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Interrogating the challenges of the Local Economic Development (LED) as an instrument of poverty alleviation, in the case of eThekweni municipality, KwaZulu-Natal, South Africa.

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By

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DECLARATION

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I, Siyabonga Majola (student number 214503832), declares that the thesis titled: Interrogating the challenges of the Local Economic Development as instrument for poverty alleviation, in the case of eThekweni municipality is my original research.

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I would like to thank the mighty God and my Ancestors for this research to be a success. I also, wish to thank Professor Olivier Mtapuri my supervisor for his unwavering support and guidance. Moreover, I would like to dedicate this research to my late father Mr. Phika Majola may your soul rest in peace Nyanda Yomkhonto, Macingwane Bhude elimlomu bovu. I wish to acknowledge my mother Mrs. Beauty Majola for her continued support your prayers will eventually, become a reality one day, salute Oledi. I also, like to acknowledge my partner in crime Pinkie Mpulo for supporting and motivating me even in difficult times. Lastly, I would like to acknowledge these following people Mhlengi Mpunzana, Bongani Mkhaba, Ndulo Mkhize, Nonhle Majola, Nkosingiphile Majola, Philisiwe Majola, Fikile Mkhize, Masindi Mkhize, Busisiwe Mkhize, Thanduxolo Mkhize, Vusi Majola, Principal Shezi and my dearest Uncle Simanga Mkhize for believing in me and your continuous support as I was facing one of the difficult periods in my life, thank you for everything may God bless you abundantly. My dream is to build a house for my mother, and I believe that with this master's degree opportunities would be created so that I can make this dream a reality.

DEDICATION

I dedicate this short dissertation to my late father Mr. Phika Majola and, to my mother Mrs. Majola. I dedicate this thesis, to the people that have been supportive of my academic journey.

ABBREVIATIONS

ANC: African National Congress

AG: Auditor General

COGTA: Corporative Governance and Traditional Affairs

DTI: Department of Trade and Industry

DED: Department of Economic Development

DEL: Department of Employment and Labour

GDP: Gross Domestic Product

GEAR: Growth, Employment and Redistribution

IDP: Integral Development Plans

IMF: International Monetary Fund

LED: Local Economic Development

NT: National Treasury

NPF: National Policy Framework

RDP: Reconstruction Development Programme

SSA: Statistics South Africa

RSA: Republic of South Africa

SLF: Sustainable Livelihoods Framework

UK: United Kingdom

USA: United States of America

WB: World Bank

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ABSTRACT

The study focused in interrogating the challenges of the Local Economic Development as an instrument for poverty alleviation in eThekweni municipality. LED serves as an engine for economic development and contributes to economic growth in the local economy. The eThekweni municipality is the economic centre of its residents and the people as far as in Zimbabwe and Mozambique. However, the municipality is challenged to put in place effective LED programmes that could alleviate poverty. This is worsened by the failure of the local economy to attract investment and create employment opportunities. The study followed a qualitative research methodology wherein keywords were used to identify and select Integral Development Plans (IDPs) from the eThekweni municipality also, articles that already exist in the public domain were used as to give meaning to the study. Additionally, the study utilized the interpretive research approach to interpret data collected from the secondary sources. The study finds the eThekweni municipality to have well-structured LED programmes however, ineffective to address poverty issues. The failure of the LED programmes to address socio-economic challenges in eThekweni municipality was discovered to be due to poor leadership, corruption, the lack of community integration to LED initiatives and political affiliations. In-depth understanding and support of the municipal leadership in championing municipality's LED trajectory has been discovered to be important for the LED programs to achieve positive outcomes. Key recommendations of the study include the involvement of communities and other key stakeholders to the LED projects, rooting out of corruption in the municipality, training, capacity and development, and appointing credible personnel to govern the eThekweni municipality. Through such engagements, much needed financial investment could be attracted resulting to the eThekweni municipality becoming a financial zone in which the residents could benefit from. Additionally, the multiple effects could be the creation of employment opportunities which could be essential in the alleviation of poverty in the municipality. Furthermore, it could also, promote skills development and socio-economic driven developmental programs that intends to combat poverty. The LED initiatives in the eThekweni municipality could be effective through the involvement of key stakeholders to participate in the LED programs. One of the key recommendations of the study is appointing credible personnel to govern the eThekweni municipality. This could promote accountability, proper planning of LED projects and good governance. Additionally, would benefit the community. The oversight structures such as the Corporative Governance and Traditional Affairs could

also, play a vital role by holding the municipality executives accountable and ensures that the community benefit from the LED initiatives. The study also, recommends that it rest upon the community to hold the municipality accountable.

CHAPTER ONE: INTRODUCTION AND RESEARCH BACKGROUND

1.1 Introduction

This Chapter outlines the general background of the research and the research problem. The Local Economic Development LED is one of the mechanisms that would boost the economic growth and tackle poverty through the creation of employment opportunities for the residents of the eThekweni municipality (Bizo, 2016). The National government channels funds to the Local government that are utilized for the LED strategies. These LED strategies includes infrastructural development, investment in the tourism sector and supporting of local businesses. The eThekweni municipality is experiencing challenges that have made the Local Economic Development strategies to be ineffective. Some of the factors that hampers the effectiveness of the LED strategies in the eThekweni municipality are the mismanagement of money, the lack of financial support for local businesses and the lack of good governance. The eThekweni municipality attracts financial investment both local and overseas also, invest finance in the development of malls and infrastructure as instruments that could stimulate economic growth, create job opportunities and leads to sustainable economic development (Kawaja, 2017). According to Cebekhulu (2019:67) 42% of the population in the eThekweni municipality is not working and depends heavily on government financial subsidy (social grants). Furthermore, the municipality is faced with challenges which includes corruption, lack of accountability and transparency. South Africa is among one of the most unequal societies in the globe and the inequalities that exist in eThekweni municipality is a manifestation of reality (Chetty, 2010). Additionally, due to the lack of employment opportunities in the eThekweni municipality the residents had to look for other means that can sustain their livelihoods such as to participate in the informal economy. The problematic thing about the informal economy is that it operates in isolation although, it contributes to the economic growth. Commentators of township economy maintains that the informal economy generates huge capital and many of the consumers are buying from the “street vendors” instead, of consuming goods that are sold from the formal economy (Naidoo, 2019). Although, the eThekweni municipality has introduced initiatives and projects that aims to address poverty but, the lack of the effectiveness of the LED programmes is a concern. According to Chetty (2010) poverty cannot be simply defined due to the concept being filled with a variety of meanings and interpretations. Moore (2009) maintains that poverty alludes to resource distribution, access to decisions and power.

This study focuses in interrogating the challenges of the Local Economic Development LED as an instrument for poverty alleviation. In this study LED is understood as an approach towards economic development which allows and encourages local people to work together and achieve sustainable economic growth and development thereby, bringing economic benefits and improved quality of life for all residents in a local municipal area (Moore, 2009)

1.2 Research Problem

Local Economic Development is a buzzword and an important tool that seeks to eradicate poverty within the Local government sphere (Smith, 2003). LED is an approach that aims to encourage people to work together to achieve sustainable economic development. The South African constitution (1996) obligates the Local government to provide service delivery to the public, furthermore, stipulates that the Local government authorities must execute their powers and be accountable to their subjects. The Local government is the sphere of government that is closer to the people and makes accountability accessible than in the National government. The National government channels funds to the Local government further, the Local government introduce strategies that aims to stimulate economic growth, create job opportunities, investment on infrastructure and the attraction of financial inflows/financial investments. According to Msomi (2018:78) Local government officials have been ineffective in the implementation of strategies and projects that aim to alleviate poverty. The Auditor General (2020) finds that the eThekweni municipality has challenges of corruption, financial loss, irregular expenditures, and financial mismanagement. According to Statistics South Africa (2019) poverty in South Africa is extreme and many of the people lack financial resource to sustain their livelihoods. The eThekweni Municipality is no exception from the above sentiment with scholars like Ngubane (2018) maintaining that the eThekweni municipality lacks a clear idea on how it can create opportunities for the residents additionally, the opportunities that are available are given to the political affiliated individuals. The infrastructure in eThekweni municipality has over the past been able to attract businesses and investment both local and international however, the residents are complaining about the lack of opportunities. Smith (2003:62) stipulates that although, the municipality introduced LED strategies as vehicles for poverty alleviation but, poverty in the eThekweni municipality is a reality. Nhleko (2020) concurs by maintaining that LED programs implemented by the municipality are not effective and instrumental in alleviating poverty. The Local Economic Development LED is conceptualized as the mechanism or vehicle that can eradicate socio-economic challenges

whilst creating economic opportunities for the residents also, allows them to participate in the local economy. However, Ngubane (2018) maintains that the LED strategies introduced by the eThekweni municipalities are not instrumental to address issues of poverty Naidoo (2019:87) concurs that the eThekweni municipality over the past years has attracted financial investments also, financed the infrastructural development programmes such as the development malls in the townships among other LED strategies, as to create opportunities for the residents. Nhleko (2020) differs with the above discussion by arguing that opportunities created through the LED projects in eThekweni municipality are not accessible to everyone due to political reasons.

1.3 Motivation of the Study

With the eThekweni municipality experiencing socio-economic challenges like unemployment, poverty and inequalities among other socio-economic concerns LED initiatives have become a mechanism that could address these issues. Under the apartheid regime South African's particularly 'black' people were excluded from the meaningful economic participation moreover, apartheid laws oppressed and prevented the majority to access economic benefits (Claude, 20015). The socio-economic catastrophe which is negatively affecting South Africa's economy could be linked to the apartheid era (Shabalala, 2017). The post- apartheid South Africa inherited problems that were created during the apartheid regime. Msomi (2008:56), maintains that the democratic government under the "black" government introduced economic policies mandated to address social issues but, have not been effective. According to Claude (2015:67) meaningful economic development in South Africa is hampered by the politics of negotiations which compromised the struggle for economic participation. Moreover, during the apartheid regime it was difficult for the "black" population to be effective in the economy due to marginalization and the systemic racism which excluded the people from the economy (eThekweni, IDP (2017). The transition to democracy brought hope among many of the South Africans and assured that the "black" government would be able to address socio-economic challenges inherited from the apartheid era. Mills (2013) notes that although, the democratic regime introduced economic policies like the Reconstruction Development Program (RDP) and the Growth, Employment and Redistribution (GEAR) but, these policies are not an effective instruments or policy frameworks to deal with the socio-economic conditions that affect the economic prosperity of the country. Additionally, the democratic dispensation in South Africa has not resulted to effective economic development that could improve the people's livelihoods.

The Local government as the sphere of government that is closer to the community/people is tasked with the provision of services to the people. Municipalities are mandated by the constitution of South Africa to provide service delivery to the public and, to act as an instrumental tool in alleviating poverty (Msomi, 2008). Claude (2015:23) notes that unlike in a country that practices unitary system as a form of government where power is centralized at the national government level, the Local government in South Africa is given authority and powers to execute its plans and policies without the intervention of the National government. Sibiya (2015) argues that the eThekweni municipality is performing badly with regards to finances, service delivery. Additionally, Khanyile (2021) argues that some of the municipalities in South Africa are put under administration and monitored by the National government due to financial irregularities. This study is significant as it seeks to provide literature for future research. There are few studies that focus on the challenges of LED as an instrument for poverty thus, a study like this one should assist several stakeholders with improving and planning well the LED programmes. Additionally, the community members in the eThekweni municipality would be direct beneficiaries of the study. The subject of LED in the Local government is a topical issue among the academics, and this study is expected to contribute to the debate in terms of the relevance, effectiveness and the impact of LED in affected communities.

1.4 Main Aim

The main objective of this study is obtaining an in-depth understanding on the challenges that confront the Local Economic Development (LED) as an instrument for poverty alleviation in the case of eThekweni municipality.

1.5 Aims and Objectives

1.5.1 To examine various Local Economic Development strategies that have been adopted by the eThekweni municipality.

1.5.2 To evaluate the LED initiatives and projects of the eThekweni municipality in alleviating poverty.

1.5.3 To examine measures the eThekweni municipality could utilize to address shortcomings of the LED strategies.

1.5.4 To unpack the LED challenges in the eThekweni municipality.

1.6 Main Research Question

What are the challenges of the Local Economic Development (LED) as an instrument for poverty alleviation?

1.7 Key Questions

1.7.1 What are the Local Economic Development strategies that have been adopted by the eThekweni municipality?

1.7.2 What are initiatives and projects by the eThekweni municipality in ensuring poverty alleviation?

1.7.3 What are measures the eThekweni municipality can utilize to address shortcomings of the LED strategies?

1.7.4 What are the LED challenges in the eThekweni municipality?

1.9 Organisation of the Dissertation

This research is made up of five chapters. Chapter one outlines the background and key research questions of the study. It also presents the motivation of the study regarding the challenges of the Local Economic Development as an instrument for poverty alleviation. Furthermore, the aims and objectives of the study are outlined.

Chapter two review the literature on the research topic. It discusses the challenges of the Local Economic Development in the case of eThekweni municipality. Moreover, it also presents theoretical and conceptual frameworks that are important in unpacking and understanding the LED challenges. Chapter three presents research methodology. It highlights the study context, data collection methods and limitations of the study and ethical consideration. Chapter four presents the study findings and interpretations. Chapter five presents the findings, recommendations and conclusion.

1.10 Conclusion

This chapter introduced research based on LED in the case of eThekweni municipality. This chapter outlined motivation of the study, including the background and the context of the municipality was identified, from which research aims and objectives were defined. In turn, the research questions were derived from the objectives. This study also, outlined the structure of the research. The next chapter presents the literature review.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This Chapter presents relevant literature related to the study topic on the challenges of Local Economic Development as an instrument for poverty alleviation. This chapter reviews both local and global findings and gaps in the current literature on Local Economic Development. This chapter gives a critical discussion and review of literature about LED. There has been an increased interest on LED in the academic world with some academics maintaining that LED can bring meaningful change to the poor areas. LED encompasses variety of stakeholders ranging from the public sector and private sector, communities, municipalities, district municipalities and non-governmental organizations. Through this literature review deeper understanding of the subject area was gained by the researcher to guide the overall study to interrogate the challenges of the Local Economic Development as an instrument for poverty alleviation.

2.2 Concept of the Local Economic Development LED

Local Economic Development is conceptualized as the mechanism for poverty eradication, employment opportunities and sustainable economic growth. Over the past years South Africa has been experiencing socio-economic challenges such as poverty, unemployment and inequalities. According to a study by the Global Inequalities Literature (2009) socio-economic challenges in developing countries particularly in South Africa could be linked to apartheid. During the apartheid era “black” South Africans were excluded from the mainstream economy due to the apartheid laws and policies which prevented them to attain meaningful access to the economy. However, a study by the International Monetary Fund (2017) finds that socio-economic challenges in South Africa cannot be alleviated from the failure of the democratic government to implement economic programmes and policies that could have identified and solved the economic woes that hampers the country. According to the World Bank (2015) developing countries have extreme poverty levels due to the mismanagement of funds, corruption, incompetency and institutional failures. The above-mentioned factors are some of the factors that are not foreign in South Africa particularly in the Local government sphere. One of the benefits of decentralizing power into local government include effectiveness in the provision of service delivery, effectiveness of the LED programs/initiatives, fostering public engagements and accountability (Lewis, 2018). On the economic development front, both rural and local communities have been worst affected due, to the inherited apartheid spatial design,

which makes it difficult to have sustainable local economy activity (Mapule, 2017). LED initiatives plays a crucial role in the vision of the nation therefore, the critical analysis of how they have been undertaken and their future dimensions need to be carried out. The abilities of the local municipalities to LED strategies need to be evaluated so that they can be efficiency (eThekwini, IDP (2019).

2.3 Local Economic Development Defined

As an academic discipline or field of study, LED falls under developmental economics, public administration and community development and focuses on economic, cultural and political requirements for bringing about institutional change (eThekwini, IDP 2019). Development economics is conceptualized as the process that aim to improve the quality of life, access to health, lead to individual freedoms and liberty. One of the objectives of developmental economics is to achieve high-income and to ensure that the state intervenes in the economy as to improve the life of the poor (Meyer, 2013). The LED finds a niche in developmental economics and relate to the above-mentioned objectives. The Local Economic Development cannot only be interrogated or subjected to academic but in government as well the term is widely used as a process that aim to improve the equality of residents in the local government sphere. LED is defined as a process that involves, business and local authorities. The objectives of LED are essentially to improve the living conditions of the marginalized or poor people through stimulating business activity. According to Frank (2016:97) local economies must find solutions that can improve local effectiveness and competitive advantages to compete on a global scale. Haughton (2016) locates LED within the concept of developmental Local government and argues that LED is an economic lifeline of rural communities by way of stimulating business activity, creating employment opportunities and economic growth. Chetty (2010) conceptualized LED as an instrument for poverty alleviation by creating employment at grassroots. Meyer (2013) concurs by maintaining that LED can play an essentially role in rural communities by way of creating employment opportunities. Meshack (2017) argues that LED is an integral part of IDP process whilst, Bhengu (2017) maintains that LED is a remedy for finding solutions that can eradicate poverty. Integral Development Planning for local government is defined as the plans that gives an overall framework for development it aims to coordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in an area. It is mandated to consider the existing conditions, problems and resource available for development (eThekwini, IDP 2018).

The eThekweni municipality Integral Development Plan is in line with its LED objectives which are to improve the quality of life for all, provide solutions to socio-economic conditions and alleviate poverty (eThekweni, IDP (2017)). Moreover, Mthembu (2017) concurs by arguing that IDP in the local government is essential so that municipalities can formulate plans that can find solutions to existing problems in the local government sphere. The eThekweni municipality IDP resonates well with the National Development Plan (2030) vision which is to improve service delivery for citizens of South Africa and, to improve the quality of life through the creation of employment opportunities (Banda, 2015). LED has become a global term that is generally utilized to address poverty and to create jobs in rural and urban localities (Mofokeng, 2018). The term LED has also, been a topical subject among the academics, as shown by the spread of academic interests in the subject. As a process LED requires collaborative efforts the public sector, private sector and the community (Nicker, 2016).

2.4 Why LED

LED as a process aims to improve the quality of life with promises of a better life. LED is not only popular in South Africa but, in many parts of the developing world such as Malaysia, Taiwan and Singapore (Malunga, 2017). LED is not a new phenomenon it has always been utilized particularly by the developing countries. In the developed world LED is utilized as a mechanism for economic growth and development. Additionally, developmental states such as Singapore, Malaysia and Taiwan are applying modified versions of what have been implemented by the developed countries in Europe. The popularity of LED has grown with many countries particularly in Africa pursuing LED programmes as to achieve sustainable economic growth and combat poverty. The World Bank (2018) maintains that LED can be utilized by developing nations as an essential tool that can promote economic development and address socio-economic difficulties. Singapore is one of the most economically advanced countries in the world primarily because of its ability to implement LED programmes aimed at stimulating economic activity locally. LED programs in Singapore are localized and benefit the residents. The economic policies implemented are incorporated into the LED programmes to stimulate economic growth additionally, to benefit the community (Masuku, 2018).

Similarly, in South Africa the government finds it essential to invest in LED programmes and projects. The government invested in capacity development programs which are rolled out into local and district municipalities (Mjepu, 2015). Some of the arguments that are proposed for the LED include the inclusion of residents, local businesspeople and government. Bhengu

(2020) stipulates that LED is not the responsibility of the government alone but, also the private sector and the community should be involved. The criticism against the LED particularly in South Africa is that LED is utilized as a vehicle for economic growth rather than as an instrument for improving the lives of the people. The orthodox economic perspective views the prosperity of a country in relation to economic growth. Similarly, with the South Africa's context economic growth is characterized as progress although, socio-economic conditions such as unemployment and poverty are expanding (Leon, 2015). LED is relatively new field of research in which policy formulation, planning, and implementation strategies are still evolving (Mhayise, 2017). Several government officials, academic, public administration practitioners and development practitioners agrees that LED play an essential role in job creation, poverty alleviation and the improvement in standards of living (Abozeid, 2017). The arguments that are labelled against LED is it ineffectiveness to provide the desired benefit (Mavundla, 2018). The commentator of the LED maintains that to attain the local economic development there is a need to address several local community aspects. These aspects which act as a key driver for the local economy, include the economic, social, welfare, environmental and political issues (Mabizela, 2016). LED offers advantages such as local participation and ensure that the residents are active in decision making and play an active role (Bhengu, 2020). In South Africa the developmental agenda is learning towards a developmental Local government agenda, the LED concept is promoted through the constitution of South Africa (1996). Over the past years South Africa has experienced high poverty levels and unemployment, the adoption of LED has come with high expectations in relation to improve the lives of the people and to combat social ills crippling the country (Stevens, 2016).

2.5 Conceptualization of Poverty

Although, LED is utilized as the key driver for sustainable economic development and is expected to address issues such as poverty and unemployment but, according to Feinstein (2017) the implementation of the LED particularly in the developing countries has not provided the expected outcomes. The lack of participation of communities in the LED programmes and decision-making process is identified as one of the challenges hampering the LED. With the LED programmes implemented the community is expected to benefit in terms of business, employment opportunities and expected to be included in the decision-making process. The eThekweni municipality Integral Development Planning resonates with the LED aims and objectives but, the challenge is that LED programmes in the eThekweni municipality are not a

solution-driven mechanism that could address poverty related concerns. LED programs in eThekweni municipality are hampered with the issues of incompetence, the lack of accountability and the lack of proper planning. The eThekweni municipality like other municipalities in South Africa has many people that are not working and that depends in social grants income to sustain their livelihoods. With poverty escalating the eThekweni municipality introduced the LED initiatives as the vehicle that can address socio-economic problems particularly poverty (Madlala, 2015). The reality is that, since the dawn to democracy poverty is a major stumbling block that prevents sustainable economic growth, and this is evidently proven through the World Bank report (2019) which finds South Africa is one of the most unequal societies in the globe (Meyer, 2013) According to Feinstein (2017) poverty is a multifaceted concept with a variety of interpretations and meanings. Marvin (2017) explains that poverty is not only about the access to income but also, to decision making. Scholars define poverty in relation to resource distribution. Meyer (2013) argues that poverty should not only be understood in relation to the lack of essential basic services such as food, income and shelter but, should include variety of dimensions.

2.6 International Perspectives on LED

Globally, LED is defined as the key driver to economic growth and development. In the U.K LED is utilized to promote economic advancement and prosperity of the citizens. Some authors such as Richardson (2016) and Paul (20019) maintains that under the neo-liberal developmental agenda LED is a mechanism for economic growth. In South Africa LED is conceptualized as the instrument that can tackle poverty through the creation of employment opportunities. Smith (2017:76) stipulated that LED is not only about the stimulation of the economy but, encompasses a variety of dimensions such as human development, provision of basic services such as water, sanitation and poverty alleviation. According to Malimela (2018) industrialized countries implemented LED long before the concept became popular in the developing regions and has taken different forms and different outcomes. In the United States of America (USA) LED was introduced to market local destinations for financial investments and the promotion of entrepreneurship. In Singapore LED is utilized for developmental reasons such as empowering the residents with skills development, efficiency, competitiveness and economic development. In Malaysia LED is used as a developmental strategy to address economic challenges and, to stimulate comparative advantage (Becker, 2018). In the context, of South Africa since the dawn to democracy LED is utilized as a key driver of competency,

provision of service delivery and poverty alleviation in the local sphere of government. The SA-based LED trajectory expresses that aims and objectives of LED programs are not able to provide expected economic outcomes such as the stimulation of the local economic activity, poverty eradication and employment opportunities (Smith, 2017). Maseluke (2019:21) stipulate that LED is not only the responsibility of the public sector but, the private sector and other stakeholders can be involved in the localizing LED to the people. One of the notable key stakeholders to the concept of the LED is the Department of Cooperative Governance and Traditional Affairs (COGTA). The functions of COGTA include providing guidance, leadership and direction in policy formulation (Mapule, 2017). COGTA also, plays a role in the initiation of economic developmental programs by availing funds and introducing regulations that must be followed. COGTA also, monitors and evaluates the progress made by the municipalities in relation to the funds utilized for economic developmental programs introduced by the municipalities (Maseluke, 2019). According to Mazibuko (2018) another key role player is the Department of Trade and Industry (DTI) the department is obligated with the promotion of economic growth and the creation of employment opportunities. In this consideration, the DTI finds support through the LED National Policy Framework (Ndou, 2018). Role players of LED in the local government sphere include community organizations, metropolitan areas, local municipalities and private stakeholders. The effectiveness of the LED depends on the collaborative efforts among the key stakeholders. Municipalities their LED strategies which becomes a guide over a period. The effectiveness of the LED as alluded above depends to a greater extent on several factors in which some which are discussed below. One of the key issues that can lead to the failure of the LED is the lack of partnerships among the key stakeholders (Shabalala, 2017). Additionally, for the LED strategies to be successful collaborative efforts from the key stakeholders is a necessity (eThekwini, IDP (2017). The following discusses some of the LED strategies introduced at the eThekwini municipality.

2.7 LED Strategies in eThekwini municipality

The eThekwini municipality over the years came up with different (LED), strategies that aim to stimulate economic growth, create employment opportunities, and boost economic development. However, Bhengu (2020) maintains that employment opportunities that are created through the tourism sector are seasonal and unsustainable further, the residents are not able to sustain their livelihoods due to low salaries. The development of malls especially in townships came with a lot of expectations in relation to job creation however, most of the

people in eThekweni municipality are unemployed. The developmental projects that take place in the municipality excluded about 42% of the people due to political differences and political contestations (Ruth, 2019).

The eThekweni municipality developed a partnership with the provincial Department of Economic Development (DED) to fund the development of Local Economic Development (LED), strategies in areas that have developmental challenges and the lack of opportunities. Additionally, the National government channels funding to the local government that can be used for (LED) programs/strategies which aim to stimulate the local economy, create job opportunities, fund local businesses, and eradicate poverty (eThekweni, IDP 2019).

2.8 Strategic Township Planning

The eThekweni municipality entered to a partnership with the National Treasury to unlock R700 millions of funding for public infrastructural development in areas that are previously disadvantaged (Berger, 2018). Bhengu (2019:76) concurs with the above statement by alluding that eThekweni municipality invested massively on infrastructural development as a strategy that can attract businesses, investments and create job opportunities for the residents. Ruth (2019), maintain that even though the infrastructural development project in eThekweni municipality contributed to the local economy in relation to the centralization of businesses in the city and attracted financial inflows but, socio-economic factors like unemployment, poverty and inequalities remain a challenge. Bhengu (2019) asserts that the Local Economic Development strategies introduced by the eThekweni municipality are not an important tool to combat poverty. Lenglect (2019:23) concurs by arguing that Local Economic Development strategies and programs of the eThekweni municipality are not effective in improving people's well beings.

2.9 Improving the Tourism Industry

Simone (2019:77) maintains that eThekweni municipality over the years came up with different LED strategies that aims to stimulate economic growth, create employment opportunities, and boost economic development. One of the LED strategies that have been implemented by the municipality includes investing in the tourism sector. The eThekweni municipality has several tourist attractions, and both the local and international tourists' visits the city very often. International tourists particularly are important because, when tourists visit the city, they often explore and buy local products that are produced by the residents. The residents can sell their goods to tourists and access income. Bhengu (2020) maintains that

employment opportunities that are created through the tourism sector are seasonal and unsustainable, and the residents are unable to sustain themselves over a longer period due to earning low income. The development of malls especially in townships came with a lot of expectations with regards to job creation but, most of the people in eThekweni municipality are unemployed.

2.10 Local Economic Development Challenges in eThekweni municipality

The Local Economic Strategies in eThekweni municipality manages to stimulate the local economy and able to attract financial inflows, businesses, financial investments, and economic development although, there are some of the challenges experienced. This section presents literature study of the challenges that hinders the effectiveness of LED as an instrument for poverty alleviation in the eThekweni municipality.

2.11 Political Affiliation

Ruth (2014) maintains that one of the factors challenging the eThekweni municipality is political influence and manipulation. The procurement of tender processes is highly compromised because some of the individuals bidding for tenders in eThekweni municipality have political connections. Furthermore, the tenders are awarded to individuals which are affiliated to political parties (Msomi, 2018). The tender procurement intends to provide the residents with business opportunities so that, they can be able to receive income. Individuals that are without connection in the municipality are not able to access tenders although they have the necessary skills and capabilities required. Additionally, companies or individuals that have invested their finance to LED in the municipality have created job opportunities however, these opportunities are available but, are accessible to the political connected individuals. Gregory and Mills (2018:87) maintains that factional politics is identified as one of the factors that hinders development and increase poverty in the eThekweni municipality because the LED projects and initiatives benefit the individuals with political connections.

2.12 Corruption

According to Bizo (2016:76) corruption is noted among other reasons as the reason why the eThekweni municipality LED projects are failing to create many opportunities, stimulate economic growth and achieve sustainable development. The Auditor General (2020) finds that many municipalities in South Africa including the eThekweni municipality have challenges such as corruption, mismanagement of funds and wasteful expenditure. The Local Economic Development strategies that aim to create opportunities such as infrastructural development,

financial investments on local businesses and job creation are falling due of the shortage of funds (eThekwini, IDP 2017). The Auditor General (2021) stipulates that National government has recommended that under-performing municipalities must be placed under administration due to governance issues, corruption, and the failure of municipalities to provide services to the public. Corruption in eThekwini municipality is the stumbling block for meaningful economic growth, economic development, and poverty alleviation (eThekwini, IDP (2018).

2.13 Lack of proper planning and accountability

A study by Mutereko (2019:76) finds that the eThekwini municipality lack proper planning and accountability. Many of the developmental projects that intends to stimulate growth and alleviate poverty are overshadowed by planning and accountability failures. Development must involve and resonate with the needs of the society (Mutereko, 2019). Leadership incompetency has entered in the public discussion with developmental commentators such Feinstein (2017), maintaining that accountability and proper planning are essential tools that can improve the efficiency of the LED programs in the local government. The Local Economic development projects in eThekwini municipality aim at sustaining economic development rather than dwelling on poverty alleviation (eThekwini, IDP 2019).

2.14 Pro-Poor LED versus Local Development

In South Africa the implications of the Apartheid era are often used as an excuse to concentrate on pro-poor LED projects (eThekwini, IDP 2019). Contradictory LED is downgraded to poverty alleviation projects and community projects. This hinders against its effectiveness, as poverty alleviation is more to deal with social development. Wilson (2016) characterizes the LED as a process that can lead to poverty alleviation through the creation of community projects. Emerson (2015) stipulates that LED is different to the community projects and focuses on the creation of the business environment that can attract financial investments and leads to the creation of employment. Whilst community development is concerned with the provision of basic services such as housing, education, electricity, water, among other service delivery inputs (Nzimande, 2016). Although, both activities aim to contribute to the betterment of the community but, they differ in their conceptualization, with LED focusing on local competitiveness and economic development. In South Africa LED has been reduced to community-based projects which aim to alleviate poverty. A challenge identified by Noble (2017) is that, focusing on pro-poor LED might move way from pursuing sustainable economic growth.

2.15 Institutional Challenges

The eThekweni municipality is having institutional challenges due to the shortage of human resource skills. Human resource skills are a necessity to attain the effectiveness of LED programs (eThekweni, IDP 2019). LED personnel must have skills and be adequately trained as to do their work effectively (Naidoo, 2015). The eThekweni municipality should introduce skills development programs which could be used to equip LED personnel with the sufficient human resource skills which could assist in the coordination and the management of LED projects. Additionally, LED personnel can also attain project management skills (eThekweni, IDP (2019). Adam (2014:77) maintains that the eThekweni municipality should be able to demonstrate institutional capacity by alleviating incompetency, institutional failures and bad governance which are crippling the effectiveness of LED projects. Naidoo (2016) argues that LED personnel should demonstrate competency and incorporate their human resource skills to improve the efficiency of LED projects. One of the issues explored by Mnguni (2017) is that within, the local government sphere the level of incompetency is high and there is no accountability. Justice (2013) concurs by stipulating that in South Africa particularly within, the local government people are not employed based on qualifications, merits and skills but based on political affiliation. As mentioned previously, political affiliation in the eThekweni municipality has become a subject for concern with political science commentators arguing that the African National Congress (ANC) must monitor and formulate guidelines that would prevent the deployment of individuals without the necessary skills that are required to lead the municipalities (Mnguni, 2017).

2.16 Lack of Good Governance and Leadership

The success of LED projects rests on leadership qualities that can demonstrate good governance (Mohamed, 2015). In many parts of the developing countries including South Africa one of the weaknesses identified by scholars such as Ngcobo and Mkhize (2018) is the failure for developing countries to promote good ethical leadership that can lead to good governance. Countries in Africa especially are characterized as failed states due to of weak leadership and lack of good governance. In South Africa both the public sector and private sector have been experiencing bad governance worsened by the lack of proper leadership. Corruption in South Africa is institutionalized and the state-owned companies such as Eskom, South African Airways, Transnet and Denel have been utilized as a zone of corrupt activities (Gray, 2019). The failure of not having good leadership in the eThekweni municipality has

resulted to incompetency and bad governance. Additionally, the municipalities have been also, subjected to issues such as corruption, fraud and maladministration perpetuated by the lack of good governance and the lack of leadership skills that are necessary to improve the effectiveness of LED programs (Austin, 2019). As mentioned throughout this literature study good governance is essential to improve the efficiency and competitiveness of the local government. With bad governance not only affecting negatively the eThekweni municipality Lizo (2018) argues that some of the municipalities in South Africa have been placed under administration due to leadership incompetence, bad governance and leadership crisis. Singapore can be utilized as the case study for effective leadership that is instrumental to ensure that LED projects become a success. Singapore is a developmental state that achieved independence around the 1960s but, it has been able to foster economic development and is regarded as the world financial centre. The economic progress and the successes that Singapore and other Asian economic giants have made rests on the capacity of their leaders in showcasing good leadership qualities (Robertson, 2014).

2.17 Project sustainability

According to the eThekweni municipality Integrated Development Plans the sustainability of the LED projects requires more finance. Thus, it would be significant for the eThekweni municipality to work with the private sector as to attract investments that can bring positive results such employment opportunities, skills development and poverty alleviation (eThekweni, IDP (2020)). However, Madondo (2019) maintains that although, more finance is necessary to fund and sustain the LED projects but in the case of eThekweni municipality there are cases of corruption and the mismanagement of funds. This proves that LED projects are likely to be ineffective and unsustainable due to corruption in the eThekweni municipality.

2.18 Inability of Local authorities to define what is LED strategy

The LED should be defined within the context of an IDP so that it can resonate with all other municipal plans (eThekweni, IDP 2019). It is necessary for the municipalities to showcase their LED plans in their IDP document, thus including it in the IDP it is the first step in assuring possible LED implementation. The eThekweni municipality has challenges of service delivery therefore, LED could be used for social development. Additionally, for the poor communities' basic service delivery could replace the LED in the form of housing and water. According to Niguel (2018) LED should be complimentary to service delivery and should not be alleviated to social development goals. The principal goal of the LED is to promote faster economic

growth that would create job opportunities, accelerate high-incomes and improve the well-being of the people. Whilst LED is used as an engine for the provision of service delivery however, Madondo (2019) argues that these two aspects should not be complicated as they focus on different perspectives.

2.19 Community Participation Model

According Madlala (2005:44) one of the important stakeholders in the local government is the community. LED programs must meet the needs of the residents and should address social issues affecting their well-being. Moreover, with regards to LED programs in the eThekweni municipality the communities are not consulted entirely however, expected to support the local development programmes that the municipalities aim to introduce. Furthermore, communities are essential so that LED initiatives can be a success. (Mnguni, 2017). According to Feinstein (2012) communities are only consulted when there are community-based projects but, programs that relate to LED are imposed to the residents. People should be empowered with decision-making skills; they should be able to provide their opinions and ideas on the developmental programs that are introduced. Excluding the people from participating in meetings that outlines LED programs might lead to tensions (Singh, 2016). The people should be at the centre of the LED programs because one of the objectives of LED is to create job opportunities for the residents therefore, LED programs should encompass the residents. Additionally, community participation may increase the spirit of willingness to be part of the LED programs among the residents and might even unity the community (eThekweni, IDP 2020).

2.20 The Integration of communities to LED Initiatives

As mentioned by Reedy (2016) LED initiatives should include the communities rather than the political connected individuals. According to the Mwelase (2017) projects prioritization often falls to the hands of the politicians who may have agendas that contradict the LED goals. The LED initiatives should be transparent to members of the community. Additionally, there must be no prioritization of people for specific LED projects (eThekweni, IDP (2019). LED initiatives should be driven by the people and speak to their interests and needs. People-centred approach should be utilised practical by improving the lives of the community. According to Reddy (2016) the opportunities created through the LED initiatives should benefit the entire community. The economic gains made through LED projects must be able to address socio-economic conditions such poverty and unemployment. LED is not only about the stimulation

of the local economy but, an engine that can eradicate poverty in local government (Taylor, 2019).

2.21 Urban-Rural Divide

Makgopa (2017) maintains that the “urban-rural presents a dichotomy in LED with rural or poorer municipalities finding themselves at a disadvantage”. According to Taylor (2019) previously disadvantaged areas are experiencing challenges such as poverty, unemployment and inequalities. For this reason, urban municipalities are having high volumes of economic refugees from the rural areas. The differences between urban areas and rural areas can be determined through real incomes, standards of living and the quality of life for individuals (Mabizela, 2018). The difficulties that are experienced by rural municipalities varies ranging from the inability to attract financial inflows, shortage of resources and skills. Rural municipalities struggle due to the infrastructural development constrains. For this reason, rural municipalities are not able to attract financial investment from big businesses. In addition, rural municipalities unlike the urban municipalities, have less effective LED strategies with little access to improved skills. Due to the lack of opportunities in the rural areas many people migrate to urban areas to look for employment opportunities, better incomes, education and better living conditions but, as noted by Taylor (2019) many of the people from the rural areas staying in the rural areas particularly those that have been able to access better education and skills but, often chooses to remain in the urban areas rather than contributing to the development of their place of origin (Reddy, 2016).

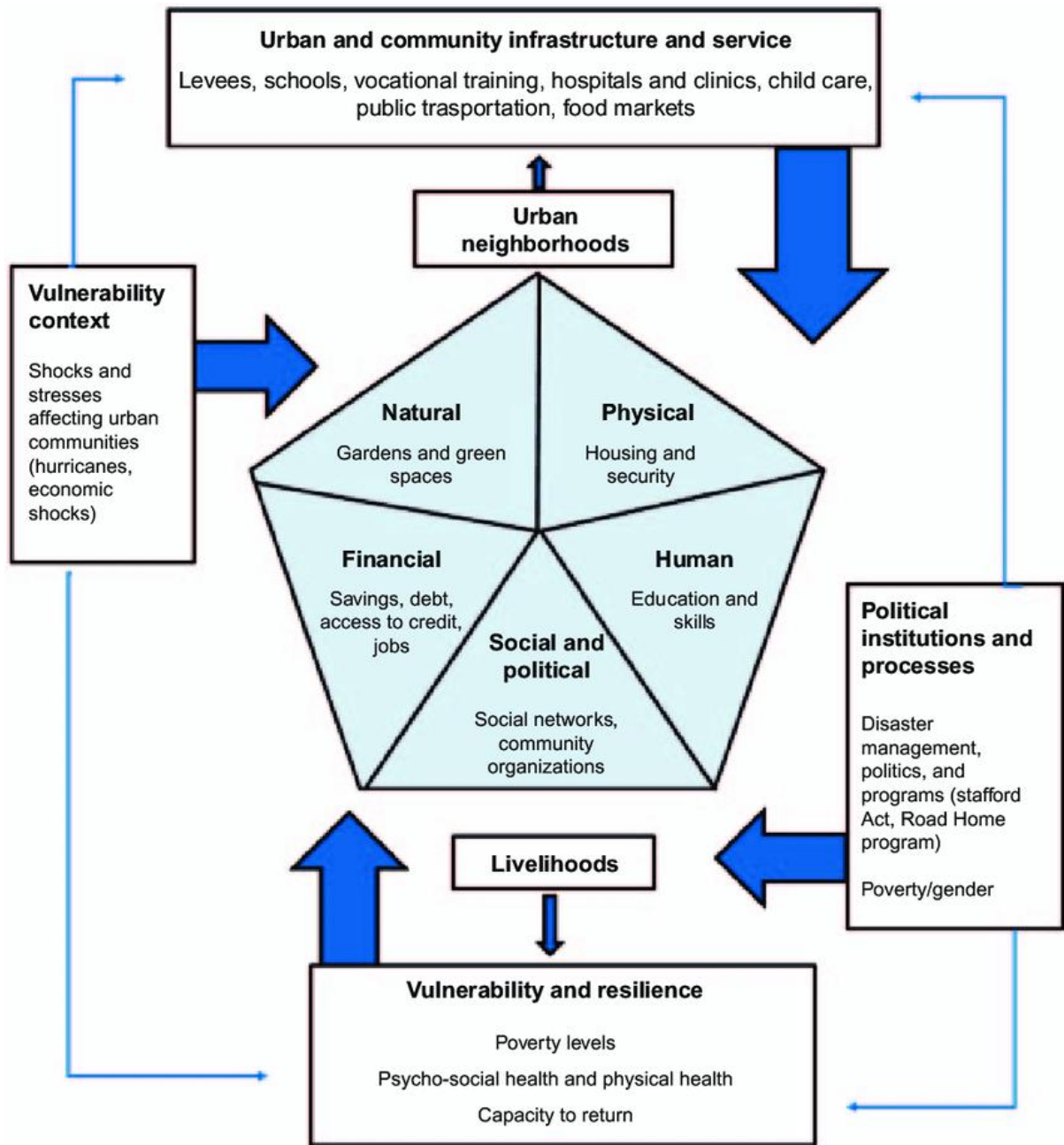
2.22 Strategic Approach to improve the LED

Reedy (2016) finds that the eThekweni municipality developed IDPs and LED plans separately which makes it difficult for LED programmes to be effective. Moreover Taylor (2019) concurs by stipulating in the eThekweni municipality LED plans are sometimes not implemented due to the shortage of resources skills, and the lack of proper strategic approach in place. Eventually, due to incompetence and the shortage of skills LED programs end up not being implemented. As mentioned previously, the success of LED programs depends on the collaborative efforts among the key stakeholders however Reddy (2016) discovers that in relation to the implementation of LED programs in the eThekweni municipality there is no effective strategies that could improve LED programmes. Ntombela (2017) also, finds that LED programmes in the eThekweni municipality are loaded with vague plans lacking implementation.

2.23 Conceptual framework

Madlala (2015) adopts a comprehensive approach to deal with LED challenges. Utilizing a conceptual framework to address the factors that impact the LED, Chambers (1992) introduced the Sustainable Livelihoods Framework so that individuals can respond positively to poverty shock. According to Chambers (1992) Sustainable Livelihoods Framework categorized livelihoods into assets such as human capital, social capital, natural capital, physical capital and financial capital. According to Mayinga (2018) human capital focuses on dimensions such as health, nutrition, education, knowledge and skills. Moreover, the social capital asset focuses on networks and connections, mutual trust and mutual understanding, formal groups and informal groups, shared values and behaviours. The natural capital includes dimensions such as land and produce, water, resources, and environmental services (Mackenzie, 2018). The financial asset focuses on things such as savings, credits and debts, pensions and wages. Additionally, the physical asset deals with infrastructure, shelter, buildings, water supply, sanitation, energy and technology. The emphasis of the Sustainable Livelihoods Framework is that individuals/communities must be able to respond positively to poverty shocks. The challenges confronting the LED has made the implemented programs that aim to alleviate poverty through the creation of job opportunities ineffective (Maphalala, 2015). Additionally, due to the failure of the LED programmes to eradicate poverty Malinga (2019) adopts the Sustainable Livelihoods Framework and argues that this framework is aims to provide empowerment the previously disadvantaged communities. Moreover, Chambers (1992) maintains that the SLF also, aim to accelerate skills development so that communities can be able to sustain themselves.

Figure 1: Sustainable Livelihoods Framework



Source : Madlala (2015)

The above framework represents the Sustainable Livelihoods assets that communities should have as to recover from poverty shocks (Madla, 2015). The rationale, for choosing this framework is to give the researcher a better understanding on how can communities respond to poverty shocks. This framework speaks to the realities that communities experiences on the their daily basis. Some individuals are able to respond positively from poverty shock because they have necessary connections and networks. Some have financial means to sustain their livelihoods.

Figure 2: Local Economic & Poverty Alleviation Improvement Plan

| | | | | |
|---|-----------------------------------|---------------------------------|----------------------------|---|
| LED & Poverty Alleviation Improvement Plan | Collaborative Planning | Stakeholder Partnerships | Communication Plan | Integrated Community Development |
| | Equity Planning | Empowerment | Capacity Building | |
| | Strategic Spatial Planning | Spatial Growth | Spatial Integration | |

Source: Mapule (2017)

The above conceptual framework aims to accelerate empowerment and development to communities. Additionally, it emphasizes the significance of key stakeholders in the LED projects. Moreover, this framework encourages the collaborations of stakeholders as being intergral in ensuring the effectiveness of the LED programs. Unlike the Sustainable Liveihhods Framework which focuses on capital assests as being important mechanisms that could allow individuals in the society to sustain themselves and recover from poverty shocks (Mdlinzo, 2017). This conceptual framework focuses in the essentiality of planning from the municipality as being crucial so that LED programmes could be effective additionally, so that commmunities could benefit from the invonvelment of several key stakeholders. This conceptual framework dwells much on the institutional capacity of the municipality to drive LED projects that could address issues affacting communities.

2.24 Conclusion

This chapter introduced global findings on LED, the chapter covered variety of LED concepts and conceptualizations. The chapter also, explored poverty trends in eThekweni municipality. The chapter provided the history and development of LED. Developmental countries such as Singapore, Malaysia and Taiwan among others were utilized as international case studies to showcase the significance of LED. This chapter covered the challenges by practitioners in throughout all stages of LED creation and implementation. This study also, used the Sustainable Livelihoods Framework and the Local Economic Development and Poverty Alleviation Improvement Plan as guide to the study. Additionally, the Shortcomings in the current LED programs were identified and discussed. The state of the eThekweni municipalities in was discussed. This chapter also, discussed the conceptual framework used in this study. The next chapter presents the research methodology.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

In this chapter the design, and methodology used in the study are explained and justified. This chapter presents the research method used by the researcher. The chapter also, discusses the process of data collection used in this research. Additionally, the chapter presents some of the ethical issues encountered in this research.

3.2 Research Design: Qualitative research

According to Neuman (2004) methodology provide set of techniques and procedures a researcher uses to collect data. Zuckerman (2007) maintains that researchers must have a set of techniques so that they can be able to collect data. This study uses a case study approach to examine features of a given phenomenon (Neuman, 2014). The researcher uses a qualitative approach, as it provides an in-depth understanding of social phenomenon in their natural setting. Qualitative methodology is a naturalistic inquiry that explores issues as they are (Neuman, 2004). Qualitative approach unlike, the quantitative approach underpins the interpretive research paradigm. Qualitative approach is subjective and allows individuals to express themselves. Through the qualitative approach the research participants can be able to express themselves in the form of interviews. According to Neuman (2004) researchers using qualitative methodology are subjective and provide their interpretations in the study. Unlike numeric analysis, qualitative approach provides an in-depth understanding of the social phenomenon.

3.3 Research Paradigm

According to Kabul (2003) interpretive social science has several varieties: hermeneutics, constructionism, ethnomethodology, cognitive, idealist, phenomenological, subjectivist, and qualitative sociology. Interpretivism research is associated with the symbolic interactionism. It is concerned with how people interact and get along with each other additionally, the interpretivist approach is systematic (Neuman, 2014). According to Lahm (2007) the interpretivism research is associated to the qualitative approach because most interpretive researchers use participant's observation and field research. The interpretivist approach allows researchers to interpret data and, explore other people views. The researcher used the interpretivism approach paradigm. Neuman (2004) explains that interpretivism enables researchers to provide their own interpretations because they are also, part and parcel of what they research about. The realist ontological position maintains that the world exists external

but, the interpretivist approach stipulates that, researchers are part of what is being researched. This research will utilize the interpretivism approach to interpret the data gathered from the secondary data. According to Mntambo (2015) interpretivism research allows the research to interpret the information gathered from the research participants.

3.4 Case-Study Research

According to Neuman 2014:44) “case study research examines many features of a few cases. While Gayton (2008) maintains that cases can be individuals, movements, events or geographic units. Neuman (2014) argues that the data on the case are detailed, varied, and extensive. Ragin (1994) maintain that qualitative and case study research are not identical but, almost qualitative research seeks to construct representations based on in-depth, detailed knowledge of cases. This study will adopt case-study research to gain an in-depth understanding of the LED challenges. Case-study research intensively investigates one or small set of cases, focusing on many details within each case’s internal features as well as surrounding situations (Neuman, 2014).

3.5 Study Area

This study analyzed documents that relate to the challenges that confronts the Local Economic Development. The eThekweni municipality is one of the largest municipalities in South Africa and receive large funding from the national government. The municipality is found in KwaZulu Natal province, South Africa. The area is topographically hilly, with many gorges and ravines. The eThekweni municipality is the third largest city in the country and is the major center for tourism due to the warm subtropical climate and extensive beaches (eThekweni, IDP 2018). The municipality has been able to boost the local economy. This is partly due to the success of the 2010 world cup and the booming hospitality sector. The eThekweni municipality has been able to stimulate the economic growth through the LED programs. Additionally, the tourism industry has been able to attract international visitors. During the 2010 world cup the Gross Domestic Product (GDP) of eThekweni estimated to be 8% (Mbambo, 2018). Like other municipalities in South Africa, the eThekweni municipality is experiencing challenges such as poverty, unemployment and inequalities. The municipality outlined plans to address the above socio-economic issues. One of the plans by the municipality is to ensure the effectiveness of the LED programs so that they can achieve sustainable economic development that can create job opportunities and tackle the poverty (Mbatha, 2019). Additionally, this study being a

desktop the information on the municipality was collected from the documents that are already existing in the public domain.

Figure 3: eThekweni municipality Human Resource Building.



Source: Dlamini (2016)

3.6 Data Sampling and Data Collection

Neuman (2014) sampling is a major problem for any type of research, we cant study every case of whatever we interested in, or should we want to. When we sample, we select some cases to examine in detail, and then we use to what we learn from them to understand a much larger cases (Mbatha, 2019). Researchers conducting studies must sample popoulation utilizing sampling techniques such as propability and non probability sampling (Rhodes, 2011). When we sample, utilize research sampling designs so that, we can be able to examine cases. Sampling designs are important so that researchers can sample research participants. In qualitiative studies sampling allows us to make statements about categories in the population (Neuman, 2004). Neuman (2014) maintain that in “qualitative studies we, sample to open up new theoretical insights, reveal distinctive aspects of people or social setting, or deepen understanding of complex situations, events or relationships”. There is propability sampling and non-propability sampling. Propability sampling is the gold standard for creating a representative sample. It has a specialized vocabulary that may make it difficult to understand until you learn it (Davies, 2016). The non-propability sampling can be utilized when we want to create a representative sample (Neuman, 2004). This study, being a desktop study keywords were adopted to search for relevant papers that relate with the study topic. Davies (2016:86)

maintains that keywords in research are important because they assist researchers to find relevant papers. Keywords assist researchers to find documents that are relevant to their own research interests (Mbhele, 2020).

3.7 Challenges

Collecting data using the information that already exist can be challenging nevertheless, the researcher was able to access information for the study. The Covid-19 government restrictions limited the researcher to a desktop research. Additionally, it was challenging to access municipal reports and documents which speaks to poverty alleviation. The majority of the information was gathered from past research papers. The researcher utilized research sites such as the University of KwaZulu Natal (UKZN) Research Space to access past research papers. These research papers were reviewed in order to gather information so that the researcher can effectively address the research questions. Past papers that have been written about the LED characterized it as a poverty alleviation instrument. LED is a process that aim to achieve sustainable economic development which would lead to job opportunities, stimulate incomes and eventually alleviate poverty. Although, writers categorized LED as a service delivery tool the researcher, was able to access research papers that were relevant to the study topic. Poverty is a multifaceted concept which is filled with different interpretations and explanations. The challenge that the researcher encountered was that majority of the studies that were reviewed by the researcher are focusing on the provision of service delivery. This study topic look beyond the provision of service delivery. Factors such as the effectiveness of LED programs, institutional capacity, accountability and governance, resource allocation and power relations are interrogated in this study. Reviewing published documents on LED from the municipality website also, assisted the researcher to access information for the study. The researcher opted for the desktop research and keywords were utilized to search for documents, articles and research papers that relate with the study. Poverty is a multidimensional concept, filled with a variety of perspectives. Using a desktop study for broad study like poverty can be challenging due to poverty being multidimensional also, there are current discourses on debates on what constitute poverty.

In addition, in this research the data that was obtained was in the form of documents, notes and images. This study is purely a desktop study and opted to utilize a document analysis to review the existing literature in order to gather information. Neuman (2004) argue that document analysis allows researchers to review existing documentation so that they can address their

research questions. When data was gathered from various documents it was sorted and analyzed in order for the findings of this study to be better understood and the research project presented to its audience.

3.8 Inductive approach

According to Marlin (2003) there are two main approaches to qualitative data analysis namely the inductive approach and the deductive approach. The inductive approach aims at testing the theories and researcher can impose the adopted theories on the data and use them to analyze the data. This study utilized the inductive approach which allows the researcher to test the existing theories and analyze data.

According to Roberts (2004) there are eight steps that are used to analyse textual data, which are:

1. The researcher must get a sense of the whole data by reading all the propositions in a carefully manner.
2. The researcher should thoroughly analyse each document at a time and may pose a question.
3. The researcher must make a list of all research topics cluster together similar topics.
4. Write the codes next to the appropriate segments of the text.
5. Extract the most descriptive wording of the topics, turn them into categories and the group categories to show interrelationships.
6. Decide on the abbreviation for each topic and code them alphabetically.
7. Categorize data into components to perform a preliminary analysis.
8. Record your existing data.

This research utilized the above steps for document analysis, as the tool to analyse the data collected for the study.

3.9 Document analysis

According to Neuman (2014) document analysis is a data collection method that relies on the existing records, documents and knowledge. The Local Economic Development programmes of the eThekweni municipality and information about it are recorded and documented on the municipality website, academic journals, and internet articles.

Larsen (2016) maintain that document analysis can be either in a form qualitative methodology or quantitative methodology given to the source of information. Brown (2018) argue that

sources of information can be written documents photographs, database and audio recordings. This study examined a wide range of documentary sources that were or could have been utilized for this qualitative research.

3.10 Pros and Cons of document analysis

According to Moore (2014) content analysis is affordable, accessible and free. Document analysis is non-reactive, as they remain unchanged by researchers influence. On the other hand, document analysis is inconsistent and inflexible (Gray, 2016). Content analysis is a reliable way used by researchers to analyze qualitative data, as the coding units are not open for interpretation (Mohammed, 2018).

3.11 Qualitative content analysis

According to Mbhele (2020) qualitative content analysis is ideal to analyze large amounts of verbal data collected through interviews or focused groups. Codes are defined using the main theory for the research. Neuman (2014) argue that directed content analysis is where the theory is used to derive and define codes during data analysis. Vaughan (2015) maintain that coding presents the operation by which are broken down, conceptualized and put back together in new ways. Yin (2009) stipulate that selective coding is a process of selecting core categories, validating those relationships and also, filling in categories that need further refinement and development. This research opted, for a summative content analysis, where keywords in the documents were derived from the interest of the researcher and the review of the literature (Mbhele, 2020). Keywords are important, as they assist the researcher to access information that is relevant to the study. According to Emser (2014) summative content analysis involves and counting, comparisons, usually of keywords or content followed by the interpretation for the underlying text.

3.12 Transferability

Moon (2018) argue that transferability is established by providing readers with evidence that the research findings could be applicable contexts, situations and time. Additionally, transferability in a qualitative data is an alternative to generalizability of the study. The findings of this study are generalizable to other contexts. However, lessons learned in this study can be of value to other LED scholars, and this is regarded as transferability.

3.13 Validity

Heale (2015) argue that validity tells how accurately the method measures something. The central question is whether the researcher is really measuring what he intends to measure or not. Validity is essential to ensure that data are sound and also, that result are accurate.

3.14 Credibility

Credibility in research is the first aspect that must be established. It ask the researcher to link the study's findings with reality in order to demonstrate the truth of the study's findings. The researcher will link the reasearch findings with the South African realities into poverty to demonstrate the truth (Salmon and Nelson, 2018). Credibility involves using multiple data sources and theories to gain understanding of the phenomenon being studied (Siggursdon, 2013).

3.15 Confirmability

Refers to the level of confidence that the researcher's study findings are based on the narratives and words in the documents, trather than research bias. Confirmabilty verify that the findings are shaped by a qualitative researcher method used to establish the confirmability of the research study's findings (Adam and Michelle, 2015).

3.16 Reflexivity

According Siggurdson (2013) reflexivity refers to attitude that a reseaecher adopts when conducting and analyzing data. A qualitative researcher must look at his or her own backhround and position to see how these influence research process. This is selecting the topic, choosing the methodology, analyzing data and interpreting results. In order to achieve reflexivity a researcher can keep and maintain a reflexible journal.

3.17 Ethical Consideration

The research is a desktop study, and has applied for an Exemption from Ethics Review. The research will confirm to all research ethics, privacy, confedintiality and anonymity requirements.

3.18 Conclusion

This chapter has discussed the research methodology that was used in conducting this desktop study. This chapter presented reasons as to why a qualitative methodology was used to conduct this study. Ethical concerns were also, discussed and were kept throughout the study. The next chapter will discuss the research findings and interpretations.

CHAPTER FOUR: FINDINGS AND INTERPRETATIONS

4.1 Introduction

In this chapter, the findings of the chapter are presented based on themes. The findings of the study are about the challenges of the Local Economic Development as an instrument for poverty alleviation. This research, sought to develop an in-depth understanding of the LED challenges in eThekweni municipality. The presentation of findings is done on the basis of the secondary data collected from the documents, articles, and journals that focused on the challenges of the Local Economic Development, as explained in the introduction, literature review and research methodology chapters. The themes that emerged from the data collected are analysed based on the literature review and the conceptual framework of the study. The findings are discussed in line with the research questions and the research objectives of the study. This paper presents findings and will discuss them.

According to Mhandu (2017) one of the mistakes made by researchers in their discussion of findings is exaggeration. In this research discussion the information was supported by various secondary data, the conceptual framework and the research methodology.

The research questions inform the themes and sub-themes that emerged from the secondary data that was analyzed. The themes are represented in Table 1 below:

Table 1 : Research themes and sub-themes

| Themes | Sub-themes |
|---|--|
| Justification of the Local Economic Development | Understanding of LED Community engagements in LED |
| Hindrances of the Local Economic Development | Corruption in the municipality Governance and leadership issues Institutional challenges Political networks and connections Planning versus accountability Pro-poor LED versus Local Economic Development debate The effects of urbanization Funding issues LED Implementation Issues |
| Enabling environment conducive for Local Economic Development | Measures to Improve LED |

4.2 Justification of the Local Economic Development

The Local Economic Development is characterized as an instrument for sustainable economic development. The Intergrated Development Plans at the eThekwini municipality prioritize the Local Economic Development as being essential to economic growth, poverty alleviation and job creation (eThekwini IDP, 2017). The IDPs formulated at the eThekwini municipality are tools that enables developmental local government that respond to the needs of the local people

(eThekweni IDP, 2017). The eThekweni municipality should develop Intergrated Development Plans that provide for more effective utilization of limited local, cost-effective and sustainable resources by concentrating on recognized and prioritized local needs (Moodley, 2017). The LED is intergral for driving economic development and combating poverty in the local government (Naicker, 2014). The scope of work of the LED is not limited to economic growth, its is about improving the well-being of the people (eThekweni, IDP 2016). LED at the eThekweni municipality stimulate the local economy through the LED initiatives although, issues such as poverty and unemployment are effectively undermining the LED initiatives (eThekweni, IDP 2019). The LED aim to involve several stakeholders such as the community particularly to benefit from the LED initiatives so that they can sustain their needs. A study by Moodley (2017) finded that although, LED is an engine for economic growth, is confronted with challenges that undermines it aims and objectives. LED is an important vehicle driving the local economy and creating opportunities for the residents (eThekweni IDP, 2019). The LED focus is not on social issues such as poverty and unemployment, its focuses on achieving economic development that can lead to employment opportunities, higher incomes in which people can improve their well-being (eThekweni IDP, 2015).

4.3 Understanding of the Local Economic Development

Although, LED is a key driver of sustainable economic growth and could be utilized to alleviate poverty however, it is not a service delivery process. LED objectives include the stimulation of the economy so that it results in the creation of employment opportunities, lead to higher incomes and address poverty (eThekweni IDP, 2018). The eThekweni municipality Intergrated Development Plans align with the objectives of the LED. Some of objectives of the LED are to promote faster economic growth that would create opportunities whilst, the plans of the eThekweni municipality include achieving meaningful economic growth that would tackle poverty (eThekweni IDP, 2016). The LED has become an important concept adopted in the Local government to boost the local economy, improve competitiveness and attract financial inflows. The concept is also, use in countries such as Singapore, Malaysia and South Korea. These countries are a perfect example of developmental states and are using LED to improve comparative advantage, efficiency in the market and for economic development (Larson, 2014). The eThekweni municipality guided by its IDPs has sought to strengthen it LED by equipping LED personnel with skills in order to improve the effectiveness of the LED initiatives (eThekweni IDP, 2017). LED is about improving the competittiviness of the local

economy, efficiency and the creation of an economic climate that can accelerate investments which is essential for economic growth and the alleviation of social ills at the eThekweni municipality (eThekweni IDP, 2018). Poverty is one of the socio-economic challenges hampering the prosperity of the residents in eThekweni municipality. The visibility of poverty in the municipality can be associated to the lack of service delivery, corruption and the ineffectiveness of the LED initiatives in addressing poverty (eThekweni IDP, 2020)

4.4 Community engagement In LED Initiatives

The intergration of communities to LED initiatives has been challenging task in the eThekweni municipality (Nzimakwe, 2020). The study by Morrison (2018) highlights that LED projects in eThekweni municipality are given to politically resourcesful individuals. The LED programs aim to involve residents in several projects so that they can access income (IDP, 2019). The lack of intergration of communities to LED alienate communities from participating to the LED initiatives. Meyer (2019) notes that the lack of community intergration in LED initiatives in the eThekweni municipality is attributes to the lack of transparency and openness of LED projects to the community. Matthews (2018) stipulates that in the eThekweni municipality communities are sidelined from the LED initiatives due to political contestations and power politics. Marshall (2014) argues that failure to achieve transparency in the municipality hamper the progress of the LED initiatives. The study by Mseleku (2016) findes that the failure to intergrate communities in LED initiatives alludes to political affiliations witnessed in the eThekweni municipality.

4.5 Hindrances of the Local Economic Development

The Local Economic Development is the engine economic development, development and the prosperity of citizens (eThekweni IDP, 2020). Although, LED is vital for economic growth and used to alleviate poverty however, there are challenges encountered in eThekweni municipality. The challenges ranges from corruption, governance, institutional challenges, planning and accountability, rural-urban divide and political network. These challenges affect negatively the effectiveness of LED as an instrument for poverty alleviation.

4.6 Corruption in eThekweni municipality

The state of the municipalities in South Africa is catastrophic due to the instutionalized corruption. Additionally, corruption has become a culture (Dlamini, 2013). Achieving accountability in the eThekweni municipality is a challenge given to factional politics. Root (2016) argues that municipal officials at the eThekweni municipality receive bribes from

individuals in the community also, they are part of the corrupt activities happening in the municipality. The LED projects benefit people with proximity to municipal executives (Zondi, 2019). The Auditor General (2019) found that the eThekweni municipality is among the municipalities identified for financial irregularities and corruption. According to Booysen (2020) corruption in the eThekweni municipality is due to the insitutional failure, deploying of incompetent individuals and cadre deployment. According to Scott (2020) the officials deployed in the eThekweni municipality by the African National Congress (ANC) through to the policy of cadre deployment lack the necessary skills and expertise which are essential to govern the municipality. According to the literature by Masango (2020) corruption in the eThekweni municipality prevent the local people from accessing opportunities, as projects introduced benefit people with political connection. The Sustainable Livelihoods Framework (SLF) can be used to provide further discussion on the above sentiment. The SLF argue that individuals seek for political network in order to acquire influence which would be crucial for them to sustain their livelihoods (Chambers, 2006). In the case of eThekweni municipality communities access political channels so that they can be part of LED projects. The SLF argues that in a situation where communities lack financial means to sustain themselves they could establish political channels, as to recover from poverty shocks (Reedy, 2013).

4.7 Governance and leadership issues

Governance is a buzzword that is often talked about in the local government however, Plumtree (2020) points that corruption, mismanagement and financial irregularities are some of the factors crippling the eThekweni municipality. Good governance entails effective management of institutions, rule of law, good leadership qualities and credibility (eThekweni IDP, 2019). The lack of good governance in eThekweni municipality is common and has lead to it downfall. Plumtree (2020) maintains that LED projects are not properly managed due to weak management and the failure of the municipality officials to promote good governance. According to Hebert (2018) in the eThekweni municipality good governance compromises the LED projects, as they are given to people with connections. The Sustainable Livelihoods Framework through the human livelihood asset focuses on dimensions such as education, knowledge and skills (Chambers, 2006). The SLF is applicable in the eThekweni municipality because the deployed municipal officials by the ruling party lack skills, knowledge and education which is essential for good governance

4.8 Institutional Challenges

According to Bruce (2019) the functioning of the LED projects depend on several aspects such as the institutional organization of the municipality and the way LED personnel carry out their work. The challenge affecting the LED projects in the eThekweni municipality is that some of the LED personnel are not well equipped with skills and lack coordination and management skills that are necessary to perform their duties (eThekweni IDP, 2019). The ineffectiveness of the LED projects in eThekweni municipality is due to the institution failing to provide adequate training to its LED personnel (Robertson, 2019). The eThekweni municipality among other several plans, aim to improve its institutional structure by providing skills to LED personnel so that they can properly perform their work (eThekweni IDP, 2020). However a study by Vijay (2020) found that LED personnel in eThekweni municipality lack skills and knowledge about the Local Economic Development therefore, it is difficult for communities to understand the work of LED.

4.9 Poverty and LED

The contributing factors to poverty in eThekweni municipality are unemployment, lack of finance, lack of access to political decisions and the lack of service delivery (Patel, 2020). The study by Bhengu (2019) found that LED has not been able to alleviate poverty due to the failure of the LED initiatives to create employment opportunities that would lead to high incomes and enable people to sustain their livelihoods. According to Cheety (2018) LED initiatives create temporary jobs that are unable to address poverty issues in the municipality. Poverty issues in the eThekweni municipality cannot be only understood on the basis of income but also, through several indicators such as the access to political decisions, community participation and the distribution of resources (eThekweni IDP, 2018). According to a study by Singh (2018) poverty in eThekweni municipality can also, be understood in relation to gender imbalances, due to income gap between woman and man

4.10 Political networks and connections

What is noticeable in eThekweni municipalities is that members of the society are able to access opportunities due to political connections. A study by Ngcobo (2019) maintains that in the eThekweni municipalities LED projects are accessed by people that have political connections. Although, structures such as the ward committees are essential to hold the municipal officials accountable however, they are easily manipulated (eThekweni IDP, 2018). The LED programs that seek to empower and create opportunities the residents are given to

people that align with a specific political party (Muhamed, 2019). Additionally, issues that are raised and debated in the ward committees are brought forward by a dominant faction in the ward committee (Vaughan, 2016). According to Petterson (2019) the failure of the eThekweni municipality to drive LED initiatives that are transparent to the community has encourages members of the community to establish political channels within the municipality, as to benefit through the LED programs. Maluleke (2018) maintains that poverty and inequality in eThekweni municipality are one of the reasons that motivate community members to develop political channels as to be part of LED programmes. Ahmed (2019) also, shares the same sentiment with the above explanation by arguing that due to the institutionalized corruption experienced in the eThekweni municipality members of the society have no choice but, to establish political connections so that they can sustain livelihoods through LED programs. The Sustainable Livelihoods Framework can be applicable to explain the above assertion. The SLF social livelihood asset argues that individuals build networks, mutual trust, informal and formal groups in order to access opportunities also, to be in a position where they can sustain their livelihoods (Chambers, 2006)

4.11 Planning and Accountability

Ahmed (2019) maintains that for LED programs to be effective instruments such as proper planning and accountability are important. The failure of LED programs in eThekweni municipality can be associated with the lack of accountability (Zondi, 2020). According to Monare (2019) in the eThekweni municipality there are several cases of fraud, mismanagement of funds and corruption however there, is no accountability that has taken place. According to Smuts (2018) ward committees in the eThekweni municipality are a zone for political contestation rather than a platform for holding municipal executives accountable. Jeffrey (2017) concurs with the above sentiment by arguing that ward committees are not a perfect mechanism for holding the municipality accountable due to the clash of political ideologies and power struggles among the ward committee members. Nadia (2019) stipulates that the lack of accountability and poor planning experienced in the eThekweni municipality is a result of cadre deployment policy of the African National Congress. Smuts (2018) shares the same thoughts by arguing that cadre deployment in the eThekweni municipalities has not led to successful outcomes. According to Ally (2020) cadre deployment in the eThekweni municipality result to incompetence and poor planning. For the LED initiatives to achieve

desirable outcomes it is necessary to have accountable people which that can ensure effective planning of LED initiatives (eThekwini IDP, 2017).

4.12 Community Participation in eThekwini municipality

Booth (2018) maintains that the involvement of communities is important so that the LED initiatives can be a success. According to Mapule (2017) communities in eThekwini municipality are often isolated from participating in several developmental initiatives due to political differences. Bizo (2018) concurs and argues that in the eThekwini municipality community participation is reserved for specific individuals in the community that are affiliated with the governing party. Nelson (2019) argues that LED initiatives are not centered to the people, as they are not empowered with decision making skills. Mseleku (2018) argues that one of the challenges in the eThekwini municipality is that communities are not given a platform where they can share their ideas, expressions and expectations on the LED programs instead, the municipality impose programs to the communities without consulting them. The Sustainable Livelihoods Framework through the human capital be applicable to the above argument. The human capital, which is one the SLF livelihoods maintains that people develop skills and knowledge that empowers them with decision making skills. Moreover, once people develop skills and knowledge they can make decisions that will sustain their livelihoods (Albert, 2014). Although, community participation is encouraged in several IDPs of the eThekwini municipality however, the reality is that it is a challenge to achieve community participation due to selective participation, gate keeping, lobbying and political interference in the community affairs (eThekwini IDP, 2014).

4.13 Pro-Poor LED Versus Local Economic Development debate

The study by Johnson (2017) argues that it is important to distinguish between pro-poor LED and the Local Economic Development. These terms are often used carelessly, as they both focuses on different aspects (Njoko, 2016). The pro-poor LED dwells on poverty eradication whilst, the Local Economic Development focuses on sustainable economic development that can create employment opportunities and stimulate the local economy through LED initiatives (Mtshali, 2018). Although, it is important to separate the two terms however, Montgomery (2019) argue that one of the things that align the LED and the pro-poor LED is the eradication of economic and social challenges. Bhengu (2020) concurs with the above assertion by arguing that the end goal of both LED and the pro-poor LED is to combat poverty. Wright (2017) in her study recommended that LED and the pro-poor LED should not be separated as they both

aim to drive the local economy whilst, addressing poverty. The literature conceptualizes the LED as the process that enables economic development through the LED initiatives however, scholars such as Hendricks and Oliver (2018) maintains that LED can be used as a tool for community development. Mtshali (2018) disputes the claim that focusing on pro-poor LED might move away from pursuing sustainable economic growth. Instead, he argued that combining both the LED and the pro-poor LED may result in sustainable economic growth that can stimulate the local economy and alleviate poverty. The eThekweni municipality Intergral Development Plans combined the pro-poor LED and the Local Economic Development, as to stimulate economic growth and alliviate poverty (eThekweni, IDP 2018). The primary focus stipulated in the IDPs of eThekweni municipality is the advancement of economic development, not the eradication of poverty (Rooi, 2019). Additionally, Bhengu (2020) maintains that incorporating LED to pro-poor LED in the eThekweni municipality has not produced positive outcomes instead, complicated the functions of both pro-poor LED and the Local Economic Development. “Pro-poor LED is essential for community development aspects such as the alleviation of poverty through the LED projects”. This is the statement made by the eThekweni municipality mayor Mxolisi Kaunda in 2019 arguing that both of these perspectives are crucial to meet the community needs. Cele (2020) argues that the combination of pro-poor LED and the Local Economic Development in eThekweni municity may results to the completely neglectation of social development programs, because both of these perspectives provide varies from one another.

4.14 The effects of urbanization in the eThekweni municipality

Johnson (2017) postulates that the reason behind the high volume of economic refugees in eThekweni municipality is the shortage of resources in the rural municipalities. Developmental economists argues that its important for the national government to inject financial resource in the rural municipalities so that they can invest on infrastructural development. Mapule (2017) concurs with the above articulation by stating that infrastructural development can be beneficiary in rural municipalities as its attract financial investment. The shortage of skills is among the challenge identified in the eThekweni municipality, Johnson (2017) alludes to the importance of skills development as an important mechanism that can be used by rural municipalities to improve LED initiatives. Although, rural municipalities receive lesser budget compared to the eThekweni municipality however, mismanagement of funds is also, an issue noticed from the rural municipalities (Khuzwayo, 2017). This above assertion suggest that

corruption in rural municipalities is a challenge not only in the eThekweni municipality as the literature stipulates. Taylor (2019) in his study argues that for the rural municipalities to bridge the gap between themselves and the eThekweni municipality they should introduce LED initiatives that can encourage businesses to invest in the local economy so that job opportunities can be created. The eThekweni municipality is among municipalities that have high volumes of economic refugees, and one of the factors for the rapid rise of economic refugees in the eThekweni municipality is job opportunities, vibrant economy and the infrastructural development (eThekweni IDP, 2019). However, the study by Mapule (2017) maintains that due to agglomeration in the eThekweni municipality, residents are competing for opportunities also, are highly depending upon the municipality to provide job opportunities. One of the plans included in the Intergral Development Plans of the eThekweni municipality is to improve infrastructure as to attract businesses and investment (eThekweni IDP, 2020). According to Cele (2020) businesses in the eThekweni municipality are relocating due to urban decay, crime, and the lack of the demands for goods and services. Marvin (2019) argues that businesses cannot function when the eThekweni municipality infrastructure is in a state of disrepair. The figures from the Statistics South Africa (SSA) projects that unemployment rate in eThekweni municipality rose sharply from 14% to 20.5% in the fourth quarter (SSA, 2021). According to Mntambo (2021) the political instability ushered by the looting event that occurred in the KwaZulu-Natal Province also, contributed significantly to the economic decentralization of businesses from the city of Durban. Although, the recent looting event may be associated with the arrest of former president Jacob Zuma however, Mnyandu (2021) maintains that looting of stores is a reflection of poverty, inequality and unemployment experienced in the eThekweni municipality. The closing of businesses in the city of Durban also, contributed to unemployment, as businesses had no choice but, to retrench some of its workers (Davies, 2021). The looting event worsened unemployment and poverty furthermore, the eThekweni municipality had to introduce financial relief packages to assist businesses that were affected as results to the looting event (eThekweni IDP, 2020-21) According to Khan (2021) The looting event should not be used as a scapegoat for the high-levels of poverty and unemployment in eThekweni municipality because prior to looting poverty these issues were a major concern. The Graph below shows unemployment rate in the eThekweni municipality:

Figure 4 : Unemployment rate in eThekweni municipality

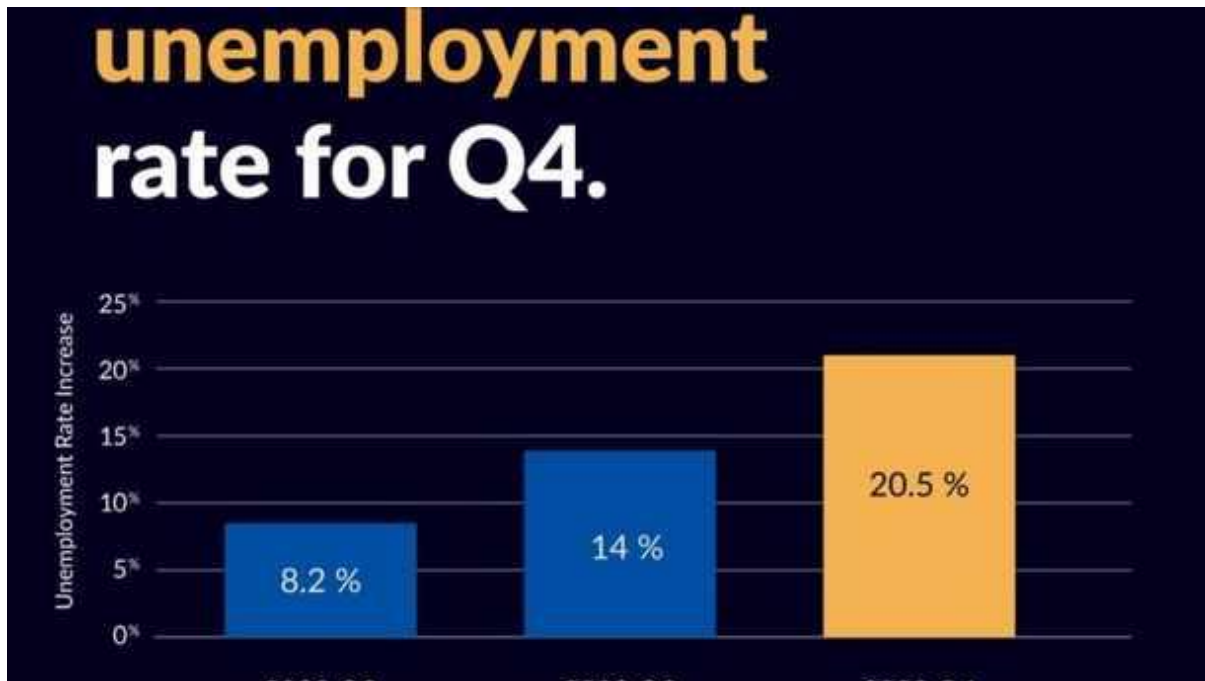


Figure 1: Unemployment rate in eThekweni municipality

Source: Statistics South Africa (2021)

This graph justifies the rapid rise of unemployment at the eThekweni municipality in the fourth quarter of (2021), and among the several reasons for the rise of unemployment are the lack of skills, lack of absorption in the market and the lack of financial investment (UASA, 2021). Responding to the statistics released by the SSA the eThekweni municipality said ‘the figures are drastic and suggest that residents are now more determined to work’ (Moyo, 2021). According to the KwaZulu-Natal Department of Employment and labour (2021) the unemployment projection released by the SSA shows that youth under the age 35 are unemployed. Additionally, the Institute for Advancing Worker Justice and Legacy (2021) argues that high-levels of youth unemployment in the eThekweni municipality shows that there is a neglect of youth development programmes. Mulaundzi (2021) concurs and argues that there should be a prioritization of youth development programmes in the municipality which will equip the youth with skills that are necessary in the labour market. Additionally, Khanyile (2021) maintains that LED should focus on skills-driven programmes that would create job opportunities, absorption to the labour market and establish entrepreneurship channels which would be beneficial to the youth.

4.15 Funding Issues

For any LED projects or initiatives to be successful money is required as to increase the effectiveness of the projects (Moorison, 2017). In the eThekweni municipality there are funding challenges with regards to the LED projects additionally, some of the initiatives were not implemented due to budget constraints and the failure of the municipality executives to fund LED projects (Davies, 2018). According to Bruce (2016) the sustainability of the LED projects and programmes depends on financial management and the ability of the projects to generate continuous incomes (Kunene, 2017). The eThekweni Integrated Development Plans (2019) shows that the funding allocated for the LED projects has been slower than expected due to municipal budget deficit, irregular expenditures and financial loss.

4.16 LED Implementation Issues

The findings on LED in eThekweni municipality show that there are several implementation challenges (Mapule, 2017). Although, the eThekweni municipality has well-structured LED initiatives and programmes but, the implementation has been a subject for debate. Among other issues which affect the implementation of LED projects and initiatives in the eThekweni municipality includes the duplication, parallel planning, and competition (eThekweni IDP, 2019). According to Gibson (2019) the centralization of LED projects to a single department helps with coordination and planning. In the eThekweni municipality there is a lack of planning and coordination due to the failure of the municipality to create a single department that would focus on the LED projects. Additionally, the implementation is affected by the supply chain policies which reflect the lack of coordination on LED by different departments across policy levels. The LED cannot be executed in a vacuum hence, an integrated approach is necessary from planning to implementation (Odoi, 2014). Additionally, the failure of LED implementation in the eThekweni municipality is due to the lack of sufficient knowledge and understanding of the LED (Philander, 2013). According to Oliver (2015) there must be an integrated approach that would encourage effective planning and coordination of the LED projects in the eThekweni municipality so that, the goals and aims of the LED could be realized. Gibson (2019) argues that the lack of planning and coordination are one of the factors that have hampered the progress of municipalities.

4.17 Measures to Improve the LED

The study by Hector (2021) suggests that the eThekweni municipality should invest capital in infrastructural development to attract financial investments, businesses which could lead to

economic spill over effects. According to Mkhize (2019) the eThekwini municipality Intergrated Development Plans could invest on skills development programs, as to equip residents with skills that are necessary to access job opportunities. The eThekwini municipality should also, provide LED personnel with skills, so that they could perform their duties efficiently (Moon, 2020). Moreover, Mackeinze (2020) went further, to suggest that institutionalization require concerted efforts by the municipality to train personnel, not only to manage LED programs but also, to capacitate them in business, financial, and project management, among other essential knowledge platforms. The eThekwini municipality could separate pro-poor LED and the Local Economic Development, as to develop clear objectives that could be achievable (Madondo, 2021). According to Moon (2020) communities could be involed and take part to the decision making process in the LED initiatives, which would empower them with decision making skills also, so that the LED programs could be effective. The local emerging businesses must be a give first preference by awarding them with tendors as means to uplift local businesses (Hector, 2021). There should be an adoption of tender procurement policy in the eThekwini municipality which will favor small companies instead, of the established businesses (Moodley, 2019). The municipal officials in eThekwini municipality must be accountable to the community and allow community members to share their attitudes, experiences and feelings regarding the LED programmes (IDP, 2020). Good governance could be promoted in the municipality as a mechanism that would results to the effectiveness of the LED and thus improve people's well-being. According to Zondo (2020) the prioritization of clean governance may results to credibility, accountability and efficiency in the eThekwini municipality. As to improve the LED, Mapule (2017) suggest that one of the solutions that could utilized be utilized is to embark on realistic planning using smart objectives.

4.17 Discussion of Findings

This section discusses the findings of the study in relation to the literature reviewed, so as to give meaning to the study. The discussions draw information from the conceptual framework employed to guide the study.

This study shows that Local Economic Development is more than a process for economic growth but, also intergral for poverty alleviation. The ineffectiveness of the LED initiatives in the eThekwini municipality contribute to poverty (Gideon, 2019). The literature reviewed

details that LED programs in eThekweni municipality have not been able to combat poverty. This study shows that there is a need to invest on planning, coordination and skills development, as to improve the LED strategies. The study also, shows that internal party politics caused by factional politics in the eThekweni municipalities hampers the LED (Claude, 2020). This study shows that the challenges of the LED are institutional challenges at the eThekweni municipality and manifest itself through the high-levels of poverty and unemployment (Emser, 2021). According to this study's findings, LED is more than a mechanism for economic development, it is essential for the inclusion of communities to the LED projects (Makhanya, 2019). The findings also, indicated that there is a need for open channels of communication between all relevant stakeholders, that included the municipality officials, LED personnel and the community, as to find solutions on how LED projects could be improved also, on how communities could be integrated to the LED (Rey, 2020). One of the objectives of the study was to examine measures that the eThekweni municipality could utilize to address the shortcomings of the LED. Despite the presence of factors that hinders the LED in the local government, analyzed documents identified factors that could improve the effectiveness of the LED initiatives. One of the factors included are coordination, planning and accountability, being essential components to improve the Local Economic Development. The study findings also, pointed out the clash of political ideologies as one of the major issues that hampers the LED in the eThekweni municipality. Factors such as corruption and governance issues were deemed to be of the municipality institutional failure.

4.18 Conclusion

This chapter discussed the findings as interpreted from the literature review in Chapter two. The chapter also, discussed the coded themes. Despite challenges LED is a mechanism for poverty alleviation and increasing of incomes (Seduma, 2014). LED play a central role however, given to challenges observed in this study it is apparent that solutions are needed to correct the current LED trajectory. The following chapter which concludes this study gives a summary of the key findings linked to the study objectives. Moreover will then also, provide recommendations which could assist in making LED as a tool for poverty alleviation in eThekweni municipality.

CHAPTER FIVE: RECOMMENDATIONS AND CONCLUSION

5.1 Introduction

This chapter presents the summary, and conclusions drawn from the information collected from the secondary sources. It concludes this research and makes recommendations for possible future studies on Local Economic Development. The purpose of this study was to interrogate the challenges of the LED in the case of eThekweni municipality. The study interrogated the eThekweni municipality Integral Development Plans, LED initiatives, capacity building process, LED challenges and the availability of resources in the municipality whether human or capital.

The literature review interrogated the LED concept, international perspectives on LED, and legislative frameworks that guide its implementation. The literature reviewed the LED initiatives and interrogated the concept of poverty. In conducting this study, a qualitative approach was employed followed by keywords which was used to search for information relevant to the study topic. Data was collected through secondary information that already exist in the public domain; the eThekweni municipality Integral Development Plans were reviewed as to give meaning to the study topic. This research utilized an interpretive social science research to interpret data collected from the eThekweni municipality documents. This chapter gives an overview of how the research objectives and the research questions of this study have been answered. Additionally, the chapter presents recommendation for future consideration on the current research topic, for Local Economic Development scholars.

5.2 Summary of Key Findings

This section summaries the key findings of the study and compares them against the objectives. The study had four objectives:

- To examine various Local Economic Development strategies that have been adopted by the eThekweni municipality
- To evaluate the initiatives and projects of the eThekweni municipality in alleviating poverty
- To examine measures that the eThekweni municipality could utilize to address the shortcomings of the Local Economic Development
- To unpack challenges that the eThekweni municipality is confronted with in its Local Economic Development interventions.

5.3 Objectives Relative to the Research

The aim of this research was to interrogate the challenges of the Local Economic Development as an instrument for poverty alleviation in eThekweni municipality. This study discovered that there is need to allocate resources in human and capital development to boost the efficiency of the LED in the municipality. Allocating resources to both human and capital development would increase the effectiveness of the LED initiatives. The study discovered that one of the challenges of the LED in eThekweni municipality is the lack of skills by the LED personnel therefore, the allocation of resources to human and capital development would empower the LED personnel with the necessary skills which would improve their scope of work.

This research revealed that corruption and political affiliations were central for the failure of the LED initiatives to combat poverty in eThekweni municipality, hence there is need to root out political factionalism in the municipality. Moreover, this research discovered that issues such as the lack of accountability and the lack of good governance are some of the challenges that cripples the LED in eThekweni municipality hence, there is a need to appoint credible individuals with the necessary skills, qualifications and expertise to manage the municipality. This research has responded to all the key questions and the broader Local Economic Development issues outlined in chapter one.

5.4 Realization of Objectives

Objective One: To examine various Local Economic Development strategies that have been adopted by the eThekweni municipality

The study found eThekweni municipality to have well-structured LED strategies, however, was found to not be efficiency when it comes to poverty alleviation. The objective was realized because the study found that although, the eThekweni municipality has well-structured LED strategies however, one of the problems identified by the study was capacity challenges. The capacity challenges in eThekweni municipality go beyond possessing requisite skills but, also encompass the need to harness all the identified LED stakeholders such as the communities to produce tangible LED programs and projects. The study found that there is lack of the inclusion of communities to LED strategies due to political contestations and factionalism moreover, the study discovered that some of the community members that were able to be part of the LED projects were political affiliated individuals with connections in the municipality.

Objective Two: To evaluate the initiatives and projects of the eThekweni municipality

The objective was achieved because this study discovered that the LED initiatives and projects were not effective in eradicating poverty. This was because of the issues such as the lack of opportunities created for the residents and the failure of the LED projects to absorb majority of the people in communities. The study discovered that in eThekweni municipality LED is used as an essential mechanism for economic development but, not much for poverty alleviation. The study discovered that for the LED projects to effectively eradicate poverty it would be essential for communities to be active on LED matters not just as spectators but, be part of key decision making when it comes to projects that are to be introduced. The study in chapter two argued that poverty is a multidimensional with a variety of perspectives, hence the research discovered that it would be important for communities to be included and take key decisions that would provide them with opportunities to sustain livelihoods through the LED projects.

Objective Three: To examine the measures the eThekweni municipality could utilize to address the shortcomings of the Local Economic Development

The research found that the involvement of stakeholders is crucial for the success of the LED. Furthermore, the study found that the training of LED personnel is a necessity for the effectiveness of the LED projects. The study also, discovered that different units of government such as COGTA and the DTI have responsibilities to provide guidance, leadership and to monitor and evaluate the progress made by the municipality in relation to funding the LED programs. However, these units of government were found to not be playing a meaningful role in the municipality. The study discovered that eThekweni municipality has institutional challenges exacerbated by the failure to promote accountability, good leadership and transparency.

Objective Four: To unpack the Local Economic Development challenges in the eThekweni municipality

It was revealed through the study that the eThekweni municipality is currently driving LED projects that seeks to alleviate poverty. The study found that the failure of the LED projects to eradicate poverty is associated with the policy of cadre deployment by the African National Congress. The deployed personnel have installed political factionalism and use the municipality as a zone for political agendas. Moreover, the study found that ward committees have been not an instrumental tool to hold the municipality accountable instead, they have become an arena for gate keeping, safeguarding of individuals-interests and political battles.

5.5 Implications for future policy

The findings of the study showed that the LED in eThekweni municipality has challenges and is unable to alleviate poverty because of a variety of issues ranging from corruption, lack of accountability, political affiliations and mismanagement of funds among other factors. These issues identified above were negatively affecting the effectiveness of the LED in improving projects that aim to provide opportunities for the people. There is a need to establish oversight structures that would monitor and evaluate the LED programs so that they may be effective. The National government which is the one that channels funds to the municipalities should monitor the progress of the LED projects. Additionally, there should be consequences for the mismanagement of funds in the municipalities. LED remains a relevant topic on the South African development agenda, hence it would be important for the relevant stakeholders to formulate dialogues and engagements on the subject with the purpose of addressing the LED challenges. The future studies could also focus on the impact of LED projects implemented by the eThekweni municipality on the livelihoods of the local people. The municipality has several economic refugees and businesses are relocating to other areas due to crime and the urban decay, thus the efficacy of LED projects should be interrogated and explored.

5.6 Recommendations

Having reviewed the literature extensively and undertaken this research, the following recommendations are made in relation to the findings:

5.7 Rooting out of corruption

Corruption in eThekweni municipality has been identified as one of the challenges that hampers the LED. This study recommends that the eThekweni municipality should eliminate corruption by ensuring that implicated individuals in corrupt activities are held accountable. Moreover, the municipality should work collaboratively with the law enforcement agencies, as to prosecute individuals' guilt of corruption, fraud and irregular expenditure in the municipality. Mason (2017) argues that the municipality should hire personnel based on qualifications and merits, not because of their affiliations. The municipality must promote good governance, accountability and good leadership as essential strategies to root out corruption.

5.8 Involvement of communities in the LED projects

Stakeholder involvement is important for the effectiveness of any developmental projects. The eThekweni municipality LED projects should involve communities and empower them with decision-making skills also, they must benefit the entire community not the specific individuals

in the society. The job creations created through the LED programs must be available to the residents. Additionally, LED projects should be driven by the community and offer several opportunities that people could maximize.

5.9 Training, capacity and development

Mapule (2017) finds that training and capacity development plays a key role in business improvement programs of any kind, with finance, business, and project management skills being some of the key skills necessary in a LED-focused environment. The LED personnel should be trained and empowered with management skills, coordination skills and organizational skills, as to improve human development and increase the effectiveness of the LED. Additionally, political interference must be avoided; instead, politicians must use their influence and positions for the benefit of the LED.

5.10 The oversight mechanisms

Although, there are mechanisms in place to hold the municipality accountable however, they have proved to be ineffective, hence the failures of the LED projects in eThekweni municipality to eradicate poverty. The National Government should monitor and evaluate the LED projects also, evaluate how the finance allocated for LED was used. The Corporative Governance and Traditional Affairs should not only provide leadership and guidance to the municipality but also, should hold the municipality accountable for its failures.

5.11 Appointing credible personnel to govern the municipality

This study has demonstrated that the LED projects in eThekweni municipality are not effective in alleviating poverty and integrating communities and one of the recommendations for the study is that the deployment of personnel in the municipality should be based on qualifications and experience. The study finds the eThekweni municipality to have incompetent leadership lacking the necessary experience and qualifications to govern the municipality. Additionally, cadre deployment is also, one of the problems that accelerate corruption and bad governance in the municipality because some of the appointed municipal executives serve for political agendas and self-interests. The recommendation is that good leadership is essential for LED projects to be successful, hence there is a need to appoint credible individuals with merits to lead the municipality.

5.12 Adopting LED strategies that focuses on poverty alleviation

The municipality must introduce LED strategies that would focus on poverty eradication. LED strategies in eThekweni municipality are introduced to advance economic growth but, dwell less on poverty eradication. There should be a focus on poverty alleviation which could be done through the stimulation of investment and business development that could result to job creation. Further, the municipality may seek viable partnerships in order to implement the LED strategies that would address poverty. Additionally, there should be a focus on the sectors that have more potential for growth, which can be done by developing anchor sector plans and strategies. Additionally, there LED strategies must be multi-faceted, as to focus on poverty issues.

5.13 Areas for future research

The eThekweni municipality has well-structured LED projects which have been able to promote economic development however, due to challenges mentioned in this study the LED projects are found to be ineffective in dealing with poverty issues in the municipality. There is a need to carry out research on the challenges of the Local Economic Development, as to provide solutions that could address the shortcomings of the LED initiatives.

5.14 Limitations of the study

The documents that were analyzed focused solely in the eThekweni municipality, as such the research may not describe the degree to which the conclusions are true to other municipalities in South Africa. Additionally, the documents that were used in the study were a small sample of the total literature and might not include other documents with different perceptions and opinions. The study relied on the published documents, the researcher was limited to the existing literature and could not acquire information through conducting field research due to Covid-19 restrictions, however, was able to use keyword as an instrument to search for information on the study subject. This research might require people's expressions and attitudes towards the LED initiatives employed in the eThekweni municipality, hence it is important that future studies on Local Economic Development conduct research that will gather information using primary data. Although, there were challenges but, the study was able to shed light on the challenges of the LED in eThekweni municipality.

5.15 Conclusion

The main aim of the study was to interrogate the challenges of the Local Economic Development in the eThekweni municipality. The study had four main objectives, i.e., to

examine various LED strategies that have been adopted by the eThekweni municipality; to evaluate the initiatives and projects in the eThekweni municipality; to examine the measures that the eThekweni municipality could utilize to address the shortcomings of the LED, and to unpack the challenges that confronts the eThekweni municipality LED interventions. Recommendations were made to enhance and strengthen the LED in eThekweni municipality. LED initiatives should not be viewed only as the driver for economic development but, also as the solution to the eradication of poverty. The researcher believes that implementing these will change the trajectory of the LED programs in eThekweni municipality.

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Appendix one

Ethical clearance HSSREC



Mr Siyabonga Majola (214503832)
School Of Built Env & Dev Stud
Howard College

Dear Mr Siyabonga Majola,

Original application number: 00014957

Project title: Interrogating the challenges of the Local Economic Development as an instrument for poverty alleviation in the case of eThekweni municipality

Exemption from Ethics Review

In response to your application received on _____, your school has indicated that the protocol has been granted **EXEMPTION FROM ETHICS REVIEW**.

Any alteration/s to the exempted research protocol, e.g., Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through an amendment/modification prior to its implementation. The original exemption number must be cited.

For any changes that could result in potential risk, an ethics application including the proposed amendments must be submitted to the relevant UKZN Research Ethics Committee. The original exemption number must be cited.

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.

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

Yours sincerely,



Prof Catherine Grace Sutherland
Academic Leader Research
School Of Built Env & Dev Stud

UKZN Research Ethics Office
Westville Campus, Govan Mbeki Building
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Website: <http://research.ukzn.ac.za/Research-Ethics/>

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

INSPIRING GREATNESS

Appendix two

MA Development Studies

ORIGINALITY REPORT

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| 15% SIMILARITY INDEX | 13% INTERNET SOURCES | 2% PUBLICATIONS | 5% STUDENT PAPERS |
|--------------------------------|--------------------------------|---------------------------|-----------------------------|

PRIMARY SOURCES

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| 1 | researchspace.ukzn.ac.za Internet Source | 10% |
| 2 | Submitted to University of KwaZulu-Natal Student Paper | 2% |
| 3 | "Reflections on African Cities in Transition", Springer Science and Business Media LLC, 2020 Publication | <1% |
| 4 | Submitted to University of Venda Student Paper | <1% |
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