

UNIVERSITY OF KWAZULU-NATAL

**BRIDGING THE URBAN-RURAL GAP IN FACILITATING LOCAL ECONOMIC
DEVELOPMENT: THE CASE STUDY OF UMGUNGUNDLOVU DISTRICT
MUNICIPALITY**

By

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**A dissertation submitted in partial fulfilment of the requirements for the degree
of Master of Commerce in Leadership Studies**

**Graduate School of Business & Leadership
College of Law and Management Studies**

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2018

DECLARATION

I, Ayanda Christine Makhaye, declare that:

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ACKNOWLEDGEMENTS

I wish to express my sincere appreciation and gratitude to the following individuals, without whose assistance, this study would not have been possible:

- I would like to thank the Lord all mighty Jesus Christ for his wonderful grace that has enabled me to do this study.
- My husband Sandile Makhaye for his patience and loving support throughout the duration of my studies, more especially during my final year of study which proved to be very challenging. Always motivating me to continue pushing and rise above my circumstances.
- My loving mother, sister and mother in law for all the emotional and spiritual support they gave me when I felt like giving up and watching my kids when I needed to work on my studies.
- My wonderful kids Yandile, Zazie and Bantu for understanding when I had to be away from them because of my studies.
- My supervisor Dr Cecile Gerwel-Proches for the invaluable guidance and support she has given me throughout this project.
- All the participants from uMgungundlovu District Municipality, uMngeni Local Municipality, Mpofana Local Municipality, Impendle Local Municipality, Mkhambathini Local Municipality, the KZN Department of CoGTA for their assistance in providing me with data for this project without which this study would not have been possible.

ABSTRACT

Local Economic Development (LED) is an approach to economic development that enables communities to work together thus inspiring the realization of sustainable economic growth and development for all. However, uMgungundlovu District Municipality is still challenged by issues of poverty, unemployment and inequality, which hinder the realization of growth and development within the District. As mandated by The Constitution, the District must promote and facilitate LED within the locality. However, the District cannot undertake this function alone, consequently, collaborative effort is needed among all local stakeholders within the District to promote LED. The aim of this study was to investigate how to bridge the urban-rural gap in facilitating LED within uMgungundlovu District Municipality and provide an understanding of this phenomenon. The study explored the urban-rural gaps in LED facilitation, identified the relevant stakeholders key in LED facilitation and the challenges that existed in trying to bridge this gap. The qualitative research method was used to collect data through in-depth open-ended interviews with eleven participants which included three junior, five middle and three senior management officials representing uMgungundlovu District Municipality; the Department of Cooperative Governance and Traditional Affairs (CoGTA); uMngeni Local Municipality; Mpofana Local Municipality; Mkhambathini Local Municipality; and Impendle Local Municipality. The case study participants were purposely selected based on their designation, role and level of experience in LED facilitation within the case study municipality. The data collected through interviews was themed and categorized using the thematic approach and then analysed. The results revealed that there were gaps in the understanding of LED planning, facilitation and implementation along with gaps in resource planning and provision within uMgungundlovu District. The study also revealed that numerous stakeholders were relevant in facilitating LED within the District, including: the District municipality; local municipalities; private sector; institutional structures; labour movement; traditional leaders; and supporting sector departments. Service delivery issues, infrastructure and the overall lack of capacity, skills and collaboration were found to hinder the successful implementation and facilitation of LED. This was especially evident within the more rural areas where most of these resources were either limited or non-existent. It is recommended that the District improves on service delivery and

infrastructure provision, especially in the more rural areas, to enable access of opportunities. The District should create a platform for stakeholder engagement, with the inclusion of traditional leaders to help drive LED facilitation within rural areas, whilst also promoting skills and capacity building through training and mentorship, development of rural development strategies targeting the development of rural areas, increased funding for LED promotion and the promotion of collaborative governance. The implications of this study can improve LED facilitation in uMgungundlovu District Municipality and encourage further research on the topic within the country.

GLOSSARY OF TERMS

CARILED	Caribbean Local Economic Development Project
CAS	Complex Adaptive Systems
CDP	Continuous Professional Development
CDE	Centre for Development and Enterprise
CLGF	Commonwealth Local Government Forum
Dept. of CoGTA	Department of Co-operative Governance and Traditional Affairs
Dept. of EDTEA	Department of Economic Development, Tourism and Environmental Affairs
DPLG	Department of Provincial and Local Government
IDP	Integrated Development Plan
ILO	International Labour Organization
ITB	Ingonyama Trust Board
ITC	International Training Centre
KZN	KwaZulu-Natal
LAMAS	Local Authority Managers Association of Swaziland
LED	Local Economic Development
MEDA	Midlands Economic Development Agency
MSA	Municipal Systems Act
MTAD	Ministry of Tinkhundla Administration and Development
MUHD	Swaziland Ministry of Housing and Urban Development
NGOs	Non-Governmental Organisations
NPOs	Non-Profit Organisations
PCB	Pietermaritzburg Chamber of Business
RSA	Republic of South Africa
SAACPP	South African Association of Consulting Professional Planners
SACN	South African Cities Network
SACPLAN	South African Council for Planners
SALGA	South African Local Government Association
SDF	Spatial Development Framework
SPLUMA	Spatial Planning and Land Use Management Act
SWALGA	Swaziland Local Government Association

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TABLE OF CONTENTS

DECLARATION.....	ii
ACKNOWLEDGEMENTS	iii
ABSTRACT	iv
GLOSSARY OF TERMS	vi
SUPERVISOR'S PERMISSION TO SUBMIT.....	vii
TABLE OF CONTENTS	viii
LIST OF FIGURES.....	xii
LIST OF TABLES.....	xiii
CHAPTER ONE: INTRODUCTION TO THE RESEARCH	1
1.1 Introduction.....	1
1.2 Background	2
1.3 Motivation for the study	9
1.4 Focus of the study	11
1.5 Problem statement	11
1.6 Aim and objectives	14
1.7 Research questions.....	14
1.8 Research methodology.....	14
1.9 Chapter outline	15
1.10 Conclusion.....	16
CHAPTER TWO: LITERATURE REVIEW	17
2.1 Introduction.....	17
2.2 Defining the urban-rural gap.....	17
2.2.1 The local planning gap	18
2.2.2 Inequality and the service delivery gap.....	25
2.2.3 Bridging the urban-rural gap in facilitating LED	28
2.3 Local Economic Development	29

2.3.1	Defining LED	29
2.3.2	LED challenges in South Africa	31
2.3.3	The role of local government in facilitating LED.....	34
2.4	Facilitating effective LED	36
2.4.1	Successful partnerships for LED	38
2.4.2	Leading LED facilitation in complex environments	41
2.5	Experiences from previous studies on facilitating successful LED	45
2.5.1	Lessons from Jamaica.....	46
2.5.2	Lessons from Swaziland.....	48
2.5.3	Lessons from South Africa.....	49
2.6	Conclusion.....	50
CHAPTER THREE: RESEARCH METHODOLOGY		51
3.1	Introduction.....	51
3.2	Aim of the study	51
3.3	Research design and method.....	51
3.3.1	Quantitative research	53
3.3.2	Qualitative research.....	53
3.3.3	Mixed method research	54
3.3.4	The study design	54
3.4	Research strategy	55
3.5	The study setting	56
3.6	Population and sample of the study.....	56
3.7	Sampling method.....	58
3.8	Construction of the instrument.....	59
3.9	Data collection	60
3.10	Data analysis	62
3.11	Reliability and validity of the study.....	63

3.11.1	Strategies adopted to ensure credibility of the study	64
3.12	Ethical considerations.....	65
3.13	Conclusion.....	66
CHAPTER FOUR: PRESENTATION OF RESULTS.....		67
4.1	Introduction.....	67
4.2	Demographic details of respondents	67
4.3	Thematic analysis of data.....	68
4.3.1	Gaps in understanding of LED.....	70
4.3.2	Resource gaps	74
4.3.3	Business development challenges	77
4.3.4	Tackling social issues.....	85
4.3.5	Key stakeholders in LED	87
4.3.6	Collaboration in facilitating LED.....	87
4.3.7	Enhancing leadership	96
4.3.8	Improving monitoring and evaluation.....	98
4.4	Conclusion.....	99
CHAPTER FIVE: DISCUSSION.....		100
5.1	Introduction.....	100
5.2	Key findings	100
5.2.1	Gaps in understanding of LED.....	100
5.2.2	Resource gaps	102
5.2.3	Business development challenges	104
5.2.4	Tackling social issues.....	106
5.2.5	Key stakeholders in LED	106
5.2.6	Collaboration in facilitating LED.....	107
5.2.7	Enhancing leadership	109
5.2.8	Improving monitoring and evaluation.....	109

5.3	Conclusion.....	110
CHAPTER SIX: CONCLUSION AND RECOMMENDATIONS.....		111
6.1	Introduction.....	111
6.2	Summary of key findings	112
6.3	Limitations of the study.....	113
6.4	Recommendations to solve the research problem.....	114
6.5	Recommendations for future studies	115
6.6	Conclusion.....	115
REFERENCES.....		117
APPENDIX 1: INFORMED CONSENT LETTER.....		128
APPENDIX 2: INTERVIEW QUESTIONS		130
APPENDIX 3: ETHICAL CLEARANCE APPROVAL.....		132
APPENDIX 4: TURNITIN REPORT.....		133
APPENDIX 5: EDITING CERTIFICATE		134

LIST OF FIGURES

Figure 1.1: uMgungundlovu District Municipality locality map	3
Figure 2.1: A conceptual framework for service delivery inequality	26
Figure 2.2: Service delivery triangle regarding LED	39
Figure 2.3: Proposed spatial cross-sectional partnership model	40
Figure 3.1: A framework for design - the interconnection of worldviews, strategies, and research methods.....	53
Figure 4.1: The number of years of experience by respondent	68

LIST OF TABLES

Table 3.1: List of respondents by demographics	57
Table 3.2: Examples of sampling techniques	58
Table 4.1: Identified themes and sub-themes	69

CHAPTER ONE: INTRODUCTION TO THE RESEARCH

1.1 Introduction

Local Economic Development (LED) is an approach to economic development that enables communities to work together, inspiring the realization of sustainable economic growth and development, that sees economic benefits and better quality of life for all (Rogerson, 2014; Van Niekerk & Bunding-Venter, 2015). As such, its realization would lead to inclusive economic development that promotes and supports sustainable livelihoods for all, addressing the social, spatial and economic injustices affecting local communities within the country. However, to achieve LED, local communities need to have a shared vision and the willingness to work together in achieving this vision. Consequently, the collaboration of all local stakeholders including local government, local business and local communities is necessary to encourage inclusive LED (Meyer & Meyer, 2016; Coetzee, 2014).

Municipalities are obliged by the Constitution to play a facilitative role in promoting LED within their locality and create ideal environments for business that attracts investment (Van Niekerk & Bunding-Venter, 2015; Venter, 2012). Meyer and Meyer (2016) found that local municipalities within the country lack the adequate economic strategies required to deal with the major issues affecting the country, including: poverty; unemployment; and inequality. As a result, they battle to provide a favourable environment for economic development and have therefore failed in performing their constitutional mandate. Furthermore, municipalities have not been able to create sustainable environments for business and partnerships to ensure inclusive LED at a local level.

Therefore, the purpose of this chapter is to provide context to the research topic under review and highlight its relevance and the basis for conducting it. The chapter contains the background of the study area, the motivation for the study, the problem statement which emphasized the issues faced by the organization and hence the need for research. The chapter further contains the research objectives and questions, the theoretical framework of the research methodology that was pursued and highlights the structure of the dissertation and the conclusion.

1.2 Background

The Constitution of the Republic of South Africa (RSA) distinguishes three spheres of government, which are national, provincial and local. Local government is a distinct sphere of government that is interdependent and interrelated with both the national and provincial spheres (Ndevu & Muller, 2017; RSA, 1996). As the third sphere of government, local government is deeply entrenched within local communities with numerous municipalities spread out throughout the country, with legislative and executive authority entrusted in its municipal council. Two distinct developmental duties of municipalities are identified in the Constitution, that is, for municipalities to be able to 1) structure and manage their administration, budgeting and planning processes to prioritize basic needs and promote social and economic development of communities under their jurisdiction 2) participate in both national and provincial development programmes (Davids, Theron & Maphunye, 2009; Lutabingwa, Sabela, & Mbatha, 2006; Ndevu & Muller, 2017; RSA, 1996:1331(3)).

The Constitution further distinguishes three municipal categories. These are: the Category A municipality with exclusive municipal executive and legislative authority within an area, that is, the metropolitan municipality; the Category B municipality which shares its municipal executive and legislative authority with the Category C municipality it falls under, commonly known as the local municipality; and lastly the Category C municipality that includes a group of municipalities within its area of jurisdiction having executive and legislative authority, such that, the category B municipalities make-up the Category C municipality, commonly known as the district municipality (Brettenny & Sharp, 2016; De Visser, 2005; Lutabingwa et al., 2006; Mahabir, 2010; RSA, 1996:1331(3)).

The local government structure within KwaZulu-Natal (KZN) includes one metropolitan municipality, the eThekweni Metropolitan Municipality, 10 district municipalities and 43 local municipalities. The study was conducted in uMgungundlovu District Municipality a category C municipality located in Pietermaritzburg the capital city of KZN that comprises seven local municipalities. The Spatial Development Framework (SDF, 2014) of the District identifies a mix of both urban and rural areas within the municipality, with three distinct settlement typologies, including rural farming communities, traditional communities and lastly urban communities as depicted in Figure 1.1. The municipality has a range of land

ownership types including privately owned land which is mostly commercial farms that is by far the largest ownership type in the District. The second largest ownership type is land under traditional ownership which is mainly administered by the Ingonyama Trust Board (ITB) and lastly the remaining ownership types include state, parastatal and church owned land.

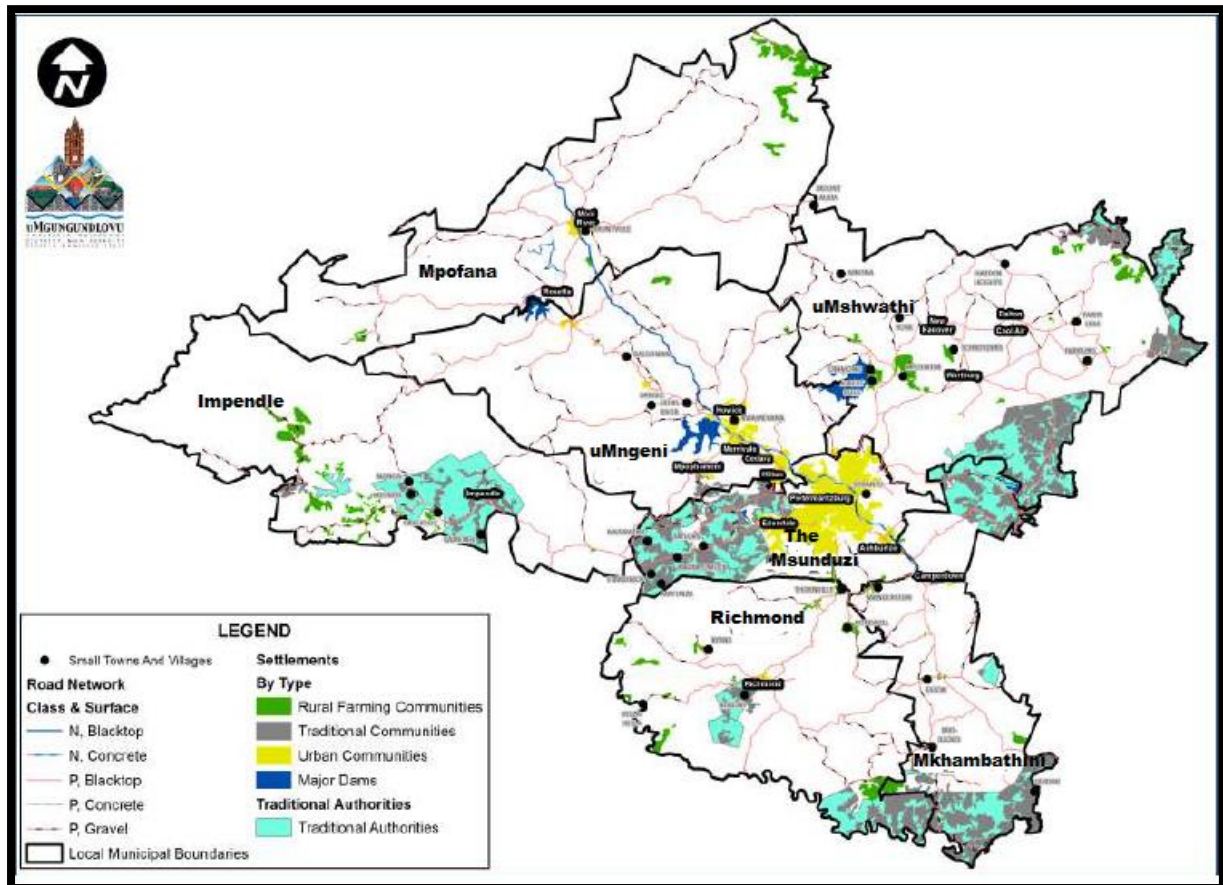


Figure 1.1: uMgungundlovu District Municipality locality map

Source: Adapted from uMgungundlovu District Municipality (SDF) (uMgungundlovu District Municipality, 2014:3)

According to a recent community survey (2016) by Statistics South Africa (Stats SA) uMgungundlovu District Municipality has a population of just over one million people (1 095 865) residing in traditional farmlands, informal rural settlements and urban areas accounting for approximately 10 percent of the province’s total population (Stats SA, 2016). The local municipalities of the District can be summarized as follows:

- Msunduzi Local Municipality is predominately urban and accounts for approximately 62 percent of the Districts’ population and is the urban and

development core of the District, contributing about 82 percent in economic contribution towards the District (Stats SA, 2016; uMgungundlovu District Municipality, 2016). The dominant economic sectors within Msunduzi include manufacturing, finance, transport and government sectors (Msunduzi Local Municipality, 2015; uMgungundlovu District Municipality, 2016). The local municipality is located within Pietermaritzburg the major city of the District that enjoys capital city status of the KZN province. The capital city status allows the municipality as well as the District to enjoy the benefits of having a range of provincial government departments located within it (Msunduzi Local Municipality, 2015). This according to the municipality has resulted in increased levels of service employees within the local and District municipality. A study conducted by the Centre of Development and Enterprise (CDE) in 2017, highlighted Msunduzi Local Municipality as one of the twenty youth unemployment hotspots in the country with more potential for creating job opportunities for the young and unemployed (CDE, 2017). While potential exists for growth and job creation within the municipality, it is noted however that lower levels of social inclusion in terms of provision of civic and social facilities exist. Suggesting that, the areas of great population including the informal and traditional settlements seemed to have been neglected even though these were the areas of greater need for those services (Msunduzi Local Municipality, 2015).

- uMngeni Local Municipality much like Msunduzi Local Municipality is mainly urban in nature and accounts for approximately 10 percent of the Districts' total population and is the second largest economic contributor to the economy of the District after Msunduzi Local Municipality (uMgungundlovu District Municipality, 2016). This municipality has three distinct settlement typologies composed of urban, rural and farmlands with privately owned commercial farms dominating within the municipality accounting for approximately 82 percent of the total land area. The dominant sectors within this municipality include trade and commerce, agriculture, tourism, community services and the manufacturing sector (uMngeni Local Municipality, 2016).
- Mkhambathini Local Municipality accounts for approximately five percent of the total Districts' population and has the third smallest population after

Impendle and Mpofana municipality. The municipality in general is rural and underdeveloped facing several development challenges including high levels of unemployment, poverty and inequality, low economic growth, and numerous service delivery backlogs in terms of provision of basic infrastructure and public services (Mkhambathini Local Municipality, 2016). Although generally underdeveloped, the areas of Camperdown, Eston and Mid-Illovo are more urban and hold the major economic and administrative activities in the municipality. The municipality's major economic sectors include agriculture, tourism and manufacturing (Mkhambathini Local Municipality, 2016).

- Mpofana Local Municipality is one of the rural municipalities of the District accounting for about three percent of the Districts' total population with a distinct dominance of only urban and farming land types. This municipality is the only municipality within the District with no land under the administration of the Ingonyama Trust Board and is heavily reliant on agriculture for employment. Agriculture, tourism, textile and building, and construction activities dominate the municipality as the major economic sectors (Mpofana Local Municipality, 2014). The 2014/2015 IDP of the municipality highlighted the lack of capacity, poor basic service delivery, poor local economic and social development, financial viability and management challenges as some of the reasons why the municipality has not been able to deliver on its mandate.
- Impendle Local Municipality is the smallest local municipality within the District accounting for approximately three percent of the Districts' total population. The municipality's dominant economic sectors are agriculture, tourism and social services. The Impendle 2016/2017 final IDP Review states that the municipality will use the IDP as one of the tools to achieve the municipality's vision of creating a better life for all its residents through the creation of sustainable job opportunities, the facilitation of local economic growth, environmentally sustainable development and the enhancement of the quality of the environment whilst also being responsive and accountable (Impendle Local Municipality, 2016). Although, potential exists within this municipality for tourism and other micro enterprises, the Districts' SDF however states that,

the local municipality lacks significant economic development drivers and as such is predicted to have no significant growth in future (uMgungundlovu District Municipality, 2014).

- uMshwathi Local Municipality is one of the Districts' rural municipalities and accounts for ten percent of the Districts' population. Although, the municipality is predominately rural, the areas of New Hanover, Wartburg, Dalton and Cool Air are relatively urban. The municipality's major economic sectors are agriculture, tourism and manufacturing with agriculture as the key driver of the rural economy. Numerous challenges have been identified in the municipal IDP as key challenges within the municipality hindering service delivery and development including inadequate revenue, high poverty and inequality, outdated and non-existent infrastructure and supporting strategies, and service delivery backlogs (uMshwathi Local Municipality, 2017). The District has identified the rehabilitation and development of the towns in the middle to high income housing projects as the major areas of economic development in the municipality in future (uMgungundlovu District Municipality, 2016). Ariatti and Chasomeris (2015) found that, although agriculture was the dominant activity with major potential within the municipality and District, resources were underutilised limiting their potential for development opportunities. The authors thus emphasised the importance of local capacity in realizing these development opportunities.
- Richmond Local Municipality is dominated by rural areas except for its major town of Richmond which is the only urban area in the municipality. This municipality accounts for approximately seven percent of the total Districts' population with land ownership types' including private owned land which dominate the municipality, followed by tribal land under the Ingonyama Trust Board. The municipality is characterised by low levels of basic service provision and poor infrastructure, with much of the population reliant on agriculture. This makes agriculture one of the major economic sectors within the municipality in terms of employment contribution and food production. The major economic sectors of the municipality are agriculture, community services, trade and finance, and manufacturing (Richmond Local Municipality, 2016). The 2016/2017 municipal IDP identifies the municipality as having

numerous challenges posing a threat to the economic viability of the municipality in the long-term. These key challenges include the socio-economic and spatial challenges, and poor provision of infrastructure, housing, public services and facilities. The municipality further acknowledges that there is potential for growth within the municipality, however, lack of capacity, institutions and dedicated budget hinder the implementation of the sustainable LED strategies that are already in place (Richmond Local Municipality, 2016).

Overall, uMgungundlovu District Municipality seems to be unequally distributed with reference to its population, spatial and economic distribution and service delivery, which have been skewed towards the more urban areas of the District receiving more advanced concentration of services (Sartorius & Sartorius, 2016; uMgungundlovu District Municipality, 2014). This is expected to continue with the numbers of people continuing to migrate towards the more urban cores of the District including Msunduzi and uMngeni in the hope of getting better economic opportunities (uMgungundlovu District Municipality, 2014). uMgungundlovu District Municipality plays a major economic role in the provincial economy, contributing about ten percent and being the second largest contributor after eThekweni. The major sectors of the District include the manufacturing sector; finance and real estate sector; government sector; transport, storage and communication sector; the wholesale and retail sector; and the agricultural sector (uMgungundlovu District Municipality, 2014).

A study conducted by the South African Local Government Association (SALGA) in 2016 found that, uMgungundlovu District Municipality is characterised by low levels of diversity with regards to economic sectors with the exclusion of Msunduzi Local Municipality which has the highest concentration of economic sectors and activities located within its municipal area. Agriculture and related agro-processing activities are more dominant in the more rural areas whilst manufacturing activities are dominant within the more urban areas including Pietermaritzburg, Howick and Camperdown (SALGA, 2016). Agricultural activities have however been impacted within the District due to significant increases in urbanisation whilst the manufacturing sector has been declining due to business closures as a result of the influx of cheap imports (Gengan, 2015; SALGA, 2016). This along with high levels of poverty, unemployment and lack of basic service provision, affects the Districts'

ability to create employment and reduce poverty, thus posing a challenge to LED (Kanyane, 2008).

LED within the District is viewed as an important tool for promoting economic activity and addressing the issues of social and economic challenges of the District (uMgungundlovu District Municipality, 2016). However, LED within the municipality falls under the community services department and has limited funding resources. According to the Districts' IDP 2016/2017, a budget of approximately 15 percent of the total operational expenditure is dedicated to the community services department which holds the LED unit. However, of that budget, only 0.86 percent is specifically dedicated to LED promotion and programmes, including: poverty alleviation programmes targeting skills development; SMME, cooperatives and emerging farmer support programmes; job creation through the Extended Public Works Programme (EPWP); and tourism promotion (uMgungundlovu District Municipality, 2016). The positioning of the LED unit and limited funding thus becomes problematic affecting the ability of LED units to play a facilitative role (Zulu & Mubangizi, 2014). UMgungundlovu District Municipality thus takes on a sector support and poverty alleviation approach to economic development whereby the municipality is found to have 'a sectoral focus on pro-poor, and agricultural support programmes within rural areas and local municipalities' (SALGA, 2016:30).

In 2014, the District conducted a feasibility study on the possibility of establishing a District Development Agency, which was deemed feasible. This led to the transfer of the existing Midlands Economic Development Agency (MEDA) to the District to form the uMgungundlovu District Development Agency. This move was viewed as a means to create a District wide impact that would attract commercially viable high-impact projects (uMgungundlovu District Municipality, 2014). Pietermaritzburg is also home to the Pietermaritzburg Chamber of Business (PCB) a voluntary association of business enterprises, which promotes and supports local businesses within Pietermaritzburg. Business chambers along with communities play a huge role in LED (Meyer & Meyer, 2016). As such, to enhance LED within the District, partnerships between the municipality and these business agencies is required to strengthen its capacity in facilitating successful LED along with other civic and private engagement.

1.3 Motivation for the study

In a country still dealing with issues of poverty, inequality and underdevelopment, LED has received considerable attention as a means of addressing these issues. Along with these issues are the pressures associated with social, environmental and economic challenges impacting on local government's ability to continually innovate and deal with these challenges. However, innovation requires research which is not possible without research and techniques meeting local government needs (Bhagavatula, Garzillo & Simpson, 2013). Nel and Rogerson (2005) argue that, although similarities in LED strategies might be shared in parts of the world, its emphasis however differs. There are differences in the importance of pro-poor and pro-growth strategies. In the developing world including South Africa, poverty alleviation appears to be a more important LED policy and research focus than in the context of the developed world, including Western Europe and North America (Nel & Rogerson, 2005). This is as a consequence of the country still grappling with issues of poverty, unemployment and social and spatial inequality (Meyer & Meyer, 2016; Rogerson, 2016).

Since the country's democratization in 1994, numerous policies and legislation have been developed which paved the way for the promotion of LED including The Constitution of the Republic (1996), the White Paper on Local Government (1998), the Municipal Systems Act (2000), Policy Guidelines for Implementing LED in South Africa (2005), the National Framework for LED in South Africa (2006 – 2011) and the Medium-Term Strategic Development Framework (2016). It is worth noting that since the democratization of the country, much of the literature on LED has been focused on policy, pro-growth interventions amongst cities and small towns and the role of LED in addressing poverty and unemployment within the country (Rogerson, 2014). Zulu and Mubangizi (2014) support this, stating that most of the research focused mainly on policy development and implementation, and less on institutional and organizational capacity as a means of promoting LED, more especially at a local government level.

While there has been policy support for LED promotion in the country, its major focus has been split between promoting both pro-poor interventions and pro-market interventions (Nel & Rogerson, 2005). Studies on LED, especially in a local government context, have been limited although a significant body of research has

emerged. This emerging body of research has examined LED in the country focussing on conceptualizing LED (Simon, 2003; Kritzinger, 2011), LED planning and challenges (Meyer, 2014; Rogerson, 2002), LED capacity (Du Plessis & Thomas, 2007; Kamara, 2017; Reddy, 2014), partnerships (Hardman, 2011; Coetzee, 2014), business development (Rogerson & Rogerson, 2011; 2012), social dialogue (Khambule, 2014) and small towns and rural LED (Ingle, 2014; Nel, 2005; Tsheola & Mokgokong, 2012; Zulu & Mubangizi, 2014). A common understanding of LED amongst the various stakeholders in the country is still lacking, with lack of conceptual understanding of LED and the roles that each stakeholder needs to play. Thus, prompting the draft of the National Framework for Local Economic Development (2006-2011) by the Department of Planning and Local Government (DPLG) in 2006. The document attempted to help address this issue by providing a framework that would enable a common understanding of LED in the country and improve the coordination of economic development planning and implementation across government and between non-governmental actors (DPLG, 2006).

This lack of a shared understanding of LED is one of the reasons behind the failure of local government in promoting LED, along with the inability to create sustainable partnerships (Moyo, 2007). Furthermore, the spatial disparities and challenges between urban and rural areas affect the overall planning and implementation of LED, especially in the more rural municipalities where the majority of the population is poor, and the municipalities are dependent on grant assistance with relatively low economic activities to help boost municipal revenue (Zulu & Mubangizi, 2014). Consequently, more research on LED at a local government level is required that will go beyond policy development and implementation, but also research on the organizational and institutional capacity of rural municipalities for promoting LED to assist local government agents in promoting and facilitating LED (Zulu & Mubangizi, 2014).

This research was therefore undertaken to gain better understanding of the prominent factors contributing to the urban-rural bias in facilitating inclusive LED within uMgungundlovu District Municipality, and identifying the relevant key players involved. It also intended to contribute towards addressing the issues of the urban-rural gap specifically to the District of uMgungundlovu and to the province of

KwaZulu-Natal and further provide valuable insight on how this existing gap could be bridged.

1.4 Focus of the study

The study focussed on trying to gain a better understanding of the prominent factors contributing to the urban-rural bias in facilitating inclusive LED within uMgungundlovu District Municipality, and identifying the relevant key players, challenges and strategies involved in LED facilitation within the District.

1.5 Problem statement

Local government is a distinct sphere of government that is interdependent and interrelated with both the national and provincial spheres, responsible for delivering public services to communities and providing a range of functions including LED (RSA, 1996). As such, local government has a developmental role to play in communities which sees to the improvement in quality of life and the standard of living of all citizens. Although significant progress has been made since the democratic government in developing communities, local government is still afflicted by numerous socio-economic challenges including poverty, inequality and underdevelopment (IDASA, 2010). In the year 2000, the Municipal Systems Act (MSA) came into effect in an attempt to strengthen the idea of a developmental government. The Act provided a way for municipal powers and functions to be exercised and performed to ensure community participation, provide a framework for the main processes of planning, performance management, resource mobilisation and organisational change at a local level (RSA, 2000).

However, although significant progress has been made, racial and spatial inequalities still plague local communities and initiatives by government to reduce these inequalities through the prioritization of the previously marginalised, still remains challenged. With service and resource provision gaps still evident between urban and rural areas by way of bias towards the rural, the majority of the rural population continue to be deprived and underdeveloped lacking support measures to accompany administrative reforms (Zulu & Mubangizi, 2014). Within the country, the two most common approaches to LED from a policy point of view include the market-oriented and pro-poor approach used by all three spheres of government. However, of key significance is the lack of a common approach to LED, which creates

confusion that further increases the inequality gap. Van Niekerk and Bunding-Venter (2015) argue that responses to LED by government have been characterised by ideological friction between the two LED approaches that leave municipalities preoccupied with alignment with national and provincial policy.

Nel and Rogerson (2005) state that, for LED to effectively become accustomed to the local conditions, co-ordination, co-operative governance and facilitation are needed between all three spheres of government, and collaboration with local communities and their organizations. The draft of the country's first LED framework in 2006, which hoped to make provision for the creation of sustainable local economies through joined efforts from government, provided a framework focused on contextualizing global LED practices to the country's unique background and its challenges. This further gave all government spheres, state-entities and communities' guidance to enhance LED in the country (DPLG, 2006). However, since its enactment very little has changed, there is still a lack of understanding of what LED is and how it can enhance the local economy, and consultation and cooperation are still lacking between municipalities and the business community, Non-Governmental Organizations (NGOs) and communities (Van der Mescht & Van Jaarsveld, 2012; Zulu & Mubangizi, 2014).

Sartorius and Sartorius (2016) argue that, since the enactment of the Municipal Systems Act (Act 32 of 2000), infrastructure development and service delivery in municipalities has been biased towards municipalities with the highest economic potential while neglecting municipalities with low potential by only mandating minimal levels of basic services. This, results in low potential municipalities to be heavily reliant on grants and assistance as opposed to contributing and creating conducive environments for LED that ensure full participation and contribution to the mainstream economies of those municipalities. This is evident within uMgungundlovu with the Spatial Development Framework asserting that, within the District the order of services tends to be higher in the more urban areas. There is a concentration of higher order services located within the urban core areas of Pietermaritzburg in Msunduzi Local Municipality, trailed by Howick at uMngeni Local Municipality, Richmond at Richmond Local Municipality, Camperdown at Mkhambathini Local Municipality, and Mooi-River at Mpofana Local Municipality

while the rural areas are left behind especially the areas located under tribal land (uMgungundlovu District Municipality, 2014).

Service delivery within the District has been skewed towards the more urban areas of the District receiving more advanced concentrations of services whilst their more rural counterparts received minimal levels of services and development, thus, affecting the social and economic welfare of the communities in urgent need of integration to the economy (uMgungundlovu District Municipality, 2014; CDE, 2017). LED facilitation requires the capabilities of undertaking the necessary analysis to identify economic development challenges and developing interventions to respond to these challenges and engage all the key players. However, numerous challenges and gaps exist within the District affecting LED facilitation, including challenges associated with tackling social issues and business development, perhaps due to the lack of capacity within the District. In the District, less than one percent of the total municipal budget is dedicated towards LED and only three positions within the economic development department have been filled, while six positions still remain vacant. It was however noted that of the three individuals employed in the LED unit two had postgraduate qualifications in LED (SALGA, 2016).

Gaps in LED planning along with resource gaps have been identified as hindrances within the District, perhaps as a lack of common understanding of LED and its role, the understanding of the urban versus the rural context of LED and its realities and furthermore the spatial planning context and constraints associated with planning for LED within the urban-rural context (Rogerson, 2002; SALGA, 2010). These constraints along with poor working intergovernmental relations, public-private networks and inclusion of local communities in the planning and implementation processes of LED have somehow led to the urban-rural gap in LED facilitation within the District (Rogerson, 2002; Zulu & Mubangizi, 2014).

Therefore, uMgungundlovu District Municipality, much like other municipalities, is at the forefront of promoting LED within its communities as enshrined in the constitution, suggesting that the District needs to play a facilitative role in driving LED. However, it should be noted that LED cannot be facilitated solely by municipalities and requires collaboration with other key role players such as the community, civic groups and the private sector (Coetzee, 2014; Kamara, 2017;

Meyer, 2014; Meyer & Meyer, 2016; Van Niekerk & Bunding-Venter, 2015; Zulu & Mubangizi, 2014). The study therefore attempts to understand the underlying factors affecting LED facilitation within uMgungundlovu District and attempts to answer the question of how we can bridge the urban-rural gap in facilitating LED?

1.6 Aim and objectives

The main aim of this study was to investigate how to bridge the urban-rural gap in facilitating LED within uMgungundlovu District Municipality.

The research objectives were as follows:

- To identify the urban-rural gaps that exist in facilitating LED within uMgungundlovu District Municipality.
- To establish what are the challenges that exist in bridging these urban-rural gaps.
- To identify the relevant stakeholders in enabling LED facilitation.
- To identify strategies to bridge the urban-rural gap in facilitating LED within uMgungundlovu District Municipality.

1.7 Research questions

The research aimed at answering the following research questions:

- What are the urban-rural gaps that exist in facilitating LED within uMgungundlovu District Municipality?
- What are the main challenges exacerbating these gaps?
- Which stakeholders are relevant in facilitating LED within uMgungundlovu District Municipality?
- What strategies can be identified to bridge the urban-rural gap in facilitating LED within uMgungundlovu District Municipality?

1.8 Research methodology

The study began by reviewing secondary data including available literature on LED globally and locally including; books, journal articles, past dissertations, and relevant government documents. This was done in order to assist in establishing the theoretical framework relevant to the study topic. The study then continued with the

empirical research with the chosen methodology being the qualitative research approach, which involved the collection of data through in-depth interviews that provided rich material for the research. The study used real-life methods to understand the research topic in a context specific setting.

Since the chosen research method was qualitative, the non-probability sampling method using purposive sampling was used whereby individuals were purposefully chosen to participate in the research. The data collection method involved the use of in-depth, open-ended interviews whereby an interview guide was prepared. In analysing the qualitative data, the thematic analysis approach was used whereby data was identified into themes based on the relevant issues, fundamental patterns and linkages. This approach assisted the researcher in adequately explaining findings.

1.9 Chapter outline

The chapter outline for the study is as follows:

Chapter 1: Introduction to Research

This chapter was the introductory chapter that gave an overview of the overall research study, the motivation for the study, the problem statement and objectives and questions. Furthermore, it gave a brief overview of the entire structure of the study showing a breakdown of the chapters that followed.

Chapter 2: Literature Review

This chapter provides more detail to the study context of LED, highlighting the theoretical framework of the study. It begins by introducing the research topic and giving meaning to the urban-rural gap. It then follows by assessing LED using international, national and local sources and provided global, African and South African case studies.

Chapter 3: Research Methodology

This chapter outlines the methodological approach pursued in this study and its justification, including the study design, sampling, data collection and data analysis.

Chapter 4: Presentation of Results

This chapter highlights the results of the interviews with the respondents.

Chapter 5: Discussion

This chapter provides a discussion of the research findings of the study. It gives a comprehensive discussion of both the results of the interviews and compares it to the findings of other studies.

Chapter 6: Conclusions and Recommendations

This chapter concludes the study tying up the research objectives with the findings and providing recommendations to solve the research problem and further making recommendations for future studies.

1.10 Conclusion

The chapter provided a brief overview of the research study assessing the urban-rural gap in facilitating LED within uMgungundlovu District Municipality. It gave the background, motivation and objective of the study, the problem statement and focus area of the study which all helped shape the study and gave meaning to the purpose and rationale for conducting the study. The chapter further gave a brief introduction of the chosen methodology deemed necessary for the study and highlighted the chapters that followed. The following chapter presents the literature review on the urban-rural gap and LED.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The South African Constitution assigns local municipalities the function of promoting LED in an attempt to deliver on the promise of a developmental state. This, in a way obliges municipalities to play a facilitation role in LED promotion that will create an ideal environment for business within their localities and attract investment (Van Niekerk & Bunding-Venter, 2015). The purpose of this chapter is to expand on the literature on LED, emphasising the importance of the research topic under review and its relevance to the research.

2.2 Defining the urban-rural gap

Tacoli (1998) argues that the definition of urban and rural tends to differ from country to country. The South African National Treasury, in the 2011 Local Governments Budgets Expenditure Review stated that, the re-demarcation of municipal boundaries in an attempt to transform local government within the country has made it difficult to administratively determine what constitutes a rural area and furthermore, a rural municipality (National Treasury, 2011). Whilst The Constitution of the Republic distinguishes different categories for municipalities, it however makes no distinction between urban and rural municipalities (National Treasury, 2011; Meyer & Meyer, 2016). Although never officially adopted, The Rural Development Framework of 1997 drafted by the Department of Land Affairs defined rural areas as 'sparsely populated areas in which people farm or depend on natural resources, including the villages and small towns that are dispersed through these areas. In addition, they include the large settlements in the former homelands, created by the apartheid removals, which depend for their survival on migratory labour and remittances' (Department of Land Affairs, 1997:1). Urban areas, in contrast, are defined as areas around large cities which in general are well developed, densely populated and well serviced with infrastructure (Meyer & Meyer, 2016).

Tacoli (1998) finds that, definitions founded on differences in settlement typologies generally assume that the livelihoods of those populations can be reduced to two main categories, that is, reliance on agriculture in rural areas, and manufacturing and services in urban areas, thus impacting on the overall planning of these areas. This is evident in the country where local municipalities within the country are still marked

by past legacies of spatial and economic inequalities characterized by segregated racial, socio-economic and land use patterns (Coetzee, 2014; Sartorius & Sartorius, 2016). Prior to 1994, development of rural areas and townships where most of the country's population resided was largely neglected, while major resources and economic activities were dedicated to predominately urban areas (Coetzee, 2012; De Visser, 2005; Davids et al., 2009; Sartorius & Sartorius, 2016). This legacy has now manifested itself in prolonged urban bias in service delivery, spatial and economic development and resource capabilities, leading to the separation of municipalities into richer and poor zones (Sartorius & Sartorius, 2016). Coetzee (2012) argues that, although the country has developed good planning systems since its democratization to promote transformation, the implementation and facilitation however remains a challenge with poor integration of the urban, rural and regional space.

There appears to be a divide between urban and rural municipalities in terms of development planning and implementation and service delivery whereby the urban bias continues to plague rural municipalities (Sartorius & Sartorius, 2016). Rural areas or rural municipalities thus still struggle to create favourable environments for their communities than their urban counterparts (Meyer & Meyer, 2016). Even though, there is a robust determination in legislative and political support towards LED in the country, rural municipalities still battle to advance LED within their localities and are more likely to continue doing so (Meyer, 2014; Zulu & Mubangizi, 2014). Consequently, the gaps between urban and rural municipalities in basic service and resource provision, inequality and overall planning need to be bridged, especially since these gaps tend to be urban biased. Once this is done, rural municipalities can then play a more critical role towards alleviating poverty and effectively facilitating LED within the localities.

2.2.1 The local planning gap

Local government exists to address basic needs of local communities, providing sustainable service delivery, promoting LED and the values of democracy (Davids et al., 2009; Pillay, 2013). To achieve this, municipalities need to properly plan for services within their geographic area for the improvement of the lives of all residents (Davids et al., 2009). Former planning within the country was subject to the distinctive modernist urban planning system which was rigid, structured and

autocratic and promoted segregation and fragmentation of development supported by past policies (Coetzee, 2012; Sartorius & Sartorius, 2016). Its resultant impact saw the uneven spatial pattern of the country distinguished by racial, socio-economic and land-use segregation along with unsustainable human settlements and poor-quality environments, mainly amongst black areas (Coetzee, 2012). Planning within the country has now shifted away from this approach to a more post-modernist, strategic and developmental approach that is more strategic and promoting democracy (Coetzee, 2012; De Visser, 2005; Davids et al., 2009).

Following the country's democratisation, the idea of urban strategic planning fast gained attention, playing a vital role in influencing and changing the country's urban and development planning system. This saw the introduction of the integrated development planning system, with the IDP containing the LED strategy as the principal tool used by local government to guide development at a local level (Coetzee, 2012; De Visser, 2005; Davids et al., 2009; SALGA, 2010). However, much time is spent planning and developing this strategic document and its related sector strategies and programmes including LED strategies and programmes that are rarely realised. This lack of realisation of strategies and programmes is perhaps due to the misunderstanding of the content of these plans from a qualitative point of view (SALGA, 2010).

SALGA (2010) found that the current LED approach by the Department of Provincial and Local Government (DPLG) clearly highlights that LED is not about projects. The majority of LED strategies identified within the 2008 Integrated Development Plans of Small Local Municipalities however were entirely project focused, suggesting that the concept of LED was not fully grasped. Furthermore, Coetzee (2012) argues that, although the new planning system tried to facilitate growth and development, currently there are still numerous limitations and gaps that hinder municipalities to fully facilitate change, restructuring their localities, and facilitating overall growth and development. Seven gaps are then highlighted by Coetzee (2014) which he believes are the major inhibitors of facilitating growth and development within local government in the current planning system. Below are the gaps that relate to LED planning, facilitation and implementation with reference to the seven planning gaps identified by Coetzee (2012), including:

- The policy-practice gap – whereby numerous policies, plans and strategies have been developed within municipalities and government departments to address poverty, rural development, LED, economic growth and much more, yet the overall implementation of these strategies has been found to be relatively poor with issues of poor management, funding and monitoring along with poor partnership strategies required to put them into practice (Coetzee, 2012). LED strategies and interventions in municipalities are poorly funded with notable lack of details regarding monitoring and evaluation for effective implementation (Meyer & Meyer, 2016);
- The planning system and organisational setup gap – although planning has moved away from its autocratic approach to be more strategic and developmental, this has seen slow progress in terms of restructuring and meeting the developmental needs of communities. Since the democratization of the country, the restructuring and transformation of organizational structures of government institutions and municipalities has been an on-going process. However, very little has been done by the authorities to ensure that the new integrated and development planning system is well aligned and adapted to the institutional processes and structures with notable lack of collaborative effort to promote inter-sector planning, inter-government relations and collaboration (Coetzee, 2012). Similarly, LED planning within municipalities and across all government spheres tends to lack effective alignment resulting in poor LED planning and implementation (SALGA, 2010);
- The knowledge and capacity gap – new skills and knowledge with reference to planning are required including development facilitation skills, strategic planning skills and so on. There is a lack of capacity within local government and planning departments along with a lack of effort in promoting continuous development within this field including the use of continuous professional development (CPD) and the availability of short and refresher courses for the professional planning bodies, government, local authorities and other planning sectors are not available (Coetzee, 2012). Similarly to planning, issues of insufficient capacity and inadequate resource provision challenge LED planning, facilitation and implementation especially in the small and rural

municipalities (Kanyane, 2008; Meyer & Meyer, 2016; Moyo, 2007; Nel & Rogerson, 2005; Rogerson, 2002; Zulu & Mubangizi, 2014);

- The mindset and culture gap – along with acquiring new skills and capacity, a new mindset and culture is required to facilitate planning and development within the country. However, planners have been found to be too concerned with developmental control, bureaucracy and governing mentality as opposed to effective facilitation of development through an entrepreneurial and developmental mindset that creates opportunity for a new positive developmental culture that promotes innovation and a creative approach to problem solving within local government (Coetzee, 2012). Likewise, municipal LED planning structures tend to be bureaucratic and authoritarian, asserting too much control as opposed to promoting flexibility to enable economic development that meets the needs of local communities (Malefane, 2009); and
- The power-planning gap – local planning and politics has always been a major challenge causing a lot of friction, conflict and frustration for local planners. This has an adverse effect on the overall planning process whilst also potentially inhibiting the much-needed development process within the locality (Coetzee, 2012). Likewise, politics have been found to be a major challenge in LED planning and implementation (Nel & Rogerson, 2005).

Overall, municipal planning impacts upon LED planning and implementation. Thus, issues of poor collaboration and cooperation between sector departments, government spheres, city officials and leaders, communities and the relevant stakeholders need to be addressed, along with the poor implementation of strategies to “facilitate, lead and champion” the continuous execution of strategies and development planning that ensures the realization of economic development within municipalities (Coetzee, 2012:14). Strydom (2016) finds that, along with fragmented development, policies within government tend to be fragmented, with each department pursuing its own agenda. Generally, this has adverse effects on the ability of municipalities to deliver upon their constitutional mandate and ultimately to address past legacies of apartheid development.

It is however noted that addressing these issues requires rapid transformation which inevitably puts added pressures on LED planning, facilitation and implementation,

especially in the more rural areas where development planning has a very limited impact. This is mainly because rural areas tend to be “complex, diverse, and rapidly changing” with “characteristics, planning needs, and styles of governance” distinctively different from those of urban areas (Frank & Reiss, 2014:389). Local leadership is thus crucial for successful LED planning, facilitation and implementation (Meyer, 2014). In rural areas, traditional leaders are directly responsible for land allocations thus limiting LED planners from properly planning development the result of which is uneven development and planning within these areas (Dubazane & Nel, 2016). Accompanied by this, perhaps are the negative perceptions that rural leaders have regarding development planning owing to past experiences.

Frank and Reiss (2014) assert that, many differences exist within rural and urban areas and as such planning needs to take cognisance of its applicability to rural areas, the perceptions associated with the current planning systems and the cultural and ideological distrust. However, within local government, the current structural planning for LED implementation tends to be bureaucratic and authoritative thus limiting development opportunities by asserting too much control as opposed to being flexible in order for it to meet the economic development needs of its communities (Malefane, 2009). This has serious implications for rural areas as they tend to have their own governing structures (Frank & Reiss, 2014). In a way, this suggests a lack of collaborative effort within local government planning.

However, collaborative and participatory planning needs a commitment of resources including time and money which regrettably within municipal planning processes are lacking (Coetzee, 2014; Sim, Sutherland & Scott, 2016). Parnell and Simon (2014) suggest that, a debate is further warranted concerning how rural areas are to be managed and more precisely how rural land should be prioritized. This comes at a time in the country when productive land is under threat from degradation and human settlement invasions further straining the ability of rural communities to contribute economically as most rural communities are dependent on agricultural production as the major economic activity (Sim et al., 2016; Zulu & Mubangizi, 2014). Associated with this, is the growing pressure of urbanisation followed by the rise in slums and informal settlements within urban areas and the growing economic gap between rich and poor (Cash, 2014; Pieterse, 2014).

Meso, Manamela and Maake (2016) argue that, the challenges of urbanisation and the urban bias are rooted towards rural development and suggest a link between rural areas and the informal urban areas. The authors state that for the country to effectively deal with these issues, focus needs to be directed towards the development of rural areas. They suggest that if the issue of rural poverty is successfully dealt with and the areas are developed to attract the people jammed in informal urban areas, these people will find it attractive to move back. This will however only be possible if rural development is promoted to a point whereby, rural communities become independent in production, where full support for entrepreneurship and cooperative development is given and the issues of land reform are well addressed (Meso et al., 2016).

To achieve this, current planning and LED practices within the country need to also speak to rural areas. Thus, Frank and Reiss (2014) identify four knowledge fronts which they believe are crucial for the development of rural planning theory and practice. These are: articulating the rural planning perspective, understanding rural spaces and the local people which includes both their diversity and dynamics, the promotion of planning and development practices of relevance to rural communities, and lastly promoting rural planning support within the planning profession. These knowledge fronts are also key for LED planning and implementation in rural areas. Rogerson (2002) thus identifies four LED planning gaps and their impact on small and rural municipalities that need to be addressed so as to effectively plan and facilitate LED within the country, these include:

- Leveraging private sector investment – from a national perspective factors such as interest rates, labour and trade policy legislations are found to be major hindrances to enhancing LED, whilst from a local government level other factors such as place-based resources and infrastructure have been identified as major planning gaps to LED.
- Regulations governing the activities of local government – a number of legal constraints were found to challenge LED planning in the country. However, the author highlights four crucial regulatory issues within the country as challenges to LED, including: lack of clarity on the role of local government in terms of economic development; restrictions in terms of investments made by

local government in the country; restrictions on the sale of public assets which can only be done at a defined market value; and restrictions on private investor donations to specific departments or projects operated by municipalities.

- Institutional issues including financing of LED – LED planning is challenged by a number of issues, including: issues of institutional capacity required in undertaking LED initiatives, such that, within the country disproportions in the capacity to drive LED exists and tends to favour the largest municipalities who are well resourced whilst the small and rural municipalities are left lacking; funding to successfully plan and implement LED; clarity on different programmes impacting on LED; and the requirement for the establishment of a framework for constructing a gendered agenda for LED in the country.
- Institutional co-ordination – the definitions of institutional responsibilities and lack of co-ordinations are found to impact on LED planning, such that, although the LED activity was established as the responsibility of all spheres of government by the constitution, provincial and local government still seem to remain rather unclear about their responsibilities in terms of economic development. Further highlighted is the need for more support towards the more economically marginalized areas as these areas have limited capabilities for LED planning and implementation.

Presently, the challenges facing municipalities collectively have major implications on the sustainability of municipalities in future, along with lack of funding of LED projects (Reddy, 2016). These challenges have major impacts on rural dwellers lacking financial stability, especially with the added impacts of climate change, increasing food insecurities and the rise in spatial and interpersonal disparities (Rodríguez-Pose & Hardy, 2015). Persky (1993) cited in Zulu and Mubangizi (2014) also notes major discrepancies between urban and rural areas, to the point where urban areas were found to have well diversified and more sustainable economic development activities than their rural counterparts, where rural areas were more likely to specialize in LED activities such as agriculture. This further increases the vulnerability of rural areas where agricultural activity has decreased considerably, subsequently increasing poverty and migration from rural and peri-urban areas

towards the city in search for employment (Gengan, 2015). This decline in agricultural activity puts pressure on productive agricultural land, which is now threatened by continuous transformation away from agricultural activities to allocation for settlement purposes (Sim et al., 2016).

Along with integrated development planning, spatial planning thus continues to play a crucial role in addressing the challenges facing rural areas and restructuring the country's towns (Sim et al., 2016). However, Coetzee (2012) finds that many of the Spatial Development Frameworks within the country are not successfully prioritising and facilitating development, adding that they are isolated and detached from the main development strategies, IDPs and the related sector plans of their cities. Thus, the introduction of the Spatial Planning and Land Use Management Act (Act No.16 of 2013) (SPLUMA) in 2013 was seen as a way in which spatial transformation could be achieved in the country (RSA, 2013). The Act looked to address past planning legislation created before the democratization of the country and repeal the fragmented multiple laws and planning systems created by older legislation dealing with the unsustainable development patterns caused by the disjointed planning system (RSA, 2013). Moreover, it looked to do this through the provisioning of a uniform approach to spatial planning and land use management so as to promote inclusive and efficient development planning within all spheres of government and unify decision making on land developments (RSA, 2013).

2.2.2 Inequality and the service delivery gap

Investing in public infrastructure is of great benefit to the country's economy whilst also key to addressing its major challenges (Mbanda & Chitiga-Mabugu, 2017). However, the socio-economic status of the country along with legislation and prioritization of urban areas has further contributed to the development gap between municipalities (Coetzee, 2014; Meso et al., 2016; Sartorius & Sartorius, 2016). Service delivery inequality continues to be widespread among municipalities in the country, with district municipalities composed of both urban and rural municipalities recording the highest levels of service delivery inequalities (Sartorius & Sartorius, 2016). These inequalities have an effect on LED implementation within local government, as service delivery is an important instrument for enabling LED and creating conducive environments for business (Tsheola & Mokgokong, 2012). Thus, a strong link between service delivery and LED exists, with municipalities having

high levels of service delivery gaps inclined to restrict LED potential within their areas, whereby the impoverished areas are hit hardest (Tsheola & Mokgokong, 2012).

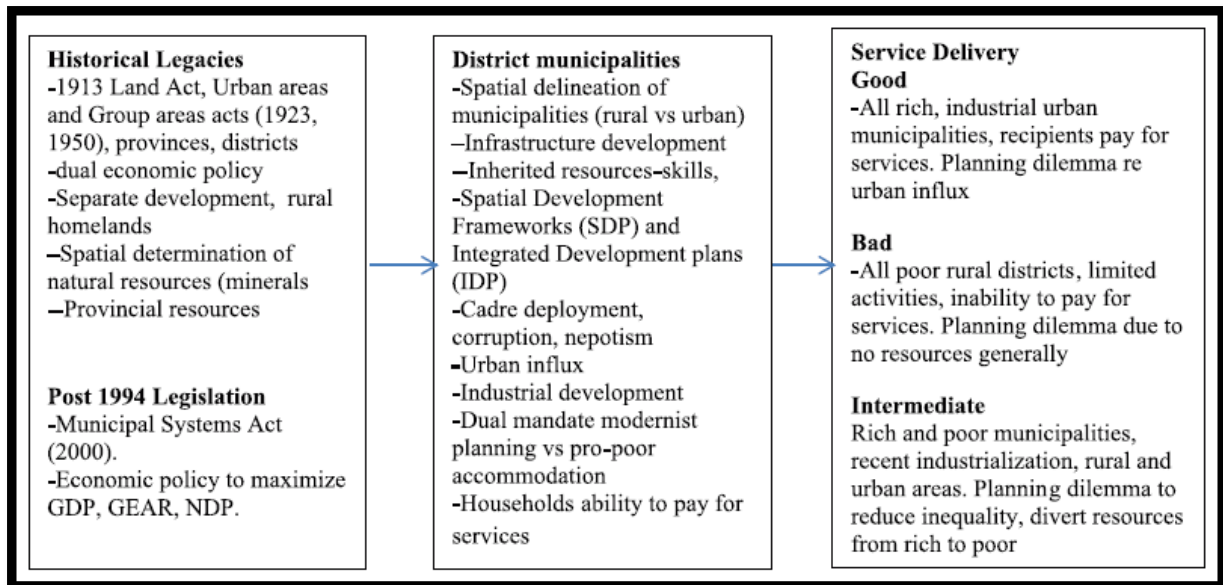


Figure 2.1: A conceptual framework for service delivery inequality

Source: Adapted from Sartorius and Sartorius (2016:3339)

According to Sartorius and Sartorius (2016), service delivery inequalities in district municipalities have been shaped by various factors as evidenced in Figure 2.1. The conceptual framework highlights the historical legislation that led to the skewed delivery of services within the country and the post democratic legislation that has attempted to address it. These, along with infrastructure development, resource and skills availability, strategic planning and the politics and corruption within districts have shaped service delivery (Sartorius & Sartorius, 2016). Coetzee (2012) supports this, adding that these factors influence development within local government along with other forces within municipalities, further stressing what he terms as power games by politicians that threaten the ability of local planners to perform their duties.

Sartorius and Sartorius (2016) identify three types of service delivery inequalities within district municipalities namely good, bad and intermediate service delivery as evidence in Figure 2.1. They argue that district municipalities with good service delivery normally include local municipalities that are rich and more urban with well diversified economic activities, whereby residents are fully capable of paying for services, but they state that, these municipalities are challenged by issues of urban

invasion. Districts with bad service delivery are termed as poor districts with limited activity, lacking resources, infrastructure and revenue base, where locals are unable to pay for services. Finally, the authors identify intermediate districts as municipalities with a mix of both urban and rural municipalities, where inequality amongst these municipalities is rife, and thus the need to divert resources from the rich to the poor is always the problem that these municipalities face (Sartorius & Sartorius, 2016).

The democratic government has been hard at work since 1994 trying to resolve the racial and spatial inequalities of the past, with the political changeover having had a drastic impact on the country spatially (Coetzee, 2012; Pieterse, 2014; Sartorius & Sartorius, 2016). Whilst great progress has been made in addressing these past legacies, numerous challenges still exist, hindering the country's transformation, including: economic instability; poor infrastructure and spatial planning; and socio-economic conditions that still haunt the country (Coetzee, 2012; Moyo, 2007; Reddy, 2016; Pieterse, 2014; Sartorius & Sartorius, 2016). This transformation will further be challenged by the ever-growing population numbers in urban spaces, where demand for goods continues to rise and urban poverty is exacerbated (Hlahla, Hill & Goebel, 2014; Parnell & Simon, 2014). Rodríguez-Pose and Hardy (2015) in studying the spatiality of regional inequality, argue that, spatial spill-overs, urbanisation and localising economies, create an opportunity for economic activity promotion, but the authors are mindful of the impacts of pro-urban and rural out-migrations which they argue weaken rural areas and further increase inequalities.

Service delivery inequalities are tied to development and spatial inequalities, and as such, major discrepancies in economic development and spatial inequalities between urban and rural areas exist, and these tend to be biased towards the more urban areas (Rodríguez-Pose & Hardy, 2015; Sartorius & Sartorius, 2016; Zulu & Mubangizi, 2014). To remedy this, municipalities review and adopt IDPs every five years to help plan and guide development within their municipal space (Ndevu & Muller, 2017; Sartorius & Sartorius, 2016). However, municipal planning and successful IDP implementation have been confronted by numerous challenges including rising levels of poverty, unemployment, poor governance and infrastructure and service delivery backlogs (Coetzee, 2012; Mubima, 2016; Pieterse, 2014; Reddy, 2016; Sartorius & Sartorius, 2016). Since 1994, service delivery

implementation has been relatively slow with several service delivery protests being recorded around the country (Bretteny & Sharp, 2016; Cilliers & Aucoin, 2016; Mubima, 2016). Although protest may happen for any reason other than service delivery, its impacts are often costly to local government as they tend to be disruptive and destructive (SALGA, 2015). The rise in the number of service protests is another issue of key concern, further straining the implementation of municipal strategies (Reddy, 2016).

The role of leadership is put in to question, with many underperforming municipal managers being in the spotlight as the main causes of poor service delivery that result in service delivery protest (Pretorius & Schurink, 2007). Thus, the leadership role stands at the forefront of service delivery implementation as service delivery issues affect not only residents but also local business operations, further straining the ability of municipalities to generate sufficient revenue to effectively deliver these services (Pretorius & Schurink, 2007). Pretorius and Schurink (2007) argue that leadership qualities are thus required to improve service delivery and the role of leadership and decisions taken by management are of key importance as they directly affect service delivery and overall organizational effectiveness. Although crucial, sound leadership alone is not sufficient for overall strategy implementation, and as such, “other internal management capabilities’ including financial, implementation planning and supporting frameworks, tracking systems and performance management capabilities are also required which municipalities have fallen short of achieving” (IMIESA, 2012:9).

2.2.3 Bridging the urban-rural gap in facilitating LED

Economic development planning and effective service delivery provision have a crucial role to play towards successful LED facilitation and implementation. Bridging the urban-rural gap will require that planning, inequality and service delivery issues be addressed. The gap affects rural municipalities struggling to create favourable environments for economic development within their localities (Sartorius & Sartorius, 2016; Zulu & Mubangizi, 2014). SALGA (2010) highlighted that the establishment of LED networks is required to effectively facilitate LED, however, it is noted that this is more prominent amongst larger metros than smaller municipalities. Furthermore, smaller municipalities are found to focus on establishing networks with the

marginalized communities and disregard the private sector as other key players in effectively facilitating LED (SALGA, 2010).

As such, to succeed, collaborative effort and partnership to address past planning gaps, including, partnerships between civic groups, all government spheres and agencies, academia and the private sector, along with proper resourcing, funding and sound leadership within local government is required (Coetzee, 2012). Additionally, a common understanding of the role of LED and LED processes which can be achieved through better interactions between LED officials and the various departments is required, along with resource sharing to enable smaller and rural municipalities to effectively approach and prioritize LED planning and facilitation within their localities (SALGA, 2010). Once this is done and rural and urban dynamics are better understood and supported, then planning can be better positioned to remove barriers to inclusive economic development within the country. Accordingly, bridging this urban-rural gap will require basic services to be provided for effectively, the leveraging of municipal spending to create local employment, and effective LED facilitation which requires collective effort as rural municipalities cannot solely achieve this alone (National Treasury, 2011). This will enable rural municipalities to play a more critical role towards alleviating poverty and effectively facilitating development within the localities.

2.3 Local Economic Development

2.3.1 Defining LED

LED has been widely accepted around the world, having gained national support from governments and key international organisations, as a local response to the issues associated with globalisation, decentralization and local challenges (Kamara, 2017; Nel & Rogerson, 2005). LED is an approach to economic development that enables communities to work together, thus inspiring the realization of sustainable economic growth and development, that sees economic benefits and better quality of life for all (Kamara, 2017; Kritzinger, 2011; Rogerson, 2014; Van Niekerk & Bunding-Venter, 2015). As such, its realization would lead to inclusive economic development that promotes and supports sustainable livelihoods for all, addressing the social, spatial and economic injustices affecting local communities within the country. LED is a process where local governments work together with the public sector, business community and NGOs to create a conducive environment for economic

development, and thus resulting in decreased unemployment (Hristova & Tast, 2015). Swinburn, Goga and Murphy (2004) support this, adding that LED aims to grow the local area's economic capacity, so that the economic future and quality of life for all locals is improved.

While it is noted that numerous definitions of LED exist, and there is no agreement on one definition, some of its distinguishing elements include: participation and collaboration; dialogue and ownership; and the recognition of unique local assets (Simon, 2003). Rodríguez-Pose (2008) argues that, processes associated with LED have elements of local ownership and participation, a common vision and strategy driven or led by all local stakeholders. The author further argues that this enables all involved to be conscious of their strengths, needs and the threats of their locality. Thus, promoting combined efforts in developing the local area, through the mobilization of infrastructure, skills, attracting investment, encouraging local competition, establishing local institutions and improving the management of processes of development is needed to enhance local economic potential (Meyer, 2014; Rodríguez-Pose, 2008). The LED process involves collaborative work from public, business and non-government sector players, to enable favourable conditions for economic growth and creating employment within that locality (Swinburn et al., 2004; Rodríguez-Pose & Tijmstra, 2005).

Hoover and Giarratani (1985) cited in Kritzinger (2011) criticize the idea of pushing the growth objective in LED, contending that an economic growth objective does not necessarily lead to the best interest of all parties, and is more likely to benefit the interest of a few local players at the expense of others. Kritzinger (2011) further states that there is a need to move away from urban-based economic development and move towards regional development. The author argues that although the theoretical base for the targeting of specific growth areas is still relevant, the economic development of local areas is expected to progressively focus on more comprehensive economic development objectives, including, poverty eradication, economic stability and equality, as key objectives rather than a biased prominence that is solely determined by economic growth. In conclusion, LED is defined as the process of collaborative effort by all stakeholders within a specific region, partnering together to promote economic development and enhance the well-being of all residents within the area.

Worldwide, government, business and civil society face the challenge of getting improved ways of realizing LED to address poverty and unemployment in both urban and rural areas (Meyer, 2014). These stakeholders demand better ways of attaining LED, which is the foundation for promoting sustainable development (Brăgaru, 2017). This is perhaps as a result of increased decentralisation and democratic reforms faced by governments and the changes in the world economy caused by free trade and heightened telecommunication (Brăgaru, 2017; Nel & Rogerson, 2005). This in a way has huge consequences for LED, including increased challenges and opportunities and the increased responsibility for government to ensure that LED is realized.

2.3.2 LED challenges in South Africa

Nel and Rogerson (2005), identify numerous challenges believed to have impacted on the country's ability to successfully implement LED interventions, including the issues of resource capacity and availability, the inability to foment partnerships with local stakeholders and the inability to create environments conducive for LED stimulation within their locality. The authors then highlight several issues that have gained scholarly attention over the years with regard to LED challenges, including:

- The high failure rate of LED interventions;
- Lack of or limited private sector participation especially with the smaller centres;
- The imbalance of service provision between urban areas and rural areas, with higher order service facilities biased towards urban areas;
- The politics in development that overshadow the common good;
- Issues of major dependence on grant assistance and the lack of sustainability of project interventions;
- Poor economic planning that threatens the sustainability of these initiatives;
- The role of local government with reference to focusing on driving economic development and the creation of jobs versus playing a facilitating role;
- The lack of or inadequate funding and staffing of LED at local government level;

- The eminent need for facilitation funding and training for LED; and
- The inability to meet requirements for pro-poor planning, limited facilitation support and the difficulty in sustaining community focused programmes (Nel & Rogerson, 2005).

In addition to this, the LED framework by the DPLG (2006), developed as a means to help guide LED within the country through the development of a shared understanding of LED for municipalities, provinces, national government, state-owned enterprises and communities, identified numerous challenges hindering LED promotion (DPLG, 2006). This framework identifies several crucial challenges impacting on local government's ability to implement LED within the country, including:

- Issues of capacity constraints including both human resources and skills;
- LED plans within municipality do not reflect the local reality;
- The inability of most cities to establish economic strategies and confront poverty;
- Lack of involvement of significant stakeholders in LED strategy formulation;
- The absence of clear strategies tackling the informal economy;
- High dependence on consultants in drafting LED Programmes;
- Poor data availability on the local economy;
- National and Provincial Government Spheres meddling in localities;
- Issues of aligning local strategies to national economic policies;
- The decline in the manufacturing sector and levels of professional employment; and
- Massive contributions to the social and economic welfare of citizens yet poverty concentrations remain extreme (DPLG, 2006:15).

Moyo (2007) found that, the understanding of the concept of LED amongst the municipality and community was very limited, which ultimately led to the failure of interventions. The author further notes that, within the study area, LED was

perceived as an approach to poverty alleviation and job creation, as opposed to a plan for long term sustainability for development. There is also a general lack of capacity and skills at local government, along with the lack of capacity and skills among project beneficiaries, with reference to project and financial management and leadership and teamwork, thus impacting on the successful implementation of LED (Moyo, 2007). This is further echoed by the LED framework, highlighting the importance of distinguishing the role of local government as an enabler to creating conducive environments for job creation, as opposed to being directly responsible for employment creation (DPLG, 2006). Overall, the lack of funding and staff capacity, understanding of the LED concept, inability to identify LED opportunities that exist within the locality, inadequate education levels within the community and inability of local government to collaborate and engage business and community are emphasised as having adverse effects on the realisation of LED within local government level (DPLG, 2006; Moyo, 2007; Nel & Rogerson, 2005). In addition, the socio-economic conditions of the country pose a barrier to its successful implementation (Zulu & Mubangizi, 2014).

Ingle (2014:477-479) identifies ten generalizable factors as important to local government for the potential stimulation of LED. These ten factors include: entrepreneurship and business investment; diversification of the local economy; export base theory and local multipliers; government expenditure; skills base; geographic location; impact of business corporates; relationships with the agricultural sector; community ethos; and local leadership. In addition to these, good governance, the involvement of the local youth through development programmes and potential for job creation and access to opportunities through the creation of an enabling environment, are key to the successful implementation of LED (Meyer, 2014). However, the key challenge to achieving this is the inability of local government to engage the private sector. These two stakeholders within the country have been found to have different priorities and to serve different constituents. Consequently, their approaches to dealing with issues of LED tend to be ideologically opposed in terms of how they view LED (Lawrence & Hadingham, 2008).

2.3.3 The role of local government in facilitating LED

The Constitution of the Republic places an obligation on municipalities to take on a facilitative role in promoting LED. However, control and direct influence with regard to key aspects of successful LED implementation are almost non-existent in municipalities (Lawrence & Hadingham, 2008). Shawa (2008) supports these findings, stating that in less developed countries local governments fail in achieving their LED facilitative mandate, mainly because of inadequate resources afforded to them to perform this function. The author further argues that this mandate lacks proper definition even within the available legislations and strategic frameworks. Van Niekerk and Bunding-Venter (2015) argue that LED requires a broader sub-national economic development system, and as such, it cannot be facilitated in isolation. Consequently, to realize LED, municipalities need to engage both private sector and civil society in facilitating LED (Lawrence & Hadingham, 2008).

Van Niekerk and Bunding-Venter (2015) argue that within the country, the Western Cape Province has made significant progress in defining and implementing its role in facilitating LED over the past two decades. However, Moyo (2007) finds that LED interventions within the country have mainly failed as a result of the lack of understanding of the LED concept amongst municipalities and communities, along with lack of resource capacity in implementing these interventions. Furthermore, the author contends that even though LED is regarded as relevant and useful in municipalities, its implementation has been poor, and it has not been able to meet expectations. Municipalities battle to fund their day to day activities, more especially rural municipalities who are mainly dependent on grants, and where the burden of responsibilities is continuously on the rise (Moyo, 2007). Van Niekerk and Bunding-Venter (2015) assert that within municipalities the successful governance and facilitation of LED is also affected by other aspects of the municipality including the political lifecycles which they deem relatively too short for the execution of LED strategy.

Du Plessis and Thomas (2007) add to these findings, asserting that not much has been done within the country to prepare municipalities in dealing with economic development, placing emphasis on the essential skills and capacity required, especially within the more rural municipalities. The authors argue that, the country's economic growth capabilities and unemployment and poverty reduction capabilities

are dependent upon its ability to fulfil its LED potential. Therefore, Zulu and Mubangizi (2014:424) argue that these municipalities have an additional motivation to discover new ways of growing their revenue and overall increasing the tax base. They further state that for these municipalities, LED is now “a survival necessity”. To achieve this, the role of municipalities needs to be properly defined. Pieterse [n.d.] cited in Du Plessis and Thomas (2007) highlights various roles that municipalities within the country need to play to facilitate and promote LED within their locality, including:

- “support for small and medium businesses through the provision of training and support mechanisms and creating optimal infrastructure, e.g. SMME incubators;
- improvement in infrastructure and services in general to improve economic efficiency and productivity;
- training and capacity building initiatives;
- targeted investment to boost potentially growing sectors, e.g. tourism, knowledge industries;
- pro-localism procurement and servicing policies;
- simplifying regulations and by-laws to stimulate, as opposed to hindering, economic development;
- place marketing to attract potential tourists and importantly, investors; and
- defining the municipality as an economic actor in the local economy with considerable clout and leverage capability” (Du Plessis & Thomas, 2007: 21).

Consequently, Hristova and Tast (2015) contend that the objective of LED is to stimulate investments that will promote sustainable growth of the local economy. The author’s further state that the focus on LED should be towards the region’s overall potential rather than just a specific sector of the local economy and identifying relevant stakeholders and their roles to ensure that the local area’s potential is achieved (Hristova & Tast, 2015). In support of this, Hardman (2011) states that, the core of LED is local government’s ability to encourage investment, considering the area’s resources and competencies, to grow employment and overall social

development. To build on this, Rogerson and Rogerson (2012) suggest four important points for strengthening LED at local government. These are: improving the market confidence of business in local government; building municipal capacity that enables exploitation of competitive advantage and identification of potential opportunities; building an environment conducive for business; and lastly intensifying local support for small business development.

A need exists for local governments to understand that LED signifies a potential driver of imminent growth in revenue, and that effective activities in LED will impact the increase in the general economic activity locally, whilst also increasing the local government budget (Hristova & Tast, 2015). Thus, LED should not be viewed as a once off event, but rather as a long-term effort of municipalities to effect development as a whole along with creating administrative resilience to ensure that LED remains a priority despite political changes (Du Plessis & Thomas, 2007). This is key to the success of LED and depends largely on the overall leadership of the municipality to ensure that LED practitioners are provided the space and opportunity to drive LED, by enabling and facilitating collaborative effort whilst also promoting an interactive environment (Van Niekerk & Bunding-Venter, 2015).

2.4 Facilitating effective LED

LED facilitation requires the capabilities of undertaking the necessary analysis to identify economic development challenges and developing interventions to respond to these challenges and engaging all the key players. Consequently, local government is expected to play a leading role in facilitating and co-ordinating LED with the assistance of local community and business leaders (Meyer, 2014). As such, LED facilitation is championed by: local government officials including municipal managers and LED managers; local politicians including mayors and ward councillors and committees; local business leaders; and Non-Governmental Organization leaders (Meyer, 2014). Additionally, effective resource allocation is required by municipalities to enable delivery of services to facilitate LED (Moyo, 2007). According to Trousdale (2005) cited in Meyer (2014), successful LED facilitation and implementation depends on the following:

- The leadership at local government level, business level and community level;

- The existence of an enabling economic environment for access to opportunities by everyone;
- The involvement of youth in youth development programmes;
- The existence of employment creation opportunities with reference to sustainable employment;
- Good governance;
- The access of capacity and skills at all levels of the local economy; and
- All efforts leading to poverty alleviation and improvement in quality of life (Meyer, 2014:5).

Thus, according to Leigh and Blakely (2016), to effectively drive the economic development environment, organizations can either take on one or a combination of these roles, including: the role of an entrepreneur or developer, a co-ordinator, facilitator and stimulator; these are elaborated as follows:

- As an entrepreneur or developer, local government can decide to operate commercial enterprises itself.
- As a co-ordinator, local government can act as a co-ordinator for the purposes of policy and strategy establishment.
- As a facilitator, local government can structure and restructure development processes to improve planning procedures.
- As a stimulator, local government can stimulate business creation and expansion by taking specific actions to encourage and retain local business (Leigh & Blakely, 2016:139-142).

Thus, as a constitutional mandate, municipalities need to facilitate and co-ordinate development within their locality. In co-ordinating, municipalities can use the IDP as a tool to effectively co-ordinate LED interventions and programmes with other municipal, provincial and national programmes. While in respect of facilitating, municipalities can improve on the planning and development processes to promote investment (Zulu & Mubangizi, 2014). The International Training Centre (ITC, 2008) of the International Labour Organization (ILO) suggests three core principles that LED practitioners can use to make LED work. They are, 1) engaging in dialogue; 2)

creating employment of high quality; and 3) generating public-private partnerships. These are then elaborated as follows.

- Engaging in dialogue – refers to LED promotion that involves a dialogue between local actors and social partners through inclusive participation. This includes engaging the informal and rural economy through partnership whilst also engaging in dialogue with the formal economy through the creation of stronger labour market institutions, and the development of public-private partnerships that tie skills with jobs, infrastructure delivery and business relations;
- Creating employment of high quality – a sound strategy is needed for LED to be able to create jobs and employment quality. The strategy needs to be grounded on good understanding of the competitive advantage of the local economy. To achieve this, two approaches may be used based on the needs of the locality: by promoting either economic goals pushing market competitiveness which normally favours private sector goals over other relevant stakeholders, or social goals which tend to focus on previously excluded groups;
- Generating public-private partnerships – this involves bringing together local actors including government, business, Non-Profit Organisations (NPOs) and civic groups to partner together using social dialogue. Partnerships involving public and private actors thus offer creative solutions to problems encouraging accountability, trust and common understanding, whilst the involvement of societal groups in decision making processes creates opportunity for social investment (ITC, 2008).

2.4.1 Successful partnerships for LED

Nel and Rogerson (2005) argue that for LED to effectively become accustomed to the local conditions, co-ordination, co-operative governance and facilitation are needed between all three spheres of government, along with working directly with local communities and their organizations. Coetzee (2014) supports this argument, further stating that successful LED requires partnerships to confront the challenges affecting social development. Consequently, for LED to succeed, partnerships between government, business and the local community and civic groups is a

necessity (Coetzee, 2014; Hardman, 2011; Kamara, 2017; Meyer, 2014; Meyer & Meyer, 2016).

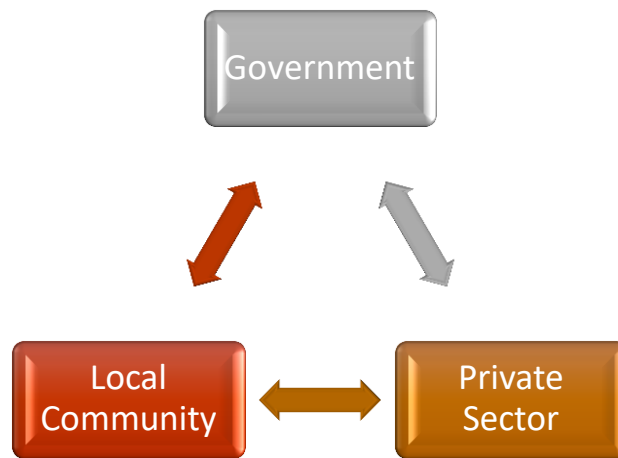


Figure 2.2: Service delivery triangle regarding LED

Source: Adapted from Meyer (2014:4)

Figure 2.2 depicts the service delivery triangle involving the three important partners for LED promotion, that is, government, the private sector and business. This suggests that to effectively drive LED within a locality, the collaboration and partnerships between these three stakeholders is of key importance (Meyer, 2014; Kamara, 2017). The role of business and civil society has fast gained attention as crucial for the promotion of LED (Coetzee, 2014). Thus, these stakeholders have a critical role to play in ensuring the success of LED. Therefore, encouraging partnerships, relations and collaborations between these actors is necessary (Coetzee, 2014; Hardman, 2011; ITC, 2008; Moyo, 2007; Parker, 2015; Zulu & Mubangizi, 2014). However, Hardman (2011) notes that, although this partnership is important, it cannot be a solution to all development challenges, but rather it is an interactive process that promotes learning to improve overall performance.

To foster collective effort between these stakeholders, collaborative governance is needed to improve co-ordination, share resources, improve social capital and better resolve issues and manage knowledge (Kamara, 2017). However, relations between local government and civil society and business have not been good, with numerous service delivery issues and protests plaguing their ability to see the realisation of strong partnerships with these groups. Thus, local government needs to be able to provide reliable services and stimulate a conducive environment that allows for the stimulation of LED (Ingle, 2014). Hardman (2011) shares this view, further stressing

the importance of timeous provision of inputs required in preserving interest and facilitating development. The author further states that ultimately partnering in LED can be justified by the overall ability of collective effort from individuals representing different organisations in the pursuit of a goal, which no single organisation working alone can achieve.

This can however be a challenge for municipalities as it also requires considerable effort to collaborate with diverse multi-stakeholders whose cooperation is not obligated (Strydom, 2016). Thus, for this to work, the parties concerned need to be steered towards a common vision, along with the capacitation of LED officials within municipalities in order for them to drive this, and also, to recognize the potential opportunities available when leaders engage business to accommodate both the interest of private and public stakeholders (Moyo, 2007). Therefore, LED is about creating an environment conducive for business and the engagement of all relevant stakeholders in executing plans and programmes (DPLG, 2006).

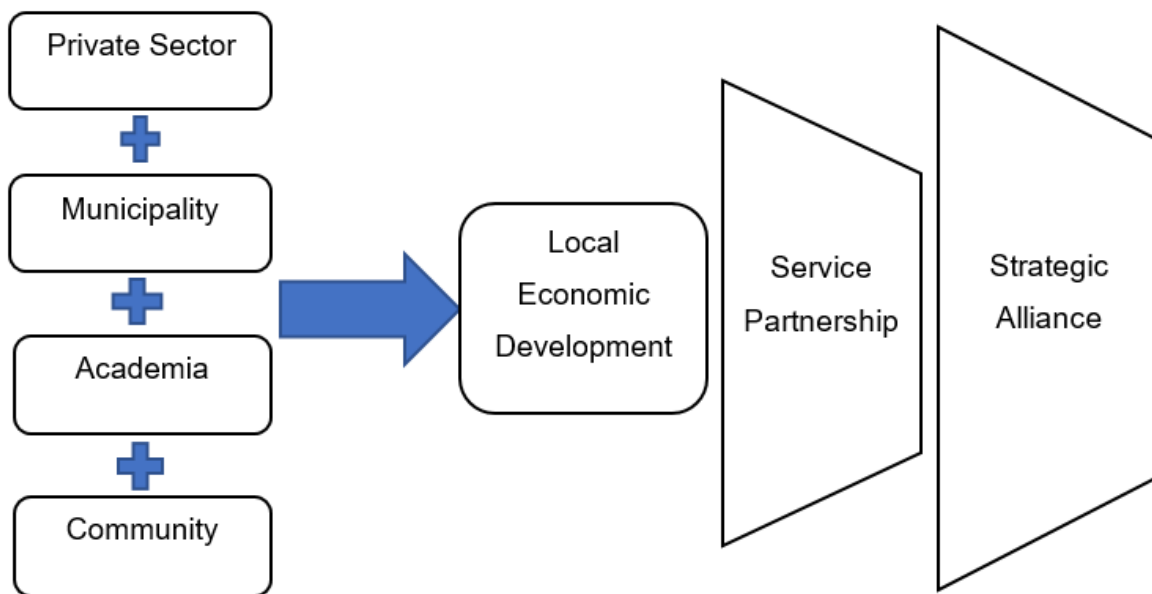


Figure 2.3: Proposed spatial cross-sectional partnership model

Source: Adapted from Coetzee (2014:37)

Coetzee (2014) argues that within the country and the province of KwaZulu-Natal, failure of LED realization can be accredited to the lack of or poor spatial cross-sectional partnerships. The author then proposes a spatial cross-section partnership model that can be used, which he considers important for LED, as evidenced in Figure 2.3. The model is grounded on the strategic alliance model involving four

strategic partners, namely: the private sector, the municipality, academia and the local community within that specific geographic area. This partnership creates an opportunity for innovation, constructive discussion and the exploitation of resources and comparative advantage among the local partners involved (Coetzee, 2014). The author notes that LED occurs in complex environments, and as such, the success of these spatial cross-sectional partnerships can tend to encounter problems, which, the author believes, can be overshadowed by the possible benefits of collaborative determination (Coetzee, 2014).

Likewise, Hardman (2011:41) used a systems thinking approach to understand the role of cross-sector partnerships in LED and found that “the systemic partnership approach recognises the interconnected, complex nature of problem situations and the potential richness of the complementary nature of different organisational constructs, resources and competencies”. This is thus believed to promote collective effort, collaboration and participative involvement of all key actors and resource strengths to achieve LED. Khambule (2014) augments this, arguing that the institutionalization of a social dialogue at local government level is of key importance in fostering these partnerships. The author further stresses the importance of including informal business within this dialogue on LED matters, emphasising that this will enable inclusive dialogue and attempt to foster pro-poor development planning. Therefore, to see this through, regionalism and regional economic development proves to be better at fostering partnerships with numerous scholars and practitioners having started shifting their planning towards regionalism and regional economic development as a means to promote successful LED implementation (Van Niekerk & Bunding-Venter, 2015).

2.4.2 Leading LED facilitation in complex environments

While it is noted that LED occurs in an environment that is complex and uncertain, LED in itself, is a complex process and can be perceived as emergent. Hardman (2011) supports this, stating that LED is a complex process involving amongst other things inter-relationships between multi-stakeholders, including business, civil society and government. Cilliers (2000) identifies the characteristics of complex systems as containing large numbers of elements interacting directly, having both direct and indirect loops and a memory distributed throughout the system. These systems are adaptive, with their behaviour determined by the nature of the

interactions as opposed to the components that are contained within. The author goes on to highlight the application of complexity in different organizations and finds that the theory of complexity has significant implications for the general framework required to understand complex organizations.

To understand this, one would have to understand complexity theory and its origins. Complexity theory is not a single theory but rather an ensemble of ideas, concepts and metaphors drawn primarily from the physical and natural sciences that are considered to be applicable to all sorts of complex systems. Research on complexity theory originated at the Santa Fe Institute in New Mexico and was presented as the study of Complex Adaptive Systems (CAS) (Chan, 2001). CAS, as defined, is various components within a system that has many interactions and interdependencies, characterized by complex behaviour emerging as a result of non-linearity (Anderson, 1999; Boal & Schultz, 2007; Chan, 2001; Cilliers, 2000; Goodwin, 2000; Maxfield, 1998; Pina e Cunha & Vieira da Cunha, 2006; Plowman, Solansky, Beck, Baker, Kulkarni & Travis, 2007; Price, 2004). As noted, LED facilitation and implementation occurs in complex environments and is found in itself to be a complex process. Thus, complexity theory studies attempt to explain the behaviour of complex adaptive systems and have major implications for organizations operating in this complex environment. Cilliers (2000) highlights a number of these key implications, including:

- the element of relationships which the author believes to be fundamental in complex organizations;
- stating that complex organizations are open systems whereby boundaries are not clearly defined;
- with the history of the organization considered important as it co-determine its nature;
- unpredictable characteristics that may emerge from an organization;
- where the nonlinearity of interactions may cause small changes to have huge impacts (where the reverse holds true);
- self-organization can occur within organizations and within complex systems;

- asserting that too much central control can lead to complex organizations not thriving; and
- that complex organizations tend to work best in shallow structures.

Consequently, LED is an emergent property of interaction within and amongst business, civil society and government (Hardman, 2011). Lawson (2012), in assessing LED systems within municipalities, found four dominant challenges as hindrances to the success of LED, including how LED practice and performance is to be measured, data gathered, feedback given to municipal leadership and how learning can be better facilitated for improvement. The author emphasizes how organizational behaviours prominent in municipalities are key in the assessment of LED systems including the “leadership style, power struggles, levels of co-operation and who makes the final decision” (Lawson, 2012:69). Thus, Schoburgh (2014) argues that to successfully realise local government’s full capacity, high quality leadership is required. The author further notes that developmental local government is hindered by organizational strategies that are still built on values that are no longer suited to modern-day leadership and management skills and development standards.

Local leadership is crucial for successful LED facilitation (Meyer, 2014). Thus, Nel and Rogerson (2005), highlight the leadership role as an important factor in the development process, stressing that, there is a need for municipalities to become more strategic, visionary and influential in their operations to drive economic development. Moyo (2007) shares these sentiments, arguing that visionary leadership is required within municipal spaces to help drive transformational LED within local municipalities. Thus, Ingle (2014:479) identifies leadership as one of the important factors for LED, stressing it as “a critical ingredient for successful LED”. However, Weberg (2012) argues that traditional leadership theories have not been able to adequately define the role of a leader in complex environments where change often emerges unexpectedly. Consequently, the role of leadership in complex adaptive systems as alluded to by Marion and Uhl-Bien (2001) cited by Plowman et al. (2007) is that in the context of emergent unexpected change, leaders need to act as enablers of change as opposed to the traditional views that expect leaders to direct and influence change.

While organisational studies on the leadership role and LED facilitation and implementation at local government are rather limited within the country, substantial research on leadership in the public sector exists. Various research has examined leadership across different contexts and countries (Bass & Avolio, 1994; Boal & Schultz, 2007; Erkutlu, 2008; Guetterman & Mitchell, 2016; Ogbonna & Harris, 2000; Ojokuku, Odetayo & Sajuyigbe, 2012; Olmedo, 2012; Plowman et al., 2007; Van Seters & Field, 1990; Van Wart, 2003; Weberg, 2012). Leadership theory has evolved over time with its intensification in the 20th century. Its history reveals multiple leadership eras that reflect upon its trail. In analysing these evolutionary eras and periods, the major leadership theories have been summarized providing a broad framework. Some of the significant leadership theories recognised consist of, the Great man theory (19th century), Trait theory (1930s – 1940s), Behavioural theories (1940s – 1950s), Contingency theory (1960s), Transactional theory (1970s) and Transformational theory (1970s - present) (Van Seters & Field, 1990; Van Wart, 2003).

The combination of all of these leadership theories and practices continues to play a key role in how leadership is perceived in today's world, with some dominating more than others. In analysing these eras, it became clear that through its evolution, leadership has moved away from being a one-dimensional process to being more multidimensional. In adapting to the ever-changing world, effective leadership plays a key role especially where change often emerges unexpectedly. Ojokuku et al. (2012:202) define a leader as a "person who influences, directs, and motivates others to perform specific tasks and also inspire his subordinates for efficient performance towards the accomplishment of the stated corporate objectives". Consequently, leaders are strategically positioned to respond to these changes that emerge whilst the style of leadership then determines the organizations success or failure.

In its evolution, modern leadership theory has introduced five leadership styles which include: charismatic leadership, which is based on traits and the personality of the leader; transactional leadership, which involves implicit exchange between the leader and the follower; transformational leadership focused on developing followers and providing motivation, meaning and purpose; autocratic leadership as leaders who are inexperienced who got into leadership by position or assignment that

involves people management; bureaucratic leaders as policy driven, relying on policy to drive strategy, objectives and outcomes; and lastly democratic leadership where decision making is decentralized and shared (Ojokuku et al., 2012). Malefane (2009) states that, LED implementation within municipalities is bureaucratic and authoritative and as such limits LED implementation in municipalities. Whereby the decisions taken by management and leadership are of key importance as they directly affect overall organizational effectiveness of municipalities (Pretorius & Schurink, 2007). As such, it needs to be recognized that leadership is a complex shared process that is not found solely in the leader, but can be found in dyadic, groups, individuals and organisations (Van Seters & Field, 1990).

However, in complex environments where change often happens unexpectedly, the role of a complex leader is put to question. Olmedo (2012) states that the roles of complex leaders should not be to create organizational systems that are able to adapt and survive in changing environments, but rather to continuously manage the balance between developing new ideas and concepts through inspiring a culture of innovation. This implies that the development of adaptive leadership is needed when operating in environments filled with uncertainty. Apenko and Chernobaeva (2016), argue that leaders need to be capable of self-organization and of adapting in complex situations, to improve business effectiveness. Numerous studies linking leadership to organizational performance have been done in different contexts, disciplines and organizations (Bass & Avolio, 1994; Ogbonna & Harris, 2000; Olmedo, 2012; Ojokuku et al., 2012). Erkutlu (2008) in studying the impact of transformational leadership on organizational and leadership effectiveness in the hospitality industry found that effective leadership behaviour has a significant impact on both the effectiveness of the leader and the organization. Consequently, LED facilitation within municipalities requires strong leadership and complex adaptive leaders to drive its success.

2.5 Experiences from previous studies on facilitating successful LED

Various studies of LED facilitation and implementation exist; however, not all these studies have been successful cases of LED facilitation from a local government perspective. Nonetheless, this study outlines three case studies which were selected due to the parallels to this research that speak to LED facilitation at local government level. These case studies are examples of experiences and lessons learned from

Jamaica, Swaziland and South Africa, demonstrating ways in which local government can facilitate LED.

2.5.1 Lessons from Jamaica

Schoburgh (2014) conducted a study in Jamaica, evaluating organizational behaviour and capability in local government to determine its readiness for a developmental role. While noted that LED is not about projects, the study argues that the implementation of the six-year Caribbean Local Economic Development Project (CARILED), which started in 2012, brought about sustainable economic growth support to the Caribbean region. This project has brought about the notion of local government's role as facilitator of LED. Using a capacity audit done in 2010 and an organizational analysis commissioned by the Ministry of Local Government in 2010 targeting a sample of local authorities in Jamaica, the study found four distinct objects that relate to local government's LED role, including: research and information provision; marketing and coordination; leadership; and learning and innovation. Examples of the findings with regard to the criteria included that:

- Local leaders had an understanding of the organizational mandate but efforts to its effect seemed "undeveloped, sporadic and uni-directional" (Schoburgh, 2014:11). Whilst evidence of the use of participatory strategies to gain information from communities was there, it was however noted that research methodologies on data recording and storage were lacking and were not adequately focused on transforming the operations of the local authority.
- There was overall inadequate use of environmental inputs by local governments in their business processes, thus highlighting that local government within Jamaica tended to operate without information on the accurate demand of existing services or even "an understanding of the changes in uptake levels, service needs and expectations" (Schoburgh, 2014:14).
- Potential existed for growth in administrative leadership for a developmental local government. However, this potential was vulnerable to the shortages in the modern functional areas strategic to the organization's success as a facilitator of LED including; the aligning of community engagements with LED

priorities; distribution of information technology in organisational processes; and the use of policy analysis and development (Schoburgh, 2014).

The study on local government's capacity for development in Jamaica found that, the country was unevenly distributed when assessed against the requirements of a LED organisation. However, the author notes that no organization has all the necessary capacity to perform its functions always, emphasising that LED is a complex process requiring all sorts of capacities that may not essentially be available within one organization. The author then argues that, regardless of what strategy an organization pursues to facilitate development whether it is fixated on service delivery or on enabling LED, careful measures should be taken to bridge capacity gaps and ensure long-term viability of the organisation (Schoburgh, 2014).

The study argues that for effective LED facilitation, LED must move away from the outdated deep-rooted values, such as:

- Pyramid structures within organisations.
- Authoritarian and administrative leadership.
- The attitude of being impassive and a negligent of the needs of their customers.
- The practices of management that tend to limit participation and teamwork.
- Reluctance of using technology in administrative processes and policy (Schoburgh, 2014).

The study further highlights four critical values that local government needs to move towards promoting, that are believed to be vital for LED, including:

- Local policy and management programs focused around the full return on investment with regards to economic, social, and environmental investments.
- Local leadership and management talent and culture as economic assets.
- Using creative entrepreneurship and long-term vision to define LED process.
- Equity and sustainability being characteristic to effective implementation of LED initiatives (Schoburgh, 2014).

2.5.2 Lessons from Swaziland

Parker (2015) examined the progress made by Swaziland since the enactment of the Commonwealth Local Government Forum programme (CLGF). This programme aimed at improving governance and service delivery at local level. The study project within the country was designed through a collaborative and participatory process that involved the Swaziland Ministry of Housing and Urban Development (MHUD), Ministry of Tinkhundla Administration and Development (MTAD), Swaziland Local Government Association (SWALGA), Local Authority Managers Association of Swaziland (LAMAS), the Municipal Councils of Mbabane, Manzini and Matsapha, and CLGF” (Parker, 2015:6). Parker (2015:6) states that, the projects strategic thrust for LED was built around:

- “*Governance and an enabling policy environment for LED* – including improved recognition of local government in national development, effective inter-governmental relationships and national policy and clear local authority mandates.
- *Institutionalising LED at the local level* – encompassing capacity to plan and embed the LED approach into service delivery, managing stakeholder engagement and empowerment, advocacy and communication, knowledge management and issues around financing LED projects.
- *Capacity building* – strengthening individual capacities of elected leaders, ministry and municipal officials and key community stakeholders particularly in facilitation of the LED approach to service delivery.
- *Programmatic LED interventions* – including developing local authority LED strategies, design of LED undertakings and building on past and existing initiatives” (Parker, 2015:6-7).

The study found that activities with a social component to them were implemented more effectively, including the Mbabane environmental sustainability, Manzini market and the Matsapha solid waste activities (Parker, 2015). Emphasised within the study was the multi-faceted nature and complexity of development and poverty within the country, with the implications that successful poverty-related interventions would require targeting social, economic and capacity development collectively (Parker,

2015). Other successful implementations of the study project included activities that focused more on administrative/management level as opposed to the ones that focused on a political level (with major issues of decentralisation). The study further found that local participation, partnerships and relationships are key to the successful implementation of LED (Parker, 2015).

2.5.3 Lessons from South Africa

In the case of South Africa, Zulu and Mubangizi (2014) conducted a study in Mthonjaneni Local Municipality, a small rural municipality of KwaZulu-Natal. The study examined limits of LED with focus on a rural municipality within the current policy and legislative framework of the country. The study municipality was found to have been implementing LED strategies since the country's democratization, with major focus of projects mainly agricultural in nature. It began by conceptualising LED within the municipality and found that the understanding and execution of LED within the municipality was varied. Project beneficiaries were found to be not clear about LED and its relevance to mitigating both poverty and unemployment whilst the municipal representatives displayed solid understanding (Zulu & Mubangizi, 2014).

In understanding the municipality's role in LED, the study found that LED execution within the municipality was complicated, with three prominent roles identified, including as co-ordinator, as facilitator, and as developer (Zulu & Mubangizi, 2014). This was broken down as follows:

- As a co-ordinator the municipality utilised the IDP as an important instrument to co-ordinate LED within the local area. This was used so as to ensure that rural LED initiatives were co-ordinated with other programmes and properly linked to provincial, district and business initiatives.
- As facilitator, the municipality worked to improve the local area investment such as, restructuring the development process and improving planning procedures to promote the active participation of all stakeholders in the development of rural LED strategy and its implementation in the interest of job creation for rural women and youth.
- As a developer, the municipality took on the complete operational responsibilities of a developer with instances of the municipality entering into joint-venture partnerships with business or NGOs (Zulu & Mubangizi, 2014).

Though these roles play a big part in promoting LED within the municipality, numerous challenges have been identified within the study as major hindrances to LED (Zulu & Mubangizi, 2014). Aside from resource availability the study found that:

- Deep-rooted issues with the fundamental institutional arrangements in the development and promotion of LED were prominent (including institutional arrangements with the LED Forum, the community and the LED unit).
- Issues of high unemployment and low skill levels of municipal staff are main barriers to rural LED execution (Zulu & Mubangizi, 2014).

Thus, Zulu and Mubangizi (2014) propose that the conceptualisation, planning and management of LED needs to be re-focused to ensure that its process links local government, community and civic groups and business to jointly manage existing resources to stimulate employment creation and economic growth of the locality. Accompanying this should be the harmonization of planning within the municipality with other municipal divisions including the planning for water services development, disaster management, waste management, and other programmes for infrastructural service delivery, as this directly impacts on the success of LED implementation (Zulu & Mubangizi, 2014).

2.6 Conclusion

The lack of common understanding of LED role and processes, issues of urban versus rural disparities, spatial planning realities and constraints, poor partnerships and the lack of funding and resources are some of the issues highlighted as challenging effect LED planning and facilitation. The need for local government to strengthen its institutional capacity was stressed, including its skills and devoted LED staff, budget allocation along with strengthening of collaboration, participation and partnerships between government, business and community which are key to the successful implementation of LED and bridging the urban-rural gap. The following chapter presents the research methodology pursued in this study and the motivation for pursuing it.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The purpose of this chapter is to discuss the research philosophy and methodology chosen to address the research problem and the research methods of data collection used to achieve this goal. In this chapter, the research methodology used, highlights how bridging the urban-rural gap in facilitating LED within uMgungundlovu District in KZN was explored. This research had a purpose of contributing to the existing research on LED, and further assists in providing valuable information specifically to the District of uMgungundlovu and to the KZN province. The exploratory research design was deemed appropriate for the study and the qualitative research approach was used, where data was collected using open-ended interviews. The data sampling method, data collection method and analysis are explained, and issues of ethics, validity and reliability raised by this study are addressed.

3.2 Aim of the study

This research study aimed to provide understanding into the factors that typically result in the urban-rural gap in facilitating LED in local government and how they can be bridged. It explored the urban-rural gaps that exist in LED facilitation within the District of uMgungundlovu, whilst also identifying the relevant stakeholder key in LED facilitation and the challenges that exists in trying to bridge this gap.

3.3 Research design and method

Sekaran and Bougie (2016), state that the research design is the strategy or framework utilized for collecting, measuring and examining data in order to realize the research objectives and answer the research questions. There are numerous research designs available for researchers to use and the choice is dependent on the objectives of that specific research, the research questions and the constraints associated with that study (Sekaran & Bougie, 2016). The research design is thus of key importance, in that it shapes and structures the research allowing the researcher to effectively address the research questions correctly, whilst also promoting transparency (Bowen, 2005).

Van Wyk (2012) identifies some of the common forms of research designs including descriptive research, exploratory research and explanatory research. Descriptive research merely describes the precise factors relevant to the phenomena or

research question, describing the situations or relationship that exist and is merely interested in searching for facts. However, this type of research does not provide answers as to why certain behaviours prevail. Exploratory studies on the other hand, are designed to explore concepts and gain understanding of the research to answer the research question appropriately. These are found to be useful in addressing research problems where existing research results are unclear or very limited. It is generally effective in addressing problems or subjects that are rarely understood and/or not much is known about them (Sekaran & Bougie, 2016). Lastly, explanatory research is generally analytical focussing only on causal links between factors relating to the research problem (Van Wyk, 2012).

The study used exploratory research design in that it was considered useful and appropriate in addressing the research problem, to help gain management and researcher's perspectives regarding the research problem and further gain understanding of the perspectives on the extent of factors operational in these situations of uncertainty and where little understanding was prevalent. Thus, the use of exploratory research provided a platform for problems and opportunities to be identified whilst also establishing their significance. In general, three research approaches dominate the world, namely quantitative research, qualitative research and mixed method research. Figure 3.1, adapted from Creswell (2013), shows the design process in conducting research, highlighting the intersection of philosophy, strategies of inquiry, and the specific methods involved. These three intersections are then conceptualised to form the three different approaches to research or research designs.

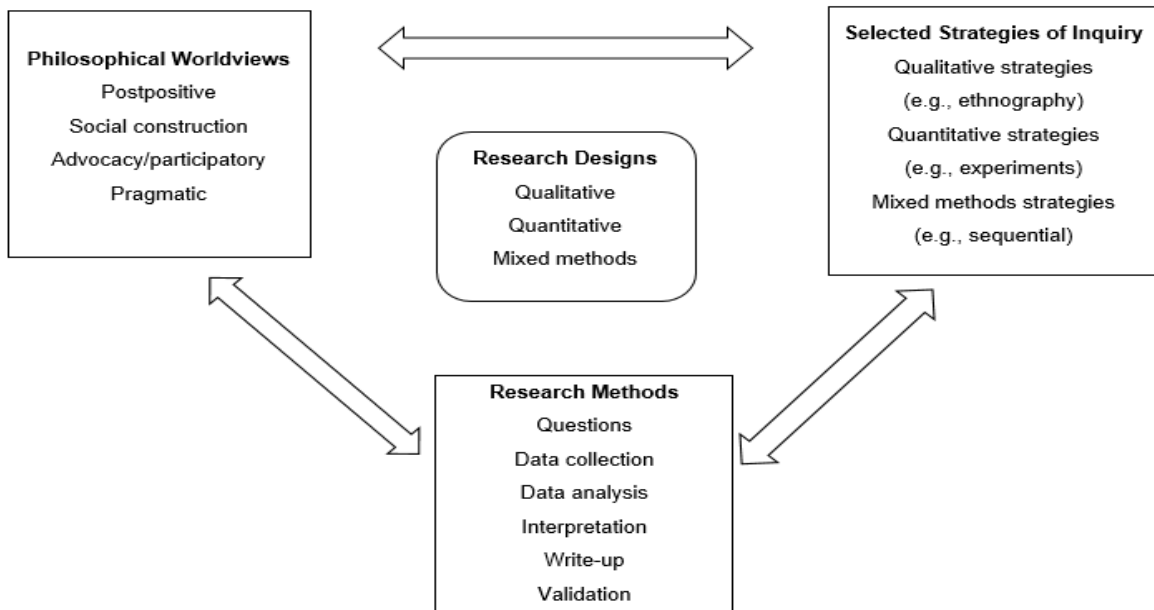


Figure 3.1: A framework for design - the interconnection of worldviews, strategies, and research methods

Source: Adapted from Creswell (2013:5)

The three research designs are further translated to practice using the relevant design processes to research and can be summarized as follows.

3.3.1 Quantitative research

The quantitative approach is more deductive using quantifiable data to discover patterns. Data is usually tested with a hypothesis and its theory viewing behaviour as regular and predictable (Creswell, 2003; Creswell, 2013; Johnson & Christensen, 2011). The main characteristics are its ability to be generalizable, testable and replicable such that it pursues a more logical organized and rigorous method to address the research problem (Sekaran & Bougie, 2016). Its research objectives are more oriented towards describing, explaining and predicting (Sekaran & Bougie, 2016). The nature of observation tries to study behaviour under controlled conditions, with its analysis focused on identifying statistical analysis and presenting results of general findings (Creswell, 2003; Johnson & Christensen, 2011; Sekaran & Bougie, 2016).

3.3.2 Qualitative research

The qualitative research approach is generally inductive and depends on the collection of qualitative data (Bowen, 2005; Bowen, 2008; Fossey, Harvey,

McDermott & Davidson, 2002; Johnson & Christensen, 2011). It utilizes real-life methods in order to understand occurrences in a context specific setting, whereby human behaviour is viewed as fluid, dynamic, situational, contextual and personal rather than generalizing (Creswell; 2003; Creswell, 2013; Johnson & Christensen, 2011). The common objectives can be descriptive, explorative and discovery, with data collection in the form of interviews, observation, field notes and open-ended questions (Creswell, 2013; Johnson & Christensen, 2011). Analysis of data allows the researcher to search for patterns, themes and complete features with results representative of the insider's viewpoint and multiple perspectives (Creswell, 2003; Creswell, 2013; Johnson & Christensen, 2011). Hannabuss (1996), asserts that the qualitative research approach offers rich material for research, with emphases on understanding the research problem to address it accordingly. This allows management to make sense of the problems when managing their teams (Sekaran & Bougie, 2016).

3.3.3 Mixed method research

The mixed method research uses both the qualitative and quantitative approaches and attempts to answer research questions that cannot be answered by just one approach (Creswell, 2003; Creswell, 2013; Sekaran & Bougie, 2016). It is both inductive and deductive, with its data collection focussed on collecting, analysing and mixing both quantitative and qualitative data. Thus, it is inclusive of both measurable (statistical) data and descriptive (text) data (Creswell, 2003; Johnson & Christensen, 2011; Sekaran & Bougie, 2016).

3.3.4 The study design

Research methods and approaches affect how a certain phenomenon of a study is understood, and as such, the use of a qualitative research approach offers a better understanding to help provide more insight on the specific study phenomena. Bartunek and Seo (2002), advocate for qualitative research, arguing that, unlike quantitative research, this approach heightens understanding of local perceptions. Therefore, the study pursued a qualitative research approach to provide a rich content based on experiences from LED facilitators. This was helpful in exploring the challenge of bridging the urban-rural gap in facilitating LED within uMgungundlovu District Municipality. This approach allowed for the exploration and discovery of comparatively new understandings about LED facilitating within the District and the

complexities that LED facilitators are faced with. Through exploring the research problem in detail, the research approach provided a deeper understanding of the study rather than generalizing to understand the problem from the perspectives of the LED facilitators.

3.4 Research strategy

Sekaran and Bougie (2016), identify four alternative research approaches or paradigms, namely: the positivism; constructionism; pragmatism; and critical realism approaches to research. Since a qualitative research approach was utilised for this study, the relevant research paradigm was the constructionism approach to research. This approach places emphasis on how individuals construct knowledge and is especially concerned with people's views of the world and their interactions with others in their setting (Creswell, 2013; Sekaran & Bougie, 2016). Creswell and Miller (2000) state that constructivists take on a diverse, explanatory, open-ended and context specific view to reality. Thus, this approach, which advocates for understanding of a specific case as opposed to just generalizing, was deemed fit for this study (Sekaran & Bougie, 2016).

The research strategies available in qualitative research include:

- Case study strategy that focuses on getting data about a specific activity, event or object. Its study is limited by time and activity and intensified to studying the individual, group or organisation (Creswell, 2013; Creswell, Hanson, Clark & Morales, 2007; Sekaran & Bougie, 2016).
- Action research is a timeous approach intended to help implement planned changes through effectively evaluating, defining and diagnosing the research problem continuously until a solution is derived (Sekaran & Bougie, 2016).
- Grounded theory utilises multiple methods to collect data using theoretical sampling, coding and constant comparison to collect and analyse data before deriving a theory, taking on an inductive approach (Bowen, 2008; Sekaran & Bougie, 2016). Westbrook (1994) states that grounded theory offers in-depth understanding of the relevant issue that is being studied, further highlighting the importance of providing understanding as opposed to controlling the study as its major intention.

- Ethnography strategy intends to provide an “understanding of the culture and behavior of a social group”, giving an insider’s perspective (Sekaran & Bougie, 2016:98). The main data collection methods for this strategy include observations, interviews and questionnaires paying attention to the social behaviours, perceptions and interactions within an organisation or unit (Sekaran & Bougie, 2016).

The case study research strategy was then used in this study, with in-depth interviews as the main data collection instrument.

3.5 The study setting

UMgungundlovu District Municipality is one of ten district municipalities in KZN, and is by far, the largest contributor to the provinces’ economy after eThekweni Metropolitan Municipality (uMgungundlovu District Municipality, 2014). The District municipality is distinctly diverse in terms of its composition: it consists of seven local municipalities of which two are largely urban (Msunduzi and uMngeni) and the remaining five (uMshwathi, Impendle, Richmond, Mkhambathini and Mpofana) predominantly rural (uMgungundlovu District Municipality, 2014). Economic development within the District is much skewed, with the largely urban municipality relatively well developed in terms of infrastructure and economic services, along with well diversified economic sectors compared to their rural counterparts (uMgungundlovu District Municipality, 2014). Within the more rural municipalities, the local economies lack diversification and are more driven by subsistence and commercial agricultural activities (uMgungundlovu District Municipality, 2007; uMgungundlovu District Municipality, 2014). The District was selected on the basis that, like most municipalities in the country, it is challenged by issues of economic and spatial concerns, which cause major disparities between urban and rural municipalities, thus affecting the Districts’ overall ability to promote and facilitate LED.

3.6 Population and sample of the study

Since the chosen research method was qualitative, the non-probability sampling method was used, and purposive sampling was conducted where individuals were purposefully chosen to conduct the research providing rich content to the study. In terms of facilitating LED within the District municipality, the key role players holding the wealth of material for this type of research lay with a range of stakeholders. This

included: uMgungundlovu District Municipality, uMngeni Local Municipality, Impendle Local Municipality, Mpofana Local Municipality and Mkhambathini Local Municipality. The other stakeholders included the KZN Department of Co-operative Governance and Traditional Affairs (CoGTA) which provides municipal support.

The sample were recruited using various telecommunication methods including e-mail and telephone and comprised a mix of junior, middle and senior management representatives from the respective municipalities and the Dept. of CoGTA. Overall, the study included a sample size of eleven respondents who provided a rich framework to the qualitative research; these are summarized in Table 3.1.

Table 3.1: List of respondents by demographics

PARTICIPANTS	POSITION	GENDER	AGE	NO. OF YEARS IN POSITION
R1	Manager: Economic Development	Male	55	13 years
R2	LED Officer	Female	31	7 years
R3	LED/Tourism Manager	Male	36	2 months in current position & 7 years in LED
R4	Manager: IDP & PMS	Male	31	5 years
R5	LED Coordinator	Male	37	8 years
R6	General Manager: Economic Development and Planning	Male	60	17 years
R7	LED Manager	Male	50	17 years
R8	Deputy Director: LED	Female	37	5 years
R9	Chief Town & Regional Planner	Male	39	5 years
R10	Economic Development and Waste Management Officer	Male	38	10 years
R11	Manager: Technical and	Male	44	6 years

	Planning Services			
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3.7 Sampling method

Sekaran and Bougie (2016), identify two broad types of sampling design, namely: probability sampling which focuses on elements of the population which are known and have a chance of being selected; and non-probability sampling which focuses on elements within the population with no probabilities associated with their selection. MANCOSA (2015) highlights the two broad sampling types giving examples of each, as evidenced in Table 3.2. The examples of probability sampling include simple random sampling, systemic sampling, stratified sampling and cluster sampling (MANCOSA, 2015).

Table 3.2: Examples of sampling techniques

Probability Sampling	Non-Probability Sampling
1. Simple Random Sampling	1. Quota Sampling
2. Systematic	2. Purposive/Judgemental Sampling
3. Stratified	3. Snowball Sampling
4. Cluster	4. Maximum Variation Sampling
	5. Haphazard/ Convenience Sampling

Source: Adapted from MANCOSA (2015:21-22)

Since the chosen research method was qualitative, the research employed the non-probability sampling method where purposive sampling was used. According to MANCOSA (2015) numerous examples of non-probability sampling exist: these include:

- Haphazard/Convenience sampling where the sample is chosen on convenience for the researcher and is commonly used at the exploratory stage of the study (MANCOSA, 2015; Sekaran & Bougie, 2016);
- Purposive/Judgemental sampling is a sampling method where the sample is chosen on the basis of the expertise they have on the research study and the results may not be generalizable to the whole population (Johnson & Christensen, 2011; Sekaran & Bougie, 2016). This method also includes the selection of anyone in a hard-to-find target population (MANCOSA, 2015:22);

- Quota sampling is another type of purposive sampling where the sample is a group that is conveniently selected to be representative and where the numbers are predetermined (MANCOSA, 2015; Sekaran & Bougie, 2016);
- Snowball sampling involves the selection of a sample connected to each other, whilst also having each participant identify another potential research participants (Johnson & Christensen, 2011; MANCOSA, 2015); and
- Maximum variation sampling involves identifying the groups of interest relative to the research topic and then deliberately seeking out subjects representing the most probable range of differences in the phenomena under study (MANCOSA, 2015).

The study looked at the various non-probability methods applicable in qualitative research, and the purposive sampling method was chosen. This meant that, individuals were purposefully chosen to conduct the research, which involved identifying the population of interest with subject matter expertise with reference to the topic. Since the case study research strategy was used, the case study participants were purposely selected based on their designation, role and level of experience in LED facilitation within the case study municipality. This was done to provide rich content as opposed to convenience sampling, where information is collected based on the people who are conveniently available.

3.8 Construction of the instrument

Creswell (2003) emphasizes that in conducting qualitative research, four types of general data sources are imperative, that is, interviews, observations, documents and audio-visual materials. The main data collection instrument used was interviews. According to Valenzuela and Shrivastava (2009:5) cited in MANCOSA (2015), there are four dominant types of interviews. These are:

- Unstructured interviews, whereby interviews are conducted with no pre-determined questions but are however open and adaptable;
- Structured interview, where a set of pre-determined questions are prepared, providing more focus but still allowing some freedom and adaptability in getting the information;
- Standardised open-ended interviews, where the same open-ended questions are asked to all interviewees or participants;

- Closed fixed-response interviews, where all the interview participants are asked the same questions and requested to select questions from the same set of alternatives available (MANCOSA, 2015).

Westbrook (1994) asserts that, in qualitative studies, interviews are a valuable instrument for data collection. The author further highlights that it is the researcher's prerogative to choose the interview method best suited for their study. Structured interviews involve the use of pre-determined open-ended questions that have been prepared beforehand and informed by what is known and not known by the researcher (Sekaran & Bougie, 2016; Westbrook, 1994). This study thus utilised the structured interview method to answer the research question, where structured interviews were held with each participant and open-ended questions were prepared before-hand, to focus and guide the interviews whilst also allowing a certain degree of freedom. The interview guide (Appendix 2) was constructed based on the available secondary data and literature on LED. This data instrument has an advantage in that it allows flexibility for the researcher "to probe, to clarify, and to create new questions based on what has already been heard" (Westbrook, 1994:244). The study also made use of additional data sources including reviewing of documents (including municipal strategic documents i.e. the IDP and SDF's) related to the organization, and Internet-based data sources.

3.9 Data collection

As the data collection process began, obtaining permission from the respective organisations was compulsory. This was achieved by requesting gate keeper permission from uMgungundlovu District Municipality, the seven local municipalities (uMngeni, Mkhambathini, Mpofana, Impendle, uMshwathi, Richmond and Msunduzi Local Municipality), the Department of CoGTA and the Department of Economic Development, Tourism and Environmental Affairs (EDTEA), the Ingonyama Trust Board (ITB), Pietermaritzburg Chamber of Business (PCB) and the South African Local Government Association (SALGA). Although challenging, gate keeper permission was only granted for uMgungundlovu District Municipality, the Dept. of CoGTA and the following local municipalities of uMngeni, Mkhambathini, Mpofana and Impendle Local Municipality. Following that, an application for ethical clearance was submitted to the UKZN Research Office, accompanied by the gate keeper

letters, interview schedule and copies of the informed consent forms for participants. Soon after ethical clearance was granted the data collection process began.

The participants were contacted after obtaining ethical clearance approval from the UKZN Research Office (Appendix 3) by telephone and e-mail. The interview dates were set in advance where one-on-one interviews were conducted and recorded with each participant. Due to time constraints and the availability of participants, some of the interviews were conducted in the participant's respective organization during working hours whilst others were conducted after office hours. The arrangement of interviews was however difficult as most of the participants had busy schedules including travelling for meetings, which meant having to reschedule meetings to meet the participants busy schedule. Informed consent forms (Appendix 1) were prepared beforehand and given to participants to sign, which granted the researcher permission to record the interviews that were later transcribed (Bowen, 2005). The informed consent form (Appendix 1) contained a brief description of the contents of the research and research procedure, details of the researcher and supervisor, and the content pertaining to potential impacts of participating in the study, whereby, anonymity and confidentiality was stressed. The interviews were conducted in the following locations:

- uMgungundlovu District Municipal offices in Pietermaritzburg on the 11th of September 2017;
- uMngeni Local Municipality offices in Howick on the 11th and 20th of October 2017;
- Mpofana Local Municipality offices in Mooi River on the 05th of October 2017;
- Mkhambathini Local Municipality offices in Camperdown on the 29th of September 2017;
- Impendle Local Municipality interviews were conducted at uMgungundlovu District Municipal Offices in Pietermaritzburg on the 31st of October 2017; and
- The KZN Department of Cooperative Governance and Traditional Affairs (CoGTA) in Pietermaritzburg on the 22nd of October 2017;

After the interviews were eventually scheduled, the full interview process began in September and ended in October. The interviews were done in private to ensure confidentiality, and these were recorded with approval granted for the commencement of the interview and transcribed later. Secondary data was also used to inform this study including a literature review of theoretical models of LED and municipal documents such as the IDPs and SDFs. Interviews were time-consuming but were the main data-gathering method used. The interviews were recorded and transcribed immediately after the interview was held.

3.10 Data analysis

In qualitative studies, data analysis is the “process of reviewing, synthesizing and interpreting data to describe and explain the phenomena or social worlds being studied” (Fossey et al., 2002:729). Since the study was based on the case study method, the interview transcripts from structured open-ended interviews were used to analyse the data through categorizing data by means of thematic codes using the inductive approach (Bowen, 2005, Fossey et al., 2002; Johnson & Christensen, 2011). The thematic analysis approach involved the process of first transcribing the data, getting familiar with the data, generating initial codes, searching for themes, reviewing themes, defining and naming the themes and lastly, producing the report (Vaismoradi, Turunen & Bondas, 2013). As such, data was classified, rigorously compared, grouped and refined to create and make clear description of categories or themes, within the collected data (Fossey et al., 2002).

To achieve this, the constant comparison method was used as a key strategy to analyse this data. Glaser and Strauss (1967) cited in Bowen (2008) and Westbrook (1994) emphasise four stages involved in the constant comparative method, including: comparing occurrences relevant to each theme that developed from the data; and integrating these themes and their properties. Thus, the transcribed interviews of the study were reviewed by line, sentence, and paragraph sections and coded to fit the concepts suggested by the data, and then sorted and organized in a search for patterns or connections amongst them (Bowen, 2005). This process allowed for every code to continuously be compared to all the other codes in order to identify similarities, differences, and general patterns (Bowen, 2005). This was then identified into categorized and ordered themes based on the relevant issues, fundamental patterns and links (Bowen, 2008).

Overall, three important steps were used to analyse this data. These were: (1) data reduction where the data went through a selection process of coding and categorization; (2) data display where the reduced data was displayed and organised into diagrams and graphs; (3) the study drew conclusions of the analysis where the research questions were answered. The results of the interviews are presented in Chapter 4.

3.11 Reliability and validity of the study

Noble and Smith (2015) argue that, qualitative research has often been criticized for lacking scientific rigour, stating that the methods used often have poor justification, lacking transparency in terms of analytical procedures, and findings often subject to researcher bias. The authors further note that, because of this, evaluating rigour is often a challenge in qualitative studies. Bowen (2005) found that, studies that were grounded on the interpretive paradigm tended to move away from the conventional way of thinking in terms of internal and external validity, reliability and objectivity, and more towards trustworthiness and credibility of a study. This is also supported by Brink (1993) stating that various researchers have moved towards using terms such as credibility, trustworthiness, truth and confirmability to name a few, in evaluating rigor of qualitative studies. Four distinct features are suggested, in establishing trustworthiness of research findings from qualitative studies, including: credibility, transferability, dependability, and confirmability (Bowen, 2005; Thomas & Magilvy, 2011).

- Credibility: speaks to the confidence associated with the truthfulness of the research findings and can be established using several methods including reflexivity, member checking, and peer debriefing which can strengthen the credibility of the study (Bowen, 2005; Westbrook, 1994). To achieve credibility requires checking the representativeness of the data entirely. This involves reviewing each transcript, searching for similarities within and across study participants (Thomas & Magilvy, 2011).
- Transferability speaks to the ability of other researchers to apply the findings of this study, to their own. To provide for transferability, the study needs to present findings with “thick” descriptions of the phenomena (Thomas & Magilvy, 2011).

- Dependability speaks to the firmness of research findings over time. Thomas and Magilvy (2011), highlight the use of a decision trail as a means to achieve dependability. This is achieved by providing a detailed purpose of the study, discussing how and why the participants were chosen, giving details of the data collection and reduction for analysis and by discussing the data interpretation and the presentation of the study findings. Various strategies exist to establish dependability, including: the participation of peers in the analysis process, providing a thorough description of the research method and conducting a step-by-step repetition of the study to check similarities or improve the original findings.
- Confirmability speaks to the ability of the study to be reflective, and the sense of preserving awareness and honesty to the study findings. This occurs when reliability and transferability of the study have been established (Thomas & Magilvy, 2011).

3.11.1 Strategies adopted to ensure credibility of the study

The strategies used within this study were adapted from strategies suggested by Noble and Smith (2015) in an attempt to ensure the trustworthiness of the findings. These strategies include:

- Careful record keeping indicating “a clear decision trail and ensuring interpretations of data are consistent and transparent” (Noble & Smith, 2015:35). This was achieved by constantly visiting the recorded audio interview in order to check the emerging themes, establish constant comparison of similarities and differences across all the participant accounts whilst also ensuring that the participant views were well represented.
- Rich and thick precise descriptions of the participants’ accounts were provided to back the study findings (Noble & Smith, 2015). This was achieved by providing a comprehensive description of the study including: 1) the study background whereby the detailed description and justification of the purpose of the study and the methodology used was given; 2) its participants including the background of the participants, how and when the data was collected; and 3) how the data was analysed and grouped into themes. This was viewed as important in enabling ease of transfer for other parties interested in

transferring the research findings to another context and hence enhancing credibility of the study;

- Respondent validation occurred where participants of the study were invited to comment on the interview transcript and whether the final themes and ideas that had emerged were reflective of the phenomena explored (Noble & Smith, 2015). This was another strategy that was used to enhance the credibility of this study.
- Creswell and Miller (2000) state that triangulation is a validity technique where the researcher searches for convergence between various sources of data to create themes or categories in a study. Since the study only employed interviews as the main data collection method, the primary research findings were compared with findings from the literature review as well as the municipal strategic documents.

3.12 Ethical considerations

Ethical consideration is of great importance when conducting research, as it helps protect participants involved in the research and also stimulates honesty, integrity and transparency in the process. Bowen (2005) argues that when it comes to ethics, risks and concerns tend to be more in qualitative research than in quantitative research, as it involves personal feelings and opinions. Thus, the author advises researchers to familiarize themselves with the relevant institutional procedures in place to deal with these concerns. As such, the research ensured that consideration was given with regard to informed consent, confidentiality and anonymity and ensuring that no harm came to participants and that permission was obtained.

Ethical consideration was conducted in the following manner. First the researcher obtained approval (gate keeper letters) from the relevant organizations (uMgungundlovu District Municipality, the KZN Dept. of CoGTA, and uMngeni, Impendle, Mpofana and Mkhambathini Local Municipality) involved in this research. Then the researcher applied for ethical clearance from the UKZN Research Office. Lastly, the informed consent was seen as one of the very important aspects of ethical consideration and was prepared beforehand (Appendix 1) and given to participants on the day of the interview containing the following information:

- A brief description of the study and its procedure;

- Details of the researcher and supervisor contact details;
- A declaration that participation was voluntary, and that the respondent had the right to withdraw at any time without facing any penalty;
- A declaration of anonymity and confidentiality; and
- The related benefits and risks associated with participating in the study (Bowen, 2005).

3.13 Conclusion

This chapter defined the research methodology and design pursued in this study. The chapter commenced by highlighting the aim of the study and describing the research design and method for the study. The study was explorative and used the qualitative research approach. An important feature of this approach was its ability to provide insightful and rich material to the research problem, utilizing structured interviews as the main data collection instrument. The chapter also presented briefly how the data was presented and analysed after collection. Lastly, the chapter addressed issues of reliability, validity and ethical considerations adhered to in the study. The following chapter presents the results.

CHAPTER FOUR: PRESENTATION OF RESULTS

4.1 Introduction

This chapter presents the results of the research findings. This research was undertaken to gain a better understanding of the prominent factors contributing to the urban-rural bias in facilitating inclusive LED within uMgungundlovu District Municipality and identifying the relevant key players involved. It also intended to contribute towards addressing the issues of the urban-rural gap specifically to the District of uMgungundlovu and to the province of KwaZulu-Natal and further provide valuable insight on how this existing gap could be bridged.

This study thus aimed at answering the following research questions:

- What are the urban-rural gaps that exist in facilitating LED within uMgungundlovu District Municipality?
- What are the main challenges exacerbating these gaps?
- Which stakeholders are relevant in facilitating LED within uMgungundlovu District Municipality?
- What strategies can be identified to bridge the urban-rural gap in facilitating LED within uMgungundlovu District Municipality?

Since the qualitative method was the chosen approach for this study, this chapter presents the findings of the qualitative interview data which was coded and categorised into themes using a thematic approach.

4.2 Demographic details of respondents

This qualitative research study followed an inductive, iterative process and obtained information from eleven officers, middle and senior management representatives in the uMgungundlovu District LED space. These were inclusive of representatives from: uMgungundlovu District Municipality; the Department of CoGTA; and the four local municipalities under the District, which were, Impendle, Mkhambathini, Mpofana and uMngeni Local Municipality, as listed in Table 3.1 of Chapter 3, with the aim of getting an understanding of LED facilitation from their personal experience.

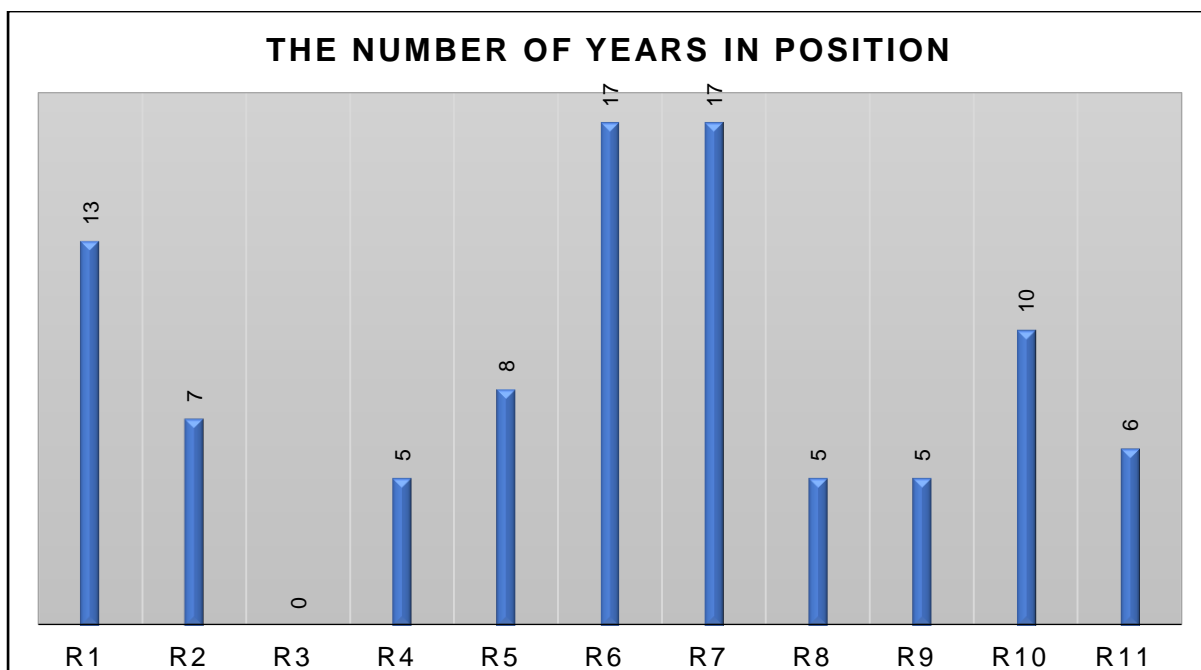


Figure 4.1: The number of years of experience by respondent

Figure 4.1 shows the level of experience amongst the respondents who participated in the study. Within the study context, approximately 91 percent of the respondents had experience of 5 years and above in their respective positions, thus the respondents had a better understanding of the local dynamics associated with LED facilitation within their localities as evidenced in Figure 4.1. Almost 30 percent of the participants had post graduate qualifications in LED. Nonetheless, the other participants had related qualifications along with operational management in facilitating LED. This suggests that the participants had developed a better level of understanding of the LED practices within their space along with a better understanding of successful and unsuccessful strategies. The participants were predominately male, of the eleven respondents that were interviewed only two were female.

4.3 Thematic analysis of data

Table 4.1 shows the summary of the themes and sub-themes that emerged from the data analysis process followed, using the thematic approach. These themes talk to the issues pertinent to the facilitation of LED within uMgungundlovu District Municipality. The themes have been aligned with the respective objective.

Table 4.1: Identified themes and sub-themes

Objective	Theme	Sub-Theme
1. To identify the urban-rural gaps that exist in facilitating LED within uMgungundlovu District Municipality	Gaps in understanding of LED	Defining LED
		Roles
		Planning and alignment
		Informal economy
	Resource gaps	Basic service provision
		Socio-economic infrastructure
Funding of LED		
2. To establish what are the challenges that exist in bridging these urban-rural gaps	Business development challenges	Access to opportunities
		Entrepreneurship, creativity and innovation
		Skills and capacity issues
		Sense of ownership and will power
		Mindset
		Compliance to regulation
		Migration
		Inclusiveness
	Tackling social issues	Unemployment
		Exploitation
Education		
3. To identify the relevant stakeholders in enabling LED facilitation	Key stakeholders in LED	
4. To identify strategies to bridge the urban-rural gap in facilitating LED within uMgungundlovu	Collaboration in facilitating LED	Stakeholder relations
		Support
		Engagements
		Institutional structures
	Trust	
	Enhancing leadership	Importance of Amakhosi (Chiefs)

Objective	Theme	Sub-Theme
District Municipality		Strategic direction
	Improving monitoring and evaluation	

4.3.1 Gaps in understanding of LED

4.3.1.1 Defining LED

There was unanimity amongst respondents with regard to the definition of LED, with all of the respondents highlighting that LED is an economic development approach involving multi-stakeholders within an area working together to promote development. All of the respondents reported that they understood that LED is a multi-stakeholder initiative requiring collaboration of all involved to promote LED within the District. The respondents also reported that LED needed to work on capitalizing on the existing potential of the local area and its resources so as to promote LED. One respondent from the Dept. of CoGTA added that there was a need to go beyond understanding the definition but further understanding the processes involved in LED at different levels depending on the scale that it is being viewed at and the roles that must be played. The respondent further highlighted that most of the time LED officials tended to view LED as a campaign strategy, whereby small projects were done near election times to entice the community. The respondent raised this concern stating that LED was not about politics but rather about understanding that LED promotion requires infrastructure to be put in place to create an enabling environment whilst promoting skills development to support it.

“LED differs at which scale you are looking at it, LED if you are doing it at a municipal scale, it’s about prioritizing infrastructure wherever you are defining a place you are calling a node and making sure that the infrastructure you are defining in that area, you are defining it in a particular way that you are going to invest in that infrastructure, so that you can attract particular investors and those particular investors are going to be supported by local skills.” (R9)

The respondents also highlighted that there was a need for LED officials to understand what the barriers of LED were in rural areas. One of the respondents

stated that this varied: for some it might be land, while for others it could be funding. Ten of the respondents noted that skills and education were the major barriers associated with LED promotion within rural areas. The respondents highlighted that within rural areas illiteracy levels were very high accompanied by lack of skills. This then hindered the ability of individuals in rural areas to comprehend what LED is and any benefits of LED within their areas. One respondent also highlighted the challenge of the understanding of LED amongst traditional leadership, who hold the potential land for development within these areas. One respondent summed it up by saying:

“Because I can assure you, if I go the Inkosi and ask him about LED, he will have very little knowledge about LED in the local municipality.” (R6)

4.3.1.2 Roles

The respondents identified various roles that needed to be played by the various stakeholders within the District and at local level. Moreover, they indicated that there were different roles and functions between business, government and the civic community. One of the respondents from the District highlighted that his major role was to understand the dynamics of the District, including understanding each local municipality and its dynamics. The respondent highlighted this as very important in that it would better enable him to play his role in co-ordinating all the important activities within the District and to give direction to all the local municipalities under the District. Seven of the respondents from the local municipalities highlighted that their role was to create enabling environments for LED promotion.

Six of the respondents stated that along with creating an enabling environment, their role was also to co-ordinate and facilitate LED activities and to act as regulators of business licensing and business permits. Another respondent highlighted that the major role that he had to play was to ensure that the LED strategy was aligned to the IDP of the municipality and District. One respondent stated that his major role was to create a strategy for the municipality for business retention and expansion to ensure that the municipality did not lose business and that people were not retrenched. Eight of the respondents expressed their concerns regarding the various roles that other stakeholders should be playing but were not playing to ensure that successful LED facilitation is realized within the District. The respondents highlighted that

traditional leaders had a very big role to play in ensuring that LED was realized within their areas, but they were not playing it because they had no understanding of what is LED, what benefit it has and what their role was in terms of ensuring that they realized it.

Thus, six of the respondents emphasized that traditional leaders needed to be taught about LED, its relevance and the potential benefits it has for rural people, thereby ensuring that traditional leaders were part of LED planning and implementation to help drive LED within rural areas of the District. One respondent highlighted that if traditional leaders were made aware of their roles in facilitating and promoting LED within their areas they would better influence development of those areas by directing and mobilizing land for development. Another respondent added that the private sector also needed to play a supporting role in terms of assisting local government and traditional leaders to drive LED in rural areas through sharing skills and knowledge, investing in rural areas and driving transformation through their institutional structures. One participant summed it up stating the importance of each stakeholder playing its role, which the respondent believed could only be achieved if clear definitions of these roles were set out.

“It’s for us to have clear roles, role players need to create definitions for their roles. Municipalities need to know that they are not there to create jobs but to create an enabling environment, and when CoGTA gets to municipalities we need to understand that we are only there to coordinate and assist with getting funding support where they are required.” (R8)

4.3.1.3 Planning and alignment

A respondent stressed the importance of understanding the level of planning and alignment required when planning for LED at municipal level. The respondents unanimously agreed that aligning all available strategies within the municipality and at both provincial and national level was needed when facilitating LED. Two of the respondents highlighted the importance of integration, emphasizing that LED planning within localities needed to take into consideration regional integration. The respondents stated that aligning and integrating planning with neighbouring localities would help drive LED facilitation within the District. The respondents emphasized that this needed to be accompanied by the understanding of proper resource

planning, which would identify the available resources within each locality that would be aligned with the development potential of that local area. The consideration of the resource strengths of neighbouring municipalities could have positive spill over effects. One respondent then stressed the importance of ensuring that higher level plans flowed down to local level planning to ensure proper alignment of resources and funding.

“Alignment with relevant policies and strategies, be it at National, Provincial, cascading it down to local level.” (R5)

Another respondent highlighted the importance of rural planning as a key hindrance to LED facilitation within rural areas. The respondents all stated that within rural areas there was no formal planning for land developments by the traditional leaders who were the respective land allocators. All the respondents expressed concern with the issue of land allocation within rural areas that was not aligned with the planning of the municipality. A respondent highlighted that although the relatively new legislation for land use management and planning states that there should be co-ordinated planning inclusive of rural areas, this was not so. Respondents highlighted that land within rural areas was not properly zoned and that land identified and demarcated as land for commercial development and agriculture and grazing was being allocated for settlement purposes without prior consideration. The respondents highlighted that traditional leaders were reluctant to work with local government to properly plan land developments within rural areas and view government as competition instead of their partners. One respondent highlighted this, stating that:

“I think traditional authorities are struggling with the concept of governance, it’s an unspoken worry between government and traditional authorities where traditional authorities view government as competition.” (R10)

4.3.1.4 Informal economy

The understanding of the informal sector amongst stakeholders was reported as lacking. Seven of the respondents highlighted some of the gaps that the informal sector faced included the gaps in proper planning for the informal economy in that the informal economy was not included in most of the local municipal strategies. The respondents also highlighted the perceptions associated with the informal sector and

the lack of understanding of their needs, with one respondent citing the example of informal traders being chased away by security guards. Another respondent highlighted that the lack of representation of the informal economy in LED forums was one of the key challenges they faced. The respondent emphasized that within Msunduzi Local Municipality informal traders were not understood by formal business and as such were seen as a problem and bad for business but since the municipality had started inviting them to LED forums businesses began to understand the workings of informal traders and they now worked well together.

“In some instances, people involved in informal economy are being removed by security.” (R1)

One of the respondents highlighted that officials and business needed to understand informal traders and provide support where needed. The respondent stated that informal traders needed to be assisted with the provision of infrastructure for trading including trading stalls, water provisions and sanitation facilities. The respondent however, noted that this needed to be accompanied by proper demarcation zones for informal trading, so they did not just mushroom anywhere. One respondent then stressed the importance of taking the informal economy seriously as it had great potential in contributing to economic development. Furthermore, one of the respondents added to this stating that skills support needed to be given to informal traders to ensure that they grew and sustained their businesses.

“A credible LED strategy needs to be inclusive, provide support for informal traders and support for rural areas.” (R8)

4.3.2 Resource gaps

4.3.2.1 Basic service provision

The respondents all highlighted basic service provision as one of the important factors affecting the realization of LED within the respective municipalities. The respondents reported that the levels of basic service provision were low, especially within the more rural areas. Three respondents expressed frustrations at this, indicating that poor service provision hindered the facilitation of LED within these areas and the overall development of rural communities who were in dire need. Additionally, one respondent emphasised the issue of inefficiencies in the provision

of services such as water, electricity and sanitation as one of the challenges in facilitating effective LED within the municipality. There were constant power cuts and water shortages which affected local businesses that needed those services to operate. Respondents reported that this was an issue of concern because it further exacerbated the already strained relationships between government and business.

“I went to another area in Mid-Iloilo where people receive girt water once in six days, what development can you bring in there?” (R1)

“...the municipality has a lot of power cuts affecting business.” (R3)

4.3.2.2 Socio-economic infrastructure

Ten of the respondents reported on the issue of infrastructure as a gap to facilitating LED both within the urban and rural context. Eight of the respondents stressed the availability and level of infrastructure available was a key hindrance towards facilitating LED within their locality especially within the more rural municipalities. Two respondents highlighted that, there were a number of talented individuals located within rural areas who had great potential to expand their businesses and grow the economy of the locality but because of shortage of infrastructure they had been limited. The respondents stated that roads, water and electricity were almost non-existent within rural areas making it difficult for people to develop within those areas in terms of getting light industries and other forms of development. One respondent highlighted the lack of proper infrastructure within localities as a major hindrance to LED.

“So, the issue of infrastructure is a serious hindrance towards development in rural areas.” (R1)

One respondent highlighted that the availability of water, roads and electricity infrastructure was an engine to driving LED, and that without it LED could not happen. Additionally, other respondents highlighted the lack of infrastructure maintenance as another issue of key concern. Respondents from Mpofana Local Municipality reported that within the municipality, infrastructure was rarely maintained which then resulted in loss of business where companies would have to relocate out of the municipality to areas where they were better serviced. The respondents thus

emphasized the need for government to invest in building proper infrastructure and also to invest in maintaining the already available infrastructure to help drive development within these areas and potentially grow the economy.

“Government should invest in infrastructure so that we can be able to create an environment that is pro economic development.” (R4)

“...they don’t maintain infrastructure properly, for example here in Mooi River you can even see, the company Honey Dew is now gone...” (R3)

One respondent from the Dept. of CoGTA emphasised the challenge of the infrastructure that was built, that did not speak to the needs of the people, stressing the need of ensuring that infrastructure provision needed to speak to the needs of the community. The respondent highlighted the various infrastructures that had been put in place within the District, which cost a lot of money but was never used. One other respondent stressed concerns with the level of infrastructure that had been built, citing an example of the provision of insufficient tanks to store water for communities. It was stated that it took about three days to fill up a water tank that was depleted within thirty minutes, leaving people without access to water. The respondent raised issues of concern with the lack of investment on proper infrastructure to meet the needs of communities. The respondent further stated that there was perhaps an unwillingness to invest in rural areas. Another respondent reported that development potential existed within Ingonyama Trust Land and hence the ability to facilitate that development was reliant upon proper infrastructure provision.

“The infrastructure that has been built over the years by businesses, such as Ithala, does not talk to the needs of the people and hence it is left as white elephants, subjected to being vandalized, because it does not talk to the needs of the people.” (R7)

4.3.2.3 Funding of LED

Nine of the respondents highlighted LED funding as another gap associated with facilitating LED at a municipal level, with issues of the LED budget being a key concern. A respondent from uMngeni Local Municipality reported that although LED

is of key importance to the development of the municipality, its budget however did not reflect that, further straining the ability of LED practitioners to facilitate LED in both the urban and rural areas. Five of the respondents alluded that it was very difficult for them to create conducive environments within their localities without money and stressed that there was a need for provincial government to pump in more money to municipalities.

Other respondents highlighted that funding within rural areas was also very limited, limiting the potential for development of those areas. Another respondent from the provincial department reported that their department offers funding support to various municipalities and were now also including financial support of traditional leaders to promote the development of these areas. However, one respondent expressed major concern with the department cutting the LED budget to give to traditional leaders. The respondent highlighted that although this was a good initiative by the department to support rural areas, this should not have been done at the expense of cutting the LED budget.

“So, my point of view is, how do we meet the challenge of radical economic transformation as per government policy when they cut the LED budget at national, provincial and local level. That’s why there is a rural-urban gap due to the lack of funding.” (R6)

4.3.3 Business development challenges

4.3.3.1 Access to opportunities

The respondents highlighted that many challenges associated with access to opportunities were mainly in the rural areas, where the necessary resources needed to access business opportunities were either limited or non-existent. The respondents highlighted infrastructure, skills and finance as major hindrances towards facilitating LED initiatives that would create access to opportunities within these deprived areas. The respondents also stated that bringing previously disadvantaged communities to the main stream economy was a huge challenge, especially because the necessary infrastructure for business development was not available. There were issues of access to finance for people to successfully run their businesses. The respondents emphasized the need for government to invest in

public infrastructure in rural areas as a means to open up access to opportunities, including public institutions that would help address skills shortages and open up opportunities for the rural poor. One respondent summarized this, stating that:

“Once you get that principle right, that if water, electricity and roads are not there, especially with roads I’ve seen it where I grew up, once you’ve got a road or a network of roads everything opens up, because you are opening up access in terms of LED.” (R9)

4.3.3.2 Entrepreneurship, creativity and innovation

Six respondents reported that within their area of jurisdiction entrepreneurs were lacking; most people were not motivated enough to go out and create business for themselves. The respondents highlighted that government did provide funding support for individuals to promote entrepreneurship but at the same time people lacked the drive to be entrepreneurs. One of the respondents reported that people in both urban and rural areas tended to get into business by default because they had nothing else to do so they just ended up following what other people were doing. The respondents highlighted that there was no drive and motivation for entrepreneurship. People were waiting for government to provide for them and were without passion. Other respondents reported that there had been initiatives to drive entrepreneurship within both urban and rural areas of jurisdiction to create business opportunities for individuals and groups. This was done through SMME development and through formation of co-operatives.

A respondent reported that within rural areas government had been investing lots of money to develop and transform rural areas through land restitution and redistribution. The respondent however noted that, a lot of money was spent to buy these farms and invest in the necessary infrastructure, but these farms rarely succeeded with beneficiaries lacking entrepreneurship behaviour and commitment to see the business through. The respondent highlighted that this was an issue of major concern for their department as many of the beneficiaries they had assisted were failing. The respondent highlighted an example where some of the beneficiaries they had assisted were telling them to take back the same land that was given to them and have government employ them to work it. The respondent also raised the issue

of most of the resources given to the beneficiaries being vandalised and utilised for their own purposes instead of making the business work.

“Government has given them so much millions and farms and now all these farms are under-utilised, vandalised and without money to revitalise.” (R8)

The respondents also highlighted that there was an overall lack of creativity and innovation within their locality. The respondents cited that most of the small and emerging businesses lacked diversification. Everyone was imitating each other, and no one was being innovative. Another respondent then emphasised the need for people to get creative and innovative in how LED is driven.

“You find that you have Co-ops, and these Co-ops or SMME’s are all doing the same thing.” (R4)

“The bottom line is unfortunately financial resources are very limited and those that are available are mismanaged, so for us to get out of this challenge we need creativity.” (R1)

4.3.3.3 Skills and capacity issues

The respondents all emphasized the issue of skills and capacity shortage as an issue of major concern. Two of the respondents highlighted that most of the practitioners within local municipalities lacked the necessary skills to promote and facilitate LED within their locality. They mentioned the issue of practitioners not being able to interpret economic data, with one respondent citing that some practitioners had never gone through or seen economic statistics let alone being able to interpret them. Another respondent supported this adding that very few LED practitioners were able to draft LED strategies internally. Another respondent highlighted the issue of skills shortages within communities, especially within rural communities and stressed that there was a need to promote skills development within the communities and LED practitioners.

All the respondents were in agreement that something needed to be done to increase skills amongst practitioners and communities. The respondents highlighted the need for intensive skills training and ensuring that LED practitioners got LED qualifications. Another respondent alluded to the fact that there was a need by

government to arrange short courses for economic analysis and project management for LED practitioners. The respondent then highlighted that their department was currently working to ensure that all LED practitioners were supported through skills development and they put in place programmes to assist in this regard. A number of respondents highlighted that it was important that this issue was addressed so as to successfully facilitate and drive LED with the District.

“We can best achieve it, obviously by making sure that LED officers are trained, I at the moment am trying my best to get my things together because at that time, my post was LED Tourism officer. So, I’m qualified in tourism I have a B-Tech in Tourism and now I need to study LED then I’ll know that whatever that I am dealing with I can understand.” (R2)

Five respondents also highlighted the lack of capacity to drive LED as another key challenge. The respondents highlighted that within their localities not enough was done to capacitate municipalities to drive LED, with issues of inadequate budgets for funding LED at both local and provincial level. One respondent highlighted that within her municipality, she worked alone and was overwhelmed. The respondent found it very difficult to co-ordinate LED alone without support, stressing that the lack of capacity in this regard hindered successful and meaningful LED facilitation within her locality. The respondent summed this up as follows:

“I am alone, I’m the only LED Officer it’s so stressful and it’s too much. Dealing with informal traders on their own is too much, SMME’s too much and corporate it’s too much. Coordinating LED within the municipality if you are alone is useless, maybe if we were more maybe things could change and we could do things better.” (R2)

4.3.3.4 Sense of ownership and will power

Five of the respondents reported that there was a lack of ownership amongst beneficiaries of development projects. The respondents highlighted that although government supported individuals and communities by providing funding support and development programmes, people lacked ownership. The respondents reported an element of dependency syndrome which was a major deterrent to successful LED promotion. One respondent stated that as a department they get projects from

communities because there was a need; however whenever they assisted with providing the necessary infrastructure and resources people started complaining about the market and started slacking. Another respondent stated that people had been crying for land but when government bought them that land and they became beneficiaries and land owners, they failed to operate those businesses.

“The extension officers are almost begging people to work.” (R11)

Another respondent then expressed concern stating that government should not be proposing projects and programmes for people but rather it should allow people to be entrepreneurial and come up with their own projects, so they could have a sense of ownership. Six of the respondents added that the planning of LED within the locality needed to be inclusive of all the relevant stakeholders, especially communities. The respondents highlighted the lack of participation as one of the reasons behind the lack of ownership. One of the respondents highlighted that it was of key importance to involve communities when starting projects so that they were owned by the community.

“...because of non-participation, there is no ownership.” (R7)

Four respondents described the element of will power as key to successfully facilitate LED. The respondents highlighted that there was lack of political will from elected officials to ensure that LED was properly promoted and facilitated in both urban and rural areas. The respondents stated a lack of financial commitment to LED budgeting, lack of resource allocation to places of great need to create impactful projects and need for will power from the leadership structures and the local people. Most of the respondents highlighted the issue of politics as hindering development as most of the political leaders were keen to direct development and investments in places where they could get many votes. One respondent expressed major concerns stating that:

“If you look at the population of Impendle or probably the rural areas of uMshwathi you will see that probably there are about twenty or twenty-five thousand people that are scarcely populated, scarcely dispersed probably in several hundred or one thousand hectares of land. But, if I want votes should I go there and leave people here at Edendale where I can get a million people within three hectares of land or four hectares of land. There is no will from the

powers that be, resources are not allocated to places like rural areas deliberately.” (R1)

4.3.3.5 Mindset

Respondents stated that within their communities there was an overall challenge of getting people to have the right mindset in order to drive LED. One respondent highlighted that people lacked the business mindset required to ensure LED promotion within the District. The respondent cited the example of people in rural areas with livestock who did not convert that livestock into an economically viable asset. The livestock were rather kept for cultural purposes only and the perceptions associated with having large numbers of livestock. The respondent expressed major concern with this stating that during times of drought these people were hit hardest as the cattle just died instead of being sold to at least get something in return.

Four of the respondents stated that a mindset change was required, especially from black business owners, with one respondent stating that local communities needed to learn to support each other, by producing local and buying local. The respondent suggested that this would help create a value chain within the local area and help grow the local economy. Another respondent also emphasized that there was a mindset around small and emerging businesses that for their businesses to succeed they needed to go to town to sell their products, leaving behind a huge market. The respondent found this to be of concern as most of the people they were selling to, were the same people they lived with in the townships and rural areas, where local tuckshops were closing down.

“...even investors think of the CBD, everyone even those selling t-shirts would rather cluster in town, as you can see with a lot of informal traders mushrooming there, because all of them think that for you to get money you need to go there.” (R3)

4.3.3.6 Compliance to regulation

Three respondents highlighted the issue of compliance to regulations as one of the key challenges in facilitating LED. The respondents reported issues of excessive red-tape, environmental regulations and the Ingonyama Trust Land Act as some of

the compliance issues hindering development. One of the respondents highlighted that urban areas had their own challenges, including challenges of business licensing. The respondent stated that, they faced challenges associated with people who wanted business licensing, but they did not have approved building plans. The respondents stressed this as a major concern within their municipality where people applied for business licenses in areas demarcated for agricultural purposes, which needed to be rezoned first. The respondent then stated that this was where the major issue was, where people refused to comply and went ahead and developed their enterprises without taking into consideration compliance issues.

Seven of the respondents pointed out the importance of engaging Amakhosi to participate in meetings as very important, in order to solicit buy-in from them in terms of any proposed developments within their area. One of the respondents highlighted the importance of doing this as legislated by the Municipal Systems Act that requires that traditional leaders participate in all council meetings, making it fundamental and important that they are active participants in this regard. The respondent described the importance of complying with regulation in this regard, so that LED facilitation was properly driven. One respondent highlighted the issue of complying with environmental laws, and Act 70 of 70 on subdivision of agricultural land as sometimes hindering development potential and advancing economic development. Another respondent emphasized the issue of reviewing the Ingonyama Trust Act that also tended to hinder the development of rural areas. The respondent stated that:

“...there are plans to review the Ingonyama Trust Act because in some areas where growth and development should take place, you find that the Ingonyama Trust land is just at the boundary of the City or municipality and getting probably hectares of land for investment or development, processes becomes an issue.” (R1)

4.3.3.7 Migration

Respondents pointed out the issue of migration as one of the challenges associated with facilitating LED within their locality. Three respondents alluded to the migration of people from the rural areas in search of better services and opportunities in the more urban areas. The respondents highlighted the lack of health facilities, education facilities and employment opportunities as the major causes for rural out-

migration. The respondents stated that rural areas lacked basic service provision including water, electricity and sanitation, which were all factors contributing to migration. Another respondent highlighted that rural areas also lost educated individuals due to lack of opportunities within rural areas. The respondent stated that people from rural areas who managed to get educated found it difficult to go back to rural areas as they were out of the job market if they stayed there, because most of the job opportunities were available in urban areas.

Two respondents also highlighted the issue of migration of local businesses resulting from issues of inadequate services that negatively affected their businesses. Two of the respondents highlighted that within their locality businesses were relocating and the municipality was losing revenue because of this. The respondents highlighted issues of high tariffs, constant power cuts and poor maintenance of infrastructure as some of the reasons that made local businesses relocate to other towns.

“...here in Mooi River you can even see, the company Honey Dew is now gone and is now Dairy Day in Tweedie Howick. It moved from Mooi River due electricity tariffs and lack of services.” (R3)

4.3.3.8 Inclusiveness

The respondents highlighted inclusiveness as a very important factor in facilitating successful LED in both the urban and rural areas. Eight of the respondents stated that they helped to establish and support small and emerging businesses including SMMEs and co-operatives to ensure that they were included in economic development. One respondent from the Dept. of CoGTA stated that the department's major programmes and strategies used to focus on the development of the more urban nodes and formal businesses. However, the respondent noted that, the department had now started to focus on inclusive development to ensure that rural communities and informal traders benefited as well from these programmes and projects. There was great consensus amongst the respondents that LED needed to be inclusive of everyone and more especially, inclusive of rural communities who desperately needed this development. Two respondents however highlighted that within their areas of jurisdiction, their initiatives were mainly focused on urban areas, with very few initiatives directed towards the rural areas of the municipality.

“Most of the LED initiatives are concentrated in the urban areas, limited attention is actually given to rural areas.” (R5)

4.3.4 Tackling social issues

4.3.4.1 Unemployment

The issue of high unemployment was highlighted by many of the respondents, stating that it was a major challenge to facilitate LED. Five of the respondents highlighted that the lack of a conducive environment for business creation especially in the rural areas tended to exacerbate the issue of unemployment. Another respondent mentioned the issue of businesses foreclosing as another key factor adding to the challenge of unemployment and the relocation of local businesses out of the locality. Another respondent also highlighted the issue of urbanisation as another factor that contributed to the increase in unemployment, stating that people migrate from the rural areas to the peri-urban areas and towns in search of employment opportunities. However, the respondent expressed major concern with this migration, highlighting that people migrating from rural areas tended to have low education levels and no money to support themselves. When they got to the peri-urban and urban areas, they had to find accommodation in informal settlements where in some instances they had to pay money to rent out the informal housing. This along with the lack of skills, education and high cost of living further added to urban poverty and increased dependence on government.

“Which has been the case with SAMCOL, Natal Metal Products to name a few businesses that have downscaled due to the current economic climate which obviously results in job losses rather than job opportunities.” (R6)

4.3.4.2 Exploitation

Respondents raised the issue of exploitation as an issue of concern, especially in the more rural areas where education levels were very low, and people were more vulnerable to exploitation. One of the respondents cited that women in rural areas who were talented and did craft works were being paid very little for their products whilst the business people took their products and sold them at exorbitant prices abroad. The respondent highlighted that because of lack of economic opportunities

and employment opportunities rural people remained vulnerable and continued to fall victim to exploitation. Another respondent however, highlighted that as a municipality they provided support to these individuals to protect them from exploitation, by providing them with the necessary business skills associated with marketing their products and also putting them through a number of programmes offered by government and other government agencies such as SEDA and the DTI that provided training and hosted exhibitions for local producers to showcase their products.

“If you look at the Arts and Craft work where you find talented people with skills, but they get peanuts out of what they produce. Because some of their work is even exploited and taken to overseas where business people get foreign currencies but only to find that uMam Ncwabe from Impendle was only given R30 for that item but when it goes overseas it apparently is sold for thirty dollars.” (R1)

4.3.4.3 Education

Respondents alluded to education as a key challenge in facilitating LED, especially within the rural areas where most of the communities were reported to have low literacy levels. One respondent highlighted that not enough was done by the department of education to increase literacy levels in rural areas. Furthermore, the respondent stated that the level of education played a major role in terms of promoting LED within rural areas. People in rural areas did not understand what LED was and the lack of education made it difficult for them to comprehend it. Seven of the respondents suggested that people in both urban and rural areas needed to be taught and trained on what LED is and also taught business skills to ensure that they are able to grow from just being small and emerging businesses.

“...the level of education will also play a part.” (R10)

“The skills, you get people educated but even the educated are not skilled in the business management side, they have been educated in whatever, but they lack business management skills, financial and how to run a business overall which happens within the urban and rural area.” (R8)

4.3.5 Key stakeholders in LED

The respondents highlighted that there were numerous important stakeholders within their area of jurisdiction. The range of stakeholders included: the local municipalities, uMgungundlovu District Municipality, NGOs and NPOs, community-based organisations, traditional leaders, chambers of business, informal businesses, sector departments and agencies (i.e. EDTEA, SEDA, NYDA, SALGA, CoGTA, the IDC and DTI), the labour movement (Unions), tourism and farmers' associations and event management structures.

“The main stakeholders are industries, SMME’s, informal traders, LED forum, Tourism forum, tourism association, SALGA, EDTEA, SEDA, NNDA, NYDA.”
(R2)

“...we have: the Midlands Meander, we have HUCTO under tourism which is in Howick uMngeni Community Tourism Organisation; we have Izulu-Mphophomeni Tourism Experience; we have the Rates Payers Association; we have uMngeni Chamber of Commerce and Industry; we have uMgungundlovu District Municipality; we have EDTEA (Economic Development, Tourism and Environmental Affairs); we have CoGTA; we have the DTI; we have RLED; we have Rural Development.” (R5)

4.3.6 Collaboration in facilitating LED

4.3.6.1 Stakeholder relations

All of the respondents were of the view that creating stakeholder relations was key to achieving successful LED facilitation in both rural and urban areas, with two respondents summing it up by emphasising the importance of interrelations between these stakeholders and another highlighting the importance of working together to achieve the development goal.

“Business, civil society and the private sector, in addressing social economic needs of any locality must work together. It’s a multi-stakeholder initiative, so in other words it’s an interrelated process, there must be this interrelation/ interrelationship that must materialize before Local Economic Development can be realized.” (R5)

“... work together with the municipality by complementing each other because the municipality will never win without businesses and businesses will never win without the municipality.” (R7)

Additionally, eight of the respondents expressed major concern with respect to the level of stakeholder relations within their areas of jurisdiction. Some respondents highlighted issues of tensions between the private sector and government and their willingness to work together. With most of the respondents saying that the relations they have with the private sector are not good in that there is no trust between the two parties with limited participation by private sector in LED meetings. Some of the respondents also highlighted the lack of collective effort between big business and small business, with big businesses viewed as unwilling to support small and emerging business. All the respondents emphasised that there seemed to be an ongoing conflict between the private sector and government which further strained the possibilities of getting strong relations with the private sector.

“The relationship between the private sector and government is not good which is normal in most municipalities. I think uMngeni with the rates payers’ association looks as though is in competition because there isn’t a good relationship between the two. Government does not treat the private sector right, because and private sector role is limited yet there is a lot that they can do. Government needs to treat the private sector right, they play a role, but it is however limited. Instead the private sector then retrenches people, but if they are treated right then their business is booming, and they can absorb more people.” (R3)

Seven of the respondents reported concerns with reference to their relations with traditional leaders. The respondents highlighted that working with traditional leaders was a challenge, stating that, they try their best to involve them in promoting LED within rural areas. Challenges included a lack of communication whereby traditional leaders worked in silos and allowed unsustainable developments to occur that tended benefit them as opposed to benefiting the communities. Five of the respondents noted that there were cases where there were good working relationships between traditional leaders and government respondents including

cases where traditional leaders participated and collaborated with local government in planning and facilitating LED within their areas and where traditional leaders made land readily available for development opportunities that would benefit the communities. However, seven of the respondents highlighted that more often than not relationships were bad with the traditional structures, with issues of conflicts between elected officials and traditional leaders that hindered successful LED promotion and facilitation within rural areas. This is summed up by one of the respondents, stating that:

“As the municipality we are involving them, even though sometimes there are issues where you get that the Inkosi has issues with the councillor and we won’t get a way. Sometimes, if you ask to use their land you are told that they have a share in that land, so, what is it that they will get from this, and you have to say something that appeals to them. These are some of the issues we have with Amakhosi, sometimes when you go to them with a proposed development they will ask you, what am I going to get every month?” (R2)

Eight of the respondents however, stated that, the relations they had with the other stakeholders, such as, the provincial sector department and the respective agencies and other community structures were very good, with many respondents citing numerous projects and programmes put in place by departments and these structures to promote LED. Two respondents stated that within their locality, were farmer associations that were very proactive in terms of promoting inclusive LED whilst also driving transformation. This association created initiatives that supported small and emerging farmers within rural areas. They worked hand in hand with small and emerging farmers to assist them in growing and marketing their businesses, offering skills and training to the disadvantaged individuals. The respondents highlighted that this was not a one-time occurrence within their locality and that since then, other sectors have followed suit, with tourism associations assisting small and emerging tourism businesses within townships.

“Here in Mpofana, we have what we call UMATI, its Upper Midlands Agricultural Transformation Initiatives. It was established by a farmers’ association of White farmers, where the T stands for transformation so that they can transfer their skills. So, two farms have been successful so far,

producing milk. They started with a pilot for people producing milk to produce as they do. So, that's one partnership through UMATI. Then there's also in tourism, there's a tourism association that has now formed a smaller tourism association in Bruntville looking to mainly support black people and they offer skills if you want to open a B&B they'll take you through, if you want to run a craft centre and so on.” (R3)

The respondent highlighted that this was one of the positive relations they had with local business. Furthermore, the respondents highlighted that often the municipality fell short in terms of providing services required by business to operate, thus straining the relations with local business. One of the respondents highlighted that if government were to treat the private sector right, then the private sector would play a very big role towards supporting government in developing the local area. Another respondent from Impendle highlighted that when engaging farmers to support them in terms of assisting small and emerging disadvantaged farmers, the farmers would readily avail themselves, however, there was often a lack of commitment from some of the emerging farmers. This then further strained the relationship between the farmers, municipality and community and ruined the reputation of municipalities as these farmers would not be willing to work with them again in future.

4.3.6.2 Support

One respondent suggested that support was required from all stakeholders interested in seeing people develop, stating that, collaborative effort was required, as no individual or organisation alone can handle development, especial development of rural areas. Thus, support from all stakeholders was viewed as a necessity for the development of rural areas. Six of the respondents from the municipalities highlighted that most of the support they received, came from the provincial departments, who the respondents believed were readily available to provide support. A respondent from the provincial sector department highlighted that the role they played as a department was to provide support, both in the form of financial support and technical support. Furthermore, the respondent highlighted that the department had extended their support to also include traditional authorities.

“So, in two ways its technical support and financial support and we have different funding for those programmes. Further to that the corridor

development has also looked at the issue of supporting Amakhosi, so we have added another amendment that allows Amakhosi to benefit from the programme.” (R8)

Five of the respondents reported that support from the private sector was needed to promote economic development in both the urban and rural areas. The respondents highlighted that this could be via business chambers that could participate in improving relationships between local government and the private sector. Two respondents stated that the recently established District development agency could help fast track this and play a major role in enhancing business. However, another respondent was doubtful of getting support from business chambers, with major concerns of the business sector falling short of supporting emerging businesses within the District.

“Business chambers may claim that they support emerging businesses, but I don’t care what they say, they don’t, they only serve private sector needs whom you can only be a member if you have money, if you don’t have the money you can’t be a member of the chamber. So, how are they supporting black emerging businesses, they only support those who might be emerging or small but have the money because they only support their members they don’t support anyone else.” (R1)

Five respondents highlighted the role of government in supporting business development as an issue of concerns. Five respondents highlighted that government tended to neglect business and focus mainly on supporting communities, especially communities where they could get a lot of votes. The respondents highlighted this neglect as a major difficulty for business development and enhancement, with concerns of politics playing a major hindrance towards development of some areas, especially rural areas of low populous.

“So, in a nutshell there’s very little that goes into business development or support.” (R11)

Two respondents highlighted the support of the various sector departments within the same municipal organisation as an issue of concern. With the lack of involvement and collaboration as a key hindrance toward the successful facilitation of LED within the locality. The respondents felt that the sector departments seemed

to fall short in this regard, with lack of collaboration and integration in planning and implementing projects. One respondent highlighted the finance department, technical department and economic development departments as working in silos without any synergy and sense of awareness of the interconnectedness of their roles in ensuring support for the development of their localities.

“The non-involvement of other sector department with specific reference to the local municipality, with no adherence to the councils’ total development framework.” (R6)

“I’ll be very honest upfront, by saying that, maybe because as a weakness on government, the way we are wired, we tend to look at it in a way that if I come from infrastructure then I just go there and do infrastructure then they come in because they are LED and proceed.” (R9)

Another respondent highlighted that, although assistance was given to land restitution claimants to support them in gaining economic opportunities, this support were however not sufficient. The respondent stressed that additional support was required to ensure that beneficiaries truly benefited from this support. However, another respondent highlighted that whilst support was given to beneficiaries, the lack of will power to drive those projects was apparent amongst beneficiaries. The respondent stated that whilst financial and technical support was given to most beneficiaries, most of the beneficiaries wanted to be constantly pushed or wanted someone else to do the work for them. Four of the respondents also stated that within their locality, farmers and farmer associations made themselves readily available to assist these beneficiaries but the lack of commitment and will power from these individuals was a limiting factor, thus, making it difficult for government and business to support these individuals. One respondent emphasised that there was support from government in terms of giving people access to business opportunities; however, very often these opportunities were prone to failure, as most beneficiaries struggled to operate these businesses.

“If you look at the restitution in terms of those farms given back to Black people, one out of ten will be struggling in terms of operations” (R10)

4.3.6.3 Engagements

The respondents highlighted the importance of having various stakeholder engagements to foster strong relationships and the participation of the various stakeholders in successfully facilitating LED within the District. Nine of the respondents reported that effort was made to involve all the relevant stakeholders within their localities. However, this was met by numerous challenges, with other respondents stating issues with traditional leaders not willing to engage with them because of conflicts between the two leadership structures (traditional leaders and elected leaders) prominent within rural areas. Another issue raised was the difficulty of engaging rural communities who tended to be scattered far out all over the municipality. One respondent highlighted that there were no proper municipal structures available in rural areas for rural people to engage the municipality as most of the municipal offices were located in the more urban areas which tended to be very far from rural areas.

Two of the respondents highlighted that there were some places within their locality where people had only one taxi going to town, leaving early in the morning and coming back later in the afternoon and if a person missed it, then they were in big trouble because the only other taxi back to that area would be leaving the following day. People in rural areas were thus not able to engage the municipality and fully participate. One respondent highlighted that in order for people in the rural areas to come to the municipality and be involved in LED matters, the municipal officials needed to use the municipal vehicles to collect them and bring them back again. This made it very difficult for rural people to be involved in LED matters within the municipality.

“So, for that partnership to happen there needs to be engagements with relevant stakeholders, either the municipality, private and communities.” (R3)

“Their role should be work together with businesses and local government in ensuring that there is stability and create a platform for engagement so that even them they’ll be able to understand the challenges that are being confronted with, by the businesses and/ or local government.” (R7)

One respondent highlighted that when having their LED summit, they often tried to include all the municipal wards, especially the rural wards to ensure that all the views of rural people were heard, and that rural people got involved in the planning of LED within their locality. Another respondent added to this, stating that the LED planning within their locality was much like the planning of the IDP, whereby there was rigorous public consultation that ensured that the needs of the community and their development aspirations were heard. The respondents suggested that, this should include rural communities, urban communities and local business and other organisations. One respondent summed it up by saying:

“Whether rural or urban, the LED strategy or LED initiatives should actually talk to those people. No matter who they are, no matter their creed, no matter their race and no matter their background.” (R4)

One respondent also emphasized the importance of having the labour movement as one of the key stakeholders to engage, when facilitating LED within localities. The respondent highlighted that the labour movement such as COSATU were very active at national level in terms of engaging business and government but were not part of engagements at local level. The respondent highlighted that when LED matters are discussed within the locality, the labour movement should be invited to participate so that they could work together with business and local government to ensure that there was stability within the locality. This would also ensure that the labour movement could better understand challenges confronted by business and local government, as local government was also an employer. The respondent also emphasized that this would also assist business in distress to come up with ideal approaches in terms of ensuring that there were no job losses.

“COSATU and other federations do participate on economic issues, so therefore, what is happening up there has to find expression at a local level.” (R7)

4.3.6.4 Institutional structures

The respondents all highlighted the need for development and partnering with institutional structures within the District. Seven respondents viewed institutional structures as one of the key stakeholders important for facilitating LED within the

District. Seven of the respondents highlighted that the lack of institutional structures available at local level hindered LED promotion within their localities. One respondent highlighted that institutional structures could help ease tensions between government and business and also improve this relationship. Whilst, another respondent suggested that institutional structures could be used as mediators, to mediate between these various stakeholders and possibly ease the existing tensions. The respondents highlighted the District development agency as one of the structures that could help bring common ground between these stakeholders, to ensure that LED was effectively realized.

One respondent suggested that the issues of tensions among stakeholders within the District required intervention from outside government, whilst also highlighting the need to have these structures at a local level. One respondent highlighted the lack of institutional structures in rural areas as one of the major hindrances to LED in rural areas. The respondent stressed the fact that people within rural areas did not know how to properly organize themselves, apart from farmers who had organized themselves into farmer associations. However, the respondent noted that these associations tended to be more inclusive of the already established commercial farmers and excluded the previously disadvantaged black farmers who were just starting out. Thus, the respondents unanimously highlighted the need for institutional structures in both urban and rural areas that would work together with government and the private sector to help fast track LED within the locality.

“... ensuring that we have adequate structures or institutional arrangements at a local level to drive LED.” (R5)

“There isn’t a close working relationship between community and business and I don’t think government is the right mediator to mediate between the two because businesses have an attitude against government and government has an attitude against business.” (R1)

One respondent highlighted the issue of having a lot of red tape within government, where people with potential developments would be sent from one department to another, instead of having just one area or department that could deal with all issues relating to potential investments and development. The respondent stated that these

excessive regulations tended to hinder developments and made potential investors lose interest. One of the respondents then highlighted that to address this issue the use of agencies would ease development processes and help fast track development.

“It’s easier to work with agencies than with government in partnerships, because their processes are much quicker, than this bureaucracy of government.” (R8)

4.3.6.5 Trust

Six respondents alluded to the issue of trust amongst stakeholders as one of the challenges hindering the proper facilitation of LED within the District. They stated that there was a lack of trust between government and business and also between government and the communities. One respondent highlighted the element of trust as a major issue between government and business, stating that the private sector had wrong perceptions about government and that they tended to say that governments wanted to steal from them.

“...we’ve got a situation where the private sector is of the opinion that government is trying to take away from them.” (R4)

“The government and businesses always treat each other with suspicion. If government approaches businesses, the business always thinks there is probably something they want from us. So as the government when business proposes something, it’s that kind of relationship and so there’s no trust between these two.” (R11)

4.3.7 Enhancing leadership

4.3.7.1 Importance of Amakhosi (Chiefs)

There was a unanimous agreement amongst the respondents about the importance of Amakhosi in facilitating LED within rural areas. As land allocators, respondents reported that relationships needed to be fomented with Amakhosi to properly facilitate LED within their areas of jurisdiction so as to unlock development potential

in rural areas. One respondent stated that traditional leaders needed to be active participants in the development of their areas as opposed to being passive participants because they held the development potential with the powers they had in these areas. One respondent stated that he had good working relations with traditional leaders and that in most cases issues of lack of collaboration stemmed from maturity when dealing with Amakhosi. Another respondent added that there was lack of knowledge with officials about how to properly engage traditional leaders, which was a major concern. The respondent highlighted that this was a major barrier, as traditional leaders were well recognized within these areas and that people respected them.

“They are the leaders that are firstly recognized by people and not your, for example, your councillors they mostly relate to your traditional leaders.” (R4)

Another respondent emphasised the importance of traditional leaders in unblocking barriers to development of females within their locality as most rural areas tended to be dominated by women who were normally marginalized. Some respondents however found that there were challenges in terms of working with traditional leadership. Respondents reported issues of lack of coordination and consultation between Amakhosi and government along with issues of unsustainable developments that were happening within rural areas. As land allocators, traditional leaders merely allocate land in areas without proper consideration of its impact on the environment and the safety of those people. This is viewed by many of the respondents as a hindrance towards facilitating LED, especially because respondents have reported issues of land that should have been zoned for business development and community services having now been allocated for human settlements.

“The ITB simply allow development without any consultation or coordination between the sector departments, that’s the department of transport and the local municipality which is a hindrance.” (R6)

“They allocate land without planning and so that will have dire effect in terms economic development especially with traditional leaders involved.” (R10)

4.3.7.2 Strategic direction

The issue of strategic direction was brought to the forefront, whereby respondents raised issues of concern from the existing leadership structures. Respondents raised issues of LED plans that were drafted with no implementation having taking place. These views were shared by a number of the respondents raising the question of the purpose of drafting and reviewing strategies if they were not going to be implemented. One respondent stated that most of the LED strategic plans were just drafted for the sake of drafting plans. One respondent highlighted that although LED strategies are drafted highlighting the strategies to be pursued within a specific timeframe, these strategies are ignored, and you get instances where developments are implemented, yet they were not included in the strategic plans. Additionally, another respondent reported issues where the authorities tasked with providing strategic direction by developing strategic frameworks within their respective localities were failing to do so, as they lacked the necessary leadership skills and overall LED skills needed to drive this. The respondent expressed the concern that many of the practitioners within the municipalities were still heavily reliant on consultants to drive the strategic direction of the municipality in terms of LED. Furthermore, the respondent also expressed concern that even with the outsourcing of LED strategies, practitioners still did not properly comprehend the reviewed LED strategies to properly implement them.

“Since I started working, I know for the IDP you must have an LED strategy, but people are still consulting, they can’t review or even understand what is in that document.” (R8)

4.3.8 Improving monitoring and evaluation

Another factor of major importance is the issue of monitoring and evaluation. Two of the respondents highlighted monitoring and evaluation as one of the challenges faced by government that hinders successful LED facilitation. One respondent highlighted that within local government, LED strategies were drafted, and projects identified but no clear assessment and monitoring mechanisms were put in place to monitor progress. The respondent highlighted that most of the LED strategies drafted failed because there were no clear indicators and targets in place to guide implementation. The respondent then highlighted that a need existed for LED

strategies and projects to be properly assessed and evaluated through an institutional mechanism. Another respondent from the Dept. of CoGTA stated that her department was working on addressing this issue to ensure that monitoring and evaluating tools were put in place at provincial level and cascaded to local level to ensure effective implementation of LED.

“Currently, we are also developing the LED framework for the province, after we are done with that, municipalities will also have to do the same, review based on that. The good thing about this one is, many did not have the issue of monitoring and evaluation (M & E), it wasn’t coming out strongly on the first national policies, but now it’s stronger.” (R8)

4.4 Conclusion

This chapter presented the key findings from the in-depth data interviews that were collected, transcribed and thematically coded into themes and sub-themes. The study identified eight core themes and twenty-five sub-themes relating to LED facilitation within uMgungundlovu District Municipality. The following chapter presents the discussion of the research findings which will be compared and contrasted with the literature review and the findings from the supporting municipal documents.

CHAPTER FIVE: DISCUSSION

5.1 Introduction

The chapter provides a detailed discussion of the research findings and their integration with the literature review on facilitating LED. The discussion focuses on the seven core themes that emerged out of the data presentation. To contextualize the findings, the aims and objectives of the study are reiterated below.

The main aim of this study was to investigate how to bridge the urban-rural gap in facilitating LED within uMgungundlovu District Municipality, with the following research objectives:

- To identify the urban-rural gaps that exist in facilitating LED within uMgungundlovu District Municipality.
- To establish what are the challenges that exist in bridging these urban-rural gaps.
- To identify the relevant stakeholders in enabling LED facilitation.
- To identify strategies to bridge the urban-rural gap in facilitating LED within uMgungundlovu District Municipality.

5.2 Key findings

5.2.1 Gaps in understanding of LED

The study revealed that there was a common understanding of what LED is among respondents facilitating LED within the District. Moyo (2007) found that, the understanding of the concept of LED amongst the community was very limited, but solid amongst municipal representatives. The findings from this study are similar, where the analysis revealed consensus amongst municipalities in their understanding of LED but was however lacking within communities. One respondent highlighted that although the municipalities had a common agreement on what LED is, the understanding of it was very limited within the communities, especially within rural areas. One participant cited that although traditional leaders are one of the identified stakeholders in facilitating effective LED, they did not seem to know or understand much about what LED is and what benefits it offered to them. Thus, emphasising the importance of capacitating traditional leaders to better understand

LED as local leadership is crucial for effective LED planning, facilitation and implementation (Meyer, 2014).

Another factor associated with understanding was roles. The study revealed that to effectively facilitate successful LED, different roles needed to be played by the various stakeholders. The study respondents highlighted that within municipalities, the LED practitioners had to play roles of creating enabling environments, aligning LED strategies to other sector plans, engaging and involving traditional leaders in the planning and implementation of LED and also creating strategies for business retention and expansion. Concerns however, were raised within the study of the importance of other stakeholders playing their roles, with some respondents citing that other people were not aware of the roles they should be playing whilst others, such as the private sector, have been cited as not playing any role in facilitating LED within the District. Similarly, Rogerson (2002) found that gaps in the definitions of responsibilities and roles in co-ordinating LED existed, especially within the smaller and more rural municipalities. One respondent highlighted the importance of establishing clear roles for all, so that everyone knew what role they had to play in facilitating LED within the District. Hristova and Tast (2015) found that, there was a need for collective effort between local stakeholders, stating that, there is a need to identify all relevant stakeholders and their roles to ensure that the local area's potential is achieved.

The study also showed the factor of planning and alignment as associated with facilitating successful LED facilitation within the District. The respondents cited the importance of aligning all municipal strategies with the available national and provincial plans whilst also aligning the strategies with the resource potential of their respective localities. Rogerson (2002) identified lack of co-ordination between spheres of government to be a hindrance towards effective LED implementation, highlighting that it was somewhat unclear what responsibilities and co-ordinated roles needed to be played by local government to facilitate LED. Additionally, Frank and Reiss (2014) found that a lot of differences exist within rural and urban areas and as such planning needed to take into consideration its applicability to rural areas, the perceptions associated with the current planning systems and the cultural and ideological distrust. Whilst, Meso et al. (2016) found that, rural development

planning was required to help address rural poverty and urbanisation and fully realize rural potential.

The study also highlighted understanding of the informal economy as very important. The study respondents expressed concern with regards to the understanding of the informal sector, citing that within the District there isn't sufficient planning going towards planning for the informal economy and the lack of understanding the sectors needs and its structure. The DPGL (2006) also found that, with regards to addressing the informal economy, government lacks proper strategies to deal with it. This is perhaps one of the challenging sectors to deal with, because of its diverse structure and processes. Thus, collaboration is required between government and informal business structures to better understand it, so as to facilitate successful LED within the District.

5.2.2 Resource gaps

Another dominant theme that emerged is the issue of resources required to successfully facilitate LED. The respondents unanimously highlighted the availability of resources as a major gap associated with facilitating LED especially within rural areas. The study found that resource gaps included basic service provision within localities, socio-economic infrastructure and funding of LED. Shawa (2008) supports these findings stating that, in less developed countries local governments mainly fail in achieving their LED facilitative mandate, because of inadequate resources afforded to them to perform this function. The respondents highlighted basic service provision to be very poor especially within the more rural areas citing examples of communities provided with water once in six days and issues of prolonged electricity cuts during business hours. Service delivery provisions within the District tended to be dominated in the more urban areas whilst rural areas were left neglected (uMgungundlovu District Municipality, 2014). Overall, this inadequate and inefficient provision of basic services has major impact on communities, including business, with the resultant impact of increased tensions between government and its various stakeholders. Tsheola and Mokgokong (2012) found a strong link between service delivery and LED, suggesting that municipalities with high levels of service delivery gaps tended to restrict the potential for LED development within their areas, whereby the more rural areas are hit hardest.

The factor of infrastructure is revealed strongly in the study as a major concern, hindering the development of rural areas and hence overall successful facilitation of LED within these areas. Many of the respondents stated that the availability of infrastructure especially road, electricity and water infrastructure within rural areas would speed up development, and further make it easy for them to facilitate development within these areas. Likewise, Rogerson (2002) identified infrastructure provision within local government as a major planning gap to LED. Whilst, infrastructure development in municipalities have been found to be biased towards municipalities with the highest economic potential while neglecting municipalities with low potential whereby the more urban areas or municipalities tended to be well serviced with infrastructure (Meyer & Meyer, 2016; Sartorius & Sartorius, 2016). Therefore, a need exists to invest and mobilize infrastructure to enhance LED potential within these areas (Mbanda & Chitiga-Mabugu, 2017; Du Plessis & Thomas, 2007; Meyer, 2014; Rodríguez-Pose, 2008).

Lastly, the factor of funding for LED was another area of major concern, with respondents mentioning that not enough funding was available within their departments for the promotion of LED, which posed a challenge in facilitating successful LED. Moyo (2007) found that municipalities battled to fund their day to day activities, more especially rural municipalities who are mainly dependent on grant assistance. The District has a budget allocation of less than one percent of total operating expenditure dedicated to LED promotion and programmes, making it difficult to drive LED facilitation (uMgungundlovu District Municipality, 2016; SALGA, 2016). Thus, Zulu and Mubangizi (2014) found that the conceptualisation, planning and management of LED needs to be re-focused to ensure that its processes link local government, community and civic groups and business to jointly manage existing resources and to stimulate employment creation and economic growth of the locality. Coordinated planning within the municipality, including the planning for water services development, disaster management, waste management, and other programmes for infrastructural service delivery is required to ensure that municipal services directly impact on the success of LED implementation, and financial support from higher order government departments is also required.

5.2.3 Business development challenges

The findings of this study revealed business development challenges as another strong feature affecting the successful facilitation of LED within the District. The respondents highlighted eight factors associated with business development challenges within the District, including: access to opportunities; entrepreneurship, creativity and innovation; skills and capacity issues; sense of ownership and will power; mindset; compliance to regulation; migration; and inclusiveness. Rogerson and Rogerson (2012) thus, summed up four important factors that need to be considered in strengthening LED at local government to deal with these challenges. These included: the market confidence of business in local government; municipal capacity and identification of potential opportunities; creating a conducive environment for business; and intensifying local support for small business development. The first factor identified in the findings of the study has a tremendous effect on business development that is creating opportunities for business development. This factor is one of the major hindrances of business development, especially within rural areas, where business opportunities are limited and to a certain extent non-existent. This factor is tied to a number of other factors mentioned before, such as, resource issues, lack of understanding, lack of collaboration and leadership. Unblocking this challenge will require addressing the other aforementioned factors, so as to enable access to opportunities.

The other factors associated with business development challenges are the related elements of entrepreneurship, sense of ownership and will power, innovation and creativity and the business mindset. These were found to be lacking within the District, with respondents citing the inability of individuals to be self-driven and willing to create opportunities for themselves; people lacking diversification, such that, everyone was doing the same thing; and people were always reliant on government for handouts. Parker (2015) also found several key factors were required by local government to advance LED promotion within their areas, including creative entrepreneurship and changing the organisational and individual mindset in facilitating and promoting LED.

The respondents also highlighted skills and capacity, inclusiveness, compliance to regulations and migration as other hindrances to achieving successful business development within the District. The respondents cited issues of skills and capacity

shortages within municipalities and the communities at large, especially within the rural areas. This included LED facilitation skills and also the funding capacity of LED within the District. SALGA (2016) found that within the economic development unit of uMgungundlovu District, only three positions had been filled with six positions remaining vacant. It was however noted that of the three individuals employed in the LED unit two had postgraduate qualifications in LED that would help facilitate LED within the District. Du Plessis and Thomas (2007) found that not much has been done within the country to prepare municipalities for dealing with economic development, highlighting the issue of the essential skills and capacity required, more especially within the more rural municipalities. Additionally, Moyo (2007) had similar findings, highlighting the general lack of capacity and skills at local government and among project beneficiaries, thus impacting on the successful facilitation of LED.

Other issues associated with these factors include the cooperation of rural authorities in complying with municipal planning laws and, on the other hand, the issue of too much red tape associated with regulations. Rogerson (2002) likewise identified regulations governing the activities of local government to hinder LED planning and implementation. The other issue is that of the lack of inclusiveness in the facilitation of LED within the District, with respondents citing that LED facilitation tends to be focussed in one of the areas or the other, so that, it was devoted to either the urban areas or the rural areas. Dubazane and Nel (2016) emphasised the role of traditional leaders as, more often than not, limiting municipal planners from properly planning development, resulting in uneven development and planning within these areas and lack of access for the communities within these areas, thus hindering inclusiveness.

There is no balance in terms of inclusiveness, however one of the respondents highlighted that this challenge was now being addressed by the province to ensure that all developments were now inclusive of all, including tribal areas, in the form of both technical support and financial support. Lastly, the factor of migration was also highlighted as a challenge of business development and more especially with the aforementioned factors that drive it, with both business migration and the migration of people being identified as the forms of migration dominant within the District. Rodríguez-Pose and Hardy (2015) found that spatial spill-overs, urbanisation and

localising economies create an opportunity for economic activity promotion, but the authors are mindful of the impacts of pro-urban and rural out-migrations which they argue further weakens rural areas and further increases inequalities.

5.2.4 Tackling social issues

The findings of this study highlighted tackling social issues as a challenge in facilitating successful LED within the District. The DPLG (2006) also found social issues as major hindrances to the successful implementation and facilitation of LED within local government. The respondents highlighted three factors associated with tackling social issues, including: unemployment; exploitation; and education. The respondents cited issues of high levels of unemployment within the District especially in the more rural areas, the level of exploitation of people in the rural areas and the low levels of education in the more rural parts of the District. All these factors are interlinked with levels of exploitation associated with the lack of education and lack of employment opportunities. Tackling social issues cannot be done in isolation it thus requires collaborative effort from all relevant stakeholders to ensure that LED is promoted and facilitated successfully within the District. The collective effort from all stakeholders involved creates opportunities for conducive LED environments for economic growth and job creation (Swinburn et al., 2004; Rodríguez-Pose & Tijmstra, 2005).

5.2.5 Key stakeholders in LED

The study findings revealed that various stakeholders were available within the District, including the local municipalities and the District municipality; the private sector, institutional structures and the traditional leaders. The respondents highlighted the local municipalities, uMgungundlovu District Municipality, NGOs and NPOs, community-based organisations, traditional leaders, business chambers, labour movement, formal and informal business and sector departments and agencies as key stakeholders. In promoting a conducive environment for economic development, participation of key stakeholders such as local communities, public and private institutions is important in driving LED within a locality (Coetzee, 2014; Meyer & Meyer, 2016).

5.2.6 Collaboration in facilitating LED

A dominant theme that emerged from the in-depth interviews with respondents was the issue of collaboration amongst participants in the LED space. Respondents highlighted the importance of collaboration in facilitating successful LED. Van Niekerk and Bunding-Venter (2015:5) found that, the “work of local partnership for economic growth and development necessitates governance arrangements to be made between different stakeholders to facilitate optimal cooperation and collaboration to effect LED.” The majority of respondents support this statement, with a number of respondents citing collaboration with the various stakeholders as important in the successful facilitation of LED in both rural and urban areas of the District. The study findings revealed that stimulating collaboration required the fomenting of stakeholder relations important in ensuring collaboration amongst the various stakeholders.

However so, the study also found that respondents expressed concerns with the levels of collaboration and partnerships within the District. The analysis of the data reveals that stakeholder relations were one of the factors important in promoting LED. Hardman (2011) also recognised the importance of promoting collective effort, collaboration and participative involvement as key success factors to LED. The study found that, although the various respondents were aware of the importance of collaboration, the findings suggest that this was lacking and as such posed as a limitation towards the successful facilitation of LED within the District. This is similar to the finding of Coetzee (2014) who found that, within the KZN province, cross sectional partnerships were lacking, and as such, successful LED implementation was limited. Consequently, many respondents highlighted tensions between government and business and between big business and small business. With collaboration at local government level proving challenging, as it involves a range of stakeholders who are not necessarily obligated to cooperate with each other (Strydom, 2016).

In promoting collaboration, the issues of support and trust were also highlighted within the study as other key factors impacting on proper LED facilitation. Frank and Reiss (2014) supports this finding, stating that to successfully develop rural areas the issue of ideological distrust needs to be addressed. Although numerous respondents reported issues of support and trust as other factors affecting collaboration,

respondents stated that the support available to them came through the form of financial support and technical support from the relevant sector departments. However, the issue of internal departmental support was raised as an issue of concern, with some respondents stating the non-involvement of sector departments within the municipality and the lack of collaborative effort. Zulu and Mubangizi (2014) found that collaboration between various sector departments within the municipality was lacking. The study also found claims of poor support from the business sector in terms of providing support to small and emerging business and likewise with government and business. Similarly, Coetzee (2012) also found that within local government, poor collaboration and cooperation between sector departments, government spheres, city officials and leaders, communities and the relevant stakeholders were of concern regarding facilitating, leading and championing development planning.

Lastly, the study also revealed two more factors associated with collaboration: engagements and the availability of institutional structures. It was found that having various stakeholder engagements would be of benefit to the successful implementation and facilitation of LED. The ITC (2008) found that to successfully facilitate and promote LED at local level, engaging in dialogue, creating employment of high quality and the establishment of public-partnerships was important. However, Lawrence and Hadingham (2008) found that, at local government level, the key challenge to achieving this was the inability of local government to engage the private sector. The author finds that these two stakeholders within the country have different priorities and that they serve different constituents, so their approaches to dealing with issues of LED tended to be ideologically opposed and hence affected the realization of collaborative effort (Lawrence & Hadingham, 2008).

Whilst, the issue of developing and working with institutional structures is another factor associated with collaboration, this factor is closely linked with the previously mentioned factors of engagement, stakeholder relation and trust. Respondents highlighted the need to have institutional structures in place so as to provide a platform for the effective collaborations of government, business and other stakeholders. This was strongly highlighted by two of the respondents, suggesting that these institutional structures can be used as mediators between government and business, to promote collaboration where all stakeholder goals are realized. LED

requires all kinds of capacities that may not necessarily be available within one organization (Schoburgh, 2014). Coetzee (2012) found that, at local government level, there were organisational set-up gaps where there was lack of alignment of planning with institutional structures and processes. This is also highlighted by the District as an issue of concern, and hence the newly established District development agency has been viewed as the necessary tool required to enhance collaboration amongst LED facilitators within the District (uMgungundlovu District Municipality, 2014). Thus, to promote collective effort in developing a local area, the establishment of local institutions is of key importance, but this needs to be accompanied by improved management processes (Rodríguez-Pose, 2008).

5.2.7 Enhancing leadership

The research findings highlighted enhancing leadership as important in the facilitation of LED within the District. Ingle (2014), also found leadership as one of the important factors for LED. To promote LED within the urban and rural areas requires strong leadership that will direct and influence LED. Apenko and Chernobaeva (2016) found that leaders need to be capable of self-organization and adapting in complex situations to ensure organizational effectiveness. However, Lawrence and Hadingham (2008) found that, with regard to leading, municipalities lacked control and cannot direct key aspects of LED within the localities. The respondents also cited the importance of Amakhosi (Chiefs) in heading development within their areas and also the importance of having strategic direction on the leadership side of government. Additionally, the findings suggest an issue of concern regarding leadership and the strategic direction of the District, with respondents citing that traditional leadership (Amakhosi) within the District lacked proper planning to influence and direct LED within their areas and also that there is a lack of strategic direction within government. Dubazane and Nel (2016) support these findings, stating that often traditional leaders tended to limit planning and development of rural areas, by not working hand in hand together with local planners to help drive development.

5.2.8 Improving monitoring and evaluation

The study results also emphasised improving monitoring and evaluation as another important factor in the successful facilitation of LED within the District. Respondents highlighted the need to put in place monitoring and evaluation tools to promote

successful implementation and facilitation of LED, which would be used to monitor and assess the success of LED within the District. Lawson (2012), found four dominant challenges as hindrances to the success of LED: how LED practice and performance is to be measured, data gathered, feedback given to municipal leadership and how learning can be better facilitated for improvement. This suggests a level of discipline and monitoring mechanism is needed amongst municipalities, to ensure that LED is successfully implemented.

5.3 Conclusion

This chapter provided an in-depth discussion of the results and findings by comparing and contrasting findings in the literature review to give a thorough understanding of the phenomena of LED facilitation with the District. The study identified eight core themes as important elements of bridging the urban-rural gap in facilitating LED within uMgungundlovu District Municipality. The chapter thus, aligned the findings to the study objectives to give context to the findings, where gaps in understanding of LED, resource gaps, business development challenges, tackling social issues, key stakeholders in LED, collaboration in facilitating LED, enhancing leadership and improving monitoring and evaluation were discussed as the prominent factors associated with bridging the urban-rural gap within the District. The chapter also aligned the findings to the study objectives to give context to the findings. The following chapter presents the conclusion and recommendations.

CHAPTER SIX: CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

LED is a fundamental approach towards unleashing and promoting the economic development of a local area. Municipalities are tasked by the Constitution of the country to ensure the realization of LED through facilitating and promoting LED within their localities. The facilitation of LED within the urban-rural context in the country has proved challenging, with LED planning and implementation biased towards the more urban areas. The significance of the LED facilitation phenomenon in the urban and rural context in South Africa and even more so in uMgungundlovu District Municipality is rather unknown. Thus, the purpose of this research was to gain better understanding of the prominent factors contributing to the urban-rural bias in facilitating inclusive LED within uMgungundlovu District Municipality and identifying the relevant key players involved. It also intended to contribute towards addressing the issues of the urban-rural gap specifically to the District of uMgungundlovu and to the province of KwaZulu-Natal and further provide valuable insight on how this existing gap could be bridged.

The main aim of this study was to investigate how to bridge the urban-rural gap in facilitating LED within uMgungundlovu District Municipality, with the following research objectives:

- To identify the urban-rural gaps that exist in facilitating LED within uMgungundlovu District Municipality.
- To establish what are the challenges that exist in bridging these urban-rural gaps.
- To identify the relevant stakeholders in enabling LED facilitation.
- To identify strategies to bridge the urban-rural gap in facilitating LED within uMgungundlovu District Municipality.

Although the study's major focus was on the LED initiative, the element of LED facilitation within the context of urban and rural areas involved the incorporation of other related disciplines, including town and regional planning and leadership disciplines. Thus, both the findings from the literature and primary research

highlighted some of the elements of these other related disciplines. This chapter then, presents the conclusion and recommendations of the study.

6.2 Summary of key findings

The summary of the findings of this research study have been presented in line with the research objectives of this study. This is done to emphasise the key findings of each objective.

Objective 1: To identify the urban-rural gaps that exist in facilitating LED within uMgungundlovu District Municipality.

The research findings highlighted two gaps in facilitating LED within uMgungundlovu District Municipality, including gaps in understanding of LED facilitation and gaps in resource allocation to enable effective LED facilitation. The gaps highlighted in understanding of LED included: gaps in understanding of definition of LED by traditional leadership and communities; gaps in understanding of roles by the various stakeholders in facilitating LED; gaps in understanding planning and alignment and thus the gaps in co-ordination; and lastly gaps in understanding and planning for the informal economy. Whilst, gaps associated with resource gaps highlighted in the study included: gaps in basic service provision, availability of socio-economic infrastructure and funding of LED. The study found that within rural areas, the gaps in understanding and resource gaps were a major hindrance to the development of rural areas, further increasing the LED bias.

Objective 2: To establish what are the challenges that exist in bridging these urban-rural gaps.

The challenges highlighted in the study findings include business development challenges and the tackling of social issues. The results of the study highlighted that rural areas were mostly affected by these business development challenges, including: issues of lack of access to business opportunities; skills and capacities on both the side of the community and the municipalities; the lack of creativity and innovation; lack of sense of ownership and the will power to drive business development; the mindset of individuals which was set on waiting to be given hand-outs instead of going out and creating opportunities for themselves; lack of entrepreneurship promotion; compliance with regulation; migration of both business and individuals; and the issue of inclusiveness. Whilst, challenges associated with

tackling social issues, included: high unemployment, exploitation and education. Overall, the business development challenges and challenges in tackling social issues identified play a huge role towards the urban bias within uMgungundlovu District Municipality in facilitating LED.

Objective 3: To identify the relevant stakeholders in enabling LED facilitation.

The study findings revealed that various stakeholders were available within the District, including the local municipalities and the District municipality; the private sector, institutional structures and the community and traditional leaders. The study then found that the identified stakeholders were key in facilitating LED within the District.

Objective 4: To identify strategies to bridge the urban-rural gap in facilitating LED within uMgungundlovu District Municipality.

The study findings identified three main strategies to bridge the urban-rural gap in facilitating LED with the District. These included encouraging strong leadership that will direct and influence LED facilitation in rural areas and the establishment of clear monitoring and evaluation tools and strengthening collaboration and stakeholder relations. The study revealed that relationships between the various stakeholders in the District were important in the successful facilitation of LED in both rural and urban areas of the District. The findings also revealed that stimulating collaboration among these stakeholders was required to build relations. The findings however, revealed that the levels of collaboration and partnerships within the District were lacking and posed a limitation to the successful facilitation of LED. The findings also highlighted tensions between government and business and between big business and small business, with issues pertaining to support, trust, and internal department involvement as other key factors that limited stakeholder relations.

6.3 Limitations of the study

The study included only one District area, therefore, due to the small sample size available for this study; findings may not be generalizable outside the specific population of the sample drawn. Furthermore, the study focussed only on the qualitative approach with the use of interviews as the main data collection method.

6.4 Recommendations to solve the research problem

Based on the research findings, the study makes numerous recommendations to help solve the research problem. It is recommended that uMgungundlovu District Municipality provide a platform for the private sector to play a leading role in the facilitation of LED interventions in rural areas, with the uMgungundlovu District Development Agency playing an active role in facilitating this. The relevant local municipalities should work together with the agency by providing support where needed. The informal economy should be taken into consideration, and proper planning of LED needs should include it. The LED plans of the local municipalities and the District at large should include the informal economy. The municipality should ensure that there is constant participation and collaboration of all units or departments within the municipality along with provincial sector departments and other government agencies to assist each other. This will help enhance the capacity of the municipality. Subsequently, service delivery should be improved especially in the more rural areas so as to boost development, whilst also improving service delivery in the urban areas to reduce service delivery protests that lead to the destruction of property and diverts resources from their intended purposes

The District should put in place formal mentorship and coaching programmes where senior management can commit to transferring skills whilst also putting measures in place to encourage information sharing, so as to allow for skills development and organisational learning. This should also include mentorship and coaching on how to engage the diverse stakeholders within the District to enable constant stakeholder collaboration and engagement. The assistance of the CoGTA in this regard is warranted especially with regard to mentoring and coaching officials on how to engage traditional leaders and the respective protocols associated with that. Furthermore, skills building programmes should also be given to the leadership structures within rural communities on what LED is, what benefits it has and what role they should play in promoting it. This will help bring the relevant leadership structures and rural community at large closer to the policy-makers so that they can voice their demands, and better monitor and assess the performance of the responsible officials.

The District municipality must develop alternative funding models for LED interventions in rural areas in order to ensure implementation. Municipalities within

the District must make annual provision from their capital budget funding towards economic infrastructure in rural areas. Rural areas must be viewed uniquely when compared to urban areas in order to maximise on existing conditions. This could be done by developing Rural Economic Development Plans for rural areas, to assist in identifying opportunities available within these areas. This should involve analysing the economic, social, and physical features of these areas that will guide the design, approach, and implementation of the proposed strategy. The District municipality and all its localities should move towards collective governance, which will allow for collective decision making. Decision making should be done jointly with all relevant stakeholders within the District including all traditional leaders within the area of jurisdiction. The District should also look towards developing a regional LED forum so as to enhance collaboration and coordination. Municipalities must, as per SPLUMA provisions, enter into service level agreements with traditional leaders in order to have effective land use management. These service level agreements must be accompanied by traditional schemes incorporating rural economic zones.

6.5 Recommendations for future studies

The study focused only on the role of LED facilitators in facilitating LED within the District. Future studies could look at the impact of having traditional leaders leading LED within rural communities. Rural areas are very diverse and unique both in their physical aspect and way of life, with rural communities having over the past managed to sustain them with the knowledge passed on by their forefathers. However, presently, rural communities are under threat due to the unsustainable land developments taking place within tribal areas, threatening food security and the loss of indigenous ways. Another study could focus on deriving economic opportunities from indigenous knowledge to drive LED within these areas, and to see if it would have any impact towards ensuring sustainable development. Lastly, another study could focus on the impact of ethical and responsible leadership in driving LED and service delivery in local municipalities.

6.6 Conclusion

To conclude, LED is essential to address the social and economic conditions of the local area of the District. As LED is mandated in the Constitution, municipalities need to ensure that they act to realize this mandate. However, this requires the constant collaboration and willingness of all relevant stakeholders within the District to work

together to achieve the developmental goals. Meyer-Stamer (2003), cited in Meyer (2014), sums this up, stating that for LED to be effective these core principles need to be adhered to, including:

“... the creation of a clear distinction between LED and community development initiatives, refrain to solve problems by throwing money to the problem, ongoing analysis of local economic sectors and address market failures, stimulate entrepreneurship and business development, maximize existing local resources such as finance, natural resources, and human skills by the utilization of mentors, identify and implement “quick wins” projects and creation of a strong partnership between public and private sectors” (Meyer, 2014:5).

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APPENDIX 1: INFORMED CONSENT LETTER

Informed Consent Letter 3C

**UNIVERSITY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP**

MCLS Research Project
Researcher: Ayanda Christine Makhaye (072 0955 414)
Supervisor: Dr Cecile Gerwel Proches (0312608318)
Research Office: Ms P Ximba (0312603587)

Dear Respondent,

I, Ayanda Christine Makhaye, am a Master of Commerce student in Leadership Studies, at the Graduate School of Business and Leadership, of the University of KwaZulu-Natal. You are invited to participate in a research project entitled: **“Bridging the Urban-Rural Gap in Facilitating Local Economic Development: The Case Study of uMgungundlovu District Municipality”**. The main aim of this study is to explore ways in which to bridge the urban-rural gap that exist in facilitating LED.

Through your participation, I hope to understand what are the prominent factors contributing to urban bias and to identify the key stakeholders in facilitating inclusive LED. The results of the interview are intended to contribute towards addressing the issues of the urban-rural gap and further provide valuable insight on how to bridge this existing gap.

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

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

The interview should take about 45 minutes to an hour. I hope you will take the time to participate.

Sincerely

Investigator’s signature _____ Date _____

This page is to be retained by the participant

**UNIVERSITY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP**

**MCLS Research Project
Researcher: Ayanda Christine Makhaye (0720955414)
Supervisor: Dr Cecile Gerwel Proches (0312608318)
Research Office: Ms P Ximba (0312603587)**

CONSENT

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

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

I hereby consent/do not consent to record the interview.

.....
SIGNATURE OF PARTICIPANT

.....
Date

This page is to be retained by the researcher

APPENDIX 2: INTERVIEW QUESTIONS

UNIVERSITY OF KWAZULU-NATAL GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP

MCLS Research Project
Researcher: Ayanda Christine Makhaye (0720955414)
Supervisor: Dr Cecile Gerwel Proches (0312608318)
Research Office: Ms P Ximba (0312603587)

Bridging the Urban-Rural Gap in Facilitating Local Economic Development: The Case Study of uMgungundlovu District Municipality

INTERVIEW QUESTIONS

A. Interview questions for municipalities

1. What is your understanding of LED?
2. What do you think is your role in facilitating LED within your locality?
3. Does the municipality have an LED strategy? If yes, is it responsive to the unique issues and conditions of the municipality? If not, why? Please elaborate.
4. What are some of the experiences you have involving challenges of LED in both urban and rural areas?
5. Who in your view should be responsible for the realization of LED in rural areas? Please elaborate.
6. How best can we achieve LED within current economic and environmental constraints?
7. Is there a bias between urban and rural areas in terms of LED?
8. Are there trade-offs between community needs and business needs within local communities? If so, what are these trade-offs and what impact do they have on LED? Please elaborate.
9. Are current LED initiatives within your organization inclusive of both urban and rural areas? Are they in line with community needs? Please elaborate.
10. What can be done to promote, facilitate and eradicate barriers to inclusive LED?
11. Who are the municipality's major stakeholders/partners and what role do they play in facilitating LED?
12. What role does the private sector play in assisting local government to promote inclusive LED in both urban and rural areas?
13. How important is the role of traditional leadership in facilitating LED in rural areas?

B. Interview questions for the KZN department of CoGTA

1. What role does your department play in facilitating LED at a municipal level?
2. In your experience do you think there has been sufficient attention provided for inclusive LED? Please elaborate.

3. What are some of the experiences you have involving challenges of LED in both urban and rural municipalities?
4. What role does your department play in ensuring that LED is realised in both urban and rural areas? Please elaborate.
5. Are there any programmes that the department has initiated to assist municipalities with LED? Please elaborate.
6. How best can we achieve LED within current economic and environmental constraints?
7. How important is the role of your department in facilitating and promoting LED in rural areas?
8. How important is the role of traditional leadership in facilitating LED in rural areas?
9. What can be done to promote, facilitate and eradicate barriers to LED in rural areas?

APPENDIX 3: ETHICAL CLEARANCE APPROVAL



11 July 2017

Mrs Ayanda Christine Makhaye (208513727)
Graduate School of Business & Leadership
Westville Campus

Dear Mrs Makhaye,

Protocol reference number: HSS/0997/017M
Project title: Bridging the Urban-Rural Gap in Facilitating Local Economic Development: The case study of uMgungundlovu District Municipality

Full Approval – Expedited Application

In response to your application received on 29 June 2017, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and FULL APPROVAL for the protocol has been granted.

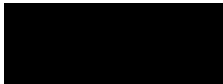
Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further 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.

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

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

Yours faithfully



f/

Dr Shenuka Singh (Chair)

/ms

Cc Supervisor: Dr Cecilia Gerwel Prochas
Cc Academic Leader Research: Dr Muhammad Hoque
Cc School Administrator: Ms Zarina Bullyraj

Humanities & Social Sciences Research Ethics Committee
Dr Shenuka Singh (Chair)

Westville Campus, Govan Mbeki Building

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APPENDIX 4: TURNITIN REPORT

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APPENDIX 5: EDITING CERTIFICATE

EDITING STATEMENT

29 November 2017

I have proof read the dissertation,

BRIDGING THE URBAN-RURAL GAP IN FACILITATING
LOCAL ECONOMIC DEVELOPMENT:
THE CASE STUDY OF UMGUNGUNDLOVU DISTRICT MUNICIPALITY

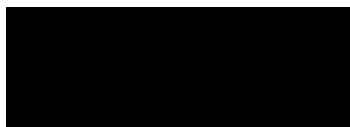
Student: Ayanda Christine Makhaye

Student number: 208513727

I have made suggestions regarding
Spelling, Punctuation, Grammar, Formatting, Referencing, Bibliography and
Style.

Gavin Walter ~~Storrie~~

B A (Hons) U.E.D.



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