



**The role of skills development initiatives in promoting Local
Economic Development (LED) in South African Townships: A case
Study of Cato Manor, Durban.**

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DECLARATION

I declare that this work is my own work and has not been used previously in fulfillment of another degree at the University of KwaZulu-Natal or elsewhere. All citations, references and borrowed ideas have been duly acknowledged.

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ABSTRACT

This study assesses the role of skills development initiatives in promoting Local Economic Development in Cato Manor Township. The study objectives were: To investigate the concept of skills development initiatives as it is used as an LED strategy in South Africa and Cato Manor Township in particular; to identify and evaluate the methods or procedures used for skills development initiatives towards LED strategies in Cato Manor Township; to assess the effectiveness of skills development initiatives in Cato Manor Township and to highlight the lessons learnt through comparison with international and local precedents on the effective implementation of skills development initiatives. The methodology for this research study incorporated the use of primary and secondary data sources. Primary data sources include interviews with stakeholders that play a role in the implementation of skill development initiatives in Cato Manor. Interviews were conducted with the Cato Manor Development Association (CMDA) as the core founder of LED in Cato Manor Township. Key Area Based Management (ABM) officials and the eThekweni Municipality Town Planner were also interviewed. A questionnaire survey was administered to a sample of 20 Small, Medium and Micro-Enterprises and the perceptions of the Ward Councillor and Ward Committee added value to the discussion.

The key findings revealed the extent to which skills development initiatives as LED strategies have been effective in Cato Manor Township. Such initiatives have been used as tools to lower the level of prevailing, eradicate poverty, create employment opportunities and encourage the growth of small and medium-sized enterprises. Skills development initiatives have been major role players in the redevelopment strategy for this township, even though shortcomings were identified as hindrances to their contribution to sustainable development. Four main factors that contributed to the success and failure of skills development initiatives in Cato Manor Township were identified: skills development and employment opportunities; the upgrading and maintenance of business infrastructure; social development, poverty alleviation and skills development initiatives in Cato Manor Township; and youth empowerment with skills training programmes. Major findings revealed that skills development initiatives as LED strategies do not effectively target all areas of development, there is still more to be done to accelerate the economic and social growth. Therefore, the study recommends new and transformed methods or procedures of skills development initiatives as LED strategies in Cato Manor Township. That

includes a holistic target of all principles of sustainable development such as economic, social and environmental development. The study also emphasizes the importance of adopting monitoring mechanisms such as the developing an LED model to guide and monitor development strategies within the area.

Keywords: Skills development initiatives, Cato Manor, South Africa, Sustainable development, small and medium Sized Enterprises

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LIST OF ACRONYMS

ABM	Area Based Management
ABMDP	Area Based Management and Development Programme
ANC	African National Congress
ASGISA	Accelerated and Shared Growth Initiative for South Africa
CBD	Central Business District
CBO	Community-Based Organization
CED	Community Economic Development
CMDA	Cato Manor Development Association
CMDP	Cato Manor Development Project
DPLG	Department of Provincial and Local Government
ED	Enterprise Development
EMA	Employment Management Association
ERDF	European Regional Development Fund
ESC	Entrepreneurial Support Centre
ESF	European Social Fund
HRDC	Human Resource and Skills Development Canada
EU	European Union
FET	Further Education and Training
GAA	Group Areas Act
GDP	Gross Domestic Product
GEAR	Growth Employment and Redistribution
HIV/AIDS	Human Immunodeficiency Virus/ Acquired Immune Deficiency Syndrome
HRD	Human Resource Development
HRSDC	Human Resource and Skills Development Canada
IAD	Integrated Area Development
ILO	International Labour Organization
INTAN	Institut Tadbiran Awan Negara (National Institute of Public Administration)

JOB	Job Opportunities Bureau
LED	Local Economic Development
LGSETA	Local Government Sector Education and Training Authorities
LP	Locally Planning
NGOs	Non-Governmental Organization
NPC	Natal Portland Cement
NQF	National Qualifications Framework
NSDS	National Skills Development Strategy
PPP	Private-Public Partnership
RDP	Reconstruction and Development Program
RSA	Republic of South Africa
SALGA	South African Local Government Association
SDA	Skills Development Act
SDC	Skills Development Councils
SCP	Sector Council Programme
SENAC	National Service of Commercial Training
SENAI	National Service of Industrial Training
SENAR	National Service of Rural Training
SETA	Sector Education & Training Authority
SLA	Sustainable Livelihood Analysis
SMME	Small, Medium and Micro-enterprises
TVET	Vocational Education and Training
VTL	Vocational Training Law
WPET	White Paper on Education and Training
UK	United Kingdom
UN	United Nations
USA	United State of America
USAID	United State of American International Development

1. Chapter One: Introduction

1.1 Background and outline of research

The International Labour Organization (ILO) maintains that globalisation ‘has changed the rules that govern the world’s economies, connecting national, regional and local economies more than ever before’ (ILO, 2008a:2). It is acknowledged that one of the major features of globalisation ‘is that markets have become more pervasive and are affecting countries simultaneously across the world’ (Christensen & Van der Ree, 2008:2); hence, the integration of local and global economy has become a significant factor for both first and third world countries. In addition localities are increasingly viewed as ‘pivotal sites of competitiveness in a new global economy’ (Valler & Wood, 2010:140) as globalisation gives LED strategies ‘a bigger role to play in international development’ (Rodriguez-Pose, 2008a:24).

During the 1980-90s, local development provided both responses to growing unemployment in distressed regions suffering from the collapse of manufacturing or traditional industries, and promises of a new future for the rural and urban areas that were lagging behind (Ostrom, 2005). Local Economic Development (LED) has taken various forms in different countries and localities; hence the international debate on the implementation of LED strategies centres on historical and socio-economic dynamics. LED has evolved from being measured purely in economic terms to include other social aspects of life such as poverty alleviation and citizens’ wellbeing at a micro level. Several observers point out that as the concept of LED is both elusive and contested there are numerous definitions (Trah, 2004). For one American LED scholar it represents increases in a ‘local economy’s capacity to create wealth for local residents’ (Bartik, 2003:1). Trah (2004:1) paints a wider canvas of LED as ‘a territorial concept and part of local development or regional management, specifically aiming to stimulate the local economy to grow, compete and create more jobs, in particular by making better use of locally available resources’. Helmsing & Egziabher (2005:1) consider LED to be ‘a process in which partnerships between local governments, NGOs, community based groups and the private sector are established to manage existing resources, to create jobs and stimulate the economy of a well-defined territory’.

According to the World Bank (2012), LED’s main objective is to promote the capacity of local areas to participate in the global economy and to further provide solutions to human development

and economic challenges. Although LED has a clear economic focus, it is not concerned with economic growth alone; rather it hopes to achieve “a sustainable development pattern which accommodates and reconciles economic, social and ecological issues and objectives” (Ruecker and Trah, 2007, p. 15). Furthermore, “LED has been recognized as a critical approach to pursue, within the context of empowered local authorities, pro-active actions by local citizens and the need to ensure that development is pro-poor in its focus and outcomes” (Human Sciences Research Council, 2003: 6). LED can therefore be broadly viewed as encompassing all dynamics of development and growth. According to Glasmeier *et al.* (2000 cited in Nel *et al.*, 2005: 225):

Local Economic Development is now widely practiced around the world and is closely associated with decentralization and devolution policies, localized responses to changing global geo-economies and what are often locally-specific factors, such as economic crisis, job loss or new wealth-generating opportunities.

South Africa has been noted as an exception to the rule due to the extensive decentralization of power that has occurred in the country (Nel & Rogerson, 2005). Furthermore, the South African LED context has changed radically in line with socio-economic transformation. This context is influenced by historical factors, which include the legacies of colonization and apartheid. Two sets of factors are the main contributors to change: structural adjustment and the transformation of economic development policy structures; and the modification of technological structures in developed and developing countries. According to Nel *et al.* (2009: 225) post-apartheid economic transformation in South Africa is promoted through LED. LED is seen as the main tool to address inequity by creating job opportunities and alleviating poverty, particularly in the rural areas.

A range of comprehensive and diverse strategies have been adopted to promote LED in South Africa. These include the regeneration of cities, attracting businesses, sustaining small businesses and community development (pro-poor policies). However using skills development as an LED strategy to promote development has led to mixed outcomes in terms of sustainable economic growth and poverty alleviation. Several elements of such strategies require evaluation, including their objectives, successes and failures. The objectives of LED strategies include; initiating a job generating economic growth path; encouraging urban renewal; and promoting rural development to bridge the poverty gap. Nel (2005: 7) notes that other significant factors of local development need to be taken into consideration, such as private and public partnerships, where all local

stakeholders participate in economic activities and decision making. Several LED projects have been implemented in South African metropolitan areas and small towns. However, the Human Sciences Research Council (2003: 6) notes that:

Several studies revealed that even though LED has been encouraged in South Africa for over ten years, it is apparent that it is not without its difficulties, not all LED projects succeed: there are fundamental problems with many projects, such as grant-dependence, critical staff and resource shortages, and difficulties in designing projects in terms of being fundamentally economically sound.

LED projects in South African provinces have produced mixed results. For instance Nel (2005: 19) notes that:

LED is unevenly developed and operationalized across the South African urban system; Major divides exist between the largest, most well-resourced and capacitated municipalities and the smaller urban centres in terms of policy development, institutionalization of LED and applied practice.

This demonstrates the extent to which economic development has dominated localized activities aimed at promoting rural and urban development. However, it has been noted that there have been major changes in the locus of responsibility for development planning, from national to sub-regional or local levels in South African (Sengenberger, 1993; Wilson, 1995). Nel (2005) outlines the findings of eight LED case studies in South Africa and concludes that they have only been partially successful. Analysts have identified several factors that contribute to sustainable LED. However, increasing poverty and a lack of sustainable skills development initiatives in South Africa hamper success.

1.2 Research problem and objectives

Cato Manor Township in eThekweni Municipality is located seven kilometers to the west of the Durban Central Business District (CBD) the largest metropolitan area in KwaZulu-Natal (CMDA, 2012). Cato Manor is surrounded by service facilities, including the Pavilion Shopping Centre along the N3 and Sarnia Road which connects the area to the University of KwaZulu-Natal's Howard College campus; the suburb of Manor Gardens and Westville Prison (CMDA: 2012).

Cato Manor Area Location Map



Source: (Researcher, 2012)

Figure 1.1: Study Area (Location Map)

According to Cato Manor Development Association Annual Report (2012:1), in the post-apartheid era, efforts have been made to rebuild Cato Manor. Several strategies were initiated by the Cato Manor Development Association (CMDA) to encourage and promote the redevelopment of the area. CMDA aimed at providing integrated urban environment for a largely low-income black population, it was seen as a strategic and highly visible project intended at redressing some of the spatial divides created under apartheid (Beall and Todes, 2004). The CMDA also focus on creating a favourable environment for the delivery of infrastructure services, housing and LED projects through Integrated Area Development (IAD) approach. A strategy such as IAD gives an example of one in many approaches that CMDA engaged on as the mechanism to establish redevelopment measures in Cato Manor through local resources. In recent years, interest in Integrated Area Development (IAD) has grown. This interest is particularly evident in Europe but IAD is also becoming important elsewhere, as more holistic forms of urban development planning become popular (Odendaal et al, 2002). It is increasingly preferential as a response to social exclusion and economic restructuring and as a form of 'joined up governance' and 'development in the round' (Turok, 1999), enabling multi-dimensional approaches to development needs in particular areas.

In addition, LED formed greater part of redevelopment plan, which aimed at promoting the retail and manufacturing sectors, craft projects, an entrepreneurial support centre and Small, Medium and Micro-Enterprises (SMMEs). LED aimed at encouraging and supporting local economic activities such as businesses through human capacity development using local resources. LED strategies also involved skills development initiatives to further empower local people with different skills to boost local economic activities. Skills development initiatives are at the centre of reconstruction efforts in post-apartheid South African townships, particularly Cato Manor. A range of skills development training programmes were implemented by the CMDA over a period of five years to promote economic growth through employment creation and the establishment of new businesses (CMDA, 2002). Basic business management, multi-skilling, a Job Opportunities Bureau (JOB), basic economic life skills, a home ownership education project, savings clubs and co-operatives, industrial skills, urban agriculture, institutional development and sports development are among the skills development initiatives launched in the township. The economic life skills programme, which provides training in basic economic knowledge and the home ownership education programme, have both been critical gender interventions although the

absence of male participants is a concern. Building existing organizations within the community and providing training in life skills were among the CDMA's priorities. Basic business management, multi-skilling, a Job Opportunities Bureau (JOB), basic economic life skills, a home ownership education project, savings clubs and co-operatives, industrial skills, urban agriculture, institutional development and sports development are among the skills development initiatives launched in the township.

Small, medium and micro-enterprises have been promoted in the retail and manufacturing sectors (business parks, economic hives, and craft projects), the commercial sector (Intuthuko Junction) and a tourism project. The involvement of SMMEs played a significant role in enhancing skills development; however challenges identified included the need to increase the involvement of the private sector and the need to include informal local traders in skills development.

During the early stages of Cato Manor redevelopment plan, the skills profile of the unemployed in Cato Manor revealed the following:

- 35% have received 8 years or less education
- 9% have been exposed to technical training
- 36% have never been employed
- 23% feel not fit for any job
- 10% want to open their own businesses

(CMDA Status Report, 2000)

Different skills development initiatives namely, Construction and Laundry Business cc; Sidlakahle Catering; Phindubuye Cooperative; Siyakhula Cooperative; Khulasizwe Organic Farming Cooperative have been successfully implemented as LED strategic plans. However there are challenges that manifest from the projects. Such challenges include integration of skills dynamic measures to encourage and support variety groups in correspondent to the LED projects implemented in Cato Manor. Arguably, this is legitimate given high level of unemployment (36%) in the area and the fact that (35%) of the population has received only 8 years or less education. This therefore puts pressure on the implementation of skills development initiatives.

The above mentioned argument highlights that there is still an imbalance between LED and skills development in post-apartheid South African townships including Cato Manor particularly. Therefore the study intends to explore the effectiveness of skills development through identification of critical factors that contribute towards success and failure of LED project.

1.3 Main Objective

To examine the factors that contribute to the success or failure of skills development initiatives as an LED strategy in the Cato Manor Township, eThekweni Municipality.

1.3.1 Subsidiary Objectives

- i. To explore the concept of skills development initiatives as it is used as an LED strategy in South Africa and Cato Manor Township in particular.
- ii. To enable eThekweni Municipality and Cato Manor Township in particular to learn through applied cross referencing and comparison with international and local precedents on effective implementation of skills development initiatives.
- iii. To identify and assess the methods or procedures used for skills development initiatives towards LED strategies in Cato Manor Township.
- iv. To evaluate the effectiveness of skills development initiatives in Cato Manor Township in eThekweni Municipality.
- v. To recommend strategies and measures for the formulation and implementation of effective skills development initiatives for LED in eThekweni Municipality.

1.4 Main Research Question

What are the factors that contribute to the success or failure of skills development initiatives for Local Economic Development in Cato Manor Township in eThekweni Municipality?

1.4.1 Subsidiary Questions

- i. What is the conceptualization of skills development initiatives in the South African context and in eThekweni Municipality in particular?
- ii. What are the international precedents on the skills development initiatives and what are the lessons for the Cato Manor Township empirical case study?

- iii. What are the methods or procedures used for skills development initiatives towards achieving LED for Cato Manor Township in eThekweni Municipality?
- iv. To what extent are skills development initiatives in Cato Manor effective LED strategies?
- v. What are the recommendations for the formulation and implementation of effective skills development strategies in the LED of Cato Manor and eThekweni Municipality in general?

1.5 Structure of the Dissertation

Chapter one introduces the research study and outlines the research problem; the formulation of the research questions; objectives; the background to the research problem and the formulated hypothesis. Chapter two presents a review of literature on the research problem and precedent studies. The conceptual framework outlines the preferred approach to analyze the concepts that define the study. Concepts and theories considered relevant include LED; pro-poor LED; skills development initiatives; unemployment and poverty alleviation. Chapter three highlights international and local precedents on skills development initiatives as LED. A few case studies in different regions are identified to highlight different experiences.

Chapter four discusses the tools and techniques used for data collection. Both primary and secondary sources were used to investigate the research problem. Purposive sampling was also used to select community members in all areas of Cato Manor to participate in the study. Chapter four also highlights the advantages and disadvantages of the selected sampling method and how this affected the study. Chapter five will use the thematic method to analyze the research findings. The analysis and results will be presented in line with the objectives of the study, which focuses on an assessment of the role of skills development in Cato Manor. This chapter reveals how different individuals perceive the LED strategies focusing on skills development in Cato Manor and draws conclusions from the data collected for the study. Chapter six provides a summary of the research findings as well as recommendations arising from the study.

2. Chapter Two: Conceptual and Theoretical Framework

2.1 Introduction

This chapter delineates and elaborates the key principles and approaches that inform studies on LED, including skills development initiatives. This is achieved by defining and conceptualizing the concepts of LED; pro-poor LED; skills development initiatives; unemployment and poverty alleviation. The aim is to highlight the key success and failure indicators of skills development initiatives both locally and internationally to guide the empirical understanding and to address the concepts and theories that inform the case study of Cato Manor Township in eThekweni Municipality.

2.2 Local Economic Development

Local Economic Development is a broad concept and can be defined on the basis of both international and national experiences. “LED procedures offer an integrated approach to development rather than a one size fits all solution” (Rogerson, 2011: 2). LED initiatives are applied economic and social development strategies that address particular needs through local solutions (Nel, 1999). LED embraces unique local techniques to promote economic growth through available local resources. “From the standpoint of LED, there is a strong reliance on local resources, leaders and institutions to respond to locally-based economic crises and opportunities” (Human Sciences Research Council, 2003: 6). By and large, LED focuses on local actors and institutions to capitalize on available local resources to eradicate poverty; create jobs and strengthen business activities (Capkova, 2001).

LED strategies also aim to promote local activities through the identification of favourable conditions for business opportunities; these include upgrading infrastructure; establishing local economic hubs; implementing skills training programmes and efficient local administrative organizations (Meyer-Stamer, 2003: 2). Furthermore, LED has emerged as a vital planning strategy in the shifting terrain of new development planning, which emphasizes decentralization and the transfer of resources from the central state to local government (Rodriguez-Pose, 2008). Some analysts have defined LED on the basis of its location in a particular community. For example, Blakely (1994: 16) defines LED as:

The process which, local governments or community-based organizations implement to stimulate or maintain business activity and employment. The principal goal of LED is to stimulate local employment opportunities in sectors that improve the community, using existing human, natural, and institutional resources.

Zaaijer and Sara (1993: 129) add that:

LED is essentially a process in which local governments and community based groups manage their existing resources and enter into partnership arrangements with the private sector, or with each other, to create new jobs and stimulate economic activity in an economic area.

In this regard, LED seeks to promote economic growth through enhancing community empowerment opportunities such as skills development for long term sustainability and poverty eradication. This is facilitated through partnerships between local government, the private sector, NGOs and other stakeholders (Musakwa, 2009). LED also emphasizes the need to involve local organizations and groups and to harness local resources to promote new institutions and local structures to channel sustainable development within an area (Helmsing, 2003).

Therefore LED is also characterized as:

A process in which partnership between local government, the private sector and the community is established to manage local and access external, resources that can be used to stimulate the economy of a well-defined territory. In its earlier incarnations, the goal of LED was generally restricted to growing the economic and tax base of a location. A distinction has been made between economic growth as the immediate goal and poverty eradication as the overall goal of LED (Hindson and Meyer-Stammer, 2007:10).

The alignment of LED initiatives with the state's macro-economic strategic plans is crucial in order to enable local economic activities to compete on a global level as well as to promote the role of the private sector and decrease state involvement in the economy (Triegaardt, 2007). Therefore, local resources should be used to enhance local development that meets national and global economic standards. Local small and medium business enterprises are encouraged to adopt techniques and methods that are compatible with the global economy (Taylor and Mackenzie, 1992).

Nel (1999) emphasizes that LED strategy varies according to the context of neighborhood or community. Nel (1999) adds that LED initiatives must run parallel with government and private sector techniques. In the South African context, LED strategic processes have been underpinned by the need to understand local, national and global economic associations (Draft Provincial LED Guidelines, 2008, cited in Eastern Cape Municipality, 2011). LED should promote local governance and empowerment and draw on local activities to uplift communities (Binns & Nel, 2002). LED has helped to reshape local economies in response to global conditions (Eastern Cape Municipality, 2011). While social and economic constraints impact on the extent of such development, other constraints also come into play.

While there are similarities between LED approaches in different parts of the world, variances exist which can be attributed to the adoption of business or market-led approaches (Rogerson, 2004: 3). LED strategies also differ in response to different local conditions. Wilson (1996) noted that:

LED can be conceptualized as operating at two broad levels, namely: (1) the formal: usually characterized by the involvement of local and higher authority structures and the formal business sectors and (2) the informal: usually characterized by action at the level of community-based organizations and NGOs; links with spontaneous self-reliance initiatives and the informal sector have been discerned.

While globalization has impacted on LED strategies, historical influences play an important role. Rogerson (2008: 3) observes that LED in South Africa reflects international trends, mainly in Western Europe and North America, where local authorities are seen as important actors in promoting economic opportunities. Furthermore, Rogerson (2008:3) argues that the literature on self-sufficiency confirms that LED depends far more on community-based creativity using local skills than on global economic trends. South Africa is blessed with higher levels of economic intensity and better infrastructure, resources and human capital than many other African countries. However, due to the apartheid legacy, South Africa also exhibits extreme levels of inequality (Binns & Nel, 1999). Therefore, in the South African context, LED is inspired by insufficiency, the under-exploitation of human potential, the importance of addressing apartheid legacies and the need to promote employment and capital growth as well as compete on a global level (Nel, 2002).

Rogerson (2000: 3) notes that, while LED in South Africa aims to redress the injustices of the past and encourage a balance between development and social needs through economic opportunities, “more recently, the focus has shifted to indigenous South African debates around LED and township development, poverty reconstruction”. It is evident that the interpretation of LED varies from area to area based on the needs and opinions of different stakeholders. Government has interpreted LED as a focused strategy adopted by local collaborative teams to encourage intensification and development of the community at large. LED did not originate in South Africa and international, market-related concepts have had an impact at the local level. Furthermore, a number of analysts have pointed out that LED in South Africa has not been sufficiently conceptualized.

2.3 Local Economic Development Strategies

Examining the role of national government in LED, Rogerson (2011) argues that evolving LED strategy is influenced by radical policy shifts in all aspects of society. Traditional planning approaches have given way to local economic development strategies aimed at community-based development. Globally, traditional planning has been confronted by numerous challenges that have necessitated the consideration of alternative procedures to promote local economic development. In a globalized world Rodriguez-Pose (2001: 11) “identifies numerous advantages related to the adoption of LED strategies as compared to traditional development programmes”. Hence, advantages are broken down between economic and social advantages. Such advantages are attributable to the fact that LED programmes focus on empowering local communities and encourage the exchange of local ideas in a transparent and accountable manner. LED initiatives involve citizens at grassroots level, rather than emanating from national level; this allows the different needs of targeted groups of people to be identified.

Roberson (2011) adds that LED aims to promote commercial activities and create stability within indigenous economic conditions in order to create employment opportunities, encourage the growth of SMMEs and promote global competitiveness. LED strategies also concentrate on generating decent jobs. They integrate a variety of activities to create a sustainable development environment. Table 2.1 provides a comparison of traditional planning approaches and LED strategies.

Table 2.1: A comparison of traditional planning approaches and LED initiatives

Traditional Planning Approach	Local Economic Development Strategies
Focuses on decision making through a top-down approach, where only the areas involved are taken into consideration.	Advance all areas and involve local communities.
Traditional planning approach can be accomplished through fundamental organizations.	Decentralized, vertical cooperation between different tiers of government and horizontal cooperation between public and private bodies (Rogerson, 2011).
Focuses on development according to sectors.	Territorial approach to development (Rogerson, 2011)
Establishment of industrial projects to fuel and create other economic activities as a growth hub.	Capitalizes on the development capacity of sectorial areas to adjust local economic systems to the changing economic environment.
Incentives and start-up capital support to attract economic activities.	Establishment of main settings aimed at the expansion of economic activity.

Source: (adapted from Rogerson, 2012: 3).

LED involves the transformation of the traditional planning approach to a narrowly focused, strategic plan. Provincial development initiatives were therefore shifted to the local level. This promotes local growth and opportunities, taking into account the local situation, for example, the history of the area. Cato Manor is an example of an LED rather than a traditional planning approach.

2.4 Classification of LED strategies

The table below demonstrates how LED strategies evolved from global sphere to local and regional spheres.

Table 2.2 classification of Local Economic Development strategies

Component	First Wave (1960's-early 1980's)	Second Wave (1980's - mid 1990's)	Third Wave (Late 1990s -2000)	Fourth Wave (2000 to Date)
Goal	Attract Outside Firms	Retention and expansion of firms.	Enhance regional resources to promote industrial clusters.	Enhance global Competitiveness
Location of Assets	Discount them to attract outside Business.	Reduce taxes and provide incentives to business.	Build regional collaboration	Global, since there are no boundaries.
Business Focus	Outside firms	Assist all local firms.	Create context for better relations among firms.	Being internationally friendly.
Human Resources	Create jobs for locally unemployed people	Develop training programs	Utilize workforce training to build businesses.	Investment in human capital.
Community Base	Physical resources	Social and physical Resources	Leadership and development of quality environment.	Build on international Resources

Source: (adapted from Clarke and Gaile, 1998)

Helmsing (2001) classifies LED strategies into three namely; Community Economic Development (CED), Enterprise Development (ED) and Locally Planning (LP) which are described below. “A distinction can be made between three main categories of LED strategies namely community economic development, locality development planning and enterprise development” (Blakely, 1994). Helmsing (2003) identified the first set of LED strategic activities as community economic development in rural and urban settings which would exhibit certain different features. The second initiative focuses on the wholehearted participation of enterprises, while the final initiative is based on local development strategies, which stress the growth of the area through the management and planning of economic activities to benefit the community.

2.4.1 Community Economic Development

CED is a universal and interdisciplinary concept; it broadly examines the different dimensions of communities (Shaffer *et al.*, 2006). Helmsing (2001) emphasizes that local involvement not only facilitates development; it encourages human development through the effective connection of interests and principles. Such principles could include skills and education, health, housing and the environment. Musakwa (2006: 31) notes that, “Community Economic Development focuses on developing a community and involves various strategies such as women empowerment, training local entrepreneurs and harnessing human capital through training.” The focus is on how community economic development can be defined in relation to the spatial approach. Shaffer *et al.* (2006: 59) differentiate community economic development into three categories. The first uses space to understand the community, for example, municipal boundaries. The second use of community economic development also focuses on how the community feels the space should be arranged. Thirdly, Community Economic Development is used as a rational executive component that may integrate space (*ibid*). Helmsing (2003: 70) identifies several challenges that communities face on a daily basis:

Communities in many poor rural areas and urban slum settlements have in the past decades experienced: (i) feminization of poverty; (ii) poor settlement conditions which in urban areas are generally simply overcrowded settlements; (iii) housing conditions that are deficient and in urban areas often not very suitable for income generating activities; (iv) lack of access to basic services; and (v) insecurity of income and work as well as serious physical insecurity.

Shaffer et al. (2006) note that community economic development needs to consider the extended array of alternatives to modify economic situations and to engage collaborators in the establishment of a long-term strategic plan; long-term strategies offer genuine opportunities. Community development can also be linked with short-term development. Furthermore, Helmsing (2003) emphasizes that community economic development projects target specific areas of development within a community. Common targets include poverty alleviation and setting up a business hub to encourage economic growth and social development. The provision of basic services through privatization and nonprofit organizations promotes the local economy using available human resources.

According to Meyer-Stamer (2005), unlike CED and enterprise development, locality development promotes more long term development as LED also requires certain infrastructure, services and socio-economic capital. Meyer-Stamer identifies the different principles underlying community economic development and locality development; these relate to objectives and intention. The objectives of locality development are based on the availability of infrastructure within the community, which include economic and social infrastructure relevant to community needs. Local economic development focus on enhancing the export base, through established infrastructure, for example, different sectors such as agriculture or industry. There are several components of locality development, namely development controls, urban planning and design, infrastructure, participatory LED planning and physical planning (Helmsing, 2006).

2.4.2 Locality Development Planning

Locality development also emphasizes collaborative participatory LED planning, where multiple stakeholders are involved in decision making and investment, including the private sector, the community and other actors. The “characteristics of locality development include physical planning and development, which controls are based on how urban land markets are rife with distortions and require government regulation including zoning and building regulations. Urban planning and design focus on economic performance can be improved if commercial centres are upgraded through improving commercial streets and premises” (Helmsing, 2006: 74). Locality development programmes inspire the creation of a sound socio-economic environment that addresses the challenges facing a community. Infrastructure such as land and other natural resources are used to promote local programmes. Major aspects of locality include design,

infrastructure, communication systems and the social capital serving the locality as a whole, as well as education and training, development controls and urban planning (Helmsing, 2006).

2.4.3 Enterprise Development

Enterprise development refers to the improvement of the local economy of an area which may consist of the agricultural, service and manufacturing sectors (Helmsing, 2006). The growth of local economic activities primarily depends on local markets (*ibid*). Enterprise development in the form of specialized labour inputs and knowledge promotes area-based economic development. The economic base is improved by attracting foreign direct investment and supporting invention, innovation and diffusion by local firms (Schumpeter, 1976). The economic base can also be enhanced by promoting small and medium enterprises which involves having allied services such as finance, transport and freight in place and promoting industrial clusters (Helmsing, 2001).

Three significant mechanisms of enterprise development are local producers, collaboration between local stakeholders to establish institutions to support local activities and an ongoing relationship with government and external actors. Enterprise development structures focus on the promotion of local production through two instruments.

The first direction is strengthening the cluster formation process along the lines depicted above, giving rise to new enterprises in allied services and the second direction includes advancing the participation in the corresponding commodity chains, either by new investment of existing local producers or by selective attraction of external enterprises or a combination of both” (Helmsing, 2001:73).

Enterprise development can also be achieved through growth point programmes, the formation of clusters of enterprises and group learning programmes. The formation of clusters allows new businesses to engage in joint action.

2.5 Actors of LED strategy

Due to LED’s focus on local and regional needs, the range of actors involved in development activities has increased and include community-based organizations (CBOs); non-governmental organizations (NGOs); private enterprises and government structures. Grassroots CBOs and selected groups of community organizations fall under the first category. This encompasses multi-purpose and self-selected groups that share information and experiences to facilitate

learning (Helmsing, 2003). The second category comprises local producers and associations that engage in inter-firm cooperation as well as competition. However, several analysts have noted that such cooperation requires the services of an external facilitator (Schmitz, 1999b). The last category is local government, which is but one of many players involved in LED strategy, in contrast to previous national practices. Not only does local government prioritize economic development as one of its key functions, it also identifies economic opportunities and services by promoting potential competitive development enterprises (Helmsing, 2003).

2.6 Skills development initiatives

Empowerment of the individual or the group, acting collectively is the goal to strive for, with the act of developing, building and increasing power of individuals through their sharing of ideas and working together during training. One main focus of empowerment is to provide training so that individuals become less dependent on others for help, and be able to help themselves to lead a better life. However empowerment and competence cannot be achieved in one narrowed approach. Therefore development agencies in South Africa assist communities to bring about positive change towards poverty reduction, employment creation, the provision of recreational services that include: securing, housing, basic needs (Collins, 1999 cited in Botha, 2009: 10).

Empowerment through skills development initiatives addresses the need for social development as well as economic programmes to further promote human development. Thus, it promotes a holistic approach to the empowerment of individuals in order to achieve sustainable development. Furthermore skills development initiatives can be viewed as significant instrument for achieving socio-economic agendas and ensuring that globalization is accompanied by poverty eradication and social inclusion (Kaplan, 2004). Skills development projects are implemented through private and public partnerships. This makes them well suited as an economic growth strategy for both developing and developed countries, raising levels of efficient service delivery through the information education and training (Kaplan, 2004). Skills development initiatives are therefore an essential instrument of public empowerment in the international campaign to eradicate poverty and build equity, particularly since, in a globalized economy, lack of skills is an increasingly powerful reason for social exclusion (Bennell, 1999).

There has been a recent shift in perceptions about skills development internationally, based on the understanding that skills development initiatives are not only about enhancing a country's

competitiveness, but are an integral part of larger development processes that promote poverty alleviation and job creation in local communities. In South Africa, skills development initiatives are categorized into two groups. The first is higher education in the Sector Education & Training Authorities (SETAs) while the second deals with basic skills training for both the formal and informal economies.

The SETAs, which fall under the Department of Labour, encourage skills development career paths, career development and sustainable employment in-work progression as part of the LED strategy (Department of labour, 2011). Government has also invested in basic skills training to enhance the informal economy, which former President Thabo Mbeki described as the ‘second economy’. According to Mbeki, the South African economy is made up of two sectors, the ‘first economy’ and the ‘second economy’. According to Philip (2009:1):

The second economy is characterized by underdevelopment, contributes little to the GDP, contains a large percentage of our population, incorporates the poorest of our rural and urban poor, is structurally disconnected from both the first and the global economy and is incapable of self-generated growth and development.

Research prior 1994 confirmed that the majority of South Africans are located in the second economy, which explains the high rates of poverty and unemployment in the country. Skills development strategies are a mechanism to improve and promote sustainable development within poor communities. Successful skills development initiatives require an understanding of the country’s history and a commitment to equal opportunities and empowerment. South Africa has adopted a number of important pieces of legislation to promote skills development, including the Skills Development Act 97 of 1998 managed by the Department of Labour. The Act sets out national skills development policy; provides guidelines on the implementation of national skills strategies and provides for subsidies and incentives for functional, long-term projects. It requires that annual reports be compiled to measure the performance of skills development projects. According to the 2010/2011 Department of labour Annual Report, the Skills Development Act has achieved most of its objectives; however there are still challenges in terms of meeting the needs of a diverse range of people. According to the National Skills Development Framework (1998: 5) the Department of Education is required to invest in human resources, focusing on the following areas:

- To recognize and evaluate specified areas that need to be targeted for development in order to achieve greater capability, applicability and orientation to the strategy's purpose.
- To provide the prerequisite resources directed by the Education and Training Sector Skills Plan combined with the Workshop Skills Plan (WSP).
- To undertake ongoing research to further identify limited and critical skills that are required per sector.
- To generate ways that will promote LED strategic programmes to increase the supply of local economic activities within targeted areas.

Several LED projects have successfully implemented skills development programmes. However, challenges exist, that hinders the ability of the projects to serve communities to their full capacity. Several skills development projects were implemented in the Cato Manor area to promote sustainable development through socio-economic growth. The Bellair Informal Market and the Bellair Centre were part of LED initiatives to promote SMMEs and basic skills development. The market and centre provide premises for a spectrum of economic activities; a number of small to medium-sized enterprises use Bellair Centre for local trading. The strategy's success can be measured by the fact that an estimated 45 businesses have emerged as formal retail business 13 years later (CMDA, 2002).

Skills development projects can be subdivided into two categories, life skills and economic skills. Life skills include literacy, education about home ownership and organizational education. The second category encompasses economic skills development which includes several projects, namely, cooperatives, industrial skills, business management, urban agriculture; craft work, construction, security companies, tour guides and radio production (CMDA, 2002). In Cato Manor the largest number of people was employed in home owner education (4500) followed by co-operatives with 893 people. Other projects employed between 100 and 230 people. The challenges confronting skills development in Cato Manor related to both private and public management of LED projects. The main issue was to create a link between private and public sector involvement in Cato Manor through corporate social investment. Another critical shortcoming of skills development initiatives is the lack of effective measures of social and economic development in Cato Manor and the subsequent CMDA operations. These challenges form part of this investigation; however the aim is to critically evaluate the factors that contribute

to the mixed fortunes of sustainable LED and the enhancement of skills development in Cato Manor.

2.7 Skills development as pro-poor LED

Nel *et al.* (2006: 22) note that LED strategies can be divided into pro-poor LED and pro-growth LED. Precedent studies confirm that the pro-poor LED paradigm has shifted to pro-growth due to changes in the global landscape. Pro-poor LED can be defined in relation to the economic element of development, where sustainable development is measured in terms of the successes of the economic activities in boosting the economy as well as social wellbeing. Musakwa (2006) argues that pro-poor growth can be defined as an increase in income or expenditure proportionate to non-poor family units. Therefore pro-poor LED is about enabling people to have the “capabilities to sustain themselves and eradicate poverty”. According to Rogerson (2003: 53) pro-poor LED has become more focused on rural development rather than urban areas and the main aim is to link LED-based projects with nature-based economic activities. Conversely pro-growth LED has often focused on enhancing growth; however pro-poor development remains the tool to improve an economy’s overall base performance (Nel *et al.*, 2005).

In Cato Manor, the implementation of pro-poor LED strategies has optimized the possibility of sustainable development within the community. Several projects have been implemented to address poverty and the lack of skills. Such projects specifically target human development and encourage empowerment. They include a small business fair, tourism projects, home ownership education projects, industrial training centres and sports development. Skills development initiatives are the cornerstone of sustainable development. Several challenges have been identified that confront pro-poor intervention strategies in South Africa. Rogerson (2000: 38) confirms that the primary challenges facing South Africa’s development are effective skills development strategies; the eradication of poverty and inequalities; quality and affordable services to all South Africans; the promotion of a sustainable environment; reducing unemployment and improved economic growth rates. Pro-poor interventions can be implemented in the form of community tourism, small business support, markets, urban agriculture and township business centres (Rogerson, 2006: 23).

Pro-poor LED focuses on the establishment of different development programmes such as collective marketing processes, subsidized support for market research, tenders, exports, support

for SMMEs, skills development, support for informal traders and support for the agricultural sector (Nel *et al.*, 2005: 22). Pro-poor LED interventions encourage co-operation between the private and public sectors to identify the strengths and weaknesses of direct collaboration in joint projects. Such programmes promote poverty eradication and the integration of Cato Manor's economy with the Durban metropolitan area (CMDA, 2002). A supportive policy environment is required, including national/provincial laws and policies which empower local authorities, define their powers and duties, encourage interaction outside of the public sector, provide adequate financial support and training and allow for external support (Nel *et al.*, 2005). However, policy does not guarantee positive outcomes; constraints may hinder development capacity (*ibid*).

2.8 Local Economic Development and Poverty Alleviation

Poverty cannot be addressed through social structures separately; however economic structures also have an impact on social inequality. Poverty can be defined as absolute poverty, relative poverty and human poverty. Poverty implies a form of deprivation that entails people's need not being fulfilled and a lack of resources to meet these needs (Townsend, 1979). The broad definition of poverty alleviation encompasses three concepts of poverty. The first focuses on the tangible notion of 'things indispensable to life' and the prejudiced perception of 'needs indispensable to life'. The second concept distinguishes between the concepts of temporary and chronic poverty; this illustrates the different levels of poverty (Govender, 2010). Living comfortably can be differentiated from sustaining life or a socially accepted level of well-being; therefore the third concept illustrates and discusses the concepts of relative and absolute poverty.

The poverty line is a threshold or critical cut-off point below which a person or household is considered poor (World Bank, 2002). Different levels of poverty require different solutions. According to Rogerson (1999), measuring susceptibility to poverty will also assist policy makers in tackling this issue. Different backgrounds need to be taken into account in order to understand the dynamics of poverty. Poverty alleviation processes need to be updated in line with the challenges encountered by people at different stages of their lives. Policies to tackle poverty alleviation have adopted two main approaches. The first is to address poverty alleviation through macro-economic growth that targets specific communities such as poor areas (Rogerson, 1999: 513). Secondly, five frameworks are identified for poverty alleviation, namely, creating employment opportunities, structured ways of achieving better access to the municipal services,

security through protection from crime, the coordination of natural disasters and integration (Rogerson, 1999).

Oosthuizen (2008: 1) identified three basic ways of understanding poverty: a relative, an absolute and subjective approach. Each takes different perspectives and experiences into account. Relative poverty measures poverty in terms of the monetary value of the goods and services required to maintain a minimum standard of living. Absolute poverty refers to the absence of basic needs (Oosthuizen, 2008), while relative poverty captures aspects of the society as a whole such as the characteristics that define the community by identifying individuals whose standards of living are low relative to the entire society (*ibid*). Although transformation brought about change in all spheres of government in South Africa and granted autonomy to local government, local governments are still faced with huge service delivery backlogs (Kroukamp, 2006). LED strategies are therefore crucial to the transformation project.

While some LED projects have contributed to human development, their overall success rate has been comparatively low (*ibid*). While some projects created jobs and proved to be sustainable provided that they registered as legal entities, the majority of projects are only able to survive with continued infusions of public money. Previous studies have emphasized that poverty eradication cannot succeed without local government and the private sector intervening through LED strategies. This is necessary to generate more jobs, free up fiscal resources for poverty reduction programmes and reduce the risk of financial crises within local authorities (Kroukamp, 2006).

2.8.1 Common dimensions of Poverty in Africa

Poverty in Africa has several dimensions and varies according to region. Measures of poverty include gender, environmental degradation, and regional dimensions.

- ***Gender***

The World Bank (1996; 2005) notes that legal, regulatory, cultural and structural barriers have deprived women of education, political influence and access to financial, health, political and agricultural extension services (Mukaosolu, 2010). That said, Standing (1985) stated an opposing view, based on the significant aspects of gender and poverty that needs to be analyzed independently from the comparative analogy :furthermore the statistics have shown that the level

of woman's participation in market oriented activities, under poverty pressure and their domestic labour is not dispensed to gender status, discussed in (Mukaosolu, 2010). Additionally, results based on poverty and gender emphasizes a clear distinction of how scarcity of resources impacts the function of individuals by oppressing the poor from being established.

- ***Economics and poverty***

Economic measurements focus on the distribution of income and expenditure among individuals and households. Poverty cannot be measured without reference to the economy of a country. Expenditure is often regarded as an indicator of a household's welfare; it is a measure of direct consumption rather than income and reflects the degree of commodity deprivation (Govender, 2007). While expenditure is a reliable measure of the actual consumption of households or individuals, income varies over time and is therefore a less reliable figure (Govender, 2007).

2.8.2 Poverty in South Africa

South African poverty indicators are measured according to the standard of living of an entire household rather than an individual. Different interpretations of poverty employ different measures of income and consumption taking basic needs into consideration (Woolard and Leibbrandt, 1993:3). Poverty can have both social and economic dimensions. In South Africa, poverty has been measured against a poverty line as well as the factors that contribute towards poverty. Three indicators have been used to measure the social characteristics of poverty: health, education and basic needs. According to Mbuli (2008: 98), health can be measured in relation to poverty through (i) loss of production by sick individuals (ii) the financial costs of healthcare and (iii) the opportunity cost of caring for the sick. Therefore health and poverty are intertwined.

Economic structures are the assets-based indicators of poverty. Apart from income or consumption - which are typically used to define whether or not a household is poor - a number of other economic characteristics are associated with poverty, most notably household employment status as well as other productive assets owned by the household (Mbuli, 2008). Unemployment is one of the challenges confronting South African and has resulted in a high rate of poverty.

Mbuli (2008: 94) argues that:

While a situation of unemployment may be considered a problem in its own right, it has been argued that the problem of unemployment lies most particularly in its correlation with poverty (Dewar & Watson, 1891:10).

Furthermore, precedent studies have shown that the relationship between poverty and unemployment affects not only households and individuals, but the community as a whole. Poverty interlinks with other aspects of daily human activities. It is estimated that the number of people in South Africa living below the poverty line has increased since 2000. Hilliard and Msaseni (2000:67) note that an estimated 16.6 million South Africans lived below the poverty line in 1991; this number increased by 32% in 1993. By 2000, the number of people living below the poverty line had increased by 65%. Kroukamp (2006) notes that poverty is unevenly distributed across the country's provinces: including the "Eastern Cape by 71% followed by Free State with 62%; The North-West ranked thirds with 61%; Northern province with 59%; Mpumalanga with 57%; Western Cape rank at sixth position 28% and Gauteng at lower rank 17%" (Ricon, 2005:23).

2.9 Theories underpinning Local Economic Development

Theoretical inquiry is central to the vitality and development of a field of practice, not to mention its recognition and credibility. The theoretical foundation of a field describes, informs the practice and provides the primary means to guide future development; it also influences practices and research by revealing new knowledge and suggests alternatives. The relationship between theory and practice is uneven: theory tends to lag behind practice, behind innovations on the ground, and practice tends to lag behind theory" (Garrison, 2000).

Pieterse (2010) argues that:

A theory is a critique, revision and summation of past knowledge in the form of general propositions and the fusion of diverse views and partial knowledge in the general framework of explanation.

This section discusses the relationship between theories of development and skills development initiatives by means of a critical evaluation of the philosophies underpinning the concept of diversified communities. The focus is on development theory which emphasizes the promotion

of equal opportunities for all through bottom-up, participatory approaches. These theories will inform the evaluation of skills development initiatives and LED strategies generally.

2.9.1 Human Capital Theory

Human Capital Theory has been used as the main tool to analyze skills development initiatives in both developing and developed countries. Human Capital Theory focuses on learning capacity and the significance of skills creation. Young-Sun Ra & Woo Shim (2009: 1) defines Human Capital Theory as follows:

This theory assumes that market failure does not occur in the economy and considers that all training can be classified into general training or specialized training, in which both the individual worker and the enterprise have training investment incentives. It also states that direct training provision by the government is not desirable and as a result, optimal efficiency of skills development can be achieved under the principles of a free, competitive market. Furthermore, the human capital theory maintains that government intervention in skills development is unnecessary and may be harmful, assuming that the free, competitive market can bring about sufficient investment in skills development.

Livingstone (1997: 9) adds that Human Capital Theory focuses on the effectiveness of human learning capacities in relation to the available resources for production to achieve cost-effective results which benefit both business and society at large. Furthermore, Human Capital Theory emphasizes that learning capacity should be constantly enhanced through the use of techniques that will allow employees to be effective in the worldwide enterprise environment. However, Livingstone (1997: 9) observes that the application of Human Capital Theory has been questioned by many analysts, who have posited that its limitations outweigh its positive outcomes. Three crucial factors have been identified to enhance Human Capital Theory's effectiveness: the importance of providing relevant and specialized information to revitalize human capital creation and economic growth; the need to focus on alternative methods to improve the standard and quality of knowledge; and the need to broaden the definition of human capacity.

2.9.2 Development Theories

Various meanings have been attributed to development theory, depending on the aspects of development that are highlighted; these vary from basic human needs to economic factors

(Musakwa, 2009). According to Leys (1977: 5) development theory emerged in the early 1950s in relation to the colonies of Britain, France and other European powers in order to understand how these economies could be transformed to become more productive. Leys (1977: 170) argues that the major weakness of development theory is that it rejected the concept of social class and did not explain how the internal capitalist class could be a means of transforming the social relations of production. Blakely (1994) notes that, while there is no single theory underpinning local economic development theory can be used to explain the problems facing underdeveloped areas in both first and third world countries. Stiglitz (1999: 1) described development as “a transformation of society, a movement from traditional relations, traditional ways of thinking, traditional methods of production, to more modern ways”. Thus, one of the characteristics of traditional societies is the acceptance of the world as it is. In the case of South Africa, where apartheid policies created imbalances in the spatial landscape, development theory focuses on land redistribution and restitution (Coetzee *et al.*, 2001: 2).

2.9.2.1 Basic needs approaches

The basic needs approach to development is an influential approach that was introduced by the International Labour Organization (ILO) at the World Employment Conference in 1976. This approach is widely used as a measure to address absolute poverty and attempts to utilize local and external resources to address the long-term physical well-being of local people (Hidellage and Srivastava, 2012: 25). According to Liebenberg and Theron (1997), the basic needs approach is more applicable in developing countries but is not limited these countries. In recent years, this approach has been used to address the basic needs of the millions of people that still lack clean water, a balanced diet, sufficient clothing and shelter in developing countries. According to King (1998), basic needs differ from country to country and across cultures. Stavenhagen (2013) argues that during the 1970s scholars used the basic needs approach to challenge existing theories that failed to promote economic development, especially in developing countries It was also understood that the basic needs approach increased output and productivity, which in turn lead to increased levels of resources (Perlo-Freeman and Webber, 2009: 965). Furthermore, this approach suggests that “economic growth and basic needs fulfillment may well be simultaneous, creating a virtuous circle between economic development, health and education” (Perlo-Freeman and Webber, 2009: 965).

According to King (1998) research has confirmed that in developing countries, "...rapid growth indeed worsens the extent and severity of poverty, increasing absolute inequalities of material resources and social opportunities" (King, 1998: 387). This requires a more meticulous approach to respond to the ever growing population that hampers development in the developing world. Orchha and Pradesh (2012: 25) are also of the view that one of the challenges facing the application of the basic needs approach in developing countries is that policies have not "...been backed up with adequate practice to achieve the desired results".

2.9.2.2 Sustainable livelihood approach

In promoting poverty reduction and natural resource management, systems-level approaches go beyond individual action (Gutierrez-Montes *et al.*, 2009). The sustainable livelihoods approach explores the decisions and opportunities available to households within the local community (Gutierrez-Montes *et al.*, 2009: 106). Ashley and Carney (1999), Carney (2002), Chambers and Conway (1992) and Scoones (1998) have described this approach as a development 'buzzword' which connotes an assets-based approach in which government institutions, policies, public participation and empowerment play a key role in development and poverty reduction. In contrast, Scoones and Wolmer (2003) are of the opinion that the sustainable livelihoods approach does not provide a solution to rural poverty as it does not determine how rural dwellers that are not able to fit into the commercial farming model will make a living. This approach is seen as a way of integrating poor, rural dwellers into the economy and empowering them to reduce poverty. Since the 1990s, Sustainable Livelihood Analysis (SLA) has been applied to development initiatives, especially in rural areas, with the assistance of international agencies (Morse *et al.*, 2009). In Chambers and Conway's view,

A livelihood comprises the capabilities, assets (stores, resources, claims and access) and activities required for a means of living; a livelihood is sustainable which can cope with and recover from stress and shocks, maintain or enhance its capabilities and assets, and provide sustainable livelihood opportunities for the next generation; and which contributes net benefits to other livelihoods at the local and global levels and in the short and long-term (Chambers and Conway, 1992: 7).

Therefore a livelihood is sustainable:

... when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base” (Morse *et al.*, 2009: 4).

SLA is defined as "the integration of population, resources, environment and development in four aspects: stabilizing population; reducing migration; fending off core exploitation; and supporting long term sustainable resource management” (Costantinos, 2008). Livelihoods can be referred to as access to available resources and sustainable refers to the promotion of the long term regeneration of resources. The adaptive approach and building capacity generates and maintains a means of living and enhances the wellbeing of future generations; they represent permanent changes in community strategies, structures and organizational processes; these capacities are contingent on availability, stability and the accessibility of options, which include ecological, socio-cultural and economic factors (Morse *et al.*, 2009). Thus, SLA is an example of the multiple capital method where sustainability is measured according to the context of vulnerability and available capital, including natural; social; human; physical and financial elements. SLA measures the impact of strengths. According to Turton (2000: 7)

The SL approach also places people at the centre, in an environment where analysis has hitherto focused almost exclusively on resources or institutions. The SL approach facilitated a process of stepping back and looking at the wider issues affecting rural development. It extended the menu for support to livelihood development both in the short and long term; the SL framework proved to be a useful tool for structuring a review of secondary information sources and offered a way of organizing the various factors and making relationships between them. It specifically highlighted the links (or lack of them) between the macro and the micro level and highlights that higher level policy development and planning is being formed with little knowledge of peoples’ needs and priorities.

SLA in relation to skills development initiatives is of great value in understanding how such initiatives influence human development. The case of Cato Manor displays the valuable characteristics of SLA, where redevelopment methods critically evaluate post conflict conditions with the purpose of supporting human development. Such characteristics include: establishing and strengthening legal and institutional frameworks and rebuilding infrastructure through social and economic empowerment.

2.9.3 The Participatory Approach

Participatory approaches comprise of an extensive variety of instruments, methods and procedures. Such methods can be applied sequentially in a complementary and interactive manner, or as a customized mix to progressively create a build-up from one stage of investigation to another (White and Pettit, 2004). According to Musakwa (2009: 49) the participatory approach avoids external standards. This approach emphasizes the participation of all stakeholders, including all levels of government and representatives of NGOs and CBOs. According to I-Social Marketing (2003: 1):

Participatory monitoring and evaluation is an umbrella term for a set of new approaches that stress the importance of taking local people's perspectives into account and giving them a greater say in planning and managing the evaluation process. Local people, community organizations, NGOs and other stakeholder agencies decide together how to measure results and what actions should follow once this information has been collected and analyzed. The emphasis on participatory monitoring and evaluation goes beyond the choice of particular methods and techniques to wider consideration of who initiates to undertake the evaluation process and who learns or benefits from the findings.

According to I-Social Marketing (2003: 4), the strengths of the participatory approach include:

Participatory methods attempt to deal with issues of ownership and control of knowledge, and to reach clarity or consensus between stakeholders as to how, by whom, and against what criteria, the programme is to be measured. The emphasis in participatory methods on collective inquiry, analysis and reflection in findings creates the conditions for shared learning that links forward into action and future planning. The concern for organizational and institutional capacity-building provides a basis for sustainable development beyond the life of a particular programme or initiative. Participatory methods recognize diversity and plurality of views, and value local knowledge alongside other forms of scientific and technical knowledge.

The participatory approach's creative, multiplicative techniques and assessment tools are therefore likely to allow for an understanding of the intricacy and productivity of programme effectiveness.

2.9.4 Bottom-up Approach

According to Panda (2007: 261):

Bottom-up Approach can be seen as one of the learning approaches, it provides a platform to introduce key issues, and widens the scope for participants and practitioners to discuss issues with an open mind. It helps identify local problems, and chalks out local innovative strategies and methods to mitigate these. This approach taps the indigenous knowledge bases and local expertise.

The bottom-up approach emerged in response to the shortcomings of the top-down approach (Smith, 2008). According to Sabatier (1986) citing Hjern *et al.*, the bottom-up approach starts by identifying various stakeholders that play a role in economic development and service delivery in a local community. Their involvement enables government to gauge the needs of the area which then informs “their goal, strategies, and activities...” in implementing an economic development agenda (Sabatier, 1986: 32). China has achieved significant economic growth in recent years through implementing the bottom-up approach. Nee (2010: 7) notes that economic development in China integrates informal economic institutions. This enables these institutions to “surmount formidable barriers to market entry and discriminatory policies of the state” (Nee, 2010: 7).

Panda’s (2007) study revealed that even though the bottom-up approach involves local communities in policy formulation, some NGOs are still not consulting local communities before project implementation. Chambers (1997) emphasizes that local knowledge should be valued, appreciated and sought after, and that local people should be considered experts on their local environments. Bell and Morse (1999) observed that using community participation to select relevant indicators could be a way of achieve a sustainable, bottom-up approach. Fraser *et al.*, (2006) state that the success of a bottom-up approach will depend largely on whether the indicators that the local community chooses accurately measure what is locally important. In conclusion, the bottom-up approach can be used to integrate community input in sustainable development, especially in rural areas in Africa.

2.10 Conclusion

LED is a strategy to promote economic growth and human development. Skills development initiatives strive to promote the sharing of ideas through private-public partnerships and individual empowerment in order to alleviate poverty through employment creation (Botha *et al.*,

2007). Such efforts can also promote global competitiveness. Skills development enables individuals to become less dependent on others and allows them to lead by example. Skills development takes different forms, including life skills training and economic skills that accommodate all educational levels and target certain sectors. However, there is often insufficient overlap between LED strategies and skills development initiatives.

This chapter has highlighted the connection between LED strategies and skills development initiatives in South Africa. The focus of this study is to critically assess how LED strategies inform skills development in South African townships. The study also seeks to identify the factors affecting the progression of skills development initiatives in Cato Manor Township. Cato Manor is representative of other townships in South Africa. LED strategies and skills development initiatives have emerged in response to high levels of unemployment and poverty. Several LED and skills development initiatives have been launched in Cato Manor; however, the high levels of unemployment and poverty and the lack of skills threaten the success of such initiatives.

3. Chapter Three: International and Local Precedents on Local Economic Development (LED) and Skills Development Initiatives.

3.1 Introduction

This chapter analyzes international and local precedents on the success and failure of LED projects including skills development initiatives based on the trends from developed and developing countries. The emphasis is on the factors that enhance or hinder the accomplishment of the economic and social objectives of skills development initiatives. Skills development initiatives aim to promote the social and economic integration of excluded groups (Hernes & Wataru, 2004). To critically evaluate the strengths and challenges of skills development as an LED strategy, several case studies are used for cross reference and comparison. The case studies explore the objectives of each skills development project and evaluate its failures and successes. The following discussion considers how different countries implement LED projects as skills development initiatives and lessons that can be beneficiary to South Africa and Cato Manor in particular are drawn. This chapter is divided into two precedent sections namely the international and local context. The international context discusses experiences of LED based on skills development initiatives in the developed and developing countries. Likewise the local context will focus on the practices of LED with specific reference to skills development initiatives in South Africa.

3.2 LED: The general global context

According to Rogerson (2008: 176) the capacity of the nation-state to promote the well-being of its citizens is limited due to the problem facing the global economy in the contemporary context. In past decades many countries transformed their public policies to revitalize LED through social development initiatives and local business activities (Liou, 2008). According to Capkova (2005: 9) the reform and restructuring of economic development both internationally and nationally has led to significant change in local economies, which has emphasized the need for more active economic programmes in all municipalities. In the re-shaped terrain of development, LED has emerged as a vital new approach focused particularly in the context of pervasive trends towards decentralizing and transfers of resources away from central state institutions and shifting structures of government and governance (Rodriguez-Pose and Tijmstra, 2007: 6).

Thus, greater responsibility has been placed on local government to transform local economic development activities (Capkova, 2005). The return of competencies to local and regional governments has given local officials much more authority to deal with local problems (*ibid*). However, successful outcomes require that local authorities understand public sector principles, including restructuring strategies and their consequences and evaluate demands to establish improved settings to promote the intensification of the private sector. Local governments need to develop tailored activities and programmes to stimulate local economic development, taking local circumstances into account.

In Europe and the United States of America, the provision of services and facilities are primarily concentrated at local government level. According to Liou (2008: 3) three LED approaches were implemented in the United States of America to address increases in taxation, economic recession, and a decrease in allocations from central government. Economic reform has led to decentralization and new prospects for LED (Rogerson, 2008:177). The Washington Consensus policies have revamped the LED approach to focus on local challenges such as poverty eradication in both rural and urban areas; address enormous inequalities and promote the local business sector and skills development initiatives (Bateman, 2011: 1). While different strategies have been adopted, these are not exclusive and successful LED could involve a combination of these strategies (*ibid*). From the mid-80s until 2000, the European Union interventions were marked by continuous political effort to transform the spontaneous phenomenon of local development into a genuine component of European economic development, through an increasingly sophisticated and varied range of interventions, programmes and measures (Jouen et al, 2010).

In China for instance, experiences demonstrate transformation of policies to improve LED strategy and develop skills. Liou (2008) notes, that in a bid to promote innovation and development, China adopted a variety of policies to restructure its economy from the late 1970s. Liou (2008: 1) adds that LED in China emphasizes the involvement of local government. Transformation focused on economic growth (Liou, 2008). The Chinese monetary system was transformed and its performance was enhanced (*ibid*). China adopted three LED strategies: an incentive policy in rural and urban areas; the open-door policy to address uneven rural development; administrative decentralization and deregulation.

3.3 Global trends on skills development initiatives

The United Nations (UN) emphasizes reform of skills development initiatives through human development and good governance. Good governance is: consensus oriented; participatory; following the rule of Law; effective and efficient; accountable; transparent; responsive and equitable and inclusive (UNESCAP, 2010). Of these principles, skills development relates to the effectiveness, efficiency, accountability and responsiveness of the state (Pillay et al, 2010: 19):

The availability of skilled personnel within an organization has a significant impact on the effectiveness and efficiency of that organization to carry out its mandate. In the public sector, efficiency and effectiveness are reflected in the manner in which services are delivered. Ensuring the adequate delivery of services allows a country to meet social development objectives and strongly relates to the notion of “good governance.

Effectiveness and efficiency means that process and institutions produce results that meet the needs of society while making the best use of resources at their disposal whilst accountability relates not only to governmental institutions but also to the private sector and civil society organizations (Pillay et al, 2010).

Global skills training initiatives evolved prior to the millennium era. The evolution shows that training and skills development initiatives can have multiple meanings as they include wide ranging elements. These include:

- Basic education which ensures each individual the development of their potential, laying the foundation for employability;
- Initial training to provide core work skills and the underpinning knowledge, industry-based and professional competencies that facilitate the transition into the world of work;
- Lifelong learning that ensures the individual’s skills and competencies are maintained and improved as work, technology, and skill requirements change;
- Different countries focus on different elements, as they see relative strengths and weaknesses in their own skills development systems, and as they learn more about innovations and experience in other countries.

Table 3.1 Skills for work and adult life

Skills have broad meaning and might be categorized in the following way:

1. Basic literacy and numeracy skills
2. Core, key, generic, soft - 'employability' – skills – This may include communication, application of numbers, team working, problem solving, learning to learn etc.
3. Higher order skills – for example: logic, reasoning, analysis, synthesis, statistics, etc.
4. Specialist, vocational, technical, academic skills - technical knowledge including enterprise, business know-how, financial skills etc.
5. Attitudinal and behavioral skills – such as initiative, confidence, willingness, perseverance, determination etc.
6. Life skills - social, health, interpersonal skills

Source: (Kawar, 2012: 3).

The experiences of different countries show the importance of understanding global skills development and training. A broad spectrum of skills development has been implemented across the global for purposes of improving and supporting local economic activities. Emphasis has been placed on enhancing the utilization of skills, up-skilling and encouraging movement up the value chain. This indicates that it is necessary to explore all dimensions of skills development rather than focusing on the narrow perspective. The following section explores lessons from developed and developing in respect of successes and failure of skills development initiatives as LED initiatives.

To meet the skills needs of economies, societies and individual, national skills development system must be:

- Effective: offering meaning , quality skills development that avoids time-serving and irrelevant training

- Efficient: avoiding high costs and inefficient provision;
- Competitive: to counter supply-driven tendencies;
- Flexible: technically able in the short term to change the scope and direction of skills development outputs, if necessary and
- Responsive: designed to meet the changing demands of the market and needs of the economy.

3.4 Skills development in developed countries (United Kingdom, Japan, German, Canada)

Skills development has become a priority in 21st century Europe and the developed world in general. The improvement of skills levels in the developed world is in line with the general context of socio-economic improvement policy initiatives. However, skills development levels and strategies differ from region to region and from country. In the United Kingdom (UK) for instance, skills development interventions as LED strategies to a large extent reveal positive outcomes than negative. Stanfield et al (2009: 27) note that at face value the levels of training provided by employers in the UK seem quite positive by international standards with around two-thirds of employers providing training to their staff. However, there are several issues identified as barriers of training namely management skills, management capacity, and short-termism, influence of staff on training, imperfect information (Green et al, 2011). Some key features may of skills development initiatives in the UK are illustrated in the case study of Merseyside Pathways below:

Case study 1: Merseyside Pathways – United Kingdom

This restructuring city-region experienced the fastest decline in EU in terms of GDP and employment. The local development approach targets job creation through capacity building of local partnerships. It covered neighborhoods of nearly 500,000 people and was in this respect more significant other programs which had much smaller population focus in the city region. One of the most important features was the establishment of local partnership groups responsible for developing local strategies. Although this approach did succeed in producing 38 strategies there was an enormous range in quality of plans especially in some of the smallest Pathways areas. The advantages of Merseyside Pathways were countless that include transformation of thinking within the whole programme about how benefits being created in opportunity areas could be accessed by people in areas of poverty. Lasting structures such as the Job Enterprise and Training centres and the ongoing Merseyside social enterprise network emerged from the programme as a result.

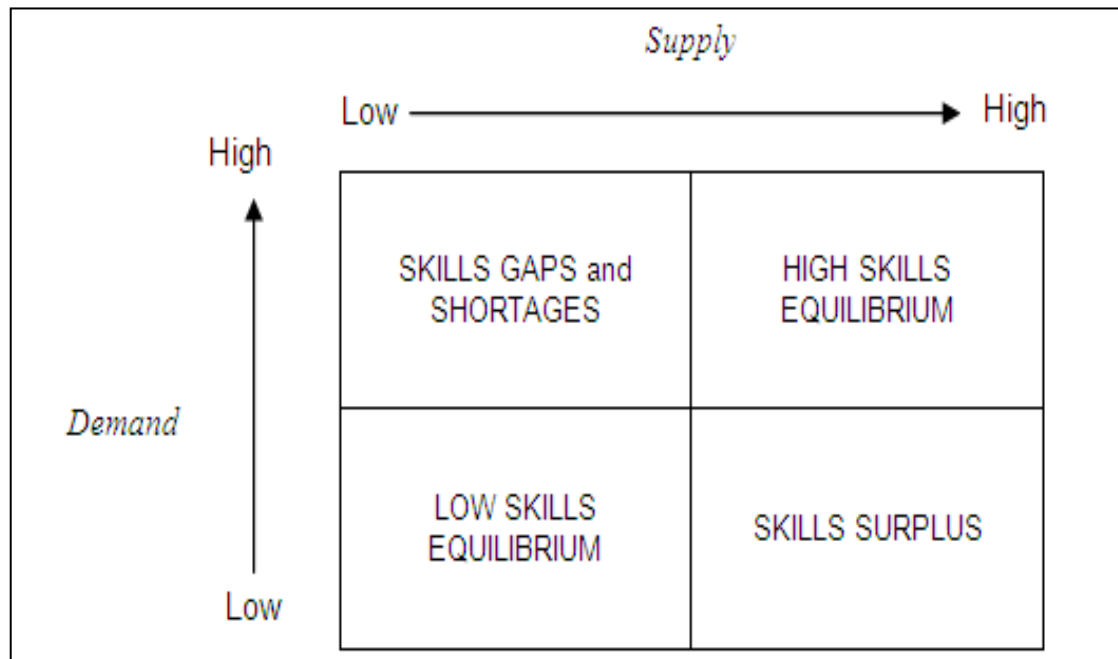
Employment and productivity are seen as key to the UK's future prosperity, and skills development is crucial to both the private and public sectors.

Hence the underpinning rationale of skills policies in the UK has been to raise skills levels as a means to achieve higher levels of employment, productivity and prosperity. While enhancing skills in order to transform the UK into a high skill economy has had a central place in government policy, despite significant improvements in the UK's skills profile, the challenge remains great (Green et al, 2011: 15).

In the case of Canada, a strategy to improve the economy through the diversification and improvement of the skills base was initiated. The Skills for Competitiveness project aims to better understand the dynamics of moving high-wage economies from a low-value-added equilibrium to a high-value-added equilibrium in which the supply of higher skills is matched by a demand for higher skills (Verma, 2012: 5). Canada gives an example of global demand and supply as skills measure of shortage and surplus. The Canadian initiative argues that moving to high-skill equilibrium is not only desirable but also necessary if Canada has to maintain and enhance its prosperity. The rationale is that higher skills add more value to products and services and thereby can justify and sustain higher wages and consequently a higher standard of living.

This argument is illustrated in Figure 3.1 below.

Figure 3.1: Moving from a low to high-skilled equilibrium



Source: (adapted from Green et al, 2003).

According to Varma (2000: 1) skills development in the developed world was first seen as a way to prepare a work force for industry, but it subsequently came to be seen as a means to improve the information of human resources and to increase productivity and employment. Skills development in the UK, Germany, Canada and Japan is the recent upsurge of interest in skills development and adult education is to an extent inspired by recent theories of micro- economic growth. Skills development systems are seen as a means of addressing a special responsibility towards groups that are vulnerable to marginalization and social exclusion and towards those with limited employment prospects (Mutsila 2003:10) . Furthermore skills development is also expected to contribute to the social development of the participants with a view to enabling them to exercise their democratic rights and duties.

In the case of Canada, the approach to skills development is characterized by a highly diversified skills development industry comprising a mix of small firms, consultation and public and private sector institutions that supply equally varied services to domestic and international markets (Mutsila, 2003:15). Canada serves as a good example of an advanced economy where human resources development through the transfer of skills received a noteworthy amount of attention

from different providers. Various factors influence skills development programmes in Canada. According to Industry Canada (1994: 1):

The success of all industrial sectors will become increasingly dependent on the quality of their human resources. Greater access to high quality skill development programmes for workers and managers, combined with innovation and new technologies, will lead to increased productivity in the work place.

Evidence drawn from the 1994 Adult Education and Training Survey conducted by Human Resources Development in Canada (1998: 1) indicates that lifelong learning has become a new reality for many Canadians. This means that workers need to acquire skills further to be updated and remain relevant. According to Human Resources Development in Canada (1998: 1) other factors include the process to upgrade knowledge and technologies.

Japanese remarkable advances made in both human resources development and economic advancement are undoubtedly related to skills development strategies that the country adopted when the initiatives was started in the 1950s (Okuda, 1996: 306). The main purpose of this skills development initiatives in Japan was to equip job seekers “with basic skills and also provide training for graduates from schools as well as persons who lost or intended to change their jobs”. However as Okuda (1996: 303) noted that shortage of skills development workers occurred once the Japanese’s economy entered the stage of rapid growth and changing production technologies. That inspired change towards Vocational Training Law revised in 1969 to establish flexibility of training programmes in Japan. The result was the enactment of the Human Resources Development Promotion Law (Similar to South African’s Skills development Act, No 97 of 1998). In quintessence, Japanese law acknowledges the development and enhancement of workers to be better equipped to do their jobs. The Japanese case is detailed in the following page:

Case study 2: The methods of used for provision of skills development in Japan

In Japan various methods are used for the provision of skills development. According to Okuda (1996: 303) “the mainstay of skills development in Japan has been the in-house programmes” offered by companies to develop human resources by means of in-company training, which form an important part of all workers. Therefore an approximate 60% of the companies concerned have a specific organization or department in charge of skills development while 40 percent have documented programmes of their own for skills development (Mutsila, 2003: 14). Some measures were put in place to promote in-company training. For example, the employer has to select a person who will take charge and promote implementation of vocational ability development programmes within the company.

3.4.1 Donors of skills development in developed countries

Skills development initiatives internationally have been based geographical location. In different countries skills development may take place in beneficiary country or alternatively skills development takes place at a venue in the donor’s country.

There are three typical approaches to donor-country skills development:

- The first type is in-practice skills development, where the trainee is located in a work environment in an appropriate authority in the donor country. This is a kind of skills development in which the trainee learns from peers at the workplace.
- The second is conventional skills development takes places as higher education setting.
- The last form of skills development is exposure to different public administration in the donor.

Skills development finance mechanisms, in addition to supplying funding for the national training system, play a central role in achieving these overall policy objectives and traditionally, the financial burden of skills development has fallen, alone or in concert on trainees, enterprises and the state (Pillay et al , 2010: 21). Additionally, the role of the state in financing skills development initiatives is conventional.

In the context of Europe, the European Union’s Regional Development programme is aimed at “increasing investment in human capital”, among other objectives, in regions that are less developed. Regional spending for 2007-13 accounts for over one third of the EU budget – or some €350 billion. There are three main funds for regional development: the European Regional Development Fund (ERDF) for general infrastructure, innovation, and investments; the European Social Fund (ESF) for vocational training projects, other kinds of employment assistance, and job-creation programmes; and, the Cohesion Fund for environmental and transport infrastructure projects and the development of renewable energy.

In Canada, financial donors were Human Resource and Skills Development Canada (HRSDC). HRSDC¹ runs a number of programmes aimed at skills development in general, with some specialized programmes aimed at targeted population segments, such as youth, aboriginal persons, immigrants, persons with disabilities and older workers. The overall objective is to create an educated, skilled and flexible workforce by investing in programmes that help individuals and businesses succeed in today’s economy and prepare for the jobs of the future. For example, some of these programmes include: Aboriginal Labour Market Programmes; Learning and Post-Secondary Education; Literacy and Essential Skills; Foreign Credential Recognition; Workplace Skills; Trades and Apprenticeship; Apprenticeship Grants and Can Learn (Verma, 2012: 27). A major change in HRSDC’s mandate took place in the 1980s when the federal government began to transfer responsibility for delivery of many training programmes to provinces and territories. The Government of Canada provides \$2.5 billion annually to provinces and territories for skills and employment programmes in two categories (Verma, 2012).

3.4.2 The Past Experience and New Trends in Training Policies in the developed countries

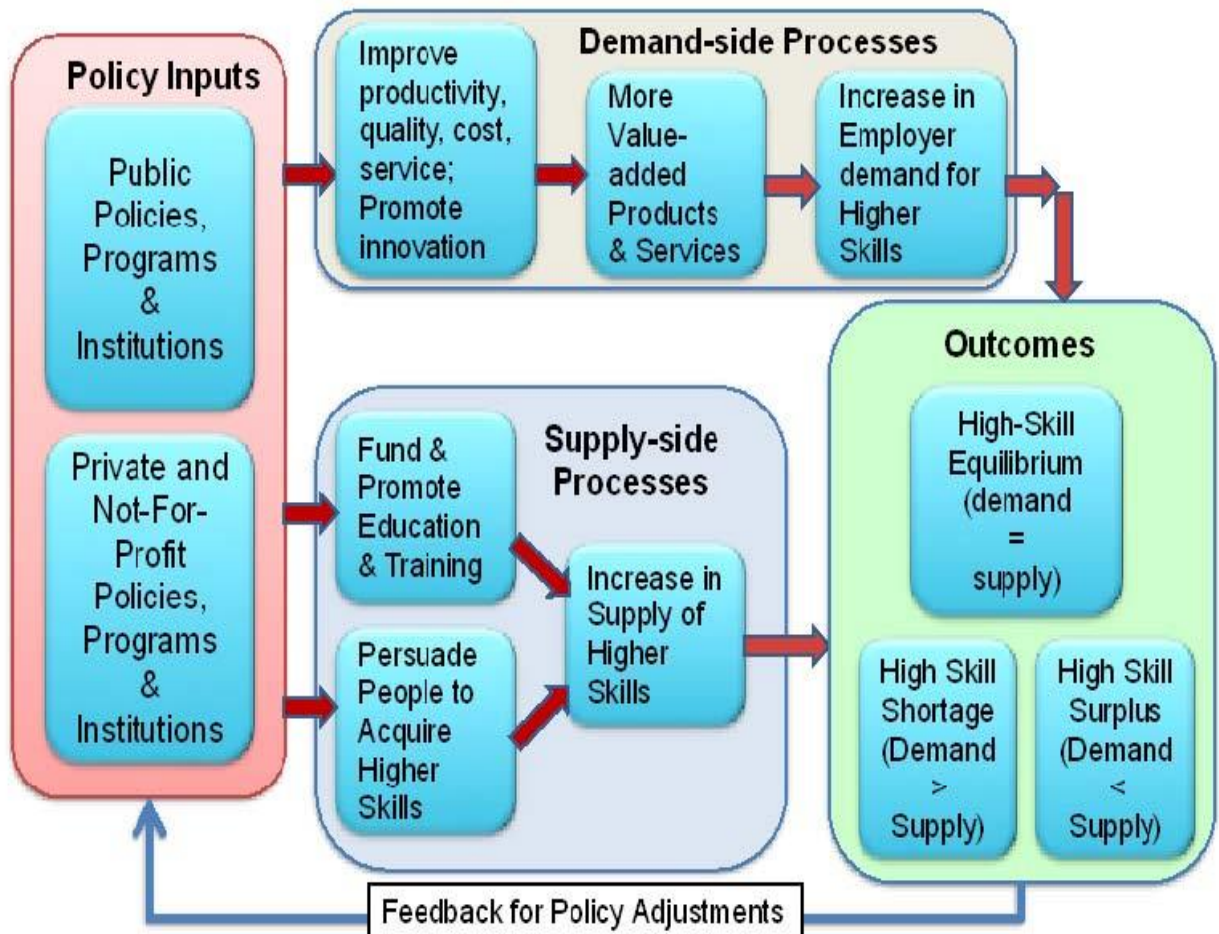
New trends indicate the intention to build a more internationally competitive skills base with a workforce equipped to compete in the labour market and drive sustainable economic growth. Moreover, the acquisition of skills is seen as a key way of improving social inclusion and social mobility (Green et al, 2011). Additionally, skills development initiatives in countries such as the UK is dominated and measured according to the policy framework. Figure 3.2 represents one of

¹ HRSDC is the lead department in the Government of Canada for policies that affect the development and utilization of skills in the economy (Verma, 2012)

many strategies used by developed countries as a policy framework to improve skills development initiatives.

Policy interventions can be made to increase the demand as well the supply of higher skills (Figure 3.2).

Figure 3.2: A model of policy interventions for a shift to high-skill equilibrium



Source: (Verma, 2012).

The example of global policy framework, adapted by Canada, and UK demonstrates how policy input has great impact towards generation of skills. Verma (2012: 11) notes that as long as the above factors are still applicable, policy planning at the local level can be rewarding; of course, the local focus needs to take into account the blurring of local boundaries that happens with increasing integration of regional, national and international markets.

3.5 Skills development initiatives in developing countries

Developing countries are most often faced with the task of social and economic development in the context of the high demand placed on limited public resources (Dass and Abbott, 2008: 59). The term ‘skills development’ is increasingly being used and is gradually replacing ‘technical and vocational education and training’ (TVET). ‘Skills development’ indicates a shift in emphasis away from supply-led systems which dictate the mode of learning and the pathways to be followed (Dunbar, n.d). On the other hand, Sauter (1996:114) notes that continuing skills development is generally understood to mean the continuation or resumption of organized learning after completion of an initial or induction training stage and the commencement of work. Likewise promoting skills development represents a key instrument to facilitate the social and economic integration of excluded groups.

A variety of possible interventions are described drawing on new developments in the field of technical and vocational education (TVET) or ‘skills development’, as well as the outcomes of current or recent reform initiatives or research in developing countries. This review covers in some depth the experiences of Malaysia and Brazil, two economies that have developed rapidly during the past two decades, in terms of skills development (Pillay, 2012). In Malaysia, skills training has been a key element in public sector reform and in Brazil; the review shows how training has helped to transform the development strategies (Pillay, 2012). This section also discusses the experiences of developing countries such as Africa, Asia, and South America. Several case studies are applied to provide with examples.

The Asian region is divided into the east and the south. East Asia includes such countries as, Indonesia, Korea (North and South) and Malaysia. South Asia comprises of Pakistan India. The research chose to address skills development in Korea, and Pakistan case studies. The main aim is to show how and why various initiatives are implemented in Malaysia, Korea and Pakistan. Malaysia has been able to successfully reform its public sectors. The following section discusses the reforms with particular reference to skills development although it must be noted that skills development is just one aspect of overall reform.

Case Study 3 : Skills development as an element of Public sector reform in -Malaysia

Administrative reforms in Malaysia have been taking place in the public service since the early sixties. Part of the country's broad developmental goals was to reform the public sector. The government contracted consultants to study the state of the public administration and make recommendations on how best to reform the public service (Ahmed, 1994 cited in Pillay et al, 2012). The first major administrative reform action proposed by the study was to create a Development Administration Unit in the Prime Ministers Department. This unit would be tasked with formulating and guiding plans for administrative improvement. The second proposal was the improvement of the government's education and skills development programs for all levels of the civil service. The third proposal related to the strengthening of professional competence of the civil service so that it could provide the necessary administrative leadership for the rapidly developing country (Dass and Abbott, 2008)

For the proposal's implementation, the Government set up the Skills development and Career Development Division in the Public Service Department in 1966 and expanded the skills development budget. The Government accepted the importance of large-scale formal skills development in public administration and management for the majority of civil servants as opposed to relying on "on-the-job" skills development as in the colonial tradition. This was a fundamental shift towards strengthening key areas within the public service (Ngoc, 2004). The seventies were also devoted to the implementation of massive education and skills development of the Malaysian.

The Government also expanded the National Institute of Public Administration (INTAN) in the early seventies. This was achieved not only through enlarging its size and courses offered, but all activities related to skills development were reviewed and updated including course content, programme designs, and periods for skills development. Its role was meant to be not only as a skills development institution but also as a change agent within the context of the development administration. INTAN began producing a large number of trainees from its varied programmes from Diplomas in Public Administration to in-service courses (Ngoc, 2004). In the early 1980s, the "Look East" policy was implemented. Here, Malaysians were encouraged to look east to the work ethic and culture, among others, of the highly successful Japanese and South Koreans. In the field of education and skills development, the Government sent a number of Malaysians including

senior civil servants, to these two countries. The second policy was “Malaysia Incorporated” which was announced towards the end of the 1980’s. “Malaysia Incorporated” was based on the premise that successful national development required public-private sector collaboration, cooperation and adherence, and the perception of the nation as a business entity. The policy has been implemented in various ways through consultative panels between the two sectors to exchange information and promote understanding as well as through skills development programmes in INTAN, department skills development institutions, and the State Governments. The Malaysian case illustrates that skills development when used as a public sector reform mechanism is effective, but that skills development needs to be sustained.

Case study 4: Human Resource Development (HRD) in Pakistan

Skills development initiatives in Pakistan were driven by HRD. The Pakistan workforce has low skills levels, making it difficult for the country to meet global economic production standards. New technology requires workers to acquire skills throughout their working life in order to remain efficient (Kazmi, 2006). “Human resources development (HRD) is the process of capacity building and strategic mobilization of human capital which unlocks the door of modernization, increases productivity and greater global trade as well as integrates them with the world economies” (Kazmi, 2006: 105). An effective HRD system therefore promotes decent job opportunities by enabling workers to improve their skills, adapt to a diversified economy and improve their levels of productivity, thus reducing unemployment. Kazmi’s (2006) study of skills development initiatives found that while globalization posed certain challenges to development, opportunities also prevailed. HRD has the potential to transform skills development at a global level, in relation to both the formal and informal skills required by the economy. This called for the strengthening of the private sector training system and led to the establishment of Skills Development Councils (SDCs). Pakistan’s success lay in promoting both educational and basic skills development.

Case study 5: Skills development in Korea

The Korean case offers a good example of the active role played by government in skills development. Korea adopted a government-led skills development system to ensure a skilled workforce and protect vulnerable groups (Sun Ra & Woo Shim, 2009). Skills development in Korea since the 1997 economic crisis has concentrated on securing training opportunities for vulnerable groups, such as, the unemployed, non-regular workers, the aged, females, the under-educated, and SME workers, in order to reduce relative poverty and social polarization (Sun Ra & Woo Shim, 2009). Mass unemployment in Korea after 1997 called attention to poverty and the importance of creating jobs as a source of income. The main objective of the programme was to establish quality training infrastructure which enhances youth's employability and productivity; the project targeted unemployed youths in Vientiane, Laos to increase their skills capacity and employability (Chun and Cheol EO, 2012: 11). Thus skills development initiatives in Korea are a key focus of the country's economic development strategy (Sun Ra & Woo Shim, 2009).

The main aim of the Korean training initiative is to address poverty and inequality by creating job opportunities and enhancing productivity. Linkages were created between existing skills and new skills through enhancing and promoting measures to enable workers to adapt easily. The Korean training agency argues that the benefit of skills training does not accrue exclusively to the workers who receive training, but can be shared by other people in society as a public good. However, employers are reluctant to provide training to their workers or assume the total cost of training (*ibid*). The skills development system in Korea now faces new issues and challenges. The first is the challenge of meeting the skills requirements of the globalizing and knowledge-based economy; while the effectiveness or efficiency of Korea's skills development system has also come under question (*ibid*).

3.6 Skills development initiatives in South Africa

The term skills development is used in the Green Paper: Skills Development Strategy for Economic and Employment Growth in South Africa (1997: 1) to refer to:

A specific training perspective was created by the Department of Labour developed as a project for the people. This perspective emphasizes the development competent performance by an individual for a specified and yet dynamic social or economic purpose. Skills development should result in skilled performance such as is traditionally associated with the work of skilled craft worker, skilled managers and skilled professionals.

(Ostrom, 2005) noted that skills development initiatives

Those of us who are concerned with unlocking human potentials need to recognize the importance of authorizing citizens to constitute their own local jurisdictions and associations using the knowledge and experience they have concerning the public problems they face. We have much to do to enable citizens all over the world to participate actively in local public economies”.

Therefore, it's important to understand the purpose and the reasons for providing skills development in South Africa. In South Africa there is a challenge to overcome the past because the country suffered a great deal under the burden of a huge range of socio-economic disparities, enshrined under the apartheid system (Mutsila, 2003). Moreover, like other developing countries, South Africa is faced with the problem of a shortage of skilled human resources in the most important sectors of the economy and at the same time there is a surplus of unskilled human resources.

According to Gxilishe and Van der Vyver (1983: 3) the projection of South Africa statistics indicated that by the beginning of the new millennium only 7% of new recruits into the labour market would be white, with the result that employment would have to rely heavily on black workers to grow the economy. Effective skills development was therefore essential. Gxilishe and Van der Vyver (1983: 3) argue further that because 54% of the blacks in the labour force were still employed as unskilled and manual labourers, there was an imbalance between highly trained and unskilled- the main problem in the SA labour market-which stresses the need for a greater emphasis on the industrial training for black workers.

Case : Local Government SETA

As a result of the skills shortage in South Africa and the need to empower the previously disadvantaged majority, the Skills Development Act (1998) provides a framework for the development of skills in the workplace. Amongst other things, the Act makes provision for skills development by means of a levy-grant scheme, and the establishment of 23 sector-specific Sector Education and Training Authorities – or SETAs – to administer the scheme's funds, and manage the skills development process. The SETAs were established in March 2000 and are responsible for the disbursement of training levies payable by all employers in the country. SETAs replace and extend the work of the previous industry training boards and are accredited by the South African Qualifications Authority.

The Local Government SETA is one of the 23 Sector Education and Training Authorities established on the grounds of the Skills Development Act. One particular area that the LGSETA focuses on is training interventions and Learnerships in LED. From August 2002 on the LGSETA embarked on a process to develop the LED qualifications Framework with the final objectives to implement a range of LED Learnerships and to provide all necessary tools and material for a nationwide rollout. In order to have a sound basis for the development of operational Learnerships and Skills Programmes the LGSETA initiated the establishment of partnerships between the SETA, employers (municipalities) and local / regional training providers (FET Colleges, Technikons and Universities). The LED Learnerships are developed by the LGSETA with the support of the Department of Provincial and Local Government (DPLG), the South African Local Government Association (SALGA) as well as a wide range of other relevant stakeholders. The LED Qualifications Framework at National Qualifications Framework (NQF) Levels 4, 5 and 6 should result in the sound training of LED practitioners to provide them with the necessary knowledge and skills required to be successful LED facilitators and to provide them with a learning/career pathway in LED. These three qualifications will ensure a comprehensive understanding of LED and its application in the South African context.

Source : (adapted from Patterson, 2008: 20)

3.6.1 Skill development methods and new policy trends in post-Apartheid South Africa

Successful stories demonstrate why LED has become one of the main key methods to invent new ideas of skills development initiatives. Implementation of the skills development strategy in South Africa depends considerably on the establishment of an effective link between learning and the requirements of work in order to improve returns on education and training investments. Such policies include national and local skills and training framework, the Green Paper discuss effectiveness of policy implementation.

The Green Paper (1997: 20), proposes decentralized training decision as a critical means of dovetailing learning with work, provided the articulatory mechanism functions in an enabling environment that supports more effective decisions by learners, regional or local authorities, education and training providers. As Benell (1991: 42) rightly points out that:

The challenges facing the democratic state in post –apartheid South Africa is posed by the inefficient apartheid structures of production, which have to be transformed in order to generate high levels of economic growth while ensuring a major redistribution of income and wealth. While the debate continues about the economic strategy that should be pursued, it is clear that the comprehensive restructuring of the whole labour force will be critical important

Several policies have been implemented in South Africa with mandate to transform human resource and economic development through skills development projects. Such policies include South African Government’s White Paper on Education and Training (WPET) published in 1995 with guidelines on post-apartheid education policy. In this document the government committed itself to an integrated approach to education and training in South Africa because, as noted by Christie (1997: 111), such an approach effectively rejects the established organization of the curriculum with its built-in inequalities of occupation and social class that closely resemble ethnic divisions in South Africa. According to ANCs Policy Framework for Education and Training (1994: 10):

Education and training in South Africa must bear a significant proportion for the fact that most people are undereducated, under-skilled and underprepared for full participation in social, economic and civic life. Most of the unemployed lack the basic education on which to build and many of those in work are locked into low –skilled and low pain jobs.

It is clear that the above statement gave birth to the mandate of WPET, which had an ambitious policy agenda for transforming skills development in South Africa, guided by the dual concerns of human rights and the urgent need for human resource development (Mutsila, 2003: 45).

The Green Paper on Skills- development Strategy for Economic and Employment Growth in South Africa (1997: 1) also proposes a new approach to skills development which complements the formal education system. It is primarily concerned with training and to improve intermediate skills based on the country and labour market training for target groups namely unemployed, youth, women, people with disabilities and people in rural areas.

Therefore, the Green Paper sets out clear objectives that concern the country as a whole:

- a. To facilitate a general increase in the skills profile of the population, through accredited quality education and training linked to National Qualifications Framework.
- b. To facilitate more structured and targeted skills formation within enterprises.
- c. To increase access to entry-level education and training etc.

3.7 Lessons from skills development initiatives in South Africa

Lessons of skills development initiatives in South Africa show that there is still a great deal of work that needs to be done in order to achieve the capacity of economic development and to eradicate poverty. Mutsila (2003: 52) argues that introduction of skills development initiatives is done for a variety of reasons mostly because of industrialization, innovative technological demands and to address unemployment problems. However, South Africa should acknowledge that the shortage of skills cannot be dealt with using narrowly driven strategic plans, however diversity remain crucial.

Taking into consideration the reasons why South Africa implements skills development initiatives discussed above, there is need to transform methods to maintain it relevance of skills development initiatives in order to address the needs of the society through LED projects. It is important to note that South Africa can also learn from developed and other developing

countries' experiences in implementation of skills development initiatives. In developed and other developing countries skills development initiatives are used to get unemployed people back to work. Initiatives are regarded as crucial for the maintenance of employment, economic growth and the social integration of disadvantaged groups. Through skills development both young people and adults are offered the opportunity to play an effective part in the work place and elsewhere in society. Like in developed and other developing countries, South Africa needs to address the acute shortage of skilled personnel in the formal and informal sector through skills development initiatives. Regarding the methods employed in other countries, it became evident that skills development initiatives can be provided through in-house programmes as in Japan and Canada where training is provided by mix of small firms, consultants and public- private sector institutions (Mutsila, 2003: 52).

Another factor that is crucial regarding implementation of skills development is that there must be a distinction in targeted groups so that there is a clear indication of which skills training programmes should be directed for a particular group. For instance targeted groups can be adults' or learners with varying level of education. The appropriateness of skills training offered to different regions and local society remain a relatively intractable problem in South Africa. This condition undoubtedly makes the provision of skills development unsuccessful because different regions require diverse skills types according to their needs. In Germany, France, Japan and Canada for instance, workers are exposed to variety of skills development programmes that enables them to receive training for the advancement of their skills based on the life-long development.

3.8 Conclusion

This chapter highlighted the experience of skills development initiatives in different regions of the world, including South Africa. It identified the factors which contribute to the failure of LED projects in international and local contexts. According to Musakwa (2009: 81), international case studies have established that there are very few successful LED programmes. The case studies cited above point to several challenges in implementing LED. This chapter has also emphasized why that LED has been recognized as a strategy to promote economic and social development, to alleviate poverty and empower individuals through skills training.

This chapter was aligned to the aim of the study which sought to assess the role and the effectiveness of skills development in South Africa for the purpose of identifying factors that contribute to success and failure of skills development. The following chapters will indicate through a combination of empirical research methods and data analysis whether skills development initiatives have contributed to local economic development in South Africa, particularly Cato Manor as the case study of choice.

4. Chapter Four: Research Methodology

4.1 Introduction

The research methodology explains the logic behind the research methods and techniques adopted for a study (Welman *et al.*, 2002). Research methodology covers several procedures which include the choice of data, the collection and analysis of data and the interpretation of the results (*ibid*). “It is a scientific inquiry aimed at learning new facts, testing ideas; it is the systematic collection, analysis and interpretation of data to generate new knowledge and answer a certain question or solve a problem” (Degu and Yigzaw, 2006: 2). This study assesses the role of skills development initiatives in promoting LED in South African townships using the case study of Cato Manor, Durban. The study will involve qualitative data collection and analysis. Qualitative research is a classification of research procedures; techniques; methods; approaches; language and concepts to a structured research with a purpose of facilitating a study (Johnson *et al.*, 2004).

According to Sarandakos (2005: 36), qualitative research methodology is diverse, pluralistic and in some cases even ridden with internal contradictions; this is due to the fact that it integrates elements of different schools of thought. This case study of Cato Manor case utilizes both primary and secondary data sources, including the literature on skills development initiatives. The data collection tools include questionnaires, semi-structured interviews and observation. The sampling methods used depended on the number of SMMEs as skills development initiatives in Cato Manor.

4.2 Case Study

The researcher used the case study of Cato Manor to examine the factors that contribute to the success or failure of skills development initiatives as an LED strategy in Cato Manor Township, eThekweni Municipality. Cato Manor was selected due to the history of the area and the redevelopment initiatives that were launched under the auspices of the CMDA. According to the CMDA (2002), the Cato Manor redevelopment project is the largest urban development project implemented in post-apartheid South Africa and has shown positive results in terms of fulfilling community needs. Several social facilities were established as part of the project, including schools, community halls, roads, libraries and clinics (CMDA, 2002). More particularly, the

CMDA promotes and encourages training programmes among small, medium and micro-enterprises to stimulate economic development and community empowerment.

Cato Manor is located on the periphery of the Durban Metropolitan area. It has an estimated population of 84 882 people with a projected future population of approximately 150 000 (CMDA, 2002). The location of the area is favourable for integrated development planning with the Durban Metropolitan area. Cato Manor is characterized by mixed land uses which include residential space and industrial/commercial land development. Industrial/commercial land includes a retail sector, a manufacturing sector, craft projects, an entrepreneurial support centre and SMMEs. The distinguishing aspects of redevelopment in Cato Manor include skills development initiatives. Such initiatives include basic business management, multi-skilling, a job opportunities bureau (JOB), basic economic life skills, a home ownership education project, savings clubs and co-operatives, industrial skills, urban agriculture, institutional development and sports development. While these initiatives have been successful to some degree, shortcomings are also evident and lessons can be learnt with regards to skills development initiatives as LED strategies in post-apartheid South Africa townships.

4.3 Data Sources

4.3.1 Primary data sources

Primary sources focus on research not conducted before, tailored to specific questions and decisions (Baumann, 2007). Primary data sources involve variables which are used to collect information, for the purposes of answering a specific research question. Primary data sources focus on first-hand information. According to Curtis (2008: 2) “primary data is collected specifically to address the problem in question and is conducted by the decision maker, a marketing firm and a university or extension researcher: unlike secondary data, primary data cannot be found elsewhere”. Primary data can be collected through focus groups; in-depth interviews; experiment and surveys (Curtis, 2008). This case study used several methods to collect primary data, including semi- structured interviews, questionnaires and observation. The selection of data sources was crucial due to the impact they have on the information obtained. The advantage of primary data sources is that they provide new, original information without limiting participants’ views regarding the research problem. Primary data sources also allow the researcher to engage with community members by observing behavior.

4.3.2 Sampling

A total population can be too large to collect information from all its members; thus a group of individuals is selected as representative of the population. Sampling should take into account the size of targeted group and the accuracy of data collection. The selection of the small representative sample involves the identification of a certain group that is representative. A small sample will be used in this research study with a mixture of targeted and untargeted qualitative and quantitative research tools which reveal the unique features of skills development initiatives employed in Cato Manor (Baker *et al.*, 2004). Purposive sampling was used and the specific targets included different stakeholders such as SMMEs community representatives, the Ward Councillor and the Ward Committee.

Tongco (2007, 147) argues that “the purposive sampling technique is a type of non-probability sampling that is most effective when one needs to study a certain cultural domain with knowledgeable experts within”. Palys (2008: 1) notes that:

To say you will engage in purposive sampling signifies that you see sampling as a series of strategic choices about with whom, where and how to do your research. Two things are implicit. First is that the way that you sample has to be tied to your objectives. Second is an implication that follows from the first, i.e., that there is no one best sampling strategy because which is best will depend on the context in which you are working and the nature of your research objectives.

Purposive sampling technique therefore involves choosing certain cases based on an explicit rationale. Purposive sampling specifies what, how and why a specific group of individuals should be part of the research study. According to Teddlie & Fen Yu (2007: 80), purposive sampling methods also focus on the selection of cases based on a specific rather than random sample. “There are six types of purposive sampling procedures that are based on achieving representativeness or comparability: typical case sampling, extreme or deviant case sampling, intensity sampling, maximum variation sampling, homogeneous sampling, and reputational sampling; although some of these purposive sampling techniques are aimed at generating representative cases, most are aimed at producing contrasting cases” (Teddlie & Fen Yu: 2007: 4). The use of purposive sampling procedures enables the direct participation of different stakeholders in Cato Manor Township in order to assess the impact of skills development initiatives.

4.3.3 Sampling Procedures

The sampling procedures included all stakeholders involved in development strategies initiated by the CMDA; including members of the community represented by the Ward 29 Councilor, the developer, officials, representatives of SMMEs functioning within the area, the skills development initiatives facilitator and the chairperson of eThekweni Municipality Planning Committee as the LED Coordinator. The sampling procedure is illustrated below:

- A sample of twenty SMMEs was selected from the vast number existing in Cato Manor. Different types of SMMEs were selected in order to cover a broad spectrum of functions. However, purposive sampling was used with the aim of selecting groups without similar characteristics. The majority of SMMEs have similar functions, which could have compromised the findings of the survey. The use of purposive sampling allowed for direct selection of SMMEs.
- These groups represent informal employment, which has grown since the advent of the CMDA. These were purposefully selected based on a ground evaluation of their evolution and impact on improving the Cato Manor area. The main aim of assessing the progression of SMMEs in Cato Manor was to monitor the level of development and its impact on skills development within the area.
- The Ward Councillor and Ward Committee were interviewed to establish their views on LED projects in the area. These interviews aimed to evaluate the critical factors relating to development projects, in order to assess whether LED skills development initiatives fulfilled their functions and objectives, based on the mandate of community development.
- The final set of interviews was conducted with key informants involved in development projects in Cato Manor. These included the former Chairperson of the CMDA to establish the aim and functions of the agency and the extent to which it had achieved these objectives. The former Area Based Management (ABM) manager was interviewed in relation to the progress of projects implemented in Cato Manor. Finally, an interview was held with the Town Planner responsible for LED strategies within eThekweni Municipality.

4.4 Data collection tools and procedures

Primary and secondary data were collected to investigate the research problem. Primary data sources include semi-structured interviews and questionnaires which allow participants to answer the research questions according to their personal experience. Observation was also used as a data collection tool to observe the relationships between the stakeholders. The selection of different data collection tools was motivated by the diversity of the participants and their contribution to the study. Secondary data sources focus on information used by other researchers to answer their own research problems and questions. Secondary data sources include journal articles, the CMDA website, evaluation reports, policy documents and case studies and census data.

4.4.1 Interviews

Primary data sources include first-hand information, using semi-structured interviews, questionnaires and observation. Semi-structured interviews empower individuals to state their own opinions on whether skills development initiatives have been effective in the community and the underlying factors that contributed to the failure of a number of projects implemented in Cato Manor. Interviews provide in-depth information and represent individuals' different interests. While interviews have both advantages and disadvantages, the advantages outweigh the disadvantages. One of the advantages of interviews is that they provide direct data from well informed individuals. They also present an opportunity to probe for new ideas and challenges relating to the research question (Sarandakos, 2008). However, information might be biased if participants are not properly selected (USAID Center for Development Information and Evaluation, 1996).

Semi-structured interviews were conducted with the former Chairperson of the CMDA, participants in skills development initiatives in Cato Manor, SMME representatives, the Ward Councillor and Ward Committee, household representatives, the Area Based Management (ABM) programme manager responsible for guiding all projects in Cato Manor and the Ethekwini Municipality planner responsible for LED projects. Canvassing the views of different representatives will ensure unbiased information regarding the research problem. The interview with the CMDA former chairperson will provide background information on Cato Manor projects. The ABM manager will provide information on the current issues in Cato Manor in

terms of LED strategies. The EThekwini Municipality representative will provide information on the policies that guide development in eThekwini in both urban and rural areas. The involvement of developers will contribute detailed information about Cato Manor, including skills development initiatives and redevelopment projects specified as LED strategies.

4.4.2 Questionnaire

A questionnaire can be defined in broad terms as a data collection tool presented in a written form which respondents can use to answer questions (Carman, 2004). “Questionnaire can either be in the form of a self-administered questionnaire i.e. where the respondent is requested to complete the questionnaire in his/her own time or in the form of a structured interview, where the interviewer writes down the answers of the respondent during a telephone or face-to-face interview” (Eiselen, *et al.*, 2005: 2). Questionnaires vary according to the way they are administered as well according to their nature; whether they are standardized or non-standardized. Questionnaires were administered to 20 SMMEs in Cato Manor.

According to Musakwa (2009:99), a questionnaire should contain mainly coded questions which simplify responses and assist in data analysis. The questionnaire should further encourage individuals to respond to questions in different ways. Eiselen *et al.* (2005: 2) note that the advantages of questionnaires include that they are cost effective when administered in person compared with interviews; they limit the bias of the interviewer and they are practical in that respondents can complete them at a time and place convenient to them. “The significant disadvantage of self-administered structured questionnaires that are disseminated by hand, post, e-mail or the Web is that the response rate tends to be low, especially when the questionnaire is too long or is complicated to complete, the subject matter is either not interesting to the respondent or is perceived as being of a sensitive nature” (Eiselen, *et al.*, 2005: 3). Furthermore, the researcher does not have full control as to who fills in the questionnaire if it is self-administered.

Open-ended questions were used to gather information on how people in Cato Manor relate to skills development initiatives as LED strategies. The strength of open-ended questions is that they allow an individual the freedom to express feelings and thoughts, especially when complex issues are being studied and they also offer information in areas that might not have been foreseen by the researcher. However the weaknesses of open-ended questions include

participants providing unsuitable or irrelevant information and the fact that they require additional processing if statistical analysis is intended (Sarandakos, 2008). Closed (coded)-ended questions were used to gather information on skills development initiatives employed within the community; how different individuals understand these projects and how they access basic services.

4.2.3 Observation

Observation was also used to scrutinize projects that have been implemented in Cato Manor. Kumar (1999) defines observation as a systematic, sequential way of presenting information through attentive listening and observation during an interaction or event at a particular time. Observation entails gathering data mainly using visual techniques; it may be used as the only data collection technique or jointly with other techniques such as intensive interviewing, documentary study or case studies (Sarandakos, 2008). This method assumes that behavior is purposeful and expressive of deeper values and beliefs. Observation can range from a highly structured, detailed notation of behavior structured by checklists, to a more holistic description of events and behavior (Marshall, 2006: 98). Observation data collection can be divided into direct and indirect, or participant and non-participant modes. During observation researchers may form groups with the intention of observing elements such as behavior and the environment where the interaction or the event takes place (Sarandakos, 2008). However a researcher may choose to conduct non-participant observation where their position is clearly delineated from the area under discussion (*ibid*).

There are two types of observation that differ in terms of the degree to which they are structured or unstructured (Sarandakos, 2008). Structured observation employs a formal and strictly organized procedure with a set of well-defined observation categories and is subjected to high levels of control and standardization (*ibid*). Unstructured observation is loosely organized and the process of observation is largely left up to the observer (*ibid*). Indirect (unstructured) observation will be employed during data collection in Cato Manor, where the researcher does not observe the activity itself, but instead uses indirect observation to gather information (Rugg and Petre, 2007). Observation has both strengths and weaknesses; it can be used to gather substantial information when other techniques prove ineffective and can provide primary information without depending on secondary reports (Sarandakos, 2008). Observation yields a wide range of information, even when the information is thought to be irrelevant at the time of

study (*ibid*). However, the observation data collection tool cannot be employed with a large group or extensive events and can also only provide limited information about future or random proceedings.

4.2.4 Secondary data sources

Secondary data sources are based on information already interpreted by other researchers. These data sources are collected for another research project or are data that were not collected with any research in mind at all (Marlow, 1998; p178). Secondary data sources include different types of information. They provide an understanding of what other researchers have concluded. The secondary sources used for this study include articles, government publications, books, CMDA 2002 reports, skills development initiatives (SDI) reports, mapping and Area Based Management (ABM) reports. The 2006/2011 National Framework for LED was used to evaluate the policies underpinning LED strategies. The literature review and conceptual framework for this study involve an examination of local and international LED strategic projects, as well as those in Cato Manor.

The secondary data sources explore and illustrate the importance of past research findings in relation to skills development and LED in Cato Manor. Secondary data sources have both advantages and disadvantages; however, the advantages outweigh the disadvantages. The first main advantage is that someone else has already collected the data and the key objectives and outcomes are set out. Boslaugh (2007: 3) observes that “the researcher does not have to devote many resources to this phase of research: cost is almost certainly lower than the expense of salaries, transportation, and so forth that would be required to collect and process a similar data set from scratch”.

Another advantage of secondary data is that it allows a researcher to explore their research question before attempting to analyze primary data. Secondary data allows a researcher to compare case studies. However Boslaugh (2007: 4) concludes that “one major disadvantage to using secondary data is inherent in its nature: because the data were not collected to answer your specific research questions, particular information that you would like to have may not have been collected” (Boslaugh, 2007: 4). Secondary data merely provides a broader perspective of the research question.

4.4 Data Analysis

Data analysis is the process where one transforms the data collected with the aim of gaining useful information and coming up with conclusions (World Bank, 2002). Qualitative data analysis may be applied to an interview, records collected from a respondent or text that is identified which reflects on the topic of the study. Qualitative data analysis may take the form of interview transcripts collected from research participants or other identified texts that reflect the topic of the study. Other forms of data that may be used include videos and images (Anderson, 2007).

This study applied thematic analysis to the data collected in order to answer the research problem. Thematic analysis shares many of the principles and procedures of content analysis; indeed, the terms ‘code’ and ‘theme’ are used interchangeably (MarksLucy Yardley, 2004). Thematic analysis involves identifying the main themes in the information provided by the participants. “Thematic analysis is a method for identifying, analyzing, and reporting patterns (themes) within data: it minimally organizes and describes your data set in detail” (Boyatzis, 1998). Thematic analysis articulates and interprets the underlying meanings of the themes observed during the data collection phase (MarksLucy Yardley, 2004).

However, thematic analysis does not impose a single method of analysis, but allows for flexibility. Braun & Clark (2006: 10) add that “given the advantages of the flexibility of thematic analysis, it is vital to understand that one is not trying to limit it flexibility: however, the critiques of thematic analysis can be identified as too flexible methods”. It is not limited to the detection of the themes but also analyze their variations and their pertinence, as well as their global associations at the level of the corpus (Chabi *et al.*, 2011:29). Have considered both the advantages and disadvantages of thematic analysis, the researcher chose to use this approach to analyze all textual and observed material. Therefore this study seeks to harness the flexibility of thematic analysis by identifying methods to fulfill the research objectives. The process of thematic analysis can be divided into six phases: coding, familiarization with the data collected, the generation of initial codes, searching for themes, reviewing and naming and producing the report.

Phase 1: Code Material

The first phase of thematic analysis challenges a researcher to fully familiarize themselves with the information. A list of codes was developed to analyze the interview transcripts and questionnaires. “The first step in a thematic networks analysis is to reduce the data; this may be done by dissecting the text into manageable and meaningful text segments, with the use of a coding framework” (Stirling, 2001: 4). Understanding the data enables a researcher to engage with the text. According to Stirling (2001: 4), the thematic network method is a vigorous tool to systematize and present qualitative analyses; thus it can be demonstrated in the form of a web-structure which summarizes the key themes of the findings. The information is dissected into written segments using the coding framework.

Phase 2: Identify Themes

The second phase can be defined as the fundamental level in developing the framework for analysis. It determines the structure and relevance of the code identified from the raw information (Boyatzis, 1998). The classification of themes involves two steps: abstract themes and refining themes. “Abstract themes from coded text segments go through the text segments in each code and extract the salient, common or significant themes in the coded text segments: this can be done by rereading the text segments within the context of the codes under which they have been classified, abstracted from the full text” (Stirling, 2001: 4). Refining the themes involves the further selection of themes according to specifics and a set of ideas delimited by text segments. This helps to condense the data into controllable sets to signify the context of the information. This involves “going through the entire data set, giving full and equal attention to each data item, and identify interesting aspects in the data items that may form the basis of repeated patterns (themes) across the data set” (Braun & Clarke, 2006: 19). Identifying the themes of this study involved both an amended framework of questions and also added information in order to avoid the limitation of the findings. This allowed for a flexible rearrangement of the thematic network, which phase three broadly illustrates.

Phase 3: Construct Thematic Networks

The third phase commences once the researcher has coded the information and gathered a list of dissimilar codes identified from the findings (Braun & Clarke, 2006). “This re-focuses the analysis at the broader level of themes, rather than codes, involves sorting the different codes

into potential themes, and collating all the relevant coded data extracts within the identified themes” (Braun & Clarke, 2006: 20). The construction of thematic networks involves summarizing segments of information that have been coded as the data, turning it into raw material (Boyatzis, 1998, p. 45).

The identification of thematic paths is based on the results of the previous steps, in particular the identification of thematic associations (Chabi *et al.*, 2011: 24). Generally, the thematic navigation consists of a path characterized by a compromise between, on the one hand, the expectations of the reader (the subjective constituent) and, on the other hand, the semiotic indications present in the text (Chabi *et al.*, 2011: 24). Five steps are involved in the construction of themes: the arrangement of themes, selection of basic themes, rearrangement of themes into an organized network, the deduction of global themes and illustration of networks, and refining the theme networks. The construction of the thematic networks stage is complicated compared with other stages of a qualitative synthesis. It is also possibly more controversial, given its reliance on the perceptions of the assessor (Thomas & Harden, 2007). However, the objective is to summarize particular themes in order to create larger, unifying themes that condense the concepts and ideas noted at a lower level (Stirling, 2001). The themes identified should present the source for the thematic networks.

Phase 4: Describe and Explore Thematic Networks

As Stirling (2001: 393) notes that, “thematic networks are a tool in analysis, not the analysis itself; to take the researcher deeper into the meaning of the texts; the themes that emerged now have to be explored, identifying the patterns that underlie them”. To explore and describe the themes is to summarize given meanings and the underlying sequence of the text segments once they are constructed. Following phase 3, the researcher recaptures the original text and understands it with proper measures. The construction phase entails two levels: re-evaluation and refining themes. The review of themes focus on re-assessing coded information to identify common themes. The researcher must read all the collected information and identify consistent patterns (Braun & Clarke, 2006). The second level focuses on the validation of themes relating to the information set which should confirm if the researcher’s ‘candidate thematic map’ is accurate and reflects the meanings and underlying content (Braun & Clarke, 2006).

Phase 5: Summarize Thematic Networks

This phase is characterized by the identification of the data aspects being captured, according to thematic network. Crabtree & Miller (1999) observe that the “joining of codes system is the procedure to discover the pattern of the information set” discussed in Fereday, Muir-Cochrane (2006). The categorization of sub-themes and themes enables a researcher to further analyze information. (Braun & Clarke, 2006: 23) note:

For each individual theme, you need to conduct and write a detailed analysis, as well as identifying the story that each theme tells, it is important to consider how it fits into the broader overall, story that you are telling about your data, in relation to your research question or questions, to ensure there is not too much overlap between themes”

The connection of codes allows information to cluster according to relative headings that relate to the research questions. Themes must also be aligned according to the potential conflicts identified.

Phase 6: Interpret Patterns

Phase six informs the final analysis and writing of the report (Braun & Clarke, 2006). This last phase focuses on the conceptualization of relative findings in the summarized thematic network and the creation of an interconnected story by referring back to the research study’s original questions and objectives (Stirling, 2001). Thus, the interpretation and articulation of the gathered information should paint a picture that interests the reader. The significance of the analysis (of the textural data) is to present a brief, articulate, consistent, non-recurring and accountable story across themes (Braun & Clarke, 2006).

4.5 Limitations

One limitation was encountered in locating SMMEs from different wards. The questionnaires were distributed to all SMMEs; however, a shortfall occurred when some formal businesses did not fully participate due to ethical reasons. However, they allowed the researcher to spend time at their business site as an observer. Another limitation included safety, due to the locations of SMMEs; the researcher encountered difficulties to properly conduct the survey. However the small sample survey enabled the researcher to acquire adequate information to draw conclusions.

5. Chapter Five: Analysis, Findings and Results

Introduction

This chapter analyzes and systematizes the research findings. It presents an analysis of the ways and extent to which skills development initiatives have led to Local Economic Development (LED) in the township of Cato Manor, Durban, South Africa. It was hypothesized at the beginning of this research study that the implementation of skills development initiatives in Cato Manor Township has had mixed fortunes in relation to promoting LED. This chapter tests this hypothesis using the primary and secondary data obtained from key stakeholders and the literature. The key stakeholders included officials from the Cato Manor Development Association (CMDA), Area Based Management (ABM), the eThekweni Municipality Planning Department, the Ward Councillor and Ward Committee and Small, Medium and Micro-Enterprises (SMMEs).

5.2 Background to skills development initiatives in Cato Manor Township

While Cato Manor Township covers an area of 1 800 hectares, only 900 hectares are appropriate for development purposes. Cato Manor is positioned close to the eThekweni Central Business District (CBD) between two main highways (the N3 and M7), intersected by the N2 from the south side of the area (CMDA, 2002). The estimated distance from the Durban CBD and the major employment centre referred as Employment Management Association (EMA) is seven kilometers (CMDA, 2002). Cato Manor has easy access due to the major roads that link the area to the CBD and the harbor. Transportation routes promote economic development due to accessibility of the area. Cato Manor Township is estimated to have the capacity to accommodate between 157 000 and 179 000 dwellings, including social facilities, business sites and open space areas.

The redevelopment and planning of Cato Manor has been influenced by historical factors since 1845. The redevelopment of the township has focused on the integration of several projects to promote LED. According to Robinson & Forster (2004: 121)

Cato Manor was first inhabited by small-scale chiefdoms as far back as the 1650s. Durban achieved municipal status and George Cato became its mayor, taking occupation of prize farm land near the Umkhumbane River. In the 1880s, Indian

people who had been freed from their contracts on the sugar plantations began to settle in Cato Manor.

Due to increasing migration from the rural areas, African people dominated the area; this resulted in unplanned development. During the 1950s, about 45 000 to 50 000 Africans settled in informal settlements. This led to over population and a lack of infrastructure such as proper sanitation and water facilities.

During the 1992 to 1993 period CMDA was established to combat the unplanned development that was already overcrowding Cato Manor. CMDA was responsible for the injection development strategies to enhance living standards and also boost the economy of Cato Manor socially, economically, politically and spatially. Social development focused on empowerment and community safety (CMDA, 2002).

In partnership with the EThekweni Municipality and NGOs, the CMDA embarked on skills development initiatives in Cato Manor to promote LED, focusing on developing the business and entrepreneurial skills base of the local population. From the year 2000, local people were trained in a variety of vocational skills to enable them to access new economic opportunities, gain employment, start new businesses, strengthen existing business organizations and gain basic life skills to survive in an urban environment (CMDA, 2002). A wide range of skills development initiatives were launched to provide opportunities for all age groups. As a starting point, the CMDA launched two innovative educational skills programmes, customized by its Community Development Department that included social and economic literacy programmes. Mulqueeny (2004: 1) notes that:

Life skills enhance and furnish individuals with important knowledge to navigate their way around the obstacles thrown up in everyday life. The main key is how it combines with individual; family or community resources beyond the classroom to influence social change. We can then hold them accountable, allowing them to hope and dream. Rather than pointing out the dangers of certain behaviors, life skills education strengthens skills such as decision making, communication and problem solving.

The CMDA's development initiatives aimed to promote social and economic development in Cato Manor Township. Given the fact that Cato Manor is characterized by social fragmentation and poverty and unemployment, skills development initiatives play an important role in

promoting sustainable development. A further objective is empowering individuals; financial and other resources are made available to SMMEs to facilitate economic growth.

Furthermore, the following discussion focuses more on the development profile such as education, employment and skills trends.

5.2.1 Education, employment and skills profile

The education profile of the Cato Manor is close to what would be expected in an area which is largely informally settled². Education levels differ between the formal and informal areas of Cato Manor, which highlights the yawning gap between the classes and thus the social upliftment that is urgently required in the area (Vermaak *et al.*, 2001). The highest percentage of non-schooled residents is accounted by Chersterville with an estimate of 1674 and Old Dunbar 1674. Cato Manor is dominated by resident qualified for Grade 12 national certificate with 7995 (Old Dunbar), however in contrast to higher education person, the percentage decrease to be 6444. That demonstrate a gap between continues flow from grade 12 to higher education level.

Table 5.1 Educational level of Cato Manor according to the precincts in 2006

Persons	Cato Crest	Wiggins	Chesterville	Old Dunbar
No schooling	828	1101	1674	750
Some primary	2136	2331	3804	1020
Complete primary	1014	1179	1836	513
Secondary	5901	8757	9609	5223
Grade 12	4989	6111	5349	7995
Higher education	4827	957	1080	6444

Source: www.statssa.co.za

Furthermore, comparison between educational level and employment opportunities demonstrates imbalances between skills training acquired and available jobs within the area. Employment figures displayed by three main precincts of Cato Manor according to the recent demarcation

² The estimate of education profile within precincts of Cato Manor including Cato Crest, Wiggins, Chersterville and Old Dunbar

principles namely: Cato Crest, Chersterville and Old Dunbar. The unemployment figure is higher for Chesterville than the other precincts dominated by students/ scholar by 52.2 %, employment ratio of 27.3% (formal employment 18.1%, informal employment 6.5% and part-time 2.7%). The unemployment ratio was an estimate of 17.2 % in 1994 (Makhathini and Xaba, 1994a cited in Rich, 2000). Likewise, Cato Crest is subjugated by 47.5% students and unemployment of 15.7% compared to 23.9% employment. Refer to table 3.6 below.

Table 5.2 Employment breakdown status of 1994 and 1995 in Cato Manor

WARD	Cato Crest %	Chersterville %	Old Dunbar %
Scholar/Student	52.2	47.5	56.2
Formal employ	15.8	18.1	7.8
Informal employ	8.1	6.5	8.3
Unemployed	15.7	17.2	2.4
Part time employ	4.8	2.7	8.7
Other (Disable/retired)	4.4	8.0	16.6
Total	100	100	100

Source: Xaba & Makhathini (1994a, b cited in Rich, 2000).

The above table demonstrates how Cato Manor is also dominated by informal employment and part-time (seasonal jobs). According to Crooks (2000: 3) nonetheless, it is clear that formal, informal and part time employment are important components. A variety of informal employment opportunities for Cato Manor ranges from Labourer, Domestic up to managerial jobs in three areas are dominated by labourer category by 38.5% in Cato Crest, 39.6 % in Wiggins and lastly Chesterville by 29.6% with a total average of 36.0% overall. Domestic workers range as the second highest grouping by 22.5 % in Cato Crest, 16.5% in Wiggins, 12.0% in Chesterville and 17.0% as total average the lowest category is managerial position which is 0.2% for Cato Crest, 1.0% for Wiggins, 1.2% for Chesterville and the total of 0.8% average overall. Professional category also forms part of the lowest range of all areas and such critics notify a lack of proper measure to integrate informal and formal training. Police/security category has the percentage between 5.0% and 6.3% in all precincts areas of Cato Manor.

Table 5.3 Informal employment division in Cato Manor of 1994 and 1995

	Cato Crest	Old Dunbar	Chesterville	Average
Labourer	38.5	39.6	29.6	36.0
Domestic	22.5	16.5	12.0	17.0
Tech/Artisan	1.9	1.9	2.5	2.1
Clerical	2.2	2.7	5.8	3.6
Police/Security	6.3	5.0	5.3	5.5
Managerial	0.2	1.0	1.2	0.8
Professional	0.7	1.3	3.2	1.7
Semi-Prof	1.5	3.1	7.8	4.1
Driver	6.7	6.0	9.2	7.3
Supervisor	1.3	0.8	2.4	1.5
Shop assistant	3.9	1.0	8.1	5.3
Waiter/cook/porter	4.6	2.9	4.4	4.0
Other	9.7	15.2	8.5	11.1
Total	100	100	100	100

Source: (Xaba & Makhathini (1994a, b cited Rich, 2000).

Furthermore, implementation of skills development initiatives has demonstrated both strengths and weaknesses. Following the experiences of CMDA, skills development initiatives have encountered several strengths that include promotion of manageable support for existing business and new development opportunities with continuous training. Such programmes aimed to lift the skills base of the people of Cato Manor and empower them with economic opportunities (Cele, 2010: 12).

Additional enablement of SMMEs, construction industry, sound business and technical training, has been characterised by high levels of community involvement, to embrace the success of the training schemes and SMME development programmes. With specific reference to the development of skills development initiatives as LED strategy, business framework became priority, several small and medium business were facilitated with opportunity of growth. The businesses implemented in Cato Manor range from cooperative to individual. The significant

geographical location of majoring of small and medium enterprises is closer to the Bellair Corridor, whereby easy access encouraged. The figure below demonstrates the functions of enterprises and the pattern of facilities in one space.

Figure: 5.1 Bellair Corridor is one of the corridors identified in the Cato Manor area; it was planned as one of the major activity spines.



Source: (Researcher, 2012).

The above figure demonstrates the geographical location of economic activities within the Bellair Corridor. Significantly, Bellair Corridor serve as an example of how economic market should be planned whereby aesthetics principles such as accessibility, circulation and movement.

5.2.2 Skills development initiatives in Cato Manor

Several skills development training programmes were established to facilitate the growth of the local economy. These include: basic business management skills; industrial skills training; multi-skilling training programmes; construction skills training and urban agriculture training.

- Basic Business Management skills

Basic Business Management skills focus on training for emerging entrepreneurs to help grow their business. The main aim is to equip entrepreneurs with effective skills to respond to market opportunities. An estimated 230 people have been trained under this programme. The CMDA (2002: 1) notes that the “courses utilized material developed by the International Labour Organization (ILO) and as well as relevant marketing and management training, [and] include an analysis of each entrepreneur’s business: the training is also extended to entrepreneurs currently occupying the Bellair Centre, economic hives and container parks”.

Figure 5.3 Bellair Market



Source: (Researcher, 2014).

The above figure demonstrates the Bellair Market used for basic business (Informal trading).

- Industrial skills training

The industrial skills training programme targets unemployed individuals in Cato Manor in order to create employment opportunities. The CMDA (2002: 1) notes that the “programme has trained and placed over 100 people in artisan, catering and other position in the industry. Industrial skills training has also provided with training to fulfill staff requirement at the new Albert Luthuli Hospital in Cato Manor”.

- Multi-skilling Training Programmes

Multi-skilling training programmes focus on upgrading Cato Manor SMMEs in collaboration with the construction industry to impart skills such as building, sub/contractors and civil work contractors. “Eighty-nine homebuilders, subcontractors and civil engineering trainees have completed the course” (Cato Manor Development Project, 2000: 1). The ABM official confirmed that the multi-skilling training programme improves the level of practicality, where the creation of sustainable employment opportunities has reached its capacity.

- Construction skills training

Construction skills training programmes aim to train individuals to diversify into different construction fields. The programme hopes to encourage the establishment of small and medium enterprises. The construction skills training programme trains unskilled residents in block-laying, plastering and painting. A year-long construction skills training programme provided multi-skills training in one course (CMDA status report, 2000).

- Urban Agriculture training

Cato Manor has sufficient arable land for agriculture activities. The urban agriculture programme was established to encourage residents to plough and use free land for small-scale production. It specializes in small vegetable gardens and permaculture. However, challenges confronting the project included a lack of open space (land) due to the high demand from economic activities and the need for social infrastructure.

5.3 Research Findings

This section provides a synopsis of the study’s findings on the main question that this study poses, that is: What are the factors that contribute to the success or failure of skills development initiatives for LED in Cato Manor Township, eThekweni Municipality? The research findings are presented based on themes. Three themes were developed: skills development initiatives and the upgrading and maintenance of business infrastructure; social development, poverty alleviation and skills development initiatives in Cato Manor Township; and youth empowerment and skills training programmes. The findings are based on the experiences of the different role players involved in the implementation of skills development initiatives in Cato Manor Township. The different stakeholders, their roles and the sources of the data used for the findings and analysis of skills development initiatives in Cato Manor Township are shown in Table 5.4.

Table 5.4: Stakeholders, Roles and Data Sources in the analysis of skills development initiatives in Cato Manor Township

Stakeholders	Role	Sources of Data
<p>Cato Manor Development Association (CMDA)</p>	<ul style="list-style-type: none"> • The main objectives of CMDA include creating a competent and dynamic environment for all, particularly the poor and marginalized. • This is being accomplished through building inexpensive housing and security of tenure; • Cato Manor development includes infrastructure such as bulk services to reduce the inequalities generated during apartheid; • Improving access between people’s homes and places of work, social facilities and shopping sites; 	<p>Primary : Interview with the Chairperson of CMDA</p> <p>Secondary: Cato Manor Development Association (CMDA) website, CMDA Annual Reports;</p> <p>eThekweni Municipality website (http://www.durban.gov.za/durban)</p>

	<ul style="list-style-type: none"> • Facilitating a safe living and working environment. 	
<p>Area Based Management (ABM Cato Manor)</p>	<ul style="list-style-type: none"> • To facilitate interventions that increase the availability of socio-economic opportunities and services by identifying and matching socio-economic development needs with services and interventions. • Urban regeneration, responsive spatial reorganization. • Establishment of area level development platform • Improve public and residential environments • Improve appearance of the area, governance structures and citizen involvement. • Improve social capacity, through building social capital, citizen pride and satisfaction and safety infrastructure. • Improve access to services, facilities and economic opportunities. 	<p>Primary: Interview with ABM official</p> <p>Secondary: Area Based Management website and eThekwini Municipality website (http://www.durban.gov.za/durban)</p>
<p>eThekwini Municipality Planning Department</p>	<ul style="list-style-type: none"> • Represent the interests of all development programmes implemented in eThekwini and Cato Manor. • Provide guidance on the implementation of LED strategic plans. 	<p>Primary: Interview with Town Planner responsible for LED strategies within the eThekwini Municipality.</p> <p>Secondary: EThekwini Municipality website (http://www.durban.gov.za/durban)</p>

	<ul style="list-style-type: none"> • Provide, initiate and establish a local development strategy. • Provide infrastructure for • Social and economic use. 	Town and Regional Planning reports, Economic Development reports.
SMMEs representatives	<ul style="list-style-type: none"> • Represents small, medium and micro-enterprises. • Encourage entrepreneurship among local competitive team. • Encourage area-based economic activities (formal or informal enterprises). • Further consolidate existing infrastructure to stimulate new business opportunities. 	<p>Primary: Interviews with different informal and formal SMMEs.</p> <p>Secondary: CMDA Reports, 2002</p>
Ward Councillor and Committee	<ul style="list-style-type: none"> • Facilitate social and development initiatives in Cato Manor Township. • Represents the interests of individual residents of Cato Manor. • Bridge the gap between the private and public sectors. • Improve the quality of life by responding to social and economic challenges in partnership with the eThekweni Municipality. 	<p>Primary: Interview with Ward 29 Councillor and Committee representatives.</p> <p>Secondary: CMDA website, EThekweni Municipality website (http://www.durban.gov.za/durban)</p>

Source: (Researcher, 2012).

5.3.1 The success story of skills development initiatives in Cato Manor Township

According to AMB officials, integrated development is the main priority of the CMDA and ABM development programmes. The CMDA development plan initially focused on physical and spatial forms rather than measures to encourage human development such as skills development initiatives and building SMMEs as LED strategic programmes. Subsequently, CMDA past experiences were brought to bear on proposed ABM programmes to develop human development programmes. It was found that a variety of businesses, including the Construction Business and Laundry Business cc, Phindubuye Cooperative, Sidlakahle Catering, Khulasizwe Organic Farming Cooperative, and Siyakhula Cooperative had achieved success. These businesses were integrated with skills development initiatives to promote LED. It should be noted that such a strategy has been recognized at the national level as a local economic mechanism to reduce poverty and create job opportunities.

- *Construction and Laundry Business cc*

This business was established in 1994 and operates within the Bellair Market Hive; it is owned by a collective team of individuals. From 2006, Natal Portland Cement (NPC) provided training in market-related skills. The CMDA respondent noted that training programmes have exposed the business to several economic opportunities, thus boosting performance (CMDA, 2002). The training included quality control, an important factor in business success. SMMEs are trained in various techniques to ensure the production of quality products, including conducting quality checks before marketing the product. NPC also subsidized the purchase of block-making equipment. This equipment is lent to members for a short period of time until they are able to purchase their own. NPC officials who were interviewed confirmed that investment in small scale construction firms has led to tremendous growth through the Cato Manor LED initiative.

Figure 5.4: Construction and Laundry Business cc



(Source: Researcher, 2012).

- Sidlakahle Catering

Sidlakahle operates within the Wiggins area of Cato Manor and was established in 2004 in partnership with the CMDA. Sidlakahle focuses on food catering services. Since 2007, ongoing training has been provided by ABM workshops to empower this business with market-oriented skills. ABM officials confirmed that Sidlakahle's owner continues to prioritize these training workshops. The training enables the owner to acquire information to expand her business. During the interview with ABM officials, questions were asked in relation to the effectiveness of the training programmes made available by the ABM programmes, including the kind of business qualification offered and the shortcomings of the business. According to the owner of Sidlakahle Catering, the ABM programmes have not only empowered individuals with skills but encouraged individuals to form cooperatives to take advantage of new business opportunities. Limitations identified include: lack of sufficient resources; lack of startup capital (incentives); and efficient infrastructure for production.

- Phindubuye Cooperative

Figure 5.5: Phindubuye Cooperative



(Source: Researcher, 2012).

Phindubuye Cooperative was established in 2005 with 32 members. The business specializes in interior design, painting and metal welding. Phindubuye cc is located at the Entrepreneurial Support Centre (ESC). ABM became involved after they were invited to a workshop organized for SMMEs in the area to share information and compile a database of services available within the community. One participant noted that the training provided by ABM empowered them with skills and knowledge to improve productivity. Phindubuye cc also collaborated with Swinton College to develop a business proposal which was presented to Ithala Bank to secure funding. An ABM official who was interviewed noted that Phindubuye cc has achieved tremendous results.

- Siyakhula Cooperative

This cooperative became operational in 2005 at the ESC. It was formed by 11 women who had been sewing at the Container Park since 2002 on an individual basis (production ranges from curtains, to bedding sets and school, company and church uniforms). Training was provided in

business management and marketing. This included new ways of sustaining business and ways to expand their business and increase accessibility to customers.

- *Khulasizwe Organic Farming Cooperative*

The group started with one hundred and ninety (190) members, and has ninety (90) members at present. The objectives of Khulasizwe Organic Farming cc are to improve different types of urban farming, which create employment opportunities for the community of Cato Manor. During the field work for this study, respondents stated that members of the cooperative were participating in a one-month leadership and management training course to further enhance skills.

Against the successes outlined above, it is important to identify the factors that contribute to such success as well as the failure of skills development initiatives. These factors are discussed below.

5.3.2 Identified factors that contribute to the success and failure of skills development

5.3.2.1 Skills development and Employment opportunities

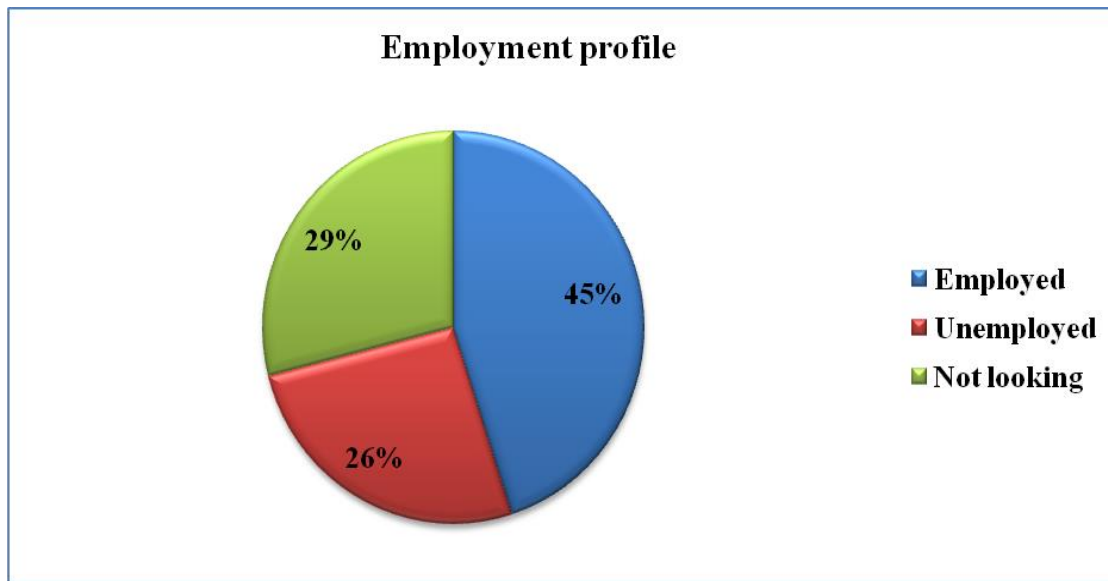
The AMB officials identified the factors that influence the capacity of skills development initiatives to create employment opportunities in Cato Manor as follows: the cost and lack of funding (incentives); skills transfer/ relevance of the skills acquired; lack of cooperation between the public and private sectors, and the co-ordination and supervision of skills training as an LED strategy.

i. Cost and lack of funding/ incentives

Securing the necessary financial resources to implement and manage skills training initiatives was undoubtedly a key priority for the Cato Manor redevelopment plan. However sustaining funding for the management of these initiatives in the long-term was a challenge. After the initial EU funding of the projects, there was a decline in external investment. Employment opportunities were projected according to the appropriateness of skills levels within the community. During the CMDP a total of 8,759 temporary jobs were created; this represents a 1% increase in the existing job opportunities in the area (Cele, 2010: 53). Key ABM officials noted that the shortage of start-up capital is the major challenge to the successful outcome of skills development training programmes. The success of such programmes can be measured by

the number of people who are able to upgrade their skills; the majority of such individuals should be from the informal, rather than the formal, sector. There is a gap between skills development and employment, with high levels of unemployment in formal and informal settlements. As Figure 5.5 illustrates, 45% of Cato Manor residents are employed, with 26% unemployed and 29% not looking for work.

Figure 5.6: Cato Manor employment profile



(Source: fieldworker, 2012).

Furthermore employment statistics can be analyzed according to precinct. Cato Crest, Chesterville and Old Dunbar are the main areas in Cato Manor. In 1994, the level of unemployment in Cato Crest 41% was lower than in Chesterville 53% (Makhathini and Xaba, 1994a). These figures illustrate that social and economic indicators such as population, education level and employment complement one another (Hindson & Byerley, 2003).

The CMDA also revealed that despite skills training, a number of SMMEs have closed, while others are struggling due to lack of funds. The lack of incentives has been a major challenge. Such challenges also impact on the growth of new businesses within Cato Manor. A notable challenge identified by this study was the lack of capital to establish a business as well as enable existing businesses to expand, with a positive spin-off for job creation. Incentives structures are characterized by human capital (labour) and natural resources, including raw materials and finance. Incentive funds promote SMMEs and enable sustainable growth. ABM officials noted

that the lack of local financial institutions means that growing businesses do not have a platform to apply for incentives.

Mismanagement of funds within the development institutions was also identified as a challenge; therefore the adjustment of capital prerequisites for funding programmes was a priority. Access to funding is vital if skills development initiatives are to succeed; however, few formal funding institutions are involved in Cato Manor development initiatives. Furthermore, an ABM official confirmed that there have been several cases of misuse of funds.

ii. Skills transfer/ relevance of skills acquired

ABM officials noted that the majority of SMMEs have skills development programmes in place to enable workers to adapt to constantly changing workplace skills requirements. Moreover, SMMEs benefited from both the theoretical and applied aspects of training and this enabled them to sustain their businesses. However the relevance of the acquired skills to the employment opportunities available is crucial. Some beneficiaries of skills development initiatives acquired skills for jobs that were not available. Another challenge was that the jobs created were seasonal and contract jobs, rather than permanent employment.

Globalization has witnessed significant technological advances. The Cato Manor development strategy lacks sufficient means to adopt new processes and procedures. SMME representatives cited the following concerns with regard to technological advances:

- Lack of proper infrastructure;
- Lack of financial resources to upgrade businesses;
- Unrealistic expectations based on the objectives of the projects;
- Replacement of human capital with machinery;
- Lack of new training methods;
- A lack of information as well as market-oriented planning;
- Transformation of jobs and competencies;
- An aging workforce;
- High opportunity costs and insufficiently adapted training offers.

iii. Lack of cooperation between the public and private sectors

The CMDA emphasized the importance of effective and efficient public-private partnerships in delivering skills development to promote LED. Challenges facing LED in the area included conflict between the public and private sectors concerning appropriate training programmes, as well as the classification of training programmes according to required skills and levels of entry to the job market. The public-private partnership time frame is also limited to the duration of the training programmes, rather than being linked to the long-term sustainability of businesses.

5.3.2.2 Skills development initiatives and the upgrading and maintenance of business infrastructure

The study found that infrastructure has played a major role in the redevelopment of Cato Manor. The existing infrastructure does not meet the needs of all business sectors involved in Cato Manor's redevelopment. The Bellair Market is a good example of the need to upgrade infrastructure. This trading space accommodates a variety of traders, from small businesses to informal traders. The location of the Bellair Market at the busy junction of Bellair and Wiggins Roads promotes viable local economic activities. The market provides space for manufacturers, service providers and retailers, as well as public events like weddings. An estimated 65 informal traders, 26 individual stands and 28 pavement traders are accommodated (CMDA, 2002). A new 2 400m square shopping centre also accommodates 40 shops and offices and created an estimated 120 jobs. However, the market is overcrowded and there is a conflict of interests between different business activities in relation to space allocation.

Officials interviewed for this study emphasized the importance of infrastructure to successful skills development in Cato Manor Township. SMME representatives stated that skills development initiatives can only succeed where infrastructure is available for business expansion and growth. However, in Cato Manor, the infrastructure is limited to maintaining existing economic capacity and does not allow for growth. This hinders skills development initiatives and consequently LED as energies are directed towards addressing the primary infrastructure required for setting up business. SMMEs operating in Cato Manor Township span a range of sectors, including urban agriculture, retail, commercial, manufacturing and services. These different sectors have varying infrastructure needs. This poses a challenge for officials, who find it difficult to cater for the different businesses' spatial requirements due to a shortage of space.

The multi-purpose centres used as business facilities in Cato Manor cannot be the only solution. SMME representatives also noted that there are few skills development initiatives to enable small and medium businesses to expand, as the demand for space overshadows such initiatives.

The study also sought to obtain informal vendors' input on infrastructure upgrading and skills programmes in Cato Manor Township. These interviews revealed that the informal sector in the township faces several infrastructural challenges that hamper the efficacy of skills development initiatives in promoting LED. They include a shortage of space for business growth, as well as the lack of basic amenities such as storage, electricity, water and refrigeration. A further concern raised by participants is that even though business centres are available where SMMEs can access information, most informal businesses are not formally registered and this limits their access to information. As a result, informal businesses are not able to take advantage of mentorship programmes which offer training in financial management, literacy and business methods.

The lack of skills development prevents fledging informal businesses from growing into commercially viable enterprises. Leys (1977: 170) argues that development theory rejects the concept of social class in favour of the rich and does not explain how the internal capitalist class could be a means of transforming the social relations of production. SMME representatives in Cato Manor believe that upgrading small and medium businesses will create a linkage between Cato Manor and the city's growth. ABM representatives also shared their views on the challenges relating to infrastructure and skills development in Cato Manor. The ABM was established partially to ensure that infrastructure such as Business Hives and Container Parks contribute towards the development of new facilities in Cato Manor. The Cato Manor ABM office has concentrated its efforts on post-infrastructure development and consolidation processes (eThekweni Municipality, 2012). However, apartheid imbalances in relation to social and economic infrastructure have meant that, while the population has increased, economic facilities remain insufficient. As noted by an ABM official, this situation is exacerbated by a shortage of land.

According to a Town Planner in Cato Manor, there has been a decline in local and foreign investment in the township. This makes it crucial to invest in facilities like anchor-institutions which will create a bigger medium income group and help to grow business confidence. Another challenge observed by officials is the lack of integration of social and economic infrastructure,

resulting in a mismatch of service delivery. While physical infrastructure for businesses has unfolded at a slow pace, skills development initiatives have trailed behind this pace. The CMDA mandate focused on improving social services through housing projects as well as engineering infrastructure; there was less emphasis on economic infrastructure. Cato Manor therefore has more housing facilities and relatively few economic structures. The multi-purpose centres tend to serve as social facilities rather than accommodating a variety of activities according to the business plans. For instance the location of the Wiggin's multipurpose centre close to the residential space but apart from the economic development hub, limits variability and easy accessibility. SMME representatives stated that the lack of integrated development has had a negative impact on business opportunities. Local residents travel long distances to the nearest shops.

5.3.2.3 Social development, poverty alleviation and skills development initiatives in Cato Manor Township

CMDA officials noted that social development and poverty alleviation were part of redevelopment mandate in Cato Manor. In addition to the social development objectives set by the eThekweni Municipality, the ABM's set precise objectives to address local issues within the community, including:

- Building social cohesion and strengthening the social fabric;
- Improving community safety;
- Fighting the HIV/AIDS pandemic;
- Coordinating the provision of infrastructure, services and programmes.

However, the Ward 20 Councillor identified health, poverty and crime as current social fragmentation challenges in the township. The ABM official added that social fragmentation has had a negative impact on the community redevelopment strategic plan; although basic skills training programmes have been established to enable residents to acquire proper knowledge about alternative ways to deal with social challenges.

Among social development factors discussed above, spatial changes remain significant to discuss. Social change implication identified; include high demand of social services due to the increase of population levels and competition between local businesses due to scarce resources. CMDA responded by undertaking its first plan of action to combat these challenges. The

CMDA's appointed spatial coordinator to ensure that development in the area conforms to a sound spatial, economic framework and land use control. Land use control form part of the tools used to channel all development activities in relation to the use of space. Land use control occurs at the precinct level whilst the team has continuous input into the detailed planning processes necessary to implement housing schemes, social facilities and infrastructure projects (CMDA, 2002). Subsequently those impose negative impact towards development, in Cato Manor, whereby the demand of social infrastructure is high; however there is no land available to further expand.

Figure 5.5 Cato Manor Area facilities Map demonstrate spatial change and integration of within the community. The map illustrates the location of economic activities and social facilities. Map also show the location of health facilities (Hospitals, mobile clinic); Libraries; Education (Primary and Secondary); Bellair road corridor as economic (lighted in orange); community halls which form part of the social facilities.

Follow from the main objectives ABM official confirmed that even though CMDA objectives were crucial points of development however there were challenges that imposed; include limitation of resources to further establish spatial development. Furthermore Cato Manor has a record of fast growing population, which also compromise the availability of resources to cater for the community at full capacity. However to fast track development with scarce resources AMB have implemented several community based facilities to reduce the demand quantity to be manageable by local authority rather than collectively. Additionally Ward Counsellor agreed that such strategic plans have been a success because several spatial challenges have been identify and dealt with appropriately.

Furthermore, an important project for the ABM was the training programmes that were put in place for community health workers; these offered training in core management principles, fundraising, team building and other subjects (eThekweni Municipality, 2012) A total of 125 community health workers were trained; these are mainly volunteers. This created opportunities for unskilled young people. The findings analysis demonstrates the overall insight of skills development, this data is of important towards the research question.

5.3.2.4 Youth empowerment and skills training programmes

Cato Manor has an overwhelmingly young population that includes scholars and the unemployed. A number of skills development initiatives in the township are linked to youth empowerment programmes. ABM officials noted that training programmes in the form of skills development initiatives are crucial for youth empowerment. The study findings revealed that youth development programmes are continuously adjusted to respond to strategic focus areas. However, the main disquiet is to explore the shortage of youth center in Cato Manor revealed by ABM official and Ward councillor. The limitations of youth training programmes implemented in Cato Manor include a lack of proper facilities and financial resources.

Youth training programmes require proper facilitation structures, which include mentorships and learnerships. They provide students with different skills and exposure them to a variety of market-orientated job opportunities. The ABM officials noted that the programme has achieved positive results, but there is room for improvement. One of the challenges identified was a lack of technology such as computers and laboratories. An ABM official also noted that the lack of financial assistance has been a major challenge in implementing youth training programmes in Cato Manor. Financial assistance is also needed to grant students bursaries for higher education. The reasons for the shortage of funding include:

- The lack of local or foreign donors.
- High demand on the part of the youth for qualifications.
- Overpopulation of schools, which increases the cost of providing education programmes.

Despite these challenges some youth training programmes have succeeded in improving education status of youth in Cato Manor.

➤ *Ikamva Youth Skills Programme*

Ikamva encourages learners who have completed their matric to enroll for a degree or diploma in order to improve their future prospects (Krolikowski *et al.*, 2009). The primary objective of the Ikamva Youth Skills Programme is to broaden the knowledge capacity of disadvantaged individuals. Secondary objectives includes addressing inequality through mentorship programmes to support skills development and life skills; human development skills; and improving self-knowledge and communication skills (ibid). Ikamva runs three core programmes:

- Supplementary Tutoring
- Career Guidance, Life Skills and Mentoring;
- Operation Fikelela (e-literacy).

i. Career Guidance, Mentoring and Life Skills

Ikamva Youth's Career Guidance programme provides information on further study options, higher education application procedures, bursaries, scholarships and learnership opportunities. The mentoring programme aims to facilitate the transition each learner undergoes following matriculation - its primary objective is to ensure that each learner matriculates with a plan for the critical post-graduation year (Krolikowski *et al.*, 2009). At the beginning of the academic year, each grade 12 learner is assigned a mentor who takes the learner through the following steps (Krolikowski *et al.*, 2009: 11):

- Recognize the post-school opportunities most suited to the learner's interests, skills, capacity, subjects and academic achievement;
- Identify bursary and scholarship opportunities for which the learner is eligible, and that relate to their chosen field of study;
- Ensure that the learner applies for the relevant courses, institutions, bursaries and financial aid, learnerships and/ or employment opportunities;
- Confirm that application forms are accurately and fully completed, and have all the requisite supporting documentation.

ii. Supplementary Tutoring

Ikamva Youth has established a variety of programmes to support students with different academic tasks. A supplementary tutoring programme provides easy access to academic resources. Supplementary tutorials take the form of small group learning sessions and extra classes to help learners recap on their studies and interact with peers for project facilitation. Ikamva provides assistance with English, Xhosa, Geography, Life Sciences, History, Accounting and Arts. The ABM officials who were interviewed stated that the Ikamva Youth Programmes

have contributed to Cato Manor's redevelopment. The number of learners who have completed matric and qualify for higher education has increased. Ikamva has bridged the gap between secondary education and higher education. Nevertheless, the programme faces some challenges, including a lack of financial assistance which prevents a large number of students from participating in skills training programmes; as well as a lack of resources, such as science laboratories.

iii. Operation Fikelela (e-literacy)

Computer literacy is an essential skill for leveraging opportunities in today's information economy. Accessing educational resources, communicating with peers and tutors, and submitting online applications to tertiary institutions and for scholarships are just some of the ways that learners can use information and communication technology (ICT) to take their future into their own hands (Krolikowski *et al.*, 2009). Operation Fikelela uses open source software (the Ubuntu operating system; OpenOffice.org and Firefox applications) and offers step-by-step lesson plans, which enable trainers to deliver task-based content (learners produce something tangible and relevant in each lesson) (Krolikowski *et al.*, 2009). This has enabled community members, including learners and ex-learners to acquire computer literacy skills and access online learning resources and has facilitated communication between branch directors, interns and volunteers that are not based in the area of operation.

5.4 Synthesis of findings

This section summarizes the findings of the study. It identifies the important factors that impact on the effectiveness of skills development for integrated development in Cato Manor.

The main objectives of this study were to:

- Establish the extent to which skills development initiatives as LED projects have led to sustainable development in Cato Manor Township.
- Evaluate the factors that contribute towards the successes and failures of skills development initiatives.

In relation to the first objective, it was found that skills development initiatives have contributed significantly to the redevelopment of Cato Manor. Skills development initiatives brought about socio-economic opportunities for residents, through innovative programmes such as human

capital development, infrastructural systems provision, financial support for formal and informal SMMEs and the provision of community life skills training. Having said this, employment and skills development strategies need to be holistically implemented. Cato Manor has a relatively high unemployment rate of 36%. Unemployment has been identified as the foremost challenge amongst the youth, the majority of whom have limited skills to participate in the job market. ABM officials confirmed that unemployment figures differ according to precincts. Chesterville and the informal settlements (Cato Crest) had unemployment rates of 41% and 53% respectively, in 1994 (Makhathini and Xaba, 1994a, cited in Rich, 2000).

The findings highlighted concerns about the sustainability of skills development programmes due to insufficient funding, difficulties with skills transfers, the lack of a well-coordinated partnership between the public and private sectors, and the lack of proper measures to monitor skills development training programmes. Skills training programmes have not yet accomplished their maximum potential in creating employment opportunities. Cato Manor is characterized by casual, seasonal and informal employment, rather than formal and permanent employment. Measures need to be put in place to ensure that skills development initiatives realize their full potential in terms of creating permanent, formal employment.

The lack of sustainable skills development skills programmes in Cato Manor compromises the capacity of the initiatives to contribute towards LED. Sustainable urban development is often seen as a remedy for multi-dimensional problems, dealing with spatial characteristics, geographical location, environmental conditions, economic ability, institutional ability and structure, human development, social relationships, local values and aspirations (Ofosu-Kwakye, 2009: 22). It recognizes the importance of an interconnected and interdependent development strategy (*ibid*). The various definitions of sustainable development are based on concepts such as meeting human needs, providing a good quality of life for all and the equitable distribution of resources, while living within the carrying capacity of the earth. In practice, the fulfillment of these goals is often contradictory or mutually exclusive (Du Plessis, 1999, cited in Rich, 2000; 8).

There is an official assumption that promoting SMMEs at the local level would boost employment and thus address unemployment and poverty (Cele, 2010: 53). However, several challenges hamper the development of SMMEs, including a lack of financial assistance and mismanagement of funds. After its establishment, the CMDA secured a grant to cover operating

costs for a year and a loan for more detailed planning. The following year, further grants and bridging funding were obtained and in 1995 the first major tranche of funding was secured from the European Union (EU). After the transition of the CMDA to ABM services, funding and investment decreased, which has had a negative impact on economic activities in Cato Manor. Furthermore, the study revealed that lack of start-up capital has been the main hindrance in the establishment of SMMEs and associated skills development initiatives.

Most SMMEs entrepreneurs noted that incentives for the implementation of skills development initiatives were scarce. The findings of this study suggest that financial institutions should be established to assist young entrepreneurs with training to acquire financial experience. The study also found that the mismanagement of financial budgets also contributes towards the failure of SMMEs. However, only a small number of SMMEs that receive appropriate funding assistance fail to grow their business. There remains a need for training in business management and growth in Cato Manor.

Skills transfer is a major challenge among LED projects and skills development initiatives. The majority of the population in Cato Manor lacks both education and life skills; while a small group has acquired these skills, they struggle to find relevant employment opportunities. On the other hand, the lack of innovation with regards to replication is a significant challenge. According to Robinson (2003: 9) replicating best practices is not sufficient; innovation is necessary in order for new best practices to emerge and innovation and pilot projects can pave the way for later replication. Even though individuals and organizations need time and space to be innovative, they need to be prepared to take the increased risks associated with innovation in skills development initiatives and projects implementation.

Another key issue is the need to upgrade and maintain infrastructure; this overshadows the implementation of skills development initiatives and their potential to contribute to the LED of Cato Manor Township. There is an emphasis on promoting LED through infrastructure provision in Cato Manor. However, the main concern is the ongoing maintenance of such infrastructure. Robinson (2003: 9) highlights that a key challenge has been to devise affordable and cost effective ways of maintaining infrastructure and services; there is also a need to enhance the value and use of infrastructure and services and to ensure multipliers from investment in human resource development, training and capacity building. With regard to the role of skills development initiatives in social development and poverty alleviation in Cato Manor Township,

factors such as health and crime were identified as negatively affecting such outcomes. The Cato Manor redevelopment plan notes that the provision of social facilities is a major focus and a key performance indicator. The CMDA (2002: 1) highlights that:

This potential has been given full expression in the development of two multi-purpose centres on hilltops in the Wiggins and Cato Crest areas. Each comprises a primary school, secondary school, hall, library and sportsfield, with a pre-school nearby. Through this arrangement, the optimal use and sharing of amenities is promoted: learners make use of the libraries and halls while classrooms are made available for after-hours adult education programmes.

The CMDA (2002: 1) adds that building holistic social facilities was intended to enhance and fast track development in Cato Manor. In terms of delivery, the project has been largely successful, as today's Cato Manor includes a number of residential neighborhoods with a range of housing typologies and two large informal settlements that are currently being upgraded. The provision of service infrastructure has been extensive, with social facilities such as health clinics, preschools, primary and secondary schools, libraries, community halls, and sports fields being provided (Odendaal, 2007: 941). With regard to skills development initiatives, human resource development is reflected in the large number of people trained in, among others, literacy and numeracy skills, basic business management, and construction skills (Odendaal, 2007: 941). However, this study revealed that only partial success has been achieved. There is an escalation in challenges such as crime, health issues, the shortage of space for new business enterprises and poverty.

In summary, on the basis of the primary and secondary data collected, this study assessed skills development initiatives as an LED strategy in Cato Manor Township. Factors that contributed to the successes and failure of skills development initiatives as a LED strategy in post-apartheid Cato Manor were identified. The main focus was to assess the role played by skills development initiatives as an LED strategy and the extent to which these initiatives have contributed to the betterment of the township. The findings revealed that skills development initiatives have been a major role player in the redevelopment strategy of the township, although limitations were identified that hinder sustainable development.

5.5 Conclusion

This chapter has explored the different views of diverse study participants with regard to the effective implementation of skills development initiatives in Cato Manor Township. The chapter provided a descriptive background to skills development initiatives, an evaluation of the research findings and conclusions based on a synthesis of the research findings. In order to enhance their contribution to LED, skills development initiatives need to be complemented by other interventions that focus on social development and infrastructure provision. However the success of skills development initiatives in Cato Manor Township to date cannot be underestimated. Skills development initiatives as LED projects contributed to redevelopment plans.

6. Chapter six: Conclusion and Recommendations

6.1 Introduction

The study explored the role of skills development initiatives as LED strategies in post-apartheid South African townships. The majority of inhabitants of South African cities suffer high levels of poverty and unemployment due to the lack of human capital development, mainly in Black townships. The post-apartheid South African government adopted skills development as one of its prime LED strategies. One of the motivations for conducting this research study was that it was noted that in as much as LED initiatives centre on skills development, their role in poverty alleviation is still open to debate. In this respect this study sought to establish the factors that contribute to the success or failure of skills development initiatives as LED strategies in post-apartheid South African townships using the case study of Cato Manor Township in EThekweni Metropolitan Municipality, Durban. The assessment of skills development initiatives was based on the following specific objectives of skills development initiatives: employment creation; widening the skills base; upgrading and maintaining business infrastructure; social development; poverty alleviation; and youth empowerment.

6.2 Synopsis of the Research

The study has shown that, to large extent, skills development initiatives are effective LED strategies that add on the issues of eradicating poverty, creating sustainable employment and promoting equality between previously privileged and marginalized groups. Precedent studies from other countries confirmed the progression of skills development. However, several challenges were identified which underlined the fact that promoting local development has been a tale of mixed fortunes in terms of sustainable economic growth.

As a starting point the study explored and discussed the concept of skills development initiatives as an LED strategy in South African Townships and Cato Manor in particular. It was noted that skills development is difficult to define, as skills are contextual and contexts vary; a general approach to skills development is difficult to achieve (Hayworth, 2004). The International Labour Organisation (2007: 5) has noted that inadequate education and skills development trap economies in a vicious cycle of low education, low productivity and low income. Hence, skills development programmes have been modified to set objectives that promote sustainable development. In this respect Kawar (2011:2) notes that skills development can help build a

“virtuous circle” in which the quality and relevance of education and training fuel the innovation, investment, technological change, enterprise development, economic diversification and competitiveness that economies need to accelerate the creation of more jobs, but also more productive jobs.

The study further highlighted significant concepts and theories that inform skills development initiatives such as: Local Economic Development; skills development initiatives; pro-poor LED and poverty alleviation. The connections between these concepts revealed that skills development initiatives cannot be assessed on their own; other competing interests also have a significant impact. There has been a lack of interaction between LED strategies and skills development initiatives to combat poverty and unemployment. Skills development initiatives should be examined in conjunction with all spheres of local development, including social and economic development.

This research study also sought to enable eThekweni Municipality and Cato Manor Township in particular to learn through applied cross referencing and comparison with international and local precedents on the effective implementation of skills development initiatives. As such, the research does not focus solely on the South African experience and the case of Cato Manor. International precedents are scrutinized and placed in context using a critical, comparative, analytical approach. The precedent case studies revealed the objectives of LED strategies in general and skills development initiatives in particular, namely, the empowerment of individuals through basic skills and economic skills training. Another objective was the transformation of policy implementation to correspond to the levels of skills that are in demand. Urban and rural skills development was promoted through public-private partnerships. It was noted that failures occur due to the lack of linkages between available jobs and newly-acquired skills. Other factors that hinder success include the lack of permanent employment opportunities due to shortages of skills to compete in the globalized world of work. Finally, financial assistance (incentive programmes) is required to build an effective business service sector to enhance local competitiveness.

Using the empirical case study of Cato Manor, the study assessed the role of skills development initiatives as LED strategies. The research findings revealed the procedures and processes of skills development initiatives and also acknowledged the opportunities that were created to promote sustainable development. Several factors were identified that contribute to the success

and failure of skills development in creating employment opportunities, upgrading and maintaining infrastructure, promoting social development and poverty alleviation and youth empowerment.

The study has revealed that a lack of employment opportunities has been the major challenge facing skills development initiatives Cato Manor Township. There is shortage of employment opportunities concurrent with the skills acquired from the training programmes. The study also illustrated that Cato Manor is dominated by informal, rather than formal employment. Approximately 10% of the respondents were employed in shebeens, were small producers or were involved in construction (Crooks, 2000). Wiggins and Chesterville had the highest number of shebeen owners, at 13% and 21%, while Cato Crest and Chesterville had the highest number of small producers, at 14% and 13%, respectively (Crooks, 2000). Cato Crest had the highest number of street vendors (25.4%), with Wiggins at 8.2%, Chesterville 16.9% and Old Dunbar 43.4%, with an average of 23.5%. Cato Crest also had the highest number of small producers (14.1%), with Wiggins at 7.7 %, Chesterville 12.5% and Old Dunbar 9.2%.

The lack of sustainable incentives (start-up capital) contributes to the lack of sustainable employment opportunities. The study found that following external donor investment in the CMDA and funding from national government, there was a major decline in funding sources, which had a negative impact on LED projects in the community. While the study revealed that ABM promotes skills training programmes, factors such as lack of skills transfer/relevance and a lack of cooperation between the public and private sectors remain hindrances. Furthermore, the findings revealed that while the level of skills increases each year, there is a mismatch of skills, with either over qualification or under qualification.

The ABM official emphasized that recipients of skills training do not always obtain jobs equivalent to the skills they have acquired. Several questions were posed to SMMEs operating in the formal and informal sectors to assess their perceptions of the training programmes offered by the Entrepreneurial Support Centre (ESC). The findings showed that participants benefited from both the practical and theoretical aspects of training. That suggests that there is successful alignment between the skills acquired and employment opportunities; however a minority confirmed that there are hindrances in terms of the application of skills to a specific task. The respondents were also asked whether they felt confident that they could compete at a local and national level. The majority confirmed that they felt confident to compete in these markets.

The study noted a lack of essential and practical aspects of business strategy, such as Human Resources Development (HRD). HRD includes vocational training and education, job placement projects, client-orientated job creation and job maintenance activities (Blakely, 1994) SMME participants felt that several development initiatives had not embraced such initiatives. However, ABM officials confirmed that HRD-based approaches were anticipated to provide relevant skills development training programmes. Resources development facilities are used as information centres which act as a median between the provision of resources and skills development training to improve employment opportunities. The eThekweni Municipality Town Planner also confirmed that HRD explores all dimensions of skills development training in alignment with employment opportunities.

Finally, the lack of cooperation between the public and private sectors and a lack of co-ordination and supervision of skills training were identified as factors that had a severe impact on the implementation of skills development training programmes in Cato Manor. During the interviews, the ABM official highlighted the significance of private-public partnerships to the redevelopment plan in Cato Manor. In the context of skills training programmes as an LED, it is crucial that all stakeholders are represented. “Partnerships in urban development for the private sector entail the normal effort to maximize returns on investment whilst minimizing risks; and it is the assessment of such risks that is the particular preoccupation of the private sector in respect of such partnerships” (Robinson, 2003: 6). In the Cato Manor development project, partnerships were forged in relation to local necessities, as urban development partnerships often are (*ibid*).

The efficient upgrade and maintenance of business infrastructure has been a priority for the CMDA redevelopment plan. Infrastructure such as multi-purpose centres accommodates different kinds of small business and channel development initiatives in the Cato Manor area. The development of infrastructure has been seen as a first step in improving housing and social and commercial facilities. The major infrastructural components include roads, sanitation, water, electricity, storm water and telecommunications. Where possible, maximum use has been made of existing infrastructure, and labour-based construction methods have been favoured in the provision of new infrastructure (CMDA, 2002)³.

³ http://www.cmda.org.za/annual_Report_02/engineer.htm.

CMDA and ABM officials explained that there was a lack of infrastructure for small and medium-sized businesses to accommodate economic growth, a lack of adequate social services to improve productivity in the community and a lack of youth empowerment through local programmes. It was acknowledged that the available infrastructure is insufficient to accommodate the large number of SMMEs operating in Cato Manor, which includes urban agriculture and the retail, commercial, manufacturing and services sectors. SMME representatives noted that urban agriculture plays a vital role played in promoting environmentally friendly space and economic growth. The agricultural sector is an exemplar of production; however the shortage of land is a challenge. Informal street vendors also indicated that there is insufficient infrastructure for their businesses, including proper market centres and business hives.

This study has contributed to the ongoing debate on the efficacy of skills development initiatives as LED strategies. It has revealed that skills development initiatives have recorded numerous successes. However, there is space for further improvement. Precedent studies revealed the strengths and challenges encountered by different countries. International debates acknowledge that the...“context of local economic development (LED) has radically changed in low-income countries in general and in Africa in particular” (Helmsing, 2003:67). International experience also suggests that LED is a slippery concept which is sometimes difficult to define precisely. LED has also been interpreted in different ways, which has resulted in a considerable degree of policy confusion (Rogerson, 1997; Cashdan, 1998). Likewise, this study argues that the policy making and practice of skills development is not aligned properly with the existing theoretical frameworks. Furthermore, the study revealed that the policy making and practice of LED with specific reference to skills development are not properly aligned. In the South African context, policy implementation and assessment should be updated according to the needs of the community, with reference to the precedent literature.

6.3 Recommendations

The recommendations provided here are based on the assessment of the role of skills development initiatives in promoting LED in South African Townships, focusing on Cato Manor, Durban. It has been highlighted that skills development is a common concept which forms part of LED strategy. Therefore this study explored the concept of skills development initiatives through a discussion of international and local precedent studies as well as the findings of the field work. It was found that the concept of skills development follows a narrow perspective with regard to the implementation of training programmes.

The primary goal of skills development initiatives has been the empowerment of individuals through providing skills in order to promote social and economic development. The study explored the methods or procedures used in skills development initiatives towards LED strategies in Cato Manor Township. Several challenges were identified that need to be addressed. Chapter five illustrated that some participants felt that skill development initiatives in Cato Manor Township have achieved positive outcomes, which add value to the community; however, they also identified challenges. These have been used by the researcher to formulate the following recommendations:

6.3.1 Skills development and Employment opportunities

One of the primary objectives of skill development initiatives is to provide relevant training in order to enable individuals to compete for employment opportunities. However, as noted in chapter five, skills development initiatives in Cato Manor have suffered from a lack of skills transfer; the skills acquired are not always relevant; and there is insufficient cooperation between the public and private sectors. It is recommended that a Human Resources Development (HRD) centre be established to act as an information centre to link residents and training programmes within the area.

Such a centre would facilitate and guide all local development activities. HRD can be used as a mechanism to integrate proposed development plans in order to achieve equity between individuals and training projects on the ground. Furthermore, the researcher believes that the establishment of an HRD centre can address the issue of the lack of skills transfer/ relevance of the skills acquired. Individuals will be provided with relevant information on methods and procedures to improve skills. Likewise, the HRD information centre would encourage the

establishment of a key performance output evaluation model, which focuses on the coordination and supervision of skills training projects. This would use innovative techniques to assess the strengths and weakness of projects, determine whether objectives have been achieved at the end of a specific term or time frame and make recommendations for improvement.

The researcher has designed a model that can be used for such performance evaluation.

Table: 5.5 Proposed key performance outputs

Key Performance	Performance Standard/ Indicators	Reports	Score (5-1)
Cato Manor LED projects and skills development initiatives	Comprehensive feasibility	mid -report	3
	Budget spent	mid-report	3
	Private and public sector leverage	mid-report	2
	Stakeholder management	mid-report	2
	Innovation	mid-report	3

(Source: Researcher 2012)

Table 5.5 above depicts a model that could be a gateway to the success of skills development initiatives in Cato Manor. Key aspects of this model such as budget spent, public and private sector leverage, stakeholder management and innovation form part of the general evaluation of businesses. This efficient key performance output model demonstrates simplified yet appropriate procedures that can be implemented to evaluate the performance of LED projects and skills development initiatives in Cato Manor. The advantages of this model are that it identifies strengths and weakness and also determines whether particular objectives are achieved at the end of a specific term or time frame; it also allows for recommendations to be made to improve performance.

6.3.2 Skills development initiatives and the upgrading and maintenance of business infrastructure

Cato Manor is regarded as a commercial zone for small and medium businesses. The implementation of skills development initiatives in Cato Manor Township has been found to be partially effective. The findings of this study have revealed the factors which contribute to success and failure. One of the factors identified during the interviews with SMME representatives was the failure to upgrade and maintain business infrastructure. For example Bellair Market serves as a multi-purpose centre for small and medium enterprises; however, it is not able to accommodate the demand for space for business activities.

To address this issue, the researcher recommends that Cato Manor development stakeholders encourage home-based businesses for commercial economic activities. This is a current trend in many South African townships including those in eThekweni Municipality. Clairwood in Durban is a case in point. Such activities include informal trading such as shops, coffee shops, tuck shops and many more.

There is no doubt that the effectiveness of skills development initiatives in Cato Manor Township needs to be addressed given the factors which have been identified as contributing to their success and failure.

6.4 Final conclusion

The vision for Cato Manor encapsulated many aspects that are common to other South African towns and cities; it is therefore useful to reflect on the township's experience and extract lessons which may be helpful to initiatives elsewhere (Cele, 2010: 65). The South African government has prioritized training to address skills shortage. Meaningful impact assessment of such initiatives requires the availability of data. Skills development initiatives play a major role in sustainable economic growth as part of an LED strategy to promote economic activities and development. Several projects have produced positive outcomes; however there are several challenges. This study has presented an evaluation of skills development programmes in a South African township, namely, Cato Manor Township. It identified the factors that contribute to the success and failure of skills development initiatives as an LED strategy in Cato Manor Township. The study unveiled multifaceted perspectives on factors that contribute to both the success and failure of skills training projects.

The theoretical debates and the primary data collected for the study from different stakeholders have provided valuable perspectives on skills development initiatives as LED redevelopment strategic plans. A descriptive background to skills development initiatives was provided through an evaluation of precedent case studies and conclusions were drawn based on a synthesis of the research findings. The research findings offered comprehensive evidence to support the conclusions reached by the study. Several factors, including employment and skills development opportunities, upgrading and maintaining business infrastructure, social development and poverty alleviation, and youth empowerment and training programmes were identified. These were discussed in chapter five. Aside from the broader concerns relating to the application of local economic development and skills development training programmes, other multidimensional factors were raised in relation to the effectiveness and integration of national and local policy frameworks as a significant factor in holistic development. Policies need to be transformed into practice in order to establish an effective and adaptable model on the ground. Improving LED strategy requires a multi-purpose approach that is relevant to the diverse context of local development.

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8. APPENDIX A: INTERVIEW QUESTIONS

Interview questions for Cato Manor Development Association (CMDA) representative

1. What is Cato Manor Development Association and its purpose in Cato Manor?
2. What were the long term goals and objectives of CMDA towards skills development initiatives in Cato Manor?
3. What types of LED projects were implemented to encourage skills development initiatives and why?
4. What were the procedures used to select projects that were implemented in Cato Manor?
5. How were skills development projects financed in Cato Manor?
6. What were positive achievements of Cato Manor Development Association (CMDA) in implementing LED strategies in order to ensure skills development in Cato Manor?
7. What were shortfalls of CMDA's LED strategies in relation to skills development initiatives?
8. Did Cato Manor Development Association achieve integrated development of three primary areas: human capacity development, economic opportunities and institutional capacity development through LED strategies?
9. Would you say the CMDA succeeded or failed to deliver sustainable skills development initiatives in Cato Manor?
10. What are other strategies employed in Cato Manor which co-operated skills development initiatives?

Thank you

Interview questions for the Member of Area Base Management

Part one

11. What is your role in ABM
12. What are the main objectives and goals of ABM?
13. What are types of skills development initiatives employed as part of LED projects in relation to integrated development approach applied in Cato Manor?
14. Identify and describe processes or procedures involved in implementing LED strategies and how such projects enhance skills development initiatives in Cato Manor?
15. In your own view what do you think have been the major achievement of ABM in relation to skills development initiatives?
16. What are the advantage and disadvantages of LED projects and skills development initiatives implemented in Cato Manor?
17. What factors contribute towards slow phase of development in Cato Manor regarding LED projects?
18. Given Cato Manor's current situation, what do you think can be done to improve skills development in Cato Manor?
19. To evaluate the effectiveness of the role of skills development in Cato Manor, what are other development projects implemented or initiated by the municipality in partnership with ABM board?
20. What are the challenges do you face as Area Base Management Agency when implementing LED projects in relations skills development projects in Cato Manor?
21. Who are the main stakeholders involved in decision making and what role they play in implementing LED projects in Cato Manor?
22. How affective is the relationship between eThekweni Municipality and Area Based Management (ABM) in relation to LED projects and skills development initiatives implementation in Cato Manor?
23. How does management involve community members in decision making of implemented LED projects?

Part two: Questions about Investment and SMMEs

24. Which organizations have invested in Cato Manor economic development projects?
25. Identify and describe the above.
26. What are procedures used to attract foreign and local investors to invest in Cato Manor?
27. How many Small Micro Medium and Enterprises are implemented in Cato Manor?
28. How does ABM agency monitor the functioning of Small Micro Medium and Enterprises in promotion of Skills development and LED in Cato Manor?
29. What are the measurements used by the ABM to promote SMMEs in Cato Manor?
30. What are the dimensions used to monitor and evaluate the performance of SMMEs in enhancing of economic development to eradicate poverty and unemployment?

Thank you

Interview questions for eThekweni Municipality Town Planner as LED coordinator

31. What are your responsibilities as the Town Planner of eThekweni Municipality?
32. What do you think is the relationship between planning and skills development with reference to LED?
33. Was skills development initiatives considered by the Municipality as part of the integrated development approach applied in Cato Manor?
34. As a municipality planner do you think the Area Base Management (ABM) addresses skills development challenges of Cato Manor residents?
35. Given Cato Manor current situation, what do you think can be done to improve skills development in Cato Manor?
36. What are the challenges do you face as a municipality planner when implementing skills development projects in Cato Manor?

Thank you

Interview questions for Small & Medium Micro Enterprises (SMMEs)

Name:

Location of the business:

Means of infrastructure

37. What kind of business are you in?

Tuck-shop Tavern Car Repair Workshop Other, specify _____

38. When did you start operating your business?

39. What are the chances of growth for your business?

40. Since you started, has your business developed in terms of

Revenue income or output

41. What kind of business skills do you have?

42. What qualifications do you have?

Standard grade National certificate higher education

43. Do you own or have access to? (Tick a box)

Asset	Yes	No
Computer		
Internet		
Car		
Telephone		
Credit		

44 What profit do you make a month?

Profit		
0-1000		
1001-2500		
2501-5000		
5001-8000		
8001-12000		
12001-15000		
15000 and above		

44. What are the constraints in your business?
45. Are there any structured measures in place to ensure training and empowerment of people?
46. Chances of adopting the training context and approaches learnt on the programmes?
47. From the training, do you consider yourself business competent?
48. On completion of the courses, how would you rate improvement of your understanding?
49. Are there any incentives provided by the local government through Area Base Management (ABM) to improve your business?
50. In your own understanding what do you think eThekweni Municipality can do to enhance skills development in Cato Manor?
51. What are the areas of risk requiring special attention in SMME?

Thank you

Interview questions for ward 29 Councillor and committee as representatives

Name:

Surname:

Duty responsibilities:

52. Do you have access to basic services?

53. What are community services available in Cato Manor?

Facilities	Yes	No
Education		
Health		
Recreation		

54. What are the livelihood challenges faced by the household?

55. Do community members benefit from skills development initiatives as LED projects taking place in Cato Manor, if yes how?

56. Do you think Skills development initiatives are effective as reconstruction tools within Cato Manor?

57. What are the limitations of skills development initiatives in Cato Manor? Identify and discuss.

58. Do you think there is a need for improvement of skills development initiatives to be more effective in Cato Manor?

59. What inputs or suggestions would you contribute with to enhance effectiveness of skills development initiations?

60. Do you think public participation is encouraged during implementation of skills development initiatives?

61. What are the formal procedures or process used to encourage public participation by the counsel office?

62. Dating from the past experience, how effective are the processes employed in Cato Manor to encourage participation?
63. If there are limitations, what other inputs can be used if suggested?
64. What are the main projects based on facilitating heritage of the community?

Thank you