



UNIVERSITY OF <sup>TM</sup>  
KWAZULU-NATAL  
INYUVESI  
YAKWAZULU-NATALI

**Interrogating the implementation of Local Economic Development for poverty  
alleviation in Nkomazi Municipality, Mpumalanga**

**By**

**Winile Pride Makamo  
(214515461)**

**Submitted in partial fulfilment of the requirements for the degree of Masters in Social  
Science (community development) in the School of Built Environment and Development  
Studies, College of Humanities, University of KwaZulu-Natal, Howard College campus,  
Durban, South Africa.**

**Supervisor: Professor Oliver Mtapuri**

**Co-supervisor: Mrs Zilungile Mbatha**

**November 2020**

## **Abstract**

This study interrogates the implementation of Local Economic Development (LED) for poverty alleviation in Nkomazi Local Municipality in Mpumalanga Province of South Africa. Its aim was to examine the implementation of LED activities in the Nkomazi Municipal area, in line with three objectives which were to examine LED strategy, to explore the effectiveness of local economic development for poverty alleviation, and to make a recommendation on how Local Economic Development could be improved in Nkomazi Municipality. This study applied an interpretive paradigm and a qualitative research approach. Purposive sampling was used to select the participants. The data were collected using document analysis and semi-structured interviews. A total of seven participants were involved, including both males and females. The study found out that the Nkomazi Local Economic Development strategy was not compelling, and its essential components on poverty alleviation were only partial and led to constrained impact. The research findings revealed that the main reasons for LED Implementation project were to create jobs in order to alleviate poverty and unemployment. The secondary reasons include skills development, networking, cultural promotion, and municipal community development. The key recommendation is that partnerships with private stakeholders, businesses, and community organizations must be strengthened to address the problem of unemployment. This would open space for more stable job opportunities for the community. Local Economic Development is everybody's business including the local population, local business, and government. This research concluded that the LED strategy established in the municipality has inadequate funding to implement LED and lacks skilled management, as well as knowledge about the processes and the procedure of LED. The municipalities have good policies that support the implementation and funding of local economic development, but there is still a gap in terms of enforcing those policies, which include fully implementing the stages of the World Bank economic model to yield effective and sustainable results.

## Declaration

I, Winile Pride Makamo (Student Number: 214515461), declare that this dissertation titled: **Interrogating the implementation of Local Economic Development for poverty alleviation in Nkomazi Municipality, Mpumalanga;**

1. Except where otherwise indicated, is my original research.
2. Has not been submitted for any degree or examination at any other university.
3. Does not contain other persons' data, pictures, graphs or other information, unless specifically acknowledged as being sourced from another person.
4. Does not contain other persons' writing unless specifically acknowledged as being sourced from other researchers. Where other written sources have been quoted, then
  - a. Their words have been re-written, but the general information attributed to them has been referenced.
  - b. Where their exact words have been used, then their writing has been placed in italics and inside quotation marks and referenced.
5. Does not contain text, graphics or tables copied and pasted from the Internet, unless specifically acknowledged, and the source being detailed in the dissertation and the References sections.

Signature:

---

W.P MAKAMO

### **Dedication**

This dissertation is dedicated to my grandmother and the Sambo family; for if it was not for their love and support this Research would not have been possible.

### **Acknowledgements**

I would like to thank Almighty GOD for giving me strength and for making this Research a success. Hence;

*“I can do all this through Him who gives me strength”* (Philippians 4:3)

I also appreciate and wish to thank my two supervisors, Professor Mtapuri and Mrs Mbatha; if it was not for their dedication and support this Research would not have been a success. Special thanks go to my family who supported me through prayers, especially my mother Nomthandazo Mahlalela, my grandmother Sidudla Mayisa, and my beautiful baby girl Minenhle Sambo, who reminded me why I had to finish this study.

I further appreciate the Nkomazi Municipality and Chamber of Commerce for taking part in this study. Lastly, I would like to thank my friend who motivated me in doing this research, and also my partner Vusi Sambo for the support that he gave me.

## **List of Figures and Tables**

Figure 3.1: Map of Nkomazi Municipality

Table 4. 1: Overview of study participants

Table 4.2: Economic activities in Nkomazi Local Municipality

Table 4.3: Trends in unemployment rates in Nkomazi Local Municipality

Table 4.4: Level of Education in Nkomazi Local Municipality

## **List of Appendices**

Appendix 1 Interview guide (Nkomazi Municipality and National African Federated Chamber of Commerce)

Appendix 2 Consent Form (English)

Appendix 3 Gatekeeper's Letter: Nkomazi Municipality

Appendix 4 Gatekeeper's Letter: National African Federated Chamber of Commerce

Appendix 5 Ethical Clearance Certificate

## **List of abbreviations**

<b>ACRONYM</b>	<b>MEANING</b>
<b>ANC</b>	African National Congress
<b>DPLG</b>	Department of Provincial and Local Government
<b>DTI</b>	Department of Trade and Industry
<b>EDD</b>	Economic Development Department
<b>EPWP</b>	Extended Public Works Programme
<b>IDP</b>	Integrated Development Planning
<b>LED</b>	Local Economic Development
<b>NDP</b>	National Development Plan
<b>NGO</b>	Non-Governmental Organization
<b>NSDP</b>	National Spatial Development Perspective
<b>PGDS</b>	Provincial Growth and Development Strategies
<b>SALGA</b>	South African Local Government Association
<b>SEDA</b>	Small Enterprise Development Agency
<b>SMME</b>	Small Medium Micro Enterprise
<b>Stats SA</b>	Statistics South Africa
<b>UNDP</b>	United Nations Development Programme

## Table of Contents

<b>Abstract</b> .....	<b>i</b>
<b>Declaration</b> .....	<b>ii</b>
<b>Dedication</b> .....	<b>iii</b>
<b>Acknowledgements</b> .....	<b>iv</b>
List of Figures and Tables.....	v
List of Appendices .....	v
List of abbreviations .....	vi
<b>CHAPTER 1: INTRODUCTION AND BACKGROUND OF THE STUDY</b> .....	<b>1</b>
1.1 Introduction.....	1
1.2 Background of the study .....	2
1.3 Rationale for the study .....	3
1.4 Problem statement.....	4
1.5 Objectives .....	5
The research focuses on achieving the following objectives: .....	5
1.6 The main research question of the study.....	5
1.7 Research questions.....	5
1.8 Structure of the dissertation .....	6
1.9 Summary .....	6
<b>CHAPTER 2: LITERATURE REVIEW</b> .....	<b>7</b>
2.1 Introduction.....	7
2.2 Background and meaning of Local Economic Development (LED) .....	7
2.3 LED: The international context.....	8
2.3.1 LED: The South African perspective.....	9
2.3.2 Implementation of LED process in South Africa.....	11
2.4.1 Key role players in Local Economic Development .....	12
2.4.2 Role of government in LED.....	13
2.4.3 The Role of Municipalities in LED.....	15
2.4.4 Involvement of the private sector in LED.....	16
2.5 South African Policy Legislation Context for LED.....	17

2.5.1 The Constitution of the Republic of South Africa .....	17
2.5.3 Stakeholder driven Local Economic Development framework of 2006.....	18
2.5.4 The Municipal Systems Act (2000) .....	19
2.5.5 The National Framework for Local Economic Development in South Africa (2006-2011) ...	19
2.5.6 The National Development Plan (NDP) .....	19
2.6 The meaning of poverty .....	21
2.7 LED: A Poverty alleviation tool .....	22
2.8.1 Challenges in the implementation of LED.....	24
2.8.2 Challenges Facing LED in South Africa.....	25
2.9 LED strategies.....	26
2.10 The sustainability of LED.....	27
2.11 Relationship between Local Economic Development (LED) and Community Development..	28
2.12 Theoretical framework: Sustainable Livelihood Approach .....	29
2.12.1 Origin and definition of Sustainable Livelihood Approach.....	30
2.12.2.1 Principles of the Sustainable Livelihood Approach.....	31
2.12.2.2 People-centred principles .....	32
2.12.2.3 Participatory and responses.....	32
2.12.2.4 Sustainability.....	32
2.12.2.5 Empowering, dynamic, and holistic.....	32
2.12.3 Assets of Sustainable Livelihoods Approach.....	33
2.12.4 Sustainable livelihood approach to poverty reduction .....	33
2.13 Conclusion .....	35
<b>CHAPTER THREE: METHODOLOGY.....</b>	<b>36</b>
3.1 Introduction.....	36
3.2 Study area.....	36
3.3.1 Research Methodology .....	37
3.3.2 Research paradigm.....	37
3.3.3 Research design .....	38
3.3.4 Sampling .....	38
3.3.5 Purposive sampling .....	38
3.4 Research methods .....	39
3.5 Data collection techniques .....	40
3.5.1 Interviews.....	41
3.5.2 Document analysis .....	42

3.6.1 Data analysis .....	42
3.6.2 Trustworthiness.....	44
3.6.3 Confidentiality and anonymity.....	44
3.6.4 Credibility .....	45
3.6.5 Transferability.....	45
3.6.6 Dependability.....	45
3.6.7 Confirmability.....	46
3.6.8 Informed Consent.....	46
3.9 Ethical considerations .....	46
3.10 Limitations .....	47
3.11 Conclusion .....	47
<b>CHAPTER FOUR: PRESENTATION AND DISCUSSION OF FINDINGS .....</b>	<b>48</b>
4.1 Introduction.....	48
4.2 Research participants .....	49
4.3 Findings of the study.....	49
4.3.1 Local Economic Development in Nkomazi Municipality .....	49
4.3.2 Modalities of implementation of Local Economic Development in Nkomazi Municipality...	57
4.3.3 Strategising for Local Economic Development in Nkomazi municipality .....	58
4.3.3.1 Job and Business Creation Strategy .....	60
4.3.3.2 Infrastructural Development Strategy .....	61
4.3.3.3 Small Micro to Medium Enterprise (SMMES) Development .....	62
4.3.3.4 Agricultural Project.....	63
4.3.3.5 Tourism, art and culture .....	63
4.3.4 Lack of Resource for Effective Local Economic Development .....	64
4.3.5 Partnership as a Mechanism for Facilitating LED of Nkomazi municipality .....	65
4.3.6 Monitoring and evaluation strategy .....	67
4.3.7 Poverty and Local Economic Development.....	68
4.3.8 Challenges of LED Strategy in Nkomazi municipality.....	69
4.4 Summary .....	70
<b>CHAPTER FIVE: DISCUSSION, RECOMMENDATIONS AND CONCLUSION .....</b>	<b>71</b>
5.1 Introduction.....	71
5.2 Summary of the study .....	71
5.3.1 Research Findings and Discussion.....	72
5.3.2 Local Economic Development in Nkomazi Municipality .....	72

5.3.3 Strategising for LED in Nkomazi Municipality.....	73
5.3.4 Partnership as a Mechanism for Facilitation LED of Nkomazi Municipality.....	74
5.3.5 Monitoring and Evaluation Strategy in Nkomazi Municipality.....	75
5.3.6 Poverty and LED.....	76
5.3.7 Challenges of LED Strategy in Nkomazi Municipality .....	76
5.4 Realisation of the Objectives .....	77
5.5 Recommendations.....	78
5.6 Contribution to the Body of Knowledge.....	79
5.7 Suggestions for further research .....	79
5.8 Conclusions.....	80
5.9 References.....	82

## **CHAPTER 1: INTRODUCTION AND BACKGROUND OF THE STUDY**

### **1.1 Introduction**

Globally, academics, development practitioners, and various other stakeholders understand the important role of Local Economic Development (LED) as a tool that can be utilised in job creation, poverty alleviation, and improvement in the quality of life (World Bank, 2014). To achieve energetic local development, all features of local communities, including the economy, social welfare, environmental and political matters need to be integrated and addressed in a holistic manner. A comprehensive approach, therefore, needs to be compiled for a specific area to achieve developmental success (Rogerson, 2009). Local Economic Development (LED) has taken several methods in different countries and localities, and this places the international debate on the implementation of LED strategies centred on historical and socio-economic dynamics. LED has progressed from being measured purely in economic terms to include other social parts of life, such as poverty alleviation and the wellbeing of citizens at a micro-level (Nel, 2010).

Several observers point out that the concept of LED has numerous explanations, because it is both elusive and contested (Marais, 2010; Seduma, 2011; Oduro, 2011; Onohaebi, 2010). Marais (2010) shades a broader canvas of LED, as a local notion and part of local development, or provincial management that specifically inspires the local economy to grow, to contest, and to create more jobs by better use of locally obtainable resources. As Findley and Ogbu (2011) reflect, LED is a method in which partnerships between local governments, NGOs, community-based groups, and the private sector are recognised to manage existing resources, create jobs, and inspire the economy of a well-defined territory. According to the World Bank (2012), LED's main objective is to promote the capacity of local areas to participate in the global economy and to provide solutions to human development.

In the South African context, LED has changed radically in line with socio-economic transformation. This change was stimulated by historical elements, which consist of the legacy of colonisation and apartheid. According to Nel et al. (2009), post-apartheid economic change in South Africa is promoted through the LED. LED is seen as the main means to address inequity by developing ways of creating job opportunities and alleviating poverty, especially in rural areas. A variety of strategies have been adopted to promote LED in South Africa. These include the regeneration of towns, attracting Non-Governmental Organisations (NGOs), maintaining small businesses, and community development, through pro-poor policies. The

goals of LED strategies consist of starting up a job-generating economic growth path, encouraging municipal renewal, and promoting rural improvement to bridge the poverty gap. Nel (2010) notes that other significant factors of local development have to be taken into consideration, like private and public partnerships, where all local stakeholders participate in economic activities and decision making.

Several LED projects are implemented in South African metropolitan areas and small towns. Several studies revealed that, while LED has been encouraged in South Africa over the years, it is apparent that it has its own difficulties, as not all LED projects succeed. There are fundamental problems with many projects, like grant-dependence, critical staff and resource shortages, and difficulties in designing fundamental projects that are economically sound (Sinyolo et al., 2014; Jayagoda,2015; Bailey,2014; Baird 2011). Local Economic Development is the only one in all the key tasks of municipalities in the Republic of South Africa that ensures sustainable development in local communities. It forms part and parcel of the Integrated Development Planning process utilised by municipalities, within the Democratic Republic of the Republic of South Africa.

Amongst other responsibilities, the local government is anticipated to stimulate the economic process and ensure local economic development. Key powers are devolved to local governments to guide Local Economic Development (LED) activities, with the Constitution of the Republic of South Africa (Act 108 of 1996) and the Local Municipal Systems Act (No.32 of 2000), affirming the importance of LED initiatives towards sustainable development. Thus, Local Economic Development is a government strategy, which strives to alleviate unemployment and poverty Therefore, this study endeavours to interrogate the implementation of Local Economic Development for poverty alleviation within the Nkomazi Municipality, Mpumalanga.

## **1.2 Background of the study**

Local Economic Development (LED) has been implemented in many countries throughout the world. Its success has, however, varied from nation to nation. LED is often defined in numerous ways. As the World Bank (2014) defines, local economic development (LED) is the procedure by which public, business, and non-governmental sector partners work collectively to create better conditions for economic development and job creation. This is the definition adopted in this Research. In South Africa, there was increased stress on LED shortly after the 1994 general elections. The new government welcomed LED as an instrument that was crafted to redress

social and economic inequalities inherited from the past. In 1998, the legislature gazetted a White Paper on Local Government, commanding local governments to centre on their own social and economic improvement.

Local Economic Development (LED) activities are advanced as a solution for sustainable poverty alleviation and economic strengthening of the community, and for creating a developed nation. Local Economic development has progressed from being assessed only in economic terms, for example, Gross Domestic Product, which even failed to measure circulation of salary and prosperity. Hence development theories have advanced to become theories with an individual's face, where development is no longer purely economic, but aspects like level of literacy, gender-based development, quality of water, and poverty levels are incorporated (UNDP, 2000). LED incorporates the economic measures and social parts of development and goes on further to target development at a micro-level. It strives to tackle such issues as a youthful population with high unemployment, low levels of education, inadequate and poorly sustained infrastructure, and high levels of poverty, crime, inadequate criminal justice capacity, poor transport systems, environmental degradation, and institutional capacity constraints (Department of Provincial and Local Government, 2006).

Nkomazi municipality and other South African cities have been collaborating in LED activities for about 10 years, but very few scholars have surveyed or interrogated the implementation of Local Economic Development for poverty alleviation (Nel and Rogerson, 2009). Meyer-Stammer (2013) proposes that major stakeholders are afraid that such an attempt may paint a distressing picture that in reality LED has little effect in poverty alleviation. Therefore, it is in accordance with the purpose of this study to interrogate how the implementation of LED helps in poverty alleviation.

### **1.3 Rationale for the study**

The purpose of this Research is to intellectually interrogate the implementation of the Local Economic Development (LED) for poverty alleviation by the Nkomazi Municipality, in Mpumalanga Province of South Africa. The study sheds light on Local Economic Development procedures embraced to support the sustainability of livelihoods of people within the rural community, with a concept to deal with the causes, impacts, and effects. This research would assist in providing a critical understanding of both the theoretical and practical dynamics of LED and, therefore, the challenges faced in alleviating poverty. As such, this research also

seeks to contribute to the understanding of the dialogue on the implementation of LED, as a tool for poverty alleviation.

This Research would not only bridge the gap in literature, but it would also contribute to the understanding of LED and poverty alleviation. The study would attempt to answer the final question as to whether or not LED has the potential to deal with poverty, or the state should try other approaches and methods towards poverty alleviation. Also, the context of the study plays a significant role as the outcome of this research would show whether LED is a good instrument for the municipality, above all other approaches, which can be adopted. The study would also contribute to the existing body of information by capturing the present LED activities embraced by the municipality, public and also the private segments in reducing poverty and joblessness. Such information is significant for future LED planning and implementation by the municipality. The findings from this study would enhance the practice and execution of LED implementation in the municipality. The municipality of Nkomazi would be able to use different approaches, when planning or implementing the LED strategy to make sure that it plays a significant role in the municipal community.

Moreover, the research findings yielded from this study would help future researchers and municipalities outside Nkomazi in decision making. The community at large would also benefit more because the municipality would improve LED implementation and make communities to be more developed. The private sector would also be encouraged to assist the municipality for the betterment of the community.

#### **1.4 Problem statement**

South Africa is a country burdened by past injustices, several of which persisted even after the 1994 elections and the coming into power of the ANC. The new government-initiated programmes that were intended to redistribute resources fairly in order to redress the disparity that was evident in the country, before the inception of a democratic South Africa. The Integrated Development Plan highlighted in the Municipal Systems Act (Act 32 of 2000) had dedicated features that encouraged economic progress, poverty alleviation, and employment creation, as well as promoting and sustaining democratic values (White Paper Local Government, 1998). Thus, Local Economic Development was one of the goals which were emphasised within the Integrated Development Plan. The Constitution of South Africa of 1996 (section 152) states that local government aims to encourage the local economic process and

to alleviate poverty in rural communities across South Africa, which was a consequence of the previous power inequalities between Whites and Blacks.

However, the implementation of LED in South Africa is fraught with many problems. The Framework for South Africa's Response to the International Economy, which was embraced by the social partners at the National Economic Development and Labour Council on 19 February 2009, perceives that the economic conditions that South Africa faces in light of the worldwide economic emergency require a robust aggregate reaction (Organisation for Economic Cooperation and Development (2014). Since the Nkomazi municipality is mostly a rural region, it experiences a high rate of joblessness and poverty. Thus, joblessness is at the core of poverty within the municipality, and also the battle against poverty should start with embracing joblessness challenges.

Nkomazi is characterised by high prevalence of destitution and joblessness, and low literacy levels. A high percentage of its population lacks secure residency and live informally in thickly populated towns, which need broad foundation and administration planning (Nkomazi Municipality IDP, 2012). Poverty and joblessness have thus overpowered the family and family structures (Nkomazi Municipality IDP, 2012).

## **1.5 Objectives**

The research focuses on achieving the following objectives:

1.5.1 To assess how Local Economic Development (LED) strategy is being implemented for alleviating poverty in Nkomazi Municipality.

1.5.2 To explore the effectiveness of Local Economic Development (LED) in poverty alleviation.

1.5.3 To make recommendations on how Local Economic Development (LED) could be improved in Nkomazi Municipality.

## **1.6 The main research question of the study**

How is Local Economic Development being implemented for poverty alleviation in Nkomazi Municipality, Mpumalanga?

## **1.7 Research questions**

The following research questions are pertinent to this study:

1.7.1 How is the Local Economic Development strategy being undertaken by Nkomazi Municipality?

1.7.2 How effective is the Local Economic Development strategy on poverty alleviation in the Nkomazi Municipality?

1.7.3 What recommendations can be made to improve Local Economic Development in the Nkomazi Municipality?

## **1.8 Structure of the dissertation**

**Chapter 1:** Introduction and Background to the study. The chapter sketched an entire account of the research, including the background of the study, the research topic, the rationale for the study, the problem statement, the importance of the study, the aim of the study, the research objective, and the research questions.

**Chapter 2:** This chapter provides the theoretical framework of the study and literature review. It offers academic viewpoints and models on Local Economic Development and its impact on the livelihoods of communities in South Africa and other portions of the globe. The Local Economic Development view summarises the well-linked approach to analysing the concepts that pertains the study. The approach is considered relevant and includes the sustainable livelihood approach.

**Chapter 3:** This chapter presents the research design, methodology, and the tools and methods used for data collection. Both primary and secondary sources were used to investigate the research problem.

**Chapter 4:** The fourth chapter presents the research findings.

## **1.9 Summary**

The recognition of LED to eradicate poverty through job creation asserts the importance of LED. The execution of LED, however, happens on local scale. Thus this study is titled: Interrogating the implementation of Local Economic Development for poverty alleviation in Nkomazi Municipality, Mpumalanga. The critique of literature steered the direction of the study, because it is the foundation upon which the research questions, research objectives, and research methodology are based. Chapter Two contains the critique of literature, relevant to this research.

## **CHAPTER 2: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter presents a pool of theoretical research that has already been conducted on Local Economic Development (LED) and its implementation for poverty alleviation in communities. The findings and opinions are then contextualised to the South African environment through the process of analogy. Thus, the chapter sought to reveal how the implementation of LED for poverty alleviation within the Nkomazi Municipality, is grounded on the research evidence from across the world on Local Economic Development and its implications for poverty alleviation.

### **2.2 Background and meaning of Local Economic Development (LED)**

Local Economic Development is a wide concept which can be supported by both national and international experiences. LED actions suggest an integrated approach to development instead of a one size fits all answer (Rogerson, 2011). LED initiatives are applied to economic and social development plans that need local solutions (Nel, 2010). LED has unique local techniques which enables it to push the economic process, through available local resources. Hence, there is strong confidence if local leaders, resources, and institutions attempt to solve local economic crises and challenges (Rogerson, 2011). Thus, LED specialises in local actors and institutions to take advantage of available local resources in order to eliminate poverty, create jobs, and strengthen business activities (Canzanelli, 2011).

The World Bank (2014) portrays Local Economic Development (LED) as a technique by which public, business and non-governmental organisation partners work altogether to create better conditions for economic development and employment; thus building the economy of a local area for future generations and also for the personal satisfaction of all. Nel (2010) recognises that LED has no universal significance. According to Rogerson (2009), LED refers to the sub-national activity, often sub-state, occurring inside the setting of the local work market. Expanding on this definition, Nel argues that LED could be a connected economic advancement plan, which tries to deal with community needs, through locally available resources (Nel, 2010). The basic aspect of LED is to form better conditions for economic advancement and development in order to create jobs and enhance the non-public satisfaction for everyone (Nel, 2010).

Rogerson (2010) depicts LED as the technique in which local governments, or locally based associations, animate business movement and create employment. The real significance of LED is that it creates employment in parts that enhance the community, by utilising existing human, natural, and institutional assets. Malefane and Mashakoe (2010) conclude that LED is a strategy in which local governments and community-based organisations deal and work with their current assets and move into organisation game plans with the private sector, or with each other, to form new employment and economic activities within the community. Therefore, LED tries to assist economic development through community-strengthening opportunities; for instance, skills development for long-term sustainability and poverty eradication. This is often done through collaborations and associations between the government, the private sector, NGOs, and other partners (Musakwa, 2009).

### **2.3 LED: The international context**

The World Bank (2014) recommends that poverty alleviation activities in LED should be coordinated to offer poor communities the required important services, such as water, power, training, human services, streets, and sewerage. The active cooperation of the recipient communities on LED activities should be perceived to deliver economic development. The World Bank (2013) perceives that LED is a technique by which the government, municipality, and the non-governmental sector partners cooperate to make better conditions for economic development and work generation. Nel (2010) is of the view that LED is a practice through which local government and community associations energise business action to create employment.

As the World Bank (2014) explains, Local Economic Development should encompass activities by local people, working in cooperation to accomplish supportable economic development, that develop and improve their lives, so that economic advantages accrue to all in the local area, in the journey to diminish poverty and joblessness. Rogerson (2011) reveals that LED has been sought after from an international level, through the formation of co-agents, which steadily developed from five unmistakable customs that include buyer co-agents, labourer co-agents, the credit cooperatives, rural co-agents, and service co-agents. Local communities progress towards becoming active members in their very own development, instead of being mere pawns in vague developmental plans. Community-driven activities are perceived as viable ways in which locals could express their longing to preserve local traditions and customs and obtain a living at the same time (Pretorius and Blaauw, 2014).

The traditional perception of LED as an approach for having formative activities adjusted to local improvements has allowed local, national, regional and even worldwide procedures in the shaping of local economies to be implemented at governmental level (Pretorius and Blaauw, 2014). The European Union maintains that LED must anchor its segments in national and local governments, to bolster local development (DPLG, 2006). During the 1990s Local Economic Development took a universal move when it established plans to advance LED driven techniques. Small-scale and community-based initiatives that were utilising local skills and investment in community to ensure sustainability were favoured and prescribed LED exercises, which were described as proactive activities by the general population to make economic chances and enhance social conditions in their community (Nel, 2010).

Malefane (2009) recognised a couple of LED exercises to address social and economic challenges at the local level as focusing on local resources generation, redistribution of assets, promotion of local investment and development, interest in human capital, arrangement of specialised help and preparing for independent employment and business start-up, and bolstering big business creation. Most western nations saw LED as a critical device to manage poverty. The Extended Public Works Programme (EPWP) is nevertheless one of the plans received by the South African Government to enhance family nourishment security and way of life, and unified to proceed with employment and openings for jobs (Phago, 2011).

Research by the United Nations Development Programme (UNDP) in 2003 uncovered an expansion in poverty levels, since the destruction of politically sanctioned racial segregation in 1994. As the World Bank system on LED (2003) observes, it is basic that LED in Masibekela report economic needs of communities in attempts to diminish poverty and joblessness levels. In some occasions, the municipality sustains a centre method for building an all-inclusive aggressive area from which all communities can help.

### **2.3.1 LED: The South African perspective**

Since the early stages of transformation in South Africa, a battle of ideas has raged over the soul and meaning of LED (Rogerson, 2010; Motswiane, 2009; South African Local Government Association [SALGA], 2010). Nel and Humphrys (2010) contend that LED is presently receiving much consideration in South Africa; in any case, the idea is still new. After 1994, South Africa had to deal with economic and development issues with serious imbalances in income, resources, and social services. Pretorius and Blaauw (2014) endorse that a large portion of the South African family units are unskilled, poor, live in poverty and unhygienic

conditions, and there are high joblessness levels. The rich are getting richer to the detriment of the poor, who are caught in miserable situations. However, there has been constrained research directed on LED in residential communities in South Africa (Human et al., 2011).

Local Economic Development was built up to fiscally bolster nearby financial support of local authorities on a project basis, as part of poverty alleviation strategy of the government targeting short term jobs on development and long-term employment, through the arrangement of business openings, business foundation advancements, and stimulation of industries (Simon, 2014). LED is about local people taking control and responsibility for job-growth and the economic well-being of their community, which would result in poverty reduction (National Planning Commission, 2012). Throughout the world, LED brings about positive results when it comes to poverty reduction and other development issues, such as employment generation, economic well-being, income generation, food security, and an increase in the standard of living of local people (Marais, 2010). Malefane (2009) demonstrates that even though LED is seen as a municipality intercession, it is not in effect effectively connected in most South African municipalities.

The skewed apartheid policies of racial segregation deliberately distanced the majority from the focal points for economic development. The UNDP Human Development Report (2003) noticed that various elements compounded the South African social condition of poverty and high inequality levels, because of the exceptionally one-sided distribution of wealth, imbalance in earnings, low salaries for the majority of people, corruption, and HIV/AIDS. As Rogerson (2009) explains, to address the shameful acts of past development endeavours, the South African government executed a people-centred approach to development. Simon (2014) observes that the strategy enhances the public's skills and capacity by empowering them through participation. Pretorius and Blaauw (2014) observe that poverty is estimated at the family unit as opposed to the individual level.

As Nel and Rogerson (2009) note, the capacity to reduce poverty and achieve economic development is subject to assets allotted to LED. Presently there the allocation is fraught with incongruence between different municipalities, as few resources were assigned to LED to realise economic change on a significant scale. According to Onohaebi (2010), implausible desires by the general population stalled a progression of economic emergencies, leading to a failure by the municipality to support services. Phago (2011) observes that LED in South Africa has not been productive or adequately utilitarian. Meyer-Stamer (2013) condemns LED in

South Africa since it is not clear regarding whether it is the municipality that should be the driver of the LED procedure, or facilitator or dynamic spectator of a procedure which is driven by the local business sector.

Nel and Rogerson (2009) express that even though some measures have been implemented in the quest for LED for about 12 years, not very many could convey a reasonable number of their victories and effect to date. Nel (2010) observe that LED in South Africa has taken another measurement of being expert in poverty. The concluding case is the ongoing statement of the African National Congress' centre, as a major aspect of its decision order, on rustic advancement. Consequently, LED is utilised as an arranged instrument to prepare assets, construct limits and abilities, guided by government arrangements, for example:

- The Constitution of the Republic of South Africa, Act 108 of 1996, Chapter 7, mandates the government to seek and advance social and financial improvement.

- The Reconstruction and Development Program (RDP) alludes to LED in the help of community-based improvement and region-based activities (African National Congress [ANC], 1994).

- The Local Government White Paper (RSA, 1998) presented the idea of formative local government and gave local government the responsibility to work with communities and organizations inside the local sphere to discover and use feasible approaches to meet their social, economic, and material needs.

### **2.3.2 Implementation of LED process in South Africa**

South Africa is perhaps the forerunner in the implementation of LED initiatives, particularly in Sub-Saharan Africa (Rogerson, 2014). LED activities were particularly prominent in South Africa, since the inauguration of a democratic regime in 1994. These activities graduated from secluded local development interventions, primarily in large cities like Johannesburg, Cape Town, and Durban, to an obligatory mandate for all municipalities (Rogerson, 2014). Furthermore, the implementation of LED in South Africa is grounded on pieces of legislation, as key policy documents. As the Department of Provincial and Local Government (2006) states, it is important that LED processes work towards social and economic equality, so that strategies are identified within the national LED framework. Hence, this framework ought to be implemented in four stages as follows:

*Strategy 1:* This strategy requires the LED unit to specialise in a spread of existing DPLG initiatives around the priority of improving local economies. The municipal finance section would be monitoring and reporting on these actions with the view of building public and investor confidence. The DPLG would also be working closely with the National Treasury.

*Strategy 2:* This strategy is driven through the IDP/Provincial Growth and Development Strategies (PGDS)/National Spatial Development Perspective (NSDP) alignment task team that is led by the Presidency, of which the DPLG and Department of Trade and Industry (DTI) are part. The team should oversee the event of a strategic district and metropolitan IDPs working along with the relevant provinces and municipalities.

*Strategy 3:* Strategy 3 is an element of the responsibilities of the DTI encompassing several sector-based enterprise support initiatives, like the Department of Agriculture's emerging farmer support programme, that ought to be localised more effectively through this framework.

*Strategy 4:* This strategy requires the introduction of a sustainable developmental community investment programme. The LED unit should mobilise resources for an appropriate institutional structure to develop concepts and proposals to pilot and replicate sustainable developmental community investment programming. For LED projects to achieve success, the above strategies must be taken into consideration. However, the above strategies have to be linked to local realities and thus local communities have to take a number one role during the process. National and Provincial government should play a supporting role instead of taking the lead within the affairs of local communities (National Framework of Local Economic Development, 2006).

#### **2.4.1 Key role players in Local Economic Development**

Vosloo (2013) states that LED must contain every single government division at all levels, all areas, and the general communities. The skilled role of every partner ought to be taken advantage of in the planning, execution, observing, and assessment of LED enthusiasts. Nel (2010) confirms and reveals that assessing the impact of LED activities in the community would help districts determine which LED work is mandatory and which strategies work best and under what conditions. This brings the priority of the LED project to the most exceptionally favourable position for the groups and the commitment to fulfil the purpose of the municipality. Liou (2008) agrees that estimating the effect of LED functions can help save time by making efficient use of extraordinary assets.

The private sector includes the single assembling or management sector business, non-public organisation, the Board of Trade, local informal investors, informal and various additional formal groups. The community includes people, efficient connections, places of worship, and network-based organisations and non-legislative organisations (Organisation for Economic Cooperation and Development (OECD), 2014). Partners are anticipated to offer contracts as promoted by the municipality, when creating LED tenders and acquisition of entertainment projects. The municipality IDP should be used as a central plan to preserve the long-term vision and mission of the district with the local community being urged to participate in the arrangement, usage, and audit of the IDP (Marais, 2010).

The plan is relied upon to be adjusted to the common and national sectoral designs, as administered and planned (DPLG, 2000). According to Pieterse (2010), local government is relied upon to render an assortment of administrations, which would have an impact on the lives of individuals dwelling inside its territory. Through very much planned LED procedures, the municipality should move in the direction of accomplishing their set key purposes, dreams, and missions to support the biggest number of individuals through the provisioning of services, and by including individuals from the network in prioritisation of LED projects (Pieterse, 2010). The local government's role and obligations ought to contain the organising and overseeing of planning undertakings, spending forms, planning, executing, and checking the conveyance of essential administrations to address community issues (Musakwa, 2009).

#### **2.4.2 Role of government in LED**

For the wonderful execution of the LED strategy, there is need for a driver. There are a few contentions displayed in the scholastic writing concerning who ought to be responsible for encouraging LED. There are several partners engaged with the utilisation of LED. Malefane and Mashakoe (2010) are of the view that LED is the association or collaboration of government, both local and national, and private sectors. Although there is an appreciation that the government has a position in LED, it is not clear as to what that position ought to be. Rogerson (2010) discloses that before 1994, LED designs have been carried out in chosen large municipal sites. The new government after 1994 had to manage LED planning in order to attain communities and areas that had been prevented and no longer planned for earlier than 1994.

The task of getting prepared for LED fell on local governments. Rogerson (2011) affirms that LED arrangement is assigned to local government and, with the new government, the LED approach has changed. LED need to have been attempted by local governments and the DPLG

supplied the LED finance in 1999. Rogerson (2010) expresses that the presentation of the LED finance brought about disarray among numerous municipality authorities, as they have been new concerning what LED used to be and what is secured. Rogerson (2011) maintains that the countrywide authorities ought to make techniques that assist in the execution of LED at the local authorities' stage and furnishing local governments with the learning and tool to force LED.

Rogerson (2010) also emphasises the need for setting up valid LED rules for local government, since they generally tend to be making use of brief national policies, which may not be applicable or lined up with the necessities of that local area. Rules are integral for LED to prevail, and they have to be laid out in accordance with the wishes of the local region and the identified necessities of the communities. Hence, applicable stakeholders ought to be engaged and participate (Meyer-Stamer, 2013). The function of the country's large authorities is on decision-making: to create techniques that think about what LED is and what that implies; and to decide how LED may be actualised and maintained. However, the implementation process does not necessarily need to be a replica of large authorities' decision-making, but just an alternative that mirrors a concord between national and traditional elements, and interesting variables subordinated upon the communities' wishes and accessible belongings (Meyer-Stamer, 2013).

As Rogerson (2011) argues, countrywide authorities' mediation to help with executing LED used to be lacking until 2006. The position of local authorities has now not been settled and there are still discussions encompassing the issue, the role of government, non-governmental organisation and all seem to have conflicting suppositions (Meyer-Stamer, 2013). For local government to play its function in growing enabling surroundings for local economic improvement to take place and thereby developing employment, it wants to supply exact quality in price range services (Wekwete, 2014). To protect increased local governance overall performance involving LED, there is need for cooperation and partnerships among the three serious stakeholders, specifically the government, the non-public sector, and the local neighbourhood (Meyer, 2014).

The countrywide authorities coordinate and aligns support to municipalities for LED via the IDP process, offers the usual legislative and regulatory framework, upholds strong intergovernmental relationships and institutions, promises the essential resources, and monitors the results and influence of LED activities nationally. This is completed through the stipulated

intergovernmental fiscal model (Wekwete, 2014). The key function of the national authorities in South Africa is the method of policy, and to set up establishments and funding for public zone development (Malefane and Mashakoe, 2010). LED normally occurs within the framework of national area ministries and different groups that support a variety of local applications and projects impacting local development, relying on the zone orientation (Nel et al., 2010). However, all the area policies, planning, and budgeting tend to be top-down and supply-driven, on occasion paying confined attention to engagement of local governments. At municipality levels, the centre of attention is on making sure that economic and social improvement is prioritised, establishing a LED forum, and ensuring positive public participation (Wekwete, 2014).

### **2.4.3 The Role of Municipalities in LED**

The Local Government Transition (Alteration Act) Act [LGTA] of 1996 required municipalities to undertake economic and social improvement. Metropolitan areas have been engaged to energise economic improvement. The LGTA necessitates that local professionals decide on the element and actualise an Integrated Development Plan. The IDP is a well-known structure beneath which all planning for the most important social, economic, and natural segments of the economic system falls (RSA, 1996). The Constitution of the Republic of South Africa (Act No 108 of 1996) makes local government a unique tier of authorities in charge of authority's conveyance and executes an arrangement of duties on national and common circles of government to assist and toughen the limit of communities. Section 152 and 153 of the Constitution (Act 18 of 1996) affords one of the desires of local government as a structure that deals with the organisation, planning, and arranging strategies that tackle the essential wants of the communities and inspire the social and financial enhancement of the community.

Various essential desires and privileges of the communities are guaranteed and enshrined in the Constitution (RSA, 1996). The set-up requirements for local governments are controlled in the Municipal Systems Act of 2000. The Local Government Municipal Systems Act (32/2000) outlines the frameworks inside which municipalities ought to function and allow districts to work so that they go dynamically towards the social and monetary upliftment of local communities and confirm the right of entry to fundamental services to all. In Section 26 of the Act (32/2000), it is stipulated that every local municipality needs to have an integrated improvement plan (RSA, 2000). LED is one of the measures in the IDP and accordingly, local municipalities are legitimately obliged to sketch and pursue LED activities. A key issue of the

Act depends on Integrated Development Planning, of which LED is viewed as an imperative component.

The Integrated Development Plan (IDP) is conceptualised as an instrument to commit municipality to engage in local development. LED is an imperative piece of the formative undertaking of local government, and it is related to the standard strategy of arranging an open challenge (DPLG, 2000). The Municipality should be the local planning experts for the execution of local monetary development activities, in close affiliation with the non-public sector for the community's benefits. For LED to be fruitful, the strategy has to include the interests of local political, community, and enterprise stakeholders in the monetary and social improvement of their territory or nearby area. It should be primarily based on a shared vision for the short, medium, and long-term, and discover and underscore local similar focal factors (Rogerson, 2010).

#### **2.4.4 Involvement of the private sector in LED**

Local government-driven LED has had only constrained involvement with non-state actors (Sibisi, 2011). Throughout South Africa, the non-public sector has either been left out or has chosen no longer to be involved as a result of the mutual suspicion between public and personal sectors that make communication between the two corporations extraordinarily hard (Rogerson, 2010). Mistrust is premised on divergent ideological beliefs and correspondingly exclusive priorities (Hadingham, 2011). Essentially, the public sector believes enterprise is anti-poor and the commercial enterprise believes that government is welfare and anti-profit in its outlook; and thus, the two organisations speak different languages (Rogerson, 2010). Private sector apathy toward local government-led LED has been similarly improved through its ride of local authorities' bureaucracy, red tape, and unproductive retail outlets (Hadingham, 2011).

The inherent tensions between the public and private sectors are compounded through the need to transcend the apartheid legacy of a generally white-owned and controlled personal sector, and a predominantly black public sector (Sibisi, 2011). The core trouble is a want to construct the essential gentle factors of cooperation, belief and social capital that are considered necessary for positive cooperation between the country and non-state actors (Ruecker, and Trach, 2013). One important problem for larger partnership between neighbourhood government and the private sector's worries is red tape or local regulatory reform. Hindson et al. (2009) assert that addressing red tape is an important building block of a local economic improvement initiative. Opportunities to facilitate investment are frequently missed due to the

fact of the low priority accorded to improving local enterprise environments and slicing red tape (DPLG, 2008).

Local governments have a tendency to listen excessively on aligning local planning techniques with provincial and countrywide guidelines, ensuing in a tendency to neglect the practicable quick wins that would possibly be executed through reforming the demand aspect of the local enterprise surroundings (Simo, 2014). Identifying local regulations that can and want to be reformed entails enforcing the LED notion of partnership between local government and local groups (Simo, 2014; DPLG, 2008). Local authorities want to engage, genuinely and systematically, with its non-public sector to work out exactly what the hurdles to local commercial enterprise improvement are, which of them can be ameliorated at a local level and then to work out a reform programme (Wekwete, 2014).

## **2.5 South African Policy Legislation Context for LED**

LED in South Africa is backed up through significant legislative and policy frameworks. According to Nel (2010), the South African regulation and coverage offers a clear sanction for local authorities to engage in LED. There is a series of legislative provisions through the South African Government with institutional mandates put in area to design and enforce LEDs.

### **2.5.1 The Constitution of the Republic of South Africa**

The Constitution of the Republic of South Africa is the supreme regulation of the country, prescribing and placing wonderful accountability on municipalities to facilitate LED. Furthermore, the Constitution based on the Bill of Rights states that the authorities are anticipated to implement initiatives to alleviate poverty, unemployment, and rural development. The Constitution calls for the institution of a pro-poor developmental government and entrusts the local authorities with the duties of monetary improvement (Rogerson, 2011). The Constitution of the Republic of South Africa of 1996 (Act 108, Section 152) offers for local authorities to promote social and economic development. Municipalities are obliged to provide services to communities in a sustainable manner, promote social and economic development, and inspire the involvement of communities and neighbourhood groups in matters of local government. Section 154 stipulates that national and provincial governments ought to guide and strengthen the ability of local authorities through legislative and different measures to control their affairs and to promote social development and democracy on the nearby degree (Rogerson, 2011).

The Constitution of Republic of South Africa (1996), chapter two of the Constitution calls for the establishment of the “socio-economic rights” of every citizen, which include the right to a proper surrounding that is no longer dangerous to one’s health; the right of entry to adequate housing; and the right to proper social protection for humans who are unable to help themselves and their dependents, and suitable social assistance; the right to a proper basic earnings and the right of entry to a minimal degree of economic resources; a right to non-discrimination in the distribution of income, productive output, and financial resources; the right to non-exploitation in all work, in the labour market, in the family and the casual economic system and the right to a simple share of the capacity of manufacturing in the economy. The Constitution also prescribes for the advertising of an intergovernmental relationship between all spheres of authorities on troubles associated with the improvement of the economy.

### **2.5.2 The White Paper on Local Government (1998)**

The White Paper on Local Government introduces the notion of improvement in local government. This notion is described as a local authority whose dedication is to work with local human beings to find sustainable approaches to meet their social, economic, and political needs, and enhance their lives (Meyer-Stamer, 2013). Furthermore, the White Paper on Local Government (1998) helps this mandate by way of emphasising that the local authorities ought to exercise its powers and features, in ways that promote the social improvement of communities by assembly, in addressing their fundamental desires and fostering the sustainable development of local communities.

### **2.5.3 Stakeholder driven Local Economic Development framework of 2006**

Interventions such as the stakeholder-driven Local Economic Development framework of 2006 also confirmed the seriousness of each authority among different stakeholders. This framework aimed at merchandising strong and inclusive local economies, taking gain of local possibilities and potential, as properly as a comparative and competitive benefit for the improvement of communities. Vibrant economies had to result in the broadening of the tax base, growing employment opportunities, and “contribute to countrywide improvement targets (Nel, 2010). This is consistent with the Constitution of South Africa (Act 108 of 1996), which enjoins local municipalities to design and put in force social and financial development. It is this directive that has pushed the authorities to further improve coverage, recommendations, and implementation frameworks to encourage municipal management to contain these responsibilities into their local authorities’ responsibilities (Nel, 2010).

#### **2.5.4 The Municipal Systems Act (2000)**

The Municipal Systems Act (2000) is the most sizeable legislation. It is accountable for making Integrated Development Planning with the aid of local authority's input. It has additionally legislated countless essential LED obligations, duties, and responsibilities. The Act seeks to assist municipalities in order to ensure the social and financial upliftment of local communities, by offering necessary principles, processes, and mechanisms (SALGA, 2010). This Act is of great importance for LED and poverty alleviation, due to the fact it guides how municipalities can raise out LED methods and plans successfully (SALGA, 2010). This acts as an institutional catalyst to propel LED to properly tackle poverty. The Act makes provision for LED initiatives to be mirrored in the municipal Integrated Development Plans. The regulatory framework for LED has several elements, ranging from land and zoning, public-private partnerships, business employer support, and monetary linkages. The legislative and coverage framework on Local Economic Development in South Africa is situated on legislation, policies, and frameworks dealing with socio-economic improvement and poverty alleviation. The framework makes provision for the authorities to foster the increase of local economies and tackle neighbourhood needs, formulate strategies, and put in force those techniques to create jobs and neighbourhood improvement (SALGA, 2010).

#### **2.5.5 The National Framework for Local Economic Development in South Africa (2006-2011)**

The framework states that the evolution of LED policy in post-1994 South Africa is intently related to its transition to the developmental local government. The framework is aimed at merchandising a strategic strategy for the improvement of local economies and a shift away from slim municipal pastimes targeted solely on the government's inputs into ad-hoc projects. However, DPLG states that LED is now not protected in the agenda of municipal functions, and that would possibly be interpreted as an unfunded mandate for municipalities (DPLG, 2006). According to Nel (2010), community-based groups are established through Non-Governmental Organisations, as key coordinators of LED initiatives, supplying the necessary knowledge and networking for donor help on the localised LED.

#### **2.5.6 The National Development Plan (NDP)**

It is important to observe that the National Development Plan is one of the socioeconomic coverage pillars in South Africa. The National Development Plan is an approach that addresses socio-economic troubles (Jayagoda, 2015). The complete notion is the brainchild of the

countrywide authorities, enshrined in the African National Congress Party in 2012/2013 (Jayagoda, 2015). The countrywide authorities unmasked that South Africa had excessive levels of corruption, low-quality education, negative infrastructure, underutilisation of resources, terrible public health, and negative public service, all of which resulted in a divided South Africa (National Planning Commission, 2012). In addressing all these socioeconomic problems, the authorities added forth a long-term sketch that has to be carried out through 2030.

In pursuit of these challenges, the National Development Plan centered its goals on accomplishing a decent lifestyle via employment, a smooth environment, quality education, best fitness care, protected and dependable transport, higher infrastructure, and social safety (State of the Nation Address, 2013; Jayagoda, 2015). The authorities decided that this can be accomplished through improved economic growth, employment, removal of poverty, constructing capabilities, true leadership, and social participation. South Africa stands to be one of the international locations confronted with poverty and high unemployment rate (Organisation for Economic Cooperation and Development, 2014; Stats SA, 2016).

To solve the problem of unemployment, the authorities have to tackle monetary growth. Consequently, the National Development Commission (2011) prescribes that South Africa's financial growth should progress at 5.4 percentage each year for greater jobs to be created. A growth of 5.4 percent would create more than 11 million jobs in South Africa (National Development Commission, 2011). The National Development Plan shares the sentiment that 11 million jobs would make sure full employment and higher requirements of dwellings for all South Africans. The National Development Plan aims at decreasing the unemployment fee to 6 percent by way of 2030 (National Development Commission, 2011). Economic analysts subscribe to the notion that a decreased unemployment charge requires suitable fiscal and economic policies (European Central Bank, 2005). The policies need no longer only to be made; instead, they must also be implemented, controlled, and monitored. Other analysts maintain a dissenting view, mentioning that the majority of South Africans must achieve a high academic degree for employment increase to appear (Aceleana, 2012).

An excessive degree of schooling ought to provide most residents with the essential capabilities that increase human capital and promote exports (Republic of South Africa, 1996). The National Development Plan also focuses commonly on a special degree of poverty, which is outlined in the subsequent section; due to the fact poverty has a lot of dimensions.

## **2.6 The meaning of poverty**

Globally, poverty poses a big social problem and scholarly articles on poverty have come up with a variety of definitions. As Tomlinson and Walker (2009) peculiarly express, poverty is the oldest and the most resistant virus that brings about a devastating sickness in the third world or developing nations. Poverty can result in people giving up their self-respect or being unable to fulfil their minimal social obligations. Another essential consideration is that of subjective experiences. People are regarded as negative if they are ridden by varieties of deprivation that lead to suffering. Poverty is the single biggest burden of humans dwelling in Africa, afflicting tens of millions who are confronted with unemployment (May 2016). Asmah-Andoh (2009) argues that poverty is human trouble that requires all stakeholders to come collectively to formulate an approach for enhancing the lives of the people. LED is stated to be taking part in an essential position in addressing poverty in the local authorities (Asmah-Andoh,2009).

Poverty kills people and its rate of killing cannot be in contrast to any ailment from the genesis of mankind. It is worse than malaria and HIV/AIDS, which are claimed to be the perfect killer illnesses, and even worse than EBOLA (Tomlinson and Walker, 2009). In essence, poverty can be defined as the incapability to achieve minimum requirements of living decided through elements such as low income, human under-development, and social exclusion, lack of ability and functioning, vulnerability, and lack of primary wishes (Rural Development Strategy, 2015). The World Bank (2012) defines poverty as a lack of command over commodities in common deemed to represent a general standard of living in a society or lack of capacity to function in society. This definition additionally emphasises command over assets as nicely as the lack of participation or voice in governance and civil matters.

According to May (2016), poverty can be described as the incapability to fulfil a minimum widespread desire of living, measured in phrases of primary consumption desires or the profits required to fulfil them. This definition runs in tandem with the dimension of poverty, employing the Minimum Living Level (MLL) as the general poverty datum line in South Africa. Poverty can mean unique matters to extraordinary people. According to Kuhl (2011), poverty is the propensity to suffer a widespread welfare shock, bringing the household under a socially described minimum level. Poverty is a concept that captures a range of meanings.

One vital strand in the debates on poverty is the thought of a lack of material, specifically the assets essential for survival. Poverty research and definitions have mainly resorted to figuring out what items a human being would require stopping him/her from starvation. Asmah-Andoh

(2009) concurs with different authors in defining poverty as the incapability to achieve minimum requirements of living as befits a decent member of society. Individual dignity is additionally an essential thing in defining poverty. The Studies in Poverty and Inequality Institute (2009) argues that poverty is a human problem that requires all stakeholders to come collectively to formulate a method for enhancing the lives of the people. LED is said to be taking part in a vital function in addressing poverty in the nearby authorities (Asmah-Andoh , 2009). This study has adopted this definition to exhibit the interaction of stakeholders in poverty reduction initiatives.

## **2.7 LED: A Poverty alleviation tool**

The eradication of poverty lays a high foundation for sustainable development and a profitable LED (Rogerson, 2011). Both nationally and internationally, LED has been considered a necessary tool to deal with poverty alleviation. According to the World Bank (2014), the success of LED requires economic, environmental, and social renewal; and it is for this cause that LED plans need to interlink with poverty alleviation techniques and should be concerned with deprived and excluded groups in large measure. However, in spite of this consciousness in utilising many of the functions of LED in poverty alleviation, the theme of poverty alleviation and LED is not at all sturdy in LED literature (Rogerson, 2011). As Nel (2010) argues, governments are strategically positioned to deal with poverty alleviation, and one of their core features ought to be the control those local tasks, with the goal to tackle inequalities between residents.

The provision of infrastructural services, for instance, is viewed as pivotal to advertising LED and is an essential step in poverty alleviation, given that entry to municipal services expands the asset base of impoverished communities (World Bank, 2014). As Rogerson (2011) argues, the function of simple services in poverty reduction need to be emphasised in terms of productiveness and public fitness, due to the fact that the provision of fundamental infrastructure can considerably relieve the fitness burden of the poor and thereby enhance their productivity. The biggest asset that undeveloped communities frequently have to provide is their labour capacity. This asset needs to be harnessed through the initiative of local authorities that would grant preferences for poverty alleviation (Rogerson, 2011). Local governments must discard the view that undeveloped communities are liabilities and a burden to economic development in their areas. Instead, they should view these impoverished communities as

untapped assets and property that can be mobilised for production, job creation, and new economic possibilities (Nel, 2010).

For local governments to deal efficiently with the anxiety between the new pro-poor and the market-led strategies to LED, they want to pass away from traditional methods of dealing with the poor in their areas, which commonly amount to feeding and housing (Meyer-Stamer, 2014). Instead, local governments need to be modern and discover alternative methods to grant the poor with services, without shirking their accountability to their constituency. Service provision, for example, has to be considered as any other way of empowering communities, involving attracting and utilising them in methods that alter their lives (Nel, 2010). Community-based provider delivery is one way in which communities can be empowered. Local authorities and communities want to become aware of services that can be delivered through community initiatives to promote a dispersed and energetic network of service companies serving local communities (Rogerson, 2011).

Community-based provider delivery has some key components, particularly that the employees who are chosen through the community are in some way in charge of the neighbourhood and that the service is typically in some structure of paraprofessional carrier (Meyer-Stamer, 2013). Some examples of community-based services include paralegals, parapets, neighbourhood fitness workers, neighbourhood extension workers, home-based care workers, and ordinary beginning attendants (Meyer-Stamer, 2013). These community initiatives, with the help of the local municipality, ought to make certain that groups such as girls and the youths are empowered, considering that they are often the ones most in want of employment and earnings (Nel, 2010).

LED can consequently be a community-empowering technique, within which the advantages for the community are far-reaching. It promotes the inclusion of marginalised agencies in strategies to create their prosperity, which has a larger positive effect on improvement in the area. Community-based service shipping is one way of strengthening the links between local communities and the neighbourhood municipality (Rogerson, 2011). It additionally offers the poorer communities a probability to have a say in useful resource allocation that would enhance their high-quality of life and thereby lead to sustainable development (Meyer-Stamer, 2013). It leads to the lesser dependency of communities on neighbourhood authorities and increased community motion in improvement strategies which affect LED, such that LED can therefore be seen as the best measure to address poverty (Nel, 2010).

The global experience suggests that most community economic improvement efforts arose out of anti-poverty efforts within communities. It is vital to note that LED happens at distinctive scales. LED can take place at a ward level, local level, or at a metropolis level. LED planning at the ward or neighbourhood level commonly has a robust poverty alleviation centre of attention, when one considers that the emphasis at this level is normally on the introduction of work for the poor in that particular location (Nel, 2010).

However, the type of LED sketch that emerges at each of these distinctive levels must desire to hyperlink with those at different levels. For example, community-level initiatives need to link with city-level initiatives (Rogerson, 2011). An appropriate local economic improvement layout is no longer practical, and the local community should be located in the context of the broader economic environment, which takes into account prevailing socio-political stipulations (Meyer-Stamer, 2013). These issues would make sure that fabulous action is taken in terms of the LED of the area. The goals of LED can solely be accomplished if there is a co-operation between a large range of stakeholders. Partnerships are therefore essential to attaining profitable LED.

### **2.8.1 Challenges in the implementation of LED**

As Malefane (2009) clarifies, neighbourhood municipalities in South Africa continue to work without having their energy and advancement with regards to LED execution assessed, despite the stipulations of the Local Government Municipal Systems Act (32 of 2000). These stipulations consist of the dedication of the authoritative structure, as an organised element in recognising features and shortcomings, which might also have an impact on the accomplishment of hierarchical targets, proficiency, and viability. The absence of inward checking and evaluation units is no longer beneficial to the municipality, as it compounds issues recognised with LED utilisation because of unrecorded, undocumented, and unsubstantiated results. Malefane (2009) asserts that LED ought to be viewed as a cross-slicing mediation planning that proffers solutions to social, financial, physical, and several distinctive desires in a municipality area. Most of the South African municipalities involved in the execution of Local Economic Development programmes, came upon some difficulties with regards to time spent in adjusting the LED strategy to accommodate the contributions of the community in the planning method (Philip, 2009).

The difficulties of LED are no longer simply restrained to the sustainability and arranging process, but LED is now expensive and complicated with an assortment of factors that affects

its prosperity (Marais, 2010). Rogerson (2011) posits that the absence of local government assistance and financing, has led to the rationalisation at the back of both little regions and provincial areas in their need for fruitful LED activities. The disappointment can be ascribed to different motives rather than the absence of authorities' help and financing (Nel, 2010). The authorities might also keep and bolster LED workout routines, but besides the fantastic possible aptitudes required, the LED things to do may flop. As Rogerson (2010) demonstrates, LED is no longer regarded sufficiently necessary in SA within local government. Hence LED authorities only come briefly on primary aptitudes and records to force LED, specifically in rural areas.

The execution of LED, specifically in the rural region where it is severely required, presents greater difficulties (Malefane, 2009). As Onyebueke (2011) opines, the local community that enhance economic development are guided by municipality developments. Marais (2010) suggests that LED techniques that are managed through donors and governments, as adverse to the market, need sustainability and would in all likelihood fall flat. The importance and estimation of LED can in no way be sufficiently definite. Rogerson (2010) observes that LED activities are set aside in the heap of low need, as they are no longer related to convey any political weight and can be solely on occasion be used to amplify political help. Hence, the inability to reflect on consideration on the earnestness of the LED is the most noteworthy test that undermines the execution and success of LED activities (Rogerson, 2010).

### **2.8.2 Challenges Facing LED in South Africa**

From this literature, it is challenging to come up with a typology of LED in SA, with some being pro-growth and different pro-poor (SACN, 2006). There is additionally a lack of readability on whether or not economic increase would or would no longer tackle poverty (Nel et al., 2010). There is a lack of clear conceptualisation on an LED. Furthermore, there is a lack of integration and synergy between authorities' departments and within municipal departments (Phago, 2011). The LED policies are scattered in several policies, such as the Urban Renewal Policy and RDP. A coherent set of recommendations and a framework for LED has but to emerge (Rogerson, 2009). There have been few successes and a general lack of monitoring and assessment systems. Implementing organisations find it tough to stabilise between economic increase and a pro-poor (Rogerson, 2009). The lack of assets and inadequate certified personnel nevertheless hampers LED, especially in poorly resourced municipalities (Phago, 2011).

Moreover, there is a huge metropolis bias in terms of assisting LED policies (SACN, 2006). A hassle that is common in both large and smaller centres is insufficient participation (SACN, 2006). The degree of participation also wishes to be addressed if an LED is to gain its goal. Often it is the elite, the trained, and the least needy who take action in the planning, and thus the desires of the needy are left out (Pieterse, 2010). They stay poor, vulnerable, isolated, and regularly lack the will to take part in initiatives owing to low vanity (Pieterse, 2010). Unless the negative come to be subjects in LED policies and not objects LED would now not acquire its purpose of poverty alleviation (Rogerson, 2011). Rogerson (2011) questions the level of participation in which some people take part in their self-gain, not for the community at large.

Until LED rises above the level of economics, poverty alleviation would not be completely realised. LED has been recognised with small tasks with an extraordinarily constrained effect of poverty alleviation (Vosloo,2013). Evaluations located that the impact of such interventions used to be very limited. At the same time, it grew to become obvious that there wants to be a greater effort to decorate the job introduction capacity of the established formal economy (Nel, 2010). The advent of location-based competitive benefit is a theme that has been brought into the LED policy. The dynamics of poverty are scarcely explored (Rogerson, 2009). For example, some of the LED policies focus on job introduction, while, on the other hand, what is of essence is job advent for whom and its sustainability (Rogerson, 2009). Municipalities are consequently no longer capturing their achievements adequately. Other scholars factor out that LED originated in the North, and there is a tendency in South Africa to transplant these insurance policies alternatively than transferring and growing locally excellent models of LED (Rogerson, 2009).

There is immoderate reliance on fashionable LED applications at the expense of much less fashionable ones, which may go a long way in poverty alleviation (Phago 2011). Consequently, Rogerson (2009) argues that until there are regionally grown strategies, the combat towards poverty, job creation, and appropriate livelihood will be a misplaced battle.

## **2.9 LED strategies**

As Rogerson (2011) argues, the creation of neighbourhood economic improvement method (LED) is influenced by radical policy shifts in all sectors of society. Traditional planning strategies have given way to local economic improvement plans, aimed at community-based development. Globally, regular planning has been confronted by many challenges that have necessitated the consideration of alternative strategies to promote neighbourhood economic

improvement (Nel, 2010). Traditional planning strategies have given way to LED techniques and community-based development. Globally, normal planning has been riddled by using several difficulties that have required the idea of new structures to increase development. In a globalised world, Meyer-Stamer (2013) identifies many advantages associated with the approval of LED techniques, as in contrast to usual improvement programmes.

Hence, benefits are grouped down amongst financial and social benefits. Such an advantage owes to the way that LED plans are established on empowering nearby communities and enabling the alternate of local ideas in an obvious and responsible manner (Mbuli, 2008). LED plans encompass people at the grassroots level, instead of originating from the national level, and this permits the specific wants of centred businesses to be identified. Houghton (2011) argues that LED goals to promote industrial things to do and create steadiness within indigenous financial conditions to generate employment opportunities, encourage the increase of small, medium, and micro-enterprises (SMMEs), and encourage world competitiveness. Thus, LED techniques are the centre of attention in producing respectable jobs. They contain a range of things to do to generate sustainable livelihood.

LED provides an alternative standard of planning technique to a closely focused, strategic plan. The provincial development approach was consequently moved to the local level (Mbuli, 2008). This helps neighbourhood improvement and opportunities, thinking about the nearby state, for example, the history of the area. Nkomazi Municipality adopts an LED instead of a traditional planning approach. LED plans also aim to motivate neighbourhood individuals to do a thorough identification of beneficial conditions for enterprise possibilities (Hadingham, 2011). These include upgrading infrastructure, establishing nearby monetary hubs, implementing abilities coaching programmes, and environment-friendly local administrative agencies (Meyer-Stamer, 2013). Besides, LED has been regarded as a vigorous planning approach in the moving terrain of new improvement planning, which stresses decentralisation and the allocation of sources from the central countrywide to local authorities (Rodriguez-Pose, 2008).

## **2.10 The sustainability of LED**

The past two decades have perceived an upward push in the implementation of endless LED initiatives, projects, and packages, amongst others. The software of such LED activities has bought hopes of financial growth, hopes of jobs, and hopes of economic freedom, especially for the people on the receiving end (Malefane and Mashakoe, 2010). The incredible collapse

of many of these LED initiatives has been linked to non-sustainability. Sustainability is essential to the success of LED, simply as it is necessary in business. Hence, for nonstop commercial enterprise growth, the business desires to be sustainable to continue (Malefane and Mashakoe, 2010). This concurs with Rogerson (2010) who observes that LED funds used to be meagre and resulted in small initiatives that proved unsustainable, except the continuous earnings of funds which consequently had to come to an end.

Several factors may therefore be credited to the lack of sustainability of LED initiatives, which eventually led to the catastrophe of LED activities. Okecha (2011) notes that government politics get in the way of LED and service delivery. The purpose of LED is to develop the economic system of the local community. LED that is no longer sustainable or that no longer lead to sustained monetary boom is solely kept alive for political expediency (Nel, 2010). Rogerson (2010) spots a lack of certified municipal workforce as a hindrance to LED, since they are incapable of producing fantastic LED plans, but instead have a tendency to centre attention on social initiatives with overstated effects, and little influence on enhancing the local economy. Social initiatives have been at the forefront of the LED in the first duration post-apartheid, and there has been consistency amongst researchers in pinpointing the failure of projects to lack of sustainability (Nel, 2010). Sustainability is not solely restricted to social LED projects, but continues to be a challenge even with the competitive-based LED initiatives. Therefore, it is an essential challenge when addressing the implementation of LED (Malefane and Mashakoe, 2010).

### **2.11 Relationship between Local Economic Development (LED) and Community Development**

Before 1994 South Africa registered excessive degrees of poverty, joblessness, lack of empowerment to women, the youth, and the disabled, which are nevertheless dominant even after 24 years of democracy. It still remains the dominant objective of national, provincial, and neighbourhood governments to have poverty and unemployment eliminated (Phago, 2011). To attain the set dreams in line with the prescriptions from the countrywide and provincial governments, local municipalities are anticipated to boost LED plans to be used as a section of the built-in improvement plans to grow the economies. The Mpumalanga Growth and Development Strategy helps as the provincial guiding file for municipalities in Mpumalanga to use when identifying their neighbourhood financial improvement application and align them with their IDPs. Common traits between IDP and LED are drawn, as the aggregate of the

government application to seriously change municipal enterprise and restructure municipalities to the focal point on development (Malefane and Mashakoe, 2010).

The interventions are strategic and transformative, targeted on consultative and multisectoral orientation, cross-cutting throughout the municipality, requiring steady interchange between the inner and exterior environments (Malefane, 2009). South Africa is a face of the global village that has a straight link to the areas, such as Latin America, East and South Asia, and the rest of Africa, contributing meaningfully to the new global dimension on neighbourhood financial development. The new South African economic system and the current spatial arrangements raise many challenges from the previous that need important attention and programmes to build an equitable society (DPLG, 2006). According to Nel (2010), there have been LED things to do in South African cities, given that in the 1900s, the South African government has been described as one of the most dedicated international locations to LED policies in the world, recording some remarkable outcomes at the micro-level, although a scarcity of skills, restricted a few NGOs from gaining access to assets to enforce LED programmes.

Kanyane (2011) supports Nel by testifying that LED is no longer new or modern thinking in South Africa. This creates confusion on the history of LED which has been considered as new in the South African context. This is due to the fact in the 1960s, LED went through several developmental levels; recording three stages, namely, 1960-1980 (agricultural investments, local and international), 1980-1990 (multi-sectoral funding attraction), and 1990 to date (shift from person to collective conducive business). LED in South Africa is now in the third section and that partnerships in service delivery are essential for socio-economic development, disturbing municipalities to advance LED strategies aimed at providing a favourable, viable, and captivating local commercial enterprise environment and assisting and encouraging networking and collaboration (Nel, 2010).

## **2.12 Theoretical framework: Sustainable Livelihood Approach**

This section focuses on the Sustainable Livelihood Approach (SLA), its origins and various definitions attached to it. It is further elaborate on the principles, Assert and the Approach relation to poverty.

### **2.12.1 Origin and definition of Sustainable Livelihood Approach**

This study uses the Sustainable Livelihood Approach (SLA) as its theoretical framework. The SLA explores the judgments and possibilities accessible to households within the local community (Marais, 2010). It explores the choices and possibilities reachable to households, within the neighbourhood community (Gutierrez-Montes et al., 2009). Morse (2009) has described this approach as a development buzzword that connotes an assets-based method in which authorities' institutions, policies, public participation, and empowerment play a key role in improvement and poverty reduction. In contrast, Tomlinson and Walker (2009) accept as true that the sustainable livelihoods method does not grant an answer to rural poverty, as it does no longer decide how rural dwellers who are now not capable of healthy living in the commercial farming model, would make a living.

The SLA originates from a variety of research on poverty that was once concerned with the livelihood in households. It can be traced back to the writings of Chambers and Conway in 1992, in which it used to be targeted on poverty and how the impoverished and defenceless survived their lives, and the importance of regulation and groups in poverty discount (Mazibuko, 2013). The White Paper on International Development of 1997 performed a necessary function in the adoption of sustainable livelihood concepts, with the typical purpose of removing poverty in less economically developed countries (Human et. al.,2011). Mazibuko (2013) states that the definition of SLA is used by most global corporations, as it encompasses crucial ideas that are vital to enhancing sustainability and participation of people in their developmental issues. Hence this framework's goal is to identify people's strengths, assets, livelihood activities, and possibilities that people have, as properly as those factors that form their livelihood (Tao and Wall, 2009). The framework has been used to discover unique components of small-scale cattle production and marketing.

This strategy is considered as a way of integrating poor, rural dwellers into the financial system and empowering them to minimise poverty. Since the 1990s, Sustainable Livelihood Analysis (SLA) has been utilised to improve initiatives, specifically in rural areas, with the help of global organisations (Morse 2009). Before describing this approach, it is necessary to outline the period of livelihood(s). Sustainable Livelihoods Distance Learning Guide Glossary (2012) describes it as an aggregate of the resources used and the things that are undertaken to live. The assets would possibly consist of man or woman abilities and skills (human capital), land,

savings, and gear (natural, financial, and bodily capital, respectively), and formal aid organisations or informal networks that help in the things to do are undertaken (social capital).

According to Khumalo (2014), the SLA is a built-in framework that tries to address, and supply an understanding, the critical foundations and extent of poverty, as it tries to discover the connections between various aspects of poverty, giving an area for a greater operative arrangement of an act at a nearby degree, This theoretical framework is applicable, as it is beneficial to grasp poverty and the set of activities, which is Local Economic Development that can be adopted to overcome poverty. Furthermore, the framework aids in the understanding of poverty and intervention techniques that can be employed in enhancing the lives of the poor (Gambe, 2015). Guided by way of this framework, the researcher contextualised Local Economic Development as a conceivable approach to alleviate poverty and the usage of the SLA in its implementation.

This framework is fabulous to modern-day learning as it appears at the problems relating to poverty, and the usage of a sustainable livelihood strategy to poverty reduction. According to Tao and Wall (2009), the SLA deviates from the modernisation theory that advocates for monetary boom, as a key phenomenon in poverty reduction. This method highlights that poverty and unemployment can be successfully diminished by the usage of sustainable livelihood approaches. The notion of sustainable livelihoods is an effort to surpass the predictable definitions and techniques to poverty reduction, which have been located to be so restricted, due to the fact their attention is solely put on a few points and manifestations of poverty, such as low earnings, vulnerability and social exclusion (Khumalo, 2014).

### **2.12.2.1 Principles of the Sustainable Livelihood Approach**

The ideas of the SLA in the perception of poverty and in the intervention techniques can be employed in enhancing the lives of people who are dwelling in poverty (Tao and Wall, 2009; May, Brown, Cooper, and Brill, 2009; Elliot, 2011; Mazibuko, 2013). Therefore, in this study, it is important to discuss the standards of the SLA in the context of co-operatives, as a poverty discount approach in the impoverished neighbourhood predominated by local financial improvement. The following standards are discussed: people-centred, participatory and responsive, sustainable, dynamic and holistic, and empowerment.

#### **2.12.2.2 People-centred principles**

The effort and values of Local Economic Development are at the centre of attention of people and their participation in troubles that affect them (Elliot, 2011). Mazibuko (2013) states that the attempts at poverty discount must focus on what people have, on their strategies, environment, and on capabilities to adopt. Tao and Wall (2009) confirm that the SLA is a people-centred paradigm due to the fact it emphasises an individual's capabilities and records systems. Hence, concentrating on the people of Nkomazi to decrease poverty is necessary using a sustainable livelihood strategy to understand their experiences, challenges, and their suggestions on facilitating factors, based totally on sustainability and the position of Local Economic Development in the community.

#### **2.12.2.3 Participatory and responses**

This principle exhibits that beneficiaries ought to be the important actors in figuring out troubles that affect them (Mazibuko, 2013; DFID, 2010) and they need to participate in utilising the accountability of institutions, due to the fact that establishments need to be responding to the requirements of the community members. In this regard, local financial improvement is considered via unique scholars in developed and developing countries, as the main strategy and pastime for poverty discount, as it contributes to the country's economy.

#### **2.12.2.4 Sustainability**

Gambe (2015) asserts that it is important to analyse any livelihood endeavour regarding its potential to maintain the lives of people over a while. The SLA permits people to pass out of the poverty line through participation, by using their capital and responding to what they need for their improvement (Mazibuko, 2013). LED as a sustainable livelihood strategy, when carried out according to SLA principles, is vast in addressing poverty conditions in households, as LED is no longer only constrained in dealing with an individual but also with communities and sustaining human, social, financial, and physical capital of the individuals, as well as the neighbourhood (Raniga, 2016). The SLA's ambition is to empower the poor and assist people in gaining long-lasting enhancements, when influences are assessed by the use of self-defined indicators.

#### **2.12.2.5 Empowering, dynamic, and holistic**

According to Mazibuko (2013), livelihoods are now not static; and consequently, due to the dynamism and multi-affectedness of poverty, poverty reduction techniques want to be holistic.

Therefore, poverty discount techniques now need not be restricted to sectors of society, but instead be wide, broad, and numerous (Tao and Wall, 2009). Construction of sustainable livelihood preferences must be open and holistic to make certain that the full participation of people is realised. Mazibuko (2013) states that community participants are empowered when change is amplified by voice, and when they are given possibilities and assurance of their health, especially the poor. In order to follow the concepts of the SLA clearly, it is vital to recognise the assets of the strategy which are used for the inclined to be in a position to cope and pass beyond the poverty line. These main assets of the SLA would be outlined in the subsequent section.

### **2.12.3 Assets of Sustainable Livelihoods Approach**

The (SLA) has several assets (Acholo et al., 2009; Canzanelli,2011). First, as a framework for analysis, it attracts interest to the full range of assets that people draw upon to compose a livelihood, such as the human capital which represents the skills, knowledge, capability to labour, and desirable health that collectively allow human beings to pursue distinctive livelihood techniques and attain their livelihood objectives. At a family level, the human capital is an aspect of the quantity and quality of available labour and this varies in accordance to family size, stage of education, leadership potential, fitness status, and many extra (Canzanelli,2011). Natural capital is the term used for natural assets and offerings that are available. Moreover, the financial capital represents the financial resources that people use to acquire their livelihood objectives, like the availability of cash or equivalent, which enables human beings to undertake one of a kind livelihood technique (Acholo et al., 2009).

Another asset is the physical capital, which consists of the fundamental infrastructure, and producer items wanted to assist livelihoods. This includes the infrastructure of the physical surroundings that helps people to meet their simple wants and to be more productive (Canzanelli,2011). Finally, social capital in the context of the sustainable livelihood framework refers to the social assets upon which people draw in pursuit of their livelihood objectives. These are developed through networks and connectedness that enlarge people's beliefs and capacity to work collectively and increase their get entry to wider institutions, such as political or civic bodies (Acholo et al., 2009).

### **2.12.4 Sustainable livelihood approach to poverty reduction**

There are insights into poverty, which underpin the sustainable livelihood approach (Jayagoda, 2015). First, the perception that the increase of the financial system is essential to minimise

poverty, would be decided through the skills of the underprivileged to take charge of growing economic probabilities (Jayagoda, 2015). For this reason, it is important to discover out what precisely it is that prevents the poor from enhancing their lives in a given situation. The second perception in accordance to Jayagoda (2015) is the awareness that it is now not simply a query of low income. Hence, this entails factors such as awful health, illiteracy, lack of societal facilities, as well as the notion of vulnerability and emotions of powerlessness. Furthermore, it is realised that there are essential hyperlinks between distinctive dimensions of poverty, such that improvements in one element may also have wonderful results on another.

According to Long (2009), improving the community's literacy trendy can have a tremendous input on their living standards, which can also enhance their productivity. Decreasing people's susceptibility to volatile practices ought to enhance their productivity in economic activities. Finally, the SLA acknowledges that the impoverished are familiar with their living standards and desires, and therefore they have to be covered in the restructuring of policies and programmes aimed at creating their livelihoods (Jayagoda, 2015). When given a say in the design, they would generally be dedicated to implementation (Mazibuko, 2013). Participation by the needy improves project performance. These interpretations of the sustainable livelihood thinking have stimulated numerous development agencies to practice what is now regarded as the Sustainable Livelihood Approach to poverty discount (Long, 2009).

This has emerged in response to poor experiences with traditional strategies to poverty reduction, and also as a result of recent findings related to the nature and perception of poverty. The SLA as a framework for evaluation attracts interest to the full range of assets that human beings draw upon to make a livelihood (Jayagoda, 2015). In order to discover obstructions in the socio-economic improvement and to create long-term alleviation of poverty, which is a complicated phenomenon, external useful resource groups (as well as communities themselves) need to investigate communities' livelihoods first that assist in deciding feasible techniques for poverty reduction (Philip, 2009). It is regularly tempting for resource workers, NGOs, authorities' organisations, and so forth, to make generalisations and assumptions about techniques of poverty comfort rather than making use of individual help and solutions to individual communities. Philip (2009) reiterates this by commenting that poverty has a multidimensional nature, and consequently it is unstable and no longer always accurate to expect that enterprise development is the answer for poverty alleviation.

Hence, to limit poverty one of the components of one's livelihood may also want to be improved. Therefore, that this framework would help in analysing the following issues: first, the context in which special companies of people live, which includes the results upon them of exterior traits (economic, technological and population growth, shocks - whether natural or man-made - and seasonality); second, people's admission to specific kinds of assets (physical, human, financial, natural and social); and third, their capacity to put these to productive use (Philip, 2009). The SLA cannot be the answer to every problem, but it is a flexible strategy and once adapted to individual contexts and situations, can be a very high-quality capacity of attaining a sustainable livelihood. It is a strategy that the Nkomazi Municipality can utilise effectively to assist communities to enhance their socio-economic situations and livelihood security.

### **2.13 Conclusion**

This chapter gave an extensive perception of Local Economic Development and the Sustainable livelihood theory. The notion of LED has been in existence in South Africa for over a decade, and despite the incredible progress, mainly from the national government, success is limited. There are quintessential problems that appear to be at the core of LED implementation challenges in South Africa. An instance of such is the non-stop politicisation of LED, among other challenges that seem to derail LED implementation. The research methodology, the research techniques, and techniques applied for the study are presented in the next chapter.

## **CHAPTER THREE: METHODOLOGY**

### **3.1 Introduction**

Nkomazi Municipality was chosen as the study location to interrogate the implementation of Local Economic Development (LED) for poverty alleviation, since it was easily reachable to the researcher compared to other rural municipalities. Both its traditional and formal authorities are functional, providing a chance for dissecting the functions performed by every authority in supplying social and associated services. The research methodology describes with motives the research techniques and methods used the study (Cohen et al., 2011). Research methodology covers several processes, which encompass the collection of data, the presentation and analysis of data, and data interpretation (Cohen et al., 2011).

The research methodology is a scientific examination aimed at gaining knowledge of new facts and trying out of new ideas. It is the systematic collection, examination, and interpretation of statistics to produce new information and answer a certain query or resolve a problem (Merriam, 2009). This study involves qualitative information collection and analysis. Qualitative research is an arrangement of research procedures, techniques, methods, approaches, language, and ideas to structured research with a drive of facilitating a study (De Vos et al., 2010). The methodology offers the groundwork for meeting the basic goals of the study, as it has been outlined. The major goal of this study was to interrogate the implementation of Local Economic Development interventions for poverty alleviation in the Nkomazi Municipality, Mpumalanga.

### **3.2 Study area**

Nkomazi Local Municipality is one of the five neighbourhood municipalities of the Ehlanzeni District Municipality. The Municipality is in the eastern section of Mpumalanga Province, linked to the north of Swaziland and west of Mozambique (Nkomazi Local Municipality IDP, 2016-2017). Nkomazi Local Municipality is divided into 33 (thirty-three) municipal wards, with eight Traditional Authorities in the municipal (Nkomazi Local Municipality IDP, 2016-2017). According to the 2011 South African Census, Nkomazi Local Municipality is the second local municipality in Mpumalanga, with an excessive level of unemployment and it leading to the Ehlanzeni District Municipality, with an excessive poverty rate.

Unemployment rates for females and adolescents of 15-35 years are greater than that for the usual public matured group of 15-64 years. The powerlessness of these age groups to get entry to employment is a foremost determining element in their common predicament (Nkomanzi IDP, 2016/2017). Because of women heading families, it will likewise impact the enhancement popularity of the complete household unit.

**Figure 3.1 Map of Nkomazi Municipality**



Source: NKLM Integrated Development Plan 2013/2014

### **3.3.1 Research Methodology**

In this research, various methods were employed as a means of gathering and analysing data.

### **3.3.2 Research paradigm**

This study aims to discover and understand the implementation of one of the government's interventions for poverty alleviation in the Nkomazi Municipality, Mpumalanga Province. This study applied the interpretive paradigm which supplied an organised way to generate data, analyse information, and report the findings. The interpretive paradigm aims to understand and interpret the world (Marriam, 2009). Stigliz (2010) proclaims that interpretivists believe that there is no one right or exact strategy to knowledge. This proposes that there is no actual answer, but solutions are subject to people's experiences. The interpretive research assists in the introduction of new theories, which help to understand the unique pursuits of the participants. The interpretive paradigm helps in appreciating the opinions and lived experiences

of members the organisation. Teddlie and Tashakkori (2011) argue that accountability with interpretative commitment helps in a deeper examination of the participant's contexts.

### **3.3.3 Research design**

A research design is a sketch or blueprint of what one targets in conducting one's research (Babbie and Mouton, 2009). Kumar (2012) defines it as the entire technique of research from conceptualising a problem to writing the final report. According to Maxwell (2012), a research design is the preparation of prerequisites for generating and analysing information in a way to obtain the research purpose. This suggests that the research design refers to methods in which the information is produced and analysed regarding the research purpose. The interpretive paradigm helped to examine deeper data from the participant's view. A qualitative research plan was utilised for this study. The goal of this study is the impact of local economic development in Nkomazi Local Municipality (a case of Masibekela rural community). Therefore, a qualitative research methodology was suitable for this study.

### **3.3.4 Sampling**

Cohen et al. (2011) defines sampling as the population on which the research would focus. Sampling consists of taking a consultant's choice of a populace and the use of the data gathered as research records (Maxwell, 2012). The motive of sampling in qualitative research is to get an in-depth appreciation of the issues being studied (Kumar, 2012). Sampling is the technique of choosing a constrained number of people from a larger group to estimate or predict a fact, situation, or result concerning the higher group (Kumar, 2012). According to Babbie and Mouton (2009), probability sampling remains the essential approach for deciding on large, representative samples for social science research. The selected populace is called the sample; this represents a fraction of a populace in a study area. While sampling saves money, time, and energy, the risks include issues in acquiring a representative sample and the absence of informants. Numerous sampling strategies are available to researchers, such as random sampling, purposive sampling, and mixed sampling. This study used purposive sampling.

### **3.3.5 Purposive sampling**

The most important consideration in purposive sampling is the researcher's judgment as to who can deliver the best data to gain the objectives of the study (Kumar, 2012). In order to obtain valuable facts on the implementation of Local Economic Development for poverty alleviation in the Nkomazi Municipality, municipal officials, stakeholders in private sectors that deal with

LED and practitioners of LED were purposefully chosen to take part in this study. Only people who were thought to possess useful information for this study formed part of the sample. Purposive sampling is chosen under non-probability samples because the non-probability sample derives from the researcher targeting a group, in the full knowledge that it does not represent the wider population, and it characterises itself (Cohen, et al., 2011). Furthermore, a purposive sample was chosen for the unique reason and function of qualitative research (Cohen et al., 2011).

One of the most essential parts of research is obtaining enough samples (Kumar, 2012). In any research, be it qualitative, quantitative or mixed methods, confirming that there is adequate data is very necessary for credible analysis and reporting. Babbie and Mouton (2009) contend that the sample measurement is comparatively small in qualitative research and most essential the size of the pattern is generally based on the records needed. In most cases, the pattern measurement in qualitative studies ranges from 8 to 15 participants (Teddlie and Tashakkori, 2011). Nevertheless, due to the richness of data collected in qualitative studies, these make extraordinarily small samples appropriate to use. For this study, 7 participants were chosen, due to the fact it is a small study in which the researcher stopped when she reached saturation. Four were municipality practitioners and three from private stakeholders.

### **3.4 Research methods**

A qualitative research approach was used in this study. The purpose of using the qualitative approach is that the researcher ought to describe the way Local Economic Development (LED) practitioners and Non-Governmental Organisations (NGOs) make the experience of their space as properly as their experiences. Merriam (2009) describes it as a technique whereby the researcher appreciates how people make sense of their world and the experiences they have in the world. Maxwell (2012) views it as an approach whereby the researcher uses strategies, such as participant observation or case studies, which result in a narrative or descriptive account of practice.

Kumar (2012) describes a qualitative method as a systematic subjective method used to define lifestyle experiences and conditions to provide meaning. The researcher described the social and economic effect of Local Economic Development (LED) in the specific case study area, Nkomazi Municipality. On a broader scale, the researcher also argues about the notion of LED and how it has contributed to poverty alleviation in the Nkomazi municipality. A qualitative strategy concentrates on the conduct of people, on how they view things, interpret and make

sense of them, and hence provide meaning to certain situations. Teddlie and Tashakkori (2011) simplify this method as a way of exploring exceptional intellectual models and in the procedure make sense of such models.

The phenomenon of interest is to interrogate the implementation of LED for poverty alleviation in the Nkomazi Municipality, Mpumalanga. A qualitative strategy is desirable in this research given the type of information that was gathered. For instance, one of the key questions that the researcher sought to answer is on how the local economic development approach is being undertaken in Nkomazi Municipality. A qualitative technique becomes suitable as it allowed for an interactive conversation between the researcher and research participants. Through this method, unique mental models of LED can be unearthed. According to Merriam (2009), a qualitative technique becomes even more essential if one's intention is to define and analyse each of the processes through which social realities are built and the social relationships through which people are connected. Therefore, this research on interrogating of the implementation of Local Economic Development for poverty alleviation in the Nkomazi Municipality fitted flawlessly within the qualitative approach.

### **3.5 Data collection techniques**

The findings of this study are not generalised. Rather, its emphasis is on effective comprehension of the topic. In this manner, measures were made to hyperlink portions of related data to concretise results. For example, the research utilised the triangulation of two instruments, namely, semi-structured interviews and document analysis. Triangulation is qualitative cross-validation and it measures the adequacy of the information according to the junction of countless data source collection approaches (De Vos et al., 2010). Because the measurement is fallible, the interpretive researcher acquires a huge amount of data through specific sources and evaluation techniques to strive for validity (De Vos et al., 2010). Primary and secondary information was employed to examine the research problem. Primary data sources incorporate semi-structured interviews, which allowed participants to answer the research questions according to their experience.

Secondary information sources pay attention to data used by other researchers to answer their research issues and questions. Secondary records sources used were journal articles, the local economic improvement website, evaluation reports, policy documents, case studies, and municipality IDP.

### **3.5.1 Interviews**

In this study, interviews are a primary approach to gathering data. Interviews are dialogues that are used to gather or accumulate information that cannot be observed. This data would possibly contain participant's feelings, interpretation of certain events, and record of occurrences (Merriam, 2009). As Kumar (2012) observes, interviews are a technique to study perceptions, experiences, and accounts of an event or gathering historical information as seen by individuals. An interview in research is defined as a structured dialogue between the researcher and participant, where a researcher designs structured questions and use them in a conversation to get data from the participant (Cohen et al., 2011). In research, interviews are used to get in-depth information from the participants about a matter (Cohen et al., 2011). An interview is a flexible device used to gather data and it permits multi-sensory channels to be used, which include verbal, non-verbal (gestures, eye-contact), spoken, and heard (Cohen et al., 2011).

Interviews were appropriate for this study due to the fact it plans to capture all these senses during the interview. A semi-structured interview was used in this study. The semi-structured interview allows the researcher to look deeper into greater sensitive and complex questions and matters. They are focused, informal, and two-way verbal exchanges (De Vos, 2010). A semi-structured interview is chosen because, when individuals are connected in an interview, that is one on one basis, they are more feasible to chat about touchy issues (De Vos, 2010). This study used semi-structured face-to-face interviews as a technique for data collection, considering the researcher used predetermined research questions to obtain data. Semi-structured interviews were used to permit all participants to answer the same set of questions and to extend the degree of comparability of their responses (Cohen et al., 2011).

Semi-structured interviews seek clarity of the participant's responses and probe and make follow-up questions into unique strains of inquiry (Maxwell, 2012). Since the study sought in-depth emotions of the participants, and to attain access to hidden statistics that did not emerge in other strategies such as document analysis, semi-structured interviews were appropriate for this purpose. This approach became particularly applicable to the study as it was flexible and allowed the freedom to rephrase and paraphrase research questions when the need arose. These types of interviews appear to fit with the goal of the study and gave the excellent chance for the collection of strong and prosperous information for the study. The period of the interviews was about thirty to forty (30-40) minutes depending on the pace of the conversation. Municipal officials, together with the private sector stakeholder and LED practitioners, were interviewed

through the semi-structured interview. Two sets of semi-structured interviews were done, one for LED practitioners, and the other for stakeholders in the private sector. Issues tackled all through the interviews concerned the implementation of LED for poverty alleviation in the Nkomazi Municipality (see Appendix 1).

### **3.5.2 Document analysis**

Document analysis is used as a secondary approach to gathering data. It was used to support, verify, approve, and enrich data gathered using interviews in this study. In document analysis, there is no direct verbal exchange with those being researched. As documents (brief documents of activities and processes) do not communicate for themselves, document analysis is when the researchers cautiously analyse, theorise, and interpret the located documents with a close examination and interest (Cohen et al., 2011). Document analysis is a data-gathering technique, where the researcher focuses on all kinds of written exchange that may shed light on the research problem (Maxwell, 2012). Document analysis is chosen because there are documents in some instances that may expose everyday lifestyles and interactions of the problem in the study (Cohen et al., 2011). The practice of using a greater than one technique in conducting this research is done to warranty that reliability of research outcomes is gained.

The word reliability refers to a measure of consistency over time and similar samples (Cohen, et al. 2011). Babbie and Mouton (2009) point out that the researcher can use several documents as their source of records and analyse these documents using an approach referred to as content analysis. The researcher analysed municipality documents that were relevant to local economic development. Such documents included journal articles, the local economic improvement website, assessment reports, policy documents, case studies, and Municipality IDP. An effort was also be made to use up to date information and more than one information sources to verify that there are consistency and reliability.

### **3.6.1 Data analysis**

Once the sample populace was located and the data was gathered through the interview technique, it was necessary to analyse the data to draw conclusions based on the study's key research aims. The data consisted of in-depth interviews each lasting an average of thirty to forty (30-40) minutes and have been recorded through a smartphone recorder and then transcribed. Stiglitz (2010) describes data analysis as the search for meaning concerning the research cause or query after data has been collected. Data analysis is a system of establishing and imparting structure of the information gathered (Kumar, 2012). The data were analysed

using thematic data analysis. Maxwell (2012) believes that this approach permits an increased grasp of the research topic. Thematic analysis organises and defines the facts set in the prosperous element and interprets quite several factors of the research topic (Kumar, 2012). The technique of thematic analysis is not passive, rather the researcher is actively searching for themes and codes.

The focus of thematic analysis is the organisation of data into categories and themes (Kumar, 2012). This is accomplished to make comparisons between data. To analyse the data accrued during interviews, the researcher organised a distinctive description of the participants' views. A synthesising method followed which concerned analysing information and inserting the pieces together. Data analysis was based on unique topics that required the researcher to draw common statements shown through the phenomena underneath the study and the participant's responses. Information collected during interviews and document analysis used to be recorded and analysed. Qualitative researchers combine the tactics of organising, analysing, and interpreting data, and call the total method data analysis (Babbie and Mouton, 2009). The researcher used the following steps to analyse the data:

Step 1: During the familiarisation and engagement step, the researcher familiarised and engaged with the data accumulated through listening to the audio recordings repeatedly, consulting the diary, and typing the transcripts.

Step 2: This involves making themes, whereby themes under which the information was once collected were fashioned and equipped. Therefore, lists of topics were created, comparable topics grouped, and major topics were formulated.

Step 3: The coding step took sections created and marked them with different colours, which characterise each theme. Codes that were comparable or included the identical factor within the data were then blended to form themes. The analysis was carried out manually

Step 4: This involves elaboration, which noted the statistics that had not been captured by using the unique coding system. While some of the quotations have been edited to enhance readability, care has been taken not to exchange their original meaning.

Step 5: This involves decoding and checking, whereby interpreted facts gathered against the literature evaluation and checked for biases.

In this way, the researcher was in a position to make sense of the in-depth data recorded from the study.

### **3.6.2 Trustworthiness**

Literature argues that it is challenging to generalise findings in a qualitative study (Cohen et al., 2011). However, the reliability and validity of the study can be upgraded (Cohen et al., 2011). Maxwell (2012) defines validity and reliability in qualitative research in terms of credibility and trustworthiness. He believes that using many data collection techniques and involving different investigators in the study leads to trustworthiness (Maxwell, 2012). A noteworthy thought is the notion of triangulation, which is used by Cohen et al. (2011). Triangulation is described by Marriam (2009) as the use of several sources and identification of consistency between sources in qualitative studies. The researcher employed the use of triangulation to lend credibility and trustworthiness to the study, by making use of more than one information series approach. The first technique that was once used is semi-structured interviews, observed by way of document analysis. Interviews and then document analysis were carried out to validate the information collected for the duration of interviews.

This allowed for the accumulation of great information to the study and obtain credibility and trustworthiness. The trustworthiness of the interviews was demonstrated through evaluating the information from interviews to the document analysis, which is known as convergent validity (Cohen et al., 2011). To minimise bias as a researcher there were no preconceived notions about the statistics because the researcher used to be impartial and feasible (Cohen et al., 2011). Interviewees answered the same questions to also minimise the untrustworthiness of the study (Cohen et al., 2011). Internal validity in this study was upgraded by permitting participants to examine their interview transcripts and hear from the tape recorder to affirm accuracy. Furthermore, direct quotations from transcripts of interviews were used to protect the transparency and trustworthiness of the findings (Babbies and Mouton, 2009).

### **3.6.3 Confidentiality and anonymity**

Confidentiality implies managing private records shared through the participants (Maxwell, 2012). The data shared by the participant is not to be shared with others without the authorisation of the participant. In the case of supervision, the participants were informed about the opportunity of information being shared with the research supervisor. All sampled participants were made aware, that data presented by them during their interviews was confidential. Hence, the names of participants and their residential addresses were not disclosed

during the interviews. Anonymity is a separate difficulty from confidentiality. Anonymity implies that the researcher does not expose the name of the members (Maxwell, 2012). In this study, the participants had been given assurance that they would remain anonymous throughout the research. During records analysis, the participants were provided with pseudonyms (false names). This was done to make sure that the participants' identification is not disclosed. According to Hugman et al. (2011), this protects the research participants from any harm that could result in them taking part in the research.

### **3.6.4 Credibility**

Credibility establishes the trustworthiness of facts and it is carried out to check whether or not the research findings captured what was going on in the context of the study, or whether or not the researcher produced what they meant to investigate (Pitney, 2013). The researcher ensured that accuracy and authenticity were done by making a follow-up interview between the researcher and the interviewees. This allowed the researcher to test if the transcribed records, or expressions of the interviewees, were accurate. According to (Oyeka, 2011) respondent validation gives each party, the researcher and interviewee, a chance to add on what was not noted within the first rounds of interviews and whether the final themes from the interviews effectively reflected the phenomenon being investigated.

### **3.6.5 Transferability**

To guarantee transferability the researcher shows a particular explanation of the research approach used; the contexts and the settings to be studied, so that the reader would get ample statistics to be able to decide the applicability of the study findings to other settings. Therefore, this is the extent to which findings can be generalised or can be applied to different settings (Houghton et al., 2013). The researcher guaranteed transferability by supplying a representation of the main research site in this study. However, only confined information about the participants was represented to guarantee their confidentiality.

### **3.6.6 Dependability**

Pitney (2013) alludes that dependability can be accomplished by using member checks. A member check refers to the verification of the data by the participant. It additionally permits the individuals to clarify to the researcher that the researcher's descriptions and interpretations are accurate (Pitney, 2013). In the researcher's view, member checks can be facilitated by the

storage of the data. Dependability has therefore been achieved in this study by storing the data in a protected place, for subsequent presentation to the participants for verification.

### **3.6.7 Confirmability**

Confirmability represents the researcher's ability to reveal that the data represents the participants' views and opinions and not his/her personal biases and views (Polit and Beck, 2012). This is accomplished by citing the participants' views on the findings.

### **3.6.8 Informed Consent**

According to Kvale (2007), informed consent entails informing the participants about the ordinary motive of the investigations and the principal aspects of the design. In some instances, the viable dangers and benefits from participation in the lookup mission are included. Informed consent involves presenting adequate information to the participant earlier before they agree to participate in the study. In this research, participants were given a consent form to sign which indicated their willingness to participate in the study. The participants voluntarily accepted to take part in this study. The consent form supplied data on the study purpose, information usage, the time required for the interview, and participation identification. The participants signed the consent form. (See Appendix 2, consent form).

### **3.9 Ethical considerations**

Ethics is characterised as an issue of principled affectability to the privileges of others, and that while the truth is great, regard for human respect is better (Cohen et al., 2011). Ethical consideration in a research study is important. It helps to define the difference between what is acceptable and unacceptable behaviour for the participant or the researcher. This researcher was obliged to ensure that participants' rights are respected. This was achieved by following a set of principles, standards, norms, and behaviour of research. These sets of principles, standards, norms, or behaviour are commonly referred to as ethics. Before the interview process, the University of KwaZulu-Natal provided ethical clearance for the study. Thereafter, it was important that the interview process and the writing up of the findings were conducted in a principled manner that would not impair the reputation or wellbeing of participants.

Therefore, the research process included mandatory steps to make it ethically sound. Initially, to access the participant, the Nkomazi Municipal and the National African Federated Chamber of Commerce and Industry provided gate-keepers letters to allow the researcher to collect data. The Municipal and the NGOs were briefed about the topic of the study and they helped in the

selection of the participants who fit the profile of the study. The researcher explained the aim of the research and secured the participants' consent before the interview by requesting that they read and sign the informed consent form. They were informed that participation was voluntary and that they were free to withdraw at any stage of the interview, if they felt uncomfortable. As discussed with them, the recorded data and transcripts obtained from the participants were coded to ensure anonymity and conceal their identity.

### **3.10 Limitations**

However, numerous difficulties were met, especially during the process of data collection. Accessing the participants was difficult because many emails and calls were made to access the participants and it was difficult accessing them, as the researcher had to know someone inside to get the participants. However, the participants were eventually recruited. Another limitation is that this study collected data from two different constituencies, which were the Nkomazi municipal and one Non-government organisation (NGO). However, caution was exercised as the participation of the NGOs was successfully elicited. Lastly, arranging meetings with the municipal officials was problematic as they were busy most of the time and did not have time for meetings. The researcher eventually arranged the interview on a weekend. Thus, although time was wasted, at the end all participants were able to participate in the study.

### **3.11 Conclusion**

The methodology used in this study and the interpretivist paradigm was discussed. The qualitative method was defined and its implications for this research were dealt with. The methodology, which was employed in this research, as well as its relevance to this study, was described. The context used, and the sampling carried out, were also described. The research questions were outlined, followed by a data series plan. The data collection techniques, including semi-structured interviews and document analysis, were discussed. The credibility and trustworthiness of the information were dealt with and finally, a discussion of the ethical problems and limitations of the study was provided. The findings and interpretation of the data would be dealt with in Chapter Four.

## **CHAPTER FOUR: PRESENTATION AND DISCUSSION OF FINDINGS**

### **4.1 Introduction**

The previous chapter presented the research methodology that was used in the study. This chapter presents and analyses the data collected during the study. Thematic data analysis was employed to analyse the data. The chapter presents the findings and discussion of data collected regarding local economic development for poverty alleviation in Nkomazi Municipality. It provides a detailed overview of ten research participants which were mentioned in Chapter 3. Findings that emerged from the interviews and document analysis are organised into themes and a conclusion at the end is given. Local Economic Development (LED) in South Africa is being practised at local government level, deriving from both national and provincial policy. Nkomazi municipality has not been practising LED for the past years. During 2008 and 2009, they had an LED strategy that failed. In the year 2010, they implemented their LED strategy for poverty alleviation.

The study presents the findings of interrogating the implementation of local economic development (LED) for poverty alleviation in Nkomazi municipality, in Mpumalanga, as identified by key informants, in semi-structured interviews. The municipality recognised projects and programmes in Tourism, art and culture, infrastructure development, shopping mall, agriculture, and mining development projects and programmes. These projects and programmes were not only part and parcel of local economic development for poverty alleviation but were also meant to focus more on promoting gender equality. This shows that the local municipality strives to drive local economic development under the anchor of women and children. This chapter analysed the current implementation of local economic development strategy to understand how the strategy is helping contribute to poverty alleviation in Nkomazi local municipality.

This was done by examining the municipality's local economic development strategy and programmes that have been implemented and how those strategies relate to poverty alleviation and the outcome of the municipality LED effort. The outcome is a reference conclusion on how local economic development in Nkomazi has contributed to poverty alleviation.

## 4.2 Research participants

Seven participants from the municipality and Chamber of Commerce constituted the sample and were selected using purposive sampling. Documents such as the annual report were also used.

**Table 4. 1: Overview of study participants (Source: Researcher)**

<b>PARTICIPANT</b>	<b>ORGANIZATION</b>	<b>AGE</b>
P1	Municipality	46
P2	Municipality	50
P3	Municipality	36
P4	Municipality	52
P1	National African Federated Chamber of Commerce	43
P2	National African Federated Chamber of Commerce	50
P3	National African Federated Chamber of Commerce	29

## 4.3 Findings of the study

Data gathered from the sampled participants was presented and analysed in the following Categories: Local economic development in Nkomazi Municipality, Modalities of implementation of Local Economic Development in Nkomazi Municipality, Strategising for Local economic development in Nkomazi municipality.

### 4.3.1 Local Economic Development in Nkomazi Municipality

The participants were asked a question regarding their knowledge of what LED entails. This was done to assess the depth of their understanding of Local Economic Development from the

perspective of an implementer. Emerging evidence shows that all the interviews with municipality officials showed some level of understanding of LED. What is interesting is that they all show a reasonable level of understanding. One participant shared the following:

*“LED, I think it’s a partnership between various stakeholders in the community, government, and private sector, in developing the local economy by enterprise development and thus creating jobs, and ultimately alleviating poverty”* (Municipal official P1).

Participants also elaborated by adding the ideas of both domestic and foreign direct investment for economic growth and development. This is supported by the following response from the interview session:

*“Obviously, when you see local direct investment growing and seeing foreign direct investment ...increasing, then I think we can start to say we are now talking about economic growth. Of which I think it’s something that has been happening, maybe in the last two or three years. There has been growth in terms of business, growth in the construction industry; there is hope that those who are supposed to be creators of jobs –government- are doing their job. I think all these sectors put together they contribute to local economic development”* (Municipal official P3).

Moreover, participants added the notion of partnerships between stakeholders for job creation and poverty alleviation. One participant shared the following:

*“LED, I think it’s a partnership between ...various stakeholders in the community, government, private sector, in developing the local economy by enterprise development and thus creating jobs, and ultimately alleviating poverty”* (Municipal official P4).

All the participants showed that they all apprehend LED and its purpose. The Nkomazi local financial development approach has been linked to many insurance policies which include the Municipality Systems Act (2000) and National Framework for Local Economic Development in South Africa (2006-2011). The Nkomazi municipality LED strategy is related to the spatial development framework, and the Integrated Development Plan, which are linked to the Nkomazi Municipality. The spatial improvement framework and built-in development sketch have been the core driving forces for the Nkomazi LED approach over the years, alongside its goals which are: making sure that social and economic improvement is prioritised within IDP plans, to conduct economic regeneration studies as part of the IDP’s, establish LED discussion

board inside the community to mobilise effort and resources of local stakeholders around the Nkomazi local municipality, to build and keep an economic database to inform decision and act as an early warning device for the municipality, create enabling surroundings for nearby organisations through efficient and effective provider and infrastructure transport and mobilise civic society to participate in LED and encourage public participation.

Nkomazi municipality had one local economic development method which was applied in 2010. In 2008 there was an attempt for an LED strategy, but it failed due to economic issues. The 2010 LED approach was applied to tackle the shortcoming of the failed 2008 LED strategy. The LED approach for 2010 was once aligned with the municipality’s Integrated Development Plan and Spatial Development Framework. The foremost purpose of the local economic development in Nkomazi was once to create a permitting environment to assist generate sustainable employment and alleviate poverty. Commonly the municipality is doing well in terms of economic performance, as it is also contributing much to the economy of the province. Table 4.2 shows economic activities that contribute to the economy of Nkomazi Municipality.

**Table 4.2: Economic activities in Nkomazi Local Municipality**

<b>Agriculture</b>	<b>Mining</b>	<b>Tourism, Arts And Culture</b>	<b>Other Opportunities</b>	<b>SMME Development</b>
-Sugarcane production and molasses	-Coal mining at Mangweni	-Eco-tourism Accommodation facilities	-Development of shopping malls -Tonga Centre	-Salt production and quarrying -Retail and wholesaling
-Poultry farming	-Salt mining	-Art and craft manufacturing	-Junction of Mbuzini road,	-Transportation of goods and people (explore new routes)
-Biodiesel prod	-Explore coal, goal and	-Eco-walks along the mountains	Mbangwane road,	-Bar gas and coal waste
-Game farming			road to Tonga	-Agro-processing
-Mawewe			and the road to Steenbok	-Cultural activities
-Mahushe	-platinum mining	-Beneficiation from Kruger		-Skills and entrepreneurship
-Private Game				

-Ultra boards National Part development  
 Production -Tour operations -Emergency, safety and Security.

Source: NKLM Integrated Development Plan 2013/2014

The municipality attracts a many investor because this area is next to the Maputo Development Corridor. The municipality is reflected as number six in the province of Mpumalanga with high economic potential because of its proximity to Maputo and Swaziland and it has plenty of tourist attractions. The municipality has many developments that are taking place, as well as infrastructure developments. Although the municipality LED strategy is doing well in uplifting the Nkomazi municipality’s economy, the development is only limited to certain areas, especially the urban areas of the municipality. A large percentage of the municipal population is living in poverty. This shows that the municipality is concentrating its efforts in the urban area even though most of its population lives in deep rural areas. Table 4.3 shows the unemployment rates in the study area.

**Table 4.3: Trends in unemployment rates in Nkomazi Local Municipality**

<b>UNEMPLOYMENT RATES</b>	<b>1996</b>	<b>2001</b>	<b>2011</b>
Unemployed 15-64	34.79	41.46	34.29
Women unemployment 15-64	45.34	52.34	42.51
Youth unemployment 15-35	40.57	47.47	41.53

Source: Stats SA census 1996, 2001, 2011

The people in deep rural areas have very few resources or less access to basic services. Many of them are unemployed, unskilled and the municipality cannot address this simply because they cannot provide. One participant was asked to reflect on the Nkomazi Local economic development strategy and shared the following:

*“Nkomazi local municipality’s LED strategy is the procedure by which the municipality can generate an environment that is favourable for the attracting investment, economic opportunity, creating jobs, stabiling and retaining business and for developing entrepreneurs” (Municipal official P2).*

This reveals that the LED implementers in Nkomazi envisage the provision of basic service as not part of their LED strategy irrespective of the circumstance that the LED strategy reflects service delivery and providing basic service as a step towards addressing poverty and achieving effectiveness within the municipality. The Nkomazi municipality is not realizing that this is important for the municipality for the public and market to gain trust in them. This is also a very important step for addressing poverty as it is an improvement of people’s living conditions and addresses spatial disparities of underdevelopment in certain communities. The lack of focus on service delivery can be attributed to the lack of a proper local economic development strategic planning. This is supported by the following response from the interview session:

*“The lack of an LED manager also posed a challenge as the LED section was managed by the Director on top of her other duties. The lack of funding during the 2010/11 financial year was the biggest challenge for the department as goals could not be achieved. Lack of building control officials remains a problem as the department only has 3 officials at its disposal” (Nkomazi Municipality- Annual Report 2010/2011).*

Furthermore, the municipality regards the support structures, institutions, and funding that it receives to be inadequate, but LED is nonetheless missing as the focus is normally on the Integrated Development Plan and the Spatial Development Framework. Furthermore, LED in Nkomazi is not directly aimed at poverty alleviation due to the fact the LED initiatives are enormously centred on job creation, business creation, and capabilities development, even though their results are unrealised. This is due to the fact that the municipality has a shortcoming in monitoring or evaluating its LED strategy.

These unmonitored LED initiatives that are presently underway and are focussing on circuitously addressing poverty include, Kruger Junction Information Centre, Arts and Crafts Manufacturing Centre, community works programme, allocation of market stalls, informal trade summit, job linkage centre, and the accelerated public works programme. Kruger Junction Information Centre is a project intended to inspire tourism linkage and recognition of community on tourism business opportunities. The Arts and Crafts Manufacturing Centre is intended to motivate people to explore job possibilities, through arts and crafts inside their

communities. The community works programme is helping the municipality to realise people from poor and marginalised communities and assist them in structuring their businesses. The Expanded Public Works Programme is a countrywide programme running within all spheres of authorities and goals to extract unemployed and unskilled people to grant them productive work that would extend their capability to generate income.

It also seeks to tackle the gap in social welfare. The allocation of trade stalls is the municipality's way of helping the second economy and encouraging activities within it as with the informal summit that gives a voice to the people who are operating within the second economy and also equips them with skills. The job linkage centre is a project that targets to hyperlink economic activities, in order to come up with the money for people from underprivileged and marginalised communities. Such people need access to skills development, education and how these programmes intend to tackle the problem of poverty through the identification of terrible communities and individuals within those communities, who are then assisted in forming their very own businesses. Ward committees are trained and equipped with skills development for them to have SMMEs and market stalls are supplied to support people who generate earnings from the second economy.

However, it is regrettable that the projects are not regarded to be sufficiently established to exhibit progress or tangible results. This means that the LED initiatives that are directed toward poverty alleviation in the municipality are not succeeding in contributing closer to poverty alleviation in marginalised and underdeveloped communities. Local Economic Development in Nkomazi municipality is typically aimed at developing jobs and developing businesses, which is evident from the projects that are being implemented. The Nkomazi municipality has, however, been dealing with challenges with the implementation of the tasks as effects can in no way be predicted. The challenges that the municipality has also encountered are that the municipality has no real understanding of the municipality's population, due to the fact that there are many foreign people that are residing in the rural areas who cannot be accounted for.

This has been a challenge for the municipality because this means that the municipality is expected to sketch for these areas without understanding the parameters and population pressures below which they want to plan for. One participant shared the following:

*“Our LED strategy does not have a direct effect on poverty however we cannot alleviate poverty when we don't know the population”* (Municipality official P4).

This proposes that not knowing the exact or estimated population becomes a hindrance for planning and consequently poverty alleviation. The municipality is faced with the challenge of not working in many rural areas, where the population is mostly made up of uneducated young people. Table 4.4 shows the level of Education rates in the study area.

**Table 4.4: level of Education Nkomazi Local Municipality**

<b>EDUCATION (AGED 20 +)</b>	<b>2001</b>	<b>2011</b>
No schooling	45%	26%
Matric	14%	26%
Higher education	4%	7%

Source: Stats SA Census 1996, 2001, 2011

This education level presents problems for the municipalities as it makes it harder for training and skills development to take place. This view concurs with the Nkomazi IDP report portrayed in the following excerpt:

*“Although there have been improvements in the attainment of matric as well as post-matric qualifications, this does not translate into employment because the types of education and training do not match the needs in the labour market” (NKLM Integrated Development Plan 2015/2016).*

The municipality generally works in rural areas in terms of the LED projects that they are operating, and this presents many obstacles. One participant shared the following:

*“Plenty of the rural areas are under traditional authorities and in many cases the traditional authorities believe that they own all the land in the rural areas and therefore feel the need to restrict some of the municipality’s plans for development on their land. This serves as a major setback for the municipality as they need to think of other ways to execute their plans and projects” (Municipal official P1).*

Hence, the municipality may also be faced with problematic traditional authorities that do not want to collaborate with them on the issue of land which is fraught with ambiguous tenure systems. This is supported by the following responses from the interview sessions:

*“Development plans and projects are also challenged by private owners of land who will only sell their land to the government at a very high price. For a long time, the government has met such problem because the municipality does not own a lot of land in the Nkomazi municipality” (Municipal official P3).*

*“The municipality is trying its best to address all the problems they meet when implementing their plans and projects. Although the municipality does not feel that they can address the issue of migrants/foreigners, they are trying to formalise some rural areas and trying to get the traditional authorities to liaise with them because that will mean they will be able to direct investment into those areas. The municipality is also addressing the challenges through encouraging the youth to study and through granting unqualified people training so that they can access employment opportunities. The government is also helping the municipality in buying land so that they may continue with their plans and projects without any difficulties” (Municipal official 2).*

The municipality is trying to make sure that they maximise the potential of their LED projects to address poverty through ensuring that similar IDP projects are distributed to all wards and ensuring that local people are employed. One participant shared the following:

*“The municipality has encouraged shopping complexes and other development to assist in absorbing people into the job market and, importantly, the rural development strategy is being developed to assist in farming and agriculture, which has the capacity of generating many permanent jobs and contributing to the economy” (Municipal official P1).*

The municipality has no tangible way of displaying the effects of their initiatives as they do not screen or consider the projects. Therefore, to get a sense of the effects of the municipality’s efforts an evaluation of job creation and enterprise creation, infrastructure improvement, and fundamental services provision needs to be made. Further findings on LED in Nkomazi municipality are linked to the number of jobs that have been created, infrastructure that has been constructed, and primary services that have been provided. These enlarge our understanding on how they have contributed to addressing poverty as is the case with the LED projects. According to the Government Municipal System Act of 2000 (Act 32 of 2000), local municipalities in South Africa continues to work except if their power and development with regards to LED execution is assessed. This ought to be linked with the dedication of the

authorities who organised the LED to recognise its qualities and shortcomings, which may affect the accomplishment of hierarchical targets, talents, and viability.

#### **4.3.2 Modalities of implementation of Local Economic Development in Nkomazi Municipality**

The Nkomazi municipality has developed its implementation plan which is listed in brief as follows:

1. creating of strategy to prior improve the local economic development and monitoring and reporting of the action taking place to build investor confidence.
2. The implemented strategy is derived through the Municipality IDP and the task team of the LED.
3. The LED structure should plan the process to implement a project in the municipality and have sustainable resources for all the project implemented.

The municipality has convened meetings to evaluate how the implementation process is going on but there seem to be issues hindering the implementation process of the municipality. One participant shared the following:

*“Meetings are held where critical decisions are made, and resolutions are taken but they seem to be less commitment in the municipality to implement”* (Municipality officials P3).

The findings reveal that it is not clear who exactly should take what responsibility which means there is no planning, as to who must do what. Performance in the implementation is sometimes compromised. Although all the official in the municipality is qualified, it seems as if their potential has not been realised because nothing gets done. One participant shared the following:

*“There’s also a level of frustration because we do hold these meetings. Decisions are made but there is no action, we would be hopeful because we would be having capable individuals, but nothing ever gets done”* (Municipality officials P1).

All of this may have implications in the municipality’s stakeholders who want to be involved in the municipality’s strategy and then withdraw because of the lack of commitment in the municipality. One participant shared the following:

*“Businesspeople have lost faith that there will ever be anything coming from Government. The Municipality would make decisions, and no one informs us as business or as the community of this town - we would not get any feedback. It is rather frustrating to operate under such conditions”* (NAFCO, official P2).

Throughout much of South Africa, the private sector has either been left out or has chosen not to be worried as a result of the mutual suspicion between public and non-public sectors that makes communication between the two organisations extraordinarily tough (Rogerson, 2010). Private sector apathy in local government-led LED has been further increased because of its experience in local authorities bureaucracy, red tape, and unproductive talk stores where a great deal is promised but little of gain to the private sector is produced (Lawrence & Hadingham, 2011). The core trouble is the need to construct the indispensable tender factors of cooperation – trust and social capital that are viewed as quintessential for positive cooperation between the kingdom and non-state actors (Ruecker and Torah, 2013). One essential issue for larger partnership between neighbourhood authorities and the non-public sector concerns red tape or nearby regulatory reform. Hindson et al. (2009) assert that addressing red tape is an essential building block of a local economic improvement Initiative.

Opportunities to facilitate funding are regularly neglected because of the low precedence accorded to enhancing local enterprise environments and cutting red tape (DPLG, 2008). Identifying local guidelines that can and need to be reformed includes implementing the LED idea of a partnership between local government and local commercial enterprise (Jayagoda, 2015; DPLG, 2008). Local authorities want to engage, clearly and systematically, with their private zone to work out exactly what the hurdles to local commercial enterprise development are which of them can be ameliorated at a local level, and then to work out a reform programme (Jayagoda, 2015).

#### **4.3.3 Strategising for Local Economic Development in Nkomazi municipality**

The Nkomazi municipality has generated a local economic development strategy to help alleviate poverty in the municipality. This strategy not only involves the municipality but also other stakeholders. One of the stakeholders is the Small Enterprise Development Agency (SEDA). This is a Non-Governmental Organisation that helps to register and deregister cooperatives in the municipality. Municipality officials state that they are helping people in the community, who want to start small businesses which include farming, catering and others. This is supported by the following response from the interview session:

*“Most of our rural areas have massive LED programmes and projects but there is a negative or poor response from communities due to lack of business skills”* (Municipal official P3).

The SEDA is helping the municipality to train people in the municipality on financial life skills, as well as marketing strategies. The municipality has conducted workshops as part of their LED programme in collaborating with the Department of Economic Development. This workshop is helping people in the community, so that they can all have entrepreneurial skills. Municipal officials indicated that there are LED projects, which are created to alleviate poverty in the municipality, which are focusing on creating an enabling environment to promote entrepreneurship amongst community members, since most businesses in the communities are owned by people from outside the community. The municipal officials assert that the local economic development strategy is a tool for job creation, which is generated through entrepreneurship, which is why their strategy is focusing more on entrepreneurship but not limited to tourism, art and culture, agriculture and infrastructure development, as these are the income-generating sources in the municipality. One participant shared the following:

*“The LED strategy does not have a plan on how to create jobs or alleviate poverty for communities”* (Municipal official P4).

The strategy which the municipal created in 2010 does not help address current problems of poverty in the municipality. The strategic plan’s objectives, which were developed and approved by council in 2010, are as follows:

- Ensure that social and economic improvement is prioritised within the IDP plan
- encourage economic development studies as part of the IDP’s
- Establish LED opportunity in the community to mobilise efforts and sources of local stakeholders across the Nkomazi municipal.
- To construct and hold an economic database to inform decision and act as an early alarming structure for the municipality
- Create allowing an environment for local business through organised active service and infrastructure delivery
- Organise municipal participate in LED and inspire public participation

(Source: NKLM Integrated Development Plan 2013/2014).

This means that the municipality is not clear about its LED strategy towards poverty alleviation because it is not one of the objectives. The municipality has different strategies which they are using for poverty alleviation. This strategy includes projects and programmes which are as follows:

#### **4.3.3.1 Job and Business Creation Strategy**

Job and business creation are the important things in the Nkomazi municipality. This is also supported by the following response from the interview session:

*“There are many jobs which have been created through local economic development from the year 2010”* (Municipal official P1).

The research findings are not clear if these jobs are permanent and what type of job these are. From what the focus of LED is, one would say these jobs are created from new businesses being developed in the municipality or developments that are created; but one will also ask why then the municipality is overwhelmed and flooding in poverty with no improvement? One participant shared the following:

*“The municipality is having more population each year, which is uncontrollable. This population is from Mozambique and Swaziland, which makes it hard for the municipality to address the poverty situation in the municipality”* (Municipal official P4).

Research findings also revealed that some of the jobs created by the municipality are only contract jobs, where people work only for a short time and then slump back in poverty. The Nkomazi annual financial report 2016/2017 reveals the following:

*“Hawkers stalls have been upgraded which benefits 16 hawkers. A total of 20 hawkers (from Tonga, Kamaqhekeza, Schoemasdal and Komatipoort) were capacitated through a training programme covering the following modules: Dynamics of Small Business Management, Managing your money and Marketing your Business, Community Works Programme (CWP): This programme has benefited 1, 950 people, for the 2016/17 financial year. (This includes the 400 participants allocated to the Traditional Authorities across the municipality.) 20 SMMEs trained and registered in the database by 30 June 2017, Draft tourism and LED Strategies not reviewed.”*

Therefore, several projects were planned to be implemented, with an attached time frame for poverty alleviation in the municipality. This project which was planned had the potential to generate a large number of sustainable jobs, but only a few of these projects were implemented. LED, as a sustainable livelihood strategy when implemented according to SLA principles, is significant in addressing poverty situations in households, as LED activities are not only limited in dealing with an individual but also communities and sustaining people, social, financial and physical capital of the members, as well as the community (Raniga, 2016). In the municipality, it seems as if sustainable livelihood strategy is not implemented. Business creation in the municipality is the key focus, but the municipality is also deliberately focusing more on agriculture and art and culture businesses more than other businesses, which would leave other members in the municipality losing interest in business due to lack of support.

#### **4.3.3.2 Infrastructural Development Strategy**

Infrastructural development, as featured in the Nkomazi local economic development plan, planned for improving access to rural networks and is of vital significance to pull in investment in the area. It is imperative to reduce the backlog in access to electricity, and telecommunication and upgrade of roads, especially in the rural areas. As it were, such coordinated effort is intended to improve the degrees of service delivery to address the issues of the local people for them to live a less disadvantaged life. This is supported by the following responses from the interview sessions:

*“Infrastructure development is important as it is not only for delivery of social service but also for affecting the local economy through the creation of different activities – it is a possible driver of inputs and outputs”* (Municipal official P1).

*“The municipality evaluates how many roads they have built or how many houses have been given water; this is used to measure the extent to which they are contributing to poverty alleviation by looking into the amount of service delivery protests”* (Municipal official P2).

The findings revealed that the municipality has not done much on infrastructural development in the rural community and this area needs to be granted greater attention. Community infrastructure plays a major role in social development in the rural community. The more income the municipality is generating, the more its capacity to deliver services in marginalised and poor communities and to also develop infrastructure.

#### **4.3.3.3 Small Micro to Medium Enterprise (SMMES) Development**

The Small Micro to Medium Enterprise strategy is meant to reduce poverty in the Nkomazi municipality. SMMES need training in business skills, funding, company registration as well as business management. The municipality has partnered with Small Enterprise Development Agency (SEDA) and Department of Economic Development facilitate workshops and help people in the municipality with the business skills they need. This is supported by the following response from the interview session:

*“People in the municipality are empowered with skills to help them participate in economic development activities working together with Small Enterprise Development Agency SEDA has embarked on a drive to identify, register, capacitate, and empower small businesses. The SMME’s are involved in the following sectors: manufacturing, agriculture, mining, crafts and arts, hospitality logistics, and many more”* (Municipality officials P4).

The municipality has further developed an SMME database which is updated on an ongoing basis. A newly registered business is enrolled in the database as soon as the minimum requirements are met. Nkomazi IDP 2013 reveals the following:

*“20 SMMEs trained and registered in the database by 30 June 2017; the municipality is working together with the Small Enterprise Development Agency (SEDA) to embark on a drive to empower small businesses. The SMME’s which are involved in the following sectors: Manufacturing, Agriculture, Mining, Crafts and arts, Hospitality Logistics”* (Nkomazi IDP 2013).

One participant also shared the following:

*“Most cooperatives are not registered with the government, and this makes it difficult for the municipal to access any assistance from government and private sector”* (Municipal official P2).

Monitoring and support are also provided on an ongoing basis for new and existing businesses. Rogerson (2014) asserts that LED is the strategy of supporting the growth of small businesses, as well as cooperatives as a vehicle for attracting more South Africans into entrepreneurial activities and boosting job creation. On the contrary, Mosora (2012) argues that there is a high percentage of rural people who are unemployed as compared to the urban populace. Hence the

rural populace faces difficulties of economic progress due to low workers' skills, low household income, and lack of infrastructural facilities. Koma (2014) alludes to the fact that LED cannot be separated from poverty reduction projects initiated and implemented at a municipal level such as the provision of free basic services and the provision of support for Small Medium and Micro Enterprises (SMMEs) and cooperatives.

#### **4.3.3.4 Agricultural Project**

Nkomazi municipality is strategising local economic development through agricultural projects to help people become employed in those projects. One participant shared the following:

*“Nkomazi municipality has a lot of land to farm and almost all our economy is generated from agricultural production... although the municipality is facing problem in the agricultural sector which are: unresolved land claims and land ownership wrangling, lack of entrepreneurial, farming and marketing skills, especially among resettled farmers (to include mentorship), lack of capital funding for machinery and stock, unwillingness by the youth to engage in agricultural activities and inadequate spatial framework for the municipality”* (Municipal official P2).

The findings reveal that agricultural projects contribute much to the economy in the municipality and would go a long way in ensuring the people's livelihoods because they are sustainable through the creation of both permanent and seasonal jobs which this does impact positively on the poverty status of the municipality. Partnership in the municipality has also been established with the Department of Agriculture to help all those who wish to be farmers with training and funding.

#### **4.3.3.5 Tourism, art and culture**

Tourism, art and culture projects are also being implemented as the biggest income generating projects in the municipality because the municipality is next to two countries, namely, Swaziland and Mozambique. There are several tourist attractions in the municipality which include heritage sites, accommodation, cultural village, game farming and crafts. People in the municipality have the chance to get permanent and sustainable jobs. One participant shared the following:

*“Most projects have been implemented in the municipality and people are getting jobs. Also, a project to train people on entrepreneurial skills development was created,*

*however, because of financial issues, it is not operating well” (Municipality official P1).*

This shows that the municipality tourism sector is doing well but financial issues are hindering the success of another project conducted in the municipality. For a municipality to do well on the project they implement they need to partner with other stakeholders. This finding is supported by Nel (2010) who states that community-based organisations are established by Non-Governmental Organisations as key coordinators of LED initiatives by providing the necessary expertise and networking for donor assistance on the localised LED. For the municipality to do well it needs partnership with another organisation. Visser and Hoogendoorn (2011) assert that in trying to develop the tourism sector, it is very crucial to include traditional leaders, who are mostly in rural municipalities. They further articulated that the tourism sector needs more attention from municipalities so that it could contribute to its potential to the LED of the municipality. The local government needs to work with public, private and civil societies in the tourism sector to ensure that people enjoy social benefits where tourism-related businesses are operating (van Schalkwyk, 2013).

#### **4.3.4 Lack of Resource for Effective Local Economic Development**

Participants revealed that a restricted budget prevents the municipality from implementing several projects that can help develop the municipality economically. Hence, many community members do come to them with different project ideas, which they want to start but due to lack of funding and lack of resources, those projects cannot be implemented. One participant shared the following:

*“Limited resources are crippling the implementation process of LED in the municipality...the shortage of staff is also a major challenge in the implementation of LED” (Municipality official, P2).*

The findings also revealed that LED officials lack capabilities to execute LED initiatives in the municipality. The municipal official further stated that they do not have a direct budget although they are viewed as a strategic unit to address poverty, unemployment and inequalities being faced by the municipality. One participant shared the following:

*“Due to a lack of transport facilities, we sometimes fail to respond when the community needs our assistance in LED projects” (Municipality official, P4).*

These findings show that LED officials have many challenges that contribute to the poor implementation of LED initiatives. LED projects and those who are LED officials lack the capabilities to execute LED initiatives. This is supported by Binza (2010) in that municipal officials and leaders are uninformed and unknowledgeable about local government issues and in particular, LED matters. They further indicated that the LED unit does not have its budget; they rely on the budget of the corporate services department, while LED is regarded as a strategic plan to address poverty, unemployment, and inequalities facing the majority of the local populace. According to Koma and Kuye (2014), some of the challenges are the shortage of skills required to drive growth and development, lack of administrative capacity, and ineffective implementation of development policy frameworks.

#### **4.3.5 Partnership as a Mechanism for Facilitating LED of Nkomazi municipality**

Other basic stakeholders in Local economic development are private and NGOs stakeholders. The findings from interview sessions revealed that the involvement of private partners has been negligible. Truth be told, none of the members praised the contribution of private partners in the Municipality's LED. Some of the participants pointed out that they have some kind of working arrangement with government department sectors, which were simply conceptual and were not formalised at all. The Nkomazi municipalities have no working strategy to oversee partnership that it sets up. There are some departments for the government they are working with. Stakeholders from the private sectors feel that they are left out in the municipality's LED processes. It is noted that the local government cannot deliver local economic development alone and depends on help from other partners. One participant shared the following:

*“The National African Federated Chamber of Commerce is one of the key stakeholders we work with as the agency that is key to an extent; that the CEO of NAFCOOC is one of our board members”* (Municipality official P1).

Participants from the Chamber of Commerce (National African Federated Chamber of Commerce/ NAFCOOC) pointed out the role they play in LED development matters in the municipality. One participant shared the following:

*“Under the business support centre in terms of LED, we have the business helpdesk, we also have an outreach programme. What we do is we try in the chambers to provide the non-financial aspect of LED. We try and inform people, to make sure people are aware, especially small businesses, of some of the requirements of their business and*

*of the type of business environment they are in and type of demands in it” (NAFCOC official P3).*

Some participants noted the significant role of NAFCOC in LED. The participant focused on the important role NAFCOC plays in helping small business. This is supported by the following responses from the interview sessions:

*“Nafcoc is engaging municipalities to consider giving opportunities to its members in a structured and sustainable manner. It uses its SMME blueprint and strategies to support municipalities. It also offers training and capacity building on tendering and procurement to its members” (NAFCOC official P1).*

*“By continuously making inputs into the municipal LED strategies, we provide ongoing training on tendering and procurement, anti-corruption, as well as on governance in general. We advise municipalities on the importance of partnering with organised business chambers” (NAFCOC official P2).*

*“NAFCOC familiarises its members on the LED strategies. It also engages with municipalities and other stakeholders, as well as community forums. It makes inputs on opportunities for its members in such meetings. It facilitates funding for its members who are SMMEs. It also interacts with potential investors for municipalities and thereby open business opportunities for its members” (NAFCOC official P1).*

The participants from NAFCOC also pointed out that the relationship they have with the municipality is like any other community forum; they are not directly involved but only involved when required. One participant shared the following:

*“Whilst representing 11 000 members, NAFCOC is in the entire municipal district; it is lumped with other stakeholders and community forums in participating in meetings of municipalities. It only gets directly involved when there is a specific issue affecting its members” (NAFCOC official P3).*

Participants also commented on the nature of the relationship with the municipality .One participant shared the following:

*“NAFCOC doesn't have a direct relationship, except that we are viewed and interact as other stakeholders in community forums” (NAFCOC official P1).*

The involvement of other stakeholders in the municipality does play a good role, but the NAFCOC has shown that people who benefit from them are only its members, which raises a lot of concern for people who are not members. This means the municipality must educate people on how to engage or get more stakeholders to help people in the municipality and some to join NAFCOC. These findings are supported by Hollund and Svendsen (2000), who states that social capital is a valuable mechanism in economic growth. The connections between individuals and entities can be economically advancing and valuable for LED. They further state that the business network is a case of the social network, which represents a union of actors joined by the common purpose. Social network accomplishes certain activities to achieve certain goals and purposes planned.

#### **4.3.6 Monitoring and evaluation strategy**

Monitoring and evaluation constitute and part of strategy implementation. In the implementation of critical programmes, such as local economic development, it would be significant for the municipality to have a monitoring and evaluation strategy. Observing would assist the municipality with intervening actions, when they see that projects are not working. Without this instrument, the municipality only reacts when the project has fallen. A good monitoring system provides early warning signals, so that corrective action can be taken timeously. Govender and Reddy (2014) consider an evaluation to be a learning strategy to improve knowledge about the logic and outputs of an intervention. Local governments are constitutionally mandated to carry out projects to improve the welfare and well-being of people in their jurisdiction. However, several constraints hamper projects at a local government level.

For any project in the local government to be considered successful, criteria such as time, efficiency, effectiveness, and quality delivery should be satisfied. Lawal and Onohaebi (2010) argue that it is essential and beneficial for the relevant bodies to monitor projects because doing so improves insight concerning project completion status. The LED strategy should be regularly reviewed to reflect changes in the local economy and lessons learned from its implementation. This review should be guided by a monitoring and evaluation plan that establishes the procedures and indicators for assessing the LED strategy planning process, and the implementation of programmes and projects. Interview participants revealed that the municipality does not have a monitoring strategy. One participant shared the following:

*“Only if we can, like I was saying, down the line come here, say in another summit and ask ourselves by the way what the results of the previous one were. We will be in trouble and so we need to be able and say the previous one was able to deliver the following benefits”* (Municipality official P1).

Other Participants were sceptical about the matter. This is shown by the following responses from interview sessions:

*“We do as we please, I can tell you; we can even manipulate the system and still get away with it”* (Municipality official P2).

*“There are so many people with capacity some really good people; but until everybody is held accountable, people are going to get away with anything”* (Municipality official P3).

A complete monitoring and evaluation system could be used to harness existing capacity, to channel productively, and to determine the assumptions and premises-based on project design (Midgley, 2016). During the collaboration with participants, it turned out to be certain that there was no linkage between vision and procedures, between systems and plans, and between plans and execution. LED practitioners were firm that the LED needs to exist. The municipality must have a mutual vision, system and execution plan, and likewise have the monitoring and evaluation strategy to help such plans and assess the effectiveness of its actions.

#### **4.3.7 Poverty and Local Economic Development**

The findings revealed that there is a high level of poverty in the municipality. The participants intimated that poverty in the municipality is decreasing each day. Hence, local economic development projects created in the municipality have resulted in job creation, which has alleviated poverty in most communities. One participant shared the following:

*“The LED project has decreased poverty in the municipality people are hired and some has become entrepreneurs through the LED strategy”* (Municipality officials P2).

The project implemented through LED has allowed the people in the municipality to establish markets which even take place at respective areas such as school, university and clinics. This has allowed the municipality to reduce poverty. Moreover, the skills that people in the municipality have acquired will help them sustain their livelihoods. One participant shared the following:

*“Most people in the municipality have acquired skills and ability; they also have gained more experiences and skill from the respective projects” (Municipality officials P1).*

#### **4.3.8 Challenges of LED Strategy in Nkomazi municipality**

According to the participants, different factors delay the implementation of LED projects, for example, political obstructions, insufficient money and related assets, lack of skills, absence of clear national government policy, absence of socio-economic data, and an absence of coordination. In this research, various challenges were identified. The unreliable stakeholder involvement, the changing economic conditions as a result of the collapse of the project and that of vacancies in the department, lack of coordination in the monitoring and evaluation process, lack of a clear implementation strategy, a lack of resources and more migration getting into the municipality are major challenges facing the municipality. Sienkiewicz (2014) indicates that limited resources are crippling the implementation process of LED and emphasise that local authorities must properly and effectively use public management tools to promote economic development in their area.

The key challenges confronted by LED initiatives are the lack of funding and members of the community withdrawing from the initiatives, because they fail to realise benefits. One participant shared the following:

*“The lack of funds is not only restraining initiatives and their credibility at the local level, but it also discourages participation and commitment to LED initiatives. As a result, vulnerability among people living with poverty diminishes any hope for sustainable livelihoods” (Municipality official P2).*

The withdrawal of the participants would increase high unemployment and poverty. Also, the issue of many immigrants in the municipality is a challenge for the LED strategy to function well, as the municipality is next to Swaziland and Mozambique and this makes it hard for the municipality strategy to work well, while not knowing the population of the area. The municipality has also power struggles and issues of trust undermining other forums. One participant shared the following:

*“At the one meeting, the municipality’s guys felt we wanted to take over and the meeting was postponed; the municipality mobilised many people and the meeting ended up favouring them” (NAFCOC official P2).*

This show that decisions on the LED strategy is won by the number of people they have, and this would live other stakeholders in the LED forum feeling undermined. Koma and Kuye (2014) state that some of the challenges are the shortage of skills required to drive growth and development, lack of administrative capacity and ineffective implementation of development policy frameworks. Furthermore, Rogerson (2009) argued that smaller municipalities have no such staff pool with the consequence that an urgent need exists to train LED officials, as well as councillors. There is excessive reliance on fashionable LED programmes at the expense of less fashionable ones, which may go a long way in poverty alleviation (Phago 2011). Rogerson (2009) therefore argues that until there are locally grown strategies the fight against poverty, job creation and suitable livelihood will be a lost battle.

#### **4.4 Summary**

In this chapter, data was obtained from Nkomazi municipal and National African Federated Chamber of Commerce. In summary, these findings show that the implementation of local economic development in Nkomazi municipality aims to improve opportunities for sustainable livelihood in the municipality, through the promotion of LED. The strategy provides opportunities to empower poor people in the municipality. The Nkomazi Local Economic Development strategy partially contains essential components on poverty alleviation, which, unfortunately, have failed to have any compelling impact on poverty, and along these lines has had constrained impact. LED has had a somewhat critical effect in some parts of the municipality. The research findings have revealed that the main reasons for LED Implementation project were to alleviate poverty and unemployment and create jobs. Other secondary reasons include skills development, networking, cultural promotion, and community development in the municipality. The municipality may be doing fine for now in their LED implementation, but it still does not have a way to use to get out of poverty alleviation, however it is trying. The municipality refers to implementing LED sustainably, but this is not translated into its plans or projects.

## **CHAPTER FIVE: DISCUSSION, RECOMMENDATIONS AND CONCLUSION**

### **5.1 Introduction**

The main aim of this study was to examine the implementation of LED activities in the Nkomazi Municipal area. This final chapter presents a summary and critique of Chapter 4 findings. The chapter assesses the overall research objectives and research questions mentioned in the previous chapters. This chapter also draws upon the entire study, and identifies areas for further research including recommendations. The results give evidence for the extent to which this study achieves the objectives stated in Chapter 1 and all the summaries from Chapter 1 to Chapter 5 are presented in this chapter.

### **5.2 Summary of the study**

This section is a recap of the entire study, from the introductory sections, the research aims, to the findings of the study. This dissertation was divided into five chapters. The first chapter served as an introduction, presenting a background to the research topic of interrogating the implementation of Local Economic Development for poverty alleviation in Nkomazi Municipality, Mpumalanga Province. The study focussed on the LED implemented strategy, with Nkomazi municipality as a case study.

The literature review was presented in chapter two, within which the researcher discussed the background and meaning of LED from international and South African context. This discussion opened the way for the implementation process of LED. The chapter went on to discuss key role players in LED, South Africa policy and legislation context and enabled the researcher to look at private sector involvement in LED, as well as challenges in implementation and theoretical framework which is the Sustainable Livelihood. It was further concluded that in the South African context, there is a limited amount of literature on Local Economic Development because it is a fairly new mechanism. It was further established that the involvement of stakeholders is very important for effective LED.

Chapter 3 presented the detailed description of how the field research was done, which also included a detailed clarification of the research methods, which are in line with the aims and objectives of the study. The methodology chapter defined the research paradigm, research design and data collection that the researcher used. This is a qualitative study and seven semi-structured interviews were conducted. These included four participants with Nkomazi municipality and three participants from the chamber of commerce. Moreover, primary data was obtained from documents, including legislation, annual report and IDP report. The

principles and ethical considerations that were adopted in the research were also explained in this chapter. Thereafter, the primary data were qualitatively analysed using thematic analysis and presented in chapter four.

Finally, the concluding chapter presents the discussion of research findings, recommendations and the limitations of the study. Some of the areas that need further research are also highlighted.

### **5.3.1 Research Findings and Discussion**

#### **5.3.2 Local Economic Development in Nkomazi Municipality**

One of the objectives of the study was to assess how local economic development strategy is being implemented for poverty alleviation. The findings revealed that LED implementation in Nkomazi is fraught with several challenges. Oduro-Ofori (2011) suggested that concentrating LED projects in one department helps with coordinating issues and has been applied effectively in Ghana, while Harrison and Todes (2013) showed that lack of systems thinking not only wastes resources, but inadvertently introduces competition between departments that at best should be cooperating. With no consolidation of reports, Crescenzi and Rodriguez-Pose (2011) noted that such disjuncture is bound to scatter the efforts of any other tiers. Implementation is affected in Nkomazi, which reflects the lack of coordination on LED by different departments across policy levels.

The dependency of LED was emphasised by Thwala (2009) and Bailey (2014), who said that LED cannot be executed in a vacuum; hence an integrated approach is required from planning to implementation. Reports by Afrobarometer (2012) also showed that to a greater extent, LED depends on service delivery and is sometimes used to do firefighting when there are service delivery protests. The level of understanding required to execute effective LED transcends the normal departmental knowledge, so that the impact of other units can be assessed before challenges crop up. The implementation of LED in Nkomazi Municipality is said to be hampered by the inadequate finances. The municipality has taken years to create a LED strategy, which is still not running smooth. Overbeek and Van Apeldoorn (2012) highlighted the challenge of strategies that gather dust with no implementation taking place.

With this trend, local municipalities find themselves having to review LED strategies that were never fully implemented, and resources are wasted as more consultants are paid to review otherwise unimplementable plans. It seems that the implementation of LED programmes would

remain constrained, as the municipality exerts authority over the LED players. The participants indicated that the LED projects are being driven by the municipal alone, but not in partnership with the with other stakeholders. The importance of partnerships was emphasised by Reddy and Wallis (2012) and Mahlalela (2014), while Benner (2013) noted that networks and partnerships go hand-in-hand as they facilitate the harnessing of synergies. the LED strategy is expected to be an important tool in identifying potential LED initiatives with the potential to improve the economic status, which includes job creation and poverty reduction in the entire area.

This strategy can bring about socio-economic change and empower the poor to be financially independent. These LED initiatives should be linked to the master strategy of the municipality (IDP), thereby creating an optimal economic environment conducive to employment creation, income generation and the sustainable economic development of the local municipalities. Specific reference to LED is made in the Municipal Systems Act (section 26), where the Act specifies that the Integrated Development Plan of a local municipality must contain its Local Economic Development aims.

### **5.3.3 Strategising for LED in Nkomazi Municipality**

The findings show that there is a consistent lack of resources for LED, especially infrastructure and financial, but some participants highlighted that the resources themselves are not the problem, but rather how they are used. While the infrastructure resources may be considered sufficient in certain cases, the participants noted a worrisome trend in Mbombela, in which funds or budgets are often diverted to what are considered to be more pressing issues than LED. A lack of resources is a common challenge that has been identified in most LED literature. USAID (2016), Afrobarometer (2012) and the Third World Forum for LED (2015) all generally agree that municipalities lack planning resources of all kinds, including internal skills, infrastructure and budgets.

Paton (2014) traced this problem back to poor planning, arguing that it eventually leads to an un-implementable LED strategy. Resources such as project champions do not form part of the daily human resource requirements, but they are critical. According to Meyer (2013), without LED champions, most LED long term programmes would falter because politicians tend to be in control of council budgets and without political support, noble projects may be watered down and shelved year after year. This problem is related to what Koma (2012) identified as a bias towards quick-win projects versus long term projects. The resource challenges noted transcend

beyond physical and monetary issues to include a lack of capacity building resources, a lack of LED networks with the private sector, and generally poor management of LED facilities. It was revealed in this study that the Nkomazi Local Municipality is currently driving or leading major LED projects.

The Nkomazi municipality's vision places a high priority on economic development and mainly tourism. Through the IDP the municipality was also able to develop objectives and strategies that relate to LED. The Nkomazi LED strategy was done by consultants, and this indicates that even when capacity appears to be there, it is sometimes not sufficient because of the number of responsibilities they have to handle, or the lack of specialised skills. Therefore, it seems imperative not to solely rely on internal capacity, but to carefully assess the internal capacity concerning a specific task and then decide whether external support is needed or not. Municipalities have not succeeded in the integration of LED with the overall IDP processes. SMME support exists on ad hoc basis, but no comprehensive economic or sectoral analysis exists at most places in the municipality.

#### **5.3.4 Partnership as a Mechanism for Facilitation LED of Nkomazi Municipality**

The study found that the involvement of stakeholders, in both public and private sectors, is crucial for the success of LED. Different government units and departments have responsibilities for the implementation of effective LED programmes. Also, the municipality itself was found not to be open to collaborations with private stakeholders, which is why it was found to be driving LED programmes on its own, without any active or visible involvement from the private sector. This has affected the LED trajectory, with the private sector driving it in a particular direction and the municipality planning towards another. The study also found that the municipality does not prioritise stakeholder engagements for the benefit of growing the local economy, and it does not value active partnerships and stakeholder involvement in LED and economic growth.

The municipal partnerships that are formed in pursuit of LED are mostly ad hoc and there are no partnership management strategies in place. The issue of partnerships has been overlooked in both policies and practice. The LED policy documents do not outline the role of other sectors, such as the private sector and NGOs. It outlines the role of facilitating LED as predominantly the local government role. It is the local government that can decide to bring along other partners if it is not able to undertake the given task by itself. Hence partnerships are considered mainly in terms of procurement and a potential source for funding. Successful LED occurs

where government and businesses work together to improve the economy of a specific area. The business has not been included in IDP or LED in the planning and implementation of strategies. Poor partnerships have led to limited LED success. Only small community development projects have been attempted.

The findings on stakeholder participation suggested diverse views from officials. While officials seem to agree on who the main stakeholders are, they share different views in terms of why stakeholders should collaborate. Mutually beneficial relationships are also needed with business institutions such as NAFCOC. The reality according to the participants, however, is that the Nkomazi municipality only engages the private sector when it is looking for donations or support that favour its operations or needs at a particular point in time. This is contrary to the recommendations of Rodriguez-Pose (2010) and Abozeid (2017), who suggested that LED requires a holistic and integrated approach because LED has to deal with economic, social, welfare and political issues simultaneously. To create a conducive environment for business, Bennett (2011) argued that LED needs to be central, directing and at times dictating, policy directions. At the institutional level, LED plays an advocate role that is often equated with a referee position.

### **5.3.5 Monitoring and Evaluation Strategy in Nkomazi Municipality**

While the findings suggest that the municipality is not progressive in evaluating their progress, to their credit, however, the municipality indicated that they would anticipate establishing a monitoring system shortly. The municipality has not set a good example in that it has not established an LED Monitoring and Evaluation (M&E) unit, which seeks to evaluate the performance of programmes. The fact that the municipality does not have monitoring systems and that they have postponed until some future date implies that monitoring and evaluation are viewed as an afterthought, and as such, it remains on the margins of development initiatives. These possibilities cast a major shadow concerning the performance of small project support initiatives. The question of accountability becomes difficult to address in the absence of an M&E mechanism. This is because while M&E exists as a practical system of measuring performance, it largely determines commitment to the concept of accountability.

To be safe though, the presence of M&E might not guarantee participation and accountability. However, they present tools for addressing poor commitment to participation and accountability. The municipality's monitoring and evaluation (M&E) systems were also found to be insufficient, which has led to the unsustainability of LED projects and programmes. Key

common strategies identified to assist the municipality in strengthening LED included improved stakeholder engagement, joint planning with private and public role players, adequate mobilisation of financial resources, and sound political leadership and governance of the institution itself. The need for the municipality to clarify and craft its LED path was found to be critically important to guide the implementation of the improvement strategies and rally all efforts towards a known, common, and shared vision for LED in Nkomazi.

### **5.3.6 Poverty and LED**

The study reveals that many factors have affected the impact of LED in reducing poverty in Nkomazi municipality. Although the municipality suggests that there is reduction in poverty, the findings from direct observation of the municipal area are on the contrary, because most people are still stuck in poverty. A balance is needed between market initiatives, job creation, and pro-poor actions. Poverty alleviation forms more part of social development than LED.

### **5.3.7 Challenges of LED Strategy in Nkomazi Municipality**

LED capacity has stood out as a key challenge that hampers LED interventions. Projects have not been started due to lack of funding. Municipal projects need to focus on LED outcomes. For example, labour-intensive projects could cost more and take more time to complete, without an additional income to the municipality. Most projects are therefore not sustainable. Challenges exist regarding the LED process from policy to implementation at the local government level. These include that policy does not automatically lead to implementation; improved skills levels are required, staff and funding shortages need to be resolved, poor stakeholder involvement in the planning and implementation of LED projects exists, and poor monitoring and evaluation (Nel & Rogerson, 2009).

Municipalities in South Africa do not have adequate economic strategies in place to address the issues of poverty, unemployment, and inequality (SACN, 2004). LED is currently still not a priority in most local municipalities, and limited funding is made available from the national government. LED strategies lack detail for interventions and lack monitoring and evaluation. Nkomazi rural municipalities struggle to implement LED. The role and functions regarding LED are vague with a lack of willingness for partnerships with the private sector (Khanya-Aicdd, 2017). LED is not yet well embedded in municipal structures, which is shown by the lack of LED units within the Nkomazi municipality. LED has its goals to create local jobs; to ensure economic stability and diversity, build on comparative advantages; assist the poor; and

ultimately strive to improve the quality of life of all local communities. Local commitment, adequate skills, and capacity are however non-negotiables for LED success.

#### **5.4 Realisation of the Objectives**

**Objective 1:** To assess how local economic development strategy is being implemented for alleviating poverty in Nkomazi Municipality

This objective was achieved because the research findings have shown that as much as there are challenges in the LED implementation strategy of Nkomazi municipality, it also showed that much has been done by the strategy implemented to alleviate poverty. The implementation plans for the municipalities were presented in Chapter 5, and these indicate that the municipalities have comprehensive planning documents but there are still gaps in both the implementation and sustainability of their LED initiatives for poverty alleviation. Municipalities have good policies that support the implementation and funding of local economic development but there is a lack of human capital to drive those policies to yield sustainable results.

Poverty is indeed declining in the municipality and this is through the LED strategy being implemented. Although there are many issues with the strategy implemented it seems the municipality would resolve them so that the strategy may work out smooth. Some of the issues would be resolved by councillors and other stakeholders.

**Objective 2:** To explore the effectiveness of local economic development in poverty alleviation

This objective was realised because the role of LED in poverty alleviation was effective. The idea of LED was to help alleviate poverty in the municipality. Apart from the community moving out of poverty and being hungry for money, they are also benefiting from the skills being created. The municipalities prioritise mostly young people because they are at the centre of the triple scourge that the country is fighting, which are unemployment, poverty and inequality. Young people are a key priority in all the efforts of local government: to create employment and creative conducive ground for them, to prosper with their businesses, and they are constantly being encouraged to create small businesses because studies that have been conducted, including this study, show that the creation of small businesses is one of the key solutions to economic challenges.

It is the LED priority to provide infrastructure, particularly in basic municipal and social services through work-intensive methods to stretch employment creation and skills infrastructure suitable for the municipality. Findings have shown that the Nkomazi municipality beneficiaries have been drawn into opportunities, such as work experience, training and agriculture opportunities, and Small Medium and Micro Enterprise (SMME) developments.

**Objective 3:** To make recommendations on how local economic development can be improved in Nkomazi Municipality

The objective was realised because the recommendation for the Nkomazi municipality is made in the subsequent section.

## **5.5 Recommendations**

LED Stakeholder involvement is essential for the successful implementation of any development programme. Nkomazi Local Municipality needs the effective involvement of governmental and non-governmental stakeholders in its LED implementation programmes, from the planning to the implementation and reporting phases. All stakeholders involved in LED initiatives including private stakeholders must have a plan to show how the LED initiatives are sustainable. This should not be the sole responsibility of the local municipality but, from the beginning, during the planning phase issues of sustainability must be discussed to determine the viability of that particular initiative. Partnership with private stakeholders, businesses, and community organisations must be strengthened to address the problem of unemployment. This would open a space for more stable job opportunities for the community. A certain percentage of outsourced work must be given to the youth, who are qualified to do that job, and it must be easy for the youth to get funding when they try to establish Co-operatives, SMMEs, and Non-Profitable Organisations (NPOs), because these initiatives contribute to resolving socio-economic challenges and, if they are well taken care of, they can generate income and create job opportunities, which could lead to poverty alleviation.

The successful implementation of LED programmes requires effort and clarity on the part of LED practitioners in municipalities. Much investment is made in LED programmes in terms of time and limited resources; thus, they cannot be allowed to deteriorate due to lack of use. Sustainability plans must be put in place with viable strategies that would preserve their longevity. These should be implemented together with the private sector, given its proven

business experience in running programmes to profitability. This would be easier if the private sector is involved in programmes from the beginning. Sustainability is important if poverty reduction and job creation are to be lasting. The LED method employed should aim for a non-dependency state but rather empower local economies. This should help in identifying more effective ways to support livelihoods and reduce poverty.

The municipality should continue engaging with LED stakeholders and communities in the IDP review to ensure that economic development priorities are understood and accommodated in the budget processes of the municipality. This would enable the municipality to implement community-driven economic initiatives that would contribute meaningfully to social and economic development in the area.

### **5.6 Contribution to the Body of Knowledge**

This study revealed that LED has not been producing the desired outcomes; thus, the results have been mixed. This study is of relevance in terms of its academic contribution to the relevant body of knowledge and in terms of the practical use of the findings. In terms of its academic contribution, the study showed that the implemented LED strategy in the Nkomazi municipality contribute to development in local government in the sense that local government, as well as other stakeholders, work together to establish initiatives that respond to people's needs, in particular the poor, young people and other vulnerable groups. However, there are still some gaps in some of the stages such as the implementation and sustainability of the LED strategy, and terms of monitoring and reviewing the strategy in the local municipality.

It is worth mentioning that this study further contributes to the achievement of one of the fundamental objectives of local government as stipulated in section 152 of the Constitution (1996), which is to promote social and economic development and this study is grounded on this objective, and the process of LED poverty alleviation is used to gain access to social and economic development to promote self-independency. However, sustainability is a concern and in the strategies of both municipalities, there is no plan to show how they would ensure that these initiatives are sustainable and would benefit future generations.

### **5.7 Suggestions for further research**

LED remains a pertinent issue on the South African development agenda. At the time of finalising this Research, the South African Government had convened a National Dialogue on LED for further engagement and debate on the subject, while the Mpumalanga provincial

government also put the subject of LED on the agenda of its Executive Council as a matter for discussion. This has signalled a serious need for interaction between the different levels of government on the subject of LED. An assessment of the extent to which LED as a key programme of government implemented in Mpumalanga Province should further be interrogated, both at the municipal and the provincial levels. Future studies could also focus on the impact of LED programmes implemented by the Nkomazi Local Municipality on the livelihoods of local people. The municipality has many rural nodes, thus the efficacy of LED programmes in these areas could also be examined and explored.

A future study could also perhaps determine whether the availability of land would have a direct impact on economic development. It is critical to establish if it allow communities to implement their initiatives without any obstacles if appropriate and effective use of land through spatial planning initiatives was planned for and the implementation of the outcomes could enhance the implementation of the LED strategy. A future study could also investigate whether protection of the Municipality's natural resources, including the use of land could enhance economic growth. Efficient land use could facilitate economic growth and development within the municipal area. Does the planning and management of land use in terms of zoning prevent the timeous development of land? These are some of the broad questions that can be explored in the future and they can assist in the implementation and sustainability of the LED strategy.

## **5.8 Conclusions**

This chapter looked at the findings of the research and one of the main findings is that the Local Economic Development implemented has indeed contributed to poverty alleviation. Local government is mandated by the Constitution to take an initiative role in promoting social and economic development. Local Economic Development is everybody's business including the local populace, local business, and government. In developing countries, such as South Africa, LED is seen as a vehicle to drive solutions to improve the three social challenges in the society, which include poverty, unemployment, and inequality. However, the research findings concluded that the LED strategy established in the municipality has inadequate funding to implement LED, and lacks skilled management and knowledge about the processes and the procedure of LED. The Municipalities have good policies that support the implementation and funding of local economic development but there is still a gap in terms of enforcing those

policies, which include fully implementing the stages of the World Bank economic model to yield effective and sustainable results

Developmental local governance, as per South African policy direction, requires that LED play a central role, yet given the challenges and weaknesses observed in this study, it is apparent that many solutions are needed to correct the current LED strategy. In conclusion, LED is indeed a complex matter. Over and above its complexity, various agents continuously engage to make LED a reality. Therefore, the implementation of LED should be done in such a manner that takes all important elements into account, and in the process advocates for the emergence of outcomes.

## 5.9 References

Abozeid, O., 2017. Promoting local economic development in Egypt: Challenges and lessons learned from the case of Fayoum governorate. MBA Thesis. The American University in Cairo School of Global Affairs and Public Policy.

Aceleana, D., 2012. *Analysis of key economic sectors promoting local economic development (LED) for strategy development in the Capricorn region, Limpopo Province (Doctoral dissertation, North-West University).*

Acholo, M., McNamara, N. and Morse, S., 2009. Sustainable Livelihood Approach: A critical analysis of theory and practice. Geographical Paper No. 189. Department of Geography, University of Reading, UK.

*African National Congress, 1994. The Reconstruction and Development Programme: A Policy Framework.* Pretoria: African National Congress.

Afrobarometer, 2012. South Africa Round 5. Retrieved from: <http://www.afrobarometer-online-analysis.com/aj/AJBrowserAB.jsp>. (Accessed 12 June 2020).

Asmah-Andoh, K., 2009. Implementation of developmental local government for alleviating poverty and inequality. *Journal of Public Administration*, 44(Special issue 1), pp.100-111.

Babbie, E., and Mouton, J., 2009. *The practise of social research.* Cape Town: Oxford University Press.

Bailey, S., 2014. RDP Housing Success or Failure, 20 Years of Participating in Public Policy. Retrieved from: <http://www.cplo.org.za/wpcontent/uploads/2017/02/BP-432- RDP-Housing-May-2017.pdf>. (Accessed 17 June 2020)

Baird, S., 2011. *Managing Local Economic Development - A Case Study of Tauranga.* Doctoral dissertation, University of Otago.

Benner, M., 2013. *Developing Economies with Industrial Policy: Towards a Toolbox for Economic Growth. With Case Studies of Jordan and Egypt.* Retrieved from [https://mpra.ub.uni-muenchen.de/43857/1/MPRA\\_paper\\_43857.pdf](https://mpra.ub.uni-muenchen.de/43857/1/MPRA_paper_43857.pdf) (Accessed 16 June 2020).

Binza, S.M., 2010. The evolution of South African local governments: The politics of memory. *Journal for Contemporary History*, 30(2), pp.69-87.

Canzanelli, G., 2011. The specificity of local economic development processes and strategies in developing countries. ILS LEDA paper, (16), pp.15-24.

Cohen, L.; Manion, L. and Morrison, K. 2011. *Research Methods in Education* (7th Ed.). London and New York: Routledge.

De Vos, A.S. (ed.) 2010. *Research at grassroots: For the social sciences and human service professions* (2nd edition). Pretoria: Van Schaik.

De Vos, A.S., Strydom, H., Fouché, C.B., and Delport, C.S.L., 2010. *Research at Grass Roots for the social sciences and human service professions* (4th ed.). Pretoria: Van Schaik Publishers.

Department of Cooperative Governance and Traditional Affairs, 2015. National Framework for Local Economic Development Retrieved from: [http://www.phokwane.gov.za/index.php/led/doc\\_details/8-national-framework-for-local-economic-development?](http://www.phokwane.gov.za/index.php/led/doc_details/8-national-framework-for-local-economic-development?) (Accessed 9 June 2020)

Department of Provincial and Local Government (DPLG), 2006. National Framework for Local Economic Development, 2006.

DPLG 2000. Local Government: Municipal Systems Act 32 of 2000. Pretoria. DPLG.

DPLG 2006. Policy Guidelines for implementing Local Economic Development in South Africa. Pretoria: DPLG.

DPLG (Department of Provincial and Local Government), 2006. *Stimulating and Developing Sustainable Local Economies: National Framework for Local Economic Development (LED) in South Africa*.

DPLG (Department of Provincial and Local Government), 2008. *Better Business Environments for Shared Local Economic Growth and Development: Improving the Local Business Environment*.

Elliot, S., 2011. Transdisciplinary perspectives on environmental sustainability: a resource base and framework for IT-enabled business transformation. *Mis quarterly*, 35(1), pp.197-236.

Gambe, T.R., 2015. The gender dimensions of water poverty: Exploring water shortages in Chitungwiza. *Journal of Poverty*, 23(2), pp.105-122.

Govender, I. and Reddy, P., 2014. Monitoring and evaluation in local municipalities: A case study of KwaZulu-Natal Province. *Administratio Publica*, 160(22), p.4-12.

Gutierrez-Montes, I., Emery, M. and Fernandez-Baca, E., 2009. The sustainable livelihoods approach and the community capitals framework: The importance of system-level approaches to community change efforts. *Community Development*, 40(2), pp.106-113.

Hadingham, T., 2011. Municipalities are growing horns: a practitioner's reflection on the outcomes of the Western Cape led maturity assessments: Section 2: Practice. *Skills at Work: Theory and Practice Journal*, 6(1), pp.40-48.

Harrison, P. and Todes, A., 2013, October. Spatial considerations in the development of urban policy in South Africa: A research paper as input into the preparation of the Integrated Urban Development Framework (IUDF). In *IUDF Stakeholder Workshop, Johannesburg (Vol. 26)*.

Hindson D, Ndaguba, E.A. and Hanyane, B., 2009. Stakeholder model for community economic development in alleviating poverty in municipalities in South Africa. *Journal of Public Affairs*, 19(1), p.e1858.

Houghton, C., Murphy, K., Meehan, B., Thomas, J., Brooker, D. and Casey, D., 2013. From screening to synthesis: using nvivo to enhance transparency in qualitative evidence synthesis. *Journal of clinical nursing*, 26(5-6), pp.873-881.

Hugman, R., Pittaway, E. and Bartolomei, L., 2011. When 'do no harm' is not enough: The ethics of research with refugees and other vulnerable groups. *The British Journal of Social Work*, 41(7), pp.1271-1287.

Human, F., Marais, L. and Botes, L. (2011) Making plans against all odds: LED in small towns of Free State Province, South Africa. *Africa Insight*, 38 (1): 53-66.

IDP (2012) Nkomazi Local Municipality. Available at: <http://www.nkomazi.gov.za/> (Accessed: 16 /10/2019).

IDP (2013) Nkomazi Local Municipality. Available at: <http://www.nkomazi.gov.za/> (Accessed: 18 /10/2019).

IDP (2015) Nkomazi Local Municipality. Available at: <http://www.nkomazi.gov.za/> (Accessed: 20 /10/2019).

IDP (2016) Nkomazi Local Municipality. Available at: <http://www.nkomazi.gov.za/> (Accessed: 20 /10/2019).

Jayagoda, D.D., 2015. Community-based Mangrove Forest Management in Association with Sustainable Tourism in Puerto Princesa City of the Philippines. *International Journal of Sustainable Future for Human Security*, 3(2), pp.23-30.

Kanyane, M.H., 2011. Conceptualising local economic development as a community engagement strategy for poverty alleviation. *Journal of Public Administration*, 43(Special issue 1), pp.698-707.

Khumalo, P., 2014. Improving the contribution of cooperatives as vehicles for local economic development in South Africa. *African Studies Quarterly*, 14(4), p.61.

Koma, S. B. 2014. The implementation of Local Economic Development policy: the case of Emakhazeni Local Municipality in South Africa. *Administratio Publica*, 22 (4): 40-61.

Koma, S.B., 2012. Local economic development in South Africa: Policy implications. *African Journal of Public Affairs*, 5(3), pp. 125–140

Kuhl, P.K., 2011. Early language learning and literacy: neuroscience implications for education. *Mind, Brain, and Education*, 5(3), pp.128-142.

Kumar, S., 2012. *Kac-Moody groups, their flag varieties and representation theory* (Vol. 204). Springer Science & Business Media.

Kvåle, K., 2007. Do cancer patients always want to talk about difficult emotions? A qualitative study of cancer inpatients communication needs. *European Journal of Oncology Nursing*, 11(4), pp.320-327

Liou, K. 2008. *Local Economic Development in China and the United States: Strategies and Issues*. Public Administration Review.

Lisa Findley & Liz Ogbu, 2011. "South Africa: From Township to Town," *Places Journal*: <https://doi.org/10.22269/111117> (Accessed 19 Nov 2019)

Long, H., 2009. Differentiation of rural development driven by industrialization and urbanization in eastern coastal China. *Habitat International*, 33(4), pp.454-462.

- Mahlalela, L.S. 2014 Economic valuation and natural resource rent as tools for wetland conservation in Swaziland: the case of Lawuba wetland (Doctoral dissertation, University of Pretoria).
- Malefane, S.R. and Mashakoe, E. 2010. Integrated development planning (IDP) and Local Economic Development (LED) in South Africa: the power-twins. *Journal of Public Administration*, 43 (3):54.
- Malefane, S.R., 2009. Structuring South African municipalities for effective local economic development (LED) implementation. *Journal of Public Administration*, 44(Special issue 1), pp.156-168.
- Marais, L., 2010. Donor-driven local economic development in peripheral areas of KwaZulu-Natal: The Gijima Programme. *Development Southern Africa*, 27(4), pp.252-300.
- Maxwell, J.A., 2012. The importance of qualitative research for causal explanation in education. *Qualitative Inquiry*, 18(8), pp.655-661.
- May, J. 2016. *Poverty and Inequality in South Africa: Meeting the challenge*. Cape Town: David Philip Publishers
- Mazibuko, S., 2013. Understanding underdevelopment through the sustainable livelihoods approach. *Community Development*, 44(2), pp.173-187.
- Mbuli, B.N., 2008. *Poverty reduction strategies in South Africa* (Doctoral dissertation, University of South Africa).
- Merriam, S.B., 2009. Qualitative case study research. *Qualitative research: A guide to design and implementation*, pp.39-54.
- Meyer, D.F., 2014. Local government's role in the creation of an enabling developmental environment. *Administratio Publica*, 22(1), pp.24-46.
- Meyer-Stamer, J., 2013. Why Is Local Economic Development So Difficult In South Africa And What Can We Do To Make It More Effective. Retrieved from: [http://www.mesopartner.com/publications/mp-wp4\\_LED-difficult](http://www.mesopartner.com/publications/mp-wp4_LED-difficult).(Accessed 12 June 2020).
- Midgley, J., 2016. Promoting reciprocal international social work exchanges: Professional imperialism revisited. In *Indigenous Social Work around the World* (pp. 59-74). Routledge.

- Morse, C. 2009. The Asset-Vulnerability Framework: Reassessing Urban Poverty Reduction Strategies. *World Development* 26(1):1-19.
- Morse, S., McNamara, N. and Acholo, M., 2009. Sustainable Livelihood Approach: A critical analysis of theory and practice. University of Reading.
- Mosora, L.C., 2012. The local development initiatives in the rural development context. *Theoretical and Applied Economics*, 6(6), p.75.89.
- Motswiane, C. 2009. The role of Local Economic Development on Poverty eradication in South Africa's rural municipalities (Doctoral dissertation, UNESCO)
- Musakwa, W., 2009. Local economic development as a poverty alleviation tool: a case study on the urban renewal program in KwaMashu, Durban (Doctoral dissertation).
- National Planning Commission. 2012. National Development Plan 2030. Available WWW: [www.info.gov.za/issues/national-development-plan/development-plan-2012.html](http://www.info.gov.za/issues/national-development-plan/development-plan-2012.html)(Accessed 9 June 2019).
- Nel E. 2010. Local Economic Development; A Review and Assessment of its Current Status in South Africa" in *Urban Studies*, vol.38, no.7 pp 1003-1024.
- Nel, E. and Rogerson, C.M., 2009. The contested trajectory of applied local economic development in South Africa. *Local Economy*, 31(1-2), pp.109-123.
- Nel, E., & Rogerson, C.M. 2005. Pro-poor local economic development in South Africa Cities: Policy and practice. *Africa Insight*, 35 (2) 5-20.
- Nel, E., Binns, T. and Bek, D., 2009. Misplaced expectations? The experience of applied local economic development in post-apartheid South Africa. *Local Economy*, 24(3), pp.224-237.
- Nel, E.L. and Humphrys, G., 2010. Local economic development: Policy and practice in South Africa. *Development Southern Africa*, 16(2), pp.277-289.
- Oduro-Ofori, E., 2011. The role of local government in local economic development promotion at the district level in Ghana. PhD thesis. Technical University of Dortmund. Retrieved from: [https://www.researchgate.net/profile/Eric\\_Odurofori2/publication/306485922\\_The\\_role\\_of\\_local\\_government\\_in\\_local\\_economic\\_development\\_promotion\\_at\\_the\\_district\\_level\\_in\\_Ghana/links/55d1835708ae6a881385eeb7.pdf](https://www.researchgate.net/profile/Eric_Odurofori2/publication/306485922_The_role_of_local_government_in_local_economic_development_promotion_at_the_district_level_in_Ghana/links/55d1835708ae6a881385eeb7.pdf). (Accessed 15 June 2020).
- OECD. 2004. Promoting Pro-Poor Growth Social Protection. Available WWW: [www.oecd.org/dataoecd/63/10/43514563.pdf](http://www.oecd.org/dataoecd/63/10/43514563.pdf) (Accessed 5 December 2019).

- Okecha, K., 2011. Regime politics and service delivery in the Cape Town unicity council area. In *Urban Forum* (Vol. 22, No. 1, pp. 95-110). Springer Netherlands.
- Onohaebi, S., O. 2010. "Project Management: A Panacea for Reducing the Incidence of Failed Projects in Nigeria". *International Journal of Academic Research*, 2(5), pp.123-131.
- Onyebueke, V., 2011. The informal sector in urban Nigeria: Reflections from almost four decades of research. *Town and Regional Planning*, 59, pp.65-76.
- Organisation for Economic Cooperation and Development (OECD), 2014. Promoting Pro-Poor Growth Employment: OECD report.
- Overbeek, H., and Van Apeldoorn, B. (Eds.), 2012. *Neoliberalism in Crisis*. New York: Palgrave Macmillan.
- Paton, C., 2014. Service Delivery Protests: Why Now? Retrieved from: <http://www.bdlive.co.za/national/2014/02/17/service-delivery-protests-whynow?service=print>. (Accessed 10 June 2019).
- Phago, K. 2011. Reengineering and rethinking municipal service delivery through Local Economic Development (LED) initiatives. Conference Paper presented at the 5th annual conference of SAAPAM held in Port Elizabeth 24-25 August, South Africa.
- Philip, K. 2009. *Co-operatives in South Africa: Their Role in Job Creation and Poverty Reduction*. Pretoria: South African Foundation.
- Pieterse, J.N., 2000. After post-development. *Third world quarterly*, 21(2), pp.175-191.
- Pitney, T., 2013. A quantitative analysis of uncertainties within transfer function-based impedance tube methods. Rensselaer Polytechnic Institute.
- Polit, D. and Beck, C., 2012. Essentials of nursing research. *Ethics*, 23(2), pp.145-160.
- Pretorius, A.M. and Blaauw, P.F., 2008. Local Economic Development Agencies in South Africa Six years later. *South African Journal of Economic History*, 23(1-2), pp.155-183.
- Pretorius, M. and Blaauw, D., 2014. Happiness among first-year students at a comprehensive tertiary institution—an exploratory study. *Journal of Economic and Financial Sciences*, 7(2), pp.467-484.

Raniga, T., 2016. Poverty alleviation, social protection policy and sustainability of economic development cooperatives: voices of women residing in Bhambayi, Kwazulu-Natal, South Africa. *Social Work*, 54(4), pp.395-406.

Reddy, P., and Wallis, M., 2012. Local economic development: A critique of the African experience. *Politeia*, 31(2), pp.70-88.

Republic of South Africa. 2000. MUNICIPAL SYSTEMS ACT 32 OF 2000. Local government and traditional affairs. Republic of South Africa.

Republic of South Africa. 1998. White paper on Local Government. Development of Constitutional Development. Pretoria. Government Printer.

Republic of South Africa. 2000. Municipal Systems Act, no 32 of 2000. Pretoria. Government printer

Rodrigues-Pose, A. 2010. The role of ILO in implementing local economic development strategies in a globalized world. London School of Economics. Unpublished paper

Rodriguez-Pose, A. and Tijmstra, S. A. 2010. Local economic development in subSaharan Africa. *Environment and Planning C. Government and Policy*, 25 (4): 516-536.

Rogerson, C.M., 2009. Local economic development and tourism planning in Africa: evidence from route tourism in South Africa. *Tourism strategies and local responses in Southern Africa*, pp.27-40.

Rogerson, C.M., 2010. Local economic development in South Africa: Strategic challenges. *Development Southern Africa*, 27(4), pp.130-495.

Rogerson, C.M., 2011, May. Tracking local economic development policy and practice in South Africa, 1994–2009. In *Urban Forum* (Vol. 22, No. 2, pp. 149-168). Springer Netherlands.

Rogerson, C.M., 2014. Reframing place-based economic development in South Africa: The example of local economic development. *Bulletin of Geography. Socio-economic Series*, 24(24), pp.203-218.

Ruecker, A. & Trah, G. 2013. Local and regional economic development: Towards a common framework for GTZ's interventions in South Africa. Eschborn. GTZ. Available from: [www.gtz.de](http://www.gtz.de). Accessed on 20 December 2019.

Ruecker, A. and Trach, G. 2013 Local and regional economic development: Towards a common framework for GTZ's interventions in South Africa. Eschborn, GTZ (online). Available from: [www.gtz.de](http://www.gtz.de) [Accessed 9 /11/2019].

SALGA LED Position Paper Key Issues in Local Economic Development in South Africa and a Potential Role for SALGA Cooperative Governance and Traditional Affairs DDG: LED and Infrastructure Pretoria 2010.

Seduma, M.P., 2011. The impact of local economic development on the livelihood of communities in Ba-Phalaborwa Municipality, Mopani, Limpopo Province, South Africa (Doctoral dissertation, University of Limpopo).

Sibisi, S., 2011. Development report: prospects for South Africa's future: overview. Development Bank of Southern Africa (DBSA).

Sienkiewicz, M., 2014. Start making sense: a three-tier approach to citizen journalism. *Media, Culture & Society*, 36(5), pp.691-701.

Simon, D. 2014. Contextualising South African Local Economic Development within Current Development Debates: The International Setting. *Urban Forum*, 14(2-3)

Sinyolo, S., Mudhara, M. and Wale, E., 2014. The impact of smallholder irrigation on household welfare: The case of Tugela Ferry irrigation scheme in KwaZulu-Natal, South Africa. *Water SA*, 40(1), pp.145-156.

South African Cities Network (SACN). 2006. State of the Cities Report 2006. Johannesburg. SACN

Statistics South Africa, 2011. Census. Retrieved from: [www.statssa.gov.za/census2011](http://www.statssa.gov.za/census2011). (Accessed 18 June 2019)

Statistics South Africa, 2016. South African Unemployment Rate. Retrieved from: <http://www.tradingeconomics.com/south-africa/unemployment-rate>. (Accessed 15 June 2020).

Stiglitz, J.E., 2010. Risk and global economic architecture: Why full financial integration may be undesirable. *American Economic Review*, 100(2), pp.388-920.

Tao, T.C. and Wall, G., 2009. A livelihood approach to sustainability. *Asia Pacific Journal of Tourism Research*, 14(2), pp.137-152.

Teddle, C. and Tashakkori, A., 2011. Mixed methods research. The Sage handbook of qualitative research, 4, pp.285-300.

The Republic of South Africa. The Constitution of the Republic. Act 108 of 1996. Pretoria. Government Printer. Available WWW: [www.info.gov.za/](http://www.info.gov.za/) (Accessed 30 November 2019).

The Republic of South Africa. The Municipal Structures Act. Act 117 of 1998. Pretoria. Government Printer.

Thwala, W.D., 2009. Experiences and challenges of community participation in urban renewal projects: the case of Johannesburg, South Africa. *Journal of Construction in Developing Countries*, 14(2), pp.37-54.

Tomlinson, D. M., & Walker, P. R. 2009. *Coping with Complexity: Child and adult poverty*. London: Child Poverty Action Group.

UNDP, H., 2003. *Human Development Report 2003: Millennium Development Goals: A compact among nations to end human poverty*. New York, USA: UNDP.

UNDP, U., 2000. *World Energy Assessment: Energy and the Challenge of Sustainability*. United Nations Development Programme, New York.

USAID, W., 2016. *mHealth Compendium Special Edition 2016: Reaching Scale*. O 'Global diffusion of eHealth: Making universal health coverage achievable.

Van Wyk, B. 2013. *Library guides: Stellenbosch University* (online). Retrieved from: [www.libguides.ac.za](http://www.libguides.ac.za) (Accessed 09 February 2019).

Visser, G. and Hoogendoorn, G., 2011. Current paths in South African tourism research. *Tourism Review International*, 15(1-2), pp.5-20.

Vosloo, L. 2013. *Local Economic Development in a Globalised World Economy: A South African Perspective*. Johannesburg: Rand Afrikaans University

Wekwete, N.N., 2014. Gender and economic empowerment in Africa: Evidence and policy. *Journal of African Economies*, 23(suppl\_1), pp.87-127.

World Bank Group, 2013. *Global financial development report 2014: Financial inclusion* (Vol. 2). World Bank Publications.

World Bank. 2014. *What is Local Economic Development (LED)?* (online). Available from: <http://web.worldbank.org> (Accessed 5 May 2019).

World Bank. 2012. Gini index measures... 2012. Available WWW:  
<http://data.worldbank.org/indicator/SI.POV.GINI> (Accessed 5 May 2019)

## APPENDIX 1



### SCHOOL OF Built and Environmental Studies

### DISCIPLINE OF Community Development

---

**Interrogating the implantation of Local economic development for poverty alleviation in Nkomazi Municipality, Mpumalanga.**

#### **Semi-Structured Interview for Municipal Officials and Practitioners of LED**

1. How can you define LED strategy?
  - What is your understanding of the LED strategy?
2. What is the main purpose of an LED?
  - What are the main objectives of the LED strategy?
3. What plans and strategies are being used to support LED in Nkomazi Municipality?
  - What LED plans and strategies have been put in place in the Nkomazi Municipality?

4. What is the role, of the Nkomazi municipalities in the implementation of the LED strategy?
  - What part does the Nkomazi municipality play in the implementation of the LED strategy?
5. What monitoring strategy do you have for LED for strategy?
  - What follower up strategy do you have for the LED strategy?
6. What relationship exists between LED and poverty alleviation?
  - What role is played by LED for poverty alleviation in Nkomazi Municipality?
7. What LED strategy is aimed directly at alleviating poverty?
  - What impact does LED strategy have on poverty alleviation?
8. How does the Nkomazi municipality measure whether LED is contributing to poverty alleviation?
  - What method of evaluation is been used to measure the outcomes of LED concerning poverty alleviation?
9. How Is Local Economic Development strategy in the Nkomazi Municipality areas occurring?
  - What is the programme in place achieve LED?
10. What barriers are faced by the Nkomazi municipality in implementation of LED?
  - What challenges have been encountered during the implementation of LED plans and strategies?
11. What is the turn-around strategy in place to address emerging challenges?

- What planning recommendations can be made to address these challenges?

**Semi-Structured Interview for stakeholders in private sectors**

1. How direct are you involved in Local Economic Development in the Nkomazi Municipality?

- How are you participating in the Local Economic Development in Nkomazi Municipality?

2. What is the relationship between you and the Nkomazi Municipality regarding LED?

- What does each of these relationships entail for LED

3. Describe your organization and its main role in local economic development with Nkomazi Municipality?

- What part does your organisation play for local economic development in Nkomazi Municipality?

4. What plans, and strategies do you use to support LED in Nkomazi Municipality?

- What LED strategies have you put in place in your organisation to support the Nkomazi Municipality?

Thank you for your time and co-operation

## **APPENDIX 2**

### **UKZN HUMANITIES AND SOCIAL SCIENCES RESEARCH ETHICS COMMITTEE (HSSREC)**

#### **APPLICATION FOR ETHICS APPROVAL**

**For research with human participants**

#### **INFORMED CONSENT RESOURCE TEMPLATE**

#### **Information Sheet and Consent to Participate in Research**

Date: 08 May 2019

Dear Participant

My name is Winile Pride Makamo from University of Kwa-Zulu Natal (Howard College) in Humanities under the school of Built and environmental studies, an email address is [214515461@stu.ukzn.ac.za](mailto:214515461@stu.ukzn.ac.za) and contact number 0791605116.

You are being invited to consider participating in a study that involves research interrogating the implementation of Local economic development for poverty alleviation in Nkomazi Municipality, Mpumalanga. The aim and purpose of this research are to interrogate the implementation of Local economic development for poverty alleviation in Nkomazi Municipality, Mpumalanga. The study is expected to enrol 15-20 people in total, from the municipality official staff, Local economic development practitioners and private stakeholder. It will involve the following procedures participate in a semi-structured interview about your work experience, especially any data-driven projects you have worked on the implementation of local economic development. The duration of your participation, if you choose to enroll and remain in the study, is expected to be for one month and two weeks.

The study has no risks associated with your participation in this research beyond those of everyday life. Although you will receive no direct benefits, we hope that the study will create the following benefits this research may help the investigator understand the implementation of Local economic development for poverty alleviation in Nkomazi Municipality, Mpumalanga.

This study has been ethically reviewed and approved by the UKZN Humanities and Social Sciences Research Ethics Committee (approval number\_\_\_\_\_).

In the event of any problems or concerns/questions you may contact the researcher at (0791605116 or by email at 214515461@stu.ukzn.ac.za) or the UKZN Humanities & Social Sciences Research Ethics Committee, contact details as follows:

## **HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION**

Research Office, Westville Campus  
Govan Mbeki Building  
Private Bag X 54001  
Durban  
4000

KwaZulu-Natal, SOUTH AFRICA

Tel: 27 31 2604557- Fax: 27 31 2604609

Email: [HSSREC@ukzn.ac.za](mailto:HSSREC@ukzn.ac.za)

Participation in this research is voluntary and you may withdraw at any time, and in the event of refusal/withdrawal of your participation, you will not incur a penalty.

The information that you provide will be used for scholarly research only.

Your views in this interview will be presented anonymously. Neither your name nor identity will be disclosed in any form in the study. The interview will take about (15-30 minutes). The record as well as other items associated with the interview will be held in a password-protected file accessible only to myself and my supervisors. After 5 years, in line with the rules of the university, it will be disposed of by shredding and burning. If you agree to participate please sign the declaration attached to this statement (a separate sheet will be provided for signatures)

## CONSENT

I (Name) have been informed about the study entitled (provide details) by (provide the name of researcher/fieldworker).

I understand the purpose and procedures of the study (add these again if appropriate).

I have been allowed to answer questions about the study and have had answers to my satisfaction.

I declare that my participation in this study is entirely voluntary and that I may withdraw at any time without affecting any of the benefits that I usually am entitled to.

If I have any further questions/concerns or queries related to the study I understand that I may contact the researcher at (provide details).

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

**HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION**

Research Office, Westville Campus  
Govan Mbeki Building  
Private Bag X 54001  
Durban  
4000

KwaZulu-Natal, SOUTH AFRICA

Tel: 27 31 2604557 - Fax: 27 31 2604609

Email: [HSSREC@ukzn.ac.za](mailto:HSSREC@ukzn.ac.za)

---

**Signature of Participant**

---

**Date**

---

**Signature of Witness**  
**(Where applicable)**

---

**Date**

---

**Signature of Translator**  
**(Where applicable)**

---

**Date**

## APPENDIX 3



*Nkomazi Municipality*

Enquiries: Mr Vincent Bhiya  
Tel: 013 790 0245 & 072 014 7640

**OFFICE OF THE MUNICIPAL MANAGER**

PRIVATE BAG X101  
MALELANE  
1320  
Tel: 013 7900245/6/7  
Fax: 013 7900886

E-mail: [gabby.nkosi@nkomazi.gov.za](mailto:gabby.nkosi@nkomazi.gov.za)

University Kwazulu-Natal  
School of Built and Development Studies  
Howard College Campus  
Durban  
4041

Attention: Prof. O Mtapuri  
Supervisor

**RE: APPROVAL FOR PERMISSION TO CONDUCT A RESEARCH STUDY:  
INTERROGATING THE IMPLEMENTATION OF LOCAL ECONOMIC  
DEVELOPMENT FOR POVERTY ALLEVIATION IN NKOMAZI  
MUNICIPALITY, MPUMALANGA**

The above matter bears reference:

I hereby respond on your letter dated 13 August 2019 of **Ms Winile Pride Makamo** with Student Number 214515461 a registered Master Student in the School Built and Development Studies at your institution requesting permission to conduct a research study as mentioned above. This letter serves to confirm that her request is granted to conduct a research study on "Interrogating the implementation of Local economic development for poverty alleviation in Nkomazi Municipality, Mpumalanga".

The office of the Municipal Manager hereby commits to assist with any information that she may request during the research study. We hope after completing her situation analysis with regards to findings and recommendations will be shared with the municipality to improve in strengthening our municipality in coming up with programmes that will be beneficial to the communities of Nkomazi.

Hope this letter will serve the purpose and do not hesitate to contact my office should any further information may be required by your good-self.

I wish her all the best during her research endeavours.

Yours faithfully,

[Redacted Signature]

Mr MD Ngwenya  
Municipal Manager  
Date: 10/09/2019



" ALL CORRESPONDENCES SHOULD BE DIRECTED TO THE OFFICE OF THE MUNICIPAL MANAGER "

## APPENDIX 4



National African  
Federated Chamber  
of Commerce and  
Industry

(013) 6560613  
Cell No: 076 520 2424  
Email: [subsolv29@gmail.com](mailto:subsolv29@gmail.com)

Ref: 09/09/19

18 Elizabeth Street  
Emalaheni  
1036

Enq: S Masilela

The University of KwaZulu Natal  
Howard College Campus  
238 Mazisi Kunene Road  
Glenwood  
Durban  
4001

Dear Sir/Madam


**PERMISSION TO CONDUCT A STUDY: WINILE MAKAMO – 214515461**

The above matter has reference.

In its Executive Committee in its meeting held today, 10 September 2019, resolved to grant the above-mentioned student to conduct a study with officials and sector members within our organization. The Contact person for any assistance in this regard will be Mr S Masilela who is the Provincial Secretary and can be contacted at 076 520 2424.

Nafcoc Mpumalanga wish to wish Winile a very good luck in her endeavors of pursuing her a study within such a critical environment.

Yours Faithfully,

  
S Skhosana (Mr)  
Provincial Chairperson



27 September 2019

Ms Winile Pride Makamo (214515461)  
School of Built Environment & Development Studies  
Howard College Campus

Dear Ms Makamo,

**Protocol reference number:** HSSREC/00000080/2019

**Project title:** Interrogating the implementation of Local Economic Development for poverty alleviation in Nkomazi Municipality, Mpumalanga

### Approval Notification – Expedited Application

This letter serves to notify you that your application received on 18 July 2019 in connection with the above, was reviewed by the Humanities and Social Sciences Research Ethics Committee (HSSREC) and the protocol has been granted **FULL APPROVAL**.

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

This approval is valid for one year from 27 September 2019.

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

Yours sincerely,

-----  
Dr Rosemary Sibanda (Chair)

/ms

Humanities & Social Sciences Research Ethics Committee  
Dr Rosemary Sibanda (Chair)  
UKZN Research Ethics Office Westville Campus, Govan Mbeki Building  
Postal Address: Private Bag X54001, Durban 4000  
Website: <http://research.ukzn.ac.za/Research-Ethics/>

Founding Campuses: ■ Edgewood ■ Howard College ■ Medical School ■ Pietermaritzburg ■ Westville

INSPIRING GREATNESS

NOW VIEWING: HOME > ADVANCE RESEARCH METHODS DEVS 833

Welcome to your new class homepage! From the class homepage you can see all your assignments for your class, view additional assignment information, submit your work, and access feedback for your papers.  
Hover on any item in the class homepage for more information.

[Clear Homepage](#)

This is your class homepage. To submit to an assignment click on the "Submit" button to the right of the assignment name. If the Submit button is grayed out, no submissions can be made to the assignment. If resubmissions are allowed the submit button will read "Resubmit" after you make your first submission to the assignment. To view the paper you have submitted, click the "View" button. Once the assignment's post date has passed, you will also be able to view the feedback left on your paper by clicking the "View" button.

Assignment Index: Advance Research Methods DEVS 833

Assignment Title	Info	Dates	Similarity	Actions
ARM Assignments		Start 13-Jul-2020 10:50PM Due 31-Jan-2021 11:58PM Post 21-Jul-2020 12:00AM	9%	<a href="#">Resubmit</a> <a href="#">View</a>