

**MUNICIPAL COMMUNITY SERVICES BASED PROJECTS IN NTUZUMA: AN OPPORTUNITY
FOR LOCAL ECONOMIC DEVELOPMENT?**

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**DISSERTATION IN FULFILLMENT OF THE MASTERS IN TOWN AND REGIONAL PLANNING
DEGREE**

Acknowledgements:

I would like to thank God, for his love and guidance. My grandmother Norah, Gogo, thank you, without you a lot of things would not be possible. To my family, I love you all; especially, my mom, dad, brothers and sisters, thank you for you love and support. To my supervisor, Nancy Odendaal and Professor Peter Robinson, Thank you for assistance. To the Town planning Department and fellow classmates (especially my friends, Thank you for everything guys). Thank you to everyone who contributed towards this research including the interviewees.

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List of Acronyms

SMMEs: Small Micro and Medium Enterprises

LED: Local Economic Development

IDP: Integrated Development Plan

INK ABM: Inanda, Ntuzuma, Kwa Mashu Area Based Management Strategy

SDF: Spatial Development Framework

Durban ICC: The Durban International Convention Centre

SDP: Spatial Development Plan

DMA: Durban Municipal Area

IDF: Integrated Development Framework

DPLG: Department of Provincial and Local Government

RSA: Republic of South Africa

iTRUMP: Inner Thekwini Regeneration and Urban Management Programme

DBSA: Development Bank of South Africa

CHAPTER 1

RESEARCH FRAMEWORK

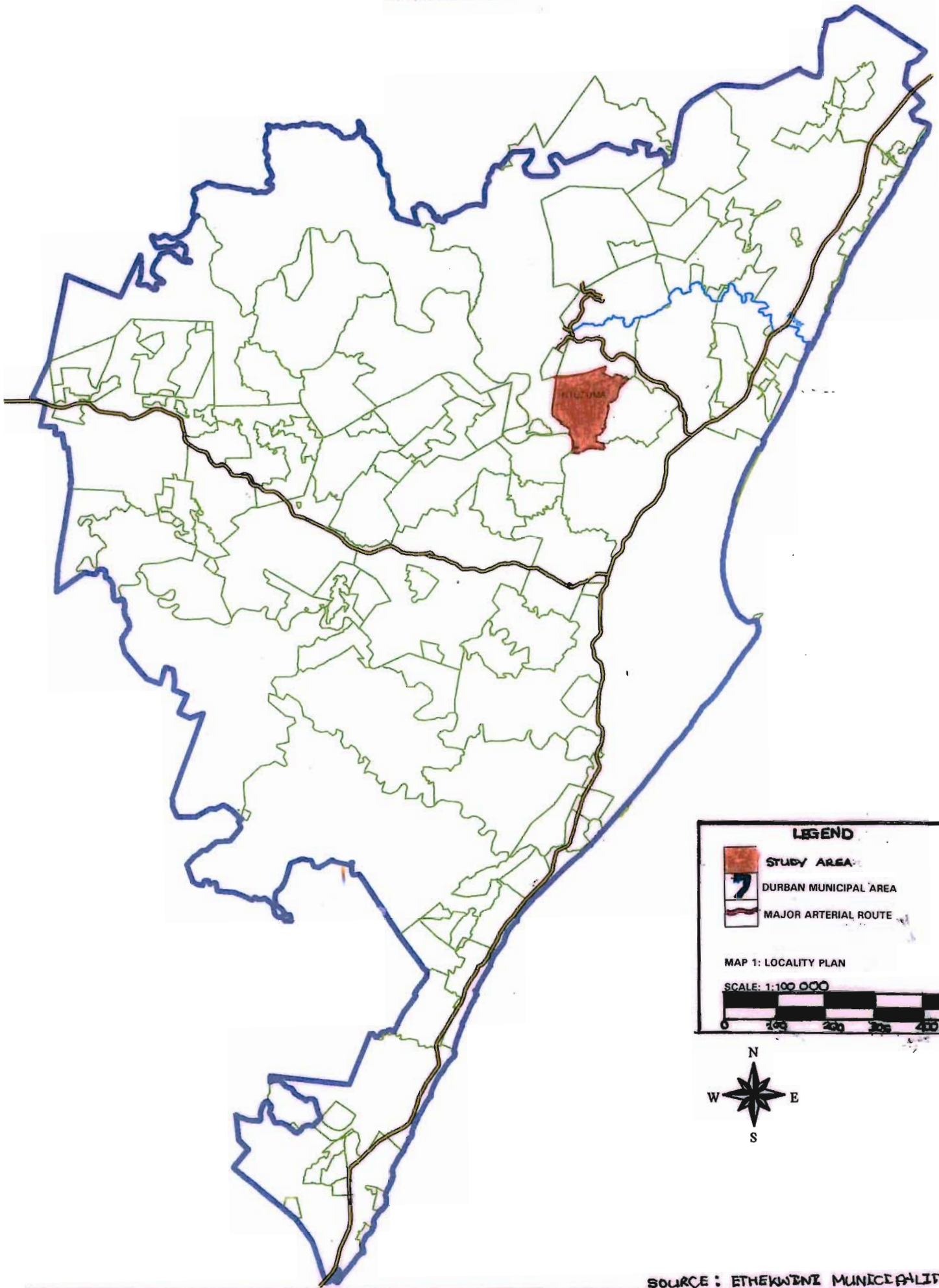
1.1 INTRODUCTION

During the apartheid era, South Africa's urban townships have existed under poverty stricken situations, underdevelopment, deprivation and exclusion that were facilitated by this system. As a result, a host of social and economic problems saw urban townships become areas with little potential for individual and community development. Furthermore, urban townships, remained low-income areas at the urban periphery where the majority of the population was poor and had no access to opportunities, (Evans, 1988). Examples include townships such as Kwa Mashu, Ntuzuma and Khayelitsha. After 1995, the change towards democratic governance saw the focus of government interventions being towards the development of rural and peri-urban communities.

Municipalities, through the use of their local Integrated Development Plans (IDPs) are prioritising the delivery of services and infrastructure in areas such as the townships; areas that are located in the urban fringes. In delivering services, municipalities are realising that this takes them a step closer towards addressing urban poverty, inequitable development and economic exclusion of these communities from wider spatial economies.

Municipalities are also implementing development strategies that are aimed at promoting community economic development, job creation and empowerment promotion, with intentions to meet the development challenges facing previously disadvantaged communities, (DPLG, 2001b). Local Economic Development is an example of strategies being used as a mechanism to promote local-level autonomy, to reviving and to developing the economic, social and physical development potentials of peri-urban and rural communities, (Nel, 1999).

LOCALITY



SOURCE : ETHEKWINI MUNICIPALITY

1.2 MOTIVATION

The motivation for undertaking this research is attributed to a number of questions and concerns that relate to stagnant economic growth within South African Townships, in the context of emerging socio-economic strategies. The main aim is to understand how, in the context of current development strategies such as LED, townships such as Ntuzuma are still experiencing slow economic progression. The motivation also lies in understanding how municipal community-based services interventions aim to create opportunities for Local Economic Development (LED) within Ntuzuma.

Ntuzuma falls within the Durban Functional Region under the North Central region. It is one of Durban's peri-urban townships located approximately 35km north of Durban's city centre. Ntuzuma is adjacent to Inanda to the north and Kwa Mashu to the east. It is a township located on the peri-urban fringe, away from the economic as well as employment opportunities, with the closest economic and industrial area being Phoenix, approximately 10km away, (Durban Metropolitan Area Spatial Development Framework Steering Committee, 1998). Refer to locality map (Map 1).

The overall motivation lies in the need to assess whether the municipal community services based projects in Ntuzuma will create opportunities for Local Economic Development, or whether these interventions are capable of providing solutions to of the socio-economic issues within Ntuzuma. This includes understanding how these projects create opportunities that aim to meet the social, economic and physical development needs of Ntuzuma.

1.3 TOPIC:

Municipal community services based projects in Ntuzuma: an opportunity for local economic development?

1.4 RESEARCH PROBLEM:

Municipal community services based projects such as those under the National Public Works Programmes and Consolidated Municipal Infrastructure Programmes are utilised as some of the strategies towards addressing broader socio-economic issues within peri-urban and poor communities. Issues such as poverty,

unemployment, empowerment, economic decline and the limited employment opportunities for the skilled groups within poor communities, are targeted for intervention through these programmes, (DPLG, 1997).

Projects such as those of the National Public Works Programme are aimed at the whole of the targeted communities. However, in the delivery process, opportunities for participation and employment are limited to a marginal number of SMMEs and unskilled labour. It is this limited participation process and the scope of interventions that the ability of the municipal community services based projects to create opportunities for LED within Ntuzuma is being questioned. The ability of these interventions in creating opportunities for economic development, linkages with other economic areas, sustainable employment and income generation opportunities is also being questioned with this study.

1.5 RESEARCH QUESTION:

DO COMMUNITY SERVICES BASED PROJECTS INITIATED BY THE MUNICIPALITY IN NTUZUMA CREATE OPPORTUNITIES FOR LOCAL ECONOMIC DEVELOPMENT?

1.6 SUB QUESTIONS

- Do municipal community services-based projects open up opportunities for spin-off businesses?
- How many new businesses have been started as a result of these projects?
- Do the spin-off businesses open up opportunities for income generation?
- How many jobs are created as a result of these new businesses?
- Do these spin-off businesses create opportunities for SMME development?
- Do these projects open up opportunities for business linkages with other economic areas in the metropolitan context?
- Any forward and backwards linkages created by these projects?

1.7 HYPOTHESIS:

Municipal community services-based projects predominantly aim to improve access to services and infrastructure within the peri-urban communities such as Ntuzuma. In the context of this delivery, these interventions aim to create opportunities for employment creation, poverty alleviation, empowerment and SMME development. However, their focus on unskilled labour, their short term delivery phase and their inclusion of a limited number of community members, limits the ability of these interventions to alleviate poverty, address empowerment, create employment and to generate incomes on a prolonged basis. Furthermore, opportunities for establishing backward and forward linkages with other economic areas, through these projects, are limited.

1.8 RESEARCH OBJECTIVE:

The main objective of this study is to explore and evaluate whether municipal community services based initiatives create opportunities for Local Economic Development in Ntuzuma. This study will therefore:

- **Utilise** five existing initiatives, as part of the process for assessing how community services-based interventions create opportunities for LED in Ntuzuma.
- **Identify** limitations and strengths of such initiatives.
- Make **recommendations** from findings, which will indicate the focus areas and direction for future initiatives within Ntuzuma.

1.9 WORKING DEFINITIONS

This section gives an overview of the terminology and meanings assigned to the main concepts that are part of this study. Definitions and meanings below are to be understood within the realms of the Local Economic Development Framework.

1.9.1 LOCAL ECONOMIC DEVELOPMENT (LED)

Local Economic Development is a process through which local governments or community-based groups manage their existing resources and stimulate economic

activity within the local context. LED is therefore about creating local wealth through utilising local resources and potentials in the development process, (Nel, 1999).

1.9.2 LED INITIATIVES

LED initiatives are applied economic and social development strategies that seek to address site-specific needs through locally appropriate solutions, (Nel, 1999). And, within certain contexts, this author argues LED initiatives are taken to be the same as LED projects. LED initiatives are also argued to be those projects that are aimed at encouraging local participation and consensus building in determining economic and social welfare initiatives for the specific communities within which they shall be implemented, ([www. worldbank.org](http://www.worldbank.org), 2002). For the purposes of this study, LED initiatives will be used in parallel to the term LED projects, as both terms are based on the same concept and aspire towards meeting the same objectives.

1.9.3 SMMEs

SMME is a term that needs to be broken down if it is to be accurately understood, as it is a term laden with diverse structures and meanings. The SMME definition is broken down as follows:

- **Small-enterprises** are those enterprises that meet all formal requirements of industrial premises, tax registration and employ between 5-50 people. These enterprises can be owned and managed by the owner or the direct community and they vary from retailing, manufacturing, construction and professional services, (Dass, 1995)
- **Micro-enterprises** are defined as small businesses that often involve the owner, some family member(s) and a minimum of two paid employees. Micro enterprises are often informal: as they operate without licences, registrations and accounting procedures. Most of these enterprises are in the form of survivalist establishments, which are considered to be entrepreneurial, (Dass, 1995)
- **Medium enterprises** are a residual category located between small and big business. Enterprises in this category are viewed as being primarily owner/ manager controlled through a shareholder or company base, employing 200 or more workers and having relatively substantial capital assets, (Dass, 1995).

1.9.4 MUNICIPAL COMMUNITY SERVICES BASED INTERVENTIONS

Municipal community services based interventions, Bond (2002) notes, are interventions that are initiated by local authorities in response to development issues facing target areas. With these interventions, municipal service and infrastructure delivery are the main emphasis. Through service delivery it is anticipated that this will improve the quality of life and the socio-economic status of the beneficial communities.

Issues such as unemployment, gender inequality, disempowerment, limited economic activity and limited business development are targeted for intervention through opportunities that will result from the implementation of these municipal service delivery projects. Examples of such interventions include those implemented in the Eastern Cape in Stutterheim, and Khayelitsha. With these examples service delivery was used to deliver services and infrastructure whilst simultaneously creating opportunities for meeting other socio-economic needs such as housing, employment creation and empowerment. Community services-based projects within these contexts were also used to open opportunities for SMME development, gender equality and income generation. Furthermore, opportunities for community participation, as both labourers and beneficiaries of these projects promoted self-reliance at local level, within these communities (Nel, 1999).

1.9.5 URBAN TOWNSHIPS

Urban Townships are low-income communities that are located in the urban fringe that used to function mainly as dormitories for workers employed in the urban areas. Urban Townships are satellite areas on the outskirts of the city that have low levels of economic activity: industrial, commercial or manufacturing, (Evans, 1988).

1.10 RESEARCH METHODS OVERVIEW

The research methods for this study are founded around three methods: document review and analysis, primary data collection through interviews with key informants and key decision makers, and the observation study. The key informants and decision makers interviewed are those individuals that are directly involved in one or more of the following stages of the projects; the planning, operation and implementation of these initiatives. The primary research evolved around five

municipal community services based projects in Ntuzuma. The methodology is explained in detail in chapter 4.

1.11 STRUCTURE OF THE DISSERTATION

- **Chapter 1**

This chapter is an introductory chapter within which the research topic, objectives and scope of the research study are introduced. Working definitions that are central to this study are also defined.

- **Chapter 2**

This chapter explores the LED concept, its objectives, emergence, need and approaches adopted within the South African context and internationally. Those approaches to LED that are adopted mostly in the low income and peri-urban communities, especially within the South African context, are also investigated. An overview, history and objectives of municipal community services based initiatives, is also detailed within this chapter. Municipal community services based initiatives are explained with an aim of indicating how these initiatives aspire to create opportunities for LED within peri-urban communities. This LED approach will also be explained in the context of other LED approaches, which prove relevant in the context of this study.

- **Chapter 3**

This chapter will analyse LED policies and programmes that guide implementation of the LED process. LED policies and the Integrated Development Plan for the EThekweni Municipality within which Ntuzuma falls, will also be reviewed. The INK Area Based Management business plan as a policy framework governing planning within the Ntuzuma area will also be analysed. The role of LED in poverty alleviation will also be explained within this chapter.

- **Chapter 4**

The research methods are detailed within this chapter.

- **Chapter 5**

Projects selected for the purposes of this study and the findings are detailed within this chapter

- **Chapter 6**

This chapter discusses the main themes and analyses the findings from the primary data research

- **Chapter 7**

This chapter is aimed at providing recommendations and the way forward regarding the municipal community services based interventions.

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

Economic decline forms part of the multiple issues facing a number of peri-urban communities within South African that the new development strategies being pursued by both the national government and local governments, are trying to reverse. Urban poverty, which Blakely (1994) argues is one of the consequences of economic decline, is another area of focus for current development interventions. Backlogs in infrastructure, uneven spatial economies, housing backlogs, high unemployment rates and local area deterioration, are other issues that development interventions and strategies are hoping to address in peri-urban communities.

LED with its emphasis on addressing socio-economic development issues within urban and rural communities, is largely being utilised as a strategy towards addressing the development issues facing the peri-urban and rural communities. Nel (1999) notes that in poor communities within South Africa, LED strategies are used as self-reliance strategies or coping mechanisms in the face of global capitalism and economic marginalisation. This author however cautions that that LED approaches and the nature of these initiatives will differ with context, and will address different issues at different stages within this process. This means that the different approaches to LED, adopted within the different localities will be locally specific, suitable and appropriate for each context, based on its ability to meet the development needs of each of these communities.

Within this chapter the LED concept: its definition, emergence, trends, objectives and approaches will be discussed. An overview of municipal community services based initiatives: their definition, objectives and how they are used as an approach to promoting LED within peri-urban communities will also be detailed. The various approaches to LED that are also adopted internationally, but that are relevant in the South African context will also be discussed within this chapter.

2.2 DEFINING LED

Local Economic Development (LED) is a concept with a number of definitions and meanings attached to it; as a result Nel (2001) argues that LED is a personal experience. With this, experiences with LED have been noted to be context specific and different. As a result, this has given rise to a wide range of definitions used to describe LED. It is through this that it becomes difficult to single out LED to one definition and one meaning. One definition that however encompasses most of the meaning of LED, is that which states “LED is about local people working together to achieve sustainable economic growth that will bring economic benefits and quality of life improvements for all in the community”, (www.worldbank.org, 2002). The efficiency of this definition lies in its recognition that a community can be a city, town, metropolitan area, region or even a community. This therefore indicates that LED can be pursued at a number of levels, in an attempt to economically and socially uplift that particular local context.

LED dates back to the 1900's during the global and structural changes in economic systems, production systems, institutional restructuring and the changes in global governance, in particular in the US, UK and Canada. Within South Africa, Nel (1995) argues that LED was a real feature in urban areas prior to the apartheid era since the late 1960's. With this he cites Johannesburg as an example, where LED was adopted through the place marketing, and urban entrepreneurial and public works strategies, in an attempt to market the city as South Africa's capital for employment and mining. Bond (2002), states that in South Africa, LED was characterised by a number of phases, where between 1960 and 1980, LED was characterised by the need to attract investment and industrial development towards certain economic regions. The focus was on marketing these industrial regions and on providing appropriate infrastructure which was used as a “draw card for industrial development”, (Bond, 2002:2). The development of export processing zones and industrial economic regions such as Richards Bay became the focus for interventions during this first wave of LED.

Between the late 1980s to the early 1990s the focus shifted towards the retention and growing of existing businesses within the local context. Specific sectors in targeted geographic became the focus of investment, development and intervention.

After the apartheid era (1995 onwards), focus towards current and developmental forms of LED came into effect. Examples of such strategies include the community-based LED strategies. The main aim of such strategies is towards “development for the poor, with the main emphasis being on poverty alleviation”, (DPLG, 2001: 2). reasons behind this shift in policy and strategies was to promote economic development at all levels including the community-level, to work directly with peri-urban and rural communities in addressing their socio-economic issues, address unemployment, poverty and to invest in human resource development. The shift in LED policy and strategies was also reinforced by the shift in thinking that the economic space ceases to exist at city-level; however can exist at any level, (DPLG, 2001). This shift in thinking and policy is attributed to the change in governance especially changes in local governance.

LED objectives differ with context, as they depend on the approach and the nature of the initiatives adopted within each context. Nel (1999) notes that although LED is context specific, applied LED strategies universally have some common objectives. These include meeting social, economic and physical development needs of target communities, through LED. Nel (1999) further states that LED interventions attempt to develop the locality through a number of strategies and initiatives, which will lead to economic growth that will have a positive impact on the social and physical states of the targeted communities.

2.3 THE NEED FOR LED

2.3.1 ECONOMIC DECLINE

The need to address economic decline in certain regions had previously been targeted for intervention through regional theories: decentralisation and growth pole theories and strategies, which were replaced by more developmental and locally appropriate interventions such as LED. Economic decline is known as an economic crises and slow economic growth following economic successes within a certain region, (Evans, 1988). Economic decline is a diagnosis for regions facing investment withdrawal or the absence of investment within that region. The townships are examples of areas experiencing slow economic growth along with limited economic activity and minimal tax income generation. Decline in most of these communities has been attributed to the apartheid legacy and its exclusionary economic policies. It

is noted that Ntuzuma, for example, contributes less than 3% of Durban's GDP, due to its limited economic activity and non-flexible economy, (EThekwini Municipality IDP, 2002).

Other causes behind economic decline within poor communities are attributed to the decline in employment opportunities in the formal sector. As the highest concentration of the labour pool is among the peri-urban communities, decline of employment in the formal sector results in decline of incomes and an increase in poverty levels in these peri-urban communities. For example, within the Durban Functional Regional, unemployment rates in the economically active population was an estimated 30%, within townships such as Kwa Mashu being top of the list with more than 60% unemployment rates in 1998, (EThekwini Municipality IDP, 2002).

In light of the loss of employment in the formal sector, communities are forced to rely on informal and survivalist economic activities, most of which are locality bound (Rogerson, 2001). This self-created economic solution, which had not been previously considered by interventions such as the regional policies, facilitated a situation where communities became reliant on informal economic activities as a survivalist strategy. Communities are also reliant on SMMEs as a mechanism towards addressing economic decline, unemployment and uneven distribution of wealth. SMMEs are also playing a central role in promoting LED in pro-poor communities, (Rogerson, 2001).

Redistribution strategies such as LED, based on the need to redistribute resources and to invest in local economic development and reverse economic decline are issues that this holistic approach is aiming to address, (Nel, 1999). EThekwini Municipality's IDP (2002), states its commitment to redistributing resources, at promoting equitable development and at investing in local action, notes that the townships are one of the priority areas with regards to addressing economic and social development issues. The townships are the focus of spending and intervention for the next 5 years within this municipality, with an aim of reversing social, physical and economic and development issues within peri-urban communities.

Bond (2002), argues that economic decline in poor communities is attributed to the exclusionary economic policies and strategies, i.e. smokestack chasing LED and regional development policies. Bond (2002) further states that these strategies are exclusionary, limit local growth efforts and investment in human resource development. The more developmental forms of LED on the other hand strive to address economic decline by utilising locally appropriate interventions and applying policies that are supportive of community action and those that will stimulate employment creation.

2.3.2 URBAN POVERTY

In addition to the apartheid legacy, urban poverty is attributed to a wide range of issues, most of which are measured through indicators such as unemployment rates, lack of access to income and limited access to services and amenities. Measures of poverty within this context can also be measured in financial terms (individual assessment) and through livelihood impacts assessment, at community level, (Ashley and Roe, 2001). Urban poverty is also noted to be “more than a lack of income, however poverty exists when an individual or household’s access to income, jobs and or infrastructure is inadequate or sufficiently unequal to prohibit full access to opportunities in society”, (Parnell and Mosdell, 2002:4). This definition recognises that poverty is caused by a combination of social, economic, spatial, environmental and political factors.

Urban poverty is also attributed to the decline in the formal sector’s ability to absorb new employees into the job market. This is facilitated by the changes in the economic systems, which resulted in large populations being retrenched and new hopefuls or job seekers, unemployed, (Tomlinson, 1994). This change in economic systems and the Information Technology has facilitated a culture of vulnerability among unskilled labourers who are already part of the job market, as they find themselves easily disposable with the replacement of Information Technology. This has facilitated a dependency on the informal economies or economies of scale, as a means to survival. LED with its focus on opening up employment opportunities and income generating activities, at the local level, municipalities are utilising LED in response to urban poverty.

The nature of work in the formal sector, which is largely becoming temporary and flexible, is another cause behind urban poverty. Blakely (1994), notes that this nature of work has resulted in inequalities, vulnerability of unskilled labour and the wage differentiation ratio. Furthermore, it has led to reduced incomes for the urban poor, in the context of high living standards within the urban centres. This has facilitated a situation where unskilled labour is becoming reliant on unprotected wages (casual employment) and self-employment production measures. In pursuing LED, local governments are aiming to discourage this reliance on unprotected wages by focusing their interventions on SMME development through which it is anticipated that self employment and income generating opportunities will result, (Nel, 1999).

Poverty is one of the central issues imminent within EThekwini where the majority of the urban population within the EThekwini municipality was identified as living in poverty, (EThekwini Municipality, 2002). The townships and the rural areas in the EThekwini Municipality were named the areas of greatest need and identified as those areas needing urgent solutions to alleviating poverty, (Durban Municipal Area Spatial Development Framework,1998). 37% of the total population within the EThekwini municipality are said to be living below the poverty line. The Spatial Development Framework (1998) and Ntuzuma Integrated Development Framework by Scots Wilson (1998), noted that 18% of the population within Ntuzuma was living below the poverty line an annual income per capita of R3115 in 1998. The indicators of poverty within Ntuzuma were identified as: backlogs in services, infrastructure, high unemployment rates, limited access to formal housing and formal areas and heavy reliance on self-employment activities as an income generating strategy and a means to survival. In pursuing LED, the EThekwini Municipality, through its community specific development interventions aims to eradicate urban poverty.

2.3.3 INFRASTRUCTURAL AND SERVICE BACKLOGS

Backlogs in infrastructure and services within peri-urban communities are some of the reasons that prompted the need for locally appropriate strategies such as LED. Precedent policies such as the RDP were also aimed at reducing these backlogs but later gave way to community based strategies such as LED with an emphasis on reversing development backlogs while also promoting economic growth, business and social development, (Scott Wilson, 1998).

Infrastructure and service delivery as noted by Nel (1999) are critical to reducing the urban and rural divide, and at improving access to high quality services. Nel (1999) argues that rural contexts such as those of the Eastern Cape needed strategies such as LED, which could address a wide range of context specific issues. Nel (1999) further identifies LED initiatives such as the National Public Works Programmes, as being important in addressing a wide range of issues such as empowerment, SMME development, social development and employment creation, in the process of service delivery in poor communities. To illustrate how service and infrastructural initiatives aim to address socio-economic issues, Nel (1999) cites the Stutterheim example. Within this town, the area's works committee and a local project forum engaged in a number of service delivery projects with the aim of not only delivering infrastructure and community services, but to also address other socio-economic issues such as employment, empowerment and economic development within the local context.

2.4 LED APPROACHES

LED is a discipline with a multiplicity of approaches that can be initiated from a number of perspectives. Approaches to LED and initiatives thereof will differ as a result of the different characteristics and developmental goals pursued with each approach. Approaches relevant within the South African context and those at international level will be discussed, followed by those approaches dominantly adopted within peri-urban communities. The approaches below will expand these above statements.

The Traditional Approach is based on the need to attract investment from well-established and mobile industries towards certain geographical areas, usually decentralised locations. In this attempt, Tomlinson (1994) argues that municipalities often engage in inter-city competition in vying for these mobile industries. "Municipalities, compete for these industries and market their locations by offering concessions in the form of low- interest loans or loan guarantees with lower capital costs, low taxes or abatements and cheap land", (Tomlinson, 1994: 59). Similar to this are the top-down regional development, government engineered and growth centred policies that emerged with the intention of redirecting transferable investment from the core areas to the identified disadvantaged regions. Bond (2002) notes that

the traditional approaches are based on the need to attract investment, job creation which it is alleged will result in tax generation, which can be reused for service delivery. Another assumption with this approach is that local growth can only be achieved through capital relocation, and decline prevented through capital retention within that particular context.

South African examples where the traditional approach was applied include Isithebe and Newcastle. Tomlinson (1994) notes that within the regions noted above, industries settled for periods within which concessions for their location were still being administered. When the concessions ceased, these industries moved-out, leaving behind economic crisis, investment withdrawals and massive job losses. In many instances, the concessions as highlighted, have also failed to stop these industries from withdrawing their investments within decentralised areas, towards alternative locations.

Tomlinson (1994) argues that due to the fact that there are many components in creating favourable environments for business, tax rebates or concessions may not be sufficient in terms of influencing decentralisation decisions. Other requirements that Tomlinson (1994) identifies include having a well-established city or town, large populations, human skills, good quality of life, strategic location, sophisticated local government and excellent infrastructure. These characteristics, Tomlinson (1994) argues are vital for locations to possess if investment and business are to be attracted and retained within the local context.

The Entrepreneurial Approach involves the private sector taking responsibility for local economic development with the aim of facilitating indigenous urban economic development. The private sector provides an alternative approach with which to provide solutions to development problems facing the targeted communities. The public sector in this instance becomes entrepreneurial in that they may offer low-interest finance or assume equity positions in high-risk enterprises which may have been overlooked by the private sector in the past, so as to create opportunities for new markets and products. This shift, as noted by Tomlinson (1994) has been facilitated by the changing roles of local government, with it being more open to

participative planning and development, and it playing a more supportive role of community action.

Assumptions behind this approach are that LED can be achieved by discovering; expanding, developing or creating new markets for local goods or services to promote growth. Some of the main goals are to facilitate new business formation and small business expansion in order to promote LED, (Tomlinson, 1994). The orientation of this approach is towards promoting indigenous growth and some of the strategies employed in the process include place marketing and regeneration strategies. Place marketing initiatives are based on the need to market and place an area as a favourable location for investment in relation to other locations. With place marketing initiatives, locations rely heavily on their comparative advantages and using these as a draw card for investment towards their locations.

The effectiveness of this entrepreneurial approach within the peri-urban context is reflected in the focus and investment local governments have dedicated in developing informal economic activities within these communities in South Africa. For example, the focus of LED strategies within peri-urban communities has been on developing and investing in the informal sector, a sector previously perceived as high- risk by the private sector. The Warwick Junction initiative in Durban is an example, where business infrastructure provision by the local council created favourable business opportunities for informal traders to operate. Furthermore, the local council facilitated access to finance and business support services for the informal traders within this area, in an attempt to develop and drive investment towards this sector, (Khoza and Naidoo, 2002). With this example, business, opportunities for income generation, empowerment and SMME development were created by the local council and the financial institutions provided financial support.

The use of SMMEs in the delivery of services and infrastructure, within the peri-urban communities, is another mechanism through which the local government intervened and gave way to private sector investment in expanding and developing small businesses within the area. Small and local contractors in peri-urban communities, as noted by Harrison, Todes and Watson (1997), are at the forefront of the delivery process of services and infrastructure, and form part of the economic growth

potential. It is through the above-mentioned that this approach proves relevant within the peri-urban communities and the wider South African context.

The Human Resource Development Approach recognises that benefits and reliance on the trickle down effect is a long process that takes a while to benefit the urban poor, whether through job creation or increased tax bases, which it is anticipated will result in improved service and infrastructure delivery. This approach focuses on ensuring and creating opportunities for the urban poor and unemployed by directly intervening and ensuring that the poor become productive participants in the capitalist economy. Blakely (1994) argues that the human resource development approach is people-based in that it is aimed at improving an individual's access to jobs and skills development. Within this approach, people within any community are noted as one of the most valuable assets, which developers need to invest in.

With this approach, other main goals identified include the need to increase access to jobs and improvements in the productivity of those that are already in the job market. This approach focuses on providing training opportunities that will equip those already employed with skills that will make them more competitive in the job market. Blakely (1994) further states that within this approach, a number of human resource development initiatives are found: vocational training and education, job placement projects, client-orientated job creation and job maintenance activities.

The human resource development approach is only just beginning to be introduced within the South African context, as noted by Tomlinson (1994), who states that it is predominantly adopted within European countries, where community development corporations usually take the lead. This approach, along with its initiatives is important in promoting LED through investing in the local people. In South Africa programmes such as the Adult Basic Education and Training (ABET) and the Sector Education and Training Authorities (SETAs) and their learnership programmes, are examples of this approach.

In South Africa the human resources development approach plays an important role in terms of providing skills to those both in the job market and those that haven't entered it as yet, so as to make firms within that local context more competitive. In

being competitive it is anticipated that this will result in economic development that will benefit their local area. Issues identified with this approach (Blakely 1994 and Tomlinson 1994) are that it assumes that career entry is automatic and easy. It is because of this that the impact of this approach is limited if jobs don't exist. The value placed on individuals and the need to promote and invest in new economic activities and entrepreneurs is a relevant aspect within the South African; as a result, it is anticipated that it will uplift individuals and will contribute towards community economic development.

Community-based development approaches

Community-based development approaches to LED are characterised by the need to meet a number of developmental goals including, the economic, physical and social development goals. "This approach is aimed at serving particular groups' needs within specific localities identified for development, along with teaching people at neighbourhood level to own their own pond and fish it", (Blakely, 1994:67). In other words, community-based development approaches are aimed at developing the local context while promoting and instilling a culture of autonomy and self dependence amongst the local community.

Under the community-based approach, two main strategies dominate, the first being those strategies that are aimed at economic development and the second being those that are aimed at promoting social development. The community economic development strategies are aimed at promoting LED through investing in initiatives such as co-operatives, SMME development and investing in building the skills of local people and their business activities. Strategies that are aimed at social development on the other hand, include strategies such as those aimed at community service and infrastructure delivery with an aim of improving the social livelihood on a sustainable basis.

The community economic development strategies, as noted by Blakely (1994) are aimed at increasing the local community's control over the local economy, at generating employment, inspiring self-help and co-operative group-orientated assistance, and promoting democratic management and control of enterprises. The social development strategies are orientated towards empowerment of communities

through quality of life improvements, addressing development backlogs. Through the fact that this approach aims to address the majority of economic development issues facing peri-urban communities, focuses on social development and aims to promote control over the local economy, proves the relevance of the community-based development approach in the peri-urban context.

The corporate centre approach is based on the need to promote economic growth within certain geographic regions and certain contested spaces within the urban contexts, (Tomlinson, 1994). This approach, as noted by this author is driven by the private sector, is reliant on market forces in determining the outcomes of economic development where it is applied. With this approach, the economic future of communities targeted is largely determined by the ability of these contexts to attract capital investment and improvements in local contexts are meant to result from this ability to attract and retain capital investment within these local contexts, (Tomlinson, 1994).

The rationale behind this approach is that the benefits and impacts of city-wide growth strategies will trickle down to local communities following economic growth. The focus is on promoting economic growth at macro level, and with this growth, it is anticipated that this will create employment opportunities and reduce poverty even at community level. Another distinguishing characteristic of this approach is that it presents a shift away the pursuit of incomes as the case with small-scale LED initiatives. However these growth LED strategies are in pursuit of capital investment through the use of large scale developments as draw cards, where these projects are used as a mechanism to promoting growth through attracting capital investment, (Maharaj and Ramballi, 1998).

EThekweni is an example where the focus of LED strategies at city level is based on the need to promote economic growth through creating favourable business environments within Durban's key contested spaces such as Durban's waterfront. In initiating large scale developments such as the Point Waterfront Development and the International Convention Centre, these were used as a draw card with which to attract private sector investment towards these areas, (DPLG, 2001b).

This approach as noted by Robinson (1989) is mostly pursued by the private sector; however local governments also play a vital role in this process. The public sector through the formation of partnerships: public-private partnerships, becomes involved in this process through implementing economic growth policies, strategies and development frameworks supportive of the needs and intents of the private sector towards the attraction of capital investment. This role is aimed at creating conducive environments for business activities and at creating environments within which the private sector will feel safe to conduct their business operations, (Robinson, 1989).

The public sector, in this instance, is encouraged to intervene through a number of economic policies orientated towards property development and regeneration so as to keep environments within their municipalities lucrative for investment spending. Examples of this are Durban's Inanda Ntuzuma Kwa Mashu (INK) initiative and the Inner Thekwini Regeneration Urban Management Programme (iTRUMP) initiative, which were aimed at reviving and creating favourable business environments within these areas so as to attract investment. Within these case studies, the public sector initiated these projects with intent of regenerating these areas, thereby identifying these areas as worthy and lucrative for private sector investment, (McCarthy, 1996).

The diversion of the corporate centre approach is that it focuses on economic growth and development strategies that aim to position targeted or certain urban contexts as global players. The focus is therefore less on direct community needs and poverty alleviation, at micro level, and mostly towards promoting macro economic growth within these urban contexts. Maharaj and Ramballi (1998), argue that the representation of the poor's needs, the need to redistribute and adjust the spatial economy is not directly targeted for intervention. Like the traditional approaches to LED, these authors note that this approach places the responsibility to undo the disparities that exist between the low-income communities and the affluent areas on the market. As a result, these authors note that this approach hopes to undo market failures and spatial imbalances through market-orientated approaches to LED.

The alternative approach: municipal community service-based LED is part of the Bottom-up approaches to LED that strive to meet the needs of poor communities while involving them in the development process, along with enhancing local action.

Bond (2002) notes that local government in South Africa, driven by the need to meet the physical, economic and social development needs of poor communities, along with the need to introduce new ways of delivering affordable services, adopted this approach. The need to balance out development and the need to facilitate the new roles of local governments were other reasons behind the adoption of this approach within the South African context, especially in poor communities. Bond (2002) argues that the alternative approach was adopted in poor-urban communities in South Africa as a means to facilitate service and infrastructural delivery, while in the process addressing a wide range of human and social development issues.

The alternative approach presents a shift from the traditional and top-down approaches to development that mainly involved central governments taking development decisions on behalf of targeted communities. With this shift, the aim is to integrate socially excluded communities in the development process via bottom-up decision making processes and strategic development strategies such as LED, strategies that are aimed at responding to locally specific needs.

This shift in thinking also facilitated a more locally specific approach to service and infrastructural delivery where the level of services delivered is equivalent to the level of development and affordability within that context, (DPLG, 1996). In peri-urban communities such as those of Durban for example, this approach is adopted in response to these communities' local socio-economic and physical development needs. Examples include townships such as Kwa Mashu and Ntuzuma where strategies employed within these communities are mostly aimed at directing investment towards delivering services and infrastructure. The main intents of this approach are based on the belief "that investment in and access to services and infrastructure impacts on the human and social development aspects of poor communities", (Bond, 2002: 33).

Another objective of this approach is to invest in infrastructure and services with the intent of improving the economic conditions within the local context. the key objective is to address unemployment and poverty through involving the local community in the delivery process. Bond (2002) argues that it is the infrastructure related employment and income generation opportunities that emanate from this that allow this approach

to address unemployment and poverty issues. Skills development and training opportunities, that accompany these delivery projects, are other issues that this approach aims to meet.

Although this approach aims to address unemployment, poverty and other wider socio-economic issues, the level of impact this approach can have on the wider socio-economic issues facing peri-urban communities is under question, in comparison to the mainly physical development needs which it targets directly, (Report on the Social and Economic Development in South Africa Summit, 1997). This is based on the fact that in the delivery process, infrastructural projects are being used as a mechanism with which to address a wide range of community socio-economic development issues.

The issue is that most of the employment created from these projects, is periodic and construction related. Bond (2002) substantiates this argument by stressing that these delivery projects will need to move away from the thinking that it is the quantity of jobs created, and the remuneration that determines the level of impact that these physical delivery projects are to have on meeting the development needs of these communities. The quality of employment and depth of skills gained from the whole process are what will determine the level of impact on the socio-economic conditions. Bond (2002) notes some of the ways of determining this impact are based on the abilities of the skills gained to provide participants with skills that will enable them to partake in other employment activities in future. In other words are the employment and remuneration opportunities sustainable?

It is the nature of the employment, (which is largely part-time) income generation and the limited skills transferred, along with the fact that these initiatives are mainly aimed at creating employment opportunities in the labour intensive sectors (such as construction) that has sparked debate around this approach . Similarly, the focus on specific labour groups and limited participation is another point for debate around this approach.

The area-based management approach presents another approach to delivering services to local communities, which is more area specific. Within this approach,

management structures which include the beneficiaries, community organisations; the private sector and key representatives from the local councils jointly make development decisions that are responsive to the local needs. With this approach, partnerships formed in the development process, are called urban development partnerships, which are formed with the aim of providing local economic development solutions that are unique and appropriate to each context, (Rogerson, 1995). The public sector initiates the development process by identifying the most pressing needs within the different development precincts within their municipalities through mechanisms such as Integrated Development Plans. The communities are then involved in the needs assessment and later included as part of the management structures that will govern these area-based development processes. The private sector or external development agencies are later invited to invest in the development process and to be part of the management structures in this development process.

With this approach, it is anticipated that area-specific interventions will promote the development, enhancement and investment in local competitive strengths, and in meeting other locally specific needs. Other aims of this approach include the need to link area-based strategies with wider city, national and regional LED strategies, through which it is anticipated that this will link previously, excluded communities as part of the wider social and economic mainstream. In focusing resources towards developing each area's comparative's advantage, this approach anticipates that this will position each of these areas as part of the spatial economy by ensuring that each area has a competitive edge over other contexts.

Within the South African context, experiences with area-based management approach have shown that local governments often adopt this approach in an attempt to target areas for intervention where the aims will be to strengthen the development potential and to meet community's development needs in the process. The EThekweni Municipality and the Johannesburg metropolitan municipality are examples where the area-based management approach is being adopted in an attempt to integrate previously disadvantaged communities within the urban contexts as part of the social and economic contexts of these municipalities and the wider South African context, (Rogerson, 1995).

Areas identified for area-based management projects in the South African context are often identified and selected on the basis of need or potential, and in terms of development issues such as job loss and experiences with socio-economic crises. Nel, Hill and Eising (2002), substantiate this argument by noting that this approach involves the identification of disadvantaged areas where state support and intervention often involves subsidies and incentive packages being used to encourage private sector investment and buy-in within these areas. Cato Manor in Durban, a peri-urban community is an example of an area that was selected for an area-based management approach to LED, based on its history with development backlogs, social and economic deprivation, exclusion and poverty, (Nel, Hill and Eising (2002).

Other examples of LED initiatives to come out of the area-based management approach within the South African context include town enhancement schemes, urban regeneration programmes, upgrading out-of date abandoned industrial estates, developing industrial estates, business parks, encouragement of investment into growth area or into corridors and investing in informal markets, (Rogerson, 2001). These initiatives were mostly implemented within South Africa's urban contexts such as Johannesburg and EThekweni. Durban's Warwick Junction is another example where environmental, health and planning issues caused by informal trading activities in this area, prompted the need for intervention and regeneration from the EThekweni Municipality. The main aims of intervening in this area were to regenerate and develop these area's competitive advantages, by investing in its infrastructure and therefore creating improved working conditions for the traders, (Khoza and Naidoo, 2002).

Critiques of this approach are based on the fact that although it is area specific, it is not purely bottom-up as the decision to initiate these projects is brought upon the local context, usually from the central governments, (www.worldbank.org, 2002). Community control over the development process is therefore limited, whereas external control over the development process far-outweighs that of the targeted community's. Another critique of this approach is based on the disintegrated manner through which it aims to address development problems of local communities. This is

based on the differentiation of development areas into districts of either need or potential; as a result, under the context of the Integrated Development Plans that act as the overarching plans, development is therefore disintegrated and moves away from the concept of integration, (www. worldbank.org, 2002).

Within the SA context, the area-based management approach is still in its pilot phase in centres such as EThekweni and Johannesburg. The area based management programmes in EThekweni, in particular, have been implemented; however they are still under review as they are recent strategies. It is however anticipated that this approach to LED will have a positive impact in terms of linking excluded communities to the economic and social mainstreams of society. Within EThekweni, in particular, it is anticipated that this approach will have a positive impact on economic development, job creation, poverty alleviation; racial integration, increased community capacity and general environmental improvements within peri-urban communities such as Ntuzuma, (DPLG, 2001b). On the other hand it is still not clear if there is sufficient institutional capacity and depth within communities to take on the ABM approach.

2.5 DEFINING MUNICIPAL COMMUNITY SERVICES BASED INTERVENTIONS

Municipal community service based interventions are target specific interventions or projects that emanate out of the municipal community services based-LED approach, (Bond, 2002). These interventions are facilitated and implemented by local governments, in response to municipal service and infrastructure backlogs and other socio-economic backlogs. The main objectives of such interventions, Bond (2002) argues is to improve the socio-economic status of the local community through improving access to municipal services. Low income communities where access to municipal services is limited are identified as the major beneficiaries in such interventions within the South African context.

The aim of these interventions is to deliver municipal services and to improve the quality of life of the recipient communities. In delivering these services, it is anticipated that socio-economic improvements through improved access to public facilities such as schools, clinics, libraries, community halls, sporting facilities and other social welfare services being delivered. The delivery of basic services such as

housing, roads, water and sanitation are also anticipated to result in an improvement in the quality of life. In improving access to basic needs such as shelter, The Report on Social and Economic Development Summit (1997) notes that this will lead to social upliftment, which is noted to be caused by improved access to development opportunities.

With these interventions during implementation, a wide range of opportunities are created for the beneficial communities by the local authorities through the participatory approach adopted in delivering these services. As stated in the above Report (1997), improved access to infrastructure and services is a critical factor in combating poverty, raising standards of living and in creating conditions for economic activity. This is based on the fact that in participating, the beneficial communities participate; other socio-economic challenges facing these communities are able to be targeted for intervention indirectly through spin-offs or opportunities that result from the implementation of these interventions.

With this participatory approach, the local communities are involved in project delivery as labourers and in most instances, contractors sub-contracted to deliver these services. As both labourers and local SMMEs in this implementation process, jobs are created, incomes generated, access and affordability of municipal services improved, and poverty reduced for those involved in this process. With this sub-contracting of local contractors, SMMEs are created within the construction and other supporting sectors such as the services and the retail sector. In this process opportunities for human resource development and empowerment are opened up through the involvement in these delivery projects.

Examples of this participatory approach to delivering services are witnessed in the EThekweni Municipality's peri-urban townships such as Ntuzuma. In this example, service delivery projects are used not only to meet the needs within that local context, but to be also responsive to other socio-economic needs within that context, (Scott Wilson, 1998). These socio-economic needs include poverty alleviation, unemployment, lack of incomes, limited economic activity, restricted affordability of municipal services and limited opportunities for human resource development. On

the other hand, despite being participatory, this approach does not take account of maintenance costs after these services have been delivered.

2.6 CONCLUSION

LED approaches discussed indicate that different approaches to LED suit different contexts; therefore strengthening the argument that LED is a personal and context specific experience, (Nel, 1999). Furthermore, LED operates at different levels: at macro and micro or community level. With the macro level, the focus of strategies is towards promoting economic growth, where as at micro level, the strategies are aimed at promoting community economic development and poverty reduction. Context specificity of LED is therefore based on the ability of the strategies and the approaches adopted to be able to meet the development needs within that context.

Meeting the development needs of a singular community can mean more than one approach or strategy is required. For example, the literature indicated that it is often not adequate to rely on the human resource development approach solely, in terms of meeting the total development needs of peri-urban communities. This is based on the fact that without the jobs and economic physical structures or platforms, there is very little that improving the human resource skills can do. It therefore became apparent that another approach alongside this approach, one that would encompass a wide range of issues alongside this approach was needed if it is to lead to sustainable LED. In sum, the literature indicated that no single approach to or LED strategy is effective solely in relation to multiple and interrelated approaches and strategies working towards meeting development issues of local communities like the peri-urban communities.

Lastly, an overview of the municipal community services based interventions was given with intent of indicating how these interventions try to promote local economic development in low-income communities in the process of service delivery. Attention to these interventions was made as the focus as this research study is centred on municipal community service based interventions in Ntuzuma. The literature indicated that these interventions aspire to promote LED by combating poverty, improving the quality of life and creating conditions for economic activity through service and infrastructure delivery.

CHAPTER 3

POLICY FRAMEWORK

3.1 INTRODUCTION

The role of local governments changed along with the political and structural changes in South Africa. These changes are reflected in the new roles played by local governments, as “agents of change and development”, (RSA, 2000). With this new role, local governments through municipalities facilitate development within their municipalities. Robinson (1989) and Rogerson (1998) substantiate the above argument by noting that municipalities are vehicles through which local authorities’ powers and functions are delegated. The White Paper on Local Government (RSA, 2000) states that local governments through municipalities should exercise their powers and functions in a way that maximises the social development and economic growth of their communities, alleviate poverty and ensure access to quality services within their municipalities.

Atkinson (1997) notes that local governments are now mandated to work with communities in finding sustainable ways to meet their social, economic and physical development needs and to improve the quality of their lives. They can accomplish this by implementing strategies such as Local Economic Development or any other strategies that will meet the development needs within these municipalities. Other significant changes in the focus of local governments are based on increased attention and focus on the delivery of services, especially incremental services and the recovery of costs from citizens.

LED is identified as one of the mandates for local government, and that LED strategies will differ from one context to the next, depending on who the initiators, facilitators or managers of the process are. LED strategies in this sense reflect the needs within the different contexts along with the nature of institutional arrangements behind implementation of these LED strategies, (RSA, 2000). The development process can include community development trusts, section 21 companies and partnership arrangements, in addition to the municipal LED units. Different combinations of role players amongst the above-mentioned can sometimes implement the LED process through joint action by forming partnerships with local

governments. This indicates the commitment of current local governments in terms of promoting a democratic and transparent development process, through working with a wide range of organisations in order to meet its development mandates.

3.2 THE ROLE OF DEVELOPMENTAL LOCAL GOVERNMENT IN LED

LED has been identified as one of the key outcomes of developmental local government that has provided them the ability to integrate and link policy regarding planning, development and governance and in meeting the needs within their municipalities. LED has provided municipalities the opportunity to attain the majority of their development goals using a single line function with multiple development facets, at both the macro and micro level in an integrated manner, (Mawson, 1997). Within the LED process, local governments have been mainly facilitating the development process as community developers and delivery structures that work directly with communities in meeting their development needs.

Local governments play a central role in determining the approach to LED along with the strategies that are to be adopted and administered within their localities. Whether the approach to LED adopted is anti-poverty or poverty alleviation orientated, the decision is upon local governments depending on their development objectives. Local governments also have to ensure that their planning and regulatory frameworks are supportive, enhancing and reflective of LED's objectives. Other development policies, interventions and programmes applied within their municipalities also need to be complementary or in coordination with other interventions applied.

Local governments, as facilitators of the development process, are placed with the responsibility of ensuring that LED approaches achieve their anticipated development goals and objectives through implementing strategies that are responsive to local needs (DPLG, 2001a).

Within the LED process, the following roles have been identified as those that local governments should play within the various contexts, in pursuit of LED:

- Coordinator: as coordinator the municipality, acts as a coordinating body within which LED policy is established, strategies proposed and planning and service provision coordinated.
- Facilitator: the municipality improves the investment environment in the community by streamlining the development process, improving planning procedures and zoning regulations which will be then accompanied by structural and operational changes within the local government in support of these development frameworks.
- Stimulator: As a stimulator the local government stimulates economic development, i.e. Business creation and expansion through a number of strategies: promoting particular tourism products, build industrial estates or manufacturing workshops and providing premises for SMMEs at low rents. Stimulating business creation by investing in infrastructure and creating environments favourable for business is another example of how local governments stimulate economic development.
- Entrepreneur/developer: As a developer the municipality takes full responsibility in the establishment of business enterprises, cooperatives or non-profit ventures in pursuit of LED. With this, local governments also get involved in promoting changes in technological sectors, in acquisitions involving huge investments and in addressing the mobility of firms, (LED Policy Draft Paper, 2001a).

3.3 PRINCIPLES OF DEVELOPMENTAL LOCAL GOVERNMENT AND LED POLICY

In addition to being mandated to facilitate the LED process, local governments are also mandated to deliver infrastructure and services, and to alleviate poverty in poor communities, (RSA, 2000). The main focus is towards responding to the developmental issues within these communities through approaches and strategies such as LED that will create opportunities for community economic development, while in the process creating opportunities to address other socio-economic development issues. Local Economic Development has therefore enabled local governments the ability to focus on their developmental mandates, which are service and infrastructure delivery, poverty alleviation and addressing inequitable

development. As a result discussions below will indicate how LED and its policies are used as a mechanism for implementing the principles of developmental local as a means to meeting the developmental changes facing poor and previously excluded communities.

3.3.1 LED POLICY AND SERVICE DELIVERY

LED policy guides the process of using municipal services and infrastructure delivery as a mechanism to promote local economic development in poor communities. The paper within which this is detailed is the Local Economic Development Draft Policy Paper: Refocusing Development on the Poor, (DPLG, 2001a). Within this paper it is noted that it is the responsibility of local governments to deliver municipal services and to see to the construction of community facilities. In this process local governments are urged to adopt the community services based LED approach which is argued to be in line with bottom-up approaches to LED. This development process allows the community the opportunity to be part of the development process and enables communities to meet their socio-economic needs in the process of service delivery.

The community services based approach to LED as noted in the LED Draft Policy Paper: Refocusing Development on the Poor, (DPLG, 2001) is aimed at promoting infrastructure investment as well as to improve a number of human and social conditions within the local context through improved access to infrastructure and municipal services. Improvements in access to infrastructure and services is noted to have an impact on the improvements in public health, racial segregation, social capital, job creation, SMME development, capacity building and gender equality.

Another paper that links LED policy and services delivery is the White Paper on Local Government (RSA, 2000). Within this paper it is stated that LED is a mandate for local government and it is the responsibility of local governments to ensure that they promote development that maximises the social development and economic growth of communities. Service and infrastructure delivery are the mechanism through which local governments can improve the socio-economic conditions of poor communities.

3.3.2 LED POLICY AND POVERTY ALLEVIATION

LED policies are some of the policies that local governments are using in an attempt to directly address poverty alleviation, along with other socio-economic needs. LED policy, like other government policies also aims to alleviate poverty, based on the response of national government, in the Anti-Poverty and Inequality Report, (RSA, 1998). As with the sentiments of the anti-poverty and inequality programme, LED policies accommodate for poverty alleviation by stressing that LED strategies should promote the following: macroeconomic stability, meet basic needs, provide local communities with social nets, create opportunities for human resource development and job creation.

The need for LED to accommodate for poverty alleviation initiatives is further stated in the White Paper on Local Government (RSA, 2000), where it is noted that LED is a mandate for local governments, which they have to implement in order to find sustainable ways to meet the development needs, to improve the quality of lives of their citizens and to alleviate poverty within their municipalities. Binns and Nel (2001) substantiate this argument by noting that local governments have to administer the LED planning process so as to open up opportunities for job creation and to respond to locally specific needs such as poverty.

Municipalities as policy makers are urged to develop and implement LED strategies that are developmental and poverty alleviation orientated so as to promote empowerment, skills development and income generation, (RSA, 2000). These strategies are to be implemented through policy frameworks such as the Local Integrated Development Plans (IDPs).

3.4 DEVELOPMENTAL LOCAL GOVERNMENT WITHIN ETHEKWINI MUNICIPALITY

Municipalities such as the EThekwini municipality have developmental duties in terms of meeting the basic needs within their local communities and to promote the social and economic development status through service delivery and poverty alleviation strategies, within their municipalities. The main focus is on delivering sustainable services to poor communities, (DBSA, 2000). Municipalities also have an important role in promoting social and economic development through strategies

such as LED and through the use of their Integrated Development Plans (IDPs) that serve as strategic planning tools with an ability to coordinate the development and planning decisions, and to align the development priorities in line with existing budgets. Within the EThekwini Municipality, the local IDP identifies the developmental objectives of this municipality in terms of meeting the development needs, and in delivering on its developmental mandate of service and infrastructure delivery and poverty alleviation through the use of its local IDP that will facilitate this development process in an integrated manner.

3.4.1 THE ETHEKWINI MUNICIPALITY IDP (2002), AND THE ETHEKWINI MUNICIPALITY'S IDP (2003)

One of main themes running through EThekwini- Municipality's local IDP (2002) is the need to improve the quality of life for all its citizens. Within this document it is stated that this can be achieved by developing strategies aimed at:

- Creating economic growth, jobs and income
- Meeting basic needs
- Alleviating poverty
- Human resource development
- Managing HIV/ AIDS
- Ensuring a safe and secure environment
- Striving for sustainability (economic, financial and environmental)

The EThekwini Municipality's IDP (2002) states the importance of an integrated approach to delivery through which a wide range of development issues can be targeted for intervention. It is anticipated that through this integrated approach, the municipality will be able to target economic growth, poverty and service delivery issues using singular policy that will simultaneously aim to establish EThekwini as a global competitor. The need to strengthen the economy, to build skills and technology within the Durban Metropolitan Area, are other priorities identified within this document, which the municipality is committed to meeting through a wide range of strategies such as LED that look at promoting social and economic growth at city and community level, (EThekwini Municipality IDP, 2002).

Identified key projects within this IDP, which will allow this municipality to meet its developmental roles and principles include the physical and social infrastructure programmes and the business community support programmes. These are identified as those programmes that will be implemented with the intent of meeting key priorities and urgent needs within poor communities. Key, city wide strategies are noted to be the disaster management and the poverty alleviation strategies. The townships and the rural areas within the EThekweni Municipality's IDP (2002) are identified as priority areas targeted for development interventions and resource spending.

Within this EThekweni Municipality's IDP (2003), on the other hand LED as one of the objectives of developmental local government is not mentioned in detail, however it is noted that the city is committed to developing LED surveys. These LED surveys will be utilised as a mechanism with which to ascertain more refined business needs within the city. It is also noted that LED surveys will enable the municipality to respond to the city's low economic growth rate and unemployment, by responding to industry specific needs as a means to promoting LED. This focus is on industry specific needs, presents a contradiction in the city's approach to development in that these surveys are aimed at creating favourable environments for business as a means to promoting Local Economic Development within this municipality. How LED strategies will be used to meet this municipality's developmental objectives of meeting basic needs, delivery of infrastructure and poverty alleviation is not clearly articulated within this policy document, (EThekweni Municipality, 2003).

Service and infrastructure delivery are the priority issues that have been identified as those that the municipality is committed to address. The focus of delivery is towards the peri-urban and rural communities within EThekweni, which have been identified as those needing renewal and regeneration in terms of service delivery efficiencies, poverty alleviation and neighbourhood improvements. The EThekweni Municipality's IDP (2003), further states that the focus is on delivering services, maximising the use of existing facilities and infrastructure so as to maximise the impact on poverty reduction and job creation within the under-serviced communities. In terms of budget allocation, this IDP notes that within the next five years most its expenditure will be directed towards meeting basic needs, poverty alleviation and infrastructure delivery

within the previously excluded communities, including the rural areas within this municipality.

In terms of implementing the objectives of the EThekwini Municipality's IDP (2003), the city's is divided into five strategic areas for economic growth and development, the Area Based Management programmes (ABMs), which are noted will be the priority expenditure for the next five years. These ABMs will guide the city's expenditure and focus resources on the city's strategic areas of economic growth and potential, and areas of development need. Through these ABMs the aim is to develop each of these areas' development potentials, to meet their development needs and to improve the quality of life within these ABM districts. EThekwini Municipality's ABMs include the INK (Inanda, Ntuzuma, Kwa Mashu), ITRUMP (Inner Thekwini Urban Management Programme), SIB (South Industrial Basin), The Rural ABM and the Cato Manor ABM, (EThekwini Municipality, 2003).

3.4.2 The INK (INADA, NTUZUMA, KWA MASHU) AREA BASED MANAGEMENT BUSINESS PLANS, 2002 AND 2003

The INK ABM business plans (2002 and 2003) are for the three target areas: Inanda, Ntuzuma and Kwa Mashu, all of which are part of the EThekwini Municipality's Northern peri-urban communities. These plans (Inanda Ntuzuma Kwa Mashu Area Based Management Business Plans, 2002 and 2003), note that these areas are characterised by high levels of spatial and social integration, inadequate physical infrastructure, high levels of poverty and physical degradation. The need to develop human capacity and the need to improve access to services, to facilities and safety, are identified as the main areas of focus for development strategies, (INK Area Based Management Business Plans, 2003).

This document notes that the strategies contained in this document were also influenced by the findings of the quality of life survey and household survey conducted in 2002, for the above-mentioned areas, (EThekwini Municipality, 2002). Both surveys indicated that 50% of residents perceived that living conditions had improved, where as another 50% felt that things had not changed. An undisclosed number, which was referred to as the "majority" (INK Area Based Management Business Plan, 2002: 40), was argued to have indicated that human capacity, the

ability to improve self-reliance skills, access and links to the broad metropolitan area and access to amenities, facilities and work opportunities were still limited within these areas.

In response to the above-mentioned issues a number of strategies were identified with the main objectives being to:

- Improve the residential environment
- Improve the public environment
- Alleviate poverty
- Enhance human capacity
- Improve access to services within the INK area
- Improve links with the whole metropolitan area
- Increase levels of economic activity within these areas, (INK ABM, 2002:45).

Like the local IDP, the main theme running through these plans is the need to improve the quality of life, to achieve service delivery efficiencies and to alleviate poverty within these three target areas. Promoting increased levels of economic activity and spatial integration of these areas into the wider metro are also the main objectives behind the INK urban renewal and regeneration strategies. LED within this document is noted to be aimed at providing solutions for developing the locally based tertiary sectors: retail and services, (INK Area Based Management Business Plan, 2002). In targeting these sectors, along with small local enterprises in the construction sector, it is anticipated that this will unlock a number of economic opportunities and result in poverty alleviation: employment creation, income generation, skills development along with SMME development.

The agricultural sector is another sector targeted for intervention and development through its focus on labour intensive techniques and focus on the unskilled labour. By investing in the agricultural sector, it is anticipated that this will lead to poverty alleviation through opening opportunities for urban agriculture, which will provide food security amongst this population. Other sectors identified for development, through LED strategies include the tourism and the manufacturing sectors, which are noted,

could also be used in creating opportunities for local economic development and poverty alleviation within these areas, (INK ABM, 2003).

3.5 CONCLUSION

Documents reviewed indicate the facilitative role played by local governments in promoting LED and at implementing it through their local implementation mechanisms such as IDPs. LED throughout these policy papers is shown to be one of the implements and principles of developmental local government where local governments play a facilitative role in this development process, and in providing access to funding this LED process. These papers further displayed how LED strategies and LED policy can be used to facilitate the developmental objectives of local government in terms of poverty alleviation and service and infrastructure delivery.

Integrated Development Plans (IDPs) as local implementation mechanisms are noted to be important in terms of implementing LED strategies that are responsive to the local needs (RSA, 2000). The EThekweni Municipality IDP (2002), indicates this municipality's developmental objectives through its focus on delivering services, creating employment opportunities and human resources development within poor communities through mechanisms such as the ABM's, which are strategic interventions in response to the specific needs within the different contexts within this municipality.

CHAPTER 4

METHODOLOGY

4.1 NTUZUMA IN CONTEXT

Ntuzuma falls within the EThekweni Metropolitan Council on the Northern outskirts of Durban. It is one of Durban's peri-urban townships located approximately 35km north of Durban's city centre. Ntuzuma is adjacent to Inanda to the north and Kwa Mashu to the east, (DMA Spatial Development Framework Steering Committee, 1998). It is a township located on the peri-urban fringe, away from the economic as well as employment opportunities with the closest economic and industrial area being Phoenix, approximately 10km away, (Refer to locality Map1).

In relation to Kwa Mashu and Inanda, Ntuzuma is more recent and less populated than the two, as most of the settlement within this township took place in the early 1970's. Ntuzuma is characterised by a disjuncture in living standards that exist between the formal and the informal areas. The formal areas were established in the early 1970's as a formal black township on the outskirts, and it is late in the 1980's that the informal areas started appearing leading to the extension of the township.

Ntuzuma has a population of approximately 80 000, approximately 3% of the total population within the Durban Metropolitan Council. This township contributes less than 3% towards Durban's GDP, (Scotts Wilson, 1998). Due to municipal restructuring and the extension of the EThekweni Metropolitan Council, these figures could have changed. SMMEs and informal businesses in the form of Spaza shops are the most dominant and common form of trading and retail activities within Ntuzuma. A total of 77 informal businesses and only 9 formal retail activities were identified, (Scotts Wilson, 1998). Due to the limited presence of retail activities within the area, approximately 80% of the population's income is being spent in other economic areas outside Ntuzuma. Of the total people employed within the area, approximately 17% are employed within the area, (Scotts Wilson, 1998).

Ntuzuma is one of the areas of greatest need, identified in the EThekweni Municipal Area's Spatial Development Plan (SDP); put together for the Spatial Development Framework Steering Committee (1998). In the EThekweni municipality's IDP (2002),

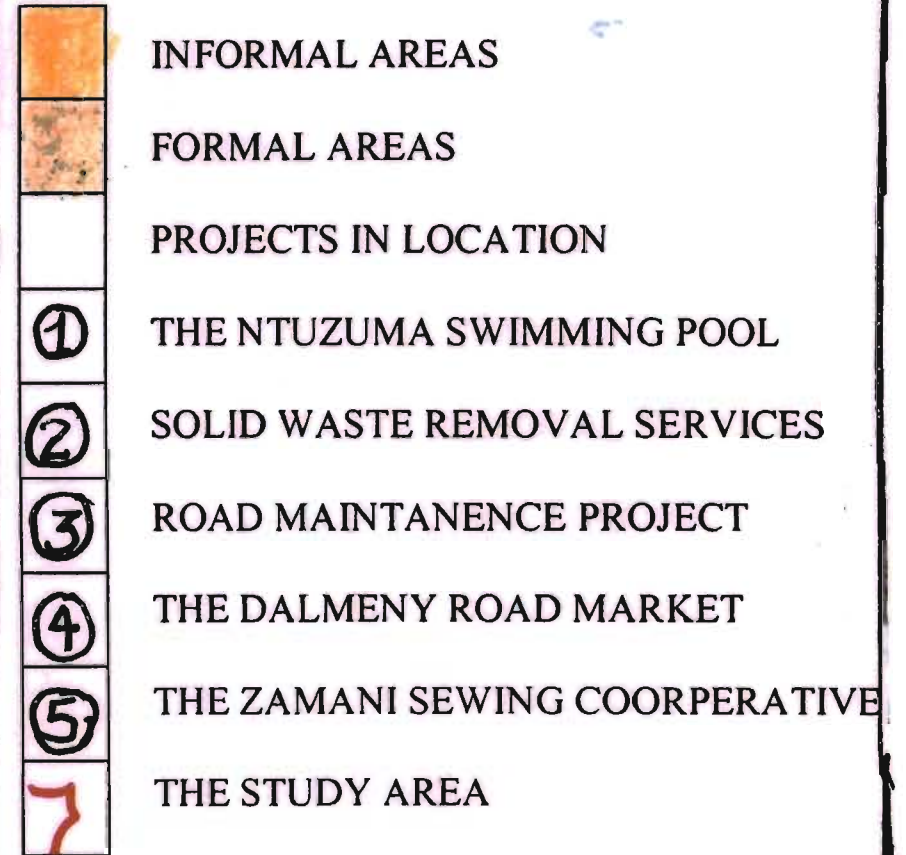
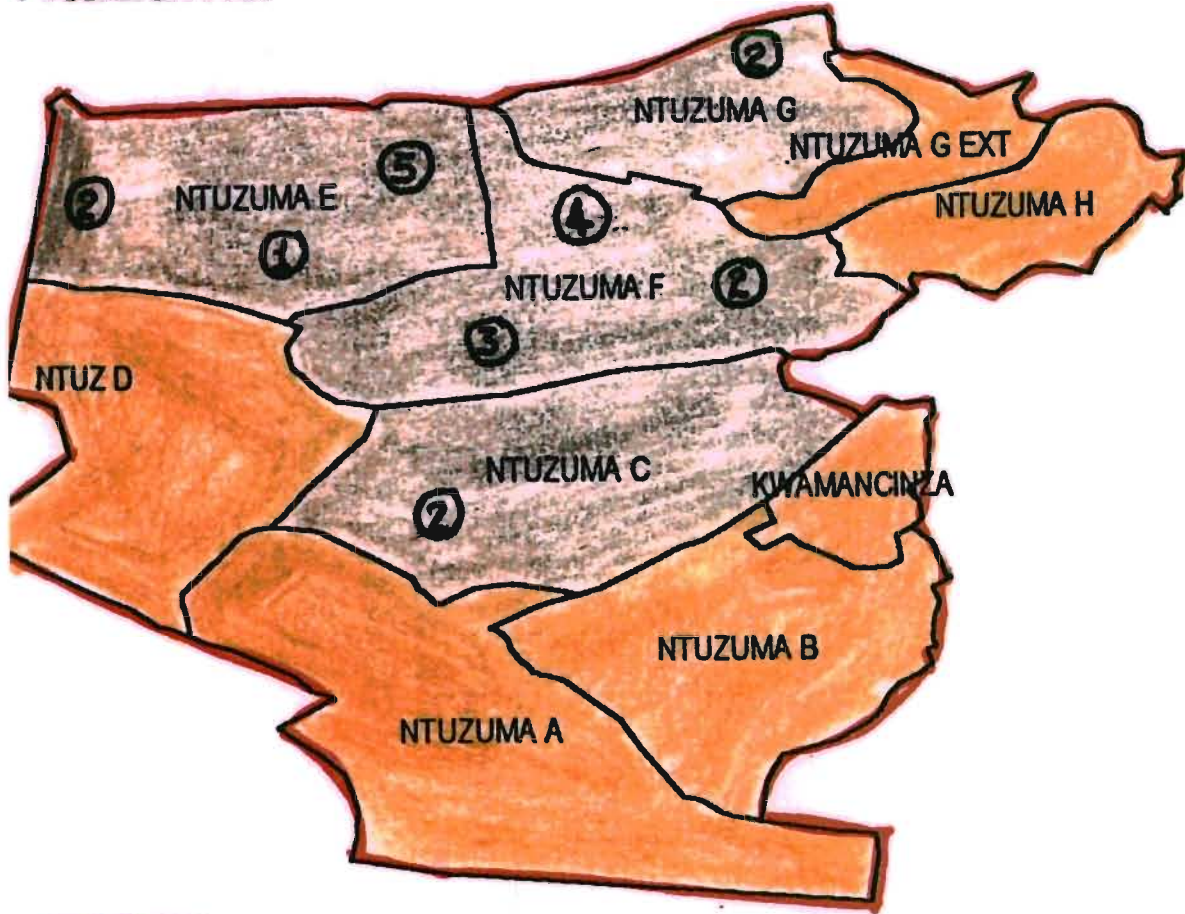
Ntuzuma was also noted to be amongst the priority areas within this municipality. Within this EThekweni Municipality's IDP (2002), the townships are the focus of interventions where the Spatial Development Frameworks for each of these areas were used in ascertaining what their specific needs and development issues are. Within Ntuzuma, priority needs were identified as the following: "infrastructure and services, housing, job creation, education and training, health and welfare, social recreational and safety and security", (Scotts Wilson1998:31).

Major development interventions for Ntuzuma are under the INK ABM: the urban renewal and regeneration programme. These interventions are aimed at densifying, promoting housing infill and developing the SME sector and to encourage economic activity within the area, (Inanda Ntuzuma Kwa Mashu Area Based Management, 2002). The upgrading of existing informal areas, job creation within the local context and the Spatial Development Initiatives, aimed at integrating this area as part of the Durban Metropolitan Area's spatial economy, are interventions that were identified in the SDF for the Durban Metropolitan Area (EThekweni Municipality, 1998), which both the local government initiatives and the INK ABM hope to address.

4.2 RESEARCH METHODOLOGY

The research methods for this study consist of three research tools. The first is secondary data analysis, followed by primary data research and the observation study.

Ntuzuma



1: 50 000



SOURCE : ETHEKWINI MUNICIPALITY

Secondary Data Analysis

In this research area, a number of vital documents were referred to with the intent of understanding their arguments and debates, in particular regarding LED. These included the national LED Policy Papers (DPLG, 2001a and DPLG, 2002), the White Paper on Local Government (RSA, 2000), the EThekweni Municipality IDP (2002) and (2003), and the INK ABM Business Plan (2002 and 2003). Other papers such as the Green Paper on National Public Works Programmes (1996) and The White Paper on National Public Works (1997) were accessed from the DPLG website.

Through the use of the INK Area Based Management Business Plans (2002 and 2003), the Green Paper on National Public Works Programmes (1996), the White Paper on National Public Works Programmes (1997), the EThekweni Municipality IDP (2002 and 2003) and the Proposal for the Ntuzuma Section E Construction (2001), a number of arguments were developed; a number of perceptions and statements were substantiated and concretised. Case studies and literature reviews were also used to expand theoretical assumptions.

Primary Data Analysis

In order to collect and elicit information from the respondents, interviews were conducted. A total number of 12 interviews were conducted. The interviews conducted were semi-structured and were conducted with key stakeholders: some of which are EThekweni Municipality's employees assigned the task of administering the project delivery process. Other key stakeholders interviewed include the project leaders and a Ward councillor for Ntuzuma where the projects are located.

Interviews conducted were with the following stakeholders:

Community Representatives:

- Fikelephi Buthelezi: Project Leader (Zamani Community Sewing Project)
- Dumisane Mabizela: Ward Councillor (Ntuzuma)
- Mr Slangwe: Ntuzuma Development Committee
- Jabu Sokhele: Retail Trader, Dalmeny Road Market
- Mr Mntaka: Community Liaison Officer, Ntuzuma Section E Pool

Official Representatives:

- Mr Ram: Project Leader and Contractor (Section E Swimming Pool Construction)
- Miss D Dlamini: Project Leader and contractor (Road Maintenance Project)
- Linda Mbonambi: Area Based Management, Manager (INK)
- Len Baars: Manager for Economic Development (Kwa Mashu Town Centre Redevelopment)
- Siphon Muthwa: Informal Trade Business Manager (Dalmeny Road Market)
- Mrs Makhaye: Local Contractor (Solid Waste Removal)
- Daniel Mthimkhulu: Road Maintenance Programmes (Ntuzuma)
- Sneli Ntsele: Small Business Manager

(Refer to annexure 4, for interview table)

Mr Mntaka, the community liaison officer for the Ntuzuma Section Pool, was interviewed again, in 2004 as a follow up to the pool's recent developments since its construction phase in 2003. Except for one project, municipal expenditure on all other projects is not accounted for within this study due to confidentiality surrounding project documentation. This limits the level of analysis to some degree.

With reference to the primary data research, different questionnaires relating to the different stakeholders were administered. All community representatives were asked the same questions and the official representatives were asked a different set of questions. For the list of questions, refer to Annexure 1. Different sets of questions were administered to the different groups of stakeholders relating to their role in the projects selected for this research. This was aimed at providing a broader and non-biased presentation of findings regarding the projects selected for the purposes of this study. Some questions were administered to the project leaders, municipal officials and others to the community stakeholders.

Criteria for analysis

The criteria used for analysis are aimed at developing a framework against which the effectiveness of the selected projects in Ntuzuma could be assessed and measured.

The responses from the primary data research findings shall be assessed against these criteria for analysis. The framework and criterion for analysis for this study was inspired by the work of Ashley and Roe (2001) on Pro-Poor LED strategies and their impacts on poor communities.

Ashley and Roe (2001) note that there is a spectrum of LED interventions from the market led and the pro-poor LED strategies. With the market led-LED strategies, the focus is on creating enabling environments for local economies of scale and to enable them to adjust successfully to the macro economic reforms. Pro-poor LED on the other hand, is aimed at promoting self-autonomy, entrepreneurship and poverty alleviation at community level. These strategies are aimed at benefiting poor communities, to alleviate poverty and to improve the quality of life, (Ashley and Roe, 2001).

Ashley and Roe (2001), further note that it is important for pro-poor LED strategies to be assessed and this will be aimed at determining the impact these strategies will have on these poor communities. In assessing the impact of these strategies, the real measures or criteria for assessing this impact are poverty reduction, income generation, employment generation and quality of life improvements.

Out of these criteria for analysis, for the purposes of this study, a number of measurable indicators that proved to be in line with the context of this research study and research questions, were selected among a number of indicators mentioned in Ashley and Roe's (2001) studies on pro-poor LED. Criteria for analysis relate to how people's quality of lives improved in terms of the following:

- Income generation
- Employment generation
- Empowerment
- Poverty alleviation

The **income generation** criterion is primarily aimed at assessing the financial income generated by these projects. With this, Ashley and Roe (2001), note that the aim is to understand how incomes generated contribute to quality of life improvements, one must understand the following dynamics and use them as measures of this impact.

These include the amount of income earned by the participants in relation to the minimum wage for the entire Municipality; the number of people that earn the income and the sustainability of the incomes. The minimum wage per capita for the EThekweni Municipality, within which Ntuzuma falls, is R645, (LED in the Durban Metropolitan Area, 2002).

As this criterion is based on the financial measures, the need is to understand the impact each individual wage will have in the context of other wage earners and living standards. This is based on the need to understand if the income earned enables the earner access to his livelihood and personal needs. Through the income generation criterion, it is also aimed at understanding if the number of people that earn the income will be able to affect the circulation of money, which will in turn have an impact on the economic and business environment. This therefore aims to understand how incomes earned affect the level of spending within that context which will have impacts on the quality of life.

In measuring the sustainability of the incomes the aim is to understand the direct impacts of incomes earned on the quality of life within the Ntuzuma area. The quantifiable measure is based on the duration or the sustainability of the incomes earned, whether these incomes are contractual or permanent. Another aspect to income generation is based on the need to measure the scale of financial impacts, based on the money spent on the individual project in relation to the income the project is generating.

The **employment generation** criterion for analysis assesses how jobs generated by the projects lead to quality of life improvements. The quantifiable measure of impact is the labour absorption capacity of these projects. This relates to understanding how the number of people employed and the increase in the number of people with incomes leads to quality of life improvements.

Another measure of impact is based on the nature of work that people are hired to do, whether they are skilled or unskilled workers and if the nature of work is contractual or permanent.

The **empowerment criterion** is aimed at measuring how the involvement of women in these projects leads to quality of life improvements. With this, the main aim is to understand how improving access to incomes, employment and participation to previously advantaged groups, such as women, improves the quality of their lives. The number of women involved in these projects is the quantifiable measure of the level of impact of these projects.

Another measure within this criterion for analysis is based on understanding how empowering poor communities through improving access to new services, infrastructure and public health leads to quality of life improvements. The quantifiable measures within this criterion are the number of new infrastructure, services and public health services delivered.

The **poverty alleviation** criterion is aimed at assessing the level of impact each project will have on the quality of life improvements. The focus of this assessment is on understanding how human resource development and skills training that emanates from these projects will impact on the quality of life within the area. The quantifiable measures of this impact within this criterion include knowing the number of people that were trained as part of the projects. The number of people training other people and the number of people that received certificates following the training are other quantifiable measures.

The above-mentioned criterias for analysis were used in grouping and in formulating questions around focus areas, key concepts the research topic and research questions of this study. The criterias for analysis were used as a framework that were used to guide the scope, level of analysis and focus of the questions so as to ensure that the questions administered, elicit relevant information that is also within the context of this research study.

Measurable Indicators

Below are indicators that are aimed at reflecting the level of effectiveness of each project. The indicators were derived from the criterias for analysis noted above.

Table 1: Measurable Indicators

Criteria for analysis	Indicators
Income generation	<ul style="list-style-type: none"> • Income earned in comparison to the minimum wage in Ntuzuma • Who the income earner is (skilled or unskilled labour) • Number of new businesses started • Number of local SMMEs involved • Number of jobs created • Project costs (construction and operation) in relation to income generated by the project
Employment generation	<ul style="list-style-type: none"> • Number of locals involved in the project • Number of non-locals involved • Project location
Empowerment opportunities	<ul style="list-style-type: none"> • New infrastructure and services delivered • Improved access to public space • Improved access to public health
The poverty alleviation impacts	<ul style="list-style-type: none"> • Number of people trained • Number of people training other people • Number of people that received certificates for the training • Length of period employed

Observation study

Site visits to each of the five projects were undertaken as part of the research. Visits were conducted in each of the five projects for approximately 30 minutes, with additional minutes for the taking of photograph of these projects. Photographs of projects are included after each project description. Site visits were undertaken with the intent of gaining a deeper understanding and a clearer perspective on the nature

of these projects. The observation studies were conducted in 2003 and a follow up observation study was conducted in 2004 following the completion of the pool construction.

4.3 A PROFILE OF THE PROJECTS

In order to collect primary data for the purposes of this study, five projects within the Ntuzuma area were selected. Projects selection was on selecting those projects that were initiated and facilitated by the local council in Ntuzuma. Support, whether full, or partial, in the form of funding or technical assistance in these projects, had to come from EThekwini municipality. Selected projects include the Ntuzuma section E, Pool construction, the Ntuzuma section F Road maintenance programmes, the Ntuzuma Solid Waste removal project, the Zamani sewing cooperative and the Dalmeny road market. These projects selected are located in different sections within Ntuzuma. Map 2 gives an indication where these projects are located within Ntuzuma.

The five projects selected were initiated by the local council; EThekwini Municipality, in response to the community needs as a mandate from the local council. All projects selected for this research are funded through the local authority funds. Although all these projects are local authority initiated and funded, local authority involvement in the Zamani Sewing Cooperative occurred later on, after the cooperative had been established.

Project selection was motivated by the fact that all these 5 projects are local authority interventions, aimed at creating opportunities for LED, poverty alleviation, service delivery and wider community development. The need to evaluate the effectiveness of this approach adopted by the local authority, in creating opportunities for LED in Ntuzuma, was the main reason why the five projects were selected for research purposes.

The five projects selected were also selected based on the fact that within the Ntuzuma IDF (1998) it is noted that the local government is committed to promoting LED within Ntuzuma by focusing and intervening in the following sectors:

- Retail
- Construction

- Services
- Tourism

Within this document it is further stated that sub-contacting of local SMMEs to deliver municipal services is being used as a mechanism to create opportunities for LED within Ntuzuma. With this focus on SMMEs, the local municipality aims to directly address skills development, improve access to services and infrastructure, income generation address employment and empowerment backlogs through using local SMMEs in the delivery process. Another document that stresses the need to promote LED within Ntuzuma through focusing intervention and spending on the above-mentioned sectors is the INK ABM business plan (2002 and 2003). Within this document it is noted that by focusing resources on these sectors will lead to sustainable local economic development of the Inanda, Ntuzuma and the Kwa Mashu areas. See map 2, for location of projects.

4.3.1 RESEARCH FINDINGS

The research findings from the interviews conducted with key stakeholders involved in the assessed projects, include, responses from community representatives and official representatives. With the different categories of stakeholders, different questions were asked; therefore each group's responses are recorded below, as per grouping. For questions administered refer to annexure 1 and 3.

4.3.2 GENERAL RESONSES FROM RESPONDENTS

- **Community Representatives:**

The ward councillor Mr Mabizela notes that there have been a number of delivery projects, facilitated by the local authority within Ntuzuma. As a result he notes that there has been an improvement in the quality of the environment due to the fact some parts of existing roads were recently maintained or reconstructed, schools such as the Ntuzuma Primary in Section F was extended and sporting grounds were revamped. Among other delivery projects, Mr Mabizela mentions the housing, water and sanitation projects that were particularly aimed at the informal areas: the Piesangs area, which forms part of Ntuzuma Section A

Other projects that have been facilitated by the local council; he identified the urban agriculture community gardens which are aimed at addressing food security within Ntuzuma. Women are the main beneficiaries and participants in the community garden projects. He further states that these community gardens are not for income generation but rather produce from these gardens are for personal consumption.

The income generating projects he has been involved in, he feels have mostly failed. For example, he makes reference to a brick-making initiative, which stopped operating due to an array of financial issues and mismanagement of funds. Mr Mabizela notes that this initiative was meant to be a poverty alleviation and employment creation initiative aimed particularly at developing the unemployed youth within Ntuzuma. Another income generating project he cites is the Dalmeny road market which he calls a white elephant due to the limited tenants trading within the facilities and the fact that the original trading stalls are being misused and have been discarded for self created trading containers. Other than these two projects along with the Zamani Sewing cooperative, Mr Mabizela notes that there are not too many income generating projects within the area except for the businesses operating within Ntuzuma Section E business beehive where you find businesses ranging from motor mechanics to welders.

From these above-mentioned findings, the main theme is that income generating projects in Ntuzuma tend to fail due to a number of reasons including the lack of skills among the community, on how to operate income generating projects. The lack of understanding between the local municipality and the community regarding their needs, when it comes to business developments, is another constraint facing the success of income generating businesses in the area. In light of this disjuncture, there is a need to promote corporate governance that will strive to promote local solutions that are reflective of, and responsive to the needs of the wider stakeholders within the targeted communities, (RSA, 2000).

Mr Slangwe, the Ntuzuma development committee member notes that there has been intense infrastructure and service delivery within Ntuzuma. He mentions that Ntuzuma he has seen the construction of a new library in Section F, and 2 new community halls since 2002, one in Section H and one in Section F. A number of

schools in Ntuzuma are in the process of being extended and new sporting facilities are being built, particularly in Section E and F.

In this physical delivery process, he notes that local SMME are also being developed and jobs for the unskilled created. With this he gives an example of one local SMME whom he notes has been involved in the construction of the two new community halls and the revitalisation of an old one as an example. This local SMME he identifies as a Mr Tenza whom he notes is from Section F, who was sub-contracted to deliver this service on behalf of the local council who in the process hired local labour to help him undertake these tasks. By involving this local contractor in this delivery, he believes that this opened doors for the development of this local SMME.

Mr Mabizela the Ward Councillor feels that there has been intense service and infrastructure delivery within Ntuzuma. Most of the delivery is noted to be mostly aimed at improving access to municipal services and infrastructure for the Ntuzuma community, so as to improve the quality of their lives. Job creation and SMME development opportunities are noted to result from these delivery projects as in this delivery process local SMMEs and labour are used.

- **Official representatives**

Linda Mbonambi Manager (Inanda Ntuzuma Kwa Mashu Area Based Management) notes that Ntuzuma is one of the focus areas for spending and investment within the EThekweni Municipality via the INK ABM. With this, he identifies the urban renewal and regeneration needs as the main purposes behind major developments within this area where there is a dire need to revive the socio-economic status, social livelihood and local economic development. The retail, construction and tourism sectors are noted as the focus areas for intervention, as Linda notes that these sectors will promote local economic development and social development due to their ability to promote economic development at grassroots level.

The sub-contracting of local SMMEs to deliver community services was identified as a mechanism through which the local government aims to promote local economic development within the INK area. With this, Linda Mbonambi notes that in delivering services, local SMMEs are sub-contracted to deliver services on behalf of the local

municipality, so as to open up local economic development opportunities, at community level. Local labour is used in the delivery process and opportunities for community participation, income generation and empowerment, are created via the construction sector, which Linda identified as the focus area for intervention.

The retail sector is another focus area that the municipality is focusing on developing, in creating opportunities for economic development within townships. Len Baars (Kwa Mashu Town Centre initiative project manager) notes that the main emphasis is on encouraging local traders to be active participants in their economic development process. For example, he notes that with the Kwa Mashu town Centre initiative, informal traders were provided with trading stalls as an initiative to stimulate economic. These traders were provided stalls in areas surrounding this business node so as to empower them, to create employment and incomes opportunities.

Sneli Ntsele (informal trading) mentions that within the entire municipality, informal traders have been identified as playing an important role in promoting local economic development. With this, she cites the example of Warwick junction where the local authority provided trading stalls for informal traders, as an initiative to open up job creation, empowerment and entrepreneurial opportunities within the EThekweni Municipality's poor communities dependent on informal trade activities.

The official representatives identify the retail, construction and the tourism sector as the main areas for intervention within the INK area and at city level, within which Ntuzuma falls. By focusing on these sectors, the local authority employs these sectors as a platform through which to create local economic development opportunities. Through these sectors, it is noted that the local municipality is able to meet the social and economic needs within these poor communities in the process of service and infrastructure delivery.

CHAPTER FIVE

FINDINGS OVERVIEW

5. PROJECT ASSESSMENTS IN DETAIL

As part of the research study, interviews were held with project leaders and contractors involved in the projects. During the interviews a number of questions were administered with the aim of assessing each of the five selected projects in detail. These interviews were also aimed at providing a proper description of each project. For project leader's questions, refer to annexure 1

5.1 NTUZUMA SECTION E POOL CONSTRUCTION PROJECT

The Ntuzuma section E pool construction project is a multi purpose sporting facility that is in the process of being built. Reasons building this project were to provide a crime prevention strategy that will discourage the youth from engaging in negative behaviour, to stimulate job creation and to improve access to local services, (Ntuzuma Section E Swimming Pool construction proposal, 2001).

Mr Ram notes that EThekweni Municipality: the Parks Department facilitated the development process for this project. Mr Ram also notes that it is anticipated that the pool will resume its operation by March 2004. The maintenance of this project will be the responsibility of the local authority. However, it is noted that the maintenance staff will be workers from Ntuzuma.

The Ntuzuma Section E pool which is a multi purpose sporting facility is located in the corner of Sibisi Road in Ntuzuma Section E. It is located along Ntuzuma's bus and taxi routes and is within walking distance from a number of schools within the area. The facility is also adjacent the area's previous shopping complex and mechanical workshops which have since been dilapidated. It must also be noted that despite the facility being located on the minor arterial route, there are no traffic lights or pedestrian crossings around the facility.

From the interview Mr Mntaka held in November 2004, he noted the facility was officially opened on September 18, 2004. This facility he notes has opened up

employment opportunities for 8 people who are currently employed within the facility. He notes that of the total, 4 are maintenance staff and the other three are lifeguards and one is an administrator. Of the 8 employees, it is only the administrator that works on a permanent basis. All lifeguards and the maintenance staff are part time workers who work shifts. Of the total workers, 6 are from Ntuzuma with 1 lifeguard from Inanda and one from Kwa Mashu. Mr Mntaka further states that the project is still managed by the local authority, which is also responsible for the payment of workers.

The project consists of the construction of two basket ball courts, two shopping facilities, the swimming pool, workers head quarters, caretakers headquarters and the stands. The nearest multi purpose sporting facilities are located in Besters' Camp and in Kwa Mashu Section G. It is only the multi purpose sporting facility located in Kwa Mashu section G that includes the swimming pool. Below, is a summary of findings from the primary research in terms of criteria for analysis, (table 2).

Table 2: Ntuzuma Section E, Pool Construction

Criterion For Analysis	Indicators
Income generation	<ul style="list-style-type: none"> • Workers earn R75 a day, income per week and per month depends on days worked • 20 unskilled workers • 7 skilled workers • Wages for the 2 skilled workers vary depending on the level of skills and qualification • Project costs: (R 217 387.50) • Project is not an income generation initiative • 1 new business started: the cleaning services business with 5 female employees • 2 SMMEs involved in the project

	<p>(the construction contractor and the cleaning services contractor)</p> <ul style="list-style-type: none"> • During operation: <ul style="list-style-type: none"> ○ 4 skilled workers ○ 4 unskilled workers ○ Wages differ, paid by the local council
<p>Employment generation</p>	<ul style="list-style-type: none"> • 32(27 construction workers and 5 cleaning workers) locals are involved in the project <ul style="list-style-type: none"> ○ Of the 27 employees: <ul style="list-style-type: none"> ○ 1 community liaison officer ○ 1 store man ○ 20 brick layers ○ 5 carpenters • In addition to the 27 construction workers, 3 non- locals are involved <ul style="list-style-type: none"> ○ 2 are engineers ○ assistant to the contractor • During Operation: <ul style="list-style-type: none"> ○ 8 jobs created ○ 3 lifeguards ○ 1 administration worker ○ 4 maintenance staff ○ 6 workers are from Ntuzuma ○ 2 are from outside the area: skilled
<p>Empowerment</p>	<ul style="list-style-type: none"> • Pool construction will result in the delivery of the following, once construction is completed: <ul style="list-style-type: none"> ○ Basketball court ○ 2 shopping facilities that will be within the premises

	<ul style="list-style-type: none"> ○ Swimming pool ● Improvements are seen in the physical environment since the pool has been opened ● Since opening, the pool is being used on five days a week by the youth ● Almost full capacity during school holidays ● The Ntuzuma youth are the beneficiaries ● During Operation: <ul style="list-style-type: none"> ○ 2 female employed ○ 6 males ○ All facilities are used to full capacity on weekdays
Poverty alleviation	<ul style="list-style-type: none"> ● 27 contractual jobs were created ● All 27 employees were trained ● 5 employees train other employees ● Certificates will only be received at the end of the project ● Contracts for the 27 employees are 18 months, which is until March 2004 ● During operation: <ul style="list-style-type: none"> ○ 7 part time workers ○ 1 full time

In this project the group leader is also the contractor. This contractor was awarded the contract in February 2002 by the EThekweni Municipality. This contractor lives outside the Ntuzuma, despite the fact that construction is one of the sectors that were identified as being central in creating opportunities for developing local contractors

and SMMEs, in the context of service delivery, by the EThekweni Municipality, in the INK Area Based Management Business Plans (2002 and 2003). In this construction process, Mr Ram notes that the nature of work created is on a contractual and part time basis, which will cease when the project is complete.

The project employs mostly males, with the exception of 5 women who provide cleaning services, from Ntuzuma. These women work three times a week, for not more than 5 hours a day. Their remuneration is paid in lump sum to their group leader, who then pays her employees. All these workers work on a contractual basis, where their employment will end when the contract ends.

All workers involved in the project were trained before construction was started. Amongst this working group, the project leader notes that there are those who have previous experience in bricklaying. It is these employees with experience that train other workers on site to undertake other complex tasks. Certificates for the training sessions were not given since the training occurred and are currently occurring on site. Certification on the other hand will be given in the final stages of the project to signify involvement of these employees in the project. These certificates are meant to serve as references. During this construction phase, the council plays a supervisory role where the project manager within the council undertakes site visits. This exercise is undertaken so as to monitor the progress, to ensure that the contractor complies with the tender requirements for this project and to monitor progress on site.

Community involvement in the project is via the community liaison officer (Mr Mntaka) and other local employees involved in the project. Currently the project is isolated from the community as it is still under construction. It is however anticipated that after implementation the project will integrate and benefit all the sections within Ntuzuma as it will bring together the youth from the different sections within Ntuzuma, which were previously in dispute. The construction trading areas on the premises is a further initiative to stimulate and promote a level of economic activity within the area along with the need to open-up opportunities for local SMMEs.

From the interview with Mr Ram, he noted that most of the local workers are contractual and are mainly unskilled workers involved in the manual construction

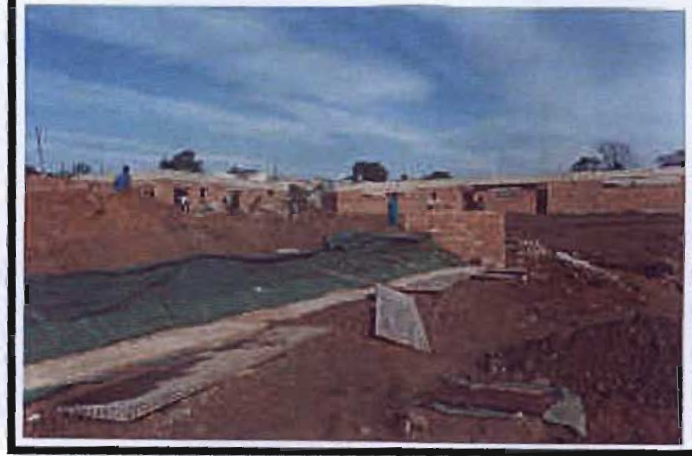
processes, which will end post the construction phase. It is only those skilled professionals, that act as his business associates and the community liaison officer that are permanent workers. Regarding the cleaning team, he's unsure whether their contract will continue after the construction phase. During operation, new staff will be required to run the premises; however, he will no longer be part of this process.

The ward councillor notes that the construction of the pool will serve as a crime prevention strategy that will promote unity amongst the youth, which he notes had been caught in gang related violence. By having this multi-purpose sports centre, tolerance between the youth from the different sections within Ntuzuma will be facilitated. Within this centre they are aiming to set up competitions that will include the youth from the different sections in Ntuzuma. After the construction, the maintenance of the pool, Mr Mabizela the ward councillor notes is the responsibility of the local authority. During this process employment opportunities will be reduced to the maintenance staff, pool administrators and lifeguards from the local area that will be administered by the local municipality.

Since the opening of the pool in October, 2004, Mr Mntaka notes that there have been no reported disruptions from the youth or any gang related violence in and around the facility. The only negative incidents he notes are the recent deaths of two minors from a local primary who drowned.

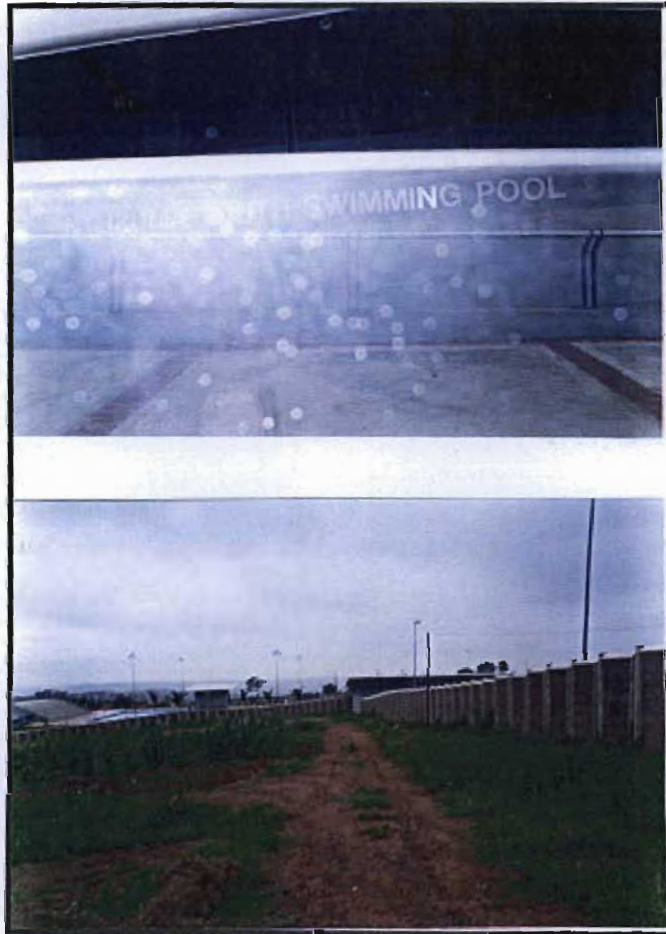
Insert 1: Ntuzuma Swimming Pool Construction

Below, are the pictures of the Swimming Pool during construction, as illustrated, workmen are in operation.



Insert 2: Ntuzuma Section Swimming Pool: Post Construction

This insert tries to show the reader the Ntuzuma Section E pool after construction, however due to the quality of the photographed this is constrained



5.2 SOLID WASTE REMOVAL SERVICES

The sub-contracting of solid waste removal to local contractors is an act that dates back as early as 1970, when Ntuzuma was first established. This practice has been ongoing prior to the era of democratic governance. This process was however carried through to the Durban Solid Waste Department in 1996 when the townships were incorporated as part of Durban Municipal Area. Contractors have taken turns in terms of delivering this service, where each contractor delivers this service for a period of three years. After this period another tendering process takes place, the community is invited to be part of the electoral team and the best candidate for the job is selected, (Mr Mabizela, solid waste removal project interview, 2003). The table below indicates the findings from the primary research.

Table 3: Solid Waste Removal

Criterion For Analysis	Indicators
Income generation	<ul style="list-style-type: none"> • Workers earn R60 a day • Approximately R1200 a month • 35 unskilled workers • 2 skilled workers • 1 security guard business was started, company has 3 employees • project does not generate any income • 2 SMMEs involved in the project (the solid waste contractor and the security company contractor)
Employment generation	<ul style="list-style-type: none"> • 38 (35 unskilled workers plus 3 security guards) • 2 non-local skilled workers involved in the project

Empowerment	<ul style="list-style-type: none"> • The whole of the formal areas benefit from the project: Sections E, F, C and G • Of the 38 employees, 9 are females
Poverty alleviation	<ul style="list-style-type: none"> • All 35 unskilled employees were trained • 10 trainers among the unskilled workers • 35 people will receive reference letters at the end of the contract • All 35 employees work on a contractual basis • Period of contract is three years

The current contractor for this project, Mrs Makhaye, was given the contract in May 2002 and will perform her duties until January 2005. The contractor is a female from uMlazi Township who was given the task of delivering this service to the formal areas within Ntuzuma: section E, F, C and G. This project involves cutting grass, picking up litter, solid waste removal and collection and the maintenance of open spaces within these formal areas. The main aim is to deliver the above-mentioned services, while simultaneously promoting job creation and human resource development. The contractor (Mrs Makhaye) employs a total of thirty five unskilled workers. The unskilled workers are from the area whereas the skilled are from outside the area. These workers involved in the project work on a contractual basis, which will expire when the tender is transferred to another contractor in January 2005. A further two skilled workers are business associates that aid in managing the project process. These two employees are skilled and are paid as per contract agreements with Mrs Makhaye.

The remuneration for these workers is R60 a day, but there is no exact monthly figure because workers do not often work everyday. No formal training programmes were provided to the workers as most of them had previously worked for previous contractors. Furthermore, due to the nature of the tasks, training is not often required. Training is generally in the form of on the job learning. Only a reference letter will be given at the end of the contract and is the form of recognition for participation in the project, (Mrs Makhaye, Solid Waste Removal Project Interview, 2003).

The sub-contracting of these services to SMMEs such as Mrs Makhaye has opened up opportunities for other SMMEs in the support services. For a local security company in the name of SBP protection services is used to provide security for the current contractor's employees while they work. This security company employs a total of three employees who take turns in guarding the employees. Wages for these security guards come from the municipality, which the business manager obtains in lump sum and pays his workers. Community involvement in the process is limited, and is via labour input and through their votes in the selection of the contractor to deliver these services, (Mrs Makhaye, Solid Waste Removal Project interview, 2003).

The tendering process for the solid waste removal services was won by Mrs Makhaye who is an outsider. She took over from a local contractor whom the community did not vote in for the third term in running, since he had been delivering these services for the past two consecutive rounds. The previous contractor is noted to have re-run for the tendering process, but based on merit Mrs Makhaye won. Another reason behind her selection was based on the fact that it is required of SMMEs to take turns in delivering these services so as to give other SMMEs a chance, should they have merit, (Mr Mabizela, Solid Waste Removal Project Interview, 2003).

Mr Mvubu who resides in Ntuzuma, and who is the most recent contractor to be replaced by Mrs Makhaye in solid waste removal service delivery in Ntuzuma is currently contracted by the EThekweni Municipality to deliver solid waste removal services in Kwa Mashu. Mr Mvubu won the contract to clear fields and cut grass in some of the Sections in Kwa Mashu and has in the past delivered that service in Ntuzuma, (Mr Mabizela, Solid Waste Removal Project Interview, 2003). This finding

reflects a conflict of interest in that although Mr Mvubu is from Ntuzuma, but is delivering solid removal services in Kwa Mashu, whereas local policy states that contractors who deliver services are to be from the local area, (INK Area Based Management Business Plan, 2002).

Insert 3: Solid Waste Removal Services

The picture below, tries to show the reader the process of solid waste removal services in Ntuzuma. In the picture are workmen in operation.



The above picture was taken in Ntuzuma Section F, in the process of service delivery.

5.3 ROAD MAINTENANCE SERVICES

The road maintenance project is another example of a service that is being sub-contracted to SMMEs and local contractors to deliver this service on behalf of the local council within Ntuzuma. The selection of the contractor is via the tender process undertaken by the EThekweni Municipality, in selecting the best tender. Although local contractors are noted to have the first preference, provided that they have merit, chances of being selected are not guaranteed, since the tendering process is an open process where a wide range of contractors with varying skills bid for this work. In delivering this service, the contract depends on the nature of work to be undertaken, and the duration of this work. The contractor chosen is in the process obliged to use local labour.

The current contractor, Miss D Dlamini who resides within Ntuzuma was given the contract in April 2003, which will cease once the work is completed in September. The main work undertaken on this project is to widen and restructure some parts of the Dalmeny road in Ntuzuma Section F. In restructuring this road, the road is going to be redrawn and realigned with the other existing roads. In addition to these widening works new signage and traffic lights are in the process of being installed, however by another contractor due to the fact that Miss Dlamini does not have the expertise to conduct such works. The table below is a summary of the findings from the primary data research:

Table 4: Road maintenance project

Criterion For Analysis	Indicators
Income generation	<ul style="list-style-type: none"> • Unskilled workers earn R30 a day • Skilled workers wages were negotiated with the contractor • Monthly income depends on days worked • Out of 40 employees;

	<ul style="list-style-type: none"> ○ 25 wage earners are unskilled ○ 5 skilled plumbers ○ 10 wage earners are qualified electricians
Employment generation	<ul style="list-style-type: none"> ● A total of 41 jobs were created: ○ A total of 32 (31 unskilled plus 1 contractor) locals are involved in the project ○ 9 employees are non-locals
Empowerment	<ul style="list-style-type: none"> ● The whole Ntuzuma population will benefit from the maintenance of the roads, especially all road users ● The project will improve linkages between all sections in Ntuzuma ● The road will serve the commercial and public areas within it's vicinity ● Only 4 females are involved in the project: <ul style="list-style-type: none"> ○ 3 flag holders ○ 1 contractor
Poverty alleviation	<ul style="list-style-type: none"> ● All 25 unskilled workers were trained ● These unskilled workers were trained on site ● 15 employees train others ● All unskilled workers work on a contractual basis ● Contract for the current project is 5 months ● All employees to receive reference

Local workers involved in the project are largely unskilled workers and are a total of 25. Remuneration depends on the different skills and qualifications of each worker. For all 40 workers; skilled and unskilled, work is contractual and depends on the length of work undertaken. Formal certification for the training is provided, however only reference letters are given to those who need them when applying for other jobs. Female involvement in the project is limited to three flag holders due to the intensity of work and the highly exhaustive tasks, (Miss Dlamini, Road Maintenance Project Interview, 2003).

“This current way of delivering this service through sub-contracting local SMMEs to maintain and conduct road works will be replaced by the Zibambele Public Works Programme, which is still in its planning phase”, (Mr Mthimkhulu, Road Maintenance Project Interview, 2003). From a data base of Affirmative Action Businesses within the City, those who meet the criteria will be identified. Companies selected for this process will be assigned a portion of the road in a certain area, to maintain on a three day basis, until the contract ceases. Workers will be females as this initiative is a poverty alleviation initiative also aimed at empowering women, (Mr Mthimkhulu, Road Maintenance Project Interview, 2003).

Following last year’s interview, a follow up interview (November 2005) with Daniel Mthimkhulu was conducted where he noted that pilot projects for the Inanda, Kwa Mashu and Ntuzuma Zibambele programmes have been approved and are to be implemented shortly. Herein, a municipality roll out of the Zibambele projects was also underway. With the Zibambele programmes, the selection of contractors to maintain the roads will be females that are part of the community. The community will identify one of the neediest families, mainly those that are female headed, to maintain a portion of a designated road. Although the Zibambele programmes are being introduced in areas such as Ntuzuma, they also offer variety of scope for existing contractors to undertake other road related services that can be outsourced. These services include patching, road marking and guard rail repairs, (Mr Mthimkhulu, Road Maintenance Project Interview, 2003).

The Zibambele Public Works programme is aimed at promoting city-wide poverty alleviation and employment creation through partnerships between the communities and municipalities by identifying the neediest families to deliver this service. Previous focus in delivering services was aimed mostly at a number of SMME who would in turn create the jobs at local level (www.durban.gov.za, 2005).

Employment created through this new delivery programme is more sustainable, where there are set work hours, per month, in relation to the previous method of delivery where, hours worked were largely determined by the contractor and the length of work to be undertaken. With this method of delivery, the focus is less towards SMME development towards direct poverty alleviation through employment creation and involvement in delivery. With this new programme it is recognised that “each family is a contractor”, (www.dpwsa.gov.za, 2004), therefore redirecting the focus of strategies away from a few SMMEs and contractors, but rather on households.

5.4 THE DALMENY ROAD MARKET

The Dalmeny Road Market involves the promotion of informal retail and trading along the Dalmeny Road, which acts as the activity spine in Ntuzuma. This road market is located between F and E section and was initiated by the EThekweni Municipality's Traffic and Transportation Department. This project involves providing informal retail traders with the premises within which to operate. The stalls, within the market, are for small and retail traders and do not accommodate larger forms of business. The Traffic and Transportation Department initiated this project following the construction of the taxi rank adjacent this Road Market in Ntuzuma Section F, in 1998. Allocation of the stalls was, and is currently, the responsibility of the ward councillor (Sipho Mabizela) who manages the project and is aware of the current situation within the premises. Traders within this site are currently not paying rental fees, but the metro has voiced concern regarding this issue of non-payment for services as noted by Sipho Muthwa, the local council official.

Table 5: The Dalmeny Road Market

Criterion For Analysis	Indicators
Income generation	<ul style="list-style-type: none"> • Income generated by each trader differs, up to R150 a week • Income generated largely dependent on demand • Income earners, 6 permanent traders, are unskilled • 3 occasional traders are also unskilled • Only personal incomes are generated by the project • A total of 15 new businesses have been started • Total local SMMEs include the 9 informal traders • 15 new businesses started adjacent to the site • No business linkages created • Traders buy fruits from outside the area
Employment generation	<ul style="list-style-type: none"> • 10 locals are involved in the project: <ul style="list-style-type: none"> ○ 6 permanent traders ○ 3 occasional traders ○ 1 ward councillor
Empowerment	<ul style="list-style-type: none"> • Traders market has created the platform for other economic activities in the Ntuzuma area, especially economic activities adjacent to the road market • Of the 9 traders, 3 are female

	<ul style="list-style-type: none"> • The Ntuzuma population are the beneficiaries, particularly those going to the adjacent townships and using this only local taxi rank in Ntuzuma • The project is located in Ntuzuma's corridor, the Dalmeny Road
Poverty Alleviation	<ul style="list-style-type: none"> • None of the traders were trained • No certification was received as a result • Nobody is training others within the site • Length of operation of the road market is infinite

The road market has 15 stalls for trading; 6 are in use for trading purposes. Most of the stalls are vacant, with the regular traders often alternating between days to trade. Only three traders are using the stalls for their appropriate use: selling vegetables and fruits. The rest of the stalls are used for shoe making, beadwork and crafts making. One stall is occasionally used as a second hand clothing shop. Income generation for those operating on these premises is limited with traders stating that the income they generate varies, depending on the amount of produce they sold. The traders receive no form of support from the municipality, and the traders were also not given any form of training. Each trader provided his or her own starting capital for the business, (Mr Mabizela, Dalmeny Road Market, 2003).

Within the site stands are left vacant, but people have located containers and their own trading stands adjacent the site. A number of spin-off businesses within the site and surrounding this site have developed. Currently 1 burglar guard maker and welder, 1 carpenter, 1 chicken and egg stall, salon, phone booths, 1 spaza shop, 1 doctor, 1 fridge repair centre and two taverns have since located around this road

market. The lack of fit between the community's needs and what was delivered caused people to neglect the local council's built stalls for their own self-created stalls as there was very little interaction with the local community, before the construction of the stalls and the taxi rank, (Mr Mabizela, Dalmeny Road Market Interview, 2003)

The nature of the businesses surrounding the road market is not suitable for operation within the road market due to the scope of their activities. Most of these adjacent businesses are bigger operations other requires resources such as electricity, bigger space, water, etc. It is this lack of recognition for this growth, by the local council that Mr Mabizela has led to this road market being a white elephant, (Mr Mabizela, Dalmeny Road Market Interview, 2003).

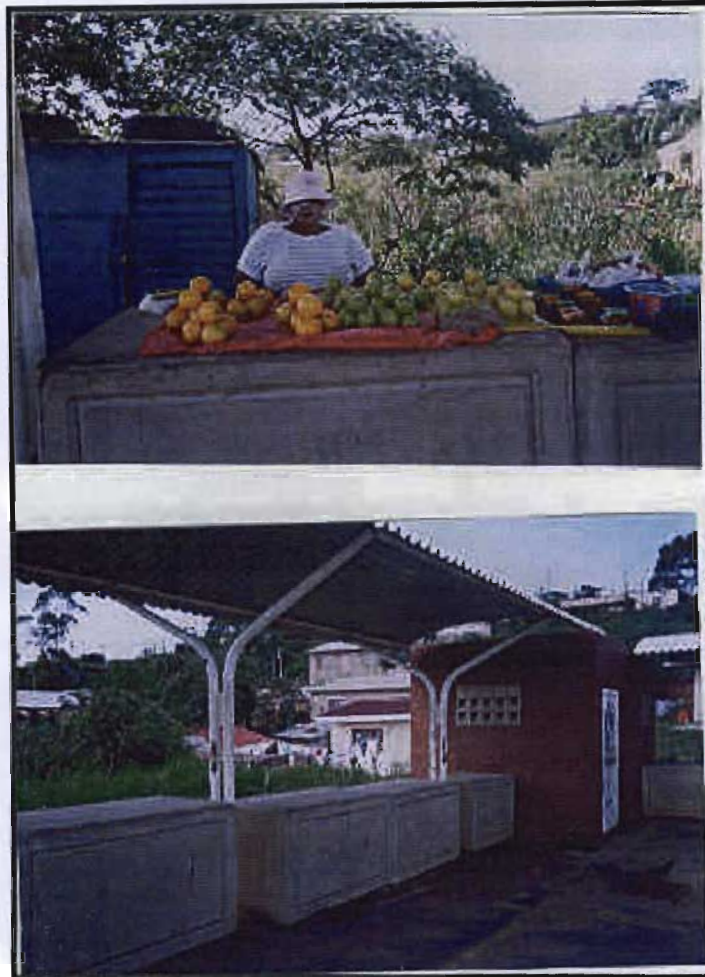
Mrs Jabu Sokhele who is a local who trader within the Dalmeny road market, notes that she has been trading within these premises for close to a year and within this period she is present everyday of the week to sell fruits and vegetables. In addition to the fruits and vegetables, she also sells other small items such as sweets and snacks. All these items that she sells, she buys from outside the area, in central Durban. Mrs Sokhele also notes that since her arrival, she has never received any form of government support. She however mentions that one of her biggest worries is that local demand is sometimes minimal to the point where some of her fruits and vegetables become spoilt.

Mrs Sokhele notes that the reason people opt for their own man-made stands is that the original stands are too small. They limit one to selling only fruits, vegetables and other small items whereas most of the traders like to venture into other products like selling chicken and food to the taxi drivers and other users of the taxi rank. She notes that the trading spaces allocated to one trader are too small to include a wide range of items that one would like to sell.

Traders do not pay for trading rights and daily operations in this market are not monitored by EThekweni Municipality. The management of the premises is also not administered by the local authority; as a result this has opened up opportunities for misuse of these premises. The only role that the municipality plays within this project

is that of maintaining and cleaning this trade market, (Sipho Muthwa, Dalmeny Road Market Interview, 2003).

Insert 4: The Dalmeny road market



Above is a picture indicating the Dalmeny Road market, located in Ntuzuma Section F. Indicated are the vacant stalls and a trader, Mrs Sokhele who was interviewed as part of the research study.

Insert 5: Businesses adjacent the road market



As indicated in the picture above, businesses adjacent the Dalmeny Road Market include businesses such as a furniture repair enterprise, tavern, phone shop, etc

5.5 ZAMANI SEWING COOPERATIVE WITHIN THE COUNCIL LED BUSINESS HIVE

The Zamani Sewing project is a worker's cooperative that was established by a group of women who after being retrenched from the clothing and textile industry, decided to form this project. The main aim was to create job opportunities and to provide an alternate source of income. Three women started the project in 1997 in Ntuzuma in their own homes where they used their own capital to buy machines and to start the business off.

In 2000, the ward council, Siphso Khuzwayo, approached them with regards to being part of the council led business hive in Ntuzuma Section E. Within this businesses hub, the local council provided local entrepreneurs with containers to operate their businesses, along with business start up funds. This project started receiving funding from the local council in 2000 when they became part of this business hive. Mrs Fikelephi Buthelezi (Cooperative member) notes that the local council provided them with more machines, when they joined this business hive, and as a result, four more ladies were taken in. The four new members, and the three original members were taken for training by the local council.

The cooperative consists of seven members who all reside in Ntuzuma. The project involves curtain making, the making of school uniforms and dress design alterations. New clothing is made upon order only. The market for this group is locally based, where they make school uniforms for 5 local schools. The group also does dress alterations as per order. Fabric supplies and other materials are purchased outside the area, and they identify Bassa Stores in Newlands East, as their main supplier. Out of the seven members, three are part time. Only four members work on a permanent basis.

The table below is summary of the primary data findings:

Table 6: The Zamani Sewing Cooperative

Criterion For Analysis	Indicators
Income generation	<ul style="list-style-type: none"> • Wages for each member depend on the amount of profit left after all expenses have been paid • Other income paid to the members includes dividends which are paid out once a year, and an estimated R3000 • 7 jobs created: 4 original members are part-time and 3 are full time • Sometimes profit from the dividends is generated back into the business • 6 workers are unskilled but one also doubles as a nurse • Only 1 business created for transportation purposes
Employment generation	<ul style="list-style-type: none"> • 7 locals are involved in the project as cooperative members • No non-locals are involved in the project

<p>Empowerment</p>	<ul style="list-style-type: none"> • Beneficiaries are those people that use their services, including the five schools they supply with school uniforms • Projects helps with easy access to dress making and alteration services • The project is located in Ntuzuma Section E within the business hive • 7 women in the project
<p>Poverty alleviation The poverty alleviation impacts</p>	<ul style="list-style-type: none"> • All 7 workers were trained • All 7 received certificates • Length of project operation is infinite

The wages for the members are paid out after rental fees, material and other fees for transport have been paid off. Except for the use of the neighbours van for picking up the material, no other spin off businesses have resulted from this project, (Fikelephi Buthelezi, Sewing Cooperative Interview, 2003).

This worker's cooperative is one of the local authority initiatives towards alleviating poverty, creating employment and empowering women within Ntuzuma. Out of the realisation of the determination and the dire need for employment in the area, the local councillor Mr Mabizela got actively involved in ensuring that the co-operative got support from the local municipality, through joining as part of the council led business hive. In joining as part of this business hive, a local authority employee was assigned to manage this cooperative. Further assistance in the form of training and start up capital was offered to the group by the local council, (Mrs Fikelephi Buthelezi, Sewing Cooperative Interview, 2003).

Insert 6: The Zamani Sewing Cooperative

The picture below is aimed at providing the reader with a visual presentation of the Sewing Cooperative, in operation. As shown below, are the cooperative group members in operation.



5.6 SYNTHESIS

This section below is a summary of the findings from the primary data research. This summary includes findings from the interviews held with all key stakeholders, involved in these projects. This section is therefore aimed at providing quantifiable indicators, taken from the responses of interviewees, as those which will indicate the status of the projects being assessed.

5.6.1 PROJECT FINDINGS SUMMARY

Table 7: Summary of findings from interviews with project leaders

Criteria for analysis	Ntuzuma section E pool construction	Solid waste removal services	Road maintenance	Daimeny road market	Zamani sewing cooperative	*Median
Income generation						
Weekly wage	R75	R60	R45	R150	-	R67.5
Monthly salary	Varies	R1200	Varies	Varies	Varies	-
Spin off businesses	2	1	1	21	1	1
New jobs total	27	38	30	9	7	27
Contract	27	38	30	3	3	27
Permanent	-	-	-	6	4	0
Skilled	7	2	5	-	1	2
Unskilled	20	33	25	9	6	20
certification	27	35	25	-	7	25
Empowerment						
Women involved	5	9	3	3	7	5
Locals involved	32	38	31	10	7	31

Projects leaders residing in Ntuzuma	-	-	1	1	1	1
Poverty alleviation						
People trained	27	35	25	-	7	25
People training others	5	10	15	-	-	5
Project process	2 yrs	3yrs	5 months	infinite	infinite	-

***Note: Median**

The median is aimed at providing the middle (average) value for each data set. For the purposes of this study the following formula was used:

$N+1/2$ (Data was sorted in ascending order, the two middle values added and then divided by two)

From the table above, the following themes emerged :

Against the income generation criterion, it is indicated that the incomes earned from the projects range from R40-75 a day. Weekly wages and monthly wages as shown, are not consistent, depending on the number of days worked. The maximum monthly salary for all projects is R1 200, which is a R555 difference from the average wage of R645 per month for the EThekweni municipal area. The table above also indicates that with all five projects, 25 SMMEs were developed and 18 spin-off businesses were created.

In terms of employment generation, it is indicated that a total of 111 jobs were created from these projects. When looking at these jobs in relation to the total population of 80 000 for Ntuzuma, this shows that these projects created employment opportunities for 0.1% of the total population. Of the 111 jobs, 93 jobs are unskilled, where as 18 jobs are skilled jobs. This therefore shows that 84% of the total jobs created are for the unskilled in relation to the 16% jobs created for the

skilled. Of the 111 jobs created, 102 jobs are contractual with only the 9 remaining jobs being permanent.

The empowerment criterion indicates that a total of 27 women are employed out of a total of 111 jobs, this equals to 24% of total employment. With the five projects, 118 locals are involved in these projects, this is calculated to be 0.15% of the total population.

With poverty alleviation, it is indicated that 94 of the 111 workers were trained in order to partake in these projects. This represents 85% of the total 111 jobs created. Among this 94 that was trained, 30 are on site trainers who train their colleagues with limited experience. Only 2 projects are infinite where as the rest of the projects' life cycle ranges from 5 months to three years.

5.7 GENERAL VIEWS FROM STAKEHOLDERS

From the interviews with stakeholders, community representatives indicated that the local municipality's development focus within Ntuzuma has mainly been on service and infrastructure delivery. Mr Mabizela, the local councillor for example, noted the housing, community hall construction, water and sanitation projects as those that were currently underway in Ntuzuma. Stakeholders also mentioned that compared to the past couple of years, there have been a number of infrastructure maintenance projects.

These community stakeholders pointed out that there is limited economic activity and council initiated economic projects in Ntuzuma. With this, they note that projects that are aimed at promoting income generation are limited. The existing economic projects that were identified were those that were noted to currently facing operational challenges or those that had since closed down. The sub-contracting of local SMMEs in delivering local government services was opening up opportunities for SMME development, employment creation and empowerment.

Official representatives noted that the municipality is committed to regenerating and renewing the INK area, within which Ntuzuma falls. With this, the aim is to improve the socio-economic status of these areas. As a result the municipality was focusing its resources on developing the retail, the construction and the tourism sectors as means to promoting local economic development and in order to improve the wider socio-economic status. These three sectors are the focus of interventions as they were identified as being more inclusive and accommodative of economic practices of low-income populations.

With the construction sector, the municipality sub-contracts local SMMEs to deliver services in order to create opportunities for job creation and empowerment, as these SMMEs are required to hire local labour. Furthermore, the municipality also focuses on developing the retail sector in low-income communities and townships around Durban, in order to stimulate economic activities within these communities. The main focus is on developing informal trade activities. With this focus, the municipality aims to create employment, empowerment and entrepreneurial opportunities and to integrate the unskilled and the poor as active participants in the local economy. The Kwa Mashu town centre informal trading initiative and Warwick Junction were identified as examples where the local municipality intervened in informal trading with an aim of improving the economic, employment and empowerment state of these low-income populations.

5.8 SUSTAINABILITY

The sustainability of the projects assessed in this study is based on these projects' abilities to meet current needs and future needs in Ntuzuma, on a sustainable basis without constraining future growth. As argued by Dixon and Pretorius (2001), if development is to be sustainable in areas that have suffered social exclusion: neglect, poverty, economic decline and unemployment, it should not only address new technologies but should also look at regeneration, renewal, social equity and improvements in the quality of life for the worst off communities. The sustainability of the projects assessed is therefore determined by their ability to create opportunities for sustainable employment, poverty

alleviation, empowerment, income generation and infinite improvements in the quality of life and socio-economic status for the Ntuzuma population. With sustainability, these authors argue that it is the impact that results from the scope, nature and length or period, over which the project occurs, which determines its impact on the targeted beneficiaries. The following paragraph hopes to indicate the sustainability of assessed projects through findings from primary data.

From the interviews with stakeholders, it was noted that three projects are contractual in nature, with them ranging between 5 months to 3 years; where as the other two projects are continuous and infinite in nature. Employment created by these projects is largely contractual; however these projects have also opened up opportunities for employment creation in the spin off businesses. The spin off businesses have meant opportunities for self employment and empowerment as indicated from the findings, which show that it is mainly SMMEs that own the spin off businesses.

Three of the five projects assessed, as indicated in table 7, are aimed at service delivery and the maintenance of infrastructure with the two remaining projects aimed at income generation. Incomes generated from both the service delivery orientated projects and the income generation projects are shown to vary. Wages earned range from R30-R75 a day and incomes generated from the income generating projects range from R150 to any amount. Incomes as indicated are therefore not consistent.

CHAPTER 6

ANALYSIS

From the primary data research a number of issues and themes emerged. These are discussed within this chapter. Discussions are grouped according to each topic or theme. The findings are presented below:

6.1 LOCAL GOVERNMENT INITIATIVES

Primary data findings indicate that the local authority is the main driver of the development process in Ntuzuma, through a multiple number of interventions. The EThekweni Municipality as the local authority, implemented and, is managing the selected projects in Ntuzuma. In addition to managing these projects, the local municipality also provides support for community action and community initiated projects. An example of how the local council provides support for community action is indicated with the Zamani Sewing Cooperative that was initiated by the local community, which has been receiving local government support as it is now part of the council led business hive in Ntuzuma.

From these local authority initiated interventions in Ntuzuma, the following emerged:

- The main beneficiaries in most of the projects is unskilled labour
- Most of the projects are aimed at service and infrastructure delivery in relation to income generation
- Income generation opportunities emanate from wages for labour input
- These projects are largely contractual, as a result employment generated becomes contractual
- Opportunities for human resource development result from on site training
- Community participation in these projects is predominantly through labour participation in projects

Physical delivery as the main emphasis

Local authority projects are aimed at investing in community services and infrastructural assets. By focusing on this delivery, the local authority aims to improve

the quality of life, to create an enabling environment, to improve access to municipal services and to provide physical platforms for other forms of development to occur within Ntuzuma. Most of this delivery is aimed at improving and maintaining already existing community infrastructure and facilities, and at delivering those services and infrastructure that were absent in the area.

Through physical infrastructure projects such the Ntuzuma Section Pool, other socio-economic development backlogs are targeted indirectly. These include employment creation, empowerment, poverty alleviation, SMME development and income generation. Local SMMEs are also sub-contracted to deliver services such as solid waste removal on behalf of the local council as mechanism to stimulate job creation, income generation and empowerment. In this delivery process, most labourers are trained to undertake tasks, and to be part of this delivery, while obtaining opportunities to earn incomes. As a result of the contractual and short duration of these physical delivery projects, incomes and employment that result are unsustainable. For example, the longest contract in all these projects assessed, is three years (refer to table 7), therefore indicating that projects are predominantly short term.

Top-down approach to development

The EThekweni Municipality has adopted a top-down approach to development in Ntuzuma. This is based on the fact that most initiatives assessed are administered and implemented by the local authority, which decides on a number of issues including identifying the beneficiaries. Most of the decision-making is also centralised and this is reflected by the limited number of community members that are part of the decision-making processes regarding these projects. Community participation as indicated in the findings is largely in the form of labour input and not participation in the planning process.

Through the top-down approach to development in Ntuzuma, the local council has not only provided support to its original top-down initiatives, it has also facilitated and strengthened bottom-up initiatives. This is seen in the Zamani Sewing cooperative where the local municipality provided support to the already existing community initiative by providing them with starting capital, business support and finance so that

they could operate within the council led business hive in Ntuzuma. With the remaining projects, the top-down approach to development was applied where the local council initiated and funded these projects with the inclusion of the community at a later stage through labour input.

The top-down approach to development has also facilitated the development of a number of spin off businesses that emanate out of the original council led initiatives. For example in the Dalmeny Road Trader's market, it was indicated that a number of businesses developed around the original trader's market. With the service delivery projects, a number of spin off businesses in the form of security and catering businesses were started as a result of these original projects. It must be noted that although the top-down approach is necessary in an environment where there is minimal community action, it does not provide appropriate solutions if it is not reflective and in line with the community's needs.

SMME development is minimal

Out of the total number of SMMEs or contractors sub-contracted to deliver services by the municipality in Ntuzuma, a few are from the area. Of the three projects that are led by contractors, only one SMME, for the Road Maintenance project is from Ntuzuma. The pool construction project contractor is from Phoenix whilst the solid waste removal contractor is from uMlazi. As Mr Mabizela (ward councillor) noted, the local contractors loose out to outside contractors due to lack of experience, resources and skills. This therefore indicates that if local contractors are to be part of the development process within Ntuzuma, more development is needed.

Most of the development of SMMEs occurred due to spin off businesses. These spin off businesses are in the form of supporting businesses to the five core projects. As shown in table (7), 25 SMMEs were part of these 5 projects. However, 18 SMMEs were developed through spin-off businesses that resulted from the five selected projects. With the road market, as indicated, SMMEs formed around these trading facilities and started their own businesses, where as with the solid waste removal project a security company was formed by a local SMME to guard the workers at work. With the swimming pool construction, a cleaning services SMME was developed, and this SMME provided cleaning services to the construction site. With

the Sewing Cooperative, 1 SMME was developed, and this SMME provided transport services to this cooperative. This indicates that SMMEs and spin off businesses were created outside the context of these projects.

On the other hand, opportunities for established SMMEs within Ntuzuma are limited due to the fact that most contractors in the delivery process do not reside in Ntuzuma based on the fact that the tendering process within the local municipality is open to a wide range of SMME. Local employment and participation opportunities do however emanate from these projects.

Wages earned are set by each contractor

Wages earned and wage agreements, as indicated by the primary findings, are not in line with those set by the National Public Works Programmes. The National Public Works Programme (DPLG, 1996) states that employees should be paid according to their productivity and skills level and not according to the hours worked. In projects assessed, workers were paid according to the hours worked and the rate of pay ranged from as little as R30-75 a day. This rate depended on each contractor and varied with each contractor.

Table (7) shows that the maximum income per month is R1200, for all projects. This amount is not standard to all projects, but is the maximum wage for the total projects. Reasons why incomes vary include the fact that most of the workers work shifts and don not work consistently. Most incomes earned, as a result are minimal in comparison to the average income of R645 for the Durban Metropolitan Area. The minimum income for these projects is R150, which informal traders noted they get when there is minimal demand for their products.

Enabling environment

The delivery of infrastructure and services within Ntuzuma has had a significant impact on creating enabling environments for economic activities. The economic activities that have originated around the informal traders market are an example. Through this delivery in the form of physical platforms for trading, a number of businesses have developed adjacent this area.

The Ntuzuma section E pool is another example of how delivery has created an enabling environment. This is based on the fact that the pool construction will not only serve as a multi-purpose sporting facility, but will also serve as a crime prevention and youth development initiative. Since the completion of the pool, access to community facilities and youth development has also been enabled.

Employment creation is not always sustainable

The Swimming pool construction, the road maintenance and the solid waste removal projects are contractual. With these projects, the contractors are sub-contracted by the local authority to deliver the required services, which are terminated when the scope of work has been completed. These delivery contracts range from five months for the road maintenance project to three years for the solid waste removal services. The Zamani Sewing Cooperative and the Dalmeny Road market are on the other hand infinite as their operation is not contract bound and limited to a certain timeframe.

Due to this contractual nature of projects, employment and incomes generated are short-term. The impact of this employment creation and income generation on the quality of life of those involved in the projects is limited to the delivery period. It is through these findings that it becomes apparent that this contractual nature of delivery contracts results in employment that is not sustainable due to the fact that employment is short term and incomes earned are short lived.

Shift work means that workers alternate between days, therefore hours worked and incomes earned are not consistent. However, skills gained from participating in these projects are sustainable due to the fact that the skills gained from participating in these projects can be used later on in life and in other contexts of employment. The relevance of these skills is seen in the Solid Waste Removal and the Pool Construction examples where there were a number of workers training others on site. These trainers are noted to have been part of other projects within the realms of construction and solid waste removal in the past therefore possessed the relevant experience and skills.

Limited community participation

Primary data findings indicate that community participation in the decision-making and management of the projects is limited. This is based on the fact that the majority of the projects are local government initiatives and the decisions and the management of these is facilitated at municipal level by the local authority. In the solid waste removal case that community members note that they were invited in the selection process of the contractor. Community participation is however dominant in the sewing cooperative where the project was initiated by the community and is still largely in the control of the cooperative members in addition to the local council staff support.

In most projects, community participation is through labour input. Very limited participation exists when it comes to the representation of other groups such as the youth, unemployed graduates and the skilled within this community. Most of the community participants are unskilled labour that is hired as part of the delivery process. Except for the unskilled labour, it is the ward councillor and a few other community representatives that are part of these projects.

Community participation, Bond (2002), notes is one of the important factors behind promoting sustainable local economic development within low-income communities. This is important as it not only empowers, but also instils a sense of self-reliance and autonomy amongst the community. With this, he also notes that maximum community participation allows for each and every groups needs within the community to be voiced and represented in the development process.

Targeted and ongoing local government support is required

Local government support in all these projects exists, but for each project it differs based on the nature of each project. With the Mtuzuma Section E swimming pool construction, the solid waste removal and the road maintenance projects, the local government provides financial support through funds that are given to the sub-contractor for the delivery process: training of workers and for the provision for other project materials. The local authority also plays a supervisory role, through its employees within the local council. In some instances the municipality directly provides opportunities for training, if there are higher level skills needed in the

delivery via institutions such as the Sector Education and Training Agencies (SETA's).

With the Dalmeny road market and the Zamani Sewing corporative, local government provided support in the form of equipment and business facilities. Another form of support from the local council was in the form of training opportunities, which was only provided to the Sewing Cooperative's members.

Another form of support shown is in the form of the management and capacity provided by the EThekweni municipality. All these projects, as they are local government initiatives, are assigned a member from the EThekweni municipality who is responsible for the management of each project. The daily operations are also managed by each of the municipal employees who play a supervisory role.

The Dalmeny Road Market has limited support from the local council; as a result, it is experiencing technical and operational inefficiencies. It therefore needs some form of management and capacity that will supervise and manage the operations within this market. On the other hand, community participation in terms of decisions surrounding the location and the use of the facility was also limited in the Dalmeny Road Market.

Female participation in projects is limited

Female participation in these projects is limited. From the findings it is indicated that only 24% of the total employees in the assessed projects are female. Most of the female participation is found in the sewing cooperative and the road market. Female participation is limited in the road maintenance, pool construction and the solid waste removal projects. In the construction projects, most labourers are male, in comparison to the limited number of females involved.

Female participation is mostly seen in the physically less demanding tasks such the sewing cooperative and the supporting activities and projects. These support activities include the cleaning services and the flag holding which is done by females involved in the road maintenance project. The Zibambele Public Works Programmes, which mostly employs women headed households in road maintenance projects, is a step towards addressing limited female participation in labour intensive projects.

Impact on poverty alleviation and food security is not always sustainable

The nature of work within these projects is largely contractual and delivery orientated. This results in unsustainable employment creation and income generation when contracts have ended and project deliverables are met. Projects' cycles also range from five months to three years, with the three year contract being the maximum contract among the projects assessed. This poses questions about what happens to the participants post the construction process. Particularly the issue is on establishing what happens to the jobs created and incomes generated in the process of this delivery after the construction phase.

Access to incomes and employment has an impact on the quality of life of communities and households. This is based on the fact that employment enables increased affordability of municipal services and improved access to these services and other basic needs, (www.dpwsa.gov.za, 2004). Therefore, when contracts end in these service delivery projects, this will have an impact on income generation, affordability levels and poverty alleviation, on communities and households.

The Zibambele Public Works Programmes as a new approach to delivering community services acknowledges the impact of prolonged employment creation and income generation on the poverty situation of households and communities. This is based on the fact that projects under this programme focus on female headed households and female breadwinners with an exception that should that female breadwinner be unable to undertake her tasks, another family member would take over. The focus of this programme is also on creating prolonged employment and income generating opportunities through establishing the length person contract system, which means that employees get to work standard hours per month and get standard wages each month in an attempt to alleviate poverty at household and community level, on a prolonged basis, (www.dpwsa.gov.za, 2004)

6.2 CONCLUSION

From the analysis presented, it becomes apparent that the selected projects in Ntuzuma are local authority interventions, most of which indicate that they require further intervention from the local authority in the form of skills and technical support.

There is also a need for alternative interventions that will create opportunities for prolonged employment and incomes, if impacts on poverty are to be prolonged. Despite creating short term employment, opportunities for skills development and transfer, and opportunities for entrepreneurship, were created through these projects.

The number of spin-off businesses that resulted from these projects indicates that there are economic activities within Ntuzuma, however they are SMME driven, are small and locally bound, as indicated by the limited linkages they have with other economic areas.

Community participation and involvement in the projects was shown as being limited within Ntuzuma. As a result, there is a need for inclusive projects and initiatives, if the development process is to be representative. Female participation in projects was also shown to be limited due to the physical nature of the projects; therefore this indicates another area that future development projects need to take cognisance of. An example of how female participation can be facilitated in service delivery projects includes The Zibambele Public Works Programme, which takes cognisance of this limited participation, and aims to address it through focusing its attention on female headed households and female as an important part of this delivery process.

CHAPTER SEVEN

CONCLUSION AND RECOMMENDATIONS

LED was described as being a mandate for local government to promote local economic development within their municipalities. LED was identified as important to implement as it allowed municipalities to undertake the development process in an integrated manner through mechanisms such as IDPs.

The main aims of LED were described as “the need to create employment opportunities for local residents, alleviate poverty, to redistribute resources”, (DPLG, 2000:1). Through LED, it is argued that local municipalities will be able to achieve increased competitiveness, poverty alleviation and job creation. They will also be able to address service delivery needs, affordability constraints, open up opportunities for community participation and to forge intergovernmental relationships in the development process.

Within the LED paradigm, pro-poor LED strategies were noted as being central to promoting sustainable LED in poor communities. With these strategies, poverty alleviation and community economic development was identified as being central. Improving service delivery, opening up job opportunities, income generation opportunities and opportunities for SMME creation within the local context were noted as being the core to alleviating poverty and in promoting community economic development, (Ashley and Roe, 2001).

Among pro-poor LED strategies and approaches, the municipal community service based-LED is at the centre of this research. The main objectives of this approach are to deliver municipal services in the context of other socio-economic issues. In delivering these services, it is anticipated that this will open up opportunities for improved social capital, improved public health, job creation, income generation and SMME creation within the local context, (Bond, 2002). In implementing LED strategies under this approach, poverty alleviation and improvements in the quality of life for the local community will result. Ntuzuma is an example where the municipal community service based approach to LED was adopted. Based on this research

study, the way forward regarding these interventions and planning and development decisions in future will ideally take cognisance of the following:

Municipal community services-based projects in Ntuzuma

The current reality is that Ntuzuma is a township on the outskirts of Durban characterised by high levels of poverty, unemployment, spatial disintegration, limited economic activity and infrastructure and service delivery backlogs. As a result, it was identified as one of the areas of need within the EThekweni Municipality, (EThekweni Municipality, 2002).

This research study, which was aimed at assessing whether the community based services initiatives create opportunities for Local Economic Development in Ntuzuma, showed that the five selected projects within Ntuzuma are predominantly service delivery orientated. Most of these projects are aimed at improving the quality of life and at maintaining existing community infrastructure.

Making reference to the local municipality's strategy regarding Ntuzuma, contained in the INK Area Based Management Business Plans (2002 and 2003), the construction, retail and tourism sector were identified as focus areas for intervention and investment within Ntuzuma. These sectors were noted to be the most labour intensive, the most absorptive of unskilled labour and those with potential to promote LED within peri-urban communities such as Ntuzuma. This is based on the fact these sectors enable local SMME development, job creation, gender equality and empowerment creation in the process of delivering municipal services in, (INK Area Based Management Business Plans, 2002 and 2003).

The main **conclusion** on municipal community service-based initiatives in Ntuzuma is that these projects proved efficient in terms of improving access to some community services, infrastructure and in terms of improving the quality of life. They however adopt a narrow approach to targeting socio-economic issues such as broader community development and participation, as their beneficiaries are mainly unskilled labourers. These projects, on the other hand, create opportunities for employment creation, skills development, SMME development and income generation. Despite this, incomes, employment opportunities and SMME

development proved to be limited and not always sustainable. Broader community and female participation also proved to be limited.

In sum, these were the main findings regarding these initiatives in Ntuzuma:

- The nature of employment created is contractual
- Very few local SMMEs are contracted in this delivery process
- Too few local SMMEs are directly involved in all projects as contractors, however, most local SMMEs operate supporting businesses or spin off businesses
- Local business creation is largely in the form of spin-off businesses
- Wages earned are minimal and inconsistent, this therefore affects sustainable poverty alleviation
- Community participation is limited, majority beneficiaries are the unskilled
- Female participation is also limited
- Very few projects generate incomes, most projects are aimed at improving quality of life
- The retail sector is highly inefficient, lacks resources and needs more local government support to be effective
- Projects have created very limited linkages with other economic areas

This therefore indicates that more work is required around the following issues and areas;

Projects that generate income indicated that **more institutional support is required** in order for these to be effective. This is based on the fact that although physical platforms for these businesses to operate in were provided, supervision or support from the municipality was limited as there is appropriate ongoing supervision or support from the municipality. This limited support resulted in the mismanagement and limited business operational skills, particularly with the Dalmeny Road Market.

The level of Business development within Ntuzuma indicates that **there is a need to support local initiatives** within Ntuzuma, in order for them to effectively promote economic activity development. New businesses created from the core projects, as

supporting services such as the catering and security services indicate that there is potential for SMME development, outside the context of municipal service and infrastructure delivery. This also reflects that there is a level of entrepreneurship within the Ntuzuma context. This is mostly seen in the Dalmeny road market. However it must be noted that if these business developments are to be truly effective, and to create opportunities for LED, local government support will be needed. Ideally, by intervening, this will lead to sustainable business development and an improved level of economic activity within the area.

In providing more support these locally initiated projects, the local municipality will be sharing the responsibility for the development process while stimulating bottom-up development initiatives. With this, the local municipality will be able to meet the development needs of this community, while also utilising the community to drive this development process, which will result in delivery that is need and community specific.

The need for ongoing and targeted interventions that are more inclusive within the area is based on the fact that these local government interventions limit community participation in the development process. It is this limited view of community participation that must be challenged, if broader development needs of the wider community are to be represented and if true participation is to result from the development process.

As most of the projects have limited female participation, there is a need for interventions aimed at delivery in Ntuzuma to take cognisance of this issue. This is based on the fact that the development process will also need to take the gender equality and broader empowerment issue, into consideration. With this, the main aim is to ensure that the development process is equitable and inclusive of the wider community in Ntuzuma.

The findings also indicate that **there is a need for other forms of institutional participation outside the local authority** in the development process within Ntuzuma. This is based on the fact that within Ntuzuma, there is inadequate community action. Civil society participation in the development process is only in the

form of the Ntuzuma development committee which consists of limited community members. Due to the nature of this group, they are largely involved in the decision making-process surrounding the implementation of projects targeted for Ntuzuma. This indicates the need for the Ntuzuma community to be more active in terms of facilitating the development process, and to form partnerships with the local municipality. Ideally, the community will form a community development association or a civil association that will facilitate liaison between the community and the local municipality. This community group will act as a voice that will communicate the sentiments and needs of the Ntuzuma community.

The need for civil society within Ntuzuma is also seen by the fact that the local authority is the dominant facilitator of the development process within the area. Very few initiatives are community driven and initiated. As indicated, this limits community participation and self-autonomy as most of the responsibilities and decisions in these projects in Ntuzuma are undertaken by the local authority.

Civil society participation in the development process and in promoting sustainable local economic development, Nel (1999) argues is important as it promotes community empowerment and self-autonomy. This is based on the fact that by being involved in their development, the community is taking ownership and is being encouraged to be self sufficient post the start-up phase of delivery. It is this approach that Nel (1999) calls a bottom up approach to LED which he notes is important if opportunities for sustainable LED in low income communities are to be created. With this, he cites the Stutterheim example where in this community; the effects of this approach were fruitful in that it led to a sense of ownership, self-autonomy, and empowerment. This he attributes to a delivery process that started from the community, but with the support of the local authority became a successful initiative that is in line with development needs of the beneficial community, which is also sustainable.

The presence of institutional support from other institutions such as NGO's and the private sector within Ntuzuma would also, ideally, improve opportunities for local economic development within Ntuzuma. This is based on the fact that most of the initiatives within Ntuzuma are local authority initiatives and very little institutional

support from the private sector and NGO's is present. With increased stakeholder and institutional participation, this will ideally extend to local government resources and capabilities and thus meet the socio-economic needs of the area.

Lastly, in order for interventions to meet the development needs of the Ntuzuma community in a sustainable manner, **there is a need for post-construction involvement and interventions.** As most projects are short term, this opens up the need to have alternative means of employment and income generation. For example, Blakely (1994) and Tomlinson (1994) argue that with the human resource development approach to LED, if the jobs don't exist in the job market, there is very little that an individual with or without skills can do. Therefore, ideally, interventions will look at creating opportunities for employment that is sustainable, other than relying on giving them only skills that are sustainable. Ideally, these interventions will look at other options of finding people employment such as the work placements and deployment options, employed in countries like the United States of America, (Blakely, 1994).

Taking into consideration the findings from this study and the literature consulted, LED has provided low-income communities alternative solutions to meeting their socio-economic needs through its pro-poor economic development strategies. With this, opportunities to address poverty, employment, empowerment, service delivery, human resource development and other socio-economic issues within poor communities have been created. In response to their specific socio-economic issues, LED has given communities the ability to participate in their own development while developing skills and promoting local ownership of the development process. It is however the approach adopted and initiatives implemented within the different contexts that determine the success and sustainability of each development process. This indicates that LED as an alternative strategy to development, for poor communities, and those communities that were previously excluded, is crucial to their development. On the other hand, other LED strategies implemented within certain contexts do not always provide sustainable and appropriate development solutions. Through this, some of the socio-economic sentiments and objectives of LED are not always implemented. As a new experience in South Africa, there are lessons to be learnt and room for growth towards sustainable LED for all.

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ANNEXURE SECTION

ANNEXURE 1: PROJECT ASSESSMENT SHEET FOR PROJECT LEADERS

Project Name:	
Interviewee:	
Position:	
1. Tell me about the nature of the project (brief description):	
2. When was the project started?	
3. Who initiated the project?	
4. Who are the beneficiaries of the project, and how were these identified (class, gender, etc)	
5. What was anticipated from the implementation of the project? (Goals and objectives of the project)	
6. Where did / does funding for the project come from?	
7. Do you have any form of institutional support? Whether it's financial or business support?	
7.1 If yes, from which institution or organisation?	
8. What constraints have you encountered since the project began operation?	
8.1 If there are constraints, what do you think should be done, and by whom, in response to these?	
9. Does the project generate income? Please give details.	

10. How many jobs were created by this project?	
11. Of the total jobs created how many are skilled jobs, and how many are unskilled jobs?	
12. Of the total employment created, how many jobs are permanent and how many are part-time?	
13. How many females are involved in the project? Please indicate job description.	
14. Where does the contractor or the project leader reside?	
15. How many non-locals are involved in the project?	
16. Was there any form of training for those employed in the project?	
16.1 If yes, from which institution?	
17. Did those trained receive certificates?	
18. Are there any new businesses that this project has created? Please give details.	
19. What role does the local authority play in the project?	
20. What role does the local community play in this project?	
21. Does the project have a time frame or end date? Please give detail.	

22. Are there any issues that we did not cover, which you feel need to be covered?	
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ANNEXURE 2: INTERVIEW QUESTIONS FOR OFFICIAL REPRESENTATIVES

Name:

Position:

1. Are there any policies and programmes that govern LED within the City?
2. What are these policies saying about LED in relation to low income areas?
3. What are the main interventions or strategies identified as vehicles in achieving the objectives of such policies?
4. Which groups are identified as the major beneficiaries in most of these policies?
5. Are there interventions that are specifically aimed at the townships? Please give detail.
6. Are there any challenges that you are faced with, in facilitating these interventions, within both the city and the townships?
7. Are there any interventions facilitated by the municipality in Ntuzuma?
8. Are the objectives of those interventions for Ntuzuma different to those applied at city level? If yes, how are these different or similar?
9. What are the main objectives of these interventions in Ntuzuma?
10. Are there differences in the approach to LED adopted for the city and the approach adopted for the Ntuzuma area? Please give detail.
11. What role does the community play in this process?
12. Would you say the approach adopted is sustainable? Please give reasons for your response?
13. Are there any future LED interventions proposed for the Ntuzuma area?
14. General comments?

ANNEXURE 3: INTERVIEW QUESTIONS FOR COMMUNITY REPRESENTATIVES

NAME:

POSITION:

1. Are there projects in place within the area that you know of?
2. If yes, who initiated these projects?
3. Is there a role that you play in these projects, please give details?
4. Who are these projects aimed at?
5. Is the rest of the community involved in these projects?
6. Do you know what the objectives of such projects are?
7. What would you say are the strengths and weaknesses of such projects?
8. Would you say there are noticeable changes in Ntuzuma since 1994? Give detail.
9. Do you know of other development projects within the area? Current and proposed?
10. What would you like to see happening in terms of development within Ntuzuma?
11. What would you say are the development issues in Ntuzuma and how would like to see them improved?
12. General comments?

ANNEXURE 4: LIST OF INTERVIEWEES

Name of interviewee	Project or designation	Date of interview
Fikelephi Buthelezi	Zamani Sewing Cooperative	June 2003
Dumisane Mabizela	Ward Councillor: Ntuzuma	June 2003
Mr Slangwe	Ntuzuma Development Committee	July 2003
Jabu Sokhele	Retail Trader: Dalmeny Road Market	July 2003
Mr Mntaka	Community Liason	June 2003 and

	Officer: Ntuzuma Swimming Pool	November 2004
Miss Dlamini	Contractor: Road maintenance project	July 2003
Mr Ram	Contractor: Section E Pool construction project	June 2003
Linda Mbonambi	Area Based Management Manager (INK)	July 2003
Len Baars	Manager of Economic Development (Kwa Mashu Town Centre Redevelopment Initiative)	June 2003
Sipho Muthwa	Informal Trade Business Manager: Dlameny Road Market	July 2003
Mrs Makhaye	Contractor: Solid Waste Removal Services	July 2003
Sneli Ntsele	Small Business manager	June 2003