach would strengthen the current co-operation between all parties involved in addressing the COVID-19 crisis. The importance of a holistic approach in addressing complex issues that go beyond the capabilities of individual departments, agencies, private organisations, or the public, is needed (Gonçalves, 2021).

Figure 4.4: The whole-of-society approach



Source: Gonçalves (2021:3)

Figure 4.4 illustrates the whole-of-society approach that is recommended for addressing complex issues and achieving transformative change in the nation to realise its desired future. The first stage involves identifying interventions, which are the strategic tasks necessary to effectively address a complex problem or achieve a desired future outcome (Gonçalves, 2021). Stakeholder management is facilitated through the implementation of interventions, which utilises a shared understanding of the circumstances to collaboratively address the issue (Gonçalves, 2021). This may also require identifying new organisational capabilities and addressing the gap between required and current capabilities which, in turn, requires organisational-level governance (Gonçalves, 2021). The author identifies the issue as interconnected and notes that stakeholders often focus only on the aspects of the problem within their jurisdiction. This phenomenon poses additional challenges as the aforementioned concerns are being addressed in a fragmented manner (Gonçalves, 2021). NGOs, the private sector, and communities have a vested interest in public-related matters (Gonçalves, 2021). Collaboration and financial assistance are essential for expediting the recovery of small businesses and achieving resilience. This is especially important for businesses located in rural areas and townships, with limited access to financial resources and non-financial assistance. This measure would improve the strength of recovery and resilience efforts for small businesses in an inclusive manner. Businesses, organised entities

and communities are important in aiding the government, especially local governments, to expedite recovery efforts and strengthen the resilience of local economies.

Additionally, Palm (2020) argued that organisations that effectively align their strategic, risk management, and business continuity functions to mitigate the impact of adverse events on growth are inherently equipped with the capacity for resilience. In order to enhance the resilience of small businesses and entrepreneurs, it is crucial to identify key factors and their corresponding indicators, to examine the factors that contribute to the development of resilient behaviours, and to establish contexts that are resistant to change (Rezaei-Moghaddam et al., 2021). Hence, organisations that possess resilience have the ability to swiftly restore operational continuity in the event of a disruption or extended interruption. This allows individuals to redirect their attention to their development strategy, and are able experience accelerated growth compared to what would typically be expected (Palm, 2020:19). The enhancement of an organisation's capacity to effectively address crises can be achieved through the cultivation of knowledge, which serves to bolster and improvisational aptitude, co-ordination, adaptability, and resilience (Habiyaemye, 2021). This can be facilitated through the implementation of knowledge management practices, which assume a pivotal role in the formulation and execution of crisis management strategies (Habiyaemye, 2021). Within the country, it is imperative to explore the most effective ways in which small businesses, susceptible to the consequences of a COVID-19 shutdown, civil unrest and floods, can optimise their utilisation of knowledge management to maintain their competitive edge. In order to effectively address a significant crisis with limited resources, it is crucial to implement adaptive learning strategies and foster close collaboration between knowledge-producing entities, such as specialised research units within organisations or external institutions, and their users, specifically small businesses (Habiyaemye, 2021:14).

In a recent study conducted by Rezaei-Moghaddam et al. (2021), the entrepreneurial resilience of small and medium-sized businesses of rural women in Iran was examined. The findings of the study revealed that various factors, including external and internal resources, creativity, opportunity and adaptation, risk management, and family support, played a significant role in enhancing the business resilience of rural women entrepreneurs. The above study identified that the implementation of marketing strategies; marketing mix; business communication; business planning abilities; and supportive policies, has a positive impact on enhancing business resilience. The results of this research are pertinent and can be applied to small enterprises in South Africa, enabling them to recognise the importance of adaptability and resilience during periods of crisis. The proposition entails adopting a

comprehensive societal approach that involves the collective efforts of all stakeholders, and adaptive strategic leadership, to tackle these complex socio-economic challenges within society and build resilience. The concept of resilience does not provide a straightforward solution for municipal administrations, however, but offers a cognitive framework that necessitates careful implementation. The underlying premise of this perspective is the recognition that change and disruption are inherent and unavoidable aspects of various systems (Harrison, Bobbins, Culwick, Humby, La Mantia, Todes & Weakley, 2014). Moreover, these changes are frequently unanticipated in nature. Consequently, the development of adaptive capacity becomes crucial in effectively responding to, and navigating through, such circumstances. It is imperative to consider the resilience theories that highlight the influence of power and politics in affecting the production of resilience (Harrison et al., 2014:23).

4.3.2 Strengthening urban resilience for Local Economic Development in the ‘new’ normal

According to Massey and Gunter (2020:2-5), cities are characterised by their capacity to facilitate connection, co-operation, and interaction, which encompass various forms of social exchanges and identities. Cities play a crucial role in facilitating the provision of infrastructure and delivering essential services to their residents. This is achieved through the concentration of transportation services, communication networks, social interactions, and the provision of water, energy, and sanitation services. Additionally, cities offer economies of scale, localisation, and agglomeration benefits, which further contribute to their significance in supporting urban development and fostering economic growth (Massey & Gunter, 2020:1). Skilled professionals and highly qualified people are attracted by cities, facilitating the development of specialised knowledge and expertise. Additionally, cities serve as catalysts for various forms of shifts including economic, social, technological, cultural, and political transformations. Cities serve as catalysts for economic growth and have the potential to exert a substantial influence on the development of markets, job creation, and the stimulation of new economic activities, particularly in the tertiary and service sectors. Urban environments, due to their dense population, offer favourable conditions for social interaction, fostering creativity and facilitating the collaborative production of knowledge. It is argued that Africa and Asia are presently the continents experiencing the most rapid urbanisation (Massey & Gunter, 2020:2-5). The rise in urban populations places a significant strain on existing economic and infrastructural systems, such as water and sanitation, energy, and road networks. Additionally, in certain cases, it also affects governance processes (Massey & Gunter, 2020). Food insecurity; homelessness; sickness and poor

health; crime and violence; unemployment; pollution; and poverty are prevalent in urban areas. These challenges, along with environmental and economic shocks, risks, and dangers, constitute complex problems that require careful evaluation and effective solutions. The consequences of climate change, such as severe storms; floods; droughts (leading to water scarcity); landslides, and rising sea levels, along with threats of civil unrest; crime and violence; xenophobia; and economic downturn, all pose additional obstacles (Massey & Gunter, 2020). Moreover, inequality and a lack of formalisation of settlements are a substantial issue within urban areas; and effectively tackling the difficulties encountered by the impoverished urban population can significantly mitigate these disparities (Gunter & Massey, 2020; Massey & Gunter, 2020). Comprehending urban environments is crucial in enhancing the quality of life for both communities and people. In order to ensure the future development of South African cities, it is imperative to establish mechanisms and methods that facilitate the comprehensive integration of the urban poor into the urban system and strengthen their resilience (Gunter & Massey, 2020; Massey & Gunter, 2020).

Since resilience refers to the ability of individuals, social groups, and social-ecological systems, such as towns and cities, to not only withstand shifts, disruptions, difficulties, or crises, but also to modify, create new ways, and evolve into improved configurations (Harrison et al., 2014:2), it is important to note that individuals, social groups, and social-ecological systems, such as towns and cities, can be resilient. Meerow, Newell and Stults (2016:39), cited in Fitzgibbons and Mitchell (2019:649), defined the concept of urban resilience as the capacity of an urban system, including its various socio-ecological and socio-technical networks, to sustain or promptly restore desired functionalities when confronted with a disruption. It also incorporates the ability to adjust to changes and efficiently modify systems that impede future adaptive capabilities. Similarly, Harrison et al. (2014:77) stated that the ability of an urban system to effectively maintain, or recover its desired functions swiftly, in the presence of a disturbance, as well as the ability to respond to changes and efficiently modify systems that inhibit its current or future adaptive capacity, are both examples of what is referred to as urban resilience (Harrison et al., 2014). Given the large number, and the wide variety, of difficult social, economic, and environmental difficulties that are faced by South Africa, the characteristics of resilience are particularly relevant in the context of the country. According to Harrison et al. (2014:1), the idea of urban resilience has been gaining a lot of traction in South Africa, which has led to its extensive adoption into policies and plans.

The discourse and associated policy tools of resilience are becoming more common in the field of urban risk management (Ziervogel, Pelling, Cartwright, Chu, Deshpande, Harris,

Hyams, Kaunda, Klaus, Michael & Pasquini, 2017:123). The research in South Africa has a significant impact on its utilisation (Harrison et al., 2014:1) and its conceptualisation has, thus far, predominantly relied on the experiences and practices of cities located in the 'global north' (Ziervogel et al., 2017). Ziervogel et al. (2017:123) argued that the concept of resilience itself is unsettling, while Cloete (2012:341) contended that the application of the idea of resilience in academic discourse is difficult, due to the absence of a clear-cut definition and conceptualisation of the term. He claimed that it is typical for the concept of resilience to be confused with a variety of other interconnected notions. These concepts include, but are not limited to robustness; equilibrium; stability; resistance; adaptability; and transformability (Cloete, 2012:341-342). As a consequence of this, the author examined the ramifications of these ideas within the framework of an urban environment, paying particular attention to the characteristics that distinguish a city as a complex socio-economic organisation. Ziervogel et al. (2017) thus argued that, if the objective of resilience planning is to facilitate risk management and enhance the processes and outcomes of development, then it is not the physical infrastructure, such as pipelines and roads, of urban areas that require resilience. Instead, the focus is on the rights and privileges of those residing in urban areas. The authors asserted that, occasionally, the recognition and expansion of rights and entitlements may depend on certain infrastructure, particularly as these two concepts are distinct from each other. The process of making this distinction highlights the significance of urban governance and implies that a re-evaluation of governance is necessary in order to achieve resilience. This re-evaluation should not be limited to incorporating new initiatives into the current institutional practices and mandates, but should rather involve a more comprehensive approach. Nevertheless, while there are other stakeholders involved, it is the municipality that plays the central role in implementing measures for urban resilience at the city level (Ziervogel et al., 2017:125).

The perspective of urban resilience over the long-term reveals that cities are substantially more susceptible to economic and political disruptions, compared to natural catastrophes, conflicts, and even diseases. This is the case because cities are more dependent on economic activity and political stability. The COVID-19 pandemic posed a serious threat to cities all over the world as a result of the intensification of pre-existing issues brought on by the pandemic itself (Glaeser, 2022:4). These pre-existing challenges included the necessity to adjust to virtual lives, and the political instability that resulted from increased urban discontent with the government. Strengthening communities' power to endure and recover from a variety of adversities, such as economic recessions, catastrophic occurrences, and public health emergencies, can have a significant impact on LED. Resilience is one factor that can play a role in this instance. Urban areas that are highly reliant on a single industry

are typically more sensitive to economic upheavals than other types of urban regions. Encouraging economic activity diversification can lead to an increase in cities' economic resilience, which can be accomplished if the right steps are taken. This may include initiatives focused on cultivating linkages between various components of the local economy, backing for innovative practices, and the development of emerging sectors, as well as activities to attract a wide array of industries. In addition, this may include activities to promote emerging sectors. There is extensive documentation on the prevalent characteristics of African cities, which cites a notable deficiency in governance ability, a substantial presence of informal economic activities, and significant levels of both planned and unplanned urban growth (Ziervogel et al., 2017). These factors are further compounded by relatively low levels of economic development within these urban areas. Ziervogel et al. (2017:132) found that African urban areas exhibit significant diversity, marked by a multitude of capacities and governing cultures that are contextually situated. Moreover, the authors state that these areas are influenced by the enduring effects of colonialism, ongoing debates surrounding urbanisation, and the processes of urban development. These factors have contributed to the persistent presence of poverty, inequality, and the informalisation of urban spaces.

Gunter and Massey (2020:287-289) outlined, in their research, four distinct, possible trajectories that lie ahead for towns and cities in South Africa. These futures include: (i) The City of the Future recognises the fundamental concept that every person has the right to access and profit from urban places. Its principal purpose is to narrow the gap that already exists between the wealthy and those who are economically disadvantaged. This initiative attempts to execute techniques that promote equality and bridge the gap between these two socio-economic categories in order to achieve its overall goal. (ii) The Failing City scenario foresees the formation of a divided urban landscape that is distinguished by a striking disparity between the living situations of the wealthy and those of the impoverished. This dichotomy would result from the city's inability to recover from its economic decline. In this hypothetical future, the authors assert that those who are less fortunate will bear a disproportionate amount of the burden of inadequate public infrastructure, while those who are more fortunate will flee to gated communities that are equipped with self-sustaining utilities such as off-the-grid water and energy systems. There is a possibility that urban infrastructure could deteriorate as the urban population continues to grow, which might lead to problems such as increased levels of traffic congestion, the emergence of significant slum areas, and a general slowdown in growth. In this particular case, the authors concluded that the leadership of the city and the governance of the city would have only a modest impact on the city's subsequent development. As a direct result of this, the character of the city would

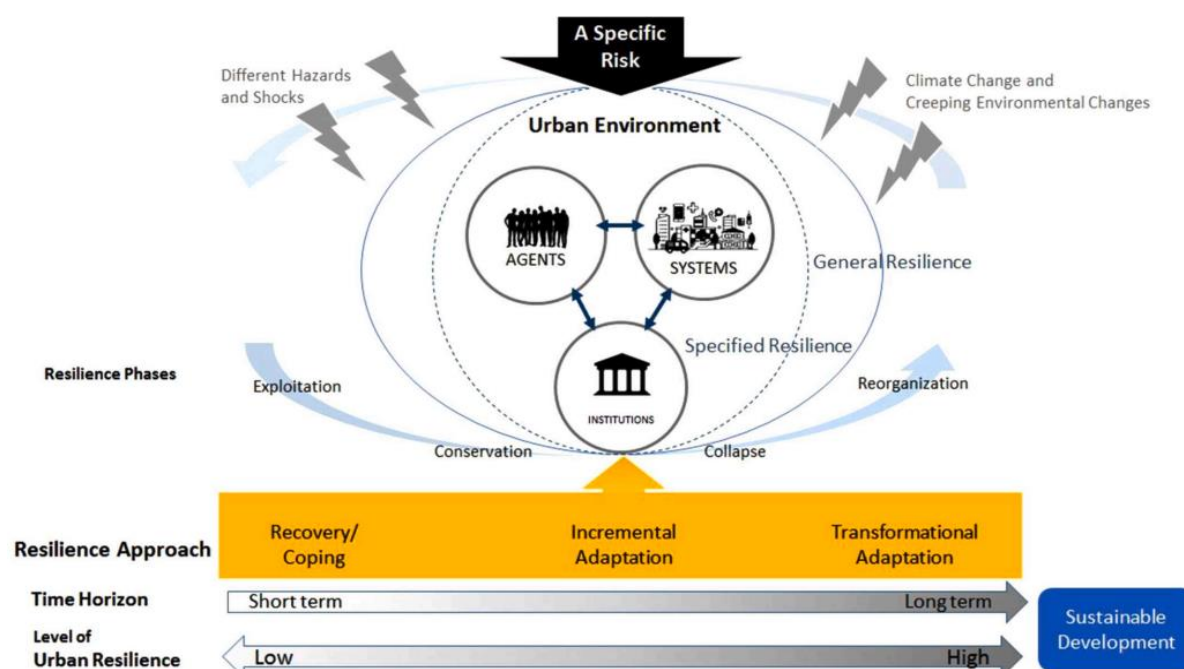
become more casual. (iii) In the context of the Divided City, the urban elite would be able to enjoy the benefits offered by a well-established infrastructure, which would be supplemented with facilities and spaces that are privately owned. A culture of spending would be encouraged by the presence of premium retail centres, urban development zones focused on beautifying the cityscape, and the availability of private security services in public spaces in the city that was planned for a wealthy population. The urban poor may be forced out of their homes as a consequence of gentrification, which may force them to find new homes on the outskirts of the city. Nevertheless, demonstrations against the delivery of services are likely to take place regularly in the city, particularly due to the city's segregated identity. It is important to point out that members of the affluent society are frequently unaware of the existence of these demonstrations. (iv) In the Corridor City, considerable attempts to foster cohesion among the various regions of the post-apartheid city would be made. Despite this, it is expected that the spatial patterns of the ancient city would not change significantly, overall. The city administration would try to improve connectivity and foster growth by constructing bridges and development corridors that link the urban core with the periphery. These improvements would link the urban core with the surrounding neighbourhoods. This would suggest that certain towns located on the outskirts of the metropolitan region would see increased transit connections to the central urban area, which would be complemented by the building of inexpensive housing in close proximity to a variety of options. While efforts would be made to develop infrastructure for underprivileged communities, the wealthy urban population would continue to experience a superior quality of life and have access to a variety of public amenities. These would include parks and beachfronts, which may serve as gathering places for the diverse population during special events. A certain degree of disparity would still be there. However, the municipalities would, progressively, try to develop economic opportunities on the outskirts of the city in order to promote the equitable distribution of wealth (Gunter & Massey, 2020:287-289).

Nevertheless, cities are in a particularly advantageous position to handle these concerns. Cities have the ability to effectively overcome the obstacles of their past and establish favourable conditions for their citizens if they place a priority on resilience and sustainable development. Although the scenarios described above represent possible outcomes for the future of South African cities, it is within the purview of urban governments and communities to actively engage in initiatives targeted at realising the scenario that is most favourable to them (Gunter & Massey, 2020:287-289). In order to effectively stimulate economic growth, while also encouraging efforts that meet the needs of the population living in poverty, it is necessary to formulate policies that effectively strike a balance between the two goals. Participation from communities at the grassroots level is required by the government in order

to strengthen and engage in government initiatives. Accordingly, African urban settings offer potential for grassroots resilience-building through the integration of formal and informal networks, diversified knowledge systems, and varied practices (Ziervogel et al., 2017:133). Since cities in South Africa are geographically and socio-economically associated with a variety of worldwide places and cities, they are unable to function in isolation when confronted with any kind of issue because of these connections. The interdependence of South Africa's urban centres, and the dynamics of the interactions between locations, surroundings and individuals, will be key factors in determining the country's trajectory into the future. It is vital that people direct their attention to the plight of disadvantaged populations who are living in city regions. In addition, it is of the utmost importance to recognise that this specific population stands to profit the most from efficient urban planning techniques, while simultaneously experiencing the largest risks and possible losses as a result of planning practices that are inadequate (Gunter & Massey, 2020). In order to achieve urban resilience, it is necessary to implement a strategy that is both all-encompassing and multi-sectoral, and that considers the interconnectivity of the many different aspects of urban existence. The application of these measures has the potential to strengthen the resilience of South African cities and to support the economic growth of such cities over the long-term. In the context of urban resilience, the robustness of a city's infrastructure is an essential component that must be considered. According to Gunter and Massey's (2020:285) research, in order for cities to become resilient to the effects of climate change and natural disasters, the use of resource needs to take priority. It is possible that the allocation of resources for the improvement of infrastructure, which includes transportation networks; digital connectivity; water and sanitation facilities; and energy systems, could result in the creation of employment opportunities and the promotion of economic growth at the local level. In addition, this type of investment can improve the city's capacity to withstand a variety of disruptive events, and to recover from their effects. The creation of new jobs and overall economic growth is largely due to the actions of local entrepreneurs and small business owners. These organisations have the potential to provide important services, generate new job opportunities, and make important financial contributions. It is vital for city governments in South Africa to be aware of the considerable environmental issues that come from climate change, which frequently appear unexpectedly in the urban context (Gunter & Massey, 2020:285). According to Harrison et al. (2014:26), if resilience is defined as the ability to effectively adjust to change, it is imperative that systems of governance and management demonstrate adaptability. This approach emphasises various factors, including the governance at different levels; the connections and interactions between these levels; networks that facilitate learning and innovation; the interplay between

formal and informal processes; and the significance of elements such as leadership, values, and levels of trust (Harrison et al., 2014:26-27).

Figure 4.5: The conceptual framework of urban resilience



Source: Amirzadeh et al. (2022:9)

In their study, Amirzadeh et al. (2022:9) identified three fundamental elements that contribute to urban resilience: systems, actors, and institutions. Figure 4.5 illustrates the interconnections between these three fundamental elements that play a pivotal role in augmenting urban resilience. Moreover, it is crucial to recognise the importance of agents, particularly communities, in strengthening urban resilience. As illustrated in this figure, the concept of urban resilience encompasses various stages, commencing with exploitation, advancing to conservation, subsequently culminating in collapse, and eventually leading to re-organisation. When an urban environment is exposed to a particular risk, such as climate change, severe environmental challenges, or various hazards or shocks, the resilience approach encompasses a progression from short-term recovery or coping mechanisms, to gradual adaptation, and then to transformative adaptation, which ultimately leads to sustainable development. The crucial aspect of this process lies in the attainment of a high level of urban resilience over an extended period. This is achieved through the implementation of transformative, resilient methods, leading to the system's ultimate stage of re-organisation. The adaptive cycle, referred to as the process, is initiated anew after the conclusion of the ultimate phase.

Unlike ecosystems, individuals and communities have the capacity to engage in critical comprehension and knowledge acquisition. The learning ability of human agents prevents a system from reverting to its previous state after experiencing a shock. Although the structures may bear similarities, it is likely that both individuals and organisations will undergo changes. Transformational resilience suggests that human societies can have multiple levels of equilibrium (Amirzadeh et al., 2022). Therefore, achieving a state of stability following a disruption would not be possible. This understanding is required because it is necessary for municipal governments to demonstrate awareness of the significant environmental challenges that result from variations in climate. The capacity of urban areas to endure and recover from such catastrophes needs to be taken into consideration, and this capacity needs to be integrated with the concepts and practices of sustainable development. In addition, local governments have the ability to provide support to businesses through the implementation of policies and initiatives that are specifically designed to alleviate obstacles to market entry, enhance accessibility to financial resources, and foster connections between businesses and prospective customers.

South Africa, much like many other countries, is facing significant environmental challenges, one of which is the problem of climate change and governance. According to Gunter and Massey's (2020) research, as South Africa is considered to be a middle-income country, the country possesses the financial resources necessary to improve its infrastructure so that it can better withstand the consequences of climate change. Adopting policies and practices that are climate-smart can help cities improve their ability to absorb environmental shocks and support LED at the same time. This may include efforts aimed at accelerating the implementation of waste management techniques, improving waste management procedures, and nurturing ecologically friendly places. Understanding how cities, and the many aspects that make up a city, can effectively adapt to ongoing change is essential in gaining an appreciation for the concept of urban resilience. Although resilience contributes to the improvement of 'urban sustainability', it is not capable of resolving the entire spectrum of concerns that are associated with our urban environment (Harrison et al., 2014:4). A high level of community engagement and cohesiveness are two of the defining characteristics of a resilient city. Local governments have the ability to build social cohesion and encourage community engagement through the implementation of decision-making systems that are inclusive; the undertaking of programmes that aim to improve social equality; and the allocation of resources for the development of community facilities and services. The concept of adaptable governance; robust urban form; infrastructure for resilience; ecological resilience; and green economies for resilience, are all key components in the discourse

around the enhancement of resilience, more especially societal resilience (Ziervogel et al., 2017:131).

In addition, the resilience of the workforce is an essential component of urban resilience. Enhancing this can be achieved through the allocation of resources to education and skills development, with a particular focus on empowering youth and marginalised populations. Providing individuals with the necessary skills to effectively respond to fluctuations in the labour market can serve as a safeguard against economic disruptions and foster the enduring resilience of the urban area. Therefore, the achievement of urban resilience necessitates the establishment of societal resilience, ensuring that no individual or group is excluded or marginalised. However, within the country, these particular cohorts have the highest degree of vulnerability within urban areas, necessitating a concentrated emphasis on policy and resilience measures targeted at this demographic. According to Gunter and Massey (2020:285), the South African city is dichotomous, where the formal parts of the city, which possess ample resources and expertise, are effectively managed; while the informal, impoverished, and vulnerable segments of the population are frequently marginalised from these areas, resulting in them bearing the most significant burdens in the face of natural disasters. The implementation of various strategies could potentially enhance urban resilience and foster LED within South African municipalities. If the integration of resilience thinking becomes a standard practice within municipal government operations, and if a shift towards adaptation, as opposed to bureaucratic inflexibility, becomes the prevailing behavioural pattern, then municipalities have the potential to transform into catalysts for constructive change, rather than the stagnant entities they are commonly perceived as (Harrison et al., 2014:10).

4.3.3 Adapting to digital transformation and reskilling workforce resilience

In a VUCA world, organisations, governments and individuals need to be agile and responsive to emerging challenges. Adapting to new situations and being open to innovative solutions is crucial for addressing the dynamic nature of global issues. Nalubega and Uwizeyimana (2019:1) observed that the Fourth Industrial Revolution (4IR) is posing challenges to established management and governance practices on a global scale, impacting organisations in both the public and private sectors. It is crucial to reduce corruption and establish efficient, accountable, and transparent institutions at all government spheres. The COVID-19 pandemic has demonstrated the potential of digital innovations in addressing global challenges (Chivunga & Tempest, 2021:5). According to the World Economic Forum (WEF, 2020), the COVID-19 pandemic was anticipated to raise concerns regarding the relationship between technology and government. Additionally, the misuse of,

or lack of trust in, data could potentially have lasting societal implications. Increased agility in governance systems to effectively adapt to rapid development and technological advances at a local government sphere is needed (Reddy & Govender, 2019). This would help municipalities to deal effectively with crises that could negatively impact economic development. In the 4IR, technology has undeniably aided in crisis management and has offered insights into how technology-driven methods of learning, working, and production can benefit societies. There is potential for a new era of innovation, growth, and improved technology in governance to support environmental and social objectives (WEF, 2021). However, what impact does information technology have on promoting transparency and trust in local government in the Fourth Industrial Revolution (4IR); and what are the existing gaps that necessitate further research in order to enhance local governance and trust, to grow resilience? In light of the significant and complex challenges encountered by municipalities, it is imperative for local government to enhance its level of responsiveness and transparency (Ramírez de la Cruz et al., 2020:683). The pandemic prompted municipalities to engage in introspection over their operational procedures, and to transition to locally-driven initiatives, employing participatory and inclusive approaches. According to Thani (2020:261), the worldwide pandemic presented favourable circumstances for innovation on the African continent, which has the potential to expedite the provision of public services. Similarly, Cilliers et al. (2020:2) concurred, asserting that the pandemic provided African nations with a favourable opportunity to adopt the principles of the 4IR and enhance their capacity for effective governance and resilience.

Nevertheless, the adoption of the 4IR poses significant challenges within the nation, mostly due to the prevailing struggles faced by many towns in terms of fundamental infrastructure development. Moreover, the persisting concerns of corruption and mismanagement of finances further exacerbate the situation, leaving these municipalities in a state of turmoil. The significance of innovation is currently receiving heightened attention. A change of municipal governance systems and processes necessitates investment in technological solutions that can enhance government operations and streamline public services and development. In order to foster the continued growth and sustainability of LED, it is imperative that local government structures adopt innovative approaches to cultivate ecosystems which are conducive to innovative business ideas. This can be achieved through the promotion of increased connectivity and the creation of enabling settings that foster innovation. This necessitates their seizing this opportunity to boost the digitisation of their economies in order to bolster their resilience, efficacy, and ability to reap the advantages of the 4IR.

According to Azunu and Mensah (2019:406), despite the implementation of many development interventions, poverty remains a significant obstacle in developing nations. This has led governments to reconsider their strategies for addressing the existing development deficit. In light of the aforementioned, several spatial strategies, such as local coping methods; self-sufficiency; reliance on the informal sector; and the concept of 'development from within', have developed as feasible alternatives to LED (Azunu & Mensah, 2019:406). The imperative for achieving inclusive economic growth and spatial transformation, promoting good governance and resilience, and ensuring financial sustainability at the local government sphere, is evident. Therefore, it is imperative for local governments to prioritise innovations; the improvement of data intelligence; the promotion of research and knowledge management; facilitating capacity building; reskilling the existing workforce; and reinforcing intergovernmental linkages and collaborations. According to SALGA (2020), the implementation of this approach will facilitate the transformation of municipalities into organisations that prioritise innovation and problem-solving, while also fostering a culture of continuing learning.

In order to effectively respond to the dynamic and uncertain circumstances, it is imperative for local governments to enhance their operational efficiency, agility, and collaborative efforts. This will facilitate a greater level of local awareness and adaptability, hence generating prospects for municipalities to enhance their resource efficiency. Therefore, it is important to have robust leadership within the public sector in order to address crises and facilitate the efficient delivery of public services. According to du Plessis and Keyter (2020:61), it is important to note that, in the face of the pandemic, proactive leadership characterised by innovation and adaptability, was crucial, as opposed to a reactive approach. The absence of a proactive leadership style could have devastating consequences for the nation. Therefore, the authors proposed using the adaptive leadership framework as a means of addressing the multi-faceted challenges posed by COVID-19, and other crises, with their social, political, and economic dimensions.

In addition, it is imperative for local government entities to engage in collaborative efforts with a wide array of social actors in order to develop novel technologies and methods that yield and enhance collective benefits (Ramírez de la Cruz et al., 2020:683). Municipalities are confronted with a range of difficulties, including employment losses, skills scarcity, and inadequate infrastructure. There are potential avenues for enhancing the workforce's skill set through reskilling initiatives, as well as expanding the range of skills available within certain regions, such as digital proficiencies. Additionally, there is a possibility of expediting investment in infrastructure to support these efforts. The facilitation of a robust and enduring

economic recovery can be augmented through the widespread dissemination and use of advanced technological innovations. In addition to implementing appropriate institutions and progressive policies, it is crucial to establish business-friendly conditions that foster economic development (SALGA, 2020). The COVID-19 pandemic has witnessed the crucial role of science, technology, and innovation (STI) in responding to it, as highlighted by the OECD (2021). According to the OECD (2021:3), government interventions should consist of more than just addressing immediate financial difficulties. They should also include: promoting the widespread adoption of technology to facilitate an inclusive digital transformation; creating an environment and providing incentives that encourage innovation, the growth of start-ups, and the entry of potential entrepreneurs; fostering an entrepreneurial environment that supports exploration and the equitable distribution of resources; and providing assistance to workers, especially those from marginalised groups, in transitioning to new employment opportunities. This approach will guarantee that the process of responding to, and recovering from, crises is comprehensive, effectively addressing the disparities between urban and rural areas and strengthening the ability to withstand future challenges, all while laying the groundwork for fundamental changes in the system.

De Villiers et al. (2020:807) proposed supplementary strategies that the government can employ to invigorate the economy, without requiring significant financial investments. These strategies include: establishing stable regulatory frameworks across all sectors; alleviating bureaucratic burdens on businesses; providing guarantees for the protection of property rights; ensuring compliance with transformation objectives and regulations; reducing instances of corruption within the public sector; and enhancing the effectiveness of law enforcement and judicial systems. In implementing these strategies, innovation remains important to significantly enhance cost savings, service quality, and overall performance, thereby generating favourable outcomes for both businesses and individuals who depend on an efficient and productive public sector (Boon et al., 2023).

From a business perspective, the advent of novel digital technologies has revolutionised the field of entrepreneurship and has, in all likelihood, facilitated the survival of numerous new and established enterprises through the COVID-19 pandemic, potentially averting insolvency (Santos et al., 2023:1). Digital technologies play a pivotal role in the identification, evaluation, and exploitation of opportunities, as well as in enhancing the competitiveness, efficiency, and innovativeness of businesses, particularly in times of uncertainty (Santos et al., 2023:1). They have become essential instruments for enabling businesses to adapt and restructure in response to these challenges. The COVID-19 pandemic had a significant impact on conventional business models, forcing entrepreneurs to reassess and adapt their

strategies (Santos et al., 2023:1-2). Numerous enterprises have been compelled to swiftly adopt remote work, online operations, and digital platforms, in order to sustain their activities and engage with their customers. Digital tools also enable organisations to improve their agility and flexibility, enabling them to swiftly adapt their operations and offerings in response to changing market demands. Nevertheless, it is crucial to recognise that the availability of digital technologies, and proficiency in utilising, them may differ between entrepreneurs and geographical areas. Ensuring the bridging of the digital divide and the promotion of inclusive digital adoption is imperative, in order to facilitate equitable access to the potential benefits of digital technologies for all entrepreneurs. The integration of digital technology and data-driven decision-making into urban planning and service delivery is a growing trend. This includes the use of data analytics, artificial intelligence, and the Internet of Things (IoT) to improve the efficiency and effectiveness of local services and infrastructure. Collaboration between the public and private sectors is increasingly becoming important for LED. Public-private partnerships can mobilise private investment, expertise, and innovation, to address local challenges and promote economic growth. Local governments are, therefore, becoming more aware of the need to plan for potential disruptions, such as natural disasters, economic shocks, or public health crises. This involves developing strategies to mitigate risks, build resilience, and ensure the long-term viability of local economies. The COVID-19 pandemic accelerated the shift towards remote work and digital services and enabled LED strategies to focus on attracting remote workers, supporting digital infrastructure, and promoting the digital transformation of local businesses. Furthermore, local governments are increasingly working together to address shared challenges and promote regional economic development through collaboration on infrastructure projects, joint marketing initiatives, or the development of regional innovation clusters. There is a growing emphasis on involving local residents and stakeholders in the economic development process, including participatory budgeting, public consultations and other forms of community engagement to ensure that local development strategies reflect the needs and priorities of the community. Moreover, given the increasing disparity between high expectations and limited resources, there is a growing emphasis on public organisations to optimise their available resources and adopt innovative approaches (Boon et al., 2023:2). The inherent bureaucratic characteristics commonly found in public sector organisations, characterised by strict regulations, hierarchical operations, and an aversion to change, have contributed to the belief that the public sector is not well-suited to innovation (Boon et al., 2023:2). However, there is limited knowledge regarding the circumstances in which innovations emerge from the concepts proposed by specific stakeholder groups.

The examination of the process by which stakeholder ideas are transformed into innovations is of significance, as it provides valuable understanding of the circumstances in which organisations adopt an ‘open’ approach, characterised by their willingness to consider diverse ideas during the innovation development process (Boon et al., 2023). Leveraging technology and data-driven insights can aid in monitoring progress, identifying trends, and predicting future challenges related to SDGs. Employing data analytics, artificial intelligence and other emerging technologies can help develop targeted interventions, optimise resource allocation, and improve decision-making. Santos et al. (2023:1) found that the utilisation of digital technologies has played a significant role in the transition from traditional, linear, predictable, and stable business approaches to ones that are more adaptable, dynamic, and resilient. This transformation has allowed organisations to effectively navigate the uncertainties caused by the pandemic, and to operate in a manner that is less linear in nature. Digital technologies thus play a crucial role in the identification, evaluation, and exploitation of opportunities, as well as in enhancing competitiveness and fostering innovation, particularly in times of uncertainty, such as disasters and epidemics (Santos et al., 2023:1).

4.3.4 Prioritising inclusivity and equity for social resilience

The relationship between resilience, inclusion, and equity is inherently interconnected, as outlined by the Sustainable Development Goals and the 2030 Agenda (Fitzgibbons & Mitchel, 2019:658). Addressing inequalities and ensuring no one is left behind is fundamental to achieving these goals. However, socio-economic disparities have become increasingly pronounced especially in South Africa (Hellwig & Marinova, 2023; Kalina, 2021; Khambule, 2022). As alluded to by Hellwig and Marinova (2023:253), one result of the increasing disparities between individuals from wealthy and poor backgrounds is that the overall macro-economic indicators employed to assess the overall state of the national economy, such as economic growth, employment rates, and inflation, fail to adequately capture the significant discrepancies in economic performance experienced by a large portion of the population. In the 25 years since democracy was established in South Africa, poverty and inequality have worsened due to inadequate opportunities for personal employment (Wakefield, Yu & Swanepoel, 2022:87). High unemployment rates are a serious policy and social problem for the country, and they represent a serious danger to the future of the fiscus, in addition to contributing to broader social problems like crime, violence, inequality and poverty. Building strong communities can help municipalities promote social cohesion, reduce crime, and create a sense of belonging among residents. This would help strengthen their resilience and enable them to develop adaptive strategies that allow them to

respond quickly and effectively to changing circumstances. However, according to Gaffigan (2020:29), variations exist among cities in terms of their approaches to resilience, particularly in how they respond to, and perceive, shocks and/or stresses. A shock can be conceptualised as a catastrophic occurrence, exemplified by events like Hurricane Katrina or the COVID-19 pandemic. On the other hand, stressors are factors that consistently impose chronic stress on a system, such as poverty, limited access to social services, inequitable power distribution, and systemic racism (Gaffigan, 2020:29). By prioritising inclusiveness and equity, policies and interventions can be designed to cater for the needs of vulnerable and marginalised populations, thereby fostering sustainable development for all and strengthening their resilience. Khambule (2022), in his study, found that the application of the sustainable livelihood approach was pertinent for comprehending the ramifications on livelihoods within the informal sector during the peak of the pandemic. The concept of sustainability is closely tied to the ability of individuals to effectively manage and recover from stress, unexpected events, turbulence, and vulnerabilities. Additionally, it involves enhancing capabilities to create improved livelihood opportunities for future generations. The author further asserted that the United Nations Development Programme (UNDP) has consistently advocated for the development of strategies that establish a connection between sustainable livelihoods and economic recovery, crisis prevention, and poverty reduction. The interconnection between resilience, sustainability, and social fairness is considered fundamental within the framework of the 2030 Agenda for Sustainable Development and its associated SDGs (Fitzgibbons & Mitchell, 2019:657). Nevertheless, Fitzgibbons and Mitchell (2019:648) found that some researchers with a critical perspective have raised concerns about the limitations of resilience theories in addressing matters of equity, justice, and power. This discrepancy has the potential to create conflicts between the objectives of resilience and these aforementioned principles (Fitzgibbons & Mitchell, 2019:648).

In order to facilitate LED and attain the development goals within a VUCA global context, it is imperative to, not only embrace the concept of resilience, but also to support collaborative efforts, leverage technological advancements and address prevailing disparities. This could be achieved through the strengthening of social resilience. Social resilience refers to the capacity of a community to develop collective resilience in the face of severe shocks and ongoing stresses. It specifically examines the cause-and-effect link between persistent, stressful events and their influence on a society's ability to effectively adapt to, and endure, major shocks (Gaffigan, 2020:27). If certain parts of the population are incapable of recovering from a sudden shock, or consistently bear a disproportionate burden of a city's ongoing challenges, then the overall resilience of that city's population has not been

improved (Fitzgibbons & Mitchell, 2019:649). Instead, it has only been strengthened for socially advantaged groups. Resilience-building initiatives must be strategically crafted to promote and advance principles of social equality (Fitzgibbons & Mitchell, 2019:649). Through the implementation of these techniques, various stakeholders are able to effectively navigate the intricate and unpredictable global environment, thereby progressing to a future that is characterised by sustainability and inclusivity. The incorporation of resilience into many systems, including infrastructure, governance, and social support networks, is necessary in order to effectively endure, and adjust to, unexpected disruptions and evolving conditions. Safeguarding progress can be achieved through the allocation of resources to disaster risk reduction, adapting to climate change, and the reinforcement of social protection mechanisms. According to Gaffigan (2020:24), the existing resilience strategies employed by cities, for example, in North America, have the potential to uphold prevailing power dynamics and institutions that perpetuate societal inequities in the maintenance of the status quo. The author argued that, in order to prevent the perpetuation of negative elements within discriminatory, colonial, and patriarchal cultures, it is imperative that resilience practices not only bring to light, but also seek to rectify, deeply entrenched injustices. This approach is crucial to ensure that tactics and policies do not inadvertently perpetuate these damaging characteristics. In the absence of resilience strategies that incorporate a comprehensive examination of equity, justice, and power dynamics, both externalised and internalised forms of oppression will remain unacknowledged and unattended to, hindering the realisation of collective and representative futures (Gaffigan, 2020).

Fitzgibbons and Mitchell (2020) conducted an examination of the framework of a global experiment involving 100 cities known as the '100 Resilient Cities' (100RC). Their research looked to examine to what degree of resilience, inclusion, and equity were prioritised in the implementation of resilience planning within urban contexts. Their findings indicated that the collective emphasis on addressing inequality and injustice in the cities involved was fragmented and lacking in coherence. Therefore, it was suggested that, in the future, there should be a focus on conducting extensive urban experiments that prioritise urban resilience. These experiments can draw valuable insights from the experiences of 100RC, enabling them to develop programmes that promote equity at both the programmatic and project-specific levels. The authors stated that, in order to foster distributive equity on a global scale, it is suggested that the selection criteria and a funding model be implemented, with a deliberate focus on equity rather than mere equality. At the project level, it is advisable to advocate for the use of tools, such as Equity Indicators, as an essential initial measure in the planning process. The undertakings of resilience, inclusion and equity can coexist without being mutually exclusive (Fitzgibbons & Mitchell, 2020:658).

4.3 CONCLUSION

As the nation persists in confronting the multi-faceted predicament of unemployment, poverty, and escalating inequality, the realm of business development and sustainability encounters obstacles that erode the prospects of effectively tackling these difficulties. Undoubtedly, the persistent issue of energy availability in the nation inevitably leads to interruptions, further compounded by the adverse effects of climate change. It is, therefore, imperative for both the business and government sectors to effectively respond to evolving conditions and foster avenues for enhancing organisational performance, thereby surmounting the aforementioned problems. The expeditious recovery process, which has the potential to address certain socio-economic difficulties faced by the country, relies on the crucial element of strengthening resilience through adopting strategies for overcoming chaos, uncertainty and disruptions; strengthening urban resilience; adapting to digital transformation; reskilling the workforce, and prioritising inclusivity and equity for social resilience. Significantly, there is an increasing need for agile governance in response to the escalation of violence and flood disasters within the nation, as well as the repercussions of the worldwide pandemic. It becomes necessary to help small enterprises to effectively manage the difficulties presented by the unpredictable and complex operational landscape. In promoting resilience, the task of addressing the various complex issues faced by small enterprises requires a collaborative approach that involves government authorities, businesses, organised institutions and local communities.

CHAPTER FIVE:

RESEARCH METHODOLOGY AND DESIGN

5.1 INTRODUCTION

This study aimed at examining perceptions surrounding LED planning and implementation within a major region of the province of Kwa-Zulu-Natal. According to van der Walddt (2017:184), public administration is characterised by diversity and has its origins in multiple theoretical schools of thought, as highlighted in the previous chapters. Public administration is an interdisciplinary field that involves the integration of organisational theory, social theory, political theory and other relevant areas of study. A study of this nature is often challenging due to the intricate nature of governance-related phenomena, which necessitate the use of several approaches, techniques, models, and theories for their analysis (van der Walddt, 2017:184). The incorporation of research methodology and design is, therefore, vital to the implementation of any research investigation, including studies that specifically concentrate on LED. The research methodology covers the comprehensive framework and methods employed in the execution of the research, whereas the research design defines the blueprint for executing the research and gathering data. A meticulously planned and executed research study has the potential to yield significant insights into the various aspects that contribute to the achievement of good LED outcomes. Furthermore, such a study could play a crucial role in guiding the formulation and implementation of LED policies and interventions that are truly effective. The study employed a research method and design that aimed to address the following research questions:

- Who are the relevant stakeholders in LED implementation in uMgungundlovu District Municipality?
- What are the roles of the various stakeholders in implementing LED?
- What are the stakeholders' perceptions on LED and its implementation within uMgungundlovu District Municipality?
- Which perceptions stimulate or hinder LED implementation within uMgungundlovu District Municipality?
- In what ways are the main challenges hindering stakeholders in successfully implementing LED?

- What framework is required to successfully implement LED for sustainable development?

5.2 RESEARCH PARADIGM

A research paradigm refers to a set of assumptions, beliefs, and methodologies that guide research in a particular field. It provides a framework for understanding and conducting research, including the ways in which data is collected, analysed, and interpreted (Creswell, 2013; Creswell & Poth, 2018). Van der Waldt (2017:185) defines a paradigm as a conceptual structure consisting of fundamental assumptions that serve as a basis for evaluating perceptions and establishing relationships (including values) within a particular field or profession. The choice of research paradigm in LED research depends on the research questions and objectives, as well as the nature of the research problem. It is important for researchers to be aware of the strengths and limitations of each research paradigm and to choose an approach that is most suitable for their research problem. Creswell (2003:6) identifies four alternative knowledge claims, or research paradigms, including the postpositivist paradigm; the constructivist paradigm; the advocacy/participatory paradigm; and the pragmatist paradigm. These paradigms inform the researcher's choice of research design, highlighting their philosophical worldviews (Abutabenjeh & Jaradat, 2018:245). The postpositivist paradigm is largely rooted in the scientific approach to research, being, in part, cause-and-effect oriented, and reductionist in nature (Abutabenjeh & Jaradat, 2018; Creswell & Poth, 2018). Postpositivist researchers believe in multiple perspectives, as opposed to a single reality, where reality is constructed through research and statistics (Creswell, 2013; Creswell & Poth, 2018). This research paradigm emphasises objectivity and the use of empirical methods to measure and explain a specific phenomenon. The constructivist/interpretivist paradigm is another world view emphasising the importance of understanding social phenomena from the perspective of the individuals involved. Like the postpositivist paradigm, the constructivist paradigm believes in multiple realities constructed through lived experience and interactions. However, in constructivist/interpretivist thinking and belief, reality is co-constructed and shaped by individual experiences, and the approach to enquiry is more inductive. It uses interviews and observations as the main data collection instruments (Creswell, 2013; Creswell & Poth, 2018). Thus, interpretivist research aims to uncover the meanings and interpretations that individuals attach to their experiences.

The advocacy/participative paradigm, also known as the critical paradigm, emphasises reality based on power and identity struggles, with goals focussed on addressing inequities and empowerment (Creswell & Poth, 2018; Rahi, 2017). This paradigm emphasises diversity, believing that reality can be changed through research. Rahi (2017:1) asserts that

this approach to inquiry involves beginning with assumptions of power and struggles that are then documented followed by a call for action and change. Thus, the researchers believe inquiry needs to be intertwined with political and social concerns (Rahi, 2017:1). Lastly, the pragmatic paradigm, in contrast to the previous paradigm, is not dedicated to one philosophy and reality. Pragmatic research involves both qualitative and quantitative research which, respectively, reflect an inductive and deductive approach to research (Creswell, 2013; Creswell & Poth, 2018; Leko, Hitchcock, Love, Houchins & Conroy, 2023). Pragmatic research aims to address practical problems and inform decision-making in real-world settings, often through the use of mixed-methods research designs (Leko et al., 2023:434).

This study utilised the constructivist/interpretivist paradigm, which suggests that no single reality or truth exists, but that reality is created by individuals in the group. It is focused on how individuals understand the world they work and live in, placing subjective meaning on their experiences, allowing the researcher to explore the interactions among individuals or participants (Creswell & Poth, 2018:24). This paradigm suggests that reality needs to be interpreted to discover the underlying meaning, taking on a context-specific, explanatory and open-ended perspective of reality. Thus, it advocates for case-specific understanding, against mere generalisation. As such, this paradigm provided an in-depth understanding of LED planning and implementation in the uMgungundlovu district.

5.3 RESEARCH DESIGN

The research design is important as it shapes and structures the research, allowing the researcher to correctly address the research questions (Bowen, 2005; Sekaran & Bougie, 2016). Abutabenjeh and Jaradat (2018:238-239) argue that designing the research is a crucial phase in the research process. Van der Waladt (2017:187) asserts that the foundation of knowledge construction and knowledge generation is significantly rooted in theory. Research designs are typically grounded in theory as it offers insight into the subject being examined (van der Waladt, 2017:187). In this context, the author argues that theory serves as a cognitive framework that attempts to clarify the functioning of many elements within the realm of social reality. Furthermore, the author suggests that postgraduate studies should begin with thorough literature reviews regarding the potential theories under investigation, followed by the development of well-founded theoretical frameworks. These frameworks, in turn, should guide the design of the study, and the decisions made regarding methodology (van der Waladt, 2017:200-201). A research design, therefore, serves as a framework to direct the research process, outlining the trajectory along which a study will progress from its research objectives and questions to the ultimate outcomes. A comprehensive planning method should, therefore, be employed to meticulously gather and evaluate data with the

aim of understanding the subject matter (Abutabenjeh & Jaradat, 2018:239). The value of a research design is, therefore, dependent upon the careful selection of a suitable design, while being mindful of the research objectives, questions and constraints of the research (Sekaran & Bougie, 2016:96). Some of the common research designs include descriptive, exploratory and explanatory research designs. The exploratory research design was used to address the research questions, by adopting an inductive approach. An exploratory research design allows for the exploration of concepts to gain understanding of the research and correctly address the research questions. This was useful in addressing the research problem and providing more insight into the views of stakeholders regarding LED and its implementation. Common approaches to a research design include quantitative research, qualitative research and mixed method research. Quantitative research involves use of quantitative data, such as statistics, to address the research problem. It uses a deductive approach, where data is tested using hypotheses, with behaviour seen as regular or predictable (Sekaran & Bougie, 2016; du Plessis & Majam, 2010). Qualitative research, on the other hand, differs from quantitative research in that it is more inductive and uses real-life methods to comprehend events in context-specific settings, where human behaviour is seen as fluid, contextual and dynamic; as opposed to mere generalising (Creswell, 2003). Lastly, mixed method research uses both qualitative and quantitative research approaches to address research questions that cannot be resolved using just one approach (Creswell, 2003; Sekaran & Bougie, 2016), with the one approach complementing the other. Leko et al. (2023:433) argue that the concept of word combination is of utmost importance in the context of mixed method research, since it requires a deliberate and intentional process of 'combining', 'mixing', or 'integrating' qualitative and quantitative techniques, rather than just applying them simultaneously. The study thus utilised the qualitative approach to address the research problem. Auriacombe and Mouton (2007:441) assert that this type of research offers insider insight and understanding of social phenomena, whilst Bartunek and Seo (2002:238) contend that the qualitative approach deepens understanding of local perceptions. This approach provided rich content for the research, with an emphasis on understanding the research problem, to address it appropriately (Hannabuss, 1996; Bowen, 2005; Auriacombe & Mouton, 2007).

5.4 RESEARCH STRATEGY

The research strategy is one of the key elements of a research design, and is important in assisting researchers to achieve their research objectives, and to answer the research questions, as listed above (Sekaran & Bougie, 2016). Research strategies available in

qualitative studies include phenomenology, ethnography, case study, grounded theory and action research strategies, and are explained briefly in the discussion that follows:

- An ethnographic strategy focuses on closely observing, recording, and engaging social groups, seeking an understanding of their cultures and behaviours, through an insider's perspective (Sekaran & Bougie, 2016:97).
- A case study design focuses on getting in-depth data about a specific activity, event, individual or group, to provide a complete description of the case (Marczyk, DeMatteo & Festinger, 2005; Sekaran & Bougie, 2016). It entails an in-depth examination of the subject under investigation, in its natural environment (Priya, 2021:95), allowing the researcher to closely examine the phenomenon in a specific context and provide a more holistic view and understanding of the phenomenon being studied (Ebneyamini & Sadeghi Moghadam, 2018). As such, Priya (2021:95) argues that the case study is not merely a data gathering technique, but rather a strategy.
- A grounded theory strategy is inductive in its approach, emphasising the use of multiple methods of data collection and analysis to develop a theory (Sekaran & Bougie, 2016).
- Action research concentrates on implementing planned changes by starting with the research problem and continually evaluating, defining and diagnosing the research problem to find a solution (Sekaran & Bougie, 2016; Schurink, 2010). The researcher engages in an ongoing process to identify themes, using a series of four primary phases, including planning, implementing, observing, and reflecting (Schurink, 2010:490).

Given the aforementioned descriptions that provide information regarding the study, it became apparent that the utilisation of the case study approach was suitable for addressing this research topic. Case study research employs several sources of data collecting to offer an in-depth and thorough description of the study. This study improved understanding of the complex nature of LED, while also shedding light on the diverse perspectives held by stakeholders involved in LED. The research included in-depth interviews and document analysis as the primary methods for data collecting.

5.5 STUDY SITE

The study was conducted in the uMgungundlovu District Municipality, a Category C municipality comprising seven local municipalities. This municipality is the second largest economic contributor in the province of KwaZulu-Natal. uMgungundlovu municipality has

seven local municipalities under it, including: Msunduzi Municipality; uMngeni Municipality; Mpofana Municipality; uMshwathi Municipality; Impendle Municipality; Richmond Municipality and Mkhambathini Municipality. The district municipality comprises urban and rural areas and has its offices located in Pietermaritzburg, which is the capital city of KwaZulu-Natal Province. uMgungundlovu is one of the most densely populated districts in the province, and large economic and social disparities exist. Economic development in the district is fragmented and largely concentrated in urban areas, while the rural parts of the district are left behind (Makhaye et al., 2021:292-293). The need to create an environment conducive for LED and strengthening partnerships and stakeholder relationships remains important for successful LED. Thus, the municipal IDP (2019/2020) identifies this as one of the strategic objectives for LED (uMgungundlovu District Municipality, 2019). However, creating an enabling environment for LED and fostering partnerships and stakeholder relationships remains challenging for most of the municipalities, including the district. The municipality was selected due to its economic and social significance in the province, with the goal of providing an understanding of stakeholder perceptions that either hinder or promote LED implementation within uMgungundlovu district.

5.6 TARGET POPULATION

The study area has a population of over one million people (1 095 865), accounting for approximately 10% of the KZN population. The population resides in traditional farmlands, informal rural settlements and urban areas. The district municipality is the second-largest economic contributor to the KZN province, after eThekweni Metro Municipality (uMgungundlovu District Municipality, 2019).

5.7 SAMPLING TECHNIQUES AND STRATEGIES

According to Abutabenjeh and Jaradat (2018), the selection of a population and sampling strategy is of significant importance, as it forces the researcher to make informed decisions regarding the specific individuals or entities that are the focus of the study. The population under investigation refers to the specific group of individuals from which the researcher aims to derive insights. Thus, Leko et al. (2023:434) argue that researchers have the option to incorporate philosophical assumptions, such as epistemologies, in order to make informed choices regarding the selection of data and sampling processes. This may involve utilising several forms of sampling, such as random or purposive sampling, or a combination of various sampling methods. The considerations pertaining to population and sampling are thus intricately linked to choosing the appropriate research methodology to be employed (Abutabenjeh & Jaradat, 2018). There are two broad sampling techniques available for

researchers: probability sampling and non-probability sampling (MANCOSA, 2015:21). In probability sampling, each of the elements in the population has an equal probability of being selected, and that probability is random and unknown. In non-probability sampling, the selection of an element of the population is not random, but subjective. As this chosen research method is qualitative, the non-probability sampling method was used to focus on elements within the population, who were purposefully selected. This sampling design has several sampling techniques associated with it, including quota sampling; purposive sampling; snowball sampling; maximum variation sampling; and convenience sampling (MANCOSA, 2015). The study, therefore, used purposive sampling, where participants were purposefully selected to take part in the study, based on their knowledge of, and expertise in, the focus of the research.

5.8 SAMPLING SIZE

Key stakeholders in driving LED in municipalities include all spheres of government and public agencies, business and communities. The study sample mainly focused on participants involved in the planning and implementation of LED in the district municipality, including the LED officers and co-ordinators, LED managers, IDP managers and economic development directors from the district municipality and associated local municipalities (involved in LED planning and implementation). It also included municipal LED support staff from the sector departments (involved in monitoring and evaluation and providing funding support) and agencies (implementation, investment attraction and business support). The sample was drawn from the general structure in municipalities that deals directly with LED planning and implementation. This involved the selection of 3 key personnel per municipality directly responsible for LED. Combined, the sample size constituted 24 participants out of the targeted sample size of 34 participants yielding a 70% response rate overall. The purposely selected sample of participants were based on their roles, designation and levels of lived experience pertaining to the context of the study. The sample included a range of participants: junior-to-senior management officials representing uMgungundlovu District Municipality, as well as uMngeni; uMshwathi; Msunduzi; Richmond; Impendle; Mpofana and Mkhambathini Local Municipalities; the KZN Department of CoGTA and the KZN Small Business Development Agency (SEDA uMgungundlovu branch); the KZN South African Local Government Association (SALGA); and the uMgungundlovu District Development Agency (UMEDA). These participants contributed to the rich data and were drawn from the general structure in municipalities that deals directly with LED planning and implementation. The sample was recruited using various telecommunication methods, including email and

telephone, and comprised a mix of junior, middle and senior management representatives from the respective organisations, as detailed in Table 5.1.

Table 5.1: Study sample

Category of Stakeholder	Roles	Total sample size	No. of individuals interviewed
uMgungundlovu District municipalities	Manager: IDP Manager HoD: Economic Development & Planning	3	2
Msunduzi Local Municipality	Manager: LED Manager: Tourism Senior Manager: Development Services	3	3
uMngeni Local Municipality	Director: Economic Development Planning & Human Settlement LED Officer	3	2
Richmond Local Municipality	LED Co-ordinator LED Co-ordinator	3	2
Mkhambathini Local Municipality	Director Community Services Manager LED IDP Officer	3	3
Mpofana Local Municipality	Manager: IDP Manager: LED	3	2
uMshwathi Local Municipality	LED Officer	3	1
Impendle Local Municipality	Manager LED	3	1
Department of Co-operative Governance and Traditional Affairs	LED Regional Managers (DD)	3	3
uMgungundlovu District Development Agency	Development specialist (Directors)	2	2
Small Enterprise Development Agency	Business Advisors	4	2
South African Local Government Association	LED Programme Manager	1	1
Total sample size		34	24

5.9 DATA COLLECTION METHODS

In qualitative research, generally, four key data sources are interviews, observations, documents and audio-visual materials (Creswell, 2003). Interviews are a valuable instrument in data collection, allowing greater interaction between the researcher and participants (Westbrook, 1994; Auriacombe & Mouton, 2007). The study used interviews as the main data collection method, which involved semi-structured, in-depth and open-ended interviews, for which an interview guide had been prepared beforehand (see Appendix D). These interviews were conducted one-on-one, observing the necessary government protocol during COVID-19; and Disaster Management Regulations were observed throughout the interview process. Prior to commencing the data collection process, it was mandatory to get consent from the relevant organisations to be involved in the study. The task was accomplished by obtaining permission from the various organisations identified as key to informing the study, including the uMgungundlovu District Municipality; the seven local municipalities (uMngeni, Mkhambathini, Mpofana, Impendle, uMshwathi, Richmond, and Msunduzi); the Department of Co-operative Governance and Traditional Affairs (CoGTA); the Department of Economic Development, Tourism and Environmental Affairs (EDTEA); the uMgungundlovu District Development Agency (UMEDA); the Ingonyama Trust Board (ITB); the Pietermaritzburg & Midlands Chamber of Business (PMCB); the Small Enterprise Development Agency (SEDA); and the South African Local Government Association (SALGA). Gatekeeper permission was only given by the uMgungundlovu District Municipality; UMEDA; SALGA; the Department of CoGTA; and all seven local municipalities. An application for ethics approval was duly submitted to the Research Office of the University of KwaZulu-Natal (UKZN). This application was accompanied by the letters from the gatekeepers, the interview schedule, and copies of the informed consent forms from the participants. The researchers established contact with the participants by telephone and email after receiving ethics clearance approval, with a protocol letter from the UKZN Research Office (Appendix B). The interview dates were pre-arranged, when individual interviews were conducted with each participant, either in person or virtually. These interviews were also recorded to assist with the transcribing process. The data collection process commenced in January 2022 and concluded in August 2023, shortly after obtaining ethics clearance.

5.9.1 Challenges encountered during the data collection process

Due to the ongoing COVID-19 pandemic and increasing infection rates at the time of data collection, the researcher encountered numerous obstacles throughout the data collecting phase, primarily stemming from the need to observe physical distancing measures.

Consequently, the conventional approach of conducting face-to-face interviews was frequently hampered. In order to comply with social distancing measures, the researcher was compelled to adjust, either by opting for larger venues that allowed for adequate physical separation, or by changing to remote interviews. Numerous interviews had to be conducted on virtual platforms, such as Zoom and Microsoft Teams. Although these platforms offered versatility, they presented with possible technical obstacles, such as connectivity disruptions, and audio and video challenges. In the context of online platforms, the interpretation of non-verbal cues, which can yield valuable insights in qualitative research, becomes more challenging, as many respondents opted to have their video off to ensure uninterrupted internet connectivity. This, potentially, resulted in the omission of participants' hesitations, nonverbal clues, such as body language, and other minor indicators that could have allowed a more comprehensive understanding of their statements. Moreover, some individuals were unfamiliar with the virtual platforms, had poor access to the necessary technology, or had an unreliable internet connection. The occurrence of 'Zoom fatigue', referring to the state of exhaustion resulting from virtual meetings, was quickly recognised, especially when it came to securing interview dates.

Nonetheless, as the data collection continued, the researcher was mindful of the challenges and adapted to the situation at the time to ensure minimal delays in the data collection phase and to respect the rights of the participants. This meant that some interviews had to be held after work hours, with participants in their homes, via a video call (Microsoft Teams and Zoom platforms). In situations where face-to-face interviews were feasible, certain participants expressed their concerns over potential health hazards, having experienced the loss of colleagues due to the pandemic. Understandably, they were less inclined to participate in the study at the time, which delayed the data collection process. The researcher was required to demonstrate heightened sensitivity to the various stresses and concerns experienced by the participants at this particular time. Prior to the interviews, informed consent forms (Appendix C) were provided to the participants for their information and signature. These forms gave the researcher explicit permission to record the interviews and included a concise overview of the research and its procedures, information about the researcher and supervisor, and a section addressing the potential consequences of participating in the study, emphasising the importance of maintaining anonymity and confidentiality, and ensuring compliance with, and adherence to, the COVID-19 regulations of the time, along with the option for participants to opt for either virtual or face-to-face sessions. This was seen as important in addressing concerns that participants might have had during the period of uncertainty.

In addition, the research process was hindered and delayed by travel bans or quarantine measures when the researcher was required travel to a certain region for an interview. The unpredictable nature of the pandemic necessitated regular changes to restrictions and regulations. Nonetheless, the transition to virtual platforms, despite its inherent difficulties, allowed for a broader reach, and the use of new tools and methodologies. The in-depth, open-ended interviews provided rich material for the research and facilitated discussion on the subject matter, using real-life methods to understand the research topic in a context-specific setting. Through the in-depth interviews that are meant to capture the respondents' perceptions and perspectives, the researcher was able to reconstruct meanings attributed to experiences and events. This was further reinforced by secondary data from a range of scholarly and contemporary literature, relevant municipal policy documents (strategic documents including IDPs), departmental documents (research reports, surveys and performance plans), and other available reports (such as media statements and speeches, statistical surveys and reports, legislative and policy documents relating to the municipal affairs), all of which are in the public domain. Since the study involved multiple stakeholders operating in complex environments, the study also used rich pictures to capture the complexities of the multiple stakeholders, which assisted in the development of the stakeholder management framework for LED. This, as noted by Conte and Davidson (2020:2), assists in facilitating introspection and uncovering deeply ingrained perspectives. The authors argued that the true worth of a rich picture is as a tool for sense-making that enables reflection and exposes 'deeply held views', and in its ability to stimulate conversation to reveal new insights.

5.9.2 Data saturation

LaDonna, Artino Jr and Balmer (2021:607) argue that the concept of rigour is sometimes associated with the notion of saturation, which is generally defined as the stage in data gathering where interviews cease to yield new information, or when researchers perceive that they have obtained a comprehensive understanding of the subject matter. Similarly, Hayashi Jr, Abib and Hoppen (2019:101) assert that data saturation occurs at the point when no further valuable information is obtained through interviews, indicating that a sufficient number of interviews have been completed. Reaching saturation is determined by more than just the total number of participants (LaDonna et al., 2021:607). Data saturation occurs when the research has gathered a sufficient amount of information that allows for replication (Fusch & Ness, 2015:1408). At this point, the possibility of acquiring more fresh data declines, and further coding of the data is no longer conceivable (Fusch & Ness, 2015:1408). Thus, an inability to achieve data saturation has implications for the research's

overall quality and undermines its validity (Fusch & Ness, 2015; Saunders, Sim, Kingstone, Baker, Waterfield, Bartlam, Burroughs & Jinks, 2017). Fusch and Ness (2015:1408) argued that the area of data saturation has been overlooked in scholarly discourse, mainly due to the challenge in defining this concept. Hayashi Jr et al. (2019:106) stated that ensuring a study's validity throughout the data collection and analysis phases can be achieved through the implementation of measures such as data triangulation and theoretical triangulation. Saunders et al. (2017:1896) proposed four models of saturation that can be used: theoretical saturation, inductive thematic saturation, *a priori* thematic saturation, and data saturation. Accordingly, the adequacy of qualitative findings can be assessed by considering various factors, including the research objectives; the representativeness of the sample; the incorporation of theoretical frameworks; the analytical approach employed; and the overall quality of the interviews that were conducted (LaDonna et al., 2021:608). The information power model, as suggested by LaDonna et al. (2021:608), challenges the misconception that larger sample sizes necessarily result in enhanced data quality. Therefore, while assessing adequacy, the quality of interviews is more significant than the quantity; and in order to obtain comprehensive data, it is essential that interviews are conducted in a conversational manner, with a specific focus on the study topic. Additionally, it is important to incorporate strategic follow-up questions and suggestions that encourage participants to provide illustrative examples (LaDonna et al., 2021). The researcher implemented these tactics during the course of conducting the interviews, which varied in duration from 40 minutes to 2.5 hours. In order to gather more comprehensive data, follow-up questions were posed to the respondents, and illustrative examples and lived experiences were elaborated on. The researcher was satisfied that data saturation was reached at 24 participant interviews of the total 34 targeted resulting in a reliable 70% response rate, which represented all the participating organisations, along with implementing data triangulation, as any new information received would not have made a substantial difference to the findings. The data presentation and analysis chapters effectively showcase the findings.

5.10 DATA QUALITY CONTROL

The concept of validity in qualitative research has various interpretations, including rigour, trustworthiness, appropriateness, and quality. It is characterised by a wide range of descriptive phrases (Hayashi Jr et al., 2019). Thus, sufficient effort should be invested in the quest to ensure validity and reliability. This is especially critical for the research work to be recognised by the scientific world (Hayashi Jr, Abib & Hoppen, 2019). Additionally, Hayashi Jr et al. (2019:98) assert that it is imperative that qualitative research seeks to exhibit its scientific nature to get an in-depth insight of the phenomenon researched, while maintaining

subjectivity in a dynamic setting. Whether or not a qualitative study can be trusted depends on several factors, including the reliability of the research design, the expertise of the researcher, the veracity of the results, and the practicality of the techniques used (Rose & Johnson, 2020). Reliability pertains to the robustness of the research, specifically with regards to the selection of suitable methodologies and the manner in which those methods were employed and executed inside a qualitative research investigation (Rose & Johnson, 2020). Rose and Johnson (2020) argue that the concept of reliability prompts us to critically evaluate the degree of consistency in the methodological procedures employed, with the expectation that such consistency will ideally persist over time and be consistent for different researchers and methodologies. Qualitative validity refers to the researcher's efforts to ensure the truthfulness of the findings through the implementation of particular methods. On the other hand, qualitative reliability pertains to the consistency of the researcher's approach across several research studies (Creswell & Poth, 2018; Rose & Johnson, 2020). According to Rose and Johnson (2020:4), enhancing the reliability of a qualitative research study includes various elements. These elements include the researcher's epistemological perspectives; the thoroughness of the literature review and engagement; the appropriate theoretical framing of the argument; the careful selection and utilisation of multiple data collection and generation techniques; the application of analytical procedures that may involve conflicting approaches; the integration of empirical findings with broader theories and discourses; and the interconnectedness of these different aspects within the research. Since the study utilised a case study approach, Priya (2021:101) asserts that, in case study research, reliability should include a detailed description of field procedures, including data collection techniques, and how one proposes to proceed and operate in the field; a well-defined set of questions should inform data collection methods; and there should be well-formulated guidelines for data analysis. Furthermore, given the nature of qualitative research processes, it is crucial to prioritise subjectivity and reflexivity. Rose and Johnson (2020:8) thus suggest that it is imperative to maintain standardised documentation of methodological procedures, along with establishing clear definitions for themes or codes that are generated during analysis. They argue that this ensures that the interpretations of the codes remain consistent, regardless of the number of analysts involved in the analysis. Additionally, employing software could aid in determining the consistency of the coding process. In order to establish the reliability and validity of the research, the researcher employed a method known as data triangulation, which involved cross-referencing information obtained through interviews and documents, along with the use of the NVIVO software to assist in the consistency of the coding process. Additionally, the researcher provided detailed and comprehensive descriptions of the participants' perspectives to enhance the potential for

transferability. The researcher used additional measures to enhance the credibility of the study. These included maintaining meticulous documentation of the research procedures and practices. Furthermore, member checking was employed to establish credibility by involving the participants in the process. This involved sharing the collected data, interpretations, and findings with the participants, enabling them to provide feedback, clarify any misunderstandings and rectify any inaccuracies, if necessary.

5.11 MEASUREMENTS

Since the study utilised the qualitative approach with semi-structured interviews, interview guides were prepared beforehand to guide the interviews (see Appendix B and Appendix C).

5.12 DATA ANALYSIS

Data analysis in qualitative research aims to make valid interpretations from qualitative data which is often in word form, it aims to decipher the underlying meanings in the information gathered and then present it in a manner that is relevant to the research issues at hand (Sekaran & Bougie, 2016; Schurink, 2010). It involves reading, synthesising and interpreting data to describe the phenomenon under investigation. Notwithstanding the above, the themes extend beyond the mere repetition of terms found in the data (Herzog & Kelly, 2023:3). Herzog and Kelly (2023:3) argue that themes should be 'actively crafted and interpretative efforts are invested in their development'. Three important steps are required in qualitative data analysis, specifically, data reduction, data display and conclusion drawing, including verification (Auriacombe & Mouton, 2007; Sekaran & Bougie, 2016). The transcription and translation process took time and the researcher had to meticulously ensure that the informed received from respondents was aptly captured. The transcripts were reviewed for completeness and accuracy. This process also included searching for patterns, themes and concepts that surface from the interviews, and considering important details from the literature review. Accordingly, Merriam (1998) cited in Ebneyamini and Sadeghi Moghadam (2017:4), identifies six strategies for analysis, including ethnographic analysis; narrative analysis; phenomenological analysis; the constant comparison method; content analysis; and analytic induction. This research employed a variety of methodologies, such as content analysis, ethnographic analysis, and the constant comparison technique, in order to analyse and understand the qualitative data. The researcher employed a thematic technique to analyse the data, categorising it into themes that were based on pertinent issues, underlying patterns, and connections. This method was employed to effectively explain the findings of the study. The NVIVO program was used to enhance and verify the

coherence of codes and conclusions derived from the thematic analysis to ensure that meaning was not lost in the translation process.

5.13 ETHICAL CONSIDERATIONS

Bowen (2005:214) asserts that concerns about ethics and risks are higher in qualitative research, requiring strict adherence to institutional procedures regarding human subjects. Ethical consideration is important when conducting research to protect the participants involved in the research and to promote honesty and transparency in the process. Ethical considerations were noted, with the gatekeeper's permission requested from all institutions relevant to the specific study; and ethical approval was applied for from the University's research office. The informed consent forms factored in aspects of ethical consideration and were given to participants, with a brief description of the study and its procedures. There was a declaration that participation was voluntary, and anonymity and confidentiality would be upheld; and the related benefits and risks associated with participating in the study were communicated and emphasised beforehand to the participants, as suggested by Bowen (2005:214).

5.14 CONCLUSION

This chapter has focused on presenting the research methodology used to gain insights and perspectives on the planning and implementation of LED in the municipality being studied. The research applied the constructivist/interpretivist paradigm, which posits that there is no one reality or truth, but rather that reality is constructed by individuals in the group. It focuses on how individuals understand the world they work and live in. By placing subjective meaning on their experiences, it allows the researcher to explore the interactions among individuals or participants. This research looked into understanding the nuances of LED and the many points of view held by those with vested interests in the field. The primary methods used for data collection were comprehensive interviews and analysis of relevant documents. The study used many approaches, including content analysis, ethnographic analysis, and the continual comparative technique, with a thematic approach to grouping and analysing the data according to central questions, overarching trends and interrelated concepts. Protecting the research participants and encouraging openness and honesty should always be at the forefront of any qualitative study. This chapter serves as a framework for guiding the research process, providing an overview of the trajectory followed in the study, starting with the research goals and questions and leading to the final conclusions. The following chapter provides a discussion of the research findings and an evaluation of the outcomes derived from the investigation. The analysis offers valuable insights into the dynamics and

behaviours of the stakeholders, forming the basis for developing a stakeholder management framework for the specified district municipality.

CHAPTER SIX:

PRESENTATION OF RESEARCH FINDINGS AND DISCUSSION OF RESULTS

6.1 INTRODUCTION

This chapter presents an in-depth review and analysis of the data obtained from semi-structured interviews conducted, and document analysis in the uMgungundlovu District Municipality. These results are then discussed in relation to the existing literature that has been previously examined. The research study effectively integrates various findings into a cohesive narrative. The primary intention of this study was to gain a more comprehensive understanding of the perspectives held by public administrators in the uMgungundlovu district about the planning and implementation of LED. A central objective was to scrutinise the extent and nature of involvement by various stakeholders in the LED process within this specific district. This involved a critical examination of the dynamics of stakeholder engagement and the roles played by different actors in steering LED initiatives. Moreover, the study placed a significant emphasis on identifying and understanding the challenges faced by the various stakeholders engaged in LED. It analysed the attitudes, both positive and detrimental, that influence the implementation of LED initiatives. This aspect of the study is particularly crucial, as it sheds light on the practical realities, constraints, and factors that aid LED within the study area. The results of this research have important significance for the strategic planning and successful implementation of LED efforts within the uMgungundlovu District Municipality. The insights they provide have the potential to influence policy choices, foster stakeholder engagement, and shape the development of more effective and contextually appropriate strategies for LED. Hence, the chapter serves as both a theoretical contribution and a practical guide for policy-makers, administrators, and stakeholders engaged in the field of LED in the district.

The research questions posed were as follows:

- Who are the relevant stakeholders in LED implementation in uMgungundlovu District Municipality?
- What are the roles of the various stakeholders in implementing LED?
- What are the stakeholders' perceptions on LED and its implementation within uMgungundlovu District Municipality?

- Which perceptions stimulate or hinder LED implementation within uMgungundlovu District Municipality?
- In what ways are the main challenges hindering stakeholders in successfully implementing LED?
- What framework is required to successfully implement LED for sustainable development?

6.2 PROFILE OF RESPONDENTS

Utilising a qualitative research methodology with an inductive approach, this study methodically gathered data through interviews from a carefully chosen sample, primarily comprising individuals directly engaged in the planning and execution of LED within the District Municipality. The study included a diverse group of representatives from several key organisations, each playing a critical role in the LED space within the uMgungundlovu District. This inclusive sample included respondents from the uMgungundlovu District Municipality itself, as well as representatives from the local municipalities of uMngeni; uMshwathi; Msunduzi; Richmond; Impendle; Mpofana, and Mkhambathini. Additionally, the study involved key organisations such as the KwaZulu-Natal (KZN) Department of Co-operative Governance and Traditional Affairs (CoGTA); the KZN Small Business Development Agency (SEDA uMgungundlovu branch); the KZN branch of the South African Local Government Association (SALGA); and the uMgungundlovu District Development Agency (UMEDA). This sample population was composed of various professionals deeply involved in LED, including LED officers and co-ordinators; LED managers; officials from the Integrated Development Planning Unit; and economic development directors from the District Municipality and its associated local municipalities. Each respondent played a crucial role in LED-related planning and implementation activities. The individuals employed in supportive roles for municipal LED across various sector departments and agencies were largely responsible for tasks such as monitoring and evaluating LED progress, offering financial assistance, and engaging in activities aimed at attracting investments and providing business support.

The data presented in this chapter reflect the input from the 24 selected respondents. These individuals were purposefully chosen, based on their distinct roles, designations and levels of expertise in the field of LED. The respondent pool included a wide range of positions within the organisational hierarchy, including junior staff, middle managers and senior managers. Specifically, the study included eight junior staff members, eight middle managers, and eight senior managers. This diverse range of perspectives provided a rich

and varied understanding of the complexities involved in the planning and implementation of LED within the District Municipality, thus offering a comprehensive view of the LED landscape from multiple tiers of organisational involvement. The insights and data provided by these respondents are integral to the findings presented in this section. Their contributions offer a nuanced view of the organisational structures within municipalities, which are instrumental in the formulation and implementation of LED initiatives. The diverse backgrounds and expertise of these representatives provide a comprehensive perspective of the multi-faceted nature of LED, including the complexities of inter-organisational collaboration, policy implementation and the challenges and successes encountered in the pursuit of economic development at the local level. This chapter, therefore, considers the experiences and viewpoints of these stakeholders, unravelling the complexities of LED as seen through the lens of those who are at the forefront of planning and executing these initiatives. The data obtained from this array of respondents presents a vivid picture of the collaborative efforts, strategic planning and operational challenges that characterise the efforts in fostering LED within the uMgungundlovu District.

6.3 THEMATIC ANALYSIS OF DATA

This study used a thematic analysis approach to identify and present the central themes and sub-themes that emerged from the data analysis. The use of this technique aided in the identification and arrangement of common themes within the dataset, thus permitting a systematic and insightful examination of the main issues pertaining to the promotion of LED within the uMgungundlovu District Municipality. The derived themes not only reflect the underlying data, but are also carefully aligned with the research objectives of the study. This alignment ensures that the themes directly address the central questions and aims that guided the research from its inception. Each theme and its corresponding sub-themes provide a focused lens through which the multi-faceted aspects of LED planning and implementation within the district are examined and understood. These thematic findings are presented systematically in Table 6.1. This table serves as a visual and organisational tool, mapping each theme to the specific research objectives it relates to. The arrangement of Table 6.1 facilitates a convenient cross-referencing between the research objectives and the themes, providing a succinct and comprehensible overview of how the data substantiates, explains, or extends the study goals. Thematic analysis is a valuable method in this particular case, since it facilitates the breakdown of detailed material into smaller, more comprehensible pieces of information that can be effectively interpreted. The use of this technique facilitates the identification and understanding of patterns, disparities and insights that would otherwise stay concealed inside the unprocessed data. Consequently, the themes

and sub-themes outlined in Table 6.1 offer a comprehensive account that encapsulates the critical elements pertinent to the promotion of LED in the uMgungundlovu District Municipality. This finding provides valuable perspectives for practitioners, policy-makers, and other stakeholders engaged in the advance of LED within the case-study municipality.

Table 6.1: Presentation of key themes and sub-themes from a multi-stakeholder approach to LED

Research objective	Theme	Sub-Theme
1. Identify the relevant stakeholders in the implementation of LED in uMgungundlovu District Municipality.	Key actors in LED	(i) Public sector (ii) Private sector (iii) Civil society (iv) Other institutions
2. Explore the roles of stakeholders in implementing LED within uMgungundlovu District Municipality.	Stakeholder roles	(i) Collaboration and partnerships (ii) Resource allocation and infrastructure development (iii) Regulatory framework and planning (iv) Identifying opportunities, innovation and entrepreneurship (v) Investment and funding (vi) Capacity building and business support (vii) Monitoring and evaluation (viii) Leadership and direction (ix) Research and development (x) Advocacy and representation (xi) Technical expertise and best practices (xii) LED facilitation and promotion
3. Analyse stakeholder perceptions of LED and its implementation within uMgungundlovu District Municipality.	Perception analysis and stakeholder attitudes	(i) Beliefs (ii) Trust and confidence (iii) Awareness and understanding (iv) Previous experience and expectations (v) Interest and influence (vi) Attitudes and behaviours

Research objective	Theme	Sub-Theme
4. Investigate the perceptions that stimulate or hinder LED within uMgungundlovu District Municipality.	Perceptions and their impact, enabling or hindering LED	(i) Perception barriers to LED (ii) Perception enablers to LED
5. Examine the challenges confronted by stakeholders in successfully implementing LED within uMgungundlovu District Municipality.	Key issues and challenges	(i) Capacity and resource constraints (ii) Institutional challenges (iii) Socio-political factors (iv) Health and environmental constraints (v) Technical and financial challenges (vi) Socio-economic constraints
6. Provide a stakeholder management framework for integrating and aligning implementation of successful LED strategies.	Multi-stakeholder framework	(i) Engagement strategies (ii) Alignment of interests (iii) Performance management (iv) Integrated strategic planning and alignment (v) Multi-stakeholder collaboration and value creation (vi) Ecosystem behaviour

6.4 DISCUSSION AND ANALYSIS OF STUDY FINDINGS

In this section, an in-depth analysis and discussion of the study's results and findings are undertaken, with a specific focus on the field of LED within the uMgungundlovu District Municipality. The primary emphasis is on the interpretation of the data acquired through interviews and document analysis, with a critical examination of the emerging themes as they link to the study's intended aims and objectives. The analysis looks into how each theme relates to the broader framework of LED and its facilitation in the district. This involves an analysis of the roles and perspectives held by the various stakeholders engaged in the subject. The discussion considers the challenges these stakeholders face, the strategies they employ, and the impacts of their actions on the overall LED process. This section also includes a comparative analysis of the data in relation to the existing literature and theories pertaining to LED, revealing both similarities and differences. This comparative analysis

provides a richer understanding of the practical realities of LED within the case-study district, and how they align with, or deviate from, theoretical expectations and experiences from other research studies. The analysis highlights the key success factors, pinpoints the barriers to effective LED, and proposes ways to overcome these challenges.

6.4.1 Objective One: Identify the relevant stakeholders in the implementation of LED in uMgungundlovu District Municipality

The study findings revealed that key actors are needed in successfully planning and implementing LED in the district. This was echoed by all the respondents, highlighting that this involves the public sector, private sector, civil society and other institutions. The results of the research indicate that respondents from the public sector have identified numerous key organisations which play a crucial role in helping to promote LED implementation within the district. These include various governmental bodies such as national departments, provincial sector departments, government agencies and entities, as well as municipalities. The private sector, comprising many entities, such as local formal and informal businesses; chambers of commerce; industry associations, and individuals engaged in entrepreneurial activities, was also identified as one of the key actors required to fast-track LED. Civil society, incorporating various groups, such as non-governmental organisations (NGOs); non-profit organisations (NPOs); community-based organisations (CBOs); traditional authorities, and the general communities, was also found to be a key actor in the planning and implementation of LED in the district. Lastly, the respondents also highlighted the external actors, referring to a diverse array of institutions, which include funders and donors; higher education institutions; industry bodies; and research organisations, as important actors in LED.

The major stakeholders would be of tourism KwaZulu-Natal; trade and investment KwaZulu-Natal; CoGTA KZN; EDTEA KZN; Ithala to some extent; the business chambers that are in the province – the ones like Durban Chamber; the Menara Chamber; Zululand Chamber; Ray Nkonyeni Chamber. It would also be the district development agencies that are in the province The private sector and the community are major stakeholders in terms of articulation. That is where LED happens. R15

As I was saying, it is the public, which is us government, the private sector, and our communities. It always needs the three of us. It is not a sole responsibility, it's not like the supply of electricity, which only remains at the municipality. LED, it's everybody's business. Even though most parties can play a lead, but it needs all of us It's our rate payers, communities, sector departments and obviously the political organisations. R5

We are involved, in all of the municipal sectors, from infrastructure, from your community services department, we are all (involved), you know, LED runs across. R24

Major stakeholders will be, the people, within that particular municipality, businesses within that particular municipality, the agricultural sector, within that

particular municipality. Government, SOEs, like your Eskom, you name, those are the major stakeholders, for the municipality. R23

The chamber, both chambers, NAFCOC, and the PMB business chamber, are the two major ones actually, for now, because they have such a strong representative body. Obviously, the traditional leaders are important stakeholders, very important, but they are almost in the organogram of the municipality because they sit on council in that. So, it's them. But I think, the NAFCOC and the chamber, and your what's it? your SMME. I think in uMngeni, you have a hawker's association and then this CTO. So, I think those structures that are in place, they're the critical ones and the mouthpieces of your LED stakeholders. Farmers associations as well. To a lesser extent, people talk about civil society and NGOs in that well. In terms of LED maybe, but there are not many LED NGOs out there that I'm aware of. SAVAC is probably the biggest one. Lima is another one, but they are all commercial. So, a savings club set is LED, but it's not LED projects as we understand it. AFASA and KWANALU, as I mentioned for the Agric sector. Well, they should be the touch points to the local municipality on behalf of their members. Another key one, actually, is the Landless People's Movement which is representing farm dwellers and the livelihoods of farm dwellers. R18

A respondent emphasised that, although they are significant stakeholders or prominent players in the field of LED, they do not see themselves in that manner. Another respondent stated that all the major players, including the government; businesses; civil society; community-based organisations; traditional leaders; research institutions; donors; and the higher education sector, were emphasised. There seems, however, to be a growing presence of new stakeholders that municipalities must contend with, which subsequently impacts the implementation of LED initiatives within their respective municipalities. One respondent highlighted that, perhaps, there is a need to redo the stakeholder analysis and engagement in a more comprehensive manner.

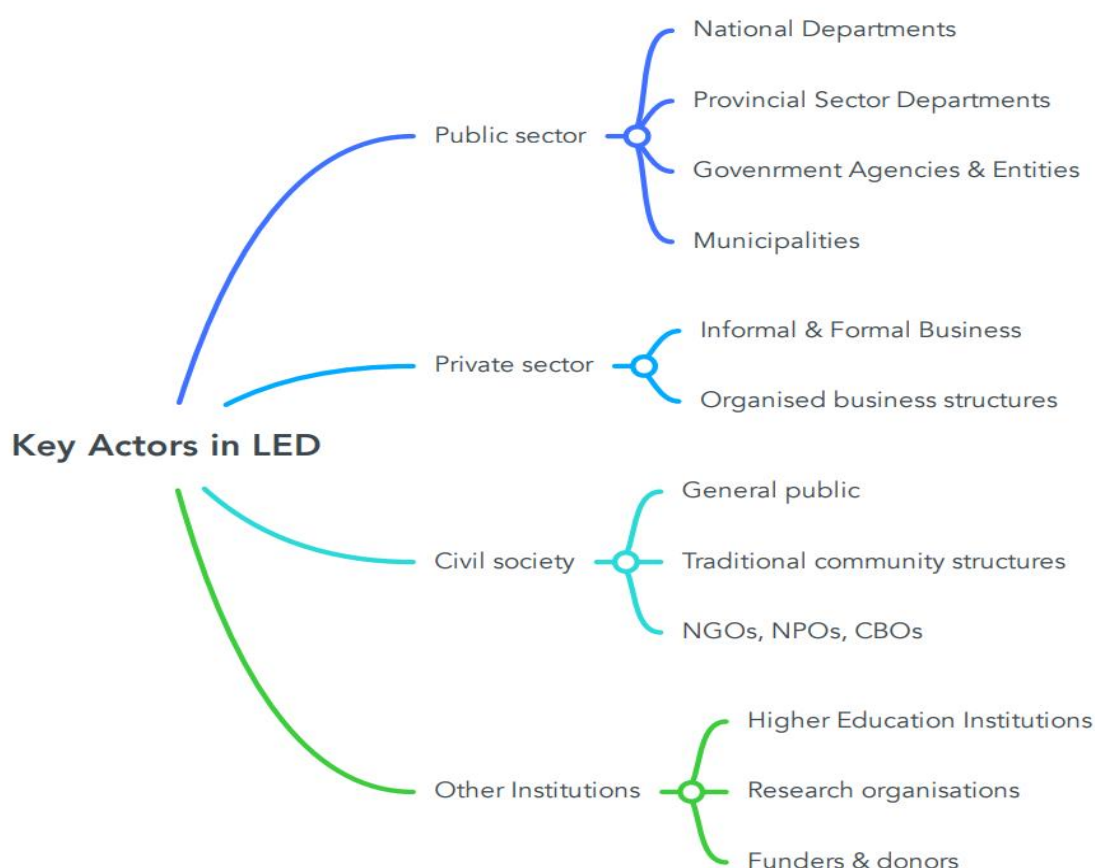
It might, cause if you are working with people, and you don't view things the same way. I don't know, I think with us, specifically with our organisation when it comes to Local Economic Development, we don't see ourselves as a stakeholder in local economic development sometimes. We know that is the case, but we don't think of it in that sense. R10

Maybe, we haven't tapped to all stakeholders properly because you are finding there is an emergence of other stakeholders, like the people who called themselves RET. Those people who force themselves into tenders. So maybe we haven't touched on stakeholders properly, stakeholder analysis. But in other ones, street traders, the chamber we are very close. Tuckshop associations are in an emergence. Also, SMMEs, because we do train them, once or twice a year, on tenders and things like that. Maybe I can say, for now probably stakeholder engagement and analysis we haven't been comprehensive at this stage. R4

The study's results suggest that the implementation of LED is a comprehensive and complex undertaking that calls for the collaboration between, and co-operation of, several stakeholders. The partnership between different groups is essential for the comprehensive development of the district, since each group contributes unique capabilities and resources. In order to ensure the success of LED, it is essential to cultivate an atmosphere that promotes active engagement, transparent communication, and co-operative alliances among

all relevant stakeholders. This method not only facilitates more comprehensive and enduring development, but also effectively tackles the distinct economic difficulties and possibilities present within the region. LED requires a participatory approach that involves several stakeholders from the public, private and non-governmental sectors who are key actors in facilitating and implementing LED, as shown in the Figure 6.1. The study's results revealed significant trends in stakeholder identification, including elements such as understanding local governance structures, the business industry, civil society, and external organisations. The study emphasises the crucial involvement of many governmental institutions, including national departments, provincial sector departments, government agencies, and entities, in addition to municipalities. The results also point to the important role played by the private sector, incorporating a range of businesses, including both formal and informal local enterprises; chambers of commerce; industry groups; and individual entrepreneurs; all of which are key to the success of LED. The active participation of the private sector is crucial in facilitating economic development, creating job opportunities and nurturing creativity within the region.

Figure 6.1: Key actors in planning and implementing LED



Source: Researcher's perspective (2023)

The findings further recognise civil society, consisting of various entities such as NGOs; NPOs; CBOs; traditional authorities; and the broader community, as a crucial element. These organisations serve as representatives for different elements of the community and play a crucial role in mobilising and implementing community-LED initiatives. The involvement of these structures guarantees that the progress is inclusive and effectively caters to the requirements of a wide range of community constituents. The integration of external stakeholders, including funders and donors; higher education institutions; industry groups; and research organisations is widely acknowledged as another crucial component of the LED process. These organisations have the potential to facilitate the success of LED initiatives by contributing supplementary resources, knowledge and views. Similarly, Kang (2022:713) emphasises that the process of economic development planning is a complex undertaking that requires the participation of many stakeholders, as highlighted in the research. The complexity of this matter is also heightened by the need to balance contrasting viewpoints, which exhibit notable disparities across various groups of individuals with vested interests (Kang, 2022:713). The author's viewpoint thus highlights the significance of implementing a holistic planning approach that incorporates a broad range of values and issues. These elements include, not only economic considerations, but also involve environmental and social issues. De Oliveira and Rabechini Jr (2019:132) argue that stakeholders are identified, based on their interdependence, their capacity to affect or be affected by the initiatives, and their vested interest or rights in the activities being undertaken. This reveals a comprehensive approach to stakeholder identification that goes beyond the simple listing of organisational names. It suggests that stakeholders should be understood, not only in terms of their identity, but in terms of their relationship with the municipality. A stakeholder is not just an entity with a static label, but part of a dynamic network of relationships (Kang, 2022:132-133) that must be managed by the municipality. In the case of the district, stakeholders should be identified based on the influence they exert on the municipality, or the influence the municipality has on stakeholders through LED initiatives. This can depend on various external and internal stakeholders and the relationships they have with each other. The research, therefore, identifies the need to adopt an integrated approach in order to effectively fulfil the varying requirements and expectations of the many stakeholders involved in LED. This suggests that successful economic development strategies must carefully consider and reconcile various values, acknowledging that these may vary between different groups of stakeholders. Hence, this aligns with the research's findings about the need for inclusive and collaborative participation among the various stakeholders in the context of LED. The notion is reinforced that effective economic

development planning necessitates an all-inclusive and cohesive strategy that considers the distinct contributions, priorities and visions of all stakeholders involved.

One notable observation derived from the study results is one respondent's failure to acknowledge their organisation's own status as a stakeholder in the realm of LED. This observation suggests a gap in self-awareness or understanding of the role and impact the organisation can have in the economic development planning and implementation process. The absence of self-identification as a stakeholder may, potentially, impact the success of LED initiatives. The significance of doing a thorough stakeholder analysis and implementing effective engagement techniques is highlighted, as these approaches not only facilitate the identification of all relevant players, but also aid in their comprehension and acceptance of their responsibilities in the context of LED. According to the findings of the research and the insights provided by Read, Leland and Pope (2020:1882-1883), who examined economic development practitioners' perceptions about public-private real estate partnerships, it is clear that successful economic development planning requires the active and well-informed involvement of all relevant parties, including those who may not typically see themselves as integral to the LED planning and implementation process. The existence of such a gap may have a substantial impact, as it has the potential to result in the underutilisation of the organisation's capabilities and a lack of active involvement in important conversations and decision-making processes. This highlights the need for undertaking thorough stakeholder analysis and implementing effective engagement strategies that not only identify all relevant players, but also facilitate their understanding and acceptance of their responsibilities in LED planning and implementation. The perspective of the organisation emphasises the need to adopt inclusive and integrative strategies in LED that can effectively engage and educate all possible stakeholders on their respective roles and their significance. The significance of this matter is particularly pronounced within complex contexts such as the uMgungundlovu District Municipality, where several stakeholders actively participate in the process of LED.

Regarding the emergence of new stakeholders in the LED space, the study's respondents highlighted the critical necessity for ongoing identification and evaluation of key stakeholders in the implementation of LED initiatives. This continual process is pivotal in fostering successful LED outcomes and for preventing or mitigating any conflicts or risks that might impede progress. In their recent study, Kujala et al. (2022:1163-1164) contend that, while many organisations prioritise the benefits of stakeholder engagement when selecting important stakeholders, they frequently overlook the potential negative aspects, referred to as the 'dark side' of stakeholder engagement. This oversight may lead to contradicting perspectives within the stakeholder relationship. Conflict might potentially emerge as a result

of divergent objectives, varying expectations, or a collision with societal norms. The authors further contend that competing objectives can diverge from the often-assumed notion of shared interests and values. Therefore, the identification and engagement of important players is crucial for the effective planning and implementation of LED in the district, since the absence of such measures might result in detrimental consequences for LED. As emphasised by a respondent, the introduction of new stakeholders that are either inadequately involved, or have hidden agendas, may have repercussions for the remaining, primary stakeholders involved in advancing LED within the district. The respondents have drawn attention to a noteworthy occurrence, namely the emergence of construction forums in South Africa. These forums have assumed a prominent role as stakeholders in LED projects. According to the South African Cities Network (SACN, 2023), these collectives, commonly known as the 'construction mafia, employ the Delangokubona strategy, which is a term taken from the initial business forum recognised for utilising systematic extortion and violence within the South African construction industry (SACN, 2023). The construction mafia, as highlighted by Kujala et al. (2022), is a new stake-seekers which may emerge and destabilise the partnership. Nonetheless, it is crucial to acknowledge that the concept of the 'Delangokubona approach'; should not be conflated with the notion of a 'business forum', since not all forums adopt to this strategy. Furthermore, forums that do embrace the 'Delangokubona' approach may exist in a range of contexts, spanning from informal community structures to formal political organisations (Irish-Qhobosheane, 2022; SACN, 2023). According to the SACN (2023:5), empirical evidence suggests that business forums use a wide range of engagement tactics, across a complex spectrum that blurs the lines between legitimacy, legality, and criminality. Therefore, this dynamic presents a substantial obstacle for LED efforts, given that these organisations can have a major influence on the implementation and results of projects. This phenomenon is clearly evident within the province of KwaZulu-Natal, with the identified case-study area not immune. As a result, there has been a notable increase in the number of projects being hindered or discontinued as a result of the actions undertaken by these forums (Irish-Qhobosheane, 2022). The presence and influence of these forums in the LED realm highlights the evolving nature of stakeholder dynamics and the necessity for adaptable stakeholder management strategies. Municipalities and other stakeholders engaged in LED have the challenge of navigating a complex environment, where they must strike a delicate balance between engaging with all relevant parties and ensuring the integrity and success of development initiatives. To effectively tackle these difficulties, it is essential to possess a comprehensive understanding of the socio-political environment specific to the locality, to connect with stakeholders in a strategic manner, and to establish strong procedures for resolving conflicts and mitigating

risks. Furthermore, it is important to foster collaboration among diverse stakeholders, such as governmental organisations, private sector businesses, community representatives and institutions. This collaboration is crucial to guarantee that initiatives related to LED are inclusive, characterised by transparency, and capable of withstanding changing challenges and stakeholder dynamics.

6.4.2 Objective Two: Explore the roles of stakeholders in implementing LED within uMgungundlovu District Municipality.

The incorporation of stakeholder responsibilities within the given environment emphasises a multi-faceted framework of collaboration, where each stakeholder makes a distinct contribution to a shared objective. The respondents stated that there are a number of crucial roles to be played by the various stakeholders. The public sector, that is, municipalities, sector departments and agencies, have been identified as having a crucial role in the formulation of policies and the establishment of regulatory frameworks that provide the foundation for all economic activities. The respondents highlighted that the national departments played a critical role in providing financial support and policy direction that serve as the foundation for LED undertakings. Provincial departments were identified as playing a pivotal role in the dispensation of funding; the provision of technical support; the facilitation of collaborative partnerships, and the monitoring of LED initiatives.

Legislatively, we are responsible for Amakhosi and the well-being of Amakhosi. And so, your provincial house is directly responsible to your CoGTA, and your provincial house also has a dedicated committee around economic development. At a provincial level you also have your planning commission, which is also permissible to issues around economic development, and we are also required to provide support to district LED forums and your various other forums, which could be your economic recovery forum; apart from just your district-led forum, where we are expected to provide support, and then where we are able to also assess the impact of LED initiatives. R7

CoGTA's main role is obviously support for local government. The department's support is almost configured in a way, like, a local municipality. So, with regards to LED, we specifically focus on issues such as capacity building, technical expertise, as well as ensuring that LED is profiled effectively in municipalities, particularly from a budget point of view. The value of it and, you know, its role played, in a way for local government to understand it's important. R22

Through their different formations, they increase their opportunities and chances to plan and implement local economic development through various forms. EDTEA give us programmes and grants through their local and regional economic development section. COGTA through township economic development, through corridor development. They also give us grants and give us policy and guidelines. National treasury, they give us the policy perspective, which is also funded. That policy guideline, in fact it's a programme, is called neighbourhood development partnership programme. It's a programme based on how to invest on public infrastructure through the collaboration of private investment. R4

In terms of LED, provincial government, mainly CoGTA, EDTEA, we have a close relationship with CoGTA. There's a CoGTA section that deals with partnerships,

where they assist municipalities to get into partnerships with private funders and whatnot. So, CoGTA, EDTEA because the municipality is strong in tourism. We have a relationship with National Department of Tourism as they are also funding. Then the business community, there we still need to improve engagements with them. R1

Many respondents from the municipalities highlighted that their roles were to create an environment conducive for business to thrive through the provision of necessary infrastructure. Furthermore, they stated that this involved developing and enforcing laws and regulations. This role was found to be crucial in fostering the development of local businesses and encouraging investment. The respondents placed significant emphasis on their role in facilitating the involvement of other stakeholders, such as private businesses, civic groups and other governmental departments and entities, in order to foster collaboration on initiatives related to LED. Furthermore, they emphasised their responsibility in the identification and use of local resources and capacities to foster economic progress and development. The municipal respondents also acknowledged the need for providing training and assistance to entrepreneurs at the local level, in addition to implementing laws that promote innovation and sustainable practices within the local economy.

The role, from where I'm sitting, headed to the district LED, obviously, is to co-ordinate; co-ordination throughout all seven local municipalities within our district, as well as to also make sure that we create sustainable, programmes, and we also identify catalytic projects, I mean, the bigger projects or big projects or projects or projects of high value, projects may it's got a potential to create, more employment opportunities, as well as to contribute, to the GDP, of the district as well, as that of the province. R23

As the economic development GM, I need to communicate with other sections to make sure that our infrastructure is inviting and can sustain whatever proposals are made. Also, my role is to make sure that, whatever policies and documents and plans that we have, speak to promotion your LED or does not hinder. Make sure you reduce the red tape, so, if a person wants to start an industry, they have to do a SPLUMA application, building application. If I can play a role to say, this is how you can do this easier, faster or quicker, that's the role that I play, and, yeah, any support that is needed. I don't think my role is directly to make jobs and whatnot, but just to make sure that the environment is conducive enough in terms of its planning: Planning for it via the SDF, making sites available for economic use, making sure the policies are conducive, making sure that there's incentives and infrastructure. R1

My role is to ensure the strategy itself is implemented. R6

Our role is very huge because LED includes different sectors like SMMEs (small medium and micro enterprises); business registration; tourism; agriculture; informal trade; informal economy, those people that are trading along the roadside. R3

The people on the ground must be able to go and be the players in the economy of the area. It must not end with them buying, but what are they bringing in? And what are they contributing and how can we best benefit in terms of employment? So, we are also facilitators of ensuring that, or facilitators of employment opportunities. If industries and businesses come in to operate within our municipality, our role is to ensure that the people, the locals, are employed so that's the employment of the locals better the standards of people living in the

area. Because now when we see a high unemployment rate, some of it because we do not play our role in ensuring that all the businesses that come in employ people that we've actually registered in our indigent register as the municipality. R8

It was emphasised that the private sector played a crucial role in facilitating investment, creating employment, promoting innovation and nurturing entrepreneurial activities. These activities were found to serve as catalysts for economic growth and development in the local economy. Furthermore, the findings indicated that civil society, including non-governmental organisations, community groups, and advocacy bodies, exerted an equally significant influence on expediting local economic growth. Their individual efforts in advocacy activities aim to exert influence on policy and ensure that other relevant parties are held accountable. The other actors, including the NGOs and NPOs; donors; traditional authorities; and higher education and research institutions, play a significant role in contributing to the cause through the provision of financial resources, technical support, and the exchange of useful systems. Collectively, these stakeholders were found to contribute to a comprehensive strategy for the development and advance of LED. The interaction between individuals and their contributions plays a crucial role in promoting the implementation of successful LED. The efficacy of this structure, nevertheless, relies on the capacity of various stakeholders to not only fulfil their respective roles, but also to effectively engage in communication, co-ordination, and collaboration across diverse sectors and operational levels. One respondent sums it up as follows:

For private sector (and) your NGO, a private sector because they are the ones that create. They are ... they are the ones that invest in municipalities. They are directly involved in investing in municipalities. They create jobs by their mere existence of their establishments and their businesses. Your SMME sector, that is your big business in the main, your SMME sector. Your informal economy is also of crucial importance. Your civil society and your sectors are also crucial role to play. Your tertiary institutions have a big role to play in terms of, you know, skills development and the likes. For me, those are the ones that come immediately to me; your sector departments and mandate, in terms from a policy point of view, the mandate from a resourcing, and compliance point of view as well, also is of crucial importance. So too would be your district municipalities in the case where we may be talking about municipalities or in the context of municipalities, your district development agencies also have a key role to play. Other sector agencies and sector bodies, or industry bodies and research institutions, also become important because they are a reservoir of knowledge, in terms of you know, the studies that they commission from time-to-time, and the findings of those studies may have a direct impact on the general wealth of our residents in that municipality. I'm tempted to say, you know, your property development and ratepayers' association and so forth; but all of those that would fall under the sector that I mentioned earlier on your private sector in terms of established business, or your established industry in the municipality. R7

Then you have your chamber, which monitors and manage the informal economy through their democratic election. And so, they become the mouthpiece of the informal economy through street traders. Then you have the business chamber, which advances agenda of formal businesses in the city, which they have a formal

formation. It's called the Pietermaritzburg Business Chamber; but now I think they've changed their name to PCMB. R4

There was also focus on the important role of governmental entities such as SEDA, the District Development Agency, SEFA, and Ithala Bank. These agencies were identified by respondents as playing a key role in providing financial assistance, promoting the growth of small businesses, and successfully implementing important transformative initiatives. Furthermore, it is worth noting that government institutions, such as Eskom, were also found to play a crucial role in enabling LED within the district. This was emphasised in their provision of the necessary electrical infrastructure to support and drive economic growth and development.

The agency provides a more holistic approach to LED, as opposed to the local role that the LED units play. Our role is more to look at the district as a collective, to see what LED interventions could play out across the district. We tend to stay away from interfering or intervening at a very local level. Our mandate is far more strategic and catalytic I think people misunderstand the role of LED. R18

Our entity's core (as an agency) is SMMEs development. So, our role is to facilitate the growth of SMMEs. We design programmes and we implement interventions to assist the small businesses and, at my branch, specifically services the uMgungundlovu area, which has seven municipalities, so we partner with different municipalities, including those municipalities just to execute the function of our mandate development institutions such as iThala for providing finance. R10

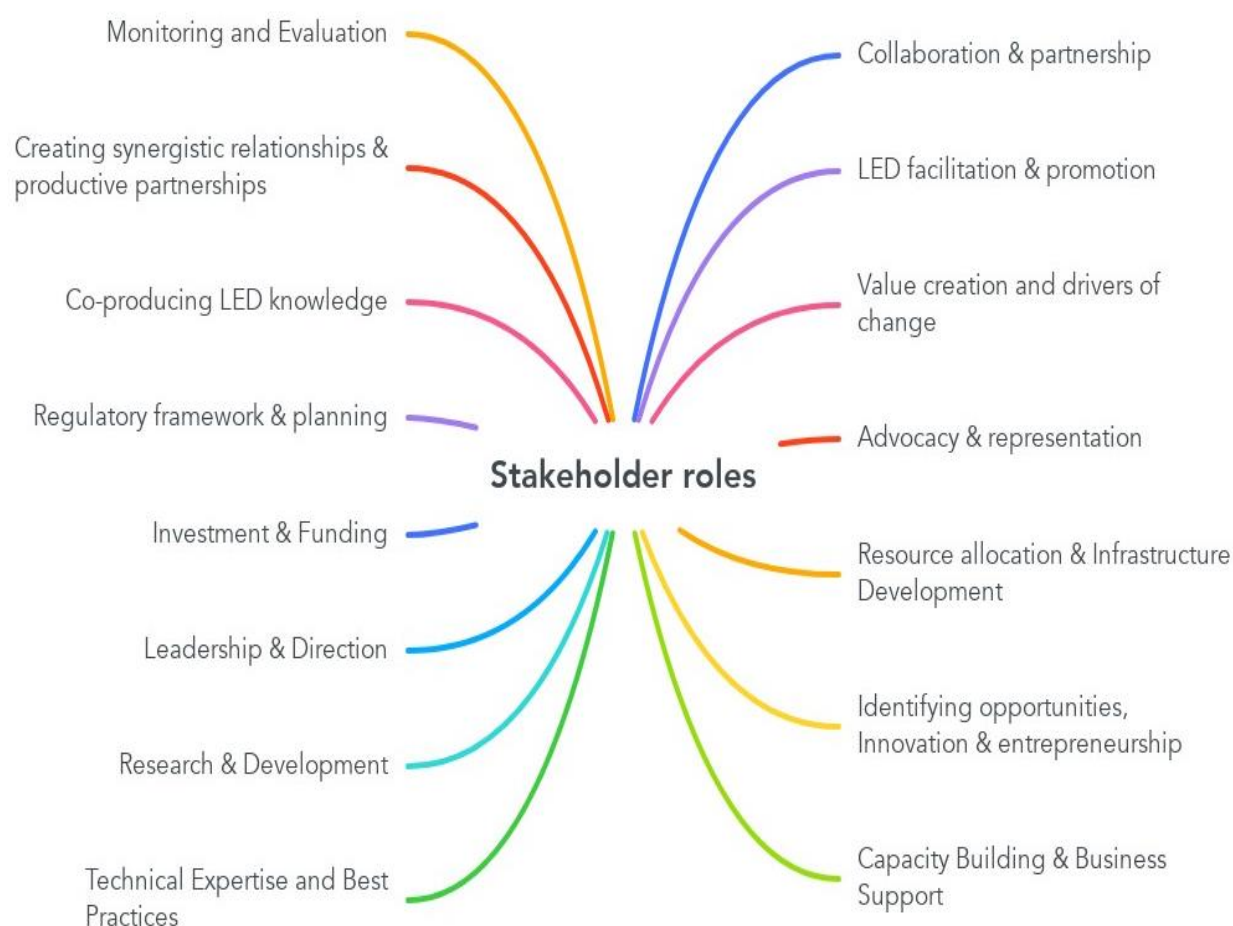
Our organisation is focusing on capacitating officials and councillors, based on the built environment ecosystem; and LED is a component there, but it is not in isolation. R15

One respondent emphasised the significance of stakeholders understanding their respective roles and responsibilities, which would also assist them in understanding the roles of other stakeholders. The respondent emphasised that the fundamental objective of achieving successful LED is contingent upon a clear delineation of the roles and responsibilities of all relevant actors, suggesting that it is essential for every organisation to have a comprehensive understanding of not only its own function, but also the functions of other organisations. The establishment of a shared understanding is crucial for co-ordinating a unified effort that optimises the allocation of resources and minimises duplicating efforts. Furthermore, the respondent highlighted the significance of all parties involved possessing a clear understanding of their own responsibilities and limitations, as well as those of others, in order to have a well-organised and effective approach that amplifies the impact of economic development initiatives. The respondent sums it up as follows:

I talked about not understanding each other's work right, so not understanding each other's work, not being able to define each other's role in LED. Overlapping responsibilities create problems in allocating responsibilities when collaborating in projects. We end up having overlapping roles in projects and all the inefficiencies. R10

The comments of the respondents pertaining to the numerous roles undertaken by stakeholders in LED thus provide a complete perspective of the complex strategy necessary for promoting economic development within the local environment, as shown in Figure 6.2. These roles range from basic support, in the form of investment and infrastructure development, to more strategic roles such as leadership, advocacy, and the creation of partnerships. The primary sub-themes that were identified within this overarching theme consisted of various aspects such as collaboration and partnerships; resource allocation and infrastructure development; regulatory frameworks; planning; identification of opportunities; innovation and entrepreneurship; investment and funding; capacity building and business support; monitoring and evaluation; leadership and direction; research and development; advocacy and representation; technical expertise; and sharing best practices.

Figure 6.2: Synergising stakeholder roles for successful planning and implementation of LED



Source: Researcher's perspective (2023)

From the preceding illustration, one can see the various aspects that play a pivotal role in LED, especially in contributing to its success. When examining the many responsibilities of key players in the context of LED, it becomes apparent that achieving effective LED is not the responsibility of only one organisation. Rather, it is a collaborative process that demands the co-ordinated efforts of a diverse range of stakeholders. Similarly, Clement, Manjon and Crutzen (2022) conducted a study that revealed the complexities associated with organising a smart city ecosystem with multiple stakeholders. In LED, as in smart city initiatives, collaboration across sectors is crucial for addressing complex challenges. The necessity for cross-sectoral partnerships is highlighted in both the smart city literature and LED practice. These partnerships often involve government bodies, businesses, non-profit organisations and the public, all working synergistically towards common goals. In both scenarios, local government is considered a pivotal actor and the degree of collaboration among stakeholders is linked to performance and success. Every individual actor in LED has distinct capabilities and resources that contribute to the LED planning and implementation process in the study area, and their collaborative efforts have the potential to create a resilient and vibrant local and regional economy. This is consistent with the organisational and institutional arrangements, identified in the National LED framework (2018-2026), which highlight the roles of the different stakeholders required to fast-track LED. The LED Framework emphasises the role of the public sector, the private sector and non-governmental organisations. However, it contends that there still exists confusion in terms of the respective roles in, and responsibilities for, planning and implementation amongst the various actors. Meyer (2014:631) asserts that proper institutional provisions and stakeholder collaborations are necessary to transform municipal strategies into effective LED interventions.

Investment funding is essential for starting up and sustaining LED initiatives. The primary stakeholders accountable for this function are financial institutions, investors and governmental entities who provide the necessary financial resources for development initiatives. The involvement of these stakeholders is crucial in guaranteeing the establishment of the required physical and organisational infrastructure to facilitate the prosperity of economic activities. This includes local governmental entities that are responsible for urban planning and the provision of services, such as infrastructure development and utilities; as well as entrepreneurs, business incubators, and educational institutions that play a pivotal role in identifying and capitalising on emerging economic prospects. Innovation as a driving force, plays a pivotal role in fostering the diversification and improvement of the local economy. Various entities, including training providers, mentoring networks and business groups, contribute to the enhancement of skills and

competences among the local workforce and businesses. This, in turn, strengthens the human capital within the context of LED. The provision of technical expertise and best practices includes the involvement of consulting companies, university researchers and industry specialists. These entities contribute their specialised knowledge and abilities to effectively execute complex projects and promote the adoption of optimal approaches. Institutions of higher learning and research institutions play a key part in advancing the frontiers of knowledge and fostering innovation through rigorous research and development efforts. These efforts have the potential to drive the emergence of new economic sectors, while also bolstering the growth and success of existing ones. Political leaders and senior administrators play a crucial role in providing the vision and strategic direction for LED. This is essential for establishing objectives and ensuring that the various initiatives are aligned with wider economic goals. Government agencies, thus, have the responsibility of establishing a favourable environment for economic activity by implementing necessary policies and participating in meticulous planning. This stresses the need for fostering connections and engaging in collaborative efforts across many sectors, including alliances between governmental entities, business enterprises and civil society organisations. Non-governmental organisations, community leaders, and advocacy groups serve as representatives for different parts of the community, therefore guaranteeing inclusivity, ownership and equity in the implementation of LED initiatives. The practice of monitoring and evaluation is crucial in order to evaluate the success of LED initiatives and to make informed decisions. The stakeholders involved in this role include government agencies, industry experts and oversight authorities. The theme, 'value creation and drivers of change', thus suggests that all stakeholders should be tasked with the role of contributing to value creation in their respective capacities, driving change and contributing to the district's economic growth and development.

6.4.3 Objective Three: Analyse stakeholder perceptions of LED and its implementation within uMgungundlovu District Municipality

The research revealed that there were several perspectives of LED within the district municipality and among the diverse stakeholders. One of the primary issues that surfaced from the study was the examination of the views and attitudes of the stakeholders in the district that impacted on the proper planning and implementation of LED. In elaborating further, respondents in the study expressed their perspectives as follows:

Usually the low-income stakeholders, street traders, SMMEs, really takes local economic development seriously. They believe in it for their hope and their aspirations. Others they don't see value. Others, even sometimes businesses, we are their face in terms of getting into the municipality, but other stakeholders don't see value I think maybe in rural municipalities, and small municipalities, there's

a high expectation of local economic development from the community. They yearn for what programmes (are available) this financial year, how are we getting empowered. So probably even in their community manifestos, they say we will empower people, we will bring about employment. So, there's high expectation, that (can) they deliver. R4

There's a general perception that in municipalities you are not doing enough or you're just sitting and not doing anything. So, every time you approach people, they come to you with that perception. 'They don't know what you are doing, or you are not doing enough'. So, they say 'you're doing corruption or whatever', 'you are stealing money in municipalities'. So, I think whatever you present, people will always have those perceptions. I think it's shared across, not just in the urban, even the rural community believes it. I think it will improve now. I think it's there; they generally believe in the new leadership and the hope that they will be firmer on whoever is there, and I think it will improve. R1

So, the private sector doesn't trust us. And we don't trust the private sector. And there's that huge disjuncture between how we see ourselves. So, we've been trying to get the leadership, especially now with the new leadership that has come in in November, trying to kind of rewire them to think out of the box and to try and make them see the value of what building relationships within investment and economic development and how that actually plays out. R15

We don't have a common understanding of the challenges. We see that challenge affecting local entrepreneurs differently than they do. There's no way where we can sit down and say, this is what we've picked up in our own studies or in our own research and let's compare notes and let's see how we can together, from the chamber, and we both never had come up with solutions, meaningful solutions. R10

Several respondents expressed concern about the involvement of other government departments or sector agencies that approach municipalities with a 'saviour' mindset in terms of stakeholder engagement. In addition to the media's influence on the dissemination of information, it significantly impacts the level of trust and confidence in municipalities, while also fostering negative sentiments among stakeholders regarding their collaboration with local governing bodies. One respondent emphasised the need for disseminating information and raising awareness of the events occurring inside local municipalities. The respondent emphasised the significance of accurate reporting by the media when disseminating information to the public. This discussion culminated in the respondents' responses, provided below:

Some of them they come with that attitude of being the saviour of local people. This attitude of being some sort of, you know, a superior; National Departments coming in to give instruction and, and giving directions in terms of what to do and what is not working. R19

It's information that is being shared by media to our people without explaining deeply. Because sometimes we will find that we owe Eskom eight million because the funds were misused, but somebody who's out there, they think maybe the money was taken by us to our pockets. But the misuse is, we've used the money for what it was not planned for. But without explaining to communities, they'll have the wrong perception. R5

You know, for some reason, I must admit there's a lot of protectiveness in the province that I have noticed. So, it's like everybody wants to protect their territory and they don't want to be coerced in seeing the value of looking at economic

development with a different lens. So, they feel the minute SALGA raises issues, and especially when we use the political proximity that we have. Sector departments don't tend to like that approach, because they feel that we're pulling out the power cards. And we are seeing that these are our clients, and we're not pulling out any power cards. This is who we serve, and this is our mandate, is to support, lobbying and advocate. So, I must admit there is a little bit of protectiveness. Not everybody, not all sector departments, are open and willing to hear the views that Salga brings to the table. It's almost as if who does Salga think they are to tell us what to do. So, there isn't, an understanding of Salga's mandate. And perhaps that's where the challenge is, but I'm not limiting it to that here. R15

The problem we have here, your organised business sector they don't come to these forums to contribute. They come to the forum to sort of think what benefits are they going to be getting out of these meetings. R19

One respondent emphasised that certain attitudes and behaviours linked to politics and the fear of losing power acted as barriers to stakeholder engagement in the implementation of, and co-operation for, LED. The respondent further emphasised that this phenomenon was a result of political factors, as shown by the following example provided by the respondent. The prevailing political party at that time believed that a certain organisation, due to its racial background, had ambitions of gaining political power in the future. Moreover, the respondent said that endorsing collaboration with a 'White' group might potentially result in the perception that the leadership was inactive, while the opposition would be seen as more effective, so jeopardising their authority.

...with the previous leadership, the previous one, there was a stakeholder who was interested in helping us digitise our building control units. So, you said I can pay for everything, I'll buy the machines and I'll buy the system and it was declined. It was before my time, but it was just never taken up. So, we have, even in the past, had the interest. I know now that the new leadership is going back to that spot to say that we are willing to take that offer. So, we do have stakeholders that are interested. Even before we've had stakeholders that were interested. I think maybe now we are more receptive. Even now with the NGO, there's an NGO here called ... that does landscape, cutting and beautifying the city, basically and they've been trying to get an agreement or SLA with the municipality to say we're doing all this work. We are helping you. Can we have some sort of agreement so that whatever rubbish we pick up can be collected by the municipality. So, there's a system working but it never took off. I can say it's being formalised now. I think the then-ruling party had a perception that those people will be the opposition. Mainly because of the skin colour. Yeah. I think it was politics. If the opposition is seen as doing better than what we are doing, then we're going to lose power. R1

I think the value of LED is totally misunderstood at local government level. I think, unfortunately, in the political space, you know, politicians have five-year terms and so it's important for them to be able to make impact immediately, but often LED is a long-term impact. But if we were to focus on LED and focus on the important stuff for the economic sectors within local government the reality is that it would bolster municipal revenue as well as the amount of money that they have to be able to deliver to their social services that people so desperately need. So, because, you know, the effect is not direct, it's often misunderstood, and so LED becomes almost a dumping basket, both from an official point of view, as well as from a budget point of view, in local government, and ensuring that everything is executed effectively. So, you know, in a nutshell, the value of it is definitely not very understood. Yeah. But amongst, you know, amongst leaders as well as politicians. R22

The findings revealed that there are varying perceptions of the district, which are attributed to several factors. The focus of the research revolved around many sub-themes, including beliefs; trust and confidence; awareness and understanding; expectations; interest and influence; and power dynamics and mindset change. These sub-themes are represented visually in Figure 6.3. These sub-themes emerged as key contributing factors to the different attitudes and views of the key stakeholders in the district.

Figure 6.3: Decoding perceptions to analyse stakeholder attitudes and their influence on LED



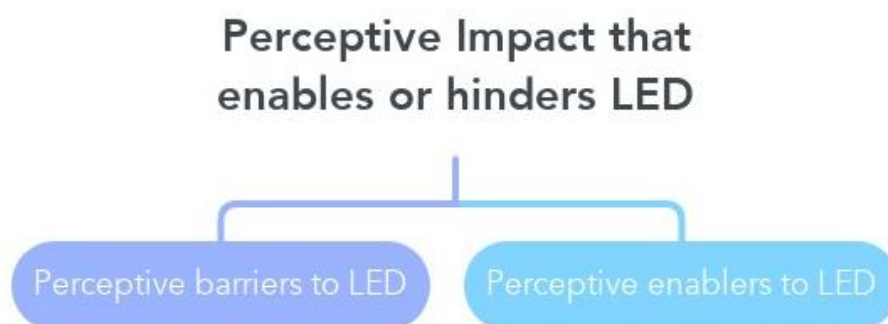
Source: Researcher's perspective (2023)

The perspectives and opinions held by many stakeholders have, potentially, a substantial influence on the development and implementation of LED initiatives. If there is a shared belief in the value of LED, it can foster a co-operative environment. However, the prevalence of scepticism may impede the successful implementation of LED initiatives. Trust plays a fundamental role in facilitating effective stakeholder engagement. Bickham and Francis (2021:191) find that trust in government plays a pivotal role, as it significantly impacts political engagement among citizens and shapes their perceptions about the effectiveness of public officials in executing public policies. This trust is fundamental in determining how the public interacts with, and perceives, the actions of their government. Elevated levels of trust and confidence in LED processes and governance have the potential to expedite the progress of initiatives and foster improved collaboration and partnerships. Fostering partnerships with stakeholders is, therefore, critical to fast-track LED implementation within the district and the absence of trust may result in stakeholders exhibiting resistance or disengagement. However, Read et al. (2020:1882) note that most research on public-private partnerships has concentrated on the relationships between organisations, rather than on

those between individuals. This emphasis leaves gaps in our understanding of how institutional contexts influence personal perceptions. McCann (2020:257) maintains that an individual's perception of their own prosperity and quality of life is significantly influenced by the productivity of the region they inhabit and work in, as well as their awareness of conditions in other regions. The author argues that this awareness is partly gained through various forms of electronic, social, and public media, yet it is personal experiences, often amplified by geographical closeness, that provide the deepest level of awareness. Furthermore, Sraku-Lartey, Buor, Adjei, and Foli (2020:19) identify personal perceptions as a crucial element in shaping socio-political policies in economies like Ghana. They argue that individual perceptions should not be disregarded; instead, they should be carefully examined and cumulatively considered to construct an overall understanding of a community's perspective, as a complete understanding of LED goals, strategies, and benefits is essential for stakeholder buy-in. Misunderstandings, or lack of awareness, can result in misaligned efforts or missed opportunities for collaboration. Moreover, unrealistic or unfulfilled expectations can result in unhappiness and may have an influence on the perceived effectiveness of LED interventions. Recognising and aligning stakeholders' interests with the aims of LED is of paramount importance. This is followed by actively including stakeholders who possess considerable power in order to effectively advocate for, and support, initiatives related to LED planning and implementation in the district. Lastly, the determination of stakeholder dominance and prioritisation of interests in the LED process may be influenced by power dynamics. In order to promote fair and balanced growth, it is essential that initiatives pertaining to LED consider the many dynamics at play.

6.4.4 Objective Four: Investigate the perceptions that stimulate or hinder LED within uMgungundlovu District Municipality

Figure 6.4: Perceptive impact on the promotion and frustration of LED implementation



Source: Researcher's perspective (2023)

The significance of recognising and understanding individual perspectives and understanding of facts and events is further emphasised by the perceived impact, since these perceptions may have a substantial effect on the outcomes of LED, specifically in terms of facilitating or hindering LED progress. Meyer and Meyer (2016) examined the perceptions of business owners of the creation of a conducive environment and service delivery from two case studies in the Midvaal and Emfuleni municipalities in Gauteng. The authors found that the perceptions of effective governance in the municipality created an environment that facilitated the growth and success of local businesses, leading to positive economic development. However, the authors found that inadequate municipal governance results in substandard provision of services and a dearth of economic progress. Similarly, Holbrook and Weinschenk (2020:472) assert that people's perceptions of urban conditions are firmly based on actual circumstances. They argue that a deeper comprehension of this relationship can substantially improve our understanding of people's responses to their local environment. Thus, Trafton (2019:1-2) states that, over the course of many decades, extensive research has consistently shown that our vision of the world is subject to the effect our pre-existing expectations have. These expectations, referred to as "prior beliefs," assist in our comprehension of current perceptions by drawing from similar previous experiences (Trafton, 2019:1-2). The primary theme unearthed two sub-themes, which are referred to as 'perceptual enablers for LED' and 'perceptive obstacles to LED', as shown in Figure 6.4. Both these sub-themes have an influence on whether or not LED is successful. The respondents highlighted many perceptions and misconceptions that impeded the successful implementation of LED in the district municipality. In addition, the respondents emphasised the prevailing beliefs within the municipality that contribute to the successful implementation of LED initiatives.

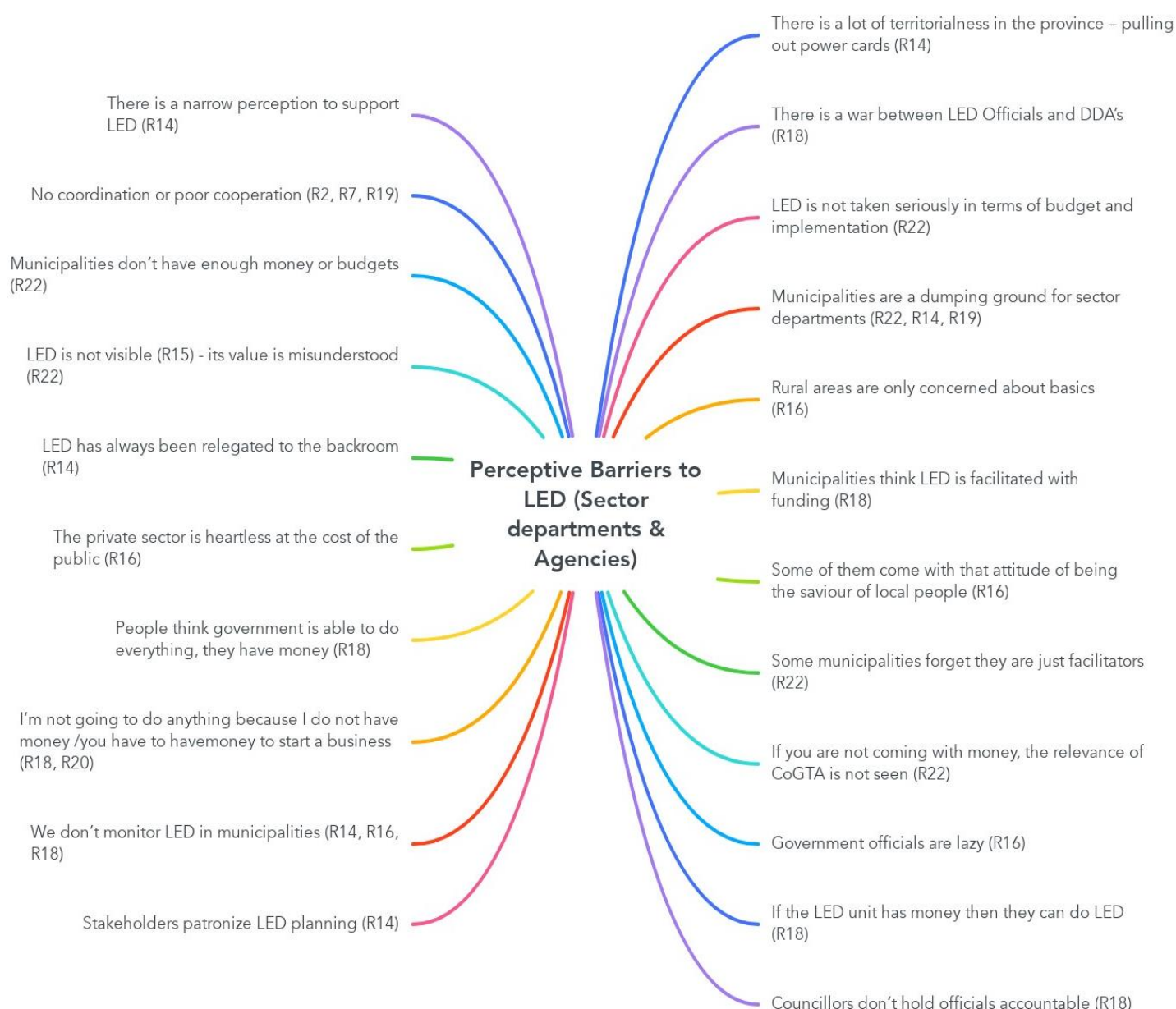
The term 'perceptive impact' refers to the impact that perceptions, as individuals' perspectives and interpretations, have on diverse outcomes. This concept has relevance in several academic disciplines, including fields such as sociology, psychology, business, and politics. The significance of comprehending and addressing an individual's perceptions and interpretations of information and events is highlighted by the perceptive effect, since these perceptions may have a substantial influence on outcomes of LED, either promoting or hindering LED. Perception refers to the cognitive process through which humans evaluate and derive meaning from their surrounding environment (Ohemeng et al., 2018:76). The perceptual effect refers to the understanding of how these interpretations exert influence on the attitudes, actions and decision-making processes of the various stakeholders tasked with planning and implementing LED. The nature of perceptions is essentially subjective, since they are influenced by an individual's unique experiences, beliefs and values, resulting in

significant variations among the stakeholders. As a case in point – in a study conducted by Netswera and Phago (2011:139-140) on the perceptions of municipal governance post-1996, they found that the Thulamela local municipality was frequently perceived by community residents as lacking effectiveness. This perception pertained to the level of corruption, the delivery of services, the processes of decision-making, and the dissemination of information to the general public. Likewise, Masiya et al. (2019:24) assert that individuals' perceptions of the quality and adequacy of municipal service delivery are shaped by their expectations and further reinforced by their direct experiences, particularly in their interactions with the management and delivery of public services. Thus, the presence of subjectivity implies that individuals have the capacity to interpret a given circumstance in significantly different ways. Thus, the effect of perception on decision-making is a crucial factor. The way in which the different stakeholders perceive a given circumstance or event may have a profound impact on the choices they make and the subsequent actions they take. Some illustrative instances are highlighted in the next section that elaborates further on these key themes.

6.4.4.1 Perceptive barriers to LED

There are several perceptive barriers to LED which are encapsulated and schematically illustrated in the figure that follows that emerged as strong views of the participants interviewed. These responses serve to strengthen the issues raised in the research that was undertaken and calls for a more concerted effort in addressing them in a more concrete manner.

Figure 6.5: Decoding perceptive barriers from sector departments and agencies



Source: Researcher's perspective (2023)

Respondents from the sector department and agencies, as illustrated in Figure 6.5, all stated that there were perceived challenges pertaining to the co-ordination and collaboration between stakeholders, with a prevailing perception that the business sector is reluctant to collaborate with the government. Territorial issues within the province are also referenced as part of politics. There exists a perception pertaining to the inadequate oversight of LED initiatives. The perceived absence of genuine representation and the ineffectiveness of forums in higher-level discussions suggest a disconnection between LED programmes and

the communities they intend to benefit. The respondents also suggested that there exists a viewpoint that financial resources are a prerequisite for initiating a new venture, while casting doubt on the efficacy and credibility of LED forums and planning, which are seen to be either ineffectual or influenced by vested interests. The prevailing belief of the need for financial resources to start a business venture and the perceived inadequacy of government assistance highlight the importance of improved accessibility to finance and comprehensive business support services. The aforementioned components include mentoring, training, and the provision of resources for those engaged in entrepreneurial activities. Another theme emerged, where municipalities reported financial constraints and inadequate resources that hinder their ability to use LED successfully. The respondents in the study perceive a notable absence of responsibility and accountability, particularly in relation to public officials and council members. These are considered fundamental principles of good governance in public administration practices and for good financial governance in local government in particular, within this study.

Given the misconceptions and constraints, the successful planning and execution of LED needs a comprehensive and integrated strategy that guarantees funding channels to sustain LED efforts, while simultaneously incorporating robust governance systems to foster confidence and guarantee accountability. Enhancing the importance and understanding of LED through strategic communication and educational initiatives could also be significant. This initiative aims to facilitate the development of collaborative relationships and collaborations across the government, business, and civil society sectors. There is a pressing need to establish planning procedures that are inclusive, participatory and needs-based, in order to ensure effective community engagement, authentic representation and widespread support for the initiatives. In addition to effectively managing expectations and rectifying misunderstandings, through transparent and truthful communication, there is a need for increased commitment to helping entrepreneurs and businesses, particularly during the initial stages of establishment. In so doing, it becomes possible to work collaboratively towards mitigating socio-economic disparities through inclusive economic growth. This approach can enhance the resilience, adaptability, and responsiveness of LED planning, enabling it to effectively address the actual challenges and opportunities present within the particular context.

Figure 6.6: Decoding perceptive barriers from municipalities



Source: Researcher's perspective (2023)

Figure 6.6 highlights the diverse perceptions held by the municipal respondents of barriers to LED within the district. A prevalent theme exists where municipalities have reported financial constraints and inadequate resources that hinder their ability to successfully implement LED. This includes the notion that LED initiatives are pursued just as campaign strategies, or beneficiaries are allocated by council members. They perceive government to be biased in terms of giving assistance to family and friends or those connected with each other. In

addition, there is a reference to perceptions of corruption and the misallocation of financial resources. The visibility and value of LED was perceived by some of the respondents as limited, and that there is little understanding of its relevance among the community and stakeholders. Consequently, there is a perceived lack of seriousness in both the budgetary allocation to, and implementation of, LED. One perception highlighted by a respondent was that government perceived itself as making a huge impact. However, some respondents stated that there is a lot of 'silo mentality' in LED planning and implementation, and stakeholders do not work together to achieve a common goal.

According to the respondents, there is a prevailing notion that government personnel are seen as lazy, while concurrently fostering a dependency syndrome. In addition, attitudes about the role of government in LED are characterised by impatience and a lack of comprehension; along with the view that the integration of LED within the municipality is inadequate, and that the planning processes fail to adequately consider the genuine requirements of the community at large. Many young individuals believe that, by establishing a firm, they can apparently obtain government tenders. The respondents further stated that there is a perceived social disparity across distinct socioeconomic strata, accompanied by a dearth of mobilisation and advocacy efforts within communities that might otherwise support the successful implementation of LED. Respondents from the municipalities also emphasised that some individuals misunderstand the responsibilities of the government, erroneously believing that it has the capacity to fulfil all tasks, as a result of perceived financial resources.

The management of expectations has significant importance in the field of LED. This necessitates effective communication of the practical benefits of LED, and the collaborative efforts of government and communities in fostering economic growth. In their study, Carr et al. (2017) highlight a number of challenges that might hinder the effectiveness of collaborative efforts in the context of economic development. These barriers include constraints on administrative ability, frequent turnover in leadership positions, and inadequate financial resources. The authors emphasise three additional factors that are expected to influence the attitudes of local government officials with regards to the challenges associated with co-operation. Several issues arise in the context of co-ordinating the development goals of the group, allocating expenses of, and advantages from, the joint venture, and considering the potential withdrawal of one or more partners from the agreement. The authors contend that previous research on interlocal co-operation suggests that the perceived risks associated with collaboration are shaped by three overarching factors: local norms pertaining to governmental co-operation in delivering services; the

structure of relationships among local development officials; and the demographic composition of the community, particularly in relation to ethnic and racial diversity. Each element is believed to influence the perspectives of development authorities about the complexity of co-ordinating, cost-sharing, and enforcing agreements in collective initiatives, hence influencing their overall evaluation of the risks involved with such joint undertakings.

These barriers present a complex web of challenges that need to be addressed through a multi-faceted approach, including policy reform, improved governance, stakeholder engagement, and a shift in cultural attitudes to LED. Each point reflects a part of the larger ecosystem that affects LED and indicates areas where intervention could potentially lead to improvement in local economic outcomes. Thus, according to Gordon (2007:65), the perceptions of economic development decision-makers are influenced by various factors, including the region's location within the broader environment, the political culture it operates in, and the organisational culture within which it operates. These factors are shaped by the influence of local actors, such as local politicians; business and industry leaders; bankers; chambers of commerce; economic development boards; council members; the media; citizens; and other influential individuals. The examination of the numerous perceptions that are obstacles to LED uncovers a complex array of difficulties that may have a substantial influence on the effectiveness of LED efforts.

The perception of budgetary limitations faced by governments significantly affects their capacity to effectively plan and execute LED initiatives. Insufficient finance poses challenges in sustaining established businesses, enticing prospective ones, and allocating resources to essential activities, such as infrastructure development, all of which are pivotal for fostering growth in the economy. Insufficient backing from the community and stakeholders might have a detrimental impact on the effectiveness of LED efforts. The absence of effective co-ordination and co-operation among diverse stakeholders, coupled with the perceived reluctance of private sector actors to engage with government organisations, indicates the need for improved partnership models and collaboration techniques in the planning and implementation of LED initiatives. Socio-economic issues, such as the dependence syndrome, necessitate the implementation of an LED strategy that fosters community empowerment through educational initiatives, skills enhancement, and active involvement in the economic development process. The findings of the study indicate governance and accountability challenges, which were reflected in the concerns over perceived corruption and a deficiency in accountability by the stakeholders. These concerns have the potential to erode trust in public institutions and discourage private investment. Additionally, it is crucial to address issues related to land use and infrastructure in order to facilitate investment. To

achieve effective LED, it is essential to establish a framework characterised by openness, accountability, and ethical governance. This framework would serve to cultivate an atmosphere that instils confidence in businesses, hence encouraging investment and facilitating growth.

6.4.4.2 Perceptive enablers to LED

Figure 6.7 shows a group of perceptions that contribute to creating an enabling environment for LED in the district, as highlighted by the respondents. These perceptions appear to be positive, emphasising the importance of collaborative efforts, inclusivity, stakeholder understanding, and the need for strategic focus in LED. The perceptions that 'We all have a role to play' and 'LED is everybody's business' was emphasised by many of the respondents, underlining the importance of collective effort and shared responsibility. Respondents further highlighted the perception that the private sector should be leading LED and driving employment creation, thus suggesting a need for policies that allow the private sector to thrive. This perception was echoed by the respondent suggesting that the private sector's innovation and efficiency can be leveraged for economic growth. The respondents also emphasised that stakeholders need to understand the municipal context to be able to adapt LED initiatives effectively. This echoed the sentiments shared by other respondents that LED strategies should be context-specific, reflecting local needs, resources, and socio-economic conditions, as well as being adaptable and responsive. The acknowledgment that practitioners are well-trained but lack practical opportunities suggests a need for platforms or room to allow them to apply their skills. Professionalising LED in the province may involve establishing standard practices and continual professional development that sees successful LED. This should be considered as one of the key recommendations arising from the study. One respondent indicates that business retention and support of existing businesses is crucial, not only attracting new ones. This, as suggested by one respondent, means that LED practitioners need to be disruptive to the market and value chains, calling for innovation and increased competitiveness. To emphasise this, one respondent stated that LED should be seen as a tool to bridge the gap between urban and rural areas, indicating that LED efforts should be balanced and equitable, addressing the unique challenges of both areas.

Figure 6.7: Decoding perceptive enablers to LED



Source: Researcher's perspective, (2023)

The need for sector departments to be in tune with municipalities came out strongly, with many of the municipal respondents highlighting the importance of aligning different governmental department and agency strategies with LED objectives at a local level. One respondent proposed the notion of introducing market disruptions and reconfiguring value chains, emphasising the importance of innovation in the LED sector. The respondent argued that this approach has the potential to bring about significant changes in local economies by promoting the development of novel business models and challenging established sectors. Statements like "if we pull our resources and efforts together, we can achieve successful LED" and "LED is a synergy" point to the necessity of pooling resources and efforts across

different sectors to amplify the impact of LED, as alluded to by many of the respondents. The importance of promoting and supporting LED through co-operative governance highlights the need to adopt a collaborative strategy that engages many stakeholders and government entities, a sentiment that was expressed by all respondents. The notion that creating a conducive environment is essential for LED implies that both physical infrastructure and regulatory frameworks need to support economic activity. While it is acknowledged that the concept of transformation is vital, and that LED is an integral component of a wider ecosystem, this implies a comprehensive perspective on economic growth that necessitates systemic alterations in the attitudes and behaviours of council members and administrative personnel. These positive perceptions show that respondents perceive that a strategic framework of engagement, leadership, innovation, and collaboration can significantly enhance the prospects for successful LED. The respondents also emphasise the importance of creating a supportive environment that enables all stakeholders to contribute to, and benefit from, LED. By taking into consideration these aspects, the respondents suggest that it is possible to foster a local economy that is strong, adaptable, and promotes inclusivity.

6.4.5 Objective Five: Examine the challenges confronted by stakeholders in successfully implementing LED within uMgungundlovu District Municipality

Figure 6.7 shows that LED is a complex field, characterised and influenced by a range of interconnected factors that include technical; financial; socio-economic; institutional; socio-political; and environmental sub-themes. It suggests that effectively tackling the challenges associated with LED requires a holistic and cohesive approach that considers all the variables involved, in order to formulate a robust and enduring plan for economic development. Respondents highlighted challenges associated with capacity and resource constraints. These included challenges like rapid urbanisation; an urban bias; and a lack of skilled personnel, access to capital, including for infrastructure development, and maintenance. The theme also includes covers difficulties with basic service provision, such as electricity and water, as well as digital access and participation.

From what I've seen, the conditions under which people are living, you drive around the CBD, the townships nearby, there's a high poverty level that is very clearly visible. Educational infrastructure, in the townships the schools, poor service delivery and just general poor maintenance of public infrastructure. So, from that, I would say there is enough noise; budgets are there and programmes, but no one goes back to assess if there's an real impact that we are making. So, if there is no satisfactory improvement, how can we say there is enough attention being given to LED. R10

It would be issues of investing on infrastructure. R1

And then, also, with regards to transportation, in the rural areas, it's difficult to move from one place to another for reasons, like. Transportation is not available.

Maybe, you get transportation in certain times. Whereas in urban areas, there's always transportation available for people to around and do business. So, that is a difference. And, obviously, in urban areas, we've got things like, banks, which give you some access to funding if you want to do business, compared to somebody who is in the rural areas, they don't have anywhere to go and get funding or even get information for that matter. R23

... because many people in the informal economy don't want to be, don't want to grow. They just feel a comfortable. They just created their space in a comfort zone where they are. But when you look at it we're still as bad as a municipality, as there's still a challenge that we need to build like something like an incubation facility where you incubate people for a certain time and then you tell them that you've grown enough. You can now do the stand with the big fish instead of being on the same level for ten years. R3

We've taken a strong stance around partnership, establishment and facilitation. We have a dedicated one forty around that and assisting municipalities. In terms of public-private partnership opportunities, we've also been found to be focusing on, at late. We've also been focusing on broken resources for municipalities, be it resource technical, be it funding resources, be it technical support to technical assistance that may be required by municipalities. R7

And the other thing that's a challenge that is faced by LED is the issue of load shedding. The issue of load shedding is affecting us negatively in a way that most of our businesses are leaving the municipality. In terms of business retention and expansion, we are losing out. We've already lost out, you know, and I will keep on saying this. There are good things that are happening on our neighbouring municipalities and then when you get to those municipalities, you will also find what there are those challenges that made someone to leave our municipality. So, it's not something that is affecting us locally. It's something that is affecting us regionally and provincially as well as nationally. When it comes to urban and rural, it's similar problems or similar challenges that are faced by our businesses, because the issue of loadshedding is a problem, the issue of unemployment is a problem, the lack of technical skills is a problem as well because you can do whatever in terms of, upskilling your subordinates as an SMME, but at the at the end of the day, if there are no opportunities out there, it becomes a problem. R19

The respondents also identified technical and financial challenges, which were linked to issues such as limited access to funding, research and technology, and insufficient technical and financial skills. These findings suggest that economic development is frequently impeded by financial constraints and the ability to effectively utilise technology.

Some of these sector departments move around the same problem, but we don't necessarily get solution. So, you assisting a municipality to, what can I, what can I use an example? But like, perhaps an automation system. I know that it has been, trying to assist municipalities to do business licensing automation, which is great. It's fantastic. It's a great system. But if you don't have the institutional arrangements in place, a simple exercise like that is fruitless. When there is insufficient capacity at local government level to undertake these tasks, you know, you often find that an IDP manager is responsible for the LED function. R15

How can it put it, is a shortage of skills, not just any shortage of skills, but is a shortage of required skill for our economy. You'll find that in Mpofana there is someone who is qualified who has an IT degree but ask yourself if our economy needs someone with IT, if we said our economy is strong agriculture and tourism. R8

We haven't come around to sort of, you know, look into it and then suddenly re-engineering our activities, in fact, in the Fourth IR. So, we in all honesty, we

haven't done any plans around it. Okay. We had a meeting with all four network operators. That was, it was made last year, and we've seen, Vodacom. They tried to boost their towers. While they're doing that, the issue is load shedding. One of the biggest problems that has happened is how their towers are engineered. They are like your Eskom power plant. So, some of them have got a switch. So, the automatic switch when the power goes off. R19

Furthermore, the study recognised socio-economic restrictions as one of the problems. These concerns include socio-economic inequities; poverty; unemployment; inequality; and the need for a change in attitude that highlights underlying structural challenges within the community that impact LED. The respondents emphasised that the challenges faced by institutions included issues such as limited stakeholder involvement and ineffective execution; lack of alignment; communication and co-ordination problems; hurdles in policy implementation; and inadequate enforcement of regulations.

To create an environment, ensuring that even the previously disadvantaged do have access to these opportunities, especially because you know, the tourism sector has been known to, not be very inclusive. So the role of this office is to ensure inclusivity, to ensure that there is an equal share, or equal, what's the word, accessibility to the economy of, within the tourism industry So that's how I understand my role, to ensure that the playing field is open for everyone and also ensuring that the environment, is conducive enough, to promote or to contribute what's, synergy development within the city of Maritzburg. I believe that it's very important to have relationships and, within the different stakeholders, within the value chain of tourism. Whether it be inside our stakeholders because within the municipal department, it's important to ensure that, you know, there is an understanding of what tourism is and the benefits of tourism towards the growth of the city as a whole. Especially when it comes to resources, especially budgets as well, which is, are supposed to we would not get into that when we talk about the challenges, you know, sufficient budgets, sufficient staffing resources, which would then complement the planning, and execution in the development of various plans, in the execution, thereof in order to achieve, you know, local economic development via the tourism aspect. R21

Just to name a few of the LED challenges that we currently faced with as a municipality, I'm going to start with the issue of alignment, the alignment with the departments. You know, there is that tendency of working in silos within the municipality. And I believe that the local economic development is the heart and backbone of the municipality. You know, but if you tend to isolate LED you find that people suffer because our mandate as local economic development is to ensure that jobs are created. But if we don't get stats, where jobs are created, we cannot be in a position to report, you know. And the issue of the payment within thirty days is another problem when it comes to supply chain, as well as those that that processes invoices of our SMMEs. SMMEs end up vulnerable (to) loan sharks, because whenever you get a small tender to supply something up to the value of thirty thousand rands or up to two hundred thousand, you go to someone and then they charge you, maybe, about 50% of what you have borrowed. And if the municipality doesn't pay you on time, it becomes a problem. That is why we've been working very close with the Department of Treasury to say what is happening with the operation Khokha ngeskhathi (pay on time). There's that operation that the Department of Treasury is facilitating just to push the municipality to pay suppliers on time. R19

This indicates the impact of governance and leadership, the responsibilities of stakeholders, and the level of readiness to engage and oversee LED initiatives. The challenges connected

with civic involvement include socio-political issues, such as shifts in power or conflicts; breakdowns in trust; civic discontent; and unmet expectations. These findings suggest that the political environment and social dynamics have an impact on LED and have the potential to create value or destroy initiatives.

So, the private sector doesn't trust us. And we don't trust the private sector. And there's that huge disjuncture between, how we see ourselves. So, we've been trying to get the leadership, especially now with the new leadership that has come in in November, trying to kind of rewire them to think out of the box and to try and make them see the value of what building relationships within investment and economic development and how that actually plays out. R15

The key challenge will be politics. What do I mean? We are working as government officials or municipal officials. But again, the political interference does hinder our development. It does hinder our planning. It does hinder the way that we do things and strategies that we are using. So, politics have a negative impact. We rely on consent as to inform our community in their respective works. But, you know, sometimes when you receive a request from the community, some of our requests may be some, they don't arrive in our offices if they are given councillors, and some are persuaded that can you please make sure that you assist this particular individual or this particular group. So, with that in mind, you know, it's somehow an interference because we require that the applications must be brought to us without any information saying that you need to assist this one. Don't assist this one. In some instances, you know, when you've helped, you'll be asked how did you get hold of this person? Why didn't you inform me before assisting. You know those questions; they are going to see stepping... But, you know, in rural areas, they are too dependent on counsellors. Even to come to the municipality for them is an issue so they will, rely on I as in rural areas. So, I think it does have an impact. R13

There have been challenges, and the challenges obviously, have been, some of them and projects have been historical, in terms of the political landscape of the municipal and the team who may have led council, then in terms of a political party who is leading council now in terms of the ruling party concerned and, implications of that and there could also be scenarios where matches may have not been addressed, quite effectively in the past and, where that level of confidence amongst your various sectors of society, especially in in terms of vanity, which your private sector may have may have been, eroded you know, certain instances where, local procurement is expected, to be not necessarily favouring, but, be complementary of your local business and is found to be quandary, in terms of the municipality's budget spend or procurement spend. As far as procurement, of goods and services. And it could also be vice versa where, the private sector may choose to, because of its formation, possibly in the form of a business chamber. I chose to in, you know, champion certain issues in their own on their in their own accord. And as such, not necessarily discard municipalities, but the involvement of municipalities may be quite limited. R7

At a government level I think LED is kind of like a forgotten stepchild. And that's simply because the value of it is not well understood. So often, you know, it's like not taken seriously. So, I think you know, and that would be in the form of budgets and skills, as I've mentioned. Because perception and more often, guide you in terms of your implementation or in terms of what happens, but politicians don't see the value in it and often, you know, there's kind of a lack of funding. That's given to politics. R22

Finally, respondents emphasised that the difficulties related to environmental and health issues primarily arise from the difficulties associated with disease outbreaks, such as

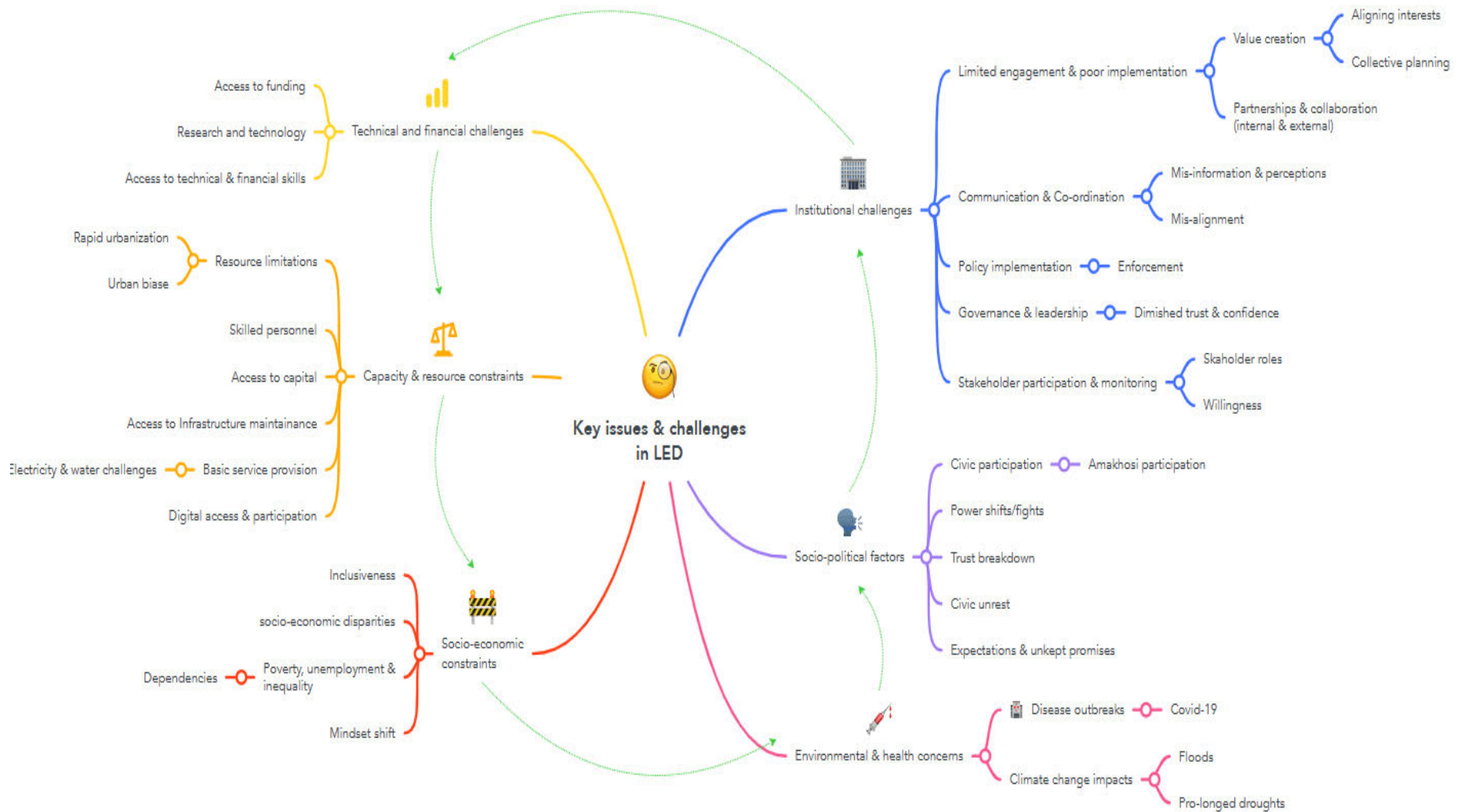
COVID-19, and the impacts of climate change, such as floods and extended periods of drought. This suggests that the field of LED is increasingly influenced by environmental and health emergencies.

They need to, also, come back to LED or the local economy. There is a high number of unemployed people. So, most of our people are not working because I think as we speak now, we sitting at about 60% unemployment rate. And the other contribution has been those two recent things COVID-19 and looting. So, the high unemployment rate, and our people, they tempered with electricity meters It's mostly maladministration. We normally get conditional grants from different government departments. What was said is that we've been using conditional grants for our operations. For example, to pay our salaries and other operations. So that and the other issue is we had a big debt (with) Eskom. So, while we're failing to collect for our electricity sales, then we end up paying the Eskom debt using conditional grants. But it's always around the use of non-conditional grants.
R8

I think the value of LED is totally misunderstood at local government level. I think, unfortunately, in the political space, you know, politicians have five-year terms and so it's important for them to be able to make impact immediately; but often LED is a long-term impact. But if we were to focus on LED and focus on the important stuff for the economic sectors within local government, the reality is that it would bolster municipal revenue as well as the amount of money that they have to be able to deliver to their social services that people so desperately need. So, because, you know, the effect is not direct, it's often misunderstood and so, LED becomes almost a dumping basket both from an official point of view, as well as from a budget point of view, in local government, and ensuring that everything is executed effectively. So, you know, in a nutshell, the value of it is definitely not understood. Yeah. But amongst, you know, amongst leaders as well as politicians.
R22

You know what we are all swamped and we all become so consumed by the work that we do on a daily basis, so sometimes it becomes difficult to get involved in projects that are outside the organisation, or it might not have meaning to me, or I might think of it as important, so then I wouldn't pay attention to it, so I'm just saying that maybe it's because we all become so consumed in our own challenges within the organisation. So sometimes it becomes difficult to be involved in stuff that is happening outside So you are engaging with stakeholders, and you are saying yes SEDA is able to do this, but I can't do any projects if there is no money available for me to implement those projects. So that just an example of the challenges that are there because of the internal inefficiencies in my organisation. Now I'm unable to fulfil what I promised to the other stakeholders, which might delay their projects or cause issues for them. So, challenges are always there. That's just an example of a challenge that I've had because I've had to put people on hold just because we couldn't proceed with projects.
R10

Figure 6.8: Key issues and persistent challenges in LED



Source: Researcher's perspective (2023)

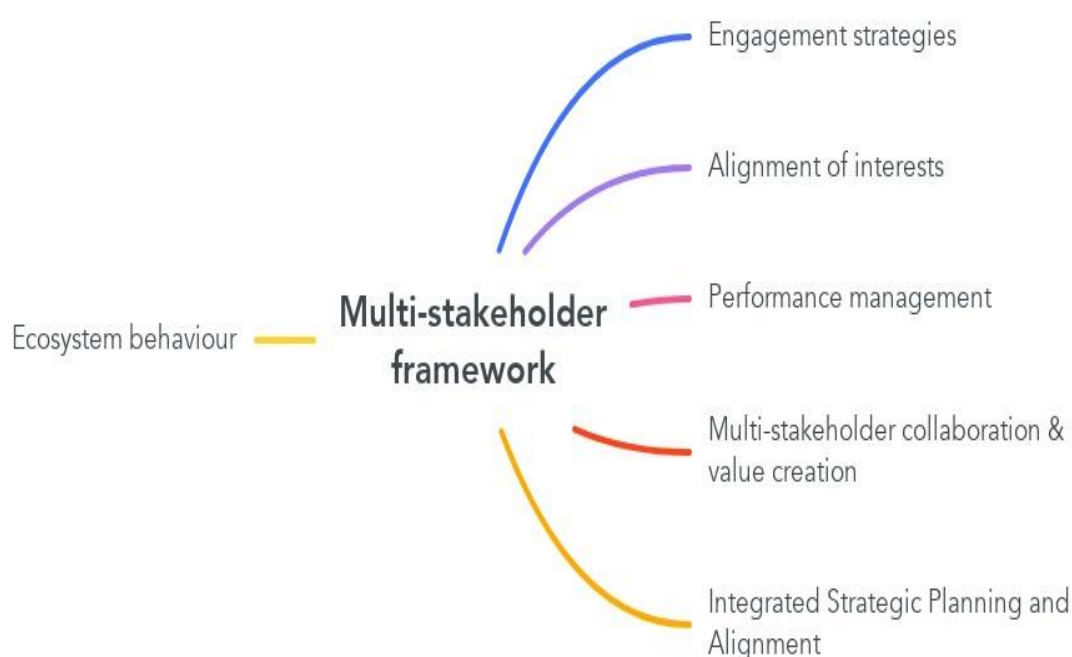
Figure 6.8 is a conceptual overview illustrating the main issues and challenges pertaining to LED within the district under investigation in the case study. These issues and challenges are classified into many interrelated themes. The issue of capacity and resource constraints involves the difficulties associated with limited resources. These obstacles include the impact of growing urbanisation, which tends to favour urban areas over rural ones; a shortage of competent workers; inadequate access to funding; and the difficulties in maintaining infrastructure. These constraints may impede a municipality's capacity to provide essential services and hinder broader economic progress, thus causing public dissatisfaction. According to Masiya et al. (2019), there are several significant elements that lead to public dissatisfaction with service delivery. These elements include a perception of inequity and a sense of deprivation relative to others, as well as unfulfilled political commitments. Inequitable service accessibility, the provision of insufficient services, and a notable prevalence of poverty are additional influencing factors, in conjunction with persistent discrepancies that may be traced back to the post-apartheid period. Technical and financial issues refer to the obstacles encountered in obtaining funds, accessing research and technology, and acquiring the necessary technical and financial expertise. It is important to confront these difficulties in order to promote innovation and facilitate economic expansion. Socio-economic constraints include several challenges related to inclusivity, including socio-economic inequalities, poverty, unemployment, and inequality. These emphasise the need for a change in thinking. These factors serve as indicators of underlying structural issues throughout society that must be addressed by effective LED projects in order to achieve change. The theme of institutional challenges focuses on the internal challenges within institutions, such as limited engagement and poor implementation of LED strategies; miscommunication and misalignment; issues with policy implementation and enforcement; diminished trust and confidence in governance and leadership; unclear stakeholder roles; and an unwillingness to participate and monitor LED activities.

The issue of socio-political factors covers the external problems of a socio-political nature that have an impact on LED. These challenges include, but are not limited to, restricted civic engagement; power struggles or conflicts; erosion of trust; civil discontent; and unfulfilled expectations. These factors may significantly influence the effectiveness and outcomes of LED initiatives. The issue of environmental and health problems recognises the influence of several factors, including disease outbreaks like COVID-19, floods, the effects of climate change, and extended periods of drought, on LED. These elements have the potential to destabilise local economies and provide challenges to LED initiatives. 'Aligning interests' refers the crucial need for harmonising the interests of various stakeholder groups. This

alignment is vital for generating value by means of collaborative planning, partnerships, and co-operation, both inside the organisation and with external entities. The analysis presented in Figure 6.8 indicates that effectively addressing LED concerns requires a comprehensive strategy that considers the interrelated nature of these issues. This suggests that achieving effective LED requires more than just economic considerations. It requires the recognition and management of several social, political, environmental, and institutional factors. Additionally, the evidence highlighted the significance of involving stakeholders in effectively addressing these difficulties. By acknowledging and addressing all the many difficulties described, local governments and individuals involved may implement LED practices that are more strategic, inclusive, and resilient.

6.4.6 Objective Six: Provide a stakeholder management framework for integrating and aligning implementation of successful LED strategies

Figure 6.9: Designing a multi-stakeholder framework for enhanced LED



Source: Researcher's perspective (2023)

Figure 6.9 suggests that a successful multi-stakeholder framework for LED requires an in-depth understanding of the economic environment and ecosystem; strategic alignments; proactive involvement; the alignment of interests; meticulous performance monitoring; and collaborative creation of value. These elements are interdependent and collectively contribute to the resilience and long-term viability of LED efforts. The multi-stakeholder framework for LED theme suggests that LED is underpinned by several key elements which

have been categorised as sub-themes, emerging from the research interviews. The primary sub-themes pertaining to the multistakeholder framework were linked to ecosystem behaviour; integrated strategic planning and alignment; engagement strategies; alignment of interests; performance management; and multi-stakeholder collaboration and value creation.

The respondents emphasised the need for a comprehensive framework that addresses the complex dynamics and interconnections within the LED ecosystem in the municipality. This framework ought to consider all the players involved and take into consideration the organic progression of economic activity. Respondents further highlighted the necessity for a cohesive and collaborative approach to strategy and policy-making, ensuring that all stakeholders have aligned objectives and that planning is carried out in an integrated manner across different sectors and spheres of government.

But maybe I can also just state on conclusion that, you know, for the district, my perception is that we have not actually understood the economic factors and values of the district. So that, we know as each municipality, what role we play. Because we play different roles. If you see in uMgungundlovu District IDP, you realise that uMsunduzi plays an administrative role as a capital and also as a tertiary sector, in terms of economy, there are many administrative buildings, a government, and finance. Other municipalities, like Howick, and uMshwathi, they would play more agricultural roles. And, then you find that uMsunduzi has the most street traders, close to two thousand which, if we had a united framework or a way of working with each other, we would understand that how do we participate in this economic cycle? Because we would know that people on the street are selling potatoes, so if then, we have one deliberation and one strategy, it would be easy to always compact our district in terms of purely on LED. R4

So, it's about retention and expansion for me. And so, the framework that I think should happen would be, you know, there has to be a business retention an expansion policy almost, as part of the of the framework... You don't know what business is firstly are there, who are the owners, who are the contact people, none of that. You don't even know what their services are, what their needs are. You don't know what you can do as a municipality to do better. So that should be part of what the framework should allow for. And that would help to foster. It will also come down to, like I said before, the marketing. For me, that's a huge thing that municipalities don't have. But also, the framework should have this built in, where municipalities are able to build on their asset base Our organisation is focusing on capacitating, officials and councillors based on the built environment ecosystem and LED is a component there, but it is not in isolation. R15

We have systems in place. We must meet that. We must be able to satisfy the legislative requirement. We must, but you need flexibility. R19

The emphasis on engagement strategies was also highlighted and this indicated the importance of developing methods to involve stakeholders effectively. This was highlighted as involving communication plans, participatory approaches, and the cultivation of partnerships. The importance of aligning the aims and objectives of different stakeholders was emphasised by respondents, who emphasised the need to minimise conflicts and enhance the effectiveness of LED initiatives.

One of them is to have a dedicated. One of them is to have a dedicated stakeholder engagement plan. And, obviously, to ensure that the LED strategy speaks to current and future issues, that the municipality may anticipate, due to trends and analysis of those trends. It's also to ensure that the municipality has a strong communication strategy, you know, so that the public is kept depressed, in terms of LED initiatives, in terms of LED projects, and in regular intervals, that your various sectors are consulted. R7

A strategy that is community-driven, because LED happens within the community environment. So, one, that is community-driven, cognisant of the needs that exist, targeting or addressing impediments or challenges that currently exist ... in collaboration with the various stakeholders who are in a position to contribute with, financially, via, resources that exist, but also leveraging and benchmarking other locations or cities or countries. A clear vision and, from the municipality and obviously in consultation with the various stakeholders. Effective government governance and in leadership. Also, the environment, I've mentioned that the environment will also need to be, complementary, more streamlined and, obviously, more regulated. We've mentioned infrastructure development. That, obviously, would support economic growth and attract investment. R21

In terms of our stakeholders, I think we need to build a stronger relationship with the business community. I think mostly that's where we are lacking, and we need to take advantage of the opportunities that are out there. And we need to capacitate people so that they're not only aware, but they're able to compete now. R1

Several respondents emphasised the need for monitoring the growth and results of LED initiatives. One respondent specifically emphasised the use of performance indicators and management tools to ensure the achievement of targets and to inform decision-making processes.

The APPs don't talk on how you have collaborated with other sector departments, and I think that's been another mission which I'm hoping will be including as we go forward, so that as part of your measurement as a Department of Health, COGTA, education practitioner, how or to what level have you been engaging with other sectors departments. I think should it forms part of your APP, while at the moment there's an IGR person inter-governmental relations person in many of the sector departments and why should it be that an IGR person's job to facilitate discussions between government departments, when we are all the same government? I think that it should become part of the fabric, part of our DNA, that we pick up the phone and have collaborative relationships with other sector departments, that should be how we function. It almost shouldn't be forced on us, but the DDM luckily is doing that. R18

Several respondents emphasised the need for establishing a comprehensive framework that fosters the establishment of shared values and collaborative efforts across diverse stakeholders, with the ultimate goal of generating economic value. A number of respondents proposed the use of the DDM model as a framework to accomplish this objective, thus suggesting that successful LED depends on the ability of diverse groups to work together towards common goals, leveraging their combined resources and capabilities.

But I don't think there is that platform. I know that uMgungundlovu district has LED forums, but I don't know in terms of effectiveness. At the same time, I cannot judge and critique them because I haven't set on those forums. But, yeah, you know, a culture of working together is critical because when you work together, in a uniform way, you'd understand, what are your roles and then create some sort of

programmes which is encouraged by the DDM, District Development Model. So, I think in your thesis, we must really encourage that the national perspective, stick to the district model; but it must be really capacitated, and it must be really strong in order to give. Because municipalities on their own, I am telling you, we own mandate and we run with them, but we need a stronger big brother to actually say you know, if we're working together, this is our focal key point, maybe as uMsunduzi. This is where we sell all of these by creating networks and value chains that will lead to a tertiary destination So, they must really take advantage of the DMM model, District Development Model. So that you can realise tangible result. R4

We've been trying for two years to get the DDM thinking into the genetics, into the veins of sector departments, so it's introducing a whole new way of thinking into the sector departments and until now everybody's been so focused into their APPs, annual performance plans that the DDM has sort of been an additional pain in the R18

The findings suggest a need for a multi-stakeholder framework that emphasises a holistic, integrated, and collaborative approach to economic development. This emphasises the necessity for a comprehensive framework that demonstrates an understanding of the complex dynamics among the various stakeholders in the district. Such a framework ought to include strategies for engaging stakeholders effectively; reconciling diverse interests; implementing rigorous performance management; promoting collaboration to generate value; and ensuring that strategic planning aligns harmoniously with overarching economic objectives. The interdependence of each component within the framework is crucial to the overall resilience and efficacy of LED initiatives. Therefore, the concept of ecosystem behaviour posits that comprehending the behaviours and interactions within the LED ecosystem is of utmost importance. Understanding the interplay and impact of different stakeholders helps inform the formulation of strategies that align with the inherent dynamics of the local economic context. The theme on engagement strategies suggests that effective stakeholder engagement strategies are essential for ensuring that all voices are heard and that collaborations are productive. This involves identifying stakeholders, understanding their interests, and involving them in a manner that is both inclusive and effective. The 'alignment of interests' component highlights the significance of aligning the interests of various stakeholders in order to guarantee that LED initiatives are characterised by synergy and mutual benefits. When stakeholders have aligned interests, the likelihood of successful outcomes increases. This process entails establishing explicit objectives, evaluating advances, and adapting approaches as necessary to improve results and guarantee responsibility. The multi-stakeholder collaboration and value creation theme suggests that the collaboration among diverse stakeholders is a core tenet of the framework, emphasising the need for joint efforts in the creation of economic value. This collaborative approach leverages the unique strengths and resources of each stakeholder group. Lastly the theme on integrated strategic planning and alignment suggests that a coherent and comprehensive

planning process that aligns LED strategies with broader economic objectives in the district is required. It involves integrating various plans and initiatives between the various stakeholders in the district to ensure that they work towards a common goal.

6.5 CONCLUSION

The chapter explored the critical considerations that emerged from the empirical research on LED strategies in local government that are multifaceted and complex in nature, and one that emerges clearly from the analysis of stakeholder roles, challenges, and perceptions. Stakeholders are faced with the challenge of navigating a complex environment characterised by capacity and resource constraints; technical and financial limitations; socio-economic disparities; institutional hurdles; socio-political dynamics; and environmental and health concerns. Importance was given to the narration aspects of the interviews conducted by the researcher. Trustworthiness was considered as an important measure of quality in the qualitative analysis of the findings in this chapter, especially in terms of a level of confidence in how the responses were interpreted regarding LED. These findings emphasise the necessity for a holistic, integrated multi-stakeholder framework that fosters collaboration, leverages diverse strengths, and prioritises inclusivity and adaptability. By recognising and addressing the challenges that have been identified, and using the factors that enable progress, such a framework has the potential to build the foundation for a local economy that is more resilient and prosperous. The path forward for LED requires not only a deep understanding of these complex interdependencies, but also a concerted effort to turn these challenges into opportunities for sustainable growth and development. This is elaborated upon in the next chapter.

CHAPTER SEVEN:

DESIGNING A MULTISTAKEHOLDER FRAMEWORK FOR ENHANCED LOCAL ECONOMIC DEVELOPMENT

7.1 INTRODUCTION

The research into LED planning and implementation, as discussed in the preceding chapters and other studies, revealed a complex and multi-faceted environment. The need for a holistic and multi-faceted LED framework to facilitate the achievement of the district municipality's economic development objective throughout the district and its surrounding areas has become more evident. This chapter examines the details linked to establishing and sustaining successful collaboration among the diverse stakeholders in LED within the district. The purpose of this chapter is to provide a comprehensive framework that is rooted in the mutually beneficial possibilities that emerge from various collaborative efforts, including with governmental agencies, businesses, non-governmental organisations and the broader community. By acknowledging that each stakeholder brings unique strengths and perspectives, this approach aims to leverage these diverse contributions in a manner that exceeds the mere aggregation of individual efforts.

The study emphasises the need for strategic alignment, collective value and mutual understanding amongst all stakeholders, while navigating the complex interplay of economic, social and environmental forces within the district. The objective of 'crafting synergy' is to provide practical insights and tools for practitioners, policy-makers, and the community at large, in order to enable these stakeholders to work together to see the successful implementation of LED within the district. This framework intends to support the successful implementation of municipal LED initiatives in the district. From this perspective, the chapter examines the key aspects of multi-stakeholder co-operation to develop a framework that explores the challenges in establishing relationships, cultivating trust and resolving conflicts, all of which play a vital role in ensuring the sustained effectiveness of LED efforts.

7.2 DESIGNING THE MULTI-STAKEHOLDER LED FRAMEWORK

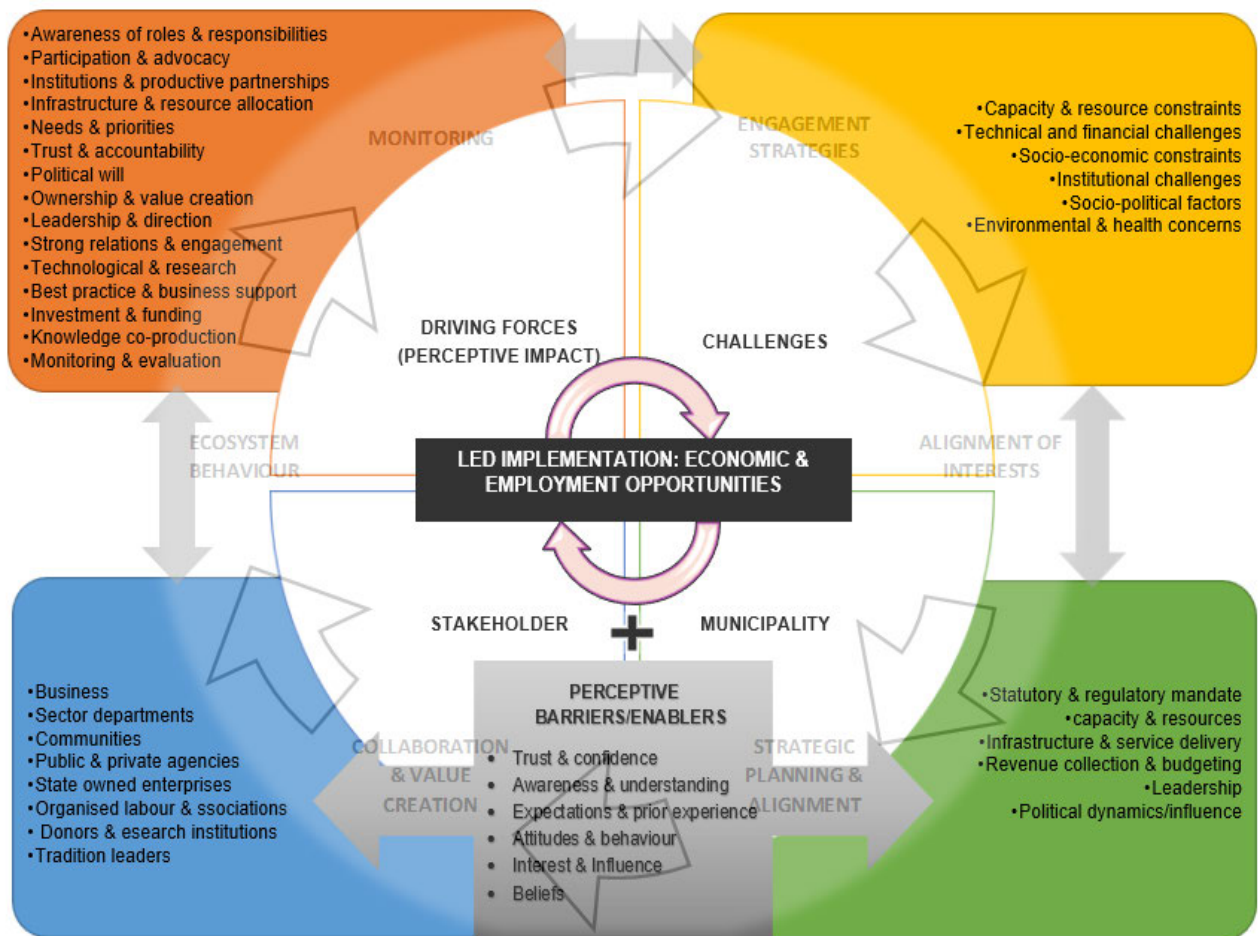
In the framework, 'LED' refers to a collaborative process which includes various stakeholders from the public, business and non-governmental sectors which is directed to improving the economic growth and generating employment opportunities within a specific locality. To achieve successful implementation of LED initiatives within the uMgungundlovu District Municipality, the results suggest it is imperative to have a thorough understanding of

the roles and perspectives held by many stakeholders; the factors that influence LED, including challenges; and the establishment of an efficient stakeholder management framework. The study's conceptual framework was developed through a thorough assessment and analysis of the relevant literature, drawing upon the researcher's own experiences as a municipal practitioner in LED. The research utilised various theoretical frameworks to examine the perspectives of multiple stakeholders in LED in the context of local government. The LED initiatives necessitate the involvement of multiple stakeholders and rely on the principles of collaboration, co-operation and co-ordination to achieve their objectives. Hence, the complex process of engagement with pertinent stakeholders, such as the government, businesses and society, is evident. Furthermore, any understanding of LED is likely to need ongoing revision in light of its occurrence in complex and dynamic contexts. The development of the conceptual framework aimed to identify the fundamental notions pertaining to stakeholder perceptions in the context of LED. Thus, the research involved an examination of multi-disciplinary research on LED, incorporating a range of social science research studies in public administration, management, leadership and economic development to inform the development of the LED framework.

The findings of the research revealed significant patterns in stakeholder identification, including factors such as the understanding of local government frameworks, business, societal groups and other entities. It also revealed the need to establish an integrated approach to socioeconomic development in the country. The public sector involves several institutions, including municipal authorities; provincial government departments; local councils; and specialised agencies, which largely focus on promoting and facilitating LED within the district. The private sector includes a diverse range of institutions, including local businesses; chambers of commerce and industry groups; along with individuals involved in entrepreneurial efforts. Civil society is a broad concept that includes a diverse array of organisations, including non-governmental organisations (NGOs); community-based organisations; traditional leadership structures, and educational institutions. Lastly, external factors include a wide range of institutions, such as international funders, national government bodies, and potential investors that have a role in ensuring effective LED planning and implementation. In light of the above, the need for an integrated approach that aligns with broader economic systems and capitalises on the strengths of diverse stakeholder is needed in the district. This would recognise the interdependencies of all the stakeholders involved in collectively generating value, particularly in the context of achieving successful LED planning and implementation. The framework developed below represents the findings from the case study which suggest a change in perspective that prioritises the creation of value through interrelationships. It recommends the adoption of systemic thinking

as a means to effectively support LED initiatives in the district, while also promoting fruitful partnerships and co-operation.

Figure 7.1: LED multi-stakeholder framework



Researcher's perspective (2023)

The framework, shown in Figure 7.1 as a new contribution to the evolving literature on LED, provides a holistic representation of the elements that impact the implementation of LED in the uMgungundlovu district. It specifically examines the complex connection between driving forces, challenges, stakeholder perceptions and the many roles played by various stakeholders that may either promote or hinder the implementation process. The framework shows the complex interconnections, as well as interactions between the municipality and its stakeholders, revealing four fundamental analytical concepts: stakeholders, perceptions, the municipality and LED implementation. These four core concepts, as illustrated in Figure 7.1, are enhanced by the multi-stakeholder strategies required to see LED success. These include developing sound engagement strategies; aligning interests; promoting strategic planning and alignment; collaborating and creating co-value; adopting ecosystem behaviour, and continual monitoring. The impact of perceptions on the relationship between the

municipality and its stakeholders indicates that both negative and positive perceptions have an effect on LED and can act as barriers or enablers to LED. The subsequent analysis provides a concise examination of the fundamental nature of this illustration. The driving factors include fundamental components; roles and responsibilities; active engagement and collaboration; the existence of enabling institutions; and the accessibility of infrastructure and resources. These driving forces are the impacts perceived by the stakeholders, requiring an in-depth understanding of needs and priorities; political will; the establishment of trust and accountability; effective leadership and direction; and the cultivation of robust stakeholder relationships and participation. Furthermore, the success of LED initiatives may be enhanced through the collaborative process of knowledge co-production and best practice. Technological advances are acknowledged within the framework as imperative enablers that have the potential to push LED ahead in the district municipality.

These driving forces, thus, represent beneficial influences that support the implementation of LED to ensure: (i) a clear understanding of roles and responsibilities to enhance effectiveness and efficiency; (ii) active involvement and promotion that engage stakeholders in the process of planning and implementation; (iii) effective collaborations and allocation of the resources that are crucial for the successful execution of LED initiatives; (iv) establishment of trust and accountability as fundamental elements for promoting transparency and good governance at the district level; (v) a demonstration of political determination, strong leadership, and guidance to steer the LED initiatives; and (vi) investment in technology, research and financial resources to bolster local economic growth and development. The perceptions of stakeholders are shaped by prior experiences and expectations; awareness and understanding; attitudes and behaviours; interest and influence; and beliefs, trust and confidence. These perceptions can significantly influence the outcomes of LED initiatives by either acting as barriers or enablers. The negative perceptions held by the municipality might, potentially, hinder the effective implementation of LED initiatives. The reason for this is because these perceptions have the potential to exacerbate the pre-existing challenges encountered by municipalities in effectively carrying out LED initiatives. Furthermore, these negative perceptions may hinder the stakeholders' desire to fulfil their responsibilities and actively participate in the implementation process. Likewise, there are negative perceptions pertaining to the impact of stakeholders on the determinants that contribute to the achievement of LED success. Key enablers for the successful implementation of LED are the active participation and collaboration of relevant stakeholders, the building of ownership and trust, and the availability of essential infrastructure and resources to efficiently support LED initiatives. The establishment of trust and confidence in the LED process, as well as the awareness and understanding of the

benefits and requirements for successful LED, are some of the critical components of the framework.

The stakeholder-municipality interface in the framework identifies various stakeholders, including businesses; sector departments; communities; public and private agencies and associations; state-owned enterprises; traditional leaders; research institutions; organised labour; and funding donors. The concept of stakeholders pertains to the identification of pertinent stakeholders who play a crucial role in driving LED within the municipality. These stakeholders have a vested interest in seeing the successful implementation of LED. Businesses in the framework are recognised as having the potential to stimulate and foster economic development. The sector departments and agencies play a crucial role in providing oversight, financing and capacity-building assistance. The communities are recognised as simultaneously reaping benefits from, and contributing to, LED. State-owned entities, organised labour and other groups have the potential to serve as partners or influential actors, along with donors and research institutes that are capable of providing both financial and intellectual assistance. Lastly, traditional leaders are recognised in the framework as possessing significant cultural and community authority to help drive LED in rural areas. This concept is closely linked to the municipality, its driving forces, and the actual implementation of LED initiatives. The concept of the municipality represents the various components inherent in the municipality which exert an influence on the effective execution of LED initiatives. The factors covered in this context are legal obligations imposed by legislation and regulations; capacities and resources of local governments; infrastructure and delivery of services; the collection of revenue and the budgeting process; and the influence of leadership and political dynamics. This notion has a direct correlation with stakeholders and the implementation of LED. Additionally, the influence of this concept is also contingent upon the municipality's capacity to effectively tackle challenges related to corruption; inadequate governance; limited engagement and internal revenue generation; deficient communication; socio-economic concerns; and financial limitations. The interface between these stakeholders and the municipality is crucial for LED, as it involves the fulfilment of legislative and regulatory obligations, as well as the efficient management of capacity and resources. The management and supervision of infrastructure and service provision ought to facilitate and sustain economic initiatives. There is a need to guarantee efficient revenue collection and budget allocation to finance LED, and to exercise effective leadership of complex political forces.

The framework acknowledges that there are several significant challenges that can hinder LED, such as financial constraints; ineffective partnerships; poor governance; socio-economic issues; and communication breakdowns. Corruption; a lack of shared

understanding; civil unrest; and the impact of the COVID-19 pandemic also pose considerable challenges to successful LED implementation. These challenges are found to be rooted in capacity and resource constraints; technical and financial challenges; socio-economic constraints; socio-political factors; institutional challenges; and technical and financial challenges within the municipality. These challenges also have a direct impact on the driving forces that are crucial for the stakeholders involved in driving LED. The implementation of LED is influenced by a combination of challenges, driving forces, municipal factors and the stakeholders. The successful implementation of LED in the municipality necessitates collaboration and co-operation between the municipality and its stakeholders in order to strengthen the driving forces and effectively tackle the challenges at hand. This necessitates adopting strategies to drive LED implementation and reinforce partnerships and collaboration. Thus, the reinforcing strategies identified in the framework guard the four key concepts by aligning the interests of various stakeholders to help them overcome the challenges, and leverage the driving forces to foster an environment conducive to economic growth and job creation. Strategic planning and alignment involve the process of harmonising the interests of stakeholders with the municipal LED objectives. The strategies of collaboration and value creation are recognised as crucial factors in facilitating the co-ordination of efforts of all relevant parties, and generate value by fostering partnerships that see economic and social benefits. Engagement strategies focus on fostering stakeholder engagement and sustaining their commitment. Ecosystem behaviour is recognised in the framework as an important strategy for adapting and adjusting to a changing environment. This focuses on the practice of observing and analysing the behaviour of the environment in order to modify plans and activities appropriately. The elements of aligning interests and monitoring are recognised in the framework as important in the successful implementation of LED through learning and continual evaluation. The central focus of the framework is LED implementation, which aims to create collaborative relationships that will create economic and employment opportunities within the district. It also emphasises the importance of addressing stakeholder perceptions and expectations to enhance the effectiveness and sustainability of LED efforts. Moreover, Auriacombe and van der Waldt (2020:35) assert that effective operationalisation of LED strategies and effective implementation requires a concerted political effort and support.

7.3 CONCLUSION

A greater awareness of complex the interdependencies is necessary, as is a concerted effort to turn LED challenges into opportunities for sustainable growth and development. This is especially true, given that LED requires a participatory approach, involving several stakeholders from the public, private, and non-governmental sectors who are key actors in

facilitating and implementing LED. This chapter provided the multi-stakeholder framework for collaborative LED planning and implementation for the district municipality. It was carefully constructed, based on the study findings. This research proposes the framework as a methodical way to manage stakeholder interactions and encourage district-wide collaboration. The purpose of the research was to learn how different stakeholders in the district promote the successful planning and implementation of LED in order to create a complete framework that shows how the many LED core concepts are interconnected. Its goal is to improve the citizens' understanding of the factors that affect the municipality's ability to successfully implement LED.

CHAPTER EIGHT:

CONCLUSION, RECOMMENDATIONS AND CONTRIBUTION TO BODY OF KNOWLEDGE: MUNICIPAL SERVICE DELIVERY, LOCAL GOVERNMENT AND PUBLIC ADMINISTRATION

8.1 INTRODUCTION

In reviewing the literature pertaining to this very relevant field of study, the researcher identified significant deficiencies in the understanding of LED and how it is implemented in local government; as well as finding that poor stakeholder interaction hinders the successful implementation of LED initiatives. Diverse conceptual views on the promotion and implementation of LED exist amongst stakeholders. The conceptual approach taken to achieve LED remains questionable, since there is a notable absence of an integrated method that effectively ensures its successful implementation. This chapter synthesises the study by integrating the research goals with the empirical results. The chapter links the established objective of the study and the findings of the research, thus offering clarity on the extent to which the research objectives have been achieved. Based on the insights gained, this chapter offers recommendations that are intended to provide clarity and context to the identified research topic and emphasise the study's contribution to the existing body of knowledge in the field of local government, and public administration and management. Furthermore, it contributes to the ongoing scholarly discourse around the current focus of LED, while also suggesting prospective avenues for future investigation.

The purpose of this study was to examine the perceptions of LED stakeholders as active participants in driving LED and implementation. The research objectives are to:

- Identify the relevant stakeholders in the implementation of LED in uMgungundlovu District Municipality.
- Explore the roles of stakeholders in implementing LED within uMgungundlovu District Municipality.
- Analyse stakeholder perceptions on LED and its implementation within uMgungundlovu District Municipality.
- Investigate the perceptions that stimulate or hinder LED within uMgungundlovu District Municipality.
- Examine the challenges confronted by stakeholders in successfully implementing LED within uMgungundlovu District Municipality.

- Provide a stakeholder management framework for integrating and aligning implementation of successful LED strategies.

8.2 SUMMARY OF KEY FINDINGS

The analysis of the findings in the municipality can be approached from three theoretical perspectives: complexity theory, good governance theory, and stakeholder management theory. These perspectives can be used to develop policies that are flexible, promote participation and accountability, and effectively address stakeholder interests, as emphasised in the study findings. The summary of key findings of this research study has been presented in line with the research objectives of this study. This is done to assess the key findings of each objective.

Objective One: Identify the relevant stakeholders in the implementation of LED in uMgungundlovu District Municipality

The findings of the research indicate that the implementation of LED is a multi-faceted and complex undertaking that requires the involvement and co-ordination of several actors. The collaboration between diverse groups is vital for the development of the entire district, since each group brings distinct qualities and resources. To guarantee the success of LED, it is essential to foster an environment that encourages active participation, open communication and collaborative partnerships amongst all pertinent stakeholders. This approach not only enables a more comprehensive and sustainable growth, but also effectively addresses the unique economic challenges and opportunities within the area. It can be said that LED needs a collaborative approach that involves several stakeholders from various sectors, including public, business and non-governmental organisations. These stakeholders play crucial roles in supporting and executing LED initiatives. Findings from the research revealed significant patterns in stakeholder identification, including factors such as understanding of local governance frameworks, business sectors, societal groups and external entities. The research highlights the significant participation of many governmental bodies, such as national departments, provincial sector departments, and government agencies and entities, alongside municipalities. The findings also highlight the significant contribution of the private sector in the achievement of successful LED. The success of LED is contingent upon the involvement of several actors, including a diverse range of businesses such as formal and informal local businesses, chambers of commerce, industry groupings, and entrepreneurs. The active involvement of the private sector plays a pivotal role in promoting economic growth, generating employment opportunities and fostering innovation within the area. The research also identifies civil society, including diverse institutions such as NGOs, NPOs, CBOs, traditional authorities and the wider community, as an essential component. These

organisations function as representatives for various members of the community and play a vital role in mobilising and implementing community-LED initiatives. The inclusion of these structures ensures that development is comprehensive and adequately addresses the needs of an array of stakeholders. The inclusion of external stakeholders, such as funders and donors, higher education institutions, industry associations and research organisations, is generally recognised as an essential element of the LED process. These organisations have the capacity to improve the effectiveness of LED initiatives through the provision of additional resources, expertise and approaches. The conclusion drawn in the findings is substantiated by the three theoretical frameworks. The importance of understanding systems, particularly LED, as complex adaptive systems with dynamic interactions of multiple factors, requiring the involvement of multiple actors, is emphasised by the theoretical framework of complexity theory. The theory of good governance places emphasis on the fundamental principles that contribute to the effective, accountable, and inclusive governance of LED implementation. The stakeholder management theory emphasises the significance of involving a diverse array of stakeholders in the process of development. For LED, this entails establishing collaborative networks that comprise businesses governmental entities, non-profit organisations and community groups.

Objective Two: Explore the roles of stakeholders in implementing LED within uMgungundlovu District Municipality

After careful examination of the multi-faceted roles of major stakeholders within the context of LED, it becomes evident that successful LED is not only dependent upon one organisation. Instead, it might be characterised as a collective undertaking that necessitates the co-ordinated efforts of a broad range of stakeholders. The responses of participants regarding the various responsibilities carried out by stakeholders in LED provide an in-depth view of the intricate strategy required to foster development in the local context. These roles include a range of responsibilities, ranging from providing essential assistance through investment and infrastructure development, to assuming more strategic functions such as leadership, advocacy, and fostering alliances. The overarching theme included several primary sub-themes, including collaboration and partnerships; resource allocation and infrastructure development; regulatory framework and planning; identification of opportunities, innovation and entrepreneurship; investment and funding; capacity building and business support; monitoring and evaluation; leadership and direction; research and development; advocacy and representation, including technical expertise and sharing best practice. The need to foster co-operation between many stakeholders becomes important in effectively tackling the complex difficulties involved in these various roles. The need for cross-sectoral co-operation is emphasised, with collaborations often including governmental

entities, businesses, non-profit organisations, and the general public, all working together towards shared objectives. The involvement of local government is a crucial aspect, and the level of co-operation amongst different stakeholders is associated with the effectiveness and achievement of objectives. The findings suggest that each actor involved in LED has unique competencies and resources that play a crucial role in the planning and implementation process within the designated research area. Through their joint initiatives, these actors have the capacity to foster a resilient and dynamic local and regional economy. Securing funding is crucial for initiating and maintaining catalytic LED projects. The key actors responsible for this role include financial institutions, investors, and governmental agencies that provide the essential financial resources for development efforts. The participation of these stakeholders is essential in ensuring the development of the necessary physical and organisational infrastructure to support the success of economic activities. This includes local governmental institutions responsible for town and regional planning and the provision of services, such as the construction of infrastructure and utility services. Entrepreneurs, business incubators and educational institutions are key stakeholders involved in the identification and exploitation of new economic opportunities. Innovation, as a driving force, has a crucial role in facilitating the diversification and development of the local economy. Multiple stakeholders, such as training providers, mentorship networks and business organisations, play a significant role in enhancing the skills and competencies of the local workforce and enterprises. Consequently, this phenomenon enhances human capital within the framework of LED. The engagement of professional services firms, academic researchers, and industry experts is vital to the supply of technical knowledge and the implementation of optimal techniques. These organisations use their specialised expertise and skills to efficiently carry out challenging tasks and to facilitate the adoption of appropriate approaches. Institutions of higher learning and research institutes are integral to the transference of knowledge and the promotion of innovation through their dedicated efforts in rigorous research and development. These efforts have the ability to stimulate the development of innovative economic sectors, as well as enhancing the expansion and prosperity of established ones. Political leaders and senior officials are essential in offering the vision and strategic guidance for LED. The establishment of objectives, and the alignment of specific activities with broader economic goals, are crucial in this context. Government agencies are tasked with the job of creating an environment conducive to economic activity through the implementation of essential policies, and by engaging in thorough planning. This highlights the need for cultivating connections and participating in collaborative initiatives across many sectors, including partnerships between governmental bodies, businesses, and civil society organisations. NGOs, community leaders, and

advocacy groups represent various members of the community, thereby ensuring their inclusion, and ownership and equality in the execution of LED initiatives. The implementation of monitoring and evaluation is of paramount importance in assessing the effectiveness of LED projects and facilitating evidence-based decision-making. The stakeholders associated with this include government agencies, industry specialists and oversight bodies. Findings related to the concept of value creation and drivers of change imply that all stakeholders have a responsibility to contribute to value creation in their various roles, hence promoting change and contributing to the economic growth and development of the district. The findings presented in this study is supported by the stakeholder management theory, which underscores the significance of actively engaging and effectively managing relationships with all stakeholders involved in LED. Important elements include stakeholder identification, strategies for engagement, delineated roles and managing interest including the process of findings common ground.

Objective Three: Analyse stakeholder perceptions on LED and its implementation within uMgungundlovu District Municipality

The research results indicate that many stakeholders possess perspectives and opinions that may significantly impact the planning and implementation of LED initiatives. The creation of a collective understanding of the significance of LED has the potential to foster an environment of collaboration. Conversely, scepticism may hinder the effective implementation of LED efforts. Trust was found to play a pivotal role in enabling the successful participation of stakeholders. Establishing collaborative relationships with stakeholders is essential for accelerating the implementation of LED initiatives within the district. Failure to build trust among stakeholders may lead to their reluctance, or withdrawal from participating in the process. This implies that it is important to not dismiss individual perspectives, but rather, to thoroughly analyse and collectively evaluate them in order to develop an in-depth understanding of a community's viewpoint. Therefore, it is important to possess an in-depth understanding of the objectives, tactics, and advantages of LED in order to secure the support and commitment of stakeholders. Misunderstandings or a lack of knowledge might lead to unco-ordinated efforts or missed opportunities for co-operation. In addition, the existence of impractical or unmet expectations has the capacity to generate discontentment and might potentially impact the perceived effectiveness of LED interventions. The recognition and alignment of stakeholders' interests with the objectives of LED is of the utmost importance. Subsequently, it is crucial to actively engage stakeholders with significant influence in order to successfully champion and bolster activities pertaining to LED planning and implementation within the district. Power dynamics might potentially impact the determination of stakeholder dominance and the prioritisation of interests in the

process of LED. To ensure equitable and sustainable development, it is essential that initiatives related to LED consider the many factors influencing the process. These findings can be linked to the theory and principles of good governance that places emphasis on the fundamental principles that contribute to the effective, accountable, and inclusive governance of LED implementation. These principles include key variables such as openness, trust, accountability and participation.

Objective Four: Investigate the perceptions that stimulate or hinder LED within uMgungundlovu District Municipality

The importance of understanding and acknowledging people's perceptions and understanding of information and events is made clear by the theme of perception impact that emerged from the study findings. Perception is a cognitive process through which individuals evaluate and draw meaning from their immediate surroundings. The importance of recognising and understanding individuals' perspectives and interpretations of facts and events is further emphasised by their influence, as these perceptions can significantly impact the outcomes of LED, particularly in terms of enabling or impeding LED promotion, as highlighted in the research findings. The impact of perceptions relates to the understanding of how these interpretations impact the attitudes, behaviours and decision-making processes of the several stakeholders responsible for the planning and execution of LED. The results of the study revealed a central theme that included two sub-themes, namely perceptual facilitators for LED and perceptual barriers to LED. Both of these sub-themes have an impact on the degree of success achieved by LED. The participants in the study identified several preconceptions and misunderstandings that hindered the effective adoption of LED throughout the district municipality. Furthermore, the participants also highlighted the dominant views within the local community that play a significant role in facilitating the successful implementation of LED initiatives. The aforementioned obstacles present a complex range of challenges that need a comprehensive strategy, including legislative reform, improved governance, active involvement of stakeholders and a transformation in cultural perspectives of LED.

The analysis of the many perspectives that hinder the implementation of LED reveals a multi-faceted range of challenges that may significantly impact the efficacy of LED initiatives. The impact of perceived fiscal constraints on governments greatly influences their ability to efficiently strategise and implement LED initiatives. The lack of adequate financial resources presents significant obstacles in maintaining existing enterprises, attracting potential ones, and directing funds towards critical areas such as infrastructure development, all of which are crucial for promoting economic growth. The lack of support from the community and

stakeholders might, potentially, have a negative influence on the success of LED initiatives. The lack of efficient co-ordination and co-operation between various stakeholders, along with the perceived hesitancy of private sector entities to interact with government organisations, highlights the necessity for enhanced partnership models and collaboration techniques in the planning and implementation of LED in the district. The presence of socio-economic obstacles, such as the reliance syndrome, calls for the adoption of LED strategies that promote community empowerment through educational programmes, skills development, and active participation in the process of development. The study's results revealed the existence of governance and accountability difficulties which were revealed in the perceived apprehension over corruption and a lack of responsibility among the stakeholders. These issues have the ability to undermine confidence in public institutions and deter private investment. Furthermore, it is essential to address issues relating to land use and infrastructure in order to expedite the process of investment. In order to achieve desirable LED success, it is essential to develop a framework that is distinguished by principles of transparency, responsibility and ethical management. This framework aims to foster an environment that fosters trust in businesses, hence promoting investment and aiding economic expansion.

The findings also revealed that there were respondent perceptions which contributed to the establishment of an environment conducive to LED in the area. The perspectives identified exhibited a positive outlook, highlighting the significance of collaborative initiatives, inclusion, an understanding of stakeholders, and the need for strategic focus in the context of LED. Many of the respondents emphasised the necessity of collective effort and shared responsibility, highlighting the idea that **"We all have a role to play"** and **"LED is everybody's business."** Statements that highlight the need of collective resource and effort mobilisation for the attainment of effective LED, as well as the characterisation of LED as a synergistic effort, align with the perspectives expressed by many participants. Statements like, **"If we pull our resources and efforts together, we can achieve successful LED"** and **"LED is a synergy"** came from the respondents. The significance of advocating for, and providing assistance to, LED through co-operative governance emphasises the need to implement a collaborative approach that involves several stakeholders and governmental bodies; an opinion that was shared by all participants. The concept that the establishment of a favourable environment is crucial for LED necessitates the provision of a supportive physical infrastructure and regulatory frameworks to facilitate economic activity. The importance of transformation is widely recognised, particularly in relation to the integral role of LED within the broader ecosystem. This concept requires a holistic approach to economic development, which requires fundamental changes in the attitudes and behaviours of council

members and administrative personnel. These favourable views indicate that the respondents believe that the implementation of a strategic framework including participation, leadership, innovation and co-operation may greatly improve the likelihood of achieving effective LED. Discussions also highlighted the significance of establishing a conducive atmosphere that facilitates the active involvement of, and shared advantages for, every stakeholder involved in LED. The findings suggest that, by considering these factors, it is feasible to cultivate a local economy that is robust and flexible, and one that encourages inclusion. There is a correlation between these findings and all three theoretical frameworks. The stakeholder management theory emphasises the importance of careful management, wherein due consideration is given to stakeholders, in order to facilitate effective engagement of all parties involved and to ensure that policies are influenced by a wide array of perspectives and interests. In complexity theory, for example, it is essential that LED initiatives should embrace a more flexible and adaptive approach, while also being responsive to the intricate and ever-changing environments in which municipalities operate. Facilitating LED necessitates addressing organisational behaviours and promoting a collaborative, inclusive, and participatory approach that engages multiple stakeholders and considers their diverse interests, needs, and perspectives. Lastly, the significance of fostering transparent, accountable, and participatory institutions and practices in LED initiatives is underscored by the good governance theory and remains vital in growing trust among various stakeholders.

Objective Five: Examine the challenges confronted by stakeholders in successfully implementing LED within uMgungundlovu District Municipality

LED is multi-faceted, and includes several linked issues, such as technical, financial, socio-economic, institutional, socio-political, and environmental concerns. The argument suggests that addressing the complexities related with LED necessitates a comprehensive and integrated strategy that considers all relevant factors, with the aim of devising a resilient and sustainable blueprint for economic development. The study presented a conceptual overview that highlighted the main issues and challenges associated with LED implementation in the study area. These issues and challenges are categorised into several interconnected areas. The matter of capacity and resource constraints pertains to the challenges that arise from the limited resources. These challenges include the influence of growing urbanisation, which tends to advantage urban areas over rural ones; a shortage of skilled professionals; poor access to funds; and the difficulty in maintaining infrastructure. The discussion included challenges in the provision of essential services, like water and electricity, along with issues related to digital access and participation. The mere presence of these challenges could

affect a municipality's ability to provide vital services and could inhibit overall economic development, hence resulting in public discontent.

Socio-political variables include external challenges of a socio-political nature that have an influence on LED. The problems include a range of issues, such as limited civic participation; disputes or power struggles; diminishing trust; dissatisfaction among citizens, and unmet expectations. The success of LED initiatives may be strongly impacted by these variables. The matter of environmental and health concerns acknowledges the impact of several elements, such as disease outbreaks like COVID-19, floods as a consequences of climate change, and prolonged periods of drought, on LED. One, or several, of these events has the ability to disrupt local economies and pose difficulties for LED efforts. Effectively addressing the challenges linked to LED necessitates the implementation of a comprehensive plan that acknowledges the interconnectedness of these issues. This implies that the successful implementation of LED involves concerns beyond economic ones, including the acknowledgment and handling of many social, political, environmental and institutional factors. Moreover, the research findings emphasise the need for engaging stakeholders in an integrated approach to address these challenges. By recognising and addressing the many challenges, both local governments and its stakeholders may work towards establishing LED practices that are characterised by more strategic planning, inclusivity and resilience. There is a correlation between these findings and all three theoretical frameworks. In complexity theory, it is essential that LED initiatives should embrace a more flexible and adaptive approach, while also being responsive to the intricate and ever-changing environments in which municipalities operate. Facilitating LED necessitates a collaborative, inclusive, and participatory approach that engages multiple stakeholders and considers their diverse interests, needs, and perspectives. The findings are also consistent with the principles of good governance, which aim to implement LED in a manner that maximises the utilisation of scarce resources, aligns with sustainable development objectives, and ensures fair allocation of development advantages to tackle current challenges.

Objective Six: Provide a stakeholder management framework for integrating and aligning implementation of successful LED strategies

The establishment of an effective multi-stakeholder framework for LED requires an in-depth understanding of the economic environment and ecosystem; strategic alignment; proactive participation; alignment of interests; diligent monitoring of performance; and joint creation of value. The aforementioned aspects are interdependent and together contribute to the resilience and long-term sustainability of LED initiatives. The study findings suggest a multi-

stakeholder framework for LED that is supported by many fundamental components, which have been classified as sub-themes, derived from the research interviews. The main aspects associated with the multi-stakeholder framework were found to be linked with the ecosystem behaviour; integrated strategic planning and alignment; engagement strategies; alignment of interests; performance management and multi-stakeholder co-operation, and value generation. The findings highlighted the need for a comprehensive framework that effectively addresses the complex dynamics and interrelationships within the LED ecosystem in the municipality. The interconnectedness of every element within the framework plays a vital role in determining the overall resilience and effectiveness of LED projects. Hence, it is essential to understand the behaviours and interactions inside the LED ecosystem, as proposed by the idea of ecosystem behaviour. Gaining insight into the interaction and influence of many stakeholders is crucial for developing strategies that are in line with the inherent dynamics of the local economic environment. The findings on engagement strategies suggests that the implementation of effective techniques for stakeholder engagement is vital in order to guarantee the inclusion of diverse perspectives and to foster fruitful partnerships. This process includes identifying stakeholders, understanding of their interests, and engaging in a way that is characterised by inclusivity and effectiveness.

The importance of harmonising the interests of different stakeholders is emphasised by the importance of interest alignment. This ensures that LED projects are characterised by synergy and mutual benefits. The probability of achieving good results is improved when parties have aligned interests. This process involves the establishment of clear goals, the evaluation of progress, and the adaptation of techniques, where needed to improve outcomes and ensure accountability. The findings regarding multi-stakeholder co-operation and value creation imply that the framework places significant importance on the collaboration between various stakeholders. This highlights the need for collective efforts in generating economic value. The use of a collaborative approach in this context capitalises on the distinct skills and resources of each group of stakeholders. Lastly, the framework highlights the need for integrated strategic planning and alignment, which emphasises the need for a cohesive and thorough planning process that matches LED plans with larger economic objectives within the district. The process entails the integration of diverse plans and activities among the numerous stakeholders within the district, with the aim of collectively working towards a shared objective. There is a link between these findings and all three theoretical frameworks. The stakeholder management theory suggests the importance of careful management of stakeholders, whereby due consideration is given, in order to facilitate effective engagement of every stakeholder involved and to ensure that strategies. Complexity theory suggests that LED initiatives need to adopt a more flexible and

adaptive holistic framework, whilst being responsive to the complex and dynamic environment in which municipalities operate to harmonise synergies and align interest. Finally, the theory of good governance highlights the significance of encouraging proactive engagement and ensuring accountability in monitoring LED initiatives. This necessitates a cooperative and integrated strategy that incorporates each of the stakeholders involved and considers their varied interests and requirements.

8.3 CONTRIBUTION TO THE BODY OF KNOWLEDGE

The literature and empirical results revealed varied conceptual views on the planning and implementation of LED, along with a limited understanding of its complexities, by the various stakeholders. Examining perceptions amongst stakeholders in LED is therefore critical, to understand the success or failure of LED within local government, as little is known about the impact of perceptions of LED and its implementation. The study, therefore, aims to contribute to the literature on local government and public administration. Firstly, the theoretical contribution is to contribute to an integrative theoretical framework that connects public administration to municipal service delivery, in particular, LED for the general welfare of the community at large. Secondly, the study offers an empirical contribution by providing empirical evidence aimed at providing guidelines that may be used to evaluate the effectiveness of stakeholder engagement and LED implementation. These guidelines could serve as valuable tools for future empirical research in this field. Thirdly, the study has practical relevance in establishing strong relationships with key stakeholders through advocating for collaboration and partnerships for successful LED, and by promoting sustainable and inclusive development practices in LED initiatives. It aims to provide practical strategies for incorporating these concepts into local governance processes. This study significantly contributes to the existing body of knowledge in the field of local government and public administration by enriching theoretical comprehension, presenting empirical findings, and presenting practical techniques and strategies for promoting successful stakeholder involvement in LED. The combined effect of these contributions has significant value for practitioners and policy-makers operating within the district municipality. They provide a thorough and substantiated basis for the strategic development, implementation and assessment of LED efforts across diverse municipal settings. The three-fold contribution is briefly presented in the next discussion.

8.3.1 Theoretical contribution of the study

The research examined three theories, including complexity theory, stakeholder management theory and good governance theory, which informed and linked the study

results. These theories were used to create a framework for the municipality under study. The use of complexity theory, which emphasises the ability of systems to adapt in light of evolving conditions, was employed to understand the dynamic and interconnected components of LED initiatives in the municipality under study. This argument provides an examination of the responses of local municipalities and economies to both internal forces, such as enhancing capability, financing, and resources, and external factors, such as shifting global economic patterns or pandemics. The theoretical framework of good governance prioritises the core principles of transparency, responsibility, inclusivity and adaptability in the context of policy formulation and LED implementation. In the context of LED, this theory advocates for the incorporation of participatory approaches in the formulation and implementation of LED initiatives, ensuring that the needs and viewpoints of local communities and stakeholders are duly considered. This concept underscores the need of legislative frameworks that possess flexibility and adaptability to successfully facilitate the promotion of LED. It suggests that these frameworks should possess the ability to accommodate changing economic environments, stimulate innovation, and encourage collaboration among diverse stakeholders. Lastly, stakeholder management theory emphasises the need of acknowledging, understanding, and efficiently handling the interests and impacts of all stakeholders involved in or affected by LED efforts. These include businesses, local communities in the area, governmental bodies and non-governmental organisations (NGOs) as highlighted and detailed in Chapter 6.

The theoretical contribution consists of an integrative theoretical framework that connects public administration to municipal service delivery, in particular. This research goes beyond conventional theoretical models of LED by proposing a multi-stakeholder framework that incorporates complex interconnections and interdependencies. The multi-stakeholder framework that has been created in the context of this study attempts to illustrate the causal linkages between different components of LED. This study examines the interplay between policy decisions, stakeholder participation, resource allocation, and external factors, in order to assess their impact on the success of LED initiatives. The framework highlights leverage points where interventions can be most effective. It presents a new perspective of the practices of stakeholder engagement and management. The study presents a fresh view of the conceptual framework around LED, highlighting its dynamic and multi-faceted characteristics, as well as emphasising the significance of contextual understanding. In addition to integrating perspectives from other fields in the social sciences, including public administration, management, leadership and economic development, this study aims to enhance the rich theoretical framework for LED.

8.3.2 Empirical contribution of the study

A framework that establishes connections between the three theories, LED legislation, and empirical studies in South Africa would serve to demonstrate the complex and diverse characteristics of LED. Successful practices and common challenges encountered in the South African context, such as the necessity for enhanced stakeholder engagement or adaptable legislative changes that are crucial for advancing LED implementation can be discovered through an examination of empirical LED studies. This study provides empirical evidence through the research that was undertaken regarding the intricacies of stakeholder attitudes and behaviours in LED. By conducting qualitative research with an empirical data gathering process involving many stakeholders of the uMgungundlovu District Municipality, this study offers empirical evidence of the complexities associated with stakeholder attitudes and behaviours in the district. Utilising this particular municipality as a case study, the research looked at how best to anchor the theoretical frameworks into the real-world context, thereby increasing the empirical value of the research. In utilising the qualitative approach, the researcher was able to obtain a more in-depth and detailed understanding of the dynamics involved in LED implementation and planning in the district. This study aims to provide guidelines and factors that may be used to evaluate the effectiveness of stakeholder engagement and LED implementation, which can be most useful for both district municipalities and metros, but must shift increasingly as the centre of attention to support LED strategies to support future rural focus as part of a wider appreciation of effective implementation of LED vis-à-vis rurality. These guidelines and factors could serve as valuable tools for future empirical research in this field.

8.3.3 Policy implications of the study

This study presents a thorough investigation on the multi-faceted aspects of LED in the uMgungundlovu District Municipality. By placing emphasis on the diverse viewpoints of stakeholders and the dynamics involved in engaging many stakeholders, this study offers significant insights into the complex inter-relationships between the components that contribute to the achievement of effective LED. This study highlights the significance of legislative frameworks that are flexible and adaptable in order to effectively promote LED. These frameworks should be capable of adapting changing economic environments, fostering innovation, and encouraging cooperation among various role players. This necessitates the establishment of legislation and regulations which ensure the transparent and ethical implementation of initiatives, accompanied by well-defined processes for soliciting input and ensuring oversight. The framework developed has the potential to provide guidance for the formulation of LED policies and projects that exhibit more inclusivity

and equity. It advocates for legislation that supports stakeholder cooperation and conflict resolution by integrating the findings from previous LED studies in South Africa, which continuously emphasise the need for including different stakeholders for successful economic development. The research has broader practical implications that go beyond the immediate context. It emphasises the importance of considering LED within the larger global and regional economic context. As a result, this research significantly contributes to our understanding of how local government, in collaboration with different stakeholders, can effectively promote sustainable economic development.

8.4 LIMITATIONS OF THE STUDY

The study was limited to a particular area in the district, resulting in a small sample size. As a result, the conclusions of this study may not be applicable to populations beyond the specific sample that was studied. Moreover, the research specifically concentrated on employing a qualitative methodology, utilising interviews as the primary means of data gathering. The study conducted on LED in the uMgungundlovu District Municipality provides a thorough examination of stakeholder perspectives and successful multi-stakeholder frameworks. However, it is important to acknowledge certain limitations, specifically the absence of participation from important groups including politicians, traditional leaders and the private sector.

8.5 RECOMMENDATIONS TO SOLVE THE RESEARCH PROBLEM

In light of the results of the study, the research suggests the following recommendations as possible solutions to the research problem:

8.5.1 Developing engagement strategies to drive LED participation and collaboration

It is recommended that the district develops a more in-depth investigation into the stakeholders involved in order to discover, and give priority to, those stakeholders who were either ignored or under-represented in the past. To acquire information from individuals within the private sector, from small enterprises to large corporations, focused surveys and dialogues should be conducted regularly to gauge stakeholder views and perspectives. Strategies, such as organising business round table discussions or events focussed on promoting networking in LED could help facilitate stakeholder engagement. This would provide a platform for stakeholders from the business community to share their ideas and recommendations. Collaborating with governing authorities that have a solid working relationship with traditional leaders is recommended in order to make their involvement easier. Furthermore, engaging a wider range of the private sector by working together with local chambers of commerce or industry groups is also recommended. The municipality can

create more efficient communication channels that are adapted to the needs of each stakeholder group, taking into consideration their preferences, as well as the ease with which they can obtain the information. Increasing transparency of the LED process and implementation of initiatives would help to build confidence between all of the stakeholders and would encourage future involvement from those stakeholders. Instead of a one-time involvement, it is recommended that a mechanism of ongoing stakeholder engagement be put into place to guarantee continued input and feedback.

8.5.2 Building adaptive capacities for LED

It is recommended that the municipality focuses on building its adaptive capacities to drive successful LED implementation, especially within the uMgungundlovu District Municipality, where the conditions are characterised by constant shifts and rapid transformation. Adaptive capacity pertains to the inherent capability of a system, organisation, or society, to effectively respond to, and accommodate, changes and disturbances by assimilating knowledge from past experience and using this acquired knowledge to inform future approaches. Establishing seminars, workshops and online platforms would facilitate the exchange of experiences, best practices, and lessons learned, among stakeholders. To achieve this, it is recommended that the district consistently engages in research and data analysis to be well-informed on the prevailing local, regional and worldwide economic trends, as well as how they would impact on LED within the district. This objective could be accomplished through collaborative efforts with institutions of higher education. The objective should be to design flexible LED strategies that can adapt to changing situations. This entails establishing adaptable goals and objectives that have the capacity to develop and change as circumstances warrant. The district ought to actively engage in the practice of scenario planning in order to proactively predict possible future circumstances and develop a range of strategies to effectively respond to them. It is essential to ensure the active involvement of all relevant stakeholders, including previously disadvantaged groups, such as small businesses, the informal sector and marginalised communities, in the planning and decision-making processes of LED.

Furthermore, promoting the growth of local entrepreneurship by implementing incubation programmes, facilitating access to financial resources, and providing mentoring opportunities is recommended to ensure inclusive participation in the local economy. Establishing an ecosystem conducive to innovation entails the creation of favourable conditions, including enhanced accessibility to cutting-edge technology, and the cultivation of collaborative relationships with esteemed research institutions. The municipality should explore a range of financing options for LED initiatives, including public-private partnerships, grants and local

investments. Additionally, the adoption of financial risk management measures as a means to proactively address potential economic uncertainties is recommended. The municipality should establish monitoring and evaluation (M&E) systems that not only facilitate the tracking of progress, but also provide valuable insights for future improvements. Implementing feedback mechanisms that enable the ongoing revision of LED strategies in response to stakeholder input and evolving circumstances is necessary. The integration of digital technologies into LED efforts to, potentially, enhance process efficiency, improve data management practices, and foster broader community participation, is advocated. The process of developing adaptive capabilities in LED in the district requires the establishment of a flexible and proactive strategy that can effectively address the complex and unpredictable nature of the local economy. By prioritising these measures, the uMgungundlovu District Municipality could improve its resilience and adaptability, therefore guaranteeing inclusivity, and the success of its LED efforts into the foreseeable future.

8.5.3 Professionalising Local Economic Development

The long-term goal of strengthening the public service necessitates the professionalisation of LED. This entails the development of a specialised group of experts in the field of LED who possess the essential skills, knowledge and ethical standards to drive economic development effectively and sustainably at the local level. Several essential elements of professionalisation may include the implementation of specific educational programmes and training modules that are centred on LED. It is recommended that these programmes include an extensive selection of subjects focused on economic planning, sustainable development, stakeholder engagement, and project management. Consequently, it is recommended that the district establishes partnerships with institutions of higher learning in order to facilitate the creation of a curriculum that is grounded in theoretical rigour and aligned with practical application. The objective is to provide a comprehensive framework for certifying and accrediting professionals specialising in LED. The proposed method would provide uniform standards for evaluating skills and expertise, therefore guaranteeing a heightened degree of competence and professionalism within the relevant field of work. The integration of ethical principles and best practices into the professional culture of LED in the district is highly recommended. This includes the upholding of ideals pertaining to openness, accountability, inclusion and sustainability. Promoting continual learning and professional development by means of workshops, seminars, and sessions, is also recommended. These platforms would provide professionals with the chance to remain informed about the most recent trends, technologies and approaches in the field of LED. Integrating efforts to professionalise LED with wider initiatives aimed at enhancing the professionalisation of public service would also

involve the inclusion of LED-specific skills into public service training programmes and the establishment of LED as a recognised area of competence within the public sector. Lastly, it is recommended that the municipality, and the province, strive to promote an environment that contributes to research and innovation within the field of LED by encouraging the involvement of professionals in research activities. This has the potential to create novel techniques and solutions specifically designed to address the distinctive obstacles encountered in the context of LED.

8.5.4 Focus on strengthening both urban and rural resilience in the district

The promotion of urban resilience through LED differs from rural resilience in some significant respects, principally because of the distinct problems and opportunities that arise in urban settings. Urban areas, which are often distinguished by increased population concentrations, more complex infrastructure systems, and a wide range of economic activity, need targeted approaches to bolster their resilience. This phenomenon is particularly apparent in the district municipality. To enhance urban resilience within the district, it is advisable that the district and its mostly urban municipalities prioritise integrated urban planning that covers housing, transportation, green spaces and commercial development. This approach would facilitate sustainable development and improve the overall liveability of the area. Promoting the growth of a broad range of industries, including in technology, services, manufacturing, tourism and creative sectors, in order to establish a strong and adaptable urban economy, could assist in this regard. The development of innovative ecosystems, through assistance to start-up enterprises, establishing technology spaces, and fostering collaborations with higher education institutions and research organisations, is also advised. It is necessary to allocate resources to providing robust and high-quality infrastructure, including transportation networks and water and waste management systems, and for upgrading energy grids; in addition to using smart city technology for the effective administration of municipal services and resources. Engaging in proactive efforts to mitigate social and economic disparities in urban settings would be important. Promoting fair and inclusive access to opportunities and essential services, including facilitating the active involvement of diverse urban populations in LED processes, would guarantee that urban development is comprehensive and responsive to the requirements of all the inhabitants. It is advisable that the urban areas of the district prioritise the improvement of urban governance institutions in order to display more responsiveness, transparency, and accountability. Additionally, it is important to cultivate collaboration between the government, the private sector, higher education, and civil society, to promote comprehensive urban development. An emphasis should also be placed on the creation of employment opportunities and the

provision of skills training, with special attention given to sectors that are crucial for urban development. These sectors should also provide avenues for the formalisation and support of the informal sector, acknowledging its significance in the urban economy. There should be a greater focus on the implementation of efficient waste management and pollution control measures, as well as the development of comprehensive emergency response and disaster management strategies specifically tailored for the more urbanised areas. In order to effectively respond to crises, it is essential to ensure the availability of crisis response infrastructure and services.

On the contrary, rural areas tend to be characterised by sparse population densities, lack of proper infrastructure (such as poor road infrastructure and limited bulk infrastructure and services), the triple challenge of poverty, unemployment, and inequalities (resulting in limited economic diversity and opportunities). These challenges pose significant developmental obstacles and necessitate specific strategies to enhance their resilience. In the context of this study, rural resilience pertains to the ability of rural communities to effectively integrate, adjust to, recover from, and undergo significant changes in response to various adversities. Some of the key adversities includes economic recessions, the effects of climate change, natural disasters, social and political dynamics, as well as external pressures and disturbances such as the recent pandemic, looting and flooding. The significance of that concept is especially pronounced within the rural parts of the district, as they often encounter distinct vulnerabilities and constraints stemming from their geographical positioning, as well as economic structures and social dynamics. The development of resilience among these local communities requires a comprehensive strategy that incorporates several solutions spanning economic, environmental, social and governance aspects. The implementation of LED is crucial to foster rural resilience, particularly to address the developmental disparities between urban and rural regions. Suggestions for the enhancement of rural resilience using LED place emphasis on the use of the unique advantages of rural regions, while simultaneously addressing the particular obstacles they face. It is recommended that the district municipality and its local municipalities formulate LED plans that are especially designed to address the distinct socio-economic circumstances and requirements prevalent in rural regions. This requires an in-depth knowledge of the regional setting, including the agricultural foundation, natural resources, cultural legacy and governance structures, as well as the demographic characteristics. It is essential to promote the expansion of economic activities in rural areas, moving beyond the conventional focus on traditional agriculture. This entails fostering the development of diverse sectors such as agribusiness, agro-processing, and other related businesses. This would seek to establish comprehensive value chains within rural communities, at all stages from production to commercialisation, with the aim of

enhancing local value addition and ensuring a greater retention of economic advantages within the community. The district should primarily focus on the development of basic infrastructure in rural regions, including the establishment of road networks, the provision of electricity, access to clean water, and the construction of sewage infrastructure. This approach aims to enhance the quality of life and foster economic growth within these areas. It is advisable to allocate resources to the development of digital infrastructure in order to improve connectivity, facilitate access to information, and provide favourable conditions for e-commerce and digital business. It is also recommended that the district places an emphasis on providing vocational training and educational programmes specifically designed to cater to the economic activities prevalent in rural areas, thus guaranteeing that the local workforce has the necessary skills and abilities to effectively contribute to, and drive, LED initiatives. In addition, it is essential that local policies are aligned with the promotion of rural LED. Furthermore, by providing incentives and streamlining administrative processes for rural businesses to contribute to rural development, LED will motivate the local institutions that play a crucial role in supporting this process. These institutions include local governments, co-operatives and community-based groups. One recommendation is that the district to consider the establishment and promotion of PPPs that facilitate the inclusion of investment, specialised knowledge and resources, into initiatives aimed at fostering rural development. Arguably, LED has the potential to serve as an effective instrument in boosting rural resilience, mitigating the urban-rural disparity, and safeguarding against the marginalisation of rural regions within the overall framework of economic development.

8.5.5 Creating efficient ecosystems to drive Local Economic Development

The establishment of productive ecosystems for LED necessitates the implementation of an integrated approach that harmonises the efforts of every relevant stakeholder. The idea is to establish a collaborative environment in which the unique abilities of every stakeholder are used to enhance the overall economic prosperity of the area. This approach not only promotes economic growth, but also guarantees that the development is characterised by sustainability, inclusivity and responsiveness to the communities' needs. The establishment of an effective ecosystem for driving LED entails the establishment of a harmonious and interconnected environment, where many stakeholders, including the government, business, academics, community groups, and non-governmental organisations, can collaborate in a co-ordinated way. This approach guarantees that every actor in the ecosystem makes a significant contribution to the region's economic growth and development. It is recommended that the district uses the LED framework to foster crucial collaboration between the public and private sectors in order to effectively use the capabilities and resources of both entities

in LED efforts. It is also recommended that the district and its local municipalities design incentive schemes that effectively promote private sector participation in local development initiatives. These incentives schemes may include multiple strategies, including tax incentives, subsidies, or public funding matching. It is important to actively include local communities in both the design and implementation phases of LED programmes and projects. This can be achieved through community forums, participatory planning sessions, or the establishment of local development committees. This would seek to recognise and use the available local resources, including natural resources, cultural legacy, human capital and geographical advantages, for successful LED. It is also recommended that the district provides resources for the implementation of training and development initiatives aimed at enhancing the competencies of local government officials and personnel in the areas of economic development, project management and stakeholder engagement. The implementation of innovation centres, incubators or accelerators could, potentially, be considered as a viable strategy to bolster the growth of start-ups and entrepreneurs. These institutions would serve as platforms that provide a range of resources, mentoring opportunities and networking access to facilitate the development and success of these ventures. Therefore, the district and each local municipality should establish partnerships with higher education institutions and research organisations to cultivate innovation, facilitate research and development activities, and facilitate the transfer of technology. Allocating resources for critical infrastructure that supports economic activity, including transportation systems, utilities and digital connectivity, is also crucial. The integration of smart technological solutions into infrastructure development initiatives might significantly improve operational efficiency and overall effectiveness, with the aim of formulating and implementing policies that facilitate the successful implementation and growth of LED. These policies should include measures such as streamlining business processes, providing assistance to small and medium enterprises (SMEs) and establishing business regulations that are favourable for LED initiatives.

It is important to establish precise parameters for assessing the success of LED projects across the district, and to utilise empirical evidence and constructive input to iteratively enhance strategies and approaches within the district's ecosystem.

8.6 RECOMMENDATIONS FOR FUTURE STUDIES

The study only focused on examining public sector perceptions regarding LED in a municipal context. The study focused on exploring the stakeholders involved in LED and the roles they play in promoting its successful implementation. The findings reflected that perceptions, whether negative or positive, affect LED directly as they impact on LED planning and

implementation in the district. Based on the factors examined above and in the preceding chapters, there are several areas in which future research initiatives might provide enhanced understanding and progress within the discipline. The following are suggestions for future research pursuits:

- Analyse the different effects of LED practices in rural and urban environments with a focus on identifying effective and ineffective approaches in each setting.
- Examine the structures, procedures and results of PPPs in previously disadvantaged areas to identify the most effective strategies and approaches, as well as the frequent challenges and mistakes encountered in these partnerships.
- Investigate the optimal use of innovation and technology in order to facilitate LED, particularly in contexts that have limited resources.
- Examine LED models that effectively include principles of sustainability and inclusion, with a specific focus on addressing the challenges posed by climate change and social disparities, with the aim of promoting value creation and harnessing co-production efforts.
- Examine the use of smart city technologies and digital platforms for stakeholder collaboration, including e-governance in the LED context, with the aim of developing a desire for innovation and learning.
- Analyse various financing options for LED projects, with a specific focus on new approaches such as PPPs, community fundraising initiatives and the impact of investment.

8.7 CLOSING REMARKS

The successful achievement of this objective necessitates the establishment of collaboration and co-operation among stakeholders who possess diverse views and perspectives. The key players involved in the effective implementation of LED in the uMgungundlovu district include the district municipality and its respective municipalities, various government departments and agencies, as well as local communities, business, traditional leaders, and higher education and research institutions. The study investigated the perspectives of many stakeholders in the field of LED and presented a comprehensive framework that illustrates the cause-and-effect links between key ideas and their influence on the implementation of LED initiatives within a municipality. The practical implications pertain to the significance of local development in relation to global and regional value. The success or failure of LED initiatives within local government is heavily influenced by the thinking and behaviours of various stakeholders and their interconnections, which are considered vital for effective PPPs. The study increases the existing knowledge of LED by offering insights into the

organisational behaviours that play a significant role in promoting effective LED adoption within the uMgungundlovu District Municipality.

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APPENDIX A: INFORMED CONSENT

UKZN HUMANITIES AND SOCIAL SCIENCES RESEARCH ETHICS COMMITTEE (HSSREC)

APPLICATION FOR ETHICS APPROVAL For research with human participants

Information Sheet and Consent to Participate in Research

Date:

My name is Ayanda Christine Makhaye, a Doctoral student in Public Administration at the University of KwaZulu-Natal, School of Management, IT and Governance in the Discipline of Public Governance. I am undertaking a research study towards the Doctor of Administration Degree. My contact details are: Cell No. 072 095 5414 or e-mail: 208513727@stu.ukzn.ac.za and Supervisor is Professor M. Subban, and her e-mail address is: subbanm@ukzn.ac.za

You are being invited to consider participating in a study that is entitled: “Examining stakeholder perceptions on Local Economic Development and implementation: A case study of uMgungundlovu District Municipality”. The aim and purpose of this research is to explore the role of various stakeholders in implementing LED and investigates the perceptions that stimulate or hinder LED whilst identifying challenges confronted by these stakeholders. The study is significant in driving LED planning and implementation in the uMgungundlovu District Municipality. The study will involve the following procedures i.e. setting up consultation that necessitates data gathering through personal interviews and focus groups on a physical or virtual bases to gauge the role of perceptions on LED in the district. The duration of your participation if you choose to enroll and remain in the study is expected to be approximately 40 minutes. The study is not funded by any organization or individual.

The study will not involve any risks and/or discomfort. The study will provide no direct benefits to participants. It is hoped that the study will provide insights on the organisational behaviours prominent in driving successful LED implementation within uMgungundlovu District Municipality to highlight opportunities for possible improvement. Participants are free to choose an interview contact session in total compliance with COVID-19 Regulations. This option will require 1.5m social distancing, wearing of face mask and constant hand sanitizing. The other option requires Zoom or Microsoft teams virtual interviews and, in this option, participants will be sent necessary links for the session.

There are no potential risks associated with participating in the study. This study has been ethically reviewed and approved by the UKZN Humanities and Social Sciences Research Ethics Committee (approval number: HSSREC/00003715/2021).

In the event of any problems or concerns/questions, you may contact the researcher at: Cell +27 720955414 or e-mail: 208513727@stu.ukzn.ac.za or the UKZN Humanities & Social Sciences Research Ethics Committee, contact details as follows:

HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION
Research Office, Westville Campus
Govan Mbeki Building
Private Bag X 54001
Durban
4000
KwaZulu-Natal, SOUTH AFRICA
Tel: 27 31 2604557- Fax: 27 31 2604609
Email: HSSREC@ukzn.ac.za

Participation in the research is voluntary and participants may withdraw their participation at any point, and that in the event of refusal/withdrawal of participation the participants will not incur penalty or loss of treatment or other benefit to which they are normally entitled. There are no potential consequences to the participants for withdrawal from the study, a verbal indication to withdraw will be regarded as orderly withdrawal from participating in the study. The indication of withdrawal from participating in the study will be welcomed and the participant will be immediately terminated from the study.

There will be no costs to be incurred by participants as a result of participation in the study. There are no incentives or reimbursements for participation in the study.

The study does not involve personal/clinical information, and there are no limits of confidentiality applicable. Electronic data will be stored in an online Dropbox where the student and supervisor have access to the file. The supervisor will have access via the encryption of the data. Hard copy responses from interviewees will be stored with the Supervisor for safekeeping for a period of 5 years in accordance with the University policy for postgraduate research. The data will be disposed by shredding hard copies and deleting files that refer to same in accordance with the University policy.

I.....(full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project.

I understand that I am at liberty to withdraw from the project at any time, should I so desire.

If I have any further questions/concerns or queries related to the study, I understand that I may contact the researcher at: Cell No. 072 095 5414 or e-mail: 208513727@stu.ukzn.ac.za

If I have any questions or concerns about my rights as a study participant, or if I am concerned about an aspect of the study or the researchers then I may contact:

HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION

Research Office, Westville Campus

Govan Mbeki Building

Private Bag X 54001

Durban

4000

KwaZulu-Natal, SOUTH AFRICA

Tel: 27 31 2604557 - Fax: 27 31 2604609

Email: HSSREC@ukzn.ac.za

Additional consent, where applicable

I hereby provide consent to:

Audio-record my interview / focus group discussion YES / NO

Signature of Participant

Date

APPENDIX B: INTERVIEW SCHEDULE (MUNICIPALITIES)

Examining stakeholder perceptions on Local Economic Development and implementation: A case study of uMgungundlovu District Municipality

A. Interview questions for municipalities

1. Local Economic Development planning and implementation

1.1. What is your understanding of Local Economic Development (LED)?

.....
.....

1.2. What do you think is your role in promoting LED within your locality?.....

.....
.....

1.3. Does the municipality have an LED strategy?

.....
.....
.....

1.3.1 If yes to the above question, is it responsive to the unique issues and conditions of the municipality? Please elaborate.

1.4. What in your understanding represents an LED project?

.....
.....
.....

1.5. Does the informal economy have a role to play in LED? Please elaborate on your answer

.....
.....
.....

1.6. How does the municipality fund LED?

.....
.....
.....

1.6.1 Is this funding enough to successfully implement LED in your municipality?.....

.....
.....
.....

1.7. What impact does covid-19 have on LED planning and implementation in your municipality?.....

.....
.....
.....

1.8. How does the 4th Industrial Revolution affect LED in locality?

.....
.....
.....

2. Local Economic Development Challenges

- 2.1 What are some of the experiences you have involving challenges of LED?
-
-
- 2.1.1 Are these experiences similar or different between urban areas and rural areas?
-
-
- 2.2 Are there challenges associated with stakeholder participation in LED?
-
-
- 2.2.1 If so, what are those challenges and how can they be resolved?
-
-
- 2.3 Are there any conflicts between your municipality and stakeholders regarding LED planning and implementation? Please elaborate.
-
-

3. Perceptions relating to Local Economic Development

- 3.1 Do you think that there are different perceptions on LED between the range of stakeholders?.....
-
-
- 3.1.1 If so, what are those perceptions?.....
-
-
- 3.2 What impact do these perceptions have on LED planning & implementation in the municipality? Please elaborate on the impact.....
-
-
- 3.3 Which perceptions do you believe hinder or promote successful LED? Please elaborate on the response.....
-
-
- 3.4 Is there any feedback mechanism/s that your organisation uses to assess feelings regarding LED planning and implementation in the municipality?
-
-

4. Key stakeholders in Local Economic Development and Stakeholder Management

- 4.1 Who in your view should be responsible for the realisation of LED? Please elaborate on your response.....
-
-

- 4.2 Who are the municipality's major stakeholders?.....
.....
- 4.3 What role do these stakeholders play in facilitating LED?.....
.....
- 4.4 How does the municipality engage these LED stakeholders, and how often does it happen?.....
.....
- 4.5 What are the challenges experienced by the stakeholders in participating in LED initiatives, and how can it be resolved?.....
.....
- 4.6 How best can stakeholders achieve LED within current economic and environmental constraints?.....
.....
- 4.7 At what stage do you think the stakeholders, particularly the community and private sector should be involved in LED in the municipality and why?.....
.....
- 4.8 In your opinion, what framework do you think is required to fast-track LED in the municipality and why?.....
.....
.....

Thank you for your participation.

APPENDIX C: INTERVIEW SCHEDULE (SECTOR DEPARTMENT AND AGENCIES)

Examining stakeholder perceptions on Local Economic Development and implementation: A case study of uMgungundlovu District Municipality

B. Interview questions for government sector departments and agencies (COGTA, UMEDA, SEDA AND SALGA)

1. Local Economic Development planning and implementation

- 1.1 What role does your organisation play in promoting LED at a municipal level?
.....
.....
- 1.2 In your experience, do you think there is enough attention provided for LED? Please elaborate.....
.....
- 1.3 What role does your organisation play in ensuring that LED is realised in municipalities? Please elaborate.....
.....
- 1.4 Does your organisation intervene in LED in municipalities? If yes, how? If no, why not?
.....
.....

2. Local Economic Development Challenges

- 2.1 Are there any challenges associated with stakeholder participation in LED?.....
.....
- 2.1.1 What are the challenges and how can they be resolved?.....
.....
- 2.2 Which policy guides LED promotion in your organisation and is it implemented effectively? Please elaborate on your answer.....
.....
- 2.3 Are there any programmes/projects that the organisation has initiated to assist municipalities with LED? Please elaborate.....
.....
- 2.4 Are there any conflicts between your organisation and the municipality in LED planning and implementation? Please elaborate.....
.....

3. Perceptions relating to Local Economic Development

- 3.1 Do you think that there are different perceptions on LED between the range of stakeholders? If so, what are those perceptions?.....
.....
.....

- 3.2 What impact do these perceptions have on LED planning & implementation? Please elaborate.....
- 3.3 Which perceptions do you believe hinder or promote successful LED? Please elaborate?.....
- 3.4 How does your organisation monitor and evaluate LED in municipalities?.....
- 3.5 Is there any feedback mechanism/s that your organisation uses to gauge feelings regarding LED planning and implementation in the municipality?.....
- 3.6 How best can stakeholders achieve LED within current economic and environmental constraints?.....
- 4. Key stakeholders in Local Economic Development and Stakeholder Management**
- 4.1 What is your view on stakeholder participation in LED planning and implementation?.....
- 4.2 Do you think the role of various stakeholders is critical in the implementation of LED in the municipality?.....
- 4.3 How would you describe the relationship between the municipality and your organisation?.....
- 4.4 Does your organisation play a role in supporting the municipality in creating stakeholder relations, if so, how? If no, why not?.....
- 4.5 Who do you think are the municipality's major stakeholders and what role should they play in promoting LED?.....
- 4.6 At what stage do you think the stakeholders particularly the community and private sector should be involved in LED in the municipality and why?.....
- 4.7 In your opinion, what framework do you think is required to fast track LED in the municipality and why?.....

Thank you for your participation.

APPENDIX D: GATEKEEPERS' LETTERS

Enquiries: Mr James Martins

02 September 2021

Ayanda Makhaya
Mobile number: 072 0955 414
E-mail: 208513727@stu.ukzn.ac.za



Dear Madam,


**RE: REQUEST FOR GATE KEEPER PERMISSION TO CONDUCT RESEARCH
TOWARDS DOCTORAL STUDY**

Your letter dated 09 August 2021 refers.

Please be advised that you are hereby granted permission and approval to conduct educational research within the municipality, on research titled: **Examining stakeholder perceptions on Local Economic Development and implementation: A case study of uMgungundlovu District Municipality.**

Kindly provide the municipality with your research results in due course.

Yours sincerely


**DR MRB NGCOBO
MUNICIPAL MANAGER**

<p>Office of the Municipal Manager PO Box 3235, Pietermaritzburg, 3200 242 Lergalibalele Street, Pietermaritzburg, 3201</p> <p>Tel: 033 897 6763</p> <p>Fax: 033 394 5512</p>



OFFICE OF THE

MANAGER

MUNICIPAL

MPOFANA MUNICIPALITY-UMASIPALA WASE MPOFANA
10 CLAUGHTON TERRACE, MOOI RIVER 3300

Enquiries: (responsible persons email)	Tel	: 033-2631221	P.O BOX	: 47
Imibuzo :	Ucingo :		Isikhawana sepos :	Mooi River
Ninros :	Telefoon :		Privat Sak :	3300
Reference:	Fax	: 033-2631127	Date	: 11 August 2021
Inkomba :	Ifekeli :		Datum :	
Verwysing:	Faksa :		Usuku :	

Attention: Ayanda Makhaye

Dear Madam,

**RE: REQUEST FOR GATE KEEPER PERMISSION TO CONDUCT
RESEARCH TOWARDS DOCTORAL STUDY**

Thesis Title: Examining stakeholder perceptions on Local Economic Development and implementation: A case study of uMgungundlovu District Municipality

Your request dated 5 August 2021 refers.

Please note the Mpofana Local Municipality hereby grants you permission to conduct research as per your request.

Kindly provide the municipality with your research results at the appropriate time.

Yours faithfully,

Mr. E. B. Bala

MUNICIPAL MANAGER

The Msunduzi Municipality
OFFICE OF THE MUNICIPAL MANAGER

Private Bag X 321
Pietermaritzburg
3200
(033) 392 2882

City Hall, Chief Albert Luthuli Street
Pietermaritzburg
3201
www.msunduzi.gov.za



Enq: M C Jackson Tel. 033 392 2882 E-mail: madeleine.jackson@msunduzi.gov.za

Ayanda Makhaye

12 August 2021

Per Email: 208513727@stu.ukzn.ac.za

**Examining stakeholder perceptions on Local Economic Development and implementation:
A case study of uMgungundlovu District Municipality**

Your correspondence, dated 09 August 2021, regarding the above has reference.

Please be advised that you hereby granted permission to conduct your research within Msunduzi Municipality, subject to the following conditions:

- (i) You obtain ethical clearance and submit a copy to the Office of the Municipal Manager, c/o Ms. Madeleine Jackson as per the above contact details
- (ii) Ensure that the Office of the City Manager is informed when you commence your research in the municipality.
- (iii) You will forward a copy of the completed research report to the Office of the Municipal Manager, c/o Ms. Madeleine Jackson as per the above contact details.
- (iv) None of the information and/or findings obtained during the research project will be used to construe the Municipality in a negative light and/or against the Municipality in any court of law.
- (v) The Municipality will not be responsible and expected to provide resources for your study such as transport, research assistants, etc.
- (vi) Permission must be obtained from the municipality prior to any publication or paper that will be published or presented containing municipal information.
- (vii) The Municipality will not be held liable for any injury and/ or losses that may occur as a result of the study.
- (viii) All COVID-19 protocols, as regulated by Government, are always adhered to for the duration of the research.

I trust the above is in order.

Sincerely,

MADELEINE JACKSON
SENIOR MANAGER: OFFICE OF CITY MANAGER

OFFICE OF THE CITY MANAGER

Telephone/fax: 033 3922002
Facsimile/fax: 0868047309

Private Bag / Isikhawana: X321
Pietermaritzburg/ePietermaritzburg 3200

uMngeni Local Municipality



P.O. Box 5,
3290
Howick, South Africa
Tel: +27 (33) 239 9200
Fax: +27 (33) 330 3006
Email: mt.hlobo@umngeni.gov.za
Website: www.umngeni.gov.za

Our Ref:

Your Ref:

Date: 20 September 2021

Attention: Ayanda Makhaye

Dear Madam,

**RE: REQUEST FOR GATE KEEPER PERMISSION TO CONDUCT RESEARCH
TOWARDS DOCTORAL STUDY**

**Thesis Title: Examining stakeholder perceptions on Local Economic Development
and Implementation: A case study of uMgungundlovu District Municipality**

Your letter dated 09 September 2021 refers.

Please be advised that the uMngeni Local Municipality hereby grants you permission to carry out your research as requested.

We would greatly appreciate it if you could provide us with your research findings at the appropriate time.

Yours faithfully,

**Mr. M. Hlobo
Acting Municipal Manager**



uMshwathi Municipality

Attention: Ayanda Makhaye

Dear Madam,

RE: REQUEST FOR GATE KEEPER PERMISSION TO CONDUCT RESEARCH TOWARDS DOCTORAL STUDY


Thesis Title: Examining stakeholder perceptions on Local Economic Development and Implementation: A case study of uMgungundlovu District Municipality

Your letter dated 09 August 2021 refers.

Please be advised that the uMshwathi Local Municipality has granted you permission to carry out your research as requested.

Kindly provide us with your research findings at the appropriate time.

Yours faithfully,


Mr N M Mabaso
MUNICIPAL MANAGER

VISION

"uMshwathi Owethu - Lets Build Together".

uMshwathi Municipality, Private Bag X29, Wartburg, 3233 • Main Road, New Hanover, 3230
Telephone: 033 816 6800 • Fax: 033 502 0286



Richmond Municipality

Umasipala wase ~ Richmond

57 Shepetone Street
Private Bag 1028
Richmond (KZN)
3780

Telephone/Ucingo: 033 212 2155
Fax/Isikhahlameli: 033 212 2102
Fax to Email: 086 529 8724
Email: mm@richmond.gov.za
Website: www.richmond.gov.za

All correspondence to be addressed to the Municipal Manager
Qondisa Yonke imininingwane kuMenzisi kwiMasipala

ENQUIRES: Office of the Municipal Manager

Date: 17 November 2021

Attention: Ms Ayanda Christine Makhaye
Student Number: 208513727

**RE: REQUEST FOR GATE KEEPER PERMISSION TO CONDUCT RESEARCH AS
PART OF THE DOCTOR OF ADMINISTRATION QUALIFICATION**

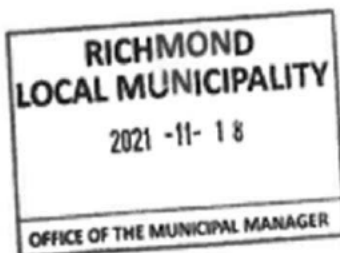
Kindly be informed that Richmond Local Municipality has considered your request to use the municipality as one of your research study areas for the Doctor of Administration degree. We wish to inform you that your request for gate keeper permission has been granted for the research titled: **Examining stakeholder perceptions on Local Economic Development and implementation: A case study of uMgungundlovu District Municipality.**

Kindly ensure that all Covid-19 protocols are adhered to and share your research findings with the department in due course.

I trust the above is in order.

Yours sincerely,

BE MSWANE
MUNICIPAL MANAGER



Office of the Municipal Manager (MM)



**MKHAMBATHINI
Municipality**
For the community

OFFICE OF THE MUNICIPAL MANAGER

MKHAMBATHINI MUNICIPALITY
Physical Address: 18 Old Main Road, CAMPERDOWN, 3720
Postal Address: Private Bag X 04, CAMPERDOWN, 3720
Telephone No: 031 - 785 9300 Fax: 031 - 785 2121
Email: info@mkhambathini.gov.za

Enquiries: P. Mgobo
Inebuso:
Name:

My Reference: Gate Keeper
Inkomba Yami:
My Verwysing:

Contact No: 0317859306
Email: lcd@mkhambathini.gov.za

Attention
Mrs Ayanda Christine Makhaye
Student Number: 208513727

Dear Madam

RE: REQUEST FOR GATE KEEPER PERMISSION TO CONDUCT RESEARCH TOWARDS DOCTORAL STUDY

This letter serves to confirm that Mkhambathini Municipality grant Mrs A.C. Makhaye, student number 208513727 to conduct the case study with the title Examining stakeholder perceptions on Local Economic Development and Implementation: A case study of uMgungundlovu District Municipality. The permission granted will allow Mrs A.C. Makhaye to conduct interviews and focus groups to municipal personnel that are involved in LED Planning and implementation within Mkhambathini as per the letter received dated 09 August 2021.

Hope you will find the above in order

Kind Regards



Mr S. Mngweni
The Municipal Manager

UMKHANDLU WASEKHAYA IMPENDLE

Private Bag X 512
Impendle
3227



Tel: 033/9960771
Fax: 033/9960852
<http://impendle.local.gov.za>

IMPENDLE LOCAL MUNICIPALITY

Attention: Ayanda Makhaye

Dear Madam,

RE: REQUEST FOR GATE KEEPER PERMISSION TO CONDUCT RESEARCH TOWARDS DOCTORAL STUDY

Thesis Title: **Examining stakeholder perceptions on Local Economic Development and Implementation: A case study of uMgungundlovu District Municipality**

Your letter dated 5 August 2021 refers.

Please be advised that the Impendle Local Municipality has granted you permission to carry out your research as requested.

Kindly provide us with your research findings at the appropriate time.

Yours faithfully,

A black rectangular box redacting the signature of the Municipal Manager.

**ZC Tshabalala
MUNICIPAL MANAGER**



KWAZULU-NATAL PROVINCE
COOPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

Attention: Ms Ayanda Christine Makhaye

Student Number: 208513727

12 November 2021

RE: REQUEST FOR GATE KEEPER PERMISSION TO CONDUCT RESEARCH AS PART OF THE DOCTOR OF ADMINISTRATION QUALIFICATION

Please be informed that the KwaZulu-Natal Department of Cooperative Governance and Traditional Affairs has considered your request dated 07 September 2021 to use the department as one of your research study sites for the Doctor of Administration qualification, titled: **Examining stakeholder perceptions on Local Economic Development and Implementation: A case study of uMgungundlovu District Municipality.**

We wish to inform you that your request for gate keeper permission has been granted. Kindly ensure that all Covid-19 protocols are adhered to and share your research findings with the department in due course.

I trust the above is in order.

Yours sincerely,



Deputy Director General
Development and Planning Branch
KZN COGTA
CELL 0825851531

GROWING KWAZULU-NATAL TOGETHER



13 September 2021

Attention: Mrs. Ayanda Christine Makhaye
Student Number: 208513727

Dear Ayanda

RE: REQUEST FOR GATE KEEPER PERMISSION TO CONDUCT RESEARCH TOWARDS DOCTORAL STUDY

Please be advised that uMgungundlovu Economic Development Agency (UMEDA) hereby grants you permission to conduct research with thesis title: Examining stakeholder perceptions on Local Economic Development and implementation: A case study of uMgungundlovu District Municipality.

I trust the above is in order.

Yours Sincerely



Mr. Bodani Ngqaimbana
The Acting Chief Executive Officer
uMgungundlovu Economic Development Agency (UMEDA)

KwaZulu Natal

Essex Park, Block B, Ground Floor,
46 Essex Terrace, Berea West
Westville
3629

Tel: 031 277 9500
Fax: 031 277 9510



04 November 2021

Ms. Ayanda C. Makhaye
Student No: 208513727
Email: 208513727@stu.ukzn.ac.za

Dear Madam

**RE: REQUEST FOR GATE KEEPER PERMISSION TO CONDUCT RESEARCH TOWARDS
DOCTORAL STUDY**

Please be advised that SEDA KwaZulu-Natal hereby grants you permission to conduct research with thesis title: Examining stakeholder perceptions on Local Economic Development and implementation: A case study of uMgungundlovu District Municipality.

Kindly ensure that all COVID-19 protocols are adhered too as regulated by government, for the duration of the research.

I trust the above is in order.

Kind regards

Mr C. Mnguni

Provincial Manager

To whom it may concern,

SUBJECT: PERMISSION TO CONDUCT RESEARCH

Miss Ayanda Makhaye who is currently a student at the University of KwaZulu-Natal Student Number: 208513727. She is currently conducting research within local government titled: ****Examining stakeholder perceptions on Local Economic Development and implementation: A case study of uMgungundlovu District Municipality***. This research is supported by SALGA KZN. uMgungundlovu Municipality is hereby requested to assist the research process with information that may be required.

Please do not hesitate to contact me should you require further information

Yours sincerely



SABELO GWALA
DIRECTOR OF OPERATIONS: KZN

APPENDIX E: LANGUAGE EDITOR LETTER

ETHEL ROSS

English language editing and proofreading

24 November 2023

To whomever it may concern:

This letter serves to confirm that I worked as the proofreader and language editor on Ayanda Christine Makhaye's Ph.D. thesis:

Examining stakeholder perceptions on Local Economic Development and implementation: A case study of uMgungundlovu District Municipality

In no way did I change the content.

Yours faithfully



Ethel Ross (BA Hons; H Dip Ed)

Email: clanross1@icon.co.za

Tel: 083 954 5412

APPENDIX F: ETHICS APPROVAL



13 December 2021

Ayanda Christine Makhaye (208513727)
School Of Man Info Tech & Gov
Westville Campus

Dear AC Makhaye,

Protocol reference number: HSSREC/00003715/2021

Project title: Examining stakeholder perceptions on Local Economic Development and implementation: A case study of uMgungundlovu District Municipality

Degree: PhD

Approval Notification – Expedited Application

This letter serves to notify you that your application received on 30 November 2021 in connection with the above, was reviewed by the Humanities and Social Sciences Research Ethics Committee (HSSREC) and the protocol has been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number. PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

This approval is valid until 13 December 2022.

To ensure uninterrupted approval of this study beyond the approval expiry date, a progress report must be submitted to the Research Office on the appropriate form 2 - 3 months before the expiry date. A close-out report to be submitted when study is finished.

All research conducted during the COVID-19 period must adhere to the national and UKZN guidelines.

HSSREC is registered with the South African National Research Ethics Council (REC-040414-040).

Yours sincerely,



Professor Dipane Hlalele (Chair)

/dd

Humanities and Social Sciences Research Ethics Committee

Postal Address: Private Bag X54001, Durban, 4000, South Africa

Telephone: +27 (0)31 260 8350/4557/3587 Email: hssrec@ukzn.ac.za Website: <http://research.ukzn.ac.za/Research-Ethics>

Founding Campuses:  Edgewood  Howard College  Medical School  Pietermaritzburg  Westville

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APPENDIX G: ETHICAL APPROVAL – RECERTIFICATION



02 February 2023

Ayanda Christine Makhaye (208513727)
School Of Man Info Tech & Gov
Westville Campus

Dear AC Makhaye,

Protocol reference number: HSSREC/00003715/2021

Project title: Examining stakeholder perceptions on Local Economic Development and implementation: A case study of uMgungundlovu District Municipality

Approval Notification – Recertification Application

Your request for Recertification dated 30 January 2023 was received.

This letter confirms that you have been granted Recertification Approval for a period of one year from the date of this letter. This approval is based strictly on the research protocol submitted and approved in 2021.

Any alterations to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study must be reviewed and approved through the amendment/modification prior to its implementation. Please quote the above reference number for all queries relating to this study.

PLEASE NOTE: Research data should be securely stored in the school/department for a period of 5 years.

This approval is valid for one year: 02 February 2024.

To ensure uninterrupted approval of this study beyond the approval expiry date, a progress report must be submitted to the Research Office on the appropriate form 2 - 3 months before the expiry date. A close-out report to be submitted when study is finished.

HSSREC is registered with the South African National Research Ethics Council (REC-040414-040).

Yours sincerely,



Professor Dipane Hlalele (Chair)

/dd

Humanities & Social Sciences Research Ethics Committee
UKZN Research Ethics Office Westville Campus, Govan Mbeki Building
Postal Address: Private Bag X54001, Durban 4000
Tel: +27 31 260 8350 / 4557 / 3587

Website: <http://research.ukzn.ac.za/Research-Ethics/>

Founding Campuses: Edgewood Howard College Medical School Pietermaritzburg Westville

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