

ASSESSING THE IMPLEMENTATION OF LOCAL ECONOMIC DEVELOPMENT IN SOUTH AFRICAN RURAL MUNICIPALITIES: A CASE STUDY OF ALFRED DUMA MUNICIPALITY

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ABSTRACT

The study assesses the implementation of local economic development (LED) in South African rural areas using as a case study of the Alfred Duma Municipality. The overall objective was to explore the successes, challenges and constraints experienced by the Municipality in the implementation of LED programmes with a view to identifying possible interventions that may assist other South African rural municipalities in general, and Alfred Duma Municipality in particular, in implementing their LED programmes for sustainable socio-economic development. This is an empirical study that draws evidence from face-to-face in-depth interviews with senior officials from Alfred Duma Municipality as well as data gathered through field visits to the municipality. The concept of LED provides the conceptual frame of analysis. The study established that while some projects have managed to produce intended outputs, most of the LED programmes in Alfred Duma Municipality are confronted with a plethora of challenges that include deficiency of human and material

resources, insufficient technical capacity, funding constraints, limited knowledge among community members, inadequate space for informal traders, non-integration of most projects into market value chains, and over-reliance on government for project funding. From the findings of the study, the article recommends a participatory and integrated approach in implementing LED projects and programmes as well as the urgent need for introducing interventions to facilitate sustainable capacity building, funding, and marketing of LED programmes in Alfred Duma Municipality in particular, and in other South African rural areas in general.

Keywords: Local economic development, local government, Alfred Duma Municipality, sustainable socio-economic development, South African rural municipalities.

INTRODUCTION

With the advent of democracy in 1994, there was renewed hope among South Africans with regard to prospects of better service delivery for all citizens, itself a departure

from the racially-segregated service delivery approach that characterised apartheid South Africa. The introduction of Local Economic Development (LED) sought to address the challenges of poverty through stimulating economic development by facilitating the working together of different development partners in local areas so as to create jobs and other economic opportunities for citizens. While almost all municipalities in South Africa are integrating their LED programmes and projects within their Integrated Development Plans (IDPs), in order to ensure that priority is given to create an environment where local, national and international partnerships for development can thrive, such as infrastructure development, investment promotion, tourism facilitation, Small and Medium Enterprises (SMEs) development and promotion of community involvement and participation in local area development, and municipalities located in rural areas facing several challenges to implement their LED programmes. This study therefore assesses the implementation of LED programmes in Alfred Duma Municipality to appreciate the successes, challenges and constraints experienced by the municipality in the implementation of LED programmes within its municipality.

LOCAL ECONOMIC DEVELOPMENT PROGRAMMES IN SOUTH AFRICAN MUNICIPALITIES

During apartheid, the local government system of South Africa had a deliberate racial discriminatory policy that ensured that service delivery and local area development were skewed in favour of whites while black citizens were excluded from decision-making that concerned their general welfare and livelihoods. The post-apartheid era witnessed

a shift and transformation in terms of the structure, operation, policy and legislative framework guiding the local government system in South Africa. The greatest shift has been espoused in the Constitution of the Republic of South Africa, which specifies, under section 152, that the objects of local government are to ensure democratic and accountable government for local communities, sustainable provision of services to communities, promotion of social and economic development, and promotion of citizen involvement in local government matters.

In line with this constitutional development, legislation was enacted to ensure that these broad objectives of local government were achieved within the context of the new post-1994 transformative dispensation. This legislation included the Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998); the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998); the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); and the Local Government: Municipal Finance Management, 2003 (Act 56 of 2003). These collectively guided the reorganisation and transformation of local government boundary demarcation, categorisation or classification of municipalities, reorganisation of the local government electoral system, local government integrated development planning, participation of communities in local government processes, local government financial management and budgeting, as well as addressing structural deficiencies of the local government system in South Africa. Such a transformation, as argued by Reddy *et al.* (2012:43), proved the feasibility of adopting a development-focused local government system although its ultimate

success required adequate resources and political commitment.

In line with Section 152 of the Constitution, which mandates municipalities to promote the social and economic development of the communities and to participate in national and provincial development programmes including provincial growth and strategies, the adoption of the *Local Economic Development (LED) Policy* through the LED Guidelines to Institutional Arrangements in 2000, the policy guidelines for implementing LED in South Africa in 2005, and the National Framework for Local Economic Development (LED) in South Africa (2006-2011) were all critical in introducing an economic development approach that encouraged local people to work collectively towards sustainable socio-economic development and the realisation of the full economic growth potential of communities within their municipal areas.

However, to ensure the delivery of LED programmes on the ground, municipalities in South Africa devise strategies such as developing cross-sector infrastructure, creating a conducive environment for business and tourism, promoting the growth of small and medium enterprises, imitative public-private partnerships in service delivery and development, as well as engaging in robust marketing initiatives for their municipalities in order to attract both domestic direct investment (DDI) and foreign direct investment (FDI). To this end, LED programmes and projects have always been integrated and mainstreamed within municipal Integrated Development Plans (IDPs). While this has constituted the strategic goals and policy thrust for municipalities in the country, the empirical reality has been that South African municipalities in

general, and rural municipalities in particular, have been hamstrung by persistent profusion, and often-times constellation, of challenges that have affected the implementation of LED programmes.

CONCEPTUALISING LOCAL ECONOMIC DEVELOPMENT

In general, LED has been conceptualised as an approach to economic development that places emphasis on local area agencies in development, namely, municipalities, regions, and at times provinces. Thus, it has been used in a way that is synonymous with local area-driven development. Different definitions have been presented to explain the essential elements of the concept, its role, objective and scope. The South African Department of Cooperative Governance and Traditional Affairs (CoGTA) presents a comprehensive definition of LED, in defining it as "an approach towards economic development which allows and encourages local people to work together to achieve sustainable economic growth and development thereby bringing economic benefits and improved quality of life for all residents in a local municipal area" (Government of South Africa, 2016: np). Likewise, the South African National Framework for LED (2006-2011) defines LED as a system that offers local government, private sector and not-for-profit organisations and the local community the opportunity to work together to improve the local economy. From CoGTA's definition of LED, and that of the South African National Framework for LED, it can be noted that the main emphasis of LED is on the collaboration of various players at a local geographical level towards sustainable local area economic development.

Other scholars, such as Zaaier and Sara (1993) have also defined LED in a way that stresses the joint participation of local community institutions and groups in economic development. To the researchers, LED is "a process in which local governments and/or community-based groups manage their existing resources and enter into partnership arrangements with the private sector, or with each other, to create new jobs and stimulate economic activity in an economic area" (Zaaier & Sara, 1993:129). The LED definition by Zaaier and Sara (1993) is similar to that offered by the World Bank (2003), as cited in Swinburn *et al.* (2006:2), which defines LED as "the process by which the public, business and nongovernmental sector partners work collectively to create better conditions for economic growth and employment generation" (World Bank, 2003, in Swinburn *et al.*, 2006), adding that the ultimate aim is that of improving the quality of people's lives. In a more or less similar manner, Blakely (1994), defined LED as "the process with which local government or community-based organisations engage to stimulate or maintain business activity or employment" (Blakely, 1994).

The United Nations Human Settlements Programme (2005) describes LED as a "participatory process in which local people from all sectors work together to stimulate local commercial activity resulting in a resilient and sustainable economy" (United Nations Human Settlements Programme, 2005:2). On the other hand, Zaaier and Sara (1993:129), as cited in Rodriguez-Pose and Tijmstra (2005:3), also defined LED as involving the joint management of existing resources by local government and or community-based groups in partnership with the private sector

with a view to creating employment and ensuring local area development. It stresses the joint participation of local groups in economic development to warrant the empowerment of citizens economically. In line with Zaaier and Sara's (1993:129) conceptualisation of LED, Blakely (1994, as cited in Rodriguez-Pose & Tijmstra, 2005:3), defines LED as "the process in which local governments or community-based (neighbourhood) organizations engage to stimulate or maintain business activity and/or employment", adding that its chief objective is "to stimulate local employment opportunities in sectors that improve the community, using existing human, natural, and institutional resources" (Blakely, 1994, as cited in Rodriguez-Pose & Tijmstra, 2005:3). Other scholars further define LED as a process of developing or empowering local people economically in an inclusive way and by engaging the participation of all relevant stakeholders. Thus, the essential features of LED that emerge from these authors remain inclusive partnerships at community level and joint management of resources for sustainable socio-economic development.

The definition provided by Zaaier and Sara (1993:129) of LED is similar to the World Bank Urban Development Unit's (2003), defining LED as "the process by which the public, business and nongovernmental sector partners work collectively to create better conditions for economic growth and employment generation" (World Bank Urban Development Unit, 2003:1, as cited in Swinburn *et al.*, 2006:2), which means its objective is to advance quality of life for the local citizenry. Reddy and Wallis (2012) also defined LED as a "a process by which the public, business and the non-governmental

sector partners work collectively to create better conditions for economic growth and employment generation" (Reddy & Wallis, 2012:72).

From the definitions, one can deduce that LED is a process of ensuring that local people or people are empowered or developed economically. Effectively, LED focuses on how municipalities, as the key players in the local government sphere of government, manage the process of promoting social and economic development through the involvement of local people and stakeholders from all sectors within a specific area to work together to activate and stimulate local economic activities. It is therefore critical to analyse the role of municipalities in implementing LED projects and programmes. In the main, local government the world over comprises the lowest tier/sphere of government that is charged with administering local affairs. As argued by Reddy *et al.* (2005), local governments in general, and municipalities in particular, are created "to bring government closer to the grassroots population, as well as to give its members a sense of involvement in the political process that controls their daily lives" (Reddy *et al.*, 2005:40). Thus, in terms of powers and functions as delegated by the national government, municipalities are responsible for the delivery of social services such as water, sanitation, housing, electricity, recreational facilities, health services, roads, among others, while they are also in charge of formulating by-laws, local area taxation and development (Reddy *et al.*, 2005).

The main role of municipalities in the implementation of LED projects and programmes is coordinatory in nature (Koma, 2014; Mpengu,

2010; Nthekelele, 2014). As clearly spelt out in the National Framework for Local Economic Development in South Africa (2006-2011), the role of municipalities is that of creating a forum for engaging stakeholders to implement LED initiatives. Such a role requires coordination of the stakeholders in terms of planning and implementing LED. A study was conducted by Nthekelele (2014) to assess the role of LED in ensuring development that is sustainable at local level and the role of municipalities in the implementation of LED initiatives using Buffalo City Metropolitan Municipality as a case study. The study found that municipalities play a central "catalytic role" in coordinating the implementation of LED projects and programmes within their localities through encouraging partnerships between the municipality, community citizens, private business, public institutions, academia, civil society organisations and other players so as to identify and solve common local development challenges (Nthekelele, 2014:153). The coordination process, according to Koma (2014), Mpengu (2010) and Nthekelele (2014) involves convening meetings and forums to discuss progress and challenges in LED projects, facilitating capacity development initiatives, providing direction in the implementation of LED projects, and linking LED with Integrated Development Plans (IDPs).

To Swinburn *et al.* (2006), municipalities have a strategic role and responsibility in as far as the implementation of LED projects and programmes in municipalities is concerned. They are crucial in developing strategic plans that facilitate the implementation of LED projects and programmes (Swinburn *et al.*, 2006). However, this strategic planning process, which facilitates the participation

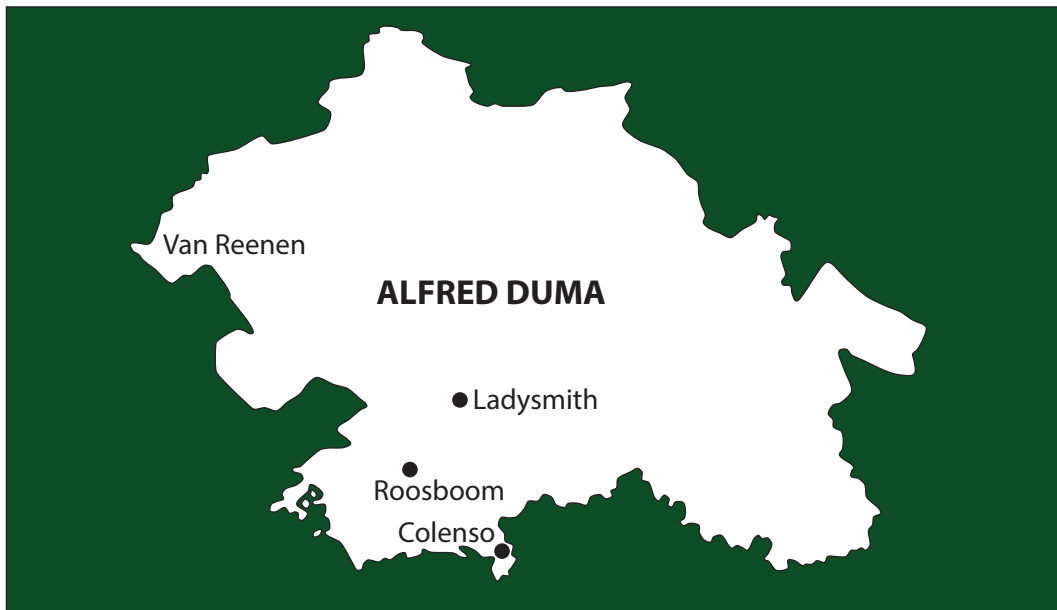
of different players in the implementation of LED, should be inclusive (Wolman & Spitzley, 1996). As part of managing the politics of local development, municipalities should ensure that there is "openness of local economic development decision making to public participation" in the implementation of LED (Wolman & Spitzley, 1996:115). In this regard, Nthekeleng (2014) argues that "creating a LED strategy is a joint process, and an effort that does not lay down laws". Indeed, this fosters cooperation, meaningful participation and is valuable in empowering all stakeholders involved in the implementation of LED projects and programmes so as to ensure buy-in and ownership.

In South Africa, municipalities play a key role in creating a conducive environment for smooth LED in their areas. The Knysna Municipality (2015) analysed the role of municipalities in local economic development in South Africa. The study revealed that municipalities "play a key role in creating a conducive environment for investment through the provision of infrastructure" (Knysna Municipality, 2015), which all assist in the implementation of LED projects and programmes. Studies by Koma (2014), Mpengu (2010), Nthekeleng (2014), and Wolman and Spitzley (1996), among other scholars, on the role of South African municipalities in the implementation of LED projects and programmes have revealed that municipalities play an essential role in providing research that supports LED in addition to providing marketing services for LED projects. They agree that municipalities may also source funding for some LED projects as well as monitor and evaluate LED projects (Koma, 2014; Mpengu, 2010; Nthekeleng, 2014; Wolman & Spitzley, 1996).

When it comes to challenges facing LED programmes and projects in South Africa, several studies have identified the main limitations to be unrealistic targets; lack of effective monitoring and evaluation; limited integration and alignment of LED to district, provincial and national planning strategies; limited political support; poor integration of LED with other national and regional development plans and programmes; over-dominance of local government and lack of involvement of non-state actors; lack of adequate funding; poor infrastructure; cumbersome and bureaucratic process in applying for LED funding; shortage of competent staff; poor planning; lack of clear LED policy direction; lack of a shared understanding of LED processes; poor coordination of stakeholders; and poor implementation capacity (see Meyer, 2014; Oliver, 2015; SALGA in Parliamentary Monitoring Group, 2011; Malan, 2005; Mahlalela, 2014; Nthekeleng, 2014; Koma, 2014).

Beyond South Africa, various studies have been conducted by the World Bank in Singapore, Slovakia Republic, Vietnam, Lithuania, Russia, Albania, Bosnia and Herzegovina, Bulgaria, Poland, Latvia, Colombia, Peru, El Salvador, Yemen and a number of Sub-Saharan Africa (LED Case Studies from the World Bank). The main findings have been that while LED programmes have transformed local communities socio-economically, a number of local government systems in many countries are increasingly experiencing capacity deficiencies in terms of funding, strategic planning, and organisational ability (World Bank, cited in LEDNET, 2018). While these generic challenges have been established in different studies, the research lacuna identified

FIGURE 1: Alfred Duma Municipality



Source: MDB (2016)

by this study is that there has not been a dedicated case-based comprehensive study to empirically ascertain the real challenges faced by rural municipalities, Alfred Duma Municipality in particular, in implementing its LED programmes.

STUDY SITE AND FOCUS

The study focus is Alfred Duma Local Municipality, which is a Category B municipality in the uThukela District in Northern KwaZulu-Natal (KZN) Province (see Figure 1). Alfred Duma Local Municipality was established by the amalgamation of Emnambithi/Ladysmith and Indaka Local Municipalities in August 2016. The dominant economic activities in Alfred Duma Local Municipality are agriculture, fishing, forestry, mining and quarrying, manufacturing, wholesale and retail trade, and tourism.

METHODOLOGY

The study used in-depth interviews to collect data and also used secondary data. Face-to-face in-depth interviews were conducted with officials working for Alfred Duma Municipality. The quota sampling technique was employed to select interview respondents. The targeted population of interviewees was categorised into three main groups in line with the characteristics of level of management, roles and responsibilities of these officials in Alfred Duma Municipality and LED project implementation structures.

Specifically, out of a total study population of 18 officials, the study had intended to interview seven participants after employing quota sampling applied in a non-proportionate manner. The researcher finally managed to

interview all seven officials from the Municipality. It should be noted that the officials from Alfred Duma Municipality who were interviewed were proportionately representative of the two categories or quotas created during the sampling process since the researcher managed to get at least one official from each of the quota categories, that is, Executive Management members and LED Managers or Practitioners. This assisted in ensuring that the responses are representative of the different perspectives held by the categories in as far as their understanding of the role of South African rural municipalities in general, and Alfred Duma Municipality in particular, in implementing LED programmes is concerned as well as their interpretation of the challenges being experienced by Alfred Duma Municipality in the implementation of LED programmes within its municipality is concerned. In addition, such representation was key in getting diversified views in as far as their understanding of the extent to which Alfred Duma Municipality achieved its stated goals and objectives in the implementation of its LED programmes. The primary data was complemented by secondary data sources in the form of textbooks, peer-reviewed journal articles, and national and provincial Government reports

Coding of Interview Respondents

The seven officials interviewed for this study were coded as indicated in Table 1 above.

RESULTS

From the data gathered through the interviews, six primary themes emerged around the issue of research focus, that is the role of Alfred Duma Municipality and other relevant

TABLE 1: Coded Interviewees

Interviewee	Respondent Code
First interviewee	# 1
Second interviewee	# 2
Third interviewee	# 3
Fourth interviewee	# 4
Fifth interviewee	# 5
Sixth interviewee	# 6
Seventh interviewee	# 7

Source: Developed by the researcher using data from field interviews

stakeholders in implementing and coordinating LED programmes, scope and objectives of LED programmes being implemented, evaluation of progress in implementing LED programmes, evidence of success, and challenges and constraints faced in implementing LED programmes in Alfred Duma Municipality.

ROLE OF ALFRED DUMA MUNICIPALITY AND OTHER RELEVANT STAKEHOLDERS IN IMPLEMENTING LED PROGRAMMES

From the responses gathered from the interviewees, there was a general agreement that Alfred Duma Municipality's main role in the implementation of LED programmes was two-fold; precisely, that of creating a conducive environment for the implementation of LED projects and also coordinating the overall implementation of LED programmes. For instance, Interviewee 5 stated:

[Alfred Duma Municipality's role] is to create a conducive environment for business people to create opportunities. (Interviewee 5)

The same was also echoed by Interviewee 6 who indicated that:

[Alfred Duma Municipality's role] is that of coordinating LED projects or any projects that will assist communities as well as coordinate investors and business people in the implementation of LED programmes. (Interviewee 6)

There were other interviewees whose perceptions and interpretation of the role of Alfred Duma Municipality in implementing LED programmes expanded beyond coordination of projects to include other responsibilities. For instance, while Interviewee 1 agreed that Alfred Duma Municipality played a key role in creating a conducive environment for the implementation of LED programmes, the municipality also played a role in making other interventions that support LED. The Interviewee stated:

[Alfred Duma Municipality's role is] to do interventions because of the background of the country and assisting in the development of infrastructure as well as providing local people capital. (Interviewee 1)

In addition, other interviewees understood Alfred Duma Municipality to be critical in providing training services to LED programme implementing practitioners and stakeholders.

[Alfred Duma Municipality's role is] to link other spheres of government like the National Sphere and Provincial Sphere in projects such as the Small Business Development programme. The Municipality provides beneficiaries then provincial department train emerging business in group of youth who want to open businesses. (Interviewee 2)

The same response was given by Interviewee 3, Interviewee 5 and Interviewee 7, who argued that Alfred Duma Municipality's role in the implementation of LED programmes included assisting emerging business people in training. Interviewee 5 added that over and above training, Alfred Duma Municipality also engages the community through public participation in Integrated Development Planning (IDP) linked to LED projects. From the interview responses, it can be noted that South African Municipalities in general, and Alfred Duma Municipality in particular, play several roles that assist in the success of LED projects across the different sectors. Of course, the main role of the Municipality, as it emerged from the interviewees, is that of coordinating the implementation of LED projects and creating a conducive environment that facilitates effective implementation of LED programmes.

The above is in line with most findings from studies reviewed under the literature review, which pointed to the fact that the main role of municipalities in the implementation of LED projects and programmes is coordinatory in nature (Koma, 2014; Mpengu, 2010; Nthekele, 2014). As stated in the National Framework for Local Economic Development in South Africa (2006-2011), as analysed in earlier sections, the role of municipalities is that of creating a forum for engaging stakeholders to implement LED initiatives. Such a role requires coordination of the stakeholders in terms of planning and implementing LED.

Coordination of LED Programmes in Alfred Duma Municipality

The theme on the coordination of LED programmes in Alfred Duma Municipality emerged from Interview Question 2, which

asked interviewees how LED programmes are coordinated in Alfred Duma Municipality. Most of the interviewees revealed that the coordination of LED programmes in Alfred Duma Municipality is institutionalised. There is a specific section that is solely responsible for the implementation of LED projects in the Municipality and that department has dedicated staff or personnel with different responsibilities and portfolios around LED project execution. In this regard, Interviewee 1 provided a detailed approach in as far as LED programmes are coordinated in Alfred Duma Municipality. The interviewee stated:

The Municipality has a structure approach where there are vertical and horizontal programmes. Under horizontal programmes, LED projects cuts across to include informal traders. Under vertical programmes there are sector-based projects such as agriculture, textile, and service sector. Only officials from LED participate in the LED structure (Interviewee 1).

The same was also indicated by Interviewee Four and Interviewee 5. In particular, Interviewee 5 mentioned:

LED projects are coordinated under LED section/department on the event base. (Interviewee 5)

Interviewee 7 also concurred that the LED Section exists to play a coordination role. The interviewee stated:

LED Programmes (in Alfred Duma Municipality) are coordinated through the section of Planning and Development which have different LED sectors. These work according to the LED strategy. (Interviewee 7)

Further details were also provided by Interviewee 3 with regards to the operational aspects of the LED structures in Alfred Duma Municipality. The interviewee stipulated:

There is a LED technical committee and there is a meeting set before strategic workshop so that projects will be implemented. This is included in the Integrated Development Planning. (Interviewee 3)

Some interviewees also revealed further details in terms of the sector specific coordination mechanisms used by Alfred Duma Municipality. Interviewee 6, using the infrastructure sector projects example, hinted that:

There is a local Infrastructure Coordination which is an internal structure which sits on monthly basis to check and monitor the progress of LED projects or programmes. (Interviewee 6)

From the information gathered from the interviewees, it was noted that Alfred Duma Municipality follows an institutional approach in coordinating its LED programmes and projects through a dedicated LED section or department. What was not established in the responses is the identification of institutions and other stakeholders outside the Municipalities that liaise with the LED Section in Alfred Duma Municipalities in coordination of the implementation of LED projects.

Implementing Local Economic Development in Alfred Duma Municipality

From the interview questions that asked interviewees the specific LED projects for

emerging business people in Alfred Duma Municipality as well as the LED projects that the community members in Alfred Duma Municipality found more stimulating, there was an emerging theme on the scope and objectives of LED programmes being implemented in Alfred Duma Municipality. All the interviewees confirmed that most of the LED projects being implemented in Alfred Duma Municipality are located within the agricultural sector. Interviewee 5 revealed that:

[The main LED projects in Alfred Duma Municipality] are agricultural projects on crops (cultivation), training, chicken projects, trading and stores as well as agro-processing projects for food security. (Interviewee 5)

In addition to that, Interviewee 5 also agreed that most projects were on "poultry farming and farming generally" while Interviewee 7 responded that the main LED projects were in the agriculture sector, specifically "farming crops and poultry farming". The interviewee gave an example of projects that are recording successes and progress:

Aloe and Berg Tea projects are being implemented to produce local Berg tea and also processed to produce products such as soaps, juice and lotions. This has created a lot of job opportunities. There are also stock-farming projects and block-making projects within the Municipality. (Interviewee 7)

Perhaps, the predominance of agriculture LED projects in Alfred Duma Municipality may be explained by the fact that the municipality is predominantly rural in nature, having been created in August 2016 following the

amalgamation of Ennambithi/Ladysmith and Indaka Local Municipalities, whose main economic sectors are agriculture, fishing, forestry, mining/quarrying and manufacturing (Municipalities of South Africa, 2017). Thus, as gathered from the interviewees, it can be noted that most of the LED projects are therefore agricultural-based and also support agro-processing, manufacturing and construction.

In terms of objectives of the LED projects, it was noted from the interviewees that most of the LED projects being implemented in Alfred Duma Municipality are intended to stir local area development, create employment and alleviate poverty. Interviewee 1 emphasised that LED projects and programmes being implemented in Alfred Duma Municipality have the aim of "poverty alleviation, job creation and reducing inequality" while Interviewee 3 and Interviewee 5 concurred that the LED projects had the objective of eradicating poverty and creating job opportunities in the Municipality. Similarly, Interviewee 2 responded:

[The LED projects] are meant to reduce poverty, create job opportunities and develop Alfred Duma town like other small towns like Newcastle. (Interviewee 2)

The response by Interviewee 4 was specifically directed to the Tourism sector LED projects. The interviewee noted:

[The LED projects] are meant to facilitate the development of arts and culture as well as the preservation of heritage. They are also meant to facilitate the establishment of facilities and promoting heritage of tourism. (Interviewee 4)

Some responses indicated that LED projects also had the objective of ensuring food security and creating a conducive environment for business in the municipality. For instance, Interviewee 6 responded that:

The objective of LED programmes and projects in Alfred Duma Municipality are categorised into two: job opportunities and food security and also creating conducive environment for investors to invest in Alfred Duma town. (Interviewee 6)

On the other hand, the objectives of the LED projects, according to some interviewees, was linked to the need for integrating Alfred Duma Municipality into the global economy. In this regard, Interviewee 7 mentioned:

[The LED projects] make local people self-sufficient so that they won't depend on government. It creates job opportunities and facilitates the inclusion of people in [the] global economy. They also ensure that local people contribute to the growth of Alfred Duma Municipality economy through different projects. (Interviewee 7)

Therefore from the responses, it is very clear that the objectives of the LED projects and programmes being implemented in Alfred Duma Municipality are aligned to the chief objectives of LED as outlined in the National Framework for Local Economic Development in South Africa (2006-2011), and also asserted by scholars such as Zaaijer and Sara (1993), World Bank (2003), in Swinburn *et al.* (2006), Blakely (1994), in Meyer (2014) as discussed in the literature review, which are to create new jobs, stimulate local area economic activity and sustainable economic development, and ultimately alleviate poverty.

There were different views with regard to the progress made so far in the implementation of LED programmes as well as the extent to which Alfred Duma Municipality has achieved the objectives of its LED programmes. With respect to the progress made so far in the implementation of LED programmes in Alfred Duma Municipality, there was a general agreement that the Municipality has made notable progress. It was concurred that Alfred Duma Municipality had adopted a Municipal LED Policy and Strategy, and that it was working with various stakeholders to implement cross-sector LED projects. Interviewee 3 responded:

The Municipality has adopted LED Policy and Strategy. There was no LED Policy before. There are delays in the development of infrastructure which is supposed to create job opportunities. (Interviewee 3)

It was also revealed that Alfred Duma Municipality was investing a lot of efforts in monitoring its LED programmes and projects to ensure that project objectives are achieved timeously although a number of challenges were being faced. Specifically, Interviewee 6 noted:

The Municipality (Alfred Duma) is using SDBIP (Service Delivery and Budget Implementation Plan) to monitor the targets of LED projects. (Interviewee 6)

There were quantitative responses provided by other interviewees in assessing progress made in the implementation of LED programmes and projects in Alfred Duma Municipality. For example, Interviewee 6's response was:

It's 50 percent achievement because of lack of capacity in skills within the LED Section and budget constraints to fund LED programmes and projects. (Interviewee 6)

Presenting evidence based on the previous financial plan targets, some interviewees submitted that LED projects in Alfred Duma Municipality had achieved set objectives to a larger extent. For instance, Interviewee 4 revealed:

[The LED projects] are achieving their targets as set in their plan like in the last financial year, they planned to support 60 SMMEs (Small, Micro and Medium Enterprise businesses) but they achieved 69 and there is evidence in that regard. (Interviewee 4)

Some interviewees also confirmed the same trend of successes and challenges. An example is the response provided by Interviewee 7 who asserted that:

Some programmes are successfully implemented because some business people no longer need assistance from the Municipality, like Business Plans developed for them. Other programmes were not successful because people depend too much on Government even when there have been limited budget and scarcity of skills. (Interviewee 7)

On whether, Alfred Duma Municipality has achieved the objectives of its LED programmes, most interviewees painted a positive picture. Interviewee 1 hinted:

They (LED programmes and projects) have made an impact to communities but

there is still a challenge in inequalities in the community because people who were rich and those suffering still have poverty. (Interviewee 1)

Interviewee 3 noted that the state of development in the towns within the Municipality has changed due to LED programmes and projects. On the same lines, Interviewee 2 and Interviewee 7 identified objectives partially met on employment creation, indicating that new malls had been built as part of LED projects, which have managed to create several jobs. The latter maintained:

A lot of people have been employed, that is job opportunities created. In most Wards women have been assisted with job opportunities as they have been previously disadvantaged. There are products that are exported overseas by local people, which means they contribute to global economy. People do exhibitions to promote their products to different markets outside Alfred Duma Municipality. (Interviewee 7)

From the responses gathered from the interviewees, it can be noted that there are recorded successes in as far as achievement of LED programmes' objectives and attainment of progress in Alfred Duma Municipality is concerned. What is clear is that there have been numerous employment opportunities created for the local people through the projects and programmes. Notwithstanding the progress, challenges remain a constraining factor affecting progress. The main constraining factor inhibiting the attainment of LED objectives as confirmed by the interviewees remains in the form of budgetary constraints. This is what Nthekele (2014) also identifies as a huge challenge.

In response to the question on what evidence interviewees were willing to present in support of the answer(s) regarding the extent of achievement of the LED programme objectives, it was noted that different forms of evidence were available in Alfred Duma Municipality as proof that indeed LED programme objectives were being met. Interviewee 2 indicated that evidence existed in different forms of the hard infrastructure constructed through LED projects while the Municipality maintained a job creation database as evidence of employment creation. On the other hand, Interviewee 3, Interviewee 4, Interviewee 5, and Interviewee 6 provided the Municipality Portfolio of evidence on LED, the SDBIP (Service Delivery and Budget Implementation Plan), LED training participation registers as evidence, statistics of number of people sub-contracted for LED projects as well as bookings for exhibition workshops.

The responses from interviewees point to the fact that Alfred Duma Municipality has sufficient forms of evidence to support its claims on the extent to which the Municipality has achieved its LED programme objectives. What could not be established, however, was the extent to which these forms of statistical records are updated. In response to the question on what challenges are being encountered by Alfred Duma Municipality in implementing LED programmes, there were several challenges that were identified by the interviewees, the common one identified by all the interviewees being budgetary constraints. All the interviewees agreed and affirmed that inadequate budgetary allocations towards LED projects were not only delaying the implementation of LED projects or programmes, but were also affecting

the quality of the projects. Interviewee 5 stated that:

There are limitation of resources. The budget is too small. It doesn't meet the demands on the ground. (Interviewee 5)

The same constraint was highlighted by Interviewee 5 who explained that Alfred Duma Municipality ended up relying on the national government for all financial support, which was unsustainable. The interviewee responded:

Many people are applying for assistance and the Municipality has limited resources in the form of budget and people are now dependent on the Government. (Interviewee 5)

The above is consistent with literature reviewed above. Specifically, the Financial and Fiscal Commission Report (2014/2015), which stated that "many municipalities are in fiscal distress" characterised by insufficient budgets that are affecting the implementation of their development projects and programmes (Financial and Fiscal Commission Report, 2015:119). Further, it is also consistent with Nthekeleng's (2014) findings from her study on the implementation of LED initiatives using Buffalo City Metropolitan Municipality, which revealed financial shortages as one of the most pressing challenges as presented in the literature review. Consequently, the budgetary constraints faced by Alfred Duma Municipality obviously result in further challenges related to resources. The challenge of space and land shortages also arose from the interviews. Interviewees identified the shortage of space, especially to establish businesses and for training purposes while land was inadequate

to set up LED projects, especially those related to agriculture. For instance, Interviewee 2 disclosed that "there is shortage of space for informal traders in town in legal places". The same was raised by Interviewee 7 who stated that the Municipality faced challenges in securing places for training in town. The interviewee noted:

There is shortage of material resources like tractors requested by local people for farming. Stock farmers are facing shortages of grazing land while crop farmers have inadequate land for crop farming. (Interviewee 7)

The challenge of land remains a key issue, especially given the expensive nature of the resource if it is to be secured from any private land holder. The commercial cost of land is so prohibitive to the extent that any potential investor under the LED projects within Alfred Duma Municipality legitimately face that challenge. Another major challenge raised by interviewees as impeding the implementation of LED projects in Alfred Duma Municipality was that of skills shortage. This was reported as being encountered in three dimensions. Firstly, there is lack of skills capacity in the LED Section within the Municipality. Secondly, the communities in Alfred Duma Municipality lack adequate skills to initiate and sustain businesses and manage their projects. All this is affecting the smooth implementation of LED projects. Thirdly, there was understaffing in the LED Section within the Municipality. For instance, Interviewee 1 disclosed that there was staff incapacity within the Municipality, specifically adding that there was "less staff in the (LED) section". On the other hand, Interviewee 2 hinted that there was "lack of

knowledge from the community members". This was also mentioned by Interviewee 3, who pointed out that there was "lack of skills from officials and communities". Likewise, Interviewee 6 identified the same challenge before stressing the need for "capacity building within the Municipality in LED and the community as well".

The lack of skills within the Municipality LED Section may be due to the fact that most skilled personnel shun deployment to small municipalities and opt to be employed in large urban municipalities where there are perceived better opportunities for career advancement, superior facilities and better working environments. Further, the absence of sufficient capacity building budgets can be identified as a potential factor that explains this skills gap. Lastly, there also emerged the constraint of prevalence of unsustainable LED projects in Alfred Duma Municipality. Interviewee 6 declared that some LED programmes and projects are not sustainable, with most of these not properly integrated into their respective sector value chains. This affects their sustainability and ability to secure guaranteed markets.

The challenge of skills deficiencies above are the same as those identified by Meyer (2014) and Oliver (2015) in their studies on LED implementation in municipalities, which revealed that, among other issues, LED suffered from chronic shortage of skills and understaffing. This may be caused by lack of market research as well as poor project design and differentiation. Such would require certain skills which have been argued to be inadequate within both the LED Section of the Municipality and the community at large. Possible partnerships and

TABLE 2: Main Challenges Encountered in Implementing by Alfred Duma Municipality LED Programmes

Challenges encountered in implementing LED Projects/Programmes
<ul style="list-style-type: none"> • Shortage of resources to start and sustain businesses projects • Over-reliance on Government for almost everything • Inadequate funding and budgetary constraints • Limited knowledge among community members • Insufficient technical capacity in a number of LED project implementation staff • Inadequate space for informal traders • Lack of project management skills • A number of projects being unsustainable • Non-integration of most projects into market value chains • Shortage of space for skills training and capacity building • Land shortages especially that for agriculture-based projects

Source: Developed by the researcher using data from field interviews

collaborations with established businesses within the sector-specific value chains may also be lacking, hence the ultimate prevalence of the challenge. The main challenges encountered by Alfred Duma Municipality in implementing LED programmes, as they emerged from the interviewees are summarised in Table 2 above.

DISCUSSION OF FINDINGS AND RECOMMENDATIONS

From the first theme on the role of Alfred Duma Municipality and other relevant stakeholders in implementing LED programmes, it emerged that South African Municipalities in general, and Alfred Duma Municipality in particular, play several roles that assist in the success of LED projects across the different sectors. Of course, the main role of the Municipality, as it emerged from the interviewees, is that of coordinating the implementation of LED projects and creating a conducive environment that facilitates effective implementation of LED programmes. It also emerged that stakeholders have more expectations as they perceive the local

authority to carry out other functions such as assisting emerging business people in training, capacity building, creating a conducive environment for business and coordinating stakeholders in planning and implementing LED initiatives. It is recommended that Alfred Duma Municipality constantly engage all stakeholders so that they collectively share their vision, mission and goals in implementing LED so that there is the synergy necessary to ensure effective LED output.

The theme on the coordination of LED programmes in Alfred Duma Municipality revealed that while the coordination of LED programmes in Alfred Duma Municipality is institutionalised, with a specific section or department as well as an LED Technical Committee that has dedicated staff or personnel with different responsibilities and portfolios around LED project execution; challenges such as inadequate funding and budgetary constraints, insufficient technical capacity among LED project implementation staff, and lack of project management skills all affect the Department's execution of its mandate. Capacity building in LED, project

management skills training, project proposal writing and appraisal, project monitoring and evaluation should be effected while more skilled staff should be recruited to meet work demands.

From the theme of scope and objectives of LED programmes being implemented in Alfred Duma Municipality, it emerged that the objectives of the LED projects and programmes being implemented are aligned to the chief objectives of LED as outlined in the National Framework for Local Economic Development in South Africa (2006-2011), and also asserted by scholars such as Zaaier and Sara (1993), World Bank (2003) (in Swinburn *et al.*, 2006), Blakely (1994, in Meyer, 2014) as discussed in the literature review, which are to create new jobs, stimulate local area economic activity and sustainable economic development, and ultimately alleviate poverty. Most of the projects are within the sector of agriculture, agro-processing industry and tourism, perhaps given the comparative advantage of the municipality in agriculture, especially cattle, maize and vegetable production as well as its location along the Greater Drakensberg Mountain. It is recommended that the municipality should invest efforts towards diversifying LED projects by venturing into other sectors such as retail projects, fishing and forestry, mining and quarrying and construction, as these are also common in the municipality.

With regard to the theme on progress made so far in the implementation of LED programmes as well as the extent to which Alfred Duma Municipality has achieved the objectives of its LED programmes, it was revealed that the municipality has made notable progress in the implementation of

LED programmes within its jurisdiction. This has been evidenced by numerous employment opportunities created for the local people through the projects and programmes. However, the identified challenges are mostly budgetary constraints, lack of conducive infrastructure, skills deficiency, and over-reliance on National and Provincial Government support. It is suggested that Alfred Duma Municipality broaden its revenue generation base and also engage willing partners for LED project support.

Lastly, the theme on challenges and constraints faced in implementing LED programmes in Alfred Duma Municipality revealed recurring challenges of shortage of resources to start and sustain businesses projects, limited knowledge among community members, inadequate space for informal traders, unsustainable project proposals, non-integration of most projects into market value chains, shortage of space for skills training and capacity building as well as non-availability of land especially for agriculture-based projects. It is recommended that Alfred Duma Municipality conduct a SWOT analysis of its LED programme, in collaboration with its community of stakeholders, so that they can comprehensively identify their strengths, weaknesses, opportunities and threats. This should culminate in a long-term LED Strategic Plan that should pave the way for strengthening the municipality's LED projects for sustainability.

CONCLUSION

The paper assessed the implementation of LED in South African rural areas using a case study of Alfred Duma Municipality, with a specific focus on exploring the successes,

challenges and constraints experienced by the municipality in the implementation of its LED programmes. While the study empirically established that some projects have managed to produce intended outputs, most of the LED programmes in Alfred Duma Municipality are confronted with a

plethora of structural, operational, and non-structural challenges that are constraining the implementation of LED. Comprehensive interventions have been suggested whose implementation should be participatory enough to include all LED stakeholders to ensure sustainability.

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