



**UNIVERSITY OF<sup>TM</sup>  
KWAZULU-NATAL**  

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**INYUVESI  
YAKWAZULU-NATALI**

**COLLEGE of LAW and MANAGEMENT STUDIES.**

**Examining the Impact of Local Government in Promoting Local Economic  
Development: The Case Study of Winnie Madikizela Mandela Local  
Municipality**

**by**

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**A dissertation submitted in fulfilment of the requirements for the degree of Master of  
Public Governance**

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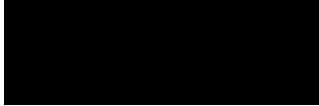
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**2025**

## DECLARATION

I, Avuma Zimasa Makhedama (220050662), proclaim that:

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## ACKNOWLEDGMENTS

Dear God, thank you!

Without you, this journey would not have been possible. Thank you for granting me the strength, wisdom, and ability to complete this study. Thank you for making this possible, even when I doubted, lost faith, and questioned if I would ever complete this study. You have surely kept to your word: *“Isaiah 41:10 Fear not, for I am with you; be not dismayed for I am your God; I will strengthen you, I will help you, I will uphold you with my righteous right hand.”* Looking back, I have seen that you have been on my side and have constantly given me the strength to walk this journey until the finish line. Thank you, Abb, ukubonga kwami akupheli. This achievement is a true reflection that indeed what you have started, you will surely see it to completion.

I would like to extend my sincere gratitude to my supervisor, Dr Andile Clifford Biyela. Thank you so much for your guidance. Your insights have played a vital role in shaping this research, and I am truly grateful.

My appreciation goes to my father, Khangelani Makhedama. Daddy, no words can express how grateful I am for everything you have done for me, the support you have shown me, and going above and beyond to ensure that I get all I need to complete this study, ndiyabulela Mbotho, Mshikilana. To my entire family, thank you for your support during this journey.

My appreciation goes to my twin sister Avumile Makhedama, maMbotho. Thank you so much for your unwavering support, thank you for always being a call or text away. From day one, you have always walked with me. You knew every down and up moment of this journey, and through it all, you prayed for me, speaking life and hope. You took this journey as if it were your own. Thank you for everything.

My appreciation also goes to my friends Siphokazi Vezi and Lusanda Mngadi. Thank you so much for your support. You made this journey bearable. Thank you for standing by me through the hard days, cheering me on when I felt like giving up. Your love, encouragement, and presence carried me further than I could have gone alone. Thank you, Nonjabulo Zondi, for your continuous encouragement, support, and for always keeping your door open whenever I needed assistance. Wendy Mthimkhulu, thank you so much for your support. It has only been

a short time since we met, but the kindness you have shown me has carried me in ways you may not even realize.

My appreciation goes to the staff of Winnie Madikizela Mandela Local Municipality and the business community members who participated in this study. Thank you for opening your doors and taking the time to be part of this study. This study would not have been possible without your input. Ndiyabulela!

My appreciation also goes to my church, One Life Varsity Campus. Thank you so much for holding me up with your prayers. Thank you to my connect group for giving me space to cry, complain, and vent when the journey got tough. Your encouragement and prayers have carried me through this journey, and I am deeply grateful.

## **DEDICATION**

I would like to dedicate this work to my late mother, Ntombizodwa Makhedama, who never lived to witness any of my graduation ceremonies. I hope you are proud of how far God has taken me. I also dedicate this work to my late grandmother, MaGanyile Norah Makhedama, who left too soon before this journey was completed.

## ABSTRACT

Local Economic Development (LED) has emerged as a critical strategy for addressing persistent socio-economic challenges such as unemployment, poverty, and inequality in South Africa. Since the advent of democracy in 1994, municipalities have been constitutionally mandated to drive LED as part of their development role and create inclusive local economies that promote both social and economic well-being. The main aim of this dissertation was to evaluate the overall impact of local government on promoting Local Economic Development in South Africa, using the Winnie Madikizela Mandela Local Municipality (WMMLM) as the case study. This research adopted a qualitative research approach, and the researcher employed the thematic analysis technique to analyse the collected data. The study aimed to interview sixteen participants, comprising eight Local Economic Development staff members from Winnie Madikizela Mandela Local Municipality and eight business community members within the WMMLM area. However, due to participant unavailability, in-depth interviews were conducted with fourteen participants. Participants were selected using purposive and snowball sampling techniques. The study was grounded in Community Development Theory, which provided a relevant framework for understanding the role of local government in facilitating local economic development.

The findings indicated that WMMLM had established LED initiatives; however, several structural and operational challenges continued to limit their effectiveness. Although LED initiatives showed some positive impact on business growth, poor implementation, inadequate monitoring, weak alignment with local economic needs, unequal resource distribution, and budget constraints reduced their overall impact. These financial limitations also restricted the municipality's ability to respond to economic shocks and emergencies. The study recommended strengthening institutional capacity, enhancing participatory governance, adopting context-sensitive LED strategies, and exploring diversified funding sources to maximise LED outcomes. The study contributed to knowledge on local economic development in South Africa and provided useful insights for policymakers and local government. However, as the study focused only on business community members within WMMLM, the findings could not be generalised to all municipalities, though they offered valuable insight into the realities faced by small municipalities.

**Keywords:** Local Economic Development, Winnie Madikizela Mandela Local Municipality, Socio-economic challenges, South Africa.

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## **LIST OF ACRONYMS**

ASGISA	Accelerated and Shared Growth Initiative for South Africa
BBBEE	Broad-Based Black Economic Empowerment
CBOs	Community-based organisations
CDT	Community Development Theory
ISRDS	Integrated Sustainable Rural Development Strategy
JIPSA	Joint Initiative on Priority Skills
LED	Local economic development
LEDA	Local economic development agency
NDP	National Development Plan
NGO	Non-governmental organisation
NGP	New Growth Path
PPP	Public-private partnership
SALGA	South African Local Government Association
SMEs	Small and medium-sized enterprises
SMMEs	Small, medium, and micro enterprises
WMMLM	Winnie Madikizela Mandela Local Municipality

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

## **1.1 INTRODUCTION**

This research dissertation critically explores the role of local government in promoting local economic development in South Africa. This chapter presents the introduction and background to the study, the research questions and objectives, the problem statement, and the significance of this dissertation. Its purpose is to provide the reader with an overview of the phenomenon under investigation. Local economic development (LED) has become an essential component of development strategy in many countries (Khambule, 2025). Since the end of apartheid in South Africa, the government has sought to eradicate the deep social and economic inequalities produced by colonialism and apartheid through a range of remedial policies and measures (Ngumbela, 2023).

These numerous policies and development plans seek to eradicate poverty, create job opportunities, and establish sustainable economic growth throughout the country (Koma, 2012). In order to achieve these goals, local municipalities have been assigned the responsibility and duty to foster social and local economic development in their towns, as mandated by the Constitution of the Republic of South Africa. According to the Constitution (1996), Section 152, and the White Paper on Local Government (1998), local municipalities are obligated to play a critical role in promoting economic and social development (Mashamaite & Lethoko, 2018). Hence, municipalities are considered the backbone for promoting LED strategies by creating a conducive investment environment through the provision of infrastructure that facilitates economic growth, fostering small business development, and supporting entrepreneurship (Vhumbunu et al., 2020).

In South Africa, LED forms part of the Integrated Development Plan (IDP) process used by municipalities (Makamo, 2020). According to Molepo & Maleka (2018), the IDP is a five-year strategic plan that guides municipalities to consistently and strategically connect their finance plans and development goals in order to improve communities' developmental condition. This suggests that LED programmes and initiatives are tailored to the unique socio-economic challenges of specific localities. Successfully implemented LED initiatives can reduce the high unemployment rate, improve socio-economic conditions, and alleviate poverty (Chiloane & Meyer, 2024).

Despite the promising outcomes of LED, local governments continue to struggle to successfully implement and promote LED projects (Mashabela & Thusi, 2023; Mumba & van der Waldt, 2023; Mashamaite & Lethoko, 2018). The majority of South African municipalities are facing challenges such as poor service delivery, stagnant local economies, high levels of corruption, and persistently high poverty and unemployment rates, which can have an impact on the execution of LED projects and programmes (Mashamaite & Lethoko, 2018).

Three decades into democracy, and despite the implementation of various policies, South Africa continues to grapple with persistent and in some cases worsening social and economic challenges (Vivek, 2024). Cerruti & Baloyi (2020); Mlaba (2020) also share the same segments as the aforementioned scholar, drawing on the Oxfam inequality report, argue that the post-apartheid government has mainly failed to deliver essential social services such as education, electricity, health care, housing, water, and other basic services to those who were socially and economically disadvantaged.

This situation raises questions about the effectiveness of development policies and their ability to meet their objectives. It is therefore necessary for the government to continually assess municipalities' efforts in promoting LED, in order to identify alternative strategies when existing approaches fail to achieve policy goals. Against this backdrop, this study investigates the impact of local government on promoting local economic development by examining the mechanisms, policies, and strategies employed to stimulate LED, as well as the challenges and gaps that hinder effective implementation.

## **1.2 BACKGROUND TO THE STUDY**

Local economic development is a concept and strategy that has gained popularity worldwide as a mechanism for governments to cultivate and maintain a robust economic foundation (Mashamaite & Lethoko, 2018; Hlongwane, 2018). This is achieved by utilising local business skills, knowledge, and resources to alleviate poverty, unemployment, and other socio-economic challenges that undermine sustainable livelihoods within communities (Hlongwane, 2018). The origin of LED can be traced back to wealthy countries in the global North, and over time, this strategy has been adopted by governments in the global South. LED has emerged as a key economic growth strategy in these regions, particularly at the local level, in response to

factors such as shifts in national development policies, persistent poverty, and slow economic growth (Mlambo et al., 2022). The emergence of LED as a strategy to stimulate local economies is rooted in the context of globalisation, where the expansion of global trade has increased competition for producers of goods and services, with other nations often able to offer lower costs and superior quality (Mlambo et al., 2022).

According to Chomane & Biljohn (2023), in the early 1970s, the concept of LED emerged as a policy approach adopted by municipalities in various countries. They summarise the evolution of LED into three development waves, elements of which remain predominant today. The first wave, which emerged in the 1960s, adopted a pro-market approach focused on attracting external investors, with national and provincial governments directing economic development policies. This wave emphasised attracting mobile manufacturers and foreign investors. The second wave, which occurred from the 1980s to the mid-1990s, retained the pro-market orientation but introduced a new dimension: appealing to investors while prioritising the retention and expansion of local businesses by strategically targeting key sectors within specific geographical areas. The third wave, beginning in the 1990s and continuing to the present, maintains the pro-market approach while placing significant emphasis on infrastructure investment, networking between businesses, public–private partnerships (PPPs), and the promotion of an improved quality of life within communities in the global South (Chomane & Biljohn, 2023).

LED in South Africa can be traced back to the apartheid era (Mlambo et al., 2022). However, its primary objective during that period was to advance the formal economy while marginalising the township economy, a marginalisation compounded by the suppression of LED in townships. In line with Mlambo et al. (2022), Rogerson (2000) notes that the idea of LED has a longer history, dating back to the 1920s and 1940s, when many local governments initiated small-scale initiatives to promote their towns and cities. This initiative, known as municipal boosterism, involved towns advertising themselves to attract new industries and businesses; cities such as Port Elizabeth, East London, Johannesburg, Benoni, and Germiston were especially active in this form of promotion. During the 1950s, these local efforts declined in importance as the national government introduced new programmes of regional planning. These programmes were tied to apartheid policies of racial exclusion and strict control over the spatial location of industries. As a result, for most of the apartheid period, local-level LED projects were marginal compared to the central government’s control. Towards the end of the

apartheid era, a new wave of LED initiatives emerged, as local governments began to incorporate LED into their policies to support urban reconstruction and development. Initially, this approach focused on major cities such as Durban, Johannesburg, and Cape Town, but over time, LED spread to smaller cities and towns across South Africa.

Pre to 1994, Local Economic Development in South Africa was characterised by a pro-market economic approach focused on promoting the formal economy. During the apartheid era, LED was largely centralised and concentrated in urban areas (Mlambo et al., 2022). After 1994, the democratic government implemented the LED policy as a strategic approach to redress the imbalances resulting from apartheid and to provide assistance to the millions of South Africans who had endured injustices for decades (Hlongwane, 2018). Today, LED aims to foster local economies, reduce poverty, develop infrastructure, and empower previously disadvantaged groups (Mahlalela, 2014). Thus, LED is seen as an alternative to traditional top-down development tactics in which the government provides economic opportunities to citizens. Section 152, of Constitution of the Republic of South Africa (1996), requires local government to take a leading role in promoting social and economic development, while the White Paper on Local Government (1998) introduced the idea of developmental local government, which places an emphasis on collaborating with local stakeholders to enhance the material, social, and economic conditions of communities to raise their standard of living (Mashamaite & Lethoko, 2018). This then means that local governments have assumed responsibility of not only for providing service delivery but also for promoting LED.

LED is practised through various strategies, such as poverty alleviation programmes that include creating short-term employment at the municipal level and improving infrastructure to attract businesses, thereby creating jobs for local residents (Hlongwane, 2018). According to Chomane & Biljohn (2023), the post-1994 LED strategy incorporates aspects of both pro-market and pro-poor policy solutions. A pro-poor approach involves redistributive and inclusive policies that explicitly target the poor and marginalised (Chomane & Biljohn, 2023). These regulations seek to promote involvement, independence, prosperity, teamwork, and inclusive, environmentally sustainable growth (Galego et al., 2022). They also seek to address inequalities by integrating the poor and the marginalised into mainstream economic activities through support for small, medium, and micro enterprises (SMMEs), co-operatives, and marginalised groups (Chomane & Biljohn, 2023).

The pro-market approach seeks to achieve high and sustained economic growth through collaboration between government, the business sector, and individual entrepreneurs. It involves creating a supportive environment for businesses, promoting SMMEs, encouraging investment, and supporting tourism. The goal is to foster self-reliance, entrepreneurship, and competitiveness in order to reduce unemployment while maintaining robust economic growth. In South Africa, larger municipalities tend to follow a pro-market approach by supporting established businesses and balancing pro-market and pro-poor interventions through strategic partnerships and resource allocation (Nel & Rogerson, 2016).

According to Reddy et al. (2012), the South African government has adopted various approaches over the years to enhance LED programmes, including the National Framework for LED. This framework emphasises the importance of partnerships between the private sector, local government, and communities to foster economic growth and ensure a more equitable distribution of benefits among community stakeholders. This perspective is supported by Meyer-Stamer (2005), who points out that successful local economic growth is facilitated by collaborations between the governmental, private, and civil society sectors. Townships have used PPPs to carry out projects that benefit all parties involved and further policy goals. For instance, PPPs that support LED have been used to build shopping centres.

Since 1994, LED policy has undoubtedly made a significant contribution to local economies and to improved livelihoods. However, scholars note that much work remains in relation to the implementation and promotion of LED policy by local governments, particularly in rural areas where municipalities continue to struggle to promote and implement LED effectively (Mashamaite & Lethoko, 2018; Makhaye et al., 2021). Despite these contributions, local government in South Africa is still characterised by poor service delivery, inadequate management, and high levels of corruption, all of which undermine efforts to promote and implement LED (Koma, 2014). This study, therefore, examines whether LED strategies are effectively implemented and sustained in rural areas and, if not, what factors hinder the success of LED at the local level.

### **1.3 PROBLEM STATEMENT**

The significance of municipalities in fostering LED within communities is well acknowledged. However, there is limited understanding of the specific mechanisms through which municipalities promote LED effectively and of the factors that influence their efforts. Despite

the introduction of LED policies aimed at boosting local economies, creating employment, and addressing social inequalities, these objectives often remain unfulfilled (Vivek, 2024; Mashamaite & Lethoko, 2018; Hlongwane, 2018). One of the critical issues hindering the success of LED initiatives is the lack of understanding and awareness of LED programmes among municipal officials and community members. This knowledge gap can lead to poor implementation and weak management of LED projects, resulting in suboptimal outcomes (Koma, 2014). Moreover, inadequate infrastructure poses a significant barrier to the effective implementation of LED (Zeebaree et al., 2020). Poor road networks, unreliable electricity supply, poor service delivery, and limited access to clean water and sanitation can deter investment and hinder the growth of local businesses (Govinden, 2020). This is evidenced by reports that the Clover company relocated its factory from Lichtenburg in the Northwest to Queensburgh in Durban due to poor service delivery (Mashego, 2021).

The Mbizana Local Municipality is currently facing challenges that constrain local economic growth. According to Dungula (2023), communities in Mbizana have experienced a water crisis since 2005. In addition, parts of WMMLM are affected by infrastructure deficits that hinder economic development efforts. Despite its potential in tourism and agriculture, the area's economic growth and development prospects are limited by poor road infrastructure. The WMMLM's failure to address these issues risks prolonged underdevelopment, social unrest, and an entrenched cycle of poverty. In order to improve community well-being and build a sustainable future, these issues must be addressed.

Inadequate financial resources further exacerbate the challenges faced by South African municipalities in promoting LED (Makhaye & Subban, 2024). Many municipalities operate on limited budgets, which restricts their ability to fund and sustain LED projects (Mashamaite & Lethoko, 2018). This financial constraint often results in reliance on external funding, which may not always be available or sufficient. Additionally, corruption and mismanagement of funds are prevalent issues that undermine the financial integrity of municipalities, as evidenced in various cases across the country (Mashamaite & Lethoko, 2018). The skills gap among municipal officials and local entrepreneurs is another critical factor affecting the success of LED initiatives (Sibiya, 2023). Many municipalities lack adequately trained personnel to design, implement, and manage LED projects effectively (Kamara et al., 2017). This skills deficiency hampers municipalities' capacity to foster local economic growth and support entrepreneurial activities (Sibaya, 2023). For example, in the Nkomazi Local Municipality,

efforts to promote LED through agricultural projects were hindered by the lack of technical skills and expertise among the local population (Hlongwane, 2018).

Furthermore, a lack of coordination and collaboration among the various stakeholders involved in LED can lead to fragmented efforts and reduced impact. Effective LED requires the active participation and cooperation of local government, businesses, civil society, and communities (Diseko, 2016). However, disjointed efforts and conflicting interests often undermine the potential for successful LED outcomes. The Dr Kenneth Kaunda District Municipality's struggle to coordinate its LED projects illustrates the challenges of achieving cohesive and collaborative LED efforts (Reddy et al., 2012).

Thus, this dissertation seeks to evaluate the overall impact of local government on promoting LED in South Africa by identifying the key strategies, policies, and initiatives implemented by municipalities. It aims to analyse their effectiveness in achieving LED objectives and to assess the socio-economic factors that influence the success or failure of LED initiatives. The study endeavours to provide empirical evidence and actionable insights that can guide municipalities in designing and implementing more effective LED policies and programmes to promote sustainable economic growth and prosperity within their communities. This research will contribute to a deeper understanding of how municipalities can overcome existing challenges and capitalise on their potential to drive development and sustainable economic growth at the local level.

#### **1.4 AIM**

The aim of this study is to evaluate the overall impact of local government on promoting local economic development in South Africa, using the case of Winnie Madikizela Mandela Municipality.

#### **1.5 RESEARCH OBJECTIVES**

- To assess the overall role of Winnie Madikizela Mandela Municipality (WMMLM) in promoting LED.
- To evaluate the effectiveness of LED strategies implemented by the municipality in fostering LED.
- To analyse local business perceptions regarding the implementation and impact of LED by Winnie Madikizela Mandela Municipality.

- To explore potential interventions for improving LED efforts within Winnie Madikizela Mandela Municipality.

## **1.6 RESEARCH QUESTIONS**

- What is the overall role of WMMLM in promoting LED within the municipality?
- How effective are the LED strategies implemented by Winnie Madikizela Mandela Municipality in fostering LED?
- What are the perceptions of local businesses regarding the implementation and impact of LED initiatives by WMMLM?
- What interventions could be proposed to enhance the effectiveness of LED efforts within WMMLM?

## **1.7 PRELIMINARY LITERATURE REVIEW**

Du Plooy-Cilliers et al. (2014) assert that a literature review is a process of systematically searching for existing scholarly work related to the topic under investigation, evaluating and summarising the available information, and presenting it in the study. This component of the research is crucial, as it enables the researcher to identify gaps in existing knowledge and to demonstrate how the current study seeks to address these gaps and contribute to the body of knowledge. For this study, the researcher reviews literature on LED and the impact of local government in promoting LED in local communities.

### **1.7.1 Conceptualisation of Local Economic Development.**

Available literature has revealed that the term “local economic development” has been defined in various ways by different scholars (Ababio & Meyers, 2012; Kumari & Bhanoo, 2022; Ndlovu, 2021). The concept, over the years, has seen a transformation in its definition from being an economic strategy that aims to boost local economic growth through the support of local government. Local economic development is still an economic strategy to boost the local economy, but the responsibility is not solely on the local government; other stakeholders, such as the private sector, local businesses, and members of the community, play a crucial role. This is supported by the definition offered by (Krumholz, 1999; Malefane & Mashakoe, 2010; Thornhill et al., 2014). Despite varying definitions, there are common themes: all definitions emphasise a collaborative approach to enhance the quality of life through social and economic development.

According to the literature, local governments play a critical role in advancing LED by establishing an environment that is conducive to investment through the provision of suitable infrastructure and services (Koma, 2014; Mashamaite & Lethoko, 2018; Meyer, 2014; Chomane, 2018). The Constitution of the Republic of South Africa, 1996, particularly Section 152, and the White Paper on Local Government, 1998, stipulate that municipalities have a pivotal role in fostering both social and economic development. Oduro-Ofori (2011) identifies four roles of local government, namely participation, facilitative, regulatory, and adaptive roles. Chomane (2018) further notes that the Department of Cooperative Governance and Traditional Affairs (COGTA) in South Africa, as well as other institutions, also provide support for LED. Fabus et al. (2019), Radebe & Maphela (2019), and Pietrzak et al. (2017) point out that LED in South Africa frequently emphasises microeconomic factors, especially the use of local resources. However, balancing pro-growth and pro-poor strategies remains challenging, and LED has been criticised for disproportionately favouring economic growth at the expense of poverty alleviation (Mahlalela, 2014; Ndlovu, 2021).

Rogerson & Rogerson (2010), highlight that in advanced economies, LED practices often focus on leveraging local assets and creating conducive environments for investment and innovation, reflecting its evolution alongside globalisation and decentralised governance reforms. In the global South, including sub-Saharan Africa, LED has similarly gained prominence as a development tool to address persistent socio-economic challenges, although its implementation varies significantly across contexts. Research on LED in Africa highlights that while the concept originated and was widely adopted in Europe and North America, it has been increasingly integrated into African policy and practice as a response to structural unemployment and uneven regional development (Mdlalose & Makoni, 2025).

Local municipalities face several challenges in implementing LED, including inadequate resources, incompetent officials, and a lack of feedback mechanisms (Kamara, 2017; Mensah et al., 2017; Khambule & Mtapuri, 2018). Corruption further undermines the effectiveness of LED strategies, highlighting the need for transparent and accountable frameworks to improve implementation (Kamara, 2017; Mensah et al., 2017). Chomane & Biljohn (2023), adds that broader governance issues such as political interference, weak oversight mechanisms, and limited prioritisation of LED at the municipal level further hinder implementation efforts and reduce the effectiveness of strategic economic interventions. Many of these challenges are not

unique to South Africa but are reflected across other African countries, where municipalities similarly struggle with limited institutional capacity, inadequate infrastructure, poor market access, and weak stakeholder participation (Malefane & Mashakoe, 2008). Furthermore, LED strategies in several African contexts are often externally driven or donor-funded, resulting in limited local ownership and alignment with local socio-economic realities (Rodríguez-Pose & Tijmstra, 2007). This indicate that both South African and broader African municipalities face structural, operational, and governance challenges that constrain the effectiveness of LED as a tool for inclusive local economic development.

Existing literature has shown that many studies about LED have been conducted over the years, from different perspectives (Malefane, 2009; Koma, 2014; Nkuna, 2017). For instance, a study conducted in JB Marks Local Municipality by Mumba and van der Waldt (2023) investigated institutional LED challenges. This study finds that major challenges are misalignment of stakeholders, poor coordination, and difficulties in the implementation of LED strategies. Another study by Makhaye et al. (2021), titled *“Bridging the urban–rural gap in facilitating local economic development: the case study of uMgungundlovu District Municipality in KwaZulu–Natal, South Africa”*. Explores how urban-rural inequalities impact LED implementation in the uMgungundlovu district. This study finds that there is a gap in planning, resource allocation, stakeholder participation, and infrastructure, especially in rural areas. A study conducted by Masango (2024) explores whether LED is being implemented successfully in South African municipalities. It finds that factors like insufficient funding, capacity issues, and lack of sustained efforts are inhibiting progress.

As evident from the quoted literature on LED, this concept has been studied; however, there is still a gap, especially on LED in the Eastern Cape Municipality. Little attention has been paid to the Eastern Cape Province, despite its unique socio-economic challenges, including high unemployment, poverty, and spatial inequalities. The few studies that do exist on LED in the Eastern Cape (For example, Ngumbela, 2023; Ngumbela, & Juta2025) often provide broad, provincial-level overviews but do not sufficiently interrogate the implementation of LED at the municipal level. By focusing on Winnie Madikizela Mandela Local Municipality, this study distinguishes itself and allows for a more comprehensive examination of the opportunities, challenges, and contextual realities surrounding LED in Winnie Madikizela Mandela Local Municipality. The study will provide detailed insights into institutional capacity, governance procedures, and community involvement that may be overlooked by more general provincial or national studies by focusing on LED implementation in a specific municipal setting.

Additionally, focusing on a single municipality provides the opportunity to highlight lessons that other Eastern Cape municipalities can apply. A more detailed and comprehensive discussion of LED, examining perspectives from the international, African, and South African contexts, as well as the challenges associated with its implementation, is presented in the preceding chapter.

## **1.8 THEORETICAL FRAMEWORK**

Du Plooy-Cilliers et al., (2014) define a theoretical framework as a precise collection of thoughts and hypotheses that describe the selected occurrence under investigation. In essence, a theoretical framework in research is employed to gain a deeper understanding of the investigated phenomena and the research question. For this study, Community Development Theory (CDT) holds particular relevance in this context as it offers a comprehensive framework for comprehending how local governments can effectively facilitate LED. According to Jamison (2018), CDT originated from the Community-Led Rural Development Theory, which was renamed by Keane and Cinneide in 1986, as noted by (Hlomuka, 2020). This theory promotes empowerment and participation, leading to community members' active involvement and decision-making. This ensures that local knowledge, needs, and aspirations are incorporated into development initiatives (Tan, 2009). Community Development Theory is grounded in six principles: community participation, community empowerment, economic sustainability, education, capacity building, and social capital and social inclusion.

## **1.9 SIGNIFICANCE OF THE STUDY**

This study aims to evaluate the overall impact of local government on promoting LED in South Africa, with specific reference to the Winnie Madikizela Mandela Local Municipality. It is anticipated that the study will make a substantial contribution to understanding LED in Mbizana and the broader Eastern Cape Province. By examining the specific challenges and factors that hinder economic growth in Mbizana, the research will provide the local government with critical insights into the root causes of economic stagnation. These insights are essential for developing targeted and effective strategies to stimulate economic growth and improve development outcomes in the region.

The study's findings will offer a detailed analysis of the economic challenges facing the Mbizana community, identifying both systemic and context-specific issues that affect economic performance. This comprehensive overview will enable local authorities to tailor

their LED strategies more effectively to the unique needs and challenges of their communities. In addition, the research will highlight practical solutions and best practices that can be adapted to local contexts, thereby improving the implementation of economic development initiatives.

The significance of this research extends to policymakers, academics, and other stakeholders interested in sustainable economic development. The insights generated by the study will support evidence-based decision-making, inform resource allocation, and guide policy development. By providing a robust framework for understanding and addressing economic challenges, the study will play an important role in advancing sustainable growth and development in Mbizana. It may also encourage other municipalities in the Eastern Cape and beyond to explore context-specific strategies and techniques that can assist them to promote and implement LED strategies and programmes more effectively.

### **1.10 RESEARCH METHODOLOGY OVERVIEW**

According to Tan 2009, (cited from Muzari et al., 2022), research methodology is a technique used to gather information or data with the goal of making a decision regarding the research. This dissertation employed a qualitative research design, which, according to Mohajan (2018), seeks to gather perceptions and understand how people view the phenomenon that is being researched. Oun, & Bach, (2014) further adds that qualitative research design is particularly suited for gaining new insights and understanding of phenomena that are not well-documented. This research design was most suitable for this study as it gives researchers the opportunity to gather new insights and understanding of LED in WMMLM. For this dissertation, the interpretive paradigm was employed.

This research was carried out in WMMLM, located in Mbizana in the Eastern Cape Province of South Africa. The target population of this study was municipal offices under the Local Economic Development Department and the business community members within WMMLM. The researcher utilised secondary and primary sources to collect data. The primary data was collected through conducting in-depth interviews with the identified participants. This method allowed one-on-one sessions with each participant in order to gain a better understanding of how the local municipality promotes and implements LED. The secondary sources data were collected from academic journal articles, books, unpublished journals, and the IDP. The secondary data formed part of the literature review chapter and background information.

This study employed a non-probability sampling, specifically purposive sampling and a bit of snowballing. This approach allows researchers to choose participants who have relevant knowledge and expertise regarding the phenomenon under investigation (Showkat & Parveen 2017). This study consisted of fourteen (14) participants from two different groups. The first group consisted of six (6) employees from WMMLM, and the second group consisted of eight (8) participants from the business community within WMMLM. The participants from the business community were made up of business owners from the informal sector, SMMEs, co-operatives, and small businesses. In the subsequent chapters, a comprehensive explanation of the research design, methods, and procedures utilised in this study is presented.

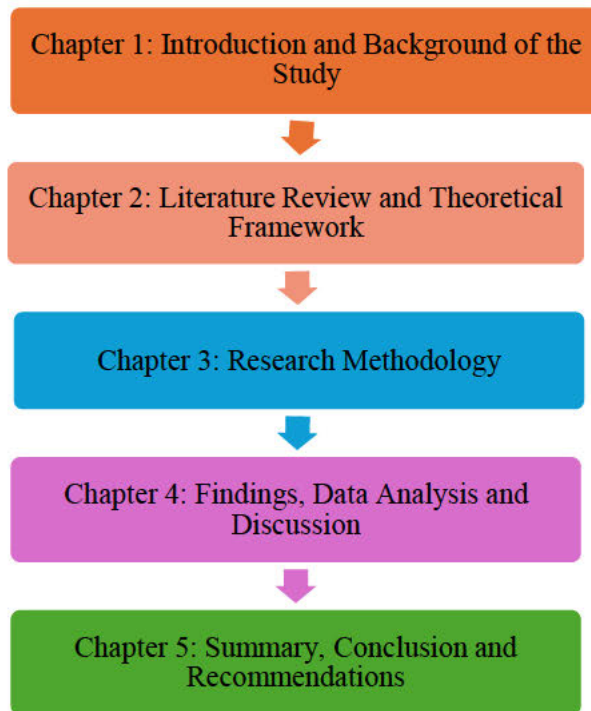
### **1.11 LIMITATIONS OF THE STUDY**

This dissertation encountered several limitations. First, the targeted number of participants was not achieved. The researcher initially anticipated sixteen participants, but only fourteen took part, as some municipal officials were unavailable due to work commitments or unwilling to participate. Second, the eight participants from the business community within WMMLM cannot be regarded as fully representative of all business owners in the municipality. As a result, it is not possible to comprehensively capture the full spectrum of challenges and realities faced by all business owners. Although the researcher attempted to include participants from different business sectors rather than focusing on a single sector, this still does not provide the complete range of LED-related challenges and impacts. It does, however, offer some indication of the realities experienced by business owners. Future research could address this limitation by engaging a bigger and more diverse sample to provide a more thorough understanding of LED tactics.

Third, the study focused solely on the implementation of LED within WMMLM. This narrow geographical focus limits the extent to which the findings and recommendations can be generalised to other municipalities. The study, therefore, presents only a small segment of the broader challenges associated with LED implementation.

## 1.12 DISSERTATION OUTLINE.

Figure 1.1 below depicts how the dissertation is structured.



**Figure 1.1: Dissertation structure**

**Source:** Researcher's own illustration

**Chapter 1** introduces the study and serves as the foundation of the entire dissertation. It introduces the study by providing a general overview of the research. It starts with the background, which describes the phenomenon under investigation. It further highlights the aim, objectives, and research question of the study. This chapter also presents the rationality and problem this study seeks to address. It also provide a brief discussion of methodology, the preliminary literature review, and the theoretical framework. This chapter provide the reader with a clear picture of what to expect in the preceding chapters.

**Chapter 2** presents the literature review and theoretical framework of this dissertation. There are two sections in this chapter. The first part present the literature review, and the latter will present the theoretical framework, Community Development Theory (CDT), which will guide the entire study. The literature review section present existing literature on LED. This section will be presented in a thematic manner, beginning with a discussion of the concept of LED. It will further discuss the concept of LED from international, African, and South African perspectives. It also present the legislation and initiatives that influence LED in South Africa, such as the National Development Plan (NDP), the Growth, Employment, and Redistribution

(GEAR) strategy, the New Growth Path (NGP), the Reconstruction and Development Programme (RP), the Republic of South Africa Constitution, and the Municipal Systems Act 32 of 2000. This chapter further present stakeholders that are essential to the execution LED strategy or programmes and also challenges confronting the local municipality when implementing LED. The second section will present CDT, which will guid the study. In this section, the principles of CDT will be discussed in detail.

**Chapter 3** presents the research methodology. In this chapter, the researcher present the methodology and research design that will used to collect data for this dissertation. This chapter will further present the research philosophy and the research approach. The data collection, study area, and target population. Furthermore, the sampling technique and data quality control will be outlined, and finally, the adopted data analysis technique and ethical considerations of the study will be discussed.

**Chapter 4** presents the research findings, data analysis, and discussion. This chapter will be divided into three sections. The first section will present the demographic details of the participants of this study, and the second section will present the data collected during the in-depth interview. The data will be outlined according to the four research objectives of the study. The third section will discuss and analyses the collected data thematically, incorporating the literature and CDT to generate robust findings.

**Chapter 5** presents the summary, recommendations, and conclusion. This chapter will provide a summary of the whole study. It further provides a summary of the findings as well as the recommendations for further study. It also presents the recommendations that the study assumes are important in assisting the local government in promoting LED. It will also offer recommendations for future research. This chapter will also be discussed how this study contributes to knowledge. Lastly, it will present the conclusion, which brings the study to an end.

### **1.13 CONCLUSION**

This chapter provided an introduction and background of the study, including the research problem statement, objectives, and questions. It also highlighted the rationale for the study. A brief methodology, preliminary literature review, and theoretical framework were also briefly discussed in this chapter. The following chapter will be the literature review and theoretical framework, which will present literature on LED and will also present the CDT.

## **CHAPTER 2: LITERATURE REVIEW AND THEORETICAL FRAMEWORK**

### **2.1 INTRODUCTION**

The introduction was covered in the preceding chapter. It offered a broad overview of the entire study as well as the important features of the study, such as the background of the study, the research problem statement, the objectives, and the outline of the dissertation. The current chapter presents a review of relevant literature, which is in line with the goal of the study, which was to examine the impact of local government in promoting local economic development in local communities. It will also present the theoretical framework, which will guide the study.

According to Fink (2019), a literature review is a systematic process of identifying, evaluating, and synthesising existing scholarly work related to a particular topic, in order to situate a study within the broader field. This chapter is therefore critical, as it enables the identification of gaps in existing knowledge and clarifies how the present study seeks to address these gaps and contribute to the body of knowledge. The literature review provides an overview of local economic development and examines the role of government, particularly municipalities, in promoting the successful implementation of LED. It explores the nature of LED globally and locally, it also reviews the legislation that guides LED projects and implementation in South Africa and examines the challenges municipalities face in implementing LED.

The literature review is organised in a structured and systematic manner and is arranged thematically. For example, studies that examine LED from an international perspective are grouped separately from those that focus on African or South African contexts. The chapter begins by conceptualising the key terms used in the dissertation, in order to clarify their meanings and explain the sense in which they are used. It then presents the theoretical framework, specifically Community Development Theory, which is used to explore how municipalities can promote LED programmes.

## **2.2 CONCEPTUALISATION OF LOCAL ECONOMIC DEVELOPMENT AND LOCAL GOVERNMENT**

### **2.2.1 Local Economic Development**

The literature indicates that there is no single, universally accepted definition of LED (Ndlovu, 2021; Khunoethe et al., 2021; Xaba et al., 2024). LED is a complex development concept that has been interpreted and defined in various ways over time. Rogerson (2020) notes that thinking about LED has evolved alongside broader shifts in development and growth paradigms. Early definitions tended to focus on the role of local government in stimulating private investment. Krumholz (1999), for example, defines LED as a process through which local government manages resources to stimulate private investment in order to generate new jobs and tax revenue. This definition reflects an emphasis on attracting private investment to drive economic growth and expand the municipal revenue base. In the early 2000s, Abrahams (2003) defined LED as a development approach that simultaneously improves citizens' quality of life and contributes to local economic growth. This definition extends the earlier focus on private investment by highlighting the importance of translating employment creation into improved living standards.

Ruecker and Trah (2007) define LED as a policy that requires stakeholders and institutions, including the public and private sectors and community members, to work together to create an enabling environment for local businesses and job creation, for example, by removing bureaucratic obstacles and strengthening the competitiveness of local firms. Similarly, according to Malefane & Mashakoe (2008), LED is a tactic where local governments and community-based organisations work together and make use of their resources to develop cooperative projects, either with the private sector or among themselves, in order to generate new jobs and economic opportunities within the community. According to Thornhill et al. (2014), LED is a participatory approach that promotes collaborations between public and private stakeholders within a specific area, allowing for the cooperative creation and execution of a shared development strategy.

These later definitions, from 2003 onwards, introduce a broader perspective that positions LED not only as a responsibility of local government but as a shared endeavour involving the private sector and community members. For Ruecker & Trah (2007), LED is also a tool for improving the local economy by encouraging the establishment and growth of local businesses through

the reduction of bureaucratic constraints. LED thus shifts from being solely a mechanism to attract external private investment to a broader development approach that supports local entrepreneurship and endogenous growth. More recent literature continues this trend. Kumari & Bhanoo (2022) define LED as a strategy that enables local governments and community groups to manage resources and build partnerships to create job opportunities and promote economic activity. Their definition aligns with those of Thornhill et al. (2014) and Ruecker & Trah (2007) in emphasising the roles of public and private sectors and community members in promoting LED. Despite differences in wording, these definitions share common themes: they emphasise collaboration among multiple stakeholders, the creation of economic opportunities, and the enhancement of quality of life through social and economic development. For the purposes of this study, the definition provided by the World Bank (2014) is adopted as the core point of reference. According to the World Bank (2014), LED is a process in which partners from the public, private, and non-governmental sectors collaborate to improve the environment for economic expansion and job creation.

Definitions of LED have evolved over time, reflecting the different contexts and objectives within which the concept has been applied. In emerging and African contexts, LED is commonly framed as a strategy to address poverty, unemployment, inequality, and weak public services, shaped by processes such as democratisation and decentralisation (Dyosi, 2016; Mensah et al., 2017). This understanding aligns with the South African context, where LED is promoted as a response to historical socio-economic inequalities. In contrast, in Western contexts LED is often conceptualised as a mechanism for enhancing local economic competitiveness and wealth creation, with less emphasis on social objectives (Bartik, 2003; Reddy & Wallis, 2012).

### **2.2.2 Local Government**

The term “local government” is defined differently across countries, with national contexts shaping expectations of its functions and responsibilities (Hlomuka, 2020). In South Africa, local government is known as the third sphere of government, established to bring governance closer to communities and to provide residents with a sense of involvement in the political processes that shape their daily lives. It is therefore regarded as the branch of government that is closest to the people (Koma, 2014).

Local government in South Africa has its origins in the colonial and apartheid periods. Under apartheid, the local government system was characterised by subservience, racism, illegitimacy, and chronic crisis (Mashamaite & Lethoko, 2018). Municipal functions were driven by racially discriminatory agendas that segregated communities and produced stark inequalities in service delivery. Non-white communities faced entrenched unemployment, inequality, and poverty (Hlomuka, 2020). With the end of apartheid in 1994, the newly elected democratic government prioritised the redress of these inequalities, including the transformation of local government institutions and practices (Hlomuka, 2020).

The new democratic local government sphere assumed a pivotal role in reconstructing local communities and environments and became central to the project of building a democratic, integrated, prosperous, and genuinely non-racial society (South African Local Government Association [SALGA], 2015). The imperative to reform local government into a comprehensive, non-racial institution of governance stemmed from a history of urban economic policies that systematically privileged white urban areas while marginalising black urban and peri-urban areas, with severe and irrational consequences (Mashamaite & Lethoko, 2018; Mthuli et al., 2018). Local government is now institutionalised under an integrated development planning framework and has a constitutional mandate and developmental commitment to establish integrated, economically and socially resilient communities (Koma, 2014).

Hlomuka (2020) notes that, in addition to serving as a cornerstone in addressing inequality and promoting social and economic development, local government is tasked with several specific responsibilities, including:

- To promote LED
- To create and review national policies, strategies, and guidelines for LED
- To provide direct and hands-on support to provincial and local government
- Responsible for managing funds allocated for LED
- Managing and supporting Nodal Economic Development Planning (NEDP)
- Facilitating, monitoring, and coordinating donor programmes, and supporting LED capacity building.

South Africa operates under three spheres of government National, Provincial, and local. With 257 municipalities forming the local government sphere and carrying the responsibility of

providing essential services such as water, sanitation, electricity, roads, and community facilities to promote the welfare and dignity of communities (Shongwe & Meyer, 2023). The Constitution of the Republic of South Africa (1996) classifies municipalities into three categories: Category A metropolitan municipalities with exclusive executive and legislative authority, Category B local municipalities that share authority, and Category C district municipalities that govern areas comprising more than one local municipality (Koma, 2014). Category A consists of eight metropolitan municipalities, Category B includes 205 local municipalities, and Category C comprises 44 district municipalities (Kgobe, 2020). While all municipalities are required to provide services impartially and without discrimination, studies show that Category A municipalities have a comparative advantage in implementing Local Economic Development initiatives, revealing disparities in capacity and performance across municipal categories (Masekela & Hlongwane, 2024).

### **2.3 THE LINK OF LOCAL GOVERNMENTS IN LOCAL ECONOMIC DEVELOPMENT**

As Koma (2014); Hlomuka (2020); Mashamaite & Lethoko (2018) note, the new democratic local government has a duty to bridge the social and economic gaps created by apartheid and to promote development for all communities. Among its responsibilities, local government is mandated by various legislative instruments and by the Constitution of the Republic of South Africa, Act 108 of 1996, to act as the primary driver of Local Economic Development. This means that local government is responsible for initiating, coordinating, and implementing LED programmes. It is tasked with organising, planning, and designing LED strategies and projects that address the essential needs of communities and improve their social and economic conditions (Makamo, 2020). However, as the definitions of LED discussed above make it clear that, the responsibility for promoting LED does not rest solely with the local government. Other key stakeholders, including the private sector, civil society, and community structures, also play important roles in LED, and these roles are discussed in subsequent sections of this chapter.

### **2.4 LOCAL ECONOMIC DEVELOPMENT WITHIN AN INTERNATIONAL CONTEXT**

The reality is that socio-economic challenges such as high unemployment, high poverty rate, inequality, and inadequate service delivery are challenges that affect countries across the world

(Koma, 2014). Globalisation, competitive markets, urbanisation, and technological advancements have exacerbated these challenges. In an effort to address these socio-economic problems, both first- and third-world nations have embraced LED, one of the most widely used approaches (Mashabela, 2022). Thus, LED is considered an approach to support local economies worldwide to meet local demands, contribute to national prosperity, and reduce poverty. The concept emerged in the early 1960s in the European continent, and later it was adopted by the third-world countries (Rodriguez-Pose, cited in Mashamaite, 2014). Christian and Rogerson (2015) are of the view that the development of LED strategy is relevant to the socio-economic challenges and growth of globalisation affecting countries worldwide. The major goal of LED is to strengthen the local economy by creating jobs, providing enough basic services, addressing inequality, and promoting global market competitiveness through intergovernmental partnerships.

Furthermore, LED supports collaboration and active participation in local economic growth among the public sector, private firms, and community groups (Jili, 2019). According to Akudugu and Laube (2013), LED is more successful when local authorities and stakeholders collaborate with international donors and national planning organisations to collaboratively develop and carry out projects meant to boost the local economy. Ferguson (2010) is also of the view that LED seeks to further decentralise authority and decision-making at the local level. It has been acknowledged globally as an essential reaction to the socio-economic dynamics of the contemporary day (Rogerson, 2018). In the developing world, poverty alleviation is a more significant focus for policy and research in LED compared to Western Europe or North America (Rogerson, 2018). In the North, LED strategies prioritise issues such as responding to globalisation, supporting entrepreneurship and human capital, and property-led development (Valler, 2010).

According to Mashabela (2022), developed nations like Britain have demonstrated that there are numerous effective methods for organising and executing LED. For example, the British government has implemented three pertinent strategies: high-technology-led innovation policies, the prestige school, and progressive-entrepreneurial stages (Mukwarami et al. 2020). The British government has operated LED in a progressive entrepreneurial stage, which means the government seeks to readdress the benefit of economic growth by restoring inner-city areas (Jili et al., 2017). Mukwarami et al. (2020) are of the opinion that although the three relevant approaches that the British government prioritises, the emphasis of LED has been on high-tech-led innovation, and this approach has been successful in boosting the economy rather than

focusing on socioeconomic challenges. It is argued that the British three relevant approaches may work successfully in third-world countries, but under the condition that those countries have the necessary experience and skill to emulate and imitate the British approaches (Mukwarami et al., 2020). In countries such as Cambodia, Korea, Singapore, and Vietnam, they have used the institutional frameworks to develop and implement effective LED programmes (Mlambo et al, 2019). LED programmes in these countries were purposefully implemented to provide basic needs for specific people within communities. For instance, the Association of Cambodian Local Economic Development Agencies, a non-governmental organisation in Cambodia, promotes socio-economic initiatives that assist the poor people of the community to improve their standard of living and ensure that their basic needs are met (Rogerson, 2014).

The International Labour Organisation believes that LED offers an opportunity to take full advantage of globalisation by utilising local strengths, capital, and other resources. LED strategies, also known as local and regional development programmes, have been praised as an alternative to traditional top-down development approaches (Ndlovu, 2021). LED involves various stakeholders such as national governments, the public sector, local governments, civil society organisations, and private sector institutions, all working together to promote and support LED initiatives (Rogerson & Rogerson, 2010). LED is a widely accepted concept in global development planning. It aims to shift economic power and resources from central governments to local governments (Ndlovu, 2021). Diseko (2016) cited in his work that, according to Lee et al. (2012), Collaborative networks made up of various stakeholders both inside and outside jurisdictions are progressively defining the current state of regional economic development in the United States. Local actors join these cooperative networks for a variety of reasons, and their choices and motivations have a big impact on how regional cooperation is developed and carried out. Lee et al. (2012) identified three principal factors that influence the collaborative choices of local actors: the transaction costs inherent in the structure of relationships in which an actor is involved, the organisational similarities, and the resource dependencies that shape the preferences of local actors in establishing relationships with specific counterparts.

Local economic development is rooted in the concept known as market-led approaches, as identified by international researchers. The primary aim of LED planning has been to stimulate economic growth, particularly in the developing world, over the past decade. However, there has been a notable shift in focus, particularly in Africa, towards poverty alleviation and the implementation of pro-poor policies (Rogerson, 2006). Although African countries are the ones

that usually rely on pro-poor LED policies, this approach also exists in Western countries. However, in some countries, the goal of pro-poor LED varies. For example, according to Ntetha (2021), in the United States of America, the objective of pro-poor LED is to enhance competitiveness, boost local economies, tap into specific market opportunities, and create a supportive environment for Small, Medium, and Micro Enterprises (SMMEs). It also aims to facilitate dialogue between local stakeholders and rural governments, as well as to promote job creation. While in Canada, the pro-poor LED initiative aims to foster quasi-public redevelopment and provide comprehensive support to the private sector through direct municipal investment.

LED serves to enhance the economic capacity of a community, thereby improving both its future prospects and the overall quality of life for its residents (Venot et al., 2017). According to Fine (2018) and Woodhouse (2017), a community's success in modern society depends on its capacity to adjust to the shifting local, national, and global market economies. Communities strategically use LED to boost the local economy, improve the investment environment, and raise the productivity and competitiveness of local companies, workers, and entrepreneurs (Mdlalose, 2022). Consequently, a community's capacity to elevate the quality of life, generate new economic opportunities, and mitigate poverty is intricately linked to stakeholders' comprehension of LED processes. This knowledge gives stakeholders the tools they need to be competitive in the market economy (Jones Muller, 2016). In order to achieve true competitiveness, LED must utilise best practices that include strategic planning, efficient execution, and the important lessons and experiences learnt from cities and programs around the world (Brida & Pulina, 2016).

#### **2.4.1 Six elements for successful LED**

Ndlovu (2021), drawing on Rodríguez-Pose and Pallavicini-Corona (2013), identifies six key elements for successful LED, including integrated planning, sustainability, leadership, decentralisation, collaboration, and capacity building. While these elements provide a useful normative framework, the literature reflects significant debate regarding their practical application, particularly within resource-constrained local government contexts.

Integrated development planning is widely regarded as essential for aligning economic, social, and environmental objectives. However, critics argue that many municipalities lack the institutional capacity and technical expertise required to translate integrated plans into effective LED outcomes, rendering such planning largely aspirational. Similarly, although sustainability

is emphasised as central to long-term LED success, scholars note that short-term political pressures and project-driven approaches often undermine sustainable planning in practice.

Effective leadership and an entrepreneurial orientation are also viewed as critical drivers of LED. While strong leadership can enhance coordination and innovation, the literature highlights that uneven leadership capacity and political instability frequently constrain LED implementation. LED is further promoted as a decentralised and participatory process, yet empirical studies question the depth of stakeholder participation, suggesting that engagement is often symbolic rather than transformative.

Collaboration and partnerships are commonly presented as mechanisms for strengthening LED. Nevertheless, evidence indicates that partnerships are frequently weakened by power imbalances and poor coordination, particularly where municipalities lack the capacity to manage complex stakeholder relationships. Although capacity building is widely acknowledged as fundamental to LED success, existing initiatives are often fragmented and insufficient to address deeper structural and institutional challenges.

## **2.5 LOCAL ECONOMIC DEVELOPMENT IN AFRICA**

The African continent faces numerous challenges that are closely linked to declining social and economic structures and persistent governance problems (Bek et al., 2012). Despite its abundance of natural resources, Africa remains economically underdeveloped (Platforma, 2015). These ongoing challenges have prompted debates on how LED can be used to leverage existing resources for local growth (Mlambo et al., 2019). Rodríguez-Pose & Tijmstra (2005) argue that LED can play an important role in addressing rising levels of poverty and inequality. Many African countries adopt pro-poor LED approaches, which, addressing critical social needs, often prioritise short-term survival and social issues at the expense of longer-term economic transformation.

In Malawi, for example, LED is strongly oriented towards poverty reduction, food security and the reduction of HIV and AIDS prevalence (Reddy & Walls, 2012). Non-governmental organisations play a crucial role as key stakeholders in implementing LED initiatives that support decentralisation and promote projects aimed at combating poverty, hunger and health related challenges (Chekenya & Dzingirai, 2021). However, the limited involvement of the private sector in LED projects indicates a shortage of potential partners. Public institutions, although actively engaged, face constraints such as scarce resources, limited human and

physical capacity, and weak policy alignment within the LED framework. Political conflicts between institutions and heavy reliance on donor funding due to limited domestic revenue generation further compound these challenges (Reddy & Wallis, 2012).

In Tanzania, several policies support LED, including the Development Vision 2025, the Decentralisation Policy and Local Government Act of 1982, the National Economic Empowerment Policy, and the National Economic Policy (Reddy & Wallis, 2012). These policies create a favourable environment for LED through decentralisation of planning, monitoring, and reporting, and by providing financial support to local authorities for capacity building and investment. Masikane (2021), citing Hadingham (2008), notes that in Uganda, LED has not been fully implemented, although LED-type initiatives have been used to address crises such as poverty. One of the dominant strategies has been PPPs, based on the belief that PPPs can operate effectively at the local level by empowering the private sector to mobilise and plan economic activities, thereby supporting local development.

Mashabela (2022) argues that, following independence, many African countries adopted decentralisation approaches aligned with democratic legitimacy, including elected local councils. These reforms initially prioritised political and administrative issues over economic and fiscal questions, contributing to economic stagnation, unemployment, and income poverty. In response to these outcomes, African countries have had to rethink their strategies by integrating LED and placing local government at the forefront of economic growth, given its proximity to communities. Urbanisation and globalisation have further increased the demand for LED and other development-oriented financial interventions (Mdlalose & Biyela, 2025).

Mpanza & Mashau (2019) contend that in Africa, LED and community development are closely intertwined, since both aim to reduce poverty and include previously disadvantaged groups, often through short-term social goals rather than broad-based, long-term economic strategies. In many cases, LED is adopted as a survival strategy and a corrective mechanism to address social challenges rather than as a vehicle for sustainable development. Mpanza & Mashau (2019) further argue that only a few relatively developed African states have successfully adopted LED, while less developed countries face obstacles such as shortages of human resources and limited institutional, financial, and technical capacity. LED implementation is also hampered by the absence of broadly enabling environments for development.

Rogerson (2014) highlights that countries such as Mauritius, Namibia, and Mozambique have successfully implemented LED projects and demonstrate good practice. In Mauritius, economic growth has been influenced by pro-investment government strategies and the protection of the manufacturing sector (Rogerson, 2014). Namibia is often cited as a developing African country that has taken LED seriously. The government published a White Paper on Local and Regional Economic Development in 2009, which required local governments to establish Local Economic Development Agencies (LEDAs). These agencies are mandated to provide capacity building, support LED strategy development, facilitate implementation, and mobilise funding (White Paper on Local and Regional Economic Development, 2009, cited in Mashabela, 2022). The adoption of LEDAs has contributed to Namibia's economic freedom score rising from 45.0 to 60.9, placing it 96th in the 2020 Index of Economic Freedom (Mashabela, 2022: 21). Namibia is ranked seventh among 47 sub-Saharan African countries, with an overall score above the regional average and slightly below the world average. According to the 2020 Index of Economic Freedom, Namibia moved from being excluded from the "moderately free" category to being included in that category (Mashabela, 2022: 25).

In Mozambique, efforts to escape poverty have been hampered by natural disasters, HIV and AIDS, and other factors that severely constrain people's ability to earn a living wage. This situation prompted the Government of Mozambique and the International Labour Organization to establish LEDA-SOFALA, which seeks to connect social protection and economic development in order to support vulnerable groups (Mashabela, 2022). The Mozambican government is also privatising state enterprises and offering province-specific investment incentives. Industrial free zones have been established in Maputo, Beira, and Nacala to stimulate job creation. By attracting foreign investment at unprecedented rates, these zones have contributed to the country's economic recovery (Mashabela, 2022). LED also plays a crucial role in decentralisation in countries such as Zimbabwe, Angola, and South Africa. It involves partnerships between local governments and a range of stakeholders to manage local resources, stimulate employment, and boost local economies. Stakeholders include communities, community-based organisations, NGOs, the private sector, churches, business associations, and trade unions (Hampwaye, 2008). These actors help ensure that LED objectives such as improving quality of life, reducing poverty, creating jobs, enhancing skills, and building capacity to manage economic change at the local level are realised (Hampwaye, 2008).

Thornhill (2009) notes that in some African countries, LED initiatives are predominantly focused on short-term goals rather than long-term sustainability and development. There are also challenges linked to traditional leadership, particularly in rural areas where tensions between traditional leaders and councillors can obstruct development initiatives. Thornhill (2009) argues that LED should prioritise expanding business skills and supporting sustainable income-generating opportunities, rather than only focusing on project implementation. LED in Africa is therefore a complex process that requires tailored interventions to address diverse constraints across the continent. In Uganda, the implementation of the LED policy followed the adoption of a decentralisation system in the mid-1980s (Kahika & Karyeija, 2017). The primary objective was to deepen decentralisation, alleviate poverty, and promote comprehensive, sustainable, and equitable economic growth and development at the local government level (Kahika & Karyeija, 2017).

Moyo (2007) suggests that LED in Africa emerged partly as a response to microeconomic constraints. According to the European Union (2015), the focus of LED in Africa includes addressing competition between local industries and imports and exports, underscoring the need to enhance local competitiveness, develop infrastructure, and create employment through microeconomic strategies such as the Expanded Public Works Programmes and SMME programmes in South Africa (Vardari, 2015). Rogerson (2011), however, emphasises that LED actions imply an integrated approach to development rather than a one-size-fits-all model.

Despite the widespread adoption of Local Economic Development as a development strategy across both developed and developing contexts, the literature reveals significant contestation regarding its orientation, effectiveness, and implementation. While scholars such as Rogerson (2018) and Jili (2019) conceptualise LED as a collaborative and decentralised approach capable of addressing socio-economic challenges, other scholars question its practical outcomes, particularly in contexts characterised by weak institutional capacity, limited resources, and unequal power relations (Valler, 2010). In developed economies, LED strategies tend to prioritise competitiveness, innovation, and entrepreneurship, whereas in developing countries the emphasis is more strongly placed on poverty alleviation and pro-poor development. However, this distinction is not absolute, as pro-poor LED initiatives in countries such as the United States and Canada continue to operate within predominantly market-led frameworks (Ntetha, 2021). This ongoing tension between growth-oriented and poverty-focused LED approaches constitutes a key contested space within the international LED discourse. It is

within this contested space that the present study is located, as it examines stakeholder engagement in LED practice within a local government context, where global development ideals intersect with local institutional realities.

## **2.6 LOCAL ECONOMIC DEVELOPMENT IN SOUTH AFRICA**

Following the democratic transition in 1994, the South African government recognised the high levels of unemployment and poverty confronting many citizens as a legacy of apartheid. In response, it began to promote LED as an alternative mechanism for addressing these persistent socio-economic challenges (Schneider, 2018). LED is therefore regarded as a critical factor in driving economic growth and improving economic performance. It involves collaboration among local governments, businesses, and other stakeholders to establish partnerships that promote economic activity and create employment opportunities within municipal areas (Agbevade, 2020). In line with Meyer & Mayer (2015), local stakeholder collaboration has the potential to become a dynamic driving force behind LED initiatives, and development efforts supported by local businesses and communities are considered more likely to succeed than those driven solely by government. Clarke & Moir (2014) likewise argue that economic development should be planned as a collaborative effort among public, private, and institutional sectors, with strong cooperation on the public side.

The LED process is initiated by local actors who mobilise local resources to enhance their community's economic potential. The goal is to improve residents' economic status and quality of life while reducing poverty (Agbevade, 2020; Meyer, 2014; Reddy, 2018). LED has been promoted in South Africa for nearly three decades, with an underlying philosophy that favours bottom-up strategies rather than purely centralised, top-down approaches (Mkhize, 2018). LED was initially promoted in major cities and later extended to townships and deep rural areas (Ndlovu, 2021). South African LED focuses on microeconomic dynamics, recognising and utilising local resources to foster sustainable socio-economic growth within communities and guiding decisions about the allocation of limited local resources (Meyer & Meyer 2015; Fabus et al., 2019; Pietrzak et al., 2017).

LED planning and implementation occur at the local government level in accordance with South African laws and policies such as the White Paper on Local Government, Section 152 of the Constitution, and the Municipal Systems Act 32 of 2000 (Radebe & Maphela, 2019). The National Development Plan (NDP) 2030 is the overarching strategic framework, designed to eliminate poverty and reduce inequality. The National Framework for Local Economic

Development (NFLED) provides more specific guidance on the scope of LED and sets out strategic approaches that municipalities can adopt in their LED initiatives (Radebe & Maphela, 2019).

Meyer (2014), Moyo & Mamabolo (2014), and Khambule (2018) argue that South African legislation, policies, and frameworks are strongly informed by a pro-poor orientation. These pro-poor policies aim to support people living below the poverty line by enabling them to participate in economic activities that can sustain their livelihoods. However, Meyer (2014) contends that pro-poor initiatives do not always produce the desired LED outcomes. Key challenges include inadequate local economic analysis, unsustainable community projects, capacity constraints, and insufficient resources.

Many of these policies are rooted in the Reconstruction and Development Programme (RDP), the first comprehensive development plan adopted by democratic South Africa (Soudien et al., 2019). The RDP sought to address inequality, poverty, and unemployment during the early transformation period (Moyo & Mamabolo, 2014). The subsequent Growth, Employment and Redistribution (GEAR) strategy aimed to stabilise and rebuild the economy in line with RDP objectives and introduced a more explicitly neoliberal orientation that emphasised privatisation (Breakfast, 2015). This was followed by the Accelerated and Shared Growth Initiative for South Africa (ASGISA), which focused on high levels of poverty and unemployment, and later by the NDP, which now functions as the overarching framework for expanding the assets and capabilities of the poor.

According to Jili (2019), the National Framework for LED aims to support the development of sustainable local economies through integrated government action that stimulates the “heart of the economy”; enterprises operating in local municipal spaces. The framework reflects evolving international LED practice while remaining grounded in South Africa’s specific context and challenges.

### **2.6.1 Approaches to LED**

Patterson (2008) argues that, historically, the promotion of LED in South Africa was strongly influenced by pro-market economic approaches. During apartheid, the primary objective was to promote the formal economy and marginalise informal economic activities in townships. With the end of apartheid and the advent of democracy in 1994, the new government adopted a different LED policy approach characterised by a dual economic system and a predominantly

top-down model (Sekhampu, 2010). The dual system comprised both the formal economy and the informal economy operating side by side (Malefane, 2006). This meant that first-world-type businesses functioned alongside informal sector enterprises in most townships. The introduction of the RDP in 1994 brought the plight of the poor into LED policy and signalled a shift from a purely market-oriented approach to one that also incorporated a pro-poor perspective (Mahlalela, 2014; Van der Walddt et al., 2018). Post 1994, the South African LED approach took on characteristics of both pro-poor and pro-market strategies.

LED projects in South Africa are closely associated with efforts to reduce poverty, unemployment, and socio-economic inequality (Kamara, 2017). Persistent development challenges have, however, highlighted the limited outcomes achieved by local municipalities in their role as LED drivers (Rogerson & Nel, 2016; Rogerson, 2018). South African LED strategies incorporate both market-led (pro-growth) and market-critical (pro-poor) elements, which contrasts with traditional macroeconomic policies that do not always provide an enabling environment at the local level (Rogerson, 2018). The attempt to combine pro-growth and pro-poor strategies has, in some instances, contributed to conceptual uncertainty and hindered the consolidation of coherent LED practice (Rogerson, 2018). Kamara (2017) adds that the pro-poor focus has sometimes encouraged a project-based approach that produces short-term, unsustainable “quick fixes” rather than building a fundamental platform for long-term, competitive growth.

### **2.6.2 Pro-Poor and Pro-Market Approaches**

Chomane & Biljohn (2023) note that South African LED planning and practice broadly reflect two approaches: a pro-market approach and a pro-poor approach. Ingle (2014) and Byrne (2018) argue that the pro-market approach focuses on creating a supportive and competitive business environment, providing institutional support for competitive sectors, retaining existing businesses, and offering local investment incentives. By contrast, the pro-poor approach focuses more on SMMEs and community development projects, often with indirect and limited impact on the wider economy (Khambule, 2018). Nel (2005) and Biyela (2017) identify that typical pro-poor LED characteristics, such as small business support, business centres, and community tourism initiatives, are important for development. The Department of Cooperative Governance and Traditional Affairs has supported policies aligned with this poverty reduction focus.

Mashinini (2017) states that the pro-poor approach holds that LED projects should promote economic development by using local resources to create jobs and alleviate poverty. Koma (2012) and Nel & Rogerson (2015) observe that LED strategies in smaller municipalities tend to emphasise pro-poor interventions that support SMMEs, the informal sector, tourism, and agriculture. This strong pro-poor orientation has sometimes limited opportunities to establish pro-market partnerships with the business sector.

The pro-market LED approach seeks to achieve high and sustained economic growth. It is driven by the national and local government, entrepreneurs, and the business sector. The approach requires the government to establish an enabling environment for business operations, support SMMEs and businesses more broadly, promote investment in specific localities, support tourism and market locations domestically and internationally (Malefane, 2006; Nel & Rogerson, 2016). It aims to facilitate self-reliance, entrepreneurship, competitiveness, and market growth, and ultimately to reduce unemployment while maintaining strong economic performance.

Large municipalities are more likely to adopt a pro-market approach because they are better positioned to support large-scale business development, attract investment, and provide infrastructure (Nel & Rogerson, 2016). They also tend to have greater capacity to form partnerships that advance pro-market interventions while simultaneously improving pro-poor measures (Kamara, 2017; Koma, 2012; Nel and Rogerson, 2015). The South African Cities Network (SACN, 2019) notes that major municipalities in South Africa can operate both pro-poor and pro-market approaches simultaneously through the use of partnerships and resources that support a dual economic system (Nel & Rogerson, 2016).

Chomane & Biljohn (2023) argue that, in the South African context, the pro-market approach is increasingly favoured because the Department of Trade and Industry has invested in pro-market facilities such as Special Economic Zones (SEZs) in various parts of the country. Byrne (2018) adds that this approach enables the government to focus on attracting foreign direct investment through tax incentives, discounted land, reduced tariffs, and direct financial support for investors locating in designated economic development zones.

The pro-poor LED strategy is still significant since it emphasises both immediate fundamental requirements, such as better service delivery, social assistance, public works initiatives, and SMME support, in addition to economic growth (Van de Heijden, 2008). Due to its focus on

attempts to reduce poverty rather than more general economic development, it is frequently referred to as a social welfare-oriented strategy (Rogerson, 2010). However, pro-poor LED is a viable paradigm for generating inclusive local economic prospects. Koma (2014) highlights several reasons why the pro-poor approach is important in local government. LED initiatives can enable municipalities to create jobs and economic opportunities, thereby raising income levels and broadening the local tax base. However, the effectiveness of such initiatives depends on active participation by low-income communities and their capacity to plan and monitor development activities. Without this, they are unlikely to benefit fully from LED (Koma, 2014). The pro-poor approach, therefore, places particular emphasis on supporting community-based organisations such as development trusts, community-controlled enterprises, credit unions, and development corporations. It explicitly seeks to link profitable growth with redistributive development and is inherently developmental and people centred.

According to Chomane & Biljohn (2023), in 2001, the South African government defined six developmental LED programs: infrastructure and municipal services, human capital development, economic linkages, community-based development, sealing local economic leaks, and maintaining and growing local economic activity. According to Rogerson (2006), LED in developing nations should place a higher priority on community-based development, small-business growth, and locality-based development than in wealthy economies. Despite the constitutional responsibility for local government to support development, pro-poor LED programs have occasionally received comparatively little attention in democratic South Africa.

### **2.6.3 The Pro-Growth LED**

Matlala and Motsepe (2015) describe the pro-growth LED approach as one that prioritises enterprise development. Local economic competitiveness is understood as the extent to which a local economy can produce goods and services that meet local, national, and international quality standards under fair market conditions, while supporting the long-term growth of residents' real incomes (Mashinini, 2017). This approach emphasises that local governments should not themselves be direct job creators; rather, their role is to foster a supportive social and economic environment that encourages job creation, employment growth, and the expansion of local businesses (LED Network, 2016). Mashinini (2017), in a study of LED policy implementation in Gert Sibande District Municipality, identifies three key characteristics of the pro-growth approach:

1. **Systemic approach:** This focuses on designing systems and processes that improve small businesses' access to essential services. The aim is to create sustainable poverty reduction mechanisms rather than offering one-off or purely direct assistance.
2. **Indirect approach:** This involves putting in place systems that lead to desired outcomes over time. It may result in a time lag between project conceptualisation, interventions, and observable impacts.
3. **Incremental approach:** To increase the competitiveness of specific industries, this means developing packages of interventions over time in various service markets or groups of markets.

#### 2.6.4 Other Approaches to LED

Dube (2021), citing Moloji (1996), notes that South Africa's LED initiatives have drawn on several approaches consistent with international good practice. These include:

- a) **Traditional approaches**, which focus on creating incentives such as reduced taxes and the release of land for development in order to attract businesses to an area.
- b) **Entrepreneurial approaches**, which adopt a more business-oriented stance by supporting new small and medium enterprises and competitive ventures to attract new investment.
- c) **Human resource development approaches**, which aim to integrate poor and marginalised groups into the mainstream economy by equipping them with the skills needed to contribute positively to development.
- d) **Progressive approaches**, which centre on community development and seek to encourage organisation and active participation at the community level, thereby supporting more equitable service delivery and targeting the most marginalised and market-excluded groups.

In light of the range of LED approaches discussed above, it is essential for local municipalities to analyse their specific contexts and select appropriate strategies. The choice of approach shapes how municipalities foster economic growth and empower residents, and directly influences how they address economic challenges, allocate resources, engage stakeholders, and pursue sustainable development. Careful selection and adaptation of LED strategies to local conditions can help ensure alignment with community needs, institutional capacities, and broader economic goals, leading to more effective and impactful development outcomes.

## **2.7 LEGAL FRAMEWORK**

In South Africa, LED does not have a dedicated enabling statute; instead, it is embedded in, influenced by, and derives its legitimacy from a range of legal instruments and policy frameworks (Mokoena, 2017; Jili, 2019; Mashabela, 2022). The following sections discuss the key regulations and policies that provide the legal and policy basis for LED.

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

The Constitution of the Republic of South Africa, 1996, is the supreme law of the country. Adopted following the end of apartheid, it obliges local government to act as a driver of LED initiatives and to assume responsibility for planning and organising LED activities (Koma, 2014). Section 152 mandates municipalities to promote social and economic development in ways that enable employment creation and support local businesses (Mashamaite & Lethoko, 2018). Furthermore, the Constitution encourages municipalities to work with relevant stakeholders within their jurisdictions to ensure sustainable development for local residents (Mashamaite & Lethoko, 2018). Section 153 requires municipalities to structure and manage their administration, budgeting, and planning processes to prioritise the basic needs of communities and to promote social and economic development. The Constitution also obliges local government to uphold the Bill of Rights, which reflects the core values of human dignity, equality, freedom, and to respect the principles of constitutionalism (SALGA,2015). The Constitution provides the blueprint for the roles and responsibilities of all three spheres of government.

### **2.7.2 The Local Government: Municipal Systems Act**

The Local Government: Municipal Systems Act (Act No. 32 of 2000) mandates municipalities to promote social and economic development while also ensuring that community members receive affordable services and are involved in municipal affairs (Mahlalela, 2014; Mashabele, 2022). This Act stipulates principles, processes, and mechanisms that are required to ensure that municipalities are able to achieve their developmental obligations.

The Act requires municipalities to establish an IDP. The IDP assists municipalities in achieving their social and economic development goals (Maloka et al. 2014). The IDP outlines the development priorities and objectives of the municipal council and incorporates LED as a core component. Section 25(1) of the Act requires each newly elected municipal council to adopt a

single, inclusive and strategic plan that links, integrates and coordinates sectoral plans, and that takes into account proposals for the overall development of the municipality.

Jili (2019) argues that the Act establishes concepts and mechanisms that enable municipalities to move progressively towards social and economic upliftment by ensuring continuous access to basic services. The Act clarifies the legal nature of municipalities and defines their executive and legislative functions. It also highlights the IDP as a strategic instrument for LED implementation. Makamo (2022), citing SALGA (2010), notes that the Act is important not only for LED projects but also for poverty alleviation, as it provides guidance on how municipalities should design and implement LED plans.

### **2.7.3 The Green Paper on Local Government**

The Green Paper on Local Government (1997) was introduced to provide guidelines and devolve authority to local government so that it could guide and promote LED programmes (Simons, 2003, cited in Ndlovu, 2021). Since the adoption of the LED policy, implementation challenges have persisted. Ndlovu (2021), drawing on Hindson and Vicente (2005), notes that during the first decade of democracy, LED implementation tended to focus on income-generating projects, which often failed due to a lack of cooperation and partnership between civil society organisations and government, as well as disagreements among stakeholders over whether LED objectives should be primarily pro-growth or pro-poor. These implementation challenges prompted the development of the White Paper on Local Government.

### **2.7.4 The White Paper on Local Government**

The White Paper on Local Government (1998) mandates local government to play a crucial role in collaboration with different groups, organisations, and stakeholders in the community to promote social and economic development through job creation and attracting investors (Ndlovu, 2021). This act also mandates the local government to provide strategies that will lead to effective planning and roll-out of LED programmes. Jili (2019) asserts that for LED to be effective, local government must invest in providing good quality and cost-effective services and making the local community a pleasant space for investment and for residing. Jili (2019) also asserts that the White Paper on Local Government (1998) indicates that local municipalities have the following responsibilities in terms of their requirement to facilitate LED:

- Providing marketing and investment support to attract potential investors.
- Supporting small business development services to expand entrepreneurial activities; and
- Supporting local business support centres established by the Department of Trade and Industry (DTI).

Jili (2019) further acknowledges that the LED programmes are characterised by four developmental local government elements according to the White Paper on Local Government (1998):

- Maximising social development and economic growth through the provision of basic services that promote sustainable development.
- Integrating and coordinating activities to fast-track local development.
- Democratising development to ensure inclusive and effective public participation; and
- Fostering a culture of ongoing learning and adaptation in response to changing global LED dynamics.

### **2.7.5 The Integrated Sustainable Rural Development Strategy**

The Integrated Sustainable Rural Development Strategy (ISRDS), adopted in 2000, focuses on transforming economically marginalised rural areas into sustainable regions that contribute meaningfully to the national GDP. The strategy seeks to work with existing programmes and projects to improve rural economies (Mashabela, 2022). The ISRDS emphasises that all development programmes and projects should take into account the socio-economic conditions of all provinces, regardless of their current development status. It highlights the interconnections between social, economic, and physical factors that shape South Africa's development trajectory. The strategy stresses that any LED-related initiative must consider the socio-economic challenges of income poverty and unemployment across the country and must assess how these challenges affect economic growth (Mashabela, 2022).

### **2.7.6 The National Framework for LED in South Africa: 2006–2011**

The National Framework for Local Economic Development (NFLED) in South Africa was established to cultivate a shared understanding of LED and to promote effective practices that facilitate its implementation (Mahlalela, 2014; Mokoena, 2017). Between 2006 and 2011, the framework's principal objectives included enhancing community access to economic

opportunities and information while underscoring the significance of robust local economies in the context of national economic growth. Furthermore, the framework provided comprehensive guidelines for the execution of LED initiatives. The NFLED promotes a strategic approach to fostering local economies, moving beyond narrow municipal interests that focus mainly on governmental inputs in isolated projects (Mokoena, 2017).

Mokena's (2017) article titled "*The Role of Local Economic Development (LED): Some Empirical Findings on the Small, Medium and Micro Enterprises (SMMEs)*" identified that *there* are ten principles that support the strategic agenda of LED and local government according to the National Framework for LED in South Africa, which are:

- The government plays a crucial role in shaping the country's economic future through a developmental approach
- The local government is tasked with the responsibility of creating a supportive environment in which local economic and social conditions promote job opportunities.
- Local economic development results from good local governance and the constant improvement and integration of national priorities and programmes in local spaces.
- Investment from the state or private sector will only be effective if the potential and competitive advantages of each area are understood and used.
- Promoting inclusive local economies requires coordinated efforts from all levels of government, focused on implementing the principles outlined in the National Spatial Development Perspective.
- It is essential for locally owned solutions and strategies to be developed in order to support national frameworks in rural and urban areas. These initiatives should aim to promote sustainable development and foster sustainable human settlements.
- South Africa operates within a global, integrated economy that presents both threats to minimise and opportunities to exploit.
- Social enterprises and private businesses are crucial for any economy and can promote economic growth when in partnership with the public sector and the community.
- Engaging all citizens in developmental initiatives and fostering skill enhancement creates greater opportunities for stimulating local economies.

- For local economies to achieve growth, they need to implement local initiatives, leverage local skills, and provide assertive leadership for economic change.

### **2.7.7 The National Framework for Local Economic Development (2018–2028)**

The 2006–2011 National LED Framework was later updated and replaced by a new framework for 2018–2028, promulgated by the Ministry of Cooperative Governance and Traditional Affairs (COGTA). The revised framework aims to provide strategic guidance to LED agents and stakeholders in fostering innovative, competitive, sustainable, and inclusive local economies. It seeks to optimise local opportunities, respond to community-specific needs, and support national and provincial development objectives (South African Cities Network (SACN), 2019; Mashabela, 2022). The framework emphasises the link between LED policy development and the performance of local government in delivering quality services and driving local economic development. It promotes a strategic approach to local economic growth that moves away from narrowly defined municipal functions and isolated project-based interventions (Mashabela, 2022).

However, the Department of Provincial and Local Government (DPLG, 2006) notes that LED is not always explicitly defined as a municipal function, which can lead to it being treated as an unfunded mandate. Nel (2001), cited in Mashabela (2022), argues that community-based organisations (CBOs) established by NGOs often play a pivotal role in coordinating LED initiatives. These organisations provide technical expertise and facilitate networking for donor support, thereby helping to address poverty and inequality within local LED frameworks.

### **2.7.8 The New Growth Path**

The New Growth Path (NGP) was adopted as a framework for economic policy and as a strategy to create employment opportunities. Developed by the Economic Cluster under the Minister of Economic Development, its primary objective is to implement innovative and effective strategies to generate much-needed employment in South Africa (Jili, 2019; Mashabela, 2022). The NGP articulates a vision for collaboration between the state and citizens in pursuit of democratic, cultural, social, and economic development outcomes. The strategy identifies key opportunities for job creation and proposes changes to institutional structures and production processes to support a more resilient economy. Reducing income poverty

remains a central long-term objective, and the NGP therefore calls for the restructuring of LED policies and programmes to align more closely with the specific needs of local communities.

According to Jili (2019), the NGP seeks to create jobs through direct employment schemes, subsidies for targeted groups, and an expansionary macroeconomic package that supports labour-absorbing activities, particularly in agriculture, light manufacturing, and services. It aims to encourage private sector investment in new ventures and expansions by concentrating resources in areas that yield the most jobs and greatest impact. For the NGP to be considered successful, it should result in substantial job creation (both in quantity and quality), increased labour intensity of growth, and reductions in inequality and poverty.

### **2.7.9 The National Development Plan Vision 2030**

The National Development Plan (NDP) was developed by the National Planning Commission (NPC) as a long-term vision to eliminate poverty and reduce inequality by 2030 (National Planning Commission, 2012). It seeks to achieve these goals through job creation and improved livelihoods, expanded economic infrastructure, a transition to a low-carbon economy, an inclusive and integrated rural economy, improved education and training, quality healthcare, a capable state, enhanced accountability, and a more cohesive and just society.

The NDP outlines specific actions required to realise these objectives, including the development of a social compact aimed at reducing poverty and inequality while increasing employment and investment. It also proposes measures to mitigate the effects of poverty by broadening access to employment, strengthening the social wage, improving public transport, and raising rural incomes (National Planning Commission, 2012). Mashabela (2020) notes that the NDP plans to create 11 million jobs by 2030 and promotes programmes such as the Expanded Public Works Programme (EPWP) and the Community Work Programme. It aims to reduce the cost of doing business, lower household expenditure, and align unemployed individuals with available job opportunities through tax subsidies, incentives for new enterprises, and enhanced tourism value. In line with the NDP vision, LED initiatives play a crucial role in alleviating income poverty, particularly in remote areas, by improving skills, strengthening accountability, and promoting public participation, core elements of LED strategies.

LED is therefore integral to realising the NDP's goals, as it supports diversification of the local economic base, promotes small business development, stabilises local economies, and encourages inclusive rural development (National Planning Commission, 2012). Mashabela (2022) observes that the NGP and NDP share similar objectives but differ in their approaches to achieving them.

### **2.7.10 Integrated Development Plan**

The Integrated Development Plan (IDP) is widely recognised as a central instrument of local development. It provides the strategic framework for a successful LED strategy and acts as a key linkage between local government and communities, clarifying the priorities on which local government should focus over a five-year period (Masikane, 2021). Mashabela (2022) notes that the IDP is a legislative mandate that supersedes other planning frameworks at the local government level, with LED constituting a critical component. The IDP serves as an important communication and coordination tool, enabling municipalities and communities to identify and prioritise local needs. It reinforces a culture of public participation and strengthens decision-making, administration, and service delivery processes.

Asha & Makalela (2020), drawing on Mathye (2002), describe the IDP as the primary strategic planning instrument that guides all aspects of planning, budgeting, management, and decision making within a municipality. Jili (2019), citing DPLG (2000), defines the IDP as a participatory approach that integrates economic, sectoral, spatial, social, institutional, environmental, and fiscal strategies in order to allocate limited resources optimally across sectors and areas, promote sustainable growth, ensure equity, and empower disadvantaged communities.

The IDP is strongly influenced by the Municipal Systems Act (2000). Section 26 of the Act requires that a municipality's IDP include LED objectives and set out its LED strategy. Section 34 requires that IDPs be reviewed annually to assess whether LED objectives are being met. Koma (2014) argues that close alignment between IDP processes and LED is essential for effective delivery of the government's strategic goals. Thobejane (2011) similarly emphasises that, as the primary implementing agency for government policies and programmes, local government must set realistic goals to ensure effective operation of LED.

The IDP is designed as a tool to assist municipalities in fulfilling their developmental mandate (DPLG, 2000, cited in Jili, 2019). Once adopted by the municipal council, it forms the basis for formulating LED strategies (Koma & Kuye, 2014). The IDP process requires municipalities to address key issues such as budgeting, land use management, LED promotion, and institutional transformation in a consultative, systematic, and strategic manner. This is because the IDP provides the framework for municipal budgeting, it is essential that it incorporates comprehensive LED plans describing the strategies and programmes needed to stimulate local economic growth, create jobs, and alleviate poverty (Koma & Kuye, 2014).

Mashabela (2022) adds that the IDP is intended to coordinate the activities of various institutions operating within a municipal area, including entities at other spheres of government, corporate service providers, NGOs, and the private sector. Fuo (2013) argues that the IDP should be aligned with national and provincial priorities, including the NDP 2030, the Medium-Term Strategic Framework (MTSF), and Provincial Growth and Development Strategies (PGDS), and should support South Africa's commitments to the United Nations Sustainable Development Goals (UNSDGs).

## **2.8 POLICIES INFLUENCING LED STRATEGY**

The section below provides insight into how development and economic policies influence and provide guidance for the LED strategy.

### **2.8.1 Reconstruction and Development Programme**

The election of the African National Congress (ANC) in 1994 led to the establishment of the Reconstruction and Development Programme (RDP), finalised in September of that year. The RDP sought to address the socio-economic challenges created by apartheid, which had left the majority of the population without adequate access to housing, healthcare, education, and other basic services (Mlambo et al., 2022; Mosala, 2022; Mthuli & Biyela, 2019).

The RDP was not limited to low-cost housing; it also aimed to provide electricity, water, health services, and employment opportunities, and to eradicate poverty (Jili, 2019; Mashwama et al., 2018; Mlambo et al., 2022). Its six principles were: an integrated and sustainable programme; a people-driven process; peace and security for all; nation building; linking reconstruction and development; and the democratisation of society (Mashwama et al., 2018). Jili (2019) argues that the RDP leaned strongly towards a pro-poor LED approach, given its focus on socio-

economic development for marginalised groups through service provision and labour-intensive projects that created local employment.

The RDP is relevant to LED because it prioritised community welfare, encouraged participation in decision-making, and created opportunities for employment and skills development. It also informed subsequent policies and plans, including the NDP, which similarly aims to eradicate poverty and reduce inequality by 2030 (Jili, 2019). Within two years of RDP implementation, the government launched the Growth, Employment and Redistribution (GEAR) policy in 1996 in response to funding constraints, implementation challenges, and domestic and international economic pressures (Mlambo et al., 2022).

### **2.8.2 Growth, Employment, and Redistribution Policy**

GEAR was introduced to address the shortcomings of the RDP, but it did not entirely replace it; rather, it was intended as an instrument to facilitate the achievement of RDP objectives (Bhorat & Kimani, 2018). GEAR aimed to create employment, strengthen the economy by encouraging foreign investment, and promote community participation and development for previously disadvantaged groups (Hlongwane, 2018; Jili, 2019).

Jili (2019) notes that GEAR was adopted at a time when the Rand was weak and that it sought to boost the economy through market-based reforms, fiscal and monetary discipline, and measures to enhance investor confidence. In essence, GEAR sought to improve economic growth through increased foreign investment and to position South Africa more favourably in the global economy (Jili, 2019; Mlambo et al., 2022). The policy generated some positive outcomes in terms of macroeconomic stability and growth, partly because it promoted strategies such as local economic self-reliance and Broad-Based Black Economic Empowerment (BBBEE), which aimed to empower black communities through business opportunities. Within the GEAR framework, LED encouraged municipalities to collaborate with stakeholders such as the private sector, NGOs, and community leaders to create economic opportunities for local residents (Hlongwane, 2018).

According to Rogerson (2011), cited in Jili (2019:29), GEAR aimed to stimulate economic growth above 6% and to create approximately 500,000 jobs between 1996 and 2008. Although this growth target was not achieved, and actual growth averaged around 3.2%, the economy

did expand. Nonetheless, GEAR, like the RDP, fell short of fully realising its objectives, particularly in relation to unemployment and inequality.

### **2.8.3 Accelerated and Shared Growth Initiative for South Africa**

The Accelerated and Shared Growth Initiative for South Africa (ASGISA) was announced in 2005 and launched in 2006 as part of the government's commitment to create jobs and reduce poverty (Hlongwane, 2018). Its main objective was to half poverty and unemployment by 2014, in line with the Millennium Development Goals (Rapanyane & Maphaka, 2014). ASGISA sought to improve economic performance and create additional employment opportunities by boosting public expenditure on fixed capital to at least R370 billion over three years, addressing inequalities and supporting marginalised groups (Mathebula, 2015:45).

ASGISA monitored economic performance and implemented interventions intended to act as catalysts for accelerated and shared growth. It aimed to strengthen policy implementation and economic growth by addressing constraints such as limited financial resources, inadequate staff capacity, and weak developmental mindsets (Jili, 2019). The policy also sought to support small businesses, improve infrastructure, and encourage investment, combining pro-growth and pro-poor elements (Hlongwane, 2018; Jili, 2019).

Hlongwane (2018) argues that ASGISA was significant because it attempted to transform the South African economy while promoting ethical and professional conduct among public officials. Jili (2019) notes that ASGISA proposed measures to dismantle the "second economy" by improving access to microfinance, supporting SMMEs, reducing gender inequalities, and strengthening local government's role in service delivery.

ASGISA identified several focus areas, including:

- labour-intensive economic opportunities.
- high-growth economic sectors.
- sectors offering opportunities for BBBEE; and
- small business development.

It was also intended to narrow the gap between the "first" and "second" economies and to address structural problems such as an overvalued and volatile Rand, skills shortages, burdensome regulations for small businesses, infrastructure backlogs, limited competition in

certain sectors, high service and transport costs, and weak state leadership and capacity (Rapanyane & Maphaka, 2014). ASGISA was only implemented for a relatively short period, it is difficult to determine conclusively whether it succeeded or failed. Rapanyane & Maphaka (2014:6), citing Mbola (2009), observe that ASGISA contributed to increased public infrastructure spending, which rose from 4.6% to 9.6% of GDP between 2006 and 2010. Nevertheless, poverty and unemployment worsened even after ASGISA was replaced by the NGP and remain pressing challenges.

#### **2.8.4 Broad-Based Black Economic Empowerment**

The Black Economic Empowerment Commission (BEECom) defines Broad-Based Black Economic Empowerment (BBBEE) as an integrated and comprehensive socio-economic process within the broader national transformation agenda, including programmes such as the RDP. BBBEE aims to give the majority of black people sustainable and equitable control over financial resources and economic opportunities, thereby redressing historical disparities. It acknowledges the need for an economy capable of meeting the needs of the population in a sustainable manner and recognises the claims of those who were oppressed before 1994 (Jili, 2019).

The BBBEE Act provides a legislative framework for transforming patterns of ownership and control in the economy. It seeks to promote equality and create incentives for greater black participation in all sectors. The Act defines “black people” to include Africans, Colours, and Indians, and specifically targets youth, women, persons with disabilities, and rural communities (Shai et al., 2019). Hlongwane (2018) notes that BEE, later broadened to BBBEE, was adopted to accelerate economic opportunities for previously disadvantaged groups by increasing their access to employment, as well as their ownership and management of firms and other productive entities. Although implementation has been constrained by limited capacity and financial resources, the policy has encouraged entrepreneurship in black communities. LED initiatives complement BBBEE by equipping local residents with skills and knowledge to start and manage their own businesses, particularly in rural areas and among women (Jili, 2019).

#### **2.8.5 Integrated Sustainable Rural Development Strategy**

The Integrated Sustainable Rural Development Strategy (ISRDS) was developed with the aim of realising and promoting social cohesion and stable rural communities with viable

institutions, sustainable economies, and universal access to social services (Hlongwane, 2018). ISRDS began in the year 1999 within selected rural areas, but it later expanded to urban areas. Van der Wadt (2014) argues that the ISRDS is a strategy that allows people in rural areas in South Africa to realise their own potential and to contribute to their local economy, which would also have a positive impact on the whole country's economy. The ISRDS requires that LED programmes provide opportunities for local residents to create sustainable livelihoods. LED supports ISRDS by encouraging localised company growth, creating jobs, and boosting the local economy through community involvement. They work together to promote sustainable development by harnessing local assets and strengthening community resilience, with the goal of establishing self-sufficient and economically productive rural communities.

### **2.8.6 Joint Initiative on Priority Skills**

The Joint Initiative on Priority Skills (JIPSA) was introduced by the government in 2007. This was because during that period, the country was faced with a shortage of relevant skills that could support the economic growth of the country. Thus, this policy was seen as the catalyst for skills development (Hlongwane, 2018). The JIPSA shares the same envisioned prospects as the ASGISA; both these policies seek to create employment opportunities for the previously disadvantaged population. However, the ASGISA seemed not to fully attend to matters related to unemployment, which remained high while growth was not adequately shared even after it was implemented as a policy to help in job creation. The JIPSA was strategically planned in a manner that could facilitate interaction and engagement across different sectors within the education and training environment and other stakeholders. JIPSA was used for four years until it was replaced in 2010 with the NGP as the new socioeconomic framework (Koenane, 2018). Although the JIPSA policy is no longer utilised, one can argue that the objectives of the policy are somehow incorporated by the LED projects in communities in an effort to bring economic development to local communities. LED initiatives sometimes involve providing community members with workshops or centres that usually empower the local community members with skills. For instance, some communities have centres where people learn to sew.

South Africa's LED policy and legislative framework reflects a comprehensive and progressive commitment to developmental local government, with municipalities constitutionally mandated to promote social and economic development through decentralised planning instruments such as the IDP. Collectively, policies including the Constitution, the Municipal Systems Act, the White Paper on Local Government, the National LED Frameworks, the NGP,

and the NDP articulate a strong pro-poor and participatory vision for local economic transformation. However, the literature increasingly highlights a gap between this ambitious policy intent and the realities of implementation at the municipal level. While LED is framed as a core municipal responsibility, it is not always clearly defined as a funded function, resulting in capacity constraints, fragmented coordination, and inconsistent outcomes across municipalities (DPLG, 2006; Meyer, 2014). Furthermore, tensions persist between redistributive, pro-poor development objectives and market-oriented growth strategies embedded in frameworks such as GEAR, the NGP, and aspects of the NDP. This contradiction creates a contested policy and practice space in which municipalities are simultaneously expected to facilitate inclusive development, attract private investment, and deliver basic services under conditions of limited resources and institutional capacity

### **2.8.7 Impact of LED on Local Enterprises and the Economy**

Globally, SMMEs are viewed by scholars and policymakers as the ideal way to promote sustainable development. These enterprises are critical to initiating the growth and development of the economy and are inextricably linked to economic empowerment, job creation, and income generation within disadvantaged communities (Chimucheka & Madipaka, 2015). According to Chimucheka & Mandipaka (2015), SMMEs contribute to economic growth by creating employment opportunities and mitigating the impact of poverty on historically disadvantaged communities. Given the socioeconomic inequities that exist in South Africa, Mukwarami et al. (2017) argue that SMMEs have emerged as a strategic instrument in the grassroots fight against poverty. The government provides several support programmes for youth through designated organisations, including sector-specific grants, research and development, and skill development. The National Development Plan is the government's most recent programme aimed at eradicating poverty by 2030. One of the NDP's primary aims is to promote the development of small and medium-sized enterprises (SMEs) inside designated local economic zones. The NDP anticipates that its efforts will increase yearly economic growth by 5%, with SMMEs playing a vital part in reaching this goal by 2030 (Mukwarami et al., 2020:429).

Local businesses are vital for economic development, relying on a supportive environment, including infrastructure and efficient service delivery. LED programmes aim to enhance local businesses' success by improving infrastructure and providing support (Mukwarami et al., 2022). However, despite the efforts in LED, there is a persistent challenge of high failure rates

among SMMEs in South Africa. (Bushe, 2019; Mukwarami et al. 2022). This suggests that while LED initiatives are crucial, their effectiveness in supporting local businesses remains limited. In South Africa, local enterprises are crucial to economic development, as they have the potential to bring about the requisite change in the economy through their impact on job creation and poverty reduction at the grassroots level (Mukwarami et al., 2020). Yet, they often face significant challenges due to inadequacies in LED implementation. Research by Tambo (2020) and Moyo (2021) highlights that while LED aims to foster local businesses, systemic issues such as inadequate infrastructure, limited access to finance, and insufficient support services hinder their success. Tambo (2020) underscores that effective LED should address these systemic barriers to establish an environment that is able to foster business growth. Similarly, Moyo (2021) emphasises that targeted interventions are necessary to improve infrastructure and support systems to enhance the effectiveness of LED in promoting local enterprise development.

Madzivhandila & Musara (2020) acknowledge that LED initiatives in the country is able to play a significant role in promoting economic and social development, especially if LED projects are aligned with entrepreneurship development. The alignment of these two can lead to employment and income growth, increased tax revenues, and improved social services. However, like Tambo (2020) and Moyo (2021) mention that there are underlying issues that affect the potential of LED. Madzivhandila & Musara (2020) further point out that municipalities in South Africa are facing knowledge and skills issues as they strive to accomplish the LED objectives, and the limited social and commercial networks in local municipalities are a key impediment to social and economic growth. As a result, aligning LED initiatives with entrepreneurial development can lead to the formation of new social and corporate networks that promote LED. LED strategies can be adopted as integral tools for promoting optimal use of municipal resources, redistribution of wealth, improving quality of life, improving access to amenities or other infrastructure, and, more importantly, acting as enablers of innovation to provide long-term solutions to the triple challenges of poverty, unemployment, and inequality.

### **2.8.8 Implementation of LED in Different Municipalities**

The implementation of LED in South Africa varies considerably across municipalities, reflecting different institutional capacities, political dynamics, and local socio-economic contexts. For example, the City of Johannesburg has adopted a proactive LED strategy that

focuses on enhancing business environments through initiatives such as infrastructure development and assisting SMMEs (Smith & Williams, 2020). The city's approach includes creating business hubs and improving connectivity to stimulate economic activity and attract investment. In contrast, the Eastern Cape's Nelson Mandela Bay Municipality has faced challenges in effectively implementing LED strategies due to political instability and funding constraints. Despite efforts to promote local entrepreneurship and improve infrastructure, the municipality struggles with high unemployment rates and economic stagnation (Jones & Petersen, 2021).

In KwaZulu-Natal Umzinyathi District Municipality promotes LED through the Extended Public Works Programme and the uMzinyathi District Development Agency, which coordinates development initiatives (Ndlovu, 2021). The Vulamehlo municipality focuses on equitable and sustainable community development with an emphasis on citizen engagement in tourism and agriculture (Hlongwane, 2018). These discrepancies highlight the impact of local context and administrative capacity on the success of LED initiatives. According to Ncube and Moyo (2023), successful LED implementation often hinges on factors such as local leadership, community engagement, and the ability to leverage partnerships between public and private sectors. Addressing these factors can enhance the effectiveness of LED programmes and ensure more consistent outcomes across different municipalities.

A study undertaken by Ngatiane et al. (2021) reveals that Nelson Mandela Bay and Buffalo City metropolitan municipalities in the Eastern Cape province usually implement LED strategies under six LED focus. These focus areas are enterprise development, locality development, livelihood development, workforce development, community development, and LED Governance. Both these municipalities' priorities are enterprise development, and they enforce this development through LED facets by introducing the business development services. This agency provides business training and assistance in sourcing business opportunities.

Locality development is also identified as another focus area of the LED strategy in both of these municipalities. Ngatiane et al. (2021) assert that these municipalities have implemented various LED initiatives to create an environment conducive to bringing development in these towns. These initiatives include simplifying business processes by ensuring the presence of a conducive legal, regulatory, and administrative framework, establishing one-stop shops, developing credible business expansion, attraction, and retention strategies, and developing

land and building infrastructure in both these towns. Ngatiane et al. (2021) also point out that for both these municipalities to realise infrastructure development, they have established special economic zones: Coega and East London Industrial Zone. Infrastructure development in these municipalities has also led to the establishment of vending stalls and sheds.

The Nelson Mandela Bay and Buffalo City municipalities have promoted community development LED facets by making an effort to foster the participation of marginalised groups such as women, youth, and the disabled in the mainstream economy. Through assisting members from marginalised groups to identify business opportunities, encourage joint business plan development, and offer business advice. These two municipalities promote livelihood development by encouraging the participation of local residents in the economy by establishing initiatives such as promoting joint ventures and PPPs.

According to Ngatiane et al. (2021), both municipalities support the creation of value chain analyses that advise residents on where to invest and size value chain opportunities. They also have policies and guidelines that are in line with national Treasury guidelines on municipal service delivery, public-private partnerships, and municipal services partnerships. While municipalities across the country face the issue of having jobs available but the residents of that area cannot be employed due to lack of skill or unable to meet the requirements of the job, in an effort to close this gap, the municipalities of Buffalo City and Nelson Mandela Bay have established several workforce development programs, including the Community Works Program and the Extended Public Works Program. According to Ngatiane et al. (2021), the two towns have several internal workforce development programs, including internships, graduate placement, job shadowing, apprenticeships, and other community training programs.

## **2.9 KEY STAKEHOLDERS IN THE IMPLEMENTATION OF LED**

The successful implementation of LED depends on the involvement of multiple stakeholders, notably the public sector, private sector, civil society, and non-governmental organisations (NGOs). Broad stakeholder participation enhances the credibility, equity, and transparency of LED processes and facilitates a more comprehensive understanding of local socio-economic challenges (Matlala & Motsepe, 2015). Moreover, different stakeholders can contribute their own resources, expertise, and networks, thereby improving the efficiency and effectiveness of LED planning and implementation (Matlala & Motsepe, 2015).

### **2.9.1 The Public Sector (Government)**

All three spheres of government, namely national, provincial, and local, play critical and complementary roles in LED. At the national level, the government is responsible for formulating policies, frameworks, and guidelines for LED, and for clarifying the roles of key stakeholders in LED planning and implementation. It also allocates funds for LED projects, often through agencies such as the National Treasury (Kamara, 2017).

The provincial government is tasked with monitoring the implementation of LED initiatives across municipalities, providing feedback to the national government on successes and challenges, and offering technical support and expertise to local municipalities (Mbandlwa et al., 2022). Local government is at the forefront of LED implementation. Municipalities work directly with communities to identify local needs, design projects, and build partnerships with local businesses and civil society organisations. They are mandated to provide infrastructure and facilities and to coordinate LED in order to create a conducive environment for local economic development (Masikane, 2021). Phutiagae (2020) notes that local government typically performs five key LED roles, namely facilitator, developer, coordinator, stimulator, and enabler.

### **2.9.2 The Private Sector**

The World Bank's widely used definition of LED underscores the centrality of the private sector, civil society, and NGOs in promoting local economic growth and development (Khambule, 2018). The Department of Cooperative Governance and Traditional Affairs similarly emphasises the importance of active private sector and civil society participation in LED planning, implementation, and evaluation. The private sector can contribute significantly to LED by providing capital investment, creating businesses, generating jobs, and enhancing productivity, particularly in small towns and rural areas (Khambule, 2018). Rogerson (2010) argues that well-functioning private sector organisations and representative bodies are crucial for tackling market failures, such as information gaps in input and output markets, and for overcoming the fragmentation of individual firms. Weak private sector representation limits the sector's capacity to act as a credible partner for the public sector and to advocate for its collective interests in LED processes. It also undermines communication and knowledge sharing among businesses and tends to exclude emerging entrepreneurs (Khambule & Gerwel Proches, 2019). Inclusive and representative private sector institutions are therefore a critical

success factor for dynamic LED processes in South Africa. Strengthening the capacity of these institutions should be seen as an important component of LED interventions (Khambule & Gerwel Proches, 2019).

### **2.9.3 Civil Society**

The White Paper on Local Government (1998) mandates municipalities to involve communities in LED planning and implementation (Matlala and Motsepe, 2015). Civil society participation is important at all stages of the LED cycle, including planning, implementation, and evaluation, because community members possess detailed knowledge of local conditions, needs, and priorities. The White Paper introduces the concept of developmental local government, which highlights the central role of civil society organisations in LED (World Bank, 2005; Breitenbach, 2006, cited in Matlala and Motsepe, 2015). NGOs and civil society organisations often have strong local knowledge and networks, which enable them to help communities organise, articulate their interests, and engage with other LED actors. They can also play a direct role in designing and implementing LED initiatives. However, many civil society organisations lack adequate human and financial resources and may themselves require organisational support and capacity building from LED facilitators (LED Network, 2016).

## **2.10 CHALLENGES FACING MUNICIPALITIES IN IMPLEMENTING LED**

Local municipalities face several challenges in implementing LED, including inadequate resources, incompetent officials, and a lack of feedback mechanisms (Kamara, 2017; Mensah et al., 2017; Khambule & Mtapuri, 2018). Corruption further undermines the effectiveness of LED strategies, highlighting the need for transparent and accountable frameworks to improve implementation (Kamara, 2017; Mensah et al., 2017). The following section will explore the challenges that municipalities encounter when implementing LED.

### **2.10.1 Corruption**

Corruption remains a pervasive problem in the public sector, manifesting in practices such as bribery, fraud, and favouritism (Sartor & Beamish, 2020). These practices can severely compromise LED implementation. Nkwinika & Munzhedzi (2016) argue that SMMEs that do not meet funding criteria may resort to bribery to secure LED grants, which distorts allocation processes and undermines fairness. Modise (2023) further notes that corrupt officials may award grants and subsidies to undeserving beneficiaries, discouraging emerging entrepreneurs

who perceive the system as biased. Mbandlwa et al. (2020) observe that when municipal contracts are awarded based on connections rather than competence, projects are often implemented by firms that lack the requisite skills. This can lead to substandard infrastructure and poor-quality services that fail to meet community needs or safety standards. Corruption can also introduce delays and bureaucratic inefficiencies, increase project costs, and erode public confidence in LED. When communities perceive that LED projects are mismanaged or serve narrow interests, they lose trust in government and may disengage from development initiatives.

### **2.10.2 Inadequate Staff to carry out Local Economic Development policy**

Ingle (2014) argues that a key factor in the limited success of LED in many South African municipalities is the shortage of qualified and competent officials in LED units. Mashinini (2017) similarly notes that LED staff are often underqualified and lack a clear understanding of their responsibilities. Munzhedzi (2015) and Chomane (2023) add that staff shortages and weak leadership further constrain LED implementation.

When LED units are understaffed, existing officials are frequently overburdened with multiple responsibilities. This reduces their ability to devote sufficient time to LED planning and implementation, leading to delays, reduced productivity, and compromised project quality. Inadequate leadership and managerial capacity can also result in weak coordination, poor prioritisation, and ineffective stakeholder engagement, all of which undermine LED outcomes.

### **2.10.3 Lack of Funds for LED**

LED is frequently treated as an unfunded or inadequately funded mandate. Although the Department of Cooperative Governance and Traditional Affairs (COGTA) provides an LED fund, the available resources are often insufficient for the scale of local needs (Khambule, 2018). Many municipalities, particularly small and rural ones, lack the fiscal capacity to finance LED projects and struggle to secure loans from commercial banks because of weak revenue bases and poor credit ratings (Biyela, Ndebele & Mdlalose, 2025)

Juta (2023) emphasises that infrastructure such as roads, utilities, and digital connectivity is critical for LED because it underpins business operations, trade, and access to broader markets. Without adequate funding to build and maintain such infrastructure, municipalities cannot

create an environment that is attractive to investors. Funding limitations also restrict the ability of municipalities to provide reliable and affordable services, which affects business confidence, undermines local economic activity, and reduces community satisfaction.

#### **2.10.4 Lack of LED implementation efficiency, networking, and knowledge**

Despite legislative requirements for alignment, provincial, district, and local municipalities often do not share a coherent understanding of LED, resulting in ambiguity about roles and responsibilities. SALGA (2010) notes that many rural municipalities focus primarily on basic service delivery (housing, water, electricity, and so forth) and fail to identify key economic actors and interventions for job creation and poverty reduction.

Meyer & Venter (2013) argue that weak project management systems lead to poor resource allocation, cost overruns, and missed deadlines. Inadequate planning and monitoring can result in incomplete or delayed projects, which waste resources and deprive communities of expected benefits. Such failures contribute to public distrust in LED initiatives.

Effective LED requires strong networks and partnerships between the public sector, private sector, civil society, communities, and NGOs. Without such collaboration, municipalities miss opportunities to mobilise additional resources, skills, and ideas (Meyer & Venter, 2013). Limited knowledge sharing and coordination across spheres of government and among stakeholders further constrain the development of coherent, well-targeted LED strategies.

### **2.11 LITERATURE GAPS**

The literature reviewed in this chapter indicates that LED has been extensively studied from multiple perspectives, with contributions from scholars such as Makamo (2020), Masikane (2021), Hlomuka (2020), and Dube (2021). Research on LED can be traced back to at least the early 1980s and continues to expand. However, certain gaps remain. First, there is limited work that systematically examines how successful LED practices and lessons from specific localities can be transferred or adapted to other municipalities. Future research could investigate how context-specific findings on effective LED implementation can be translated into scalable models that inform practice in different settings. Second, the shift to remote work and digitalisation since the COVID-19 pandemic has not been adequately explored in relation to LED. Further studies are needed to assess how digital skills training, improved internet

infrastructure, and the establishment of remote work hubs might support local economic growth.

Third, the absence of a single, widely accepted definition of LED has created conceptual and practical challenges for local governments. Although the diversity of definitions reflects different contexts and priorities, it can also lead to confusion about the scope and objectives of LED. Future scholars could work towards clearer and more context-sensitive definitional frameworks that offer sufficient conceptual clarity to guide practice.

The findings of this dissertation contribute to evidence-based decision-making by municipal leaders, guide resource allocation, and inform policy development. While several studies have examined local economic development in the Eastern Cape, much of this work has focused on LED at the provincial level. There remains limited empirical research that explores LED implementation at the local municipal level, particularly in smaller municipalities such as WMMLM.

## **2.12 THEORETICAL FRAMEWORK**

In this section of the theoretical framework, a theory will be presented to guide the study. This dissertation adopted Community Development Theory. However, prior to discussing the above, this section will commence by briefly discussing the need for a theory in research. According to Wacker (2012), theories in research serve to explain, rationalise, and improve understanding of the researched phenomenon; they are utilised to expand the existing knowledge through critical assumptions. Du Plooy-Cilliers et al. (2014) also hold the same view, explaining theories as a set of interrelated philosophical ideas and perceptions that explain and predict the relations between the variables of the study.

Hlomuka (2020) cited that according to a study done by Du Plooy-Cilliers et al. (2014), a theoretical framework serves five essential functions within a study. These include:

1. Outlining guiding principles to examine the topic of study.
2. Identifying areas that must be considered to draw conclusions from the study.
3. Highlighting key relationships between variables and emphasising the significance of the study.
4. Providing guidance on the collection, analysis, and interpretation of study data.

5. Identifying critical aspects that should guide the discussion of variables within the study.

## **2.13 COMMUNITY DEVELOPMENT THEORY**

Community Development Theory (CDT), previously known as Community-Led Rural Development Theory between the 1980s and 1990s, was championed by Glasser and Strauss in 1965. This theory's main focus was to strengthen the development capacity of local communities on their own. It was later renamed by Keane & Cinneide in 1986 to what is currently known as CDT, also referred to as the bottom-up approach theory (Hlomuka, 2020).

The theory emphasises empowerment and participation, encouraging active community involvement in decision-making and ensuring that local knowledge, needs, and aspirations inform development initiatives (Tan, 2009). It promotes the enhancement of local capacity through education, training, and skills development, with a view to fostering long-term sustainability and self-reliance.

### **2.13.1 Principle of Community Development Theory**

Mahbub Hasan (2022) identifies seven core principles of Community Development Theory, namely community participation, empowerment, sustainability, education, capacity building, and social capital and social inclusion. The following subsections outline each principle and its relevance for LED.

### **2.13.2 Community Participation**

The principle of community participation holds that local residents have a right to be involved in decisions that affect their lives and livelihoods. Participation should be inclusive of all groups, including women, youth, indigenous communities, and persons with disabilities (Mokoena & Molepo, 2024). In the context of LED, community participation allows residents to articulate local priorities and challenges, enabling municipalities to design LED projects that respond to actual needs.

When communities participate in decision-making and implementation, they are more likely to develop a sense of ownership over LED projects, which can enhance commitment and improve project sustainability (Kumagai & Lorio, 2020). Community input can also generate innovative solutions to local problems and support more flexible, adaptive LED strategies.

Inclusive participation, particularly of previously excluded groups, helps ensure that LED benefits are more equitably distributed and that interventions address diverse needs. This, in turn, supports social cohesion and aligns LED with broader sustainable development goals (Kumagai & Lorio, 2020).

### **2.13.3 Community Empowerment**

The principle of community empowerment emphasises equipping individuals and groups with the skills, resources, and confidence needed to influence decisions that affect them. In the context of LED, empowerment fosters self-reliance, ownership, and collaboration, which are essential for sustainable economic development (Khalid et al., 2019). Geza (2022) describes empowerment as strengthening marginalised people so that they can meet their own needs and overcome poverty, ignorance, and underdevelopment.

Empowered community members are better able to start and manage businesses, utilise resources productively, and implement sustainable practices, thereby contributing to local economic growth. Empowerment also promotes innovation, as communities are more inclined to explore and implement locally appropriate solutions when they have the capacity and confidence to do so. Moreover, empowerment encourages accountability. When community members play an active role in monitoring LED projects, they can help ensure that resources are used efficiently, progress is tracked, and necessary adjustments are made (Khalid et al., 2019).

### **2.13.4 Economic Sustainability**

Economic sustainability, in community development theory, refers to the creation of economic, social, and environmental conditions that can be maintained over the long term (Leal Filho et al., 2019). Applied to LED, this principle requires that initiatives provide not only short-term economic gains but also build the foundations for lasting prosperity and resilience.

Economic sustainability encourages diversification of local economies in order to reduce dependence on a single sector or resource. By investing in a mix of activities such as agriculture, tourism, manufacturing, and services, communities can better withstand external shocks. Economically sustainable LED projects focus on generating long-term employment,

supporting entrepreneurship, and nurturing local enterprises that can thrive without continuous external support.

Investment in human capital through education and skills development is a key component of economic sustainability. Zondo (2020) notes that training and capacity building enable individuals to participate more effectively in the local economy. Sustainable LED also requires strengthening local supply chains so that goods and services are produced and consumed locally where possible, which keeps value within the community. Environmental sustainability is an integral part of this principle, involving the responsible management of natural resources and the adoption of climate-resilient practices (Chomane & Biljohn, 2023).

### **2.13.5 Education**

Education is a fundamental principle of CDT, viewed not only as a tool for personal advancement but also as a collective resource that can strengthen community resilience and support social and economic development (Mazorodze & Maduku, 2024). Education equips individuals with the knowledge needed to understand local challenges, exercise their rights and responsibilities, and contribute to community problem-solving.

In an LED context, education can enhance entrepreneurship by providing skills in business planning, financial literacy, marketing, and management. It can also strengthen leadership capacities in governance, project management, and resource allocation. A well-educated community is better prepared to adapt to economic changes and technological shifts, including digitalisation and climate-related risks. Education, therefore, helps create a pool of informed and skilled actors who can initiate and sustain LED projects.

### **2.13.6 Capacity Building**

Capacity building, as described by Laverack (2007), involves strengthening the skills, competencies, and organisational capabilities of community members and institutions so that they can manage their own development. It moves beyond service delivery to active engagement with communities in knowledge acquisition, skills development, and system building (Kamara, 2017).

Capacity building often begins with targeted training programmes in areas such as vocational skills, leadership, financial literacy, and sector-specific technical skills. It also includes

knowledge sharing through workshops, seminars, and information sessions on topics such as health, environmental management, and economic development. Hope (2011) argues that capacity building is critical for successful LED because it helps create a skilled workforce that can support sectors such as agriculture, manufacturing, digital services, and tourism.

Furthermore, capacity building fosters entrepreneurship and business development, which are central to LED. It also helps communities to form partnerships with external actors, including government, NGOs, and private companies, thereby expanding access to resources, expertise, and markets.

### **2.13.7 Social Capital and Social Inclusion**

Social capital refers to the networks, relationships, and norms within a community that facilitate cooperation and collective action. It includes trust, reciprocity, and shared values that enable collaboration, information sharing, and mutual support (Jordan, 2015). Social inclusion focuses on ensuring that all groups, particularly marginalised and disadvantaged communities, can participate in and benefit from development processes.

Strong social capital supports LED by fostering trust, reducing transaction costs, and enabling coordinated action among individuals, businesses, and institutions. Bridging and linking forms of social capital connect communities to external stakeholders, such as government agencies, NGOs, and investors, providing access to additional resources and knowledge.

Social inclusion ensures that LED projects reflect diverse perspectives and address the needs of different groups. Inclusive processes help to reduce social tensions, promote equity, and strengthen community cohesion. When LED initiatives are designed and implemented in ways that build social capital and promote inclusion, they are more likely to be legitimate, sustainable, and broadly beneficial.

## **2.14 LIMITATIONS OF COMMUNITY DEVELOPMENT THEORY**

Although CDT offers valuable principles for LED, its practical application by local governments faces several challenges. First, meaningful participation can be difficult to achieve in contexts where communication channels are weak, trust in government is low, or communities have experienced historical exclusion. This can result in limited engagement and tokenistic participation.

Second, despite the principle of social inclusion, municipalities may struggle to reach marginalised groups because of cultural, social, or logistical barriers. Without deliberate strategies to include these groups, LED projects may disproportionately benefit more powerful or organised constituencies. Third, the theory assumes sustained community engagement, yet many residents may lack the time, resources or interest to participate actively, particularly in contexts of poverty and livelihood insecurity. These limitations must be recognised when applying CDT to LED practice.

## **2.15 CONCLUSION**

This chapter has presented the literature review and theoretical framework for the study. It began by conceptualising key terms, namely local economic development and local government, and showed that LED in South Africa is shaped by a range of legislative and policy frameworks, including the White Paper on Local Government and the Integrated Development Plan. The review indicated that LED is not governed by a single dedicated statute but is embedded in multiple legal and policy instruments.

This chapter examined the evolution and implementation of LED in Africa and South Africa, highlighting that many African countries, such as Namibia, have made notable progress in implementing LED, often through pro-poor approaches aimed at empowering previously disadvantaged groups. It also discussed the different LED approaches in South Africa, the role of key stakeholders, and the challenges municipalities face in implementing LED.

Finally, the chapter outlined Community Development Theory and its core principles, demonstrating how participation, empowerment, sustainability, education, capacity building, social capital, and social inclusion can support the successful implementation of LED projects. The chapter concluded by identifying gaps in the literature, particularly regarding the transferability of successful LED practices and the implications of digitalisation for LED.

The next chapter sets out the research methodology adopted in this study. It describes the research design, methods of data collection and analysis, and explains the rationale for the chosen methodological approach.

## **CHAPTER 3: RESEARCH METHODOLOGY**

### **3.1 INTRODUCTION**

The previous chapter presented the literature review and theoretical framework. The purpose of that chapter was to present literature on local economic development (LED), drawing on scholars such as Mlambo et al. (2019), Reddy & Wallis (2012), and Chekenya & Dzingirai (2021), who examined how African countries such as Malawi, Tanzania, and Namibia adopted LED as a strategy to respond to persistent economic and social challenges. The literature further showed that LED in South Africa is influenced and guided by various policies and legislative instruments. The literature also emphasised that for an LED strategy to be fruitful, each city or town is required to formulate an LED strategy and programmes that respond to local conditions, rather than treating LED as a one-size-fits-all approach. Although municipalities may benchmark LED programmes from other municipalities, the literature confirmed that such programmes require adaptation to local economic realities and capacities.

The chapter further presented the theoretical lens underpinning the study, namely Community Development Theory, associated with Glasser and Strauss (1965). Community Development Theory fosters public participation and empowerment, and it emphasises the enhancement of local capacity through education, training, and skills development to support long-term sustainability and self-reliance.

This chapter presents the research methodology. Cohen et al. (2011) describe research methodology as the section that explains the research techniques, data collection processes, and analysis procedures used in a study. Jili (2019) notes that research generally applies qualitative, quantitative, or mixed methods approaches. In this study, a qualitative methodological approach was applied, and this chapter clarified how the data were obtained, analysed, and presented, as well as how the trustworthiness of the data was addressed.

This chapter presented and discussed the methods used to collect and analyse data, and the geographic area of the study. Moreover, this chapter discussed in detail the research design, population, and sampling techniques. This chapter is divided into four sections. The first section discussed the research design and also explored why the qualitative research design was most suitable for this study. The second section explored the research paradigm and philosophy. The third section discussed the target population, sample size, and study area. The

fourth section discussed the research instrument that were used to collect data it also discussed the data analysis. It concluded by discussing the limitations of the study.

## **3.2 RESEARCH APPROACH**

Marée et al. (2016) define research approach as a strategy or plan of action that identifies the approach, the selection of the particular data-gathering method, and the data analysis to be done to answer the research question. Mohajan (2018) further adds that there are three research approaches that can be used to conduct research, such as qualitative methods, quantitative methods, and mixed methods. For this study, the qualitative research design was adopted.

### **3.2.1 Quantitative Research Methods (Not adopted in this study)**

Quantitative research is a form of research that depends on the methods of natural sciences, which produce numerical data and hard facts. It aims at establishing the cause-and-effect relationship between two variables by using mathematical, computational, and statistical methods (Ahmad et al., 2019). In other words, quantitative research is a method that relies on numeric data and mathematical analysis to explain phenomena and present findings in the form of numbers. This research is also known as empirical research, as it can be accurately and precisely measured. Van der Merwe (2014) asserts that quantitative research represents a methodological approach that seeks to test theories, establish factual evidence, elucidate relationships among variables, and predict potential outcomes. Quantitative research seeks to ask questions such as “how long,” “how many,” and “the degree to which” (Ghanad, 2023). This research design employs several techniques, including the random and unbiased selection of participants from the study population, the administration of standardised questionnaires or interventions, and the application of statistical methods to evaluate predetermined hypotheses concerning the relationships between specific variables (Newman & Benz, 2011).

Although quantitative research provides strengths in measurement and generalisation, it was not adopted in this study because the research aim required an interpretive understanding of experiences, perceptions, and contextual realities relating to LED, rather than numerical measurement of variables or hypothesis testing. The study therefore relied on qualitative evidence to capture participant meanings and to explore the implementation challenges and enabling conditions associated with LED in the study site.

### **3.2.2 Mixed Methods Research (Not adopted in this study)**

Mixed methods research combines qualitative and quantitative approaches within a single study to answer research questions, either by giving equal weight to both approaches or by prioritising one approach while using the other to support specific components of the study (Taherdoost, 2022). Sharma et al., (2023) and Maxwell (2016) argue that mixed methods can be valuable for complex questions that one approach cannot fully address, including examining relationships between measurable variables while also explaining the meanings participants attach to those relationships. Sharma et al., (2023) further note that mixed methods designs include convergent parallel, explanatory sequential, exploratory sequential, embedded, transformative, and multi-phase designs.

Dawadi et al. (2021), in their discussion of mixed methods, highlight common justifications for combining approaches, including expanding the scope of enquiry, strengthening explanatory power, and improving the robustness of conclusions through triangulation across data types. Venkatesh et al. (2013) also emphasise that mixed methods can provide a more holistic view of a phenomenon and can bridge differences between quantitative and qualitative paradigms by integrating breadth with depth.

However, mixed methods was not used in this study. The study applied a qualitative design only, which consistent with the research purpose and the need to generate rich, contextualised accounts of how LED was implemented and experienced in the municipality.

### **3.2.3 Qualitative Research Methods**

Qualitative research is a research design that is common in social science studies. This method collects and works with non-numeric data, and this type of research seeks to interpret and analysis using words (Lester et al., 2020). This type of data seeks to answer the “how” and “why” questions in research studies and mostly covers data regarding feelings, perceptions, and emotions using unstructured approaches such as interviews for data collection. Qualitative researchers explore the meanings, interpretations, symbols, processes, and relationships within social life (Lester et al., 2020). This type of research generates descriptive data, which the researcher must interpret using rigorous and systematic methods such as transcribing, coding, and analysing trends and themes (Tenny et al., 2017). Qualitative methods encompass three main categories, including observations, document reviews, and in-depth interviews.

For this research, the qualitative research approach was adopted. This approach was suitable as it enabled a deeper exploration of the impact of local government on promoting LED and understanding the concept of LED in South Africa. Since the study focuses on understanding perceptions, experiences, and the subjective impacts of local government initiatives, the qualitative method was more appropriate than quantitative or mixed methods, which did not adequately capture the nuanced insights that was required for this research. The qualitative research approach was adopted in this study to gain a broader and richer understanding of the factors affecting the implementation of LED.

### **3.3 RESEARCH DESIGN**

Research design refers to a plan, structure, and strategy of investigation that is used to get answers for the investigated problem (Hall & Hall, 2020). There are eight types of research design these are narrative, experimental, survey, case study, action research, explanatory research, exploratory research, and descriptive studies.

This study adopted two research designs, the case study and the exploratory. The use of these two research designs enabled an in-depth understanding of LED in WMMLM and new insight into LED. This combination was especially effective for such studies that seek to investigate LED, as it enabled the researcher to identify hidden barriers, unexpected actions, and innovative strategies.

#### **3.3.1 Case Studies**

Case studies are usually associated with qualitative research. Taherdoost (2022) asserts that case studies are basically an empirical investigation that can study different phenomena in a real-life context when the boundaries between them are not clear and also need a comprehensive investigation. Mbele & Mubangizi (2023) explain that, as noted by Yin (2018), a case study design aims to clarify contemporary situations by addressing questions of how or why certain social phenomena occur. Additionally, case studies are especially useful when inquiries demand a thorough and detailed exploration of a social phenomenon. They are particularly recommended for examining contemporary events or a collection of related events. Case studies can be categorised into two groups: single case study and multiple case studies. Single case studies are single experiments that can be used to analyse a concept deeply, gain an initial result for the next extended multiple groups of cases, and study long-standing

theories. Multiple case studies cover different units, and the number of units can positively affect the results of the study (Schoch, 2020).

This study applied a single case study design, it focused on Winnie Madikizela Mandela Local Municipality. The study evaluated the perceived impact of local government in promoting LED within the South African context, using the municipal case to examine how LED was promoted in practice. The case study design enabled the researcher to explore institutional procedures and relationships relevant to LED. Data was collected through in-depth interviews with officials in the LED unit of Winnie Madikizela Mandela Local Municipality and business community within the municipality.

### **3.3.2 Exploratory Study**

According to Elman et al. (2020), an exploratory study is a type of research design that seeks to learn what is happening, to gain new insights, to pose questions, and to re-evaluate phenomena in a fresh light. This type of research design can be carried out in three ways: leading focus group interviews, exploring the literature, and interviewing specialists in the field or those who are experts on the phenomena being researched (Clark et al., 2021). Lelissa (2018) adds that the advantage of using an exploratory study is that it is flexible and adaptable to change. Exploratory research aims to investigate the phenomenon being studied in varying depths, rather than providing a definitive answer to research questions (Thomas & Lawal, 2020). When using an exploratory study as a research design, data can be collected through either primary research methods or secondary research methods. The primary research methods include interviews, surveys, polls, focus groups, and observation. The secondary methods include online research, case study research, and literature reviews. This study employed both primary and secondary methods. For the primary method, the researcher conducted in-depth interviews with participants from WMMMLM, including officials from the LED department and local businesses in the region. For the secondary source, the researcher used published books and online materials on LED.

An exploratory study was suitable for this research, as it enabled the researcher to gather new insights and understanding into LED within WMMMLM, given the limited studies conducted on LED. This design was suitable as there is no study that has focused on LED in WMMMLM specifically. An exploratory study also gave the researcher the flexibility to investigate how local businesses and municipal officials from the LED department perceived and implemented LED strategies, rather than focusing on pre-planned assumptions about LED in WMMMLM.

### **3.4 RESEARCH PHILOSOPHY**

Research philosophy, according to Rehman and Alharthi (2016), is a set of assumptions and beliefs about the development of knowledge. In relation to Rehman et al. (2019), the research paradigm is a way of viewing the world that frames a research topic and sets of beliefs that guide action. There are different philosophies, such as positivist, constructivist, and interpretivist (Abu-Alhaija, 2019). These philosophies is discussed below.

#### **3.4.1 Positivist Research Philosophy**

Shah and Al Bargi (2013), as cited in Adakawa and Garba (2020), describe positivism as aligned to a scientific orientation rooted in rationalistic and empiricist traditions associated with scholars such as Aristotle, Francis Bacon, John Locke, Auguste Comte, and Immanuel Kant. Shah and Al Bargi (2013) add that positivism adopts realism as an ontological stance, meaning that reality is assumed to exist and to be governed by natural laws and mechanisms. Knowledge is treated as objective, and the investigator and the phenomenon are regarded as independent. Within positivism, methodology and methods emphasise explaining relationships between phenomena, and this paradigm is commonly associated with quantitative approaches.

Although positivism provides a useful account of quantitative research logic, it did not guide this study because the study did not seek to test hypotheses or measure variables statistically. The study required an interpretive understanding of experiences and meanings within a specific municipal context.

#### **3.4.2 Constructivist Research Philosophy**

Constructivism is an educational philosophy that maintains that people actively create their own knowledge and that a learner's experiences shape reality. Constructivists concentrate on the social actors lived, felt, and experienced world (Van der Walt, 2020). Adakawa & Garba (2020) assert that, according to Shah and Al-Bargi (2013), the constructivist paradigm aims to free individuals from limiting beliefs and practices, challenging both the positivist and interpretivist paradigms. The methods and methodology of the constructivist paradigm seek to question assumptions and values to uncover injustice and hegemony, engage in social action, and challenge traditional social structures (Shah & Al-Bargi, 2013). The constructivist research paradigm is closely linked to the qualitative research approach. This connection exists because the paradigm aims to understand a phenomenon by considering the experiences and

perspectives of participants. Additionally, the researcher interprets and constructs meanings from the phenomena under study based on both their own experiences and those of the participants involved in the research (Adakawa & Garba, 2020).

### **3.4.3 Interpretivist Research Philosophy**

Interpretive researchers assert that reality is shaped by individuals' subjective experiences of the external world. As a result, they may embrace an intersubjective epistemology and the belief that reality is socially constructed. Realist ontological perspectives are adopted by interpretivism, which holds that reality can only be understood in terms of socially produced meanings and that there is no one common reality (Sileyew, 2019). Creswell (1998) argued that interpretive research is fundamentally phenomenological, focusing on understanding the significance of lived experiences shared by multiple individuals regarding a particular concept or phenomenon, as cited in Jili (2019). This means that interpretivism maintains that human behaviour is intentional and aims to explain how people see their circumstances in a social environment. Interpretative paradigms usually use a qualitative methodology.

For this study, the interpretive paradigm was adopted. The in-depth interview allowed the research to be subjective, and the interpretive research paradigm played a crucial role in producing an in-depth understanding of the phenomenon being researched, which was LED.

## **3.5 RESEARCH TIME HORIZON**

The research time horizon refers to the duration the researcher requires to complete the data collection process. There are two types of time horizons, which are longitudinal and cross-sectional time horizons (Hall & Hall, 2020).

### **3.5.1 Longitudinal Time Horizon**

The longitudinal time horizon refers to collecting data over a repeated time period. This type of research horizon is usually adopted if the researcher requires examining changes over time (Vogl, 2023). A longitudinal time horizon is mostly suitable for studies that seek to observe nature.

### **3.5.2 Cross-Sectional Time Horizon**

A cross-sectional time horizon, which is also known as a prevalence or transverse study, refers to a study that collects data for just once, perhaps over days or weeks, and even months, in order to answer research questions (Hall & Hall, 2020).

This study adopted the cross-sectional time horizon. The researcher collected data from participants from WMMLM and the business community within WMMLM; this was done over a period of four weeks.

### **3.6 STUDY SITE**

This study was conducted in Winnie Madikizela Mandela Local Municipality (WMMLM), in Mbizana in the Eastern Cape province of South Africa. Mbizana is situated on the R61 road connecting KwaZulu-Natal's south coastal boundary to the N2 highway. It is in the north-eastern corner of the Eastern Cape and stretches between the Umtamvuna and Mtentu Rivers. The vast majority of people residing in the area speak isiMpondo. The WMMLM falls within the Alfred Nzo District. This municipality falls under the category B municipality. WMMLM spans over 2,806 square kilometres of land and is home to a population of 319,943 people. The vast majority, 98%, of the population resides in rural villages (Okem et al., 2023:87). This results in natural resources providing a strong base for basic survival, as those living in rural areas turn to subsistence farming for their livelihoods. The majority of land users within WMMLM are mostly rural, with a large emphasis on subsistence agriculture in the interior and some tourism development along the coast. This society is predominantly female, with men comprising 46% of the population. WMMLM is divided into 32 wards, out of which only one is a town. Approximately 47% of the population is under the age of 35 (Okem et al., 2023:87). This municipality is named after the late former wife of Nelson Mandela, a prominent anti-apartheid activist and president of the African National Congress Women's League.



**Figure 3.1: Map of the WMM municipal area**  
**Source:** Map data (2025) AfriGIS (Pty) Ltd Google

### 3.7 TARGET POPULATION

The target population refers to individuals who participate in the research (Creswell, 2014). The target population for this study was made up of two groups. The target population of this study was drawn from the WMMLM office and local businesses within the 32-ward areas. This selection of participants was designed to align with the study’s objectives and provide comprehensive insights into the effectiveness of LED initiatives. The internal participants for this study were the employees from the local municipality working in the LED office. These included employees from the LED manager, employees involved in LED policymaking, and project implementation. This selection was based on the fact that these employees were able to provide valuable insights into the goals, strategies, and intended outcomes of LED policies. They were in a position to explain the reasoning behind specific programmes and initiatives.

The external participants, who were the local business owners, were selected from the 32 wards, including the urban and rural ward areas of Mbizana. This selection included SMMEs, established businesses, and informal traders. By selecting these different types of businesses, the researcher was able to capture the various experiences and challenges faced by businesses within WMMLM. The viewpoints of these different business owners helped to determine how LED policies have assisted in business growth and how the lack of effective LED policies has made doing business more difficult.

### **3.8 SAMPLING**

Sampling strategies are essential for selecting a representative subset of a population for a study. Verma et al., (2017) define sampling method as a process or methodology used to select a sample that accurately represents the characteristics of the full population. Mouton & Serename (2014), emphasise that sampling involves selecting a specific population with the required attributes for the research. Sampling techniques are categorised into two main types: non-probability and probability sampling. Showkat & Parveen (2017) describe non-probability sampling as a method that uses non-randomised approaches to select samples based on judgment rather than chance. Berndt (2020) explains that probability sampling assures that all individuals in the population have an equal chance of getting selected.

#### **3.8.1 Probability Sampling (Not adopted in this study)**

Probability sampling seeks to ensure that every individual in the population is included in the study. The following are some methods used to select participants using a probability sampling strategy (Berndt, 2020):

- **Simple random sampling:** This is a type of sampling where the researcher ensures that every member of the population has an equal chance to participate in the study. This sampling is suitable for studies that aim to find generalised results that cover the entire population.
- **Systematic random sampling:** This type of sampling requires the researcher to follow specific steps to achieve systematic random sampling.
- **Cluster Sampling:** This type of sampling involves a two-step procedure. The researcher divides the population into groups or clusters.
- **Stratified sampling:** this sampling divides the populations into strata and subgroups according to their gender, age, income, or education, and then participants are randomly

selected from each stratum. Stratified sampling may be proportionate or disproportionate. In proportionate stratified sampling, the distribution of the sample mirrors the population distribution. In disproportionate stratified sampling, particular strata may be intentionally oversampled where the aim is not statistical representativeness but the inclusion of specific subgroups.

Although probability sampling offers strengths in representativeness and statistical generalisation, it was not adopted in this study because the study was qualitative and sought depth of understanding from information-rich participants rather than representativeness through random selection.

### **3.8.2 Non-Probability Sampling**

As discussed above, non-probability sampling is a strategy that does not include a random selection of participants; this means that certain people may be excluded from the research. The following are some methods used in non-probability sampling to select participants:

- Purposive/judgemental sampling: This type of sampling involves the researcher deliberately choosing participants based on the specific qualities they possess (Sharama, 2017).
- Snowball sampling: Is a technique whereby current study participants assist researchers in finding new participants (Clark et al.2021).
- Accidental/convenience sampling: In this type of sampling, the researcher chooses participants because they are easily accessible.
- Quota sampling: This type of sampling is performed before a specific number of units is chosen for many sub-populations.

For this study, a non-probability sampling technique was adopted, specifically purposive and a bit of snowball sampling. This approach allowed researchers to choose participants who have relevant knowledge and expertise regarding the phenomenon under investigation, which was LED within WMMLM. Purposive sampling was particularly suitable for this study as it facilitate obtaining in-depth insights and detailed information, which were crucial for understanding the complexities of LED implementation. The researcher purposefully chose staff members from WMMLM's LED unit and the LED manager, as this group is directly engaged in LED policies, strategies, and implementation. During the data collection method, the researchers adopted the snowball sampling technique, which is a sampling technique where

researchers are able to get other participants for the study through the few identified individuals selected through purposive sampling. For this study, the three participants identified through purposive sampling helped in identifying other participants who are involved with LED in Winnie Madikizela Mandela's local municipality. Through the snowball sampling, the researcher was able to get three more participants, making it a total of 6 participants from WMMLM, although the researcher could not get the initial number of the anticipated research participants, which was eight.

The second group of participants consisted of eight business owners, including SMMEs, established businesses, and informal traders. This group was crucial for the study, as these businesses are the primary beneficiaries of LED initiatives, and poor LED also affects their businesses. Their experiences illustrate whether LED strategies effectively support economic growth at the grassroots level. For this group, also, the purposive and snowball sampling techniques were adopted. The researcher used purposive sampling to identify six businesses within WMMLM, and through interaction with these identified business owners, the researcher adopted the snowball technique as the identified business owners recommended other business owners within WMMLM.

### **3.9 SAMPLING SIZE**

Sampling size pertains to the number of participants included in a study. For this research, the anticipated sample size was sixteen (16) participants, however, the researcher was only able to get fourteen (14) participants. These participants came from the two groups, namely municipal officials and local business owners. The municipal group consisted of participants from the LED unit, including the LED Manager. The business group consisted of local business owners and entrepreneurs operating within Winnie Madikizela Mandela Local Municipality, including SMMEs, established businesses, and informal traders.

This selection aimed to give a comprehensive perspective on the impact of LED initiatives and the effectiveness of municipal strategies within WMMLM. The sampling size of this study was appropriate because having eight participants from local business owners allowed the researcher to gain an in-depth understanding of and progress of LED in the community, as they are the direct beneficiaries of these LED policies. While having six participants from the municipality gave the researcher a better understanding of LED policy and how they have tried to implement LED, as there are already reviews and municipality journals available online to read about the municipality's effort to promote LED in Mbizana. The use of six participants

from the municipality and not every staff member within the LED unit in WMMLM was helpful to the research to avoid saturation of information, which is when the research receives the same or similar information from participants (Mthuli et al., 2022).

Table 3.1 presents the sample size of participants that were involved in the study. It highlights the envisioned participants of this study and those who actually participated. The table also indicates the methods used to collect data from these participants, that was through in-depth interviews.

**Table 3.1: Sample size**

<b>Participant</b>	<b>Targeted number</b>	<b>Participated in the study</b>	<b>Methods</b>
Municipal manager	1	–	–
LED manager	1	1	In-depth interview
Employee within the LED unit	6	5	In-depth interview
Small business	2	2	In-depth interview
SMME or co-operative	3	3	In-depth interview
Informal business	3	3	In-depth interview
Total	16	14	

### **3.10 DATA COLLECTION METHOD**

Data collection is among the most crucial elements in research, as it helps ensure that the research objectives and aims are met. There are various ways to collect data, depending on the type of research being conducted. For instance, quantitative research collects data using surveys, questionnaires, experiments, controlled investigations, and structured observations to test hypotheses, while qualitative methods include focus groups, group discussions, interviews, observations, and case studies. For this study, data was collected from both primary and secondary sources.

### **3.10.1 Primary Data**

Primary data is information gathered through first-hand interaction with individuals who are directly impacted or involved in the phenomenon being researched (Taherdoost, 2021). For this study, primary data was collected from employees of WMMLM, as well as from business owners and entrepreneurs operating within the municipality.

#### ***3.10.1.1 In-depth interviews***

Cohen et al. (2011) define interviews as a structured or planned dialogue between a researcher and participants. In this setting, the researcher seeks to engage the participants by asking planned questions that link with research objectives as a form of collecting data. For Ghanad (2023), interviews in research are a form of collecting in-depth information about a particular phenomenon through participants' opinions, beliefs, and thoughts. There are different types of interviews, for example, in-depth interviews, focus group interviews, semi-structured interviews, and structured interviews. All these types of interviews seek one thing, which is to gather an individual perspective on the phenomenon being studied.

For this study, the in-depth interview was employed to collect data. In-depth interviews, according to Ghanad (2023), are unlike other formats of interviews; they are intensive interviews of individuals, mostly conducted with a small number of respondents. Jili (2019) and Marée et al., (2016) describe in-depth interviews as two-way conversations in which an interviewer asks questions to gather data and gain insights into the participants' ideas, beliefs, views, opinions, and behaviours. The primary goal of the interview is to understand the world from the participants' perspectives. The in-depth interview allows the interviewer to ask open-ended questions, enabling the interviewee to express their opinions freely. An in-depth interview was chosen to collect data because it enabled the researcher to gather relevant information from participants and explore their perspectives regarding the impact of the WMMLM in promoting LED within its region. The in-depth interviews allowed the researcher to provide a clear explanation to the participants if they did not understand the question posed. This instrument of collecting data was advantageous for this study, which seeks to explore how WMMLM promoted LED, as interviews with municipal officials were able to provide clear and detailed information on how this town manoeuvres around LED and how their programme has boosted the local economy. While in-depth interviews with business owners and entrepreneurs provide the reality of LED in the municipality, this is because this sector is in a better position to evaluate LED programmes. After all, LED success or failure impacts their

businesses. In-depth interviews was crucial for the research in terms of getting a practical and theoretical view of the LED.

A voice recorder was used during the interview process, with participants' knowledge and consent. Interviews with municipal employees were conducted at the Winnie Madikizela Mandela Local Municipality offices, while interviews with business participants were conducted at their respective business premises or working environments. The study also acknowledged that in-depth interviews were time-intensive, particularly where translation or additional explanation was necessary to ensure shared understanding between the researcher and participants.

### **3.10.2 Secondary Data**

Secondary data refers to already existing data. For this study, the secondary data was collected from academic journal articles, books, unpublished journals, and the IDP of the selected municipality (Taherdoost, 2021). The secondary data formed part of the literature review chapter and background information

#### ***3.10.2.1 Literature review***

A literature review refers to a comprehensive analysis of already existing data about a particular phenomenon. In this study, the literature that was reviewed focused on LED from international, regional, and local perspectives. This was through consulting various sources such as books, journals, theses, articles, internet sources, relevant policies, and legislation concerning LED. Jili (2019) points out that the primary purpose of conducting a literature review is to provide a thorough and rational assessment of previous research in the field of study. This process helps to identify gaps in the existing literature and places the research within a broader context. It ensures that important variables that may influence the study are not overlooked.

#### ***3.10.2.2 Document analysis***

The secondary tool utilised used in this study to gather secondary data was document analysis. According to Maxwell (2012), document analysis is a data collection technique in which the researcher examines written works that may illuminate the topic of interest. The researcher analysed, reviewed, and interpreted LED strategy plans from various provinces in the country, alongside policy documents and IDP documents. This study also relied on journals, books, and articles about LED, and the researcher gathered information through this technique by focusing

on a written report that included an LED strategy, implementation plans, and other reports published by the municipality regarding LED initiatives. The use of multiple methods to collect data for this study helped the researcher ensure the reliability of the study. This is because using different methods to collect data can assist in cross-checking whether the respondents from participants align with what is documented in the municipal IDP and other relevant documents.

### **3.11 DATA ANALYSIS**

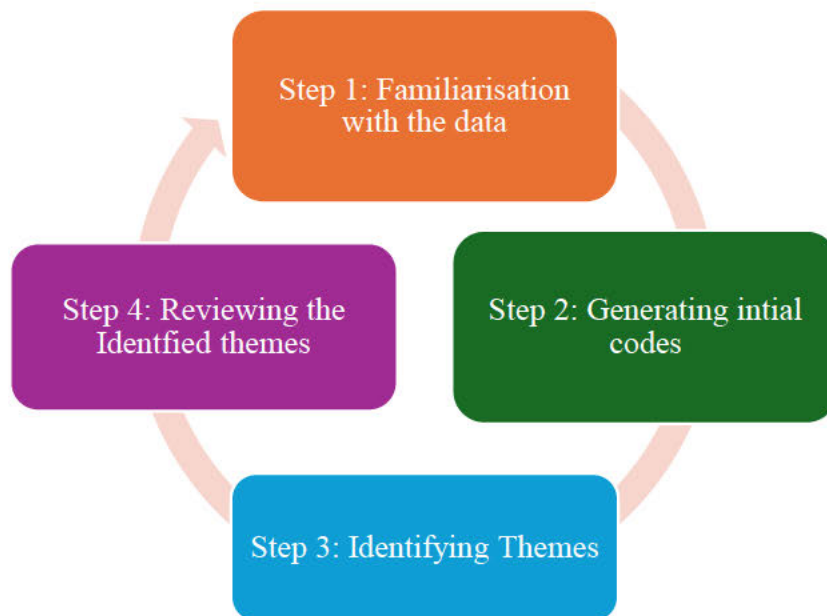
For one to understand data analysis, one needs to understand what data is. Data refers to the information collected either through secondary sources or primary sources. Thus, data analysis can be viewed as a process of interpreting and explaining the raw collected data into meaningful facts and ideals and illustrating how the raw data have met or answered the research objective of the study (Taherdoost, 2022). This is in line with Corbin & Strauss (2008), cited in Phungula (2020), data analysis is the process where the researcher brings direction, structure, and meaning to the data collected. The researcher identifies appropriate themes and patterns recognised within the available data. There are various types of data analysis tools, depending on the type of study being conducted. For instance, quantitative research often utilises data analysis software such as Statistical Package for the Social Sciences (SPSS), Statistical Analysis System (SAS), Excel, and Stata, among others. In qualitative research, data analysis tools include content analysis, thematic analysis, narrative analysis, grounded theory, and other software, such as NVivo. For this study, a thematic analysis was adopted.

#### **3.11.1 Thematic Analysis**

Thematic analysis is a data analysis tool used to analyse qualitative data that focuses on the content of various texts, such as interview transcripts. A Thematic analysis organises, brings meaning, interprets, and describes data collected from the participants in a comprehensive manner (Jili, 2019). The researcher closely examines the data to identify common themes, topics, ideas, and patterns of meaning that come up repeatedly (Phungula, 2020). In this study, thematic analysis was used to analyse the data collected through in-depth interviews between the researcher and employees from WMMLM who are involved with LED, and also with business owners and entrepreneurs within the municipality. The thematic analysis involves a comprehensive examination of collected data, where key areas of focus are identified, and information is categorised to facilitate a conclusive analysis. This method organises the data, interprets its meaning, and provides a detailed description of the insights gathered from participants (Jili, 2019).

### 3.11.2 Thematic Analysis Steps

The following section discuss in detail how the data was analysed according to the thematic analysis. The following illustration demonstrates the four steps followed by the researcher to employ the thematic analysis technique.



**Figure 3.2: Thematic analysis steps**

**Source:** Research own illustration.

#### 3.11.2.1 *Familiarisation with the data*

This step allowed the researcher to immerse themselves in the data to gain a deep understanding of it and get a sense of the overall content and start to see what issues or ideas might be important. The researcher initially had a tape recording of the interview section and also took handwritten notes while interviewing the participants. In this step, the researcher had to type the notes taken during the interview into a Word document, then the researcher listened to the recording multiple times to familiarise themselves with the data and also added to the Word document any information they did not capture when taking notes. After transcribing the audio, the researcher listened again to the recording to ensure that they did not miss any information. Once the information was transferred from the notebook and recorded in a Word document, the researcher highlighted any similar and interesting information for each participant.

### ***3.11.2.2 Generating initial codes***

The researcher identified similarities and meaningful features in the data. The researcher went through the fourteen participants' responses and for each participant's responses, highlighted significant phrases and words. The researcher then allocated codes that captured the essence of the highlighted section, for instance, "budget constraints". The coding was performed manually.

### ***3.11.2.3 Identifying themes***

The researcher sought to create themes based on the identified codes. The researcher grouped the codes that were similar together. The researcher ensured that the themes were related to the research questions. For this research, a table was created which had four columns: the first column had the research objectives, the second had the research questions, the third identified themes, and the fourth column had the different sub-themes identified when generating codes.

### ***3.11.2.4 Reviewing the identified themes***

The researcher checked the identified themes to ensure that they accurately reflected the data collected. In this step, the researcher also merges similar themes into one theme and ensures that the identified themes are not complex. The researcher also removes themes that do not have sufficient information or support from the data collected.

## **3.12 DATA QUALITY CONTROL**

Data quality control refers to the trustworthiness of qualitative findings. According to Korstjens & Moser (2018), trustworthiness is commonly assessed through credibility, transferability, dependability, and confirmability. In this study, trustworthiness was strengthened through triangulation by drawing on multiple sources of evidence, including interview data and documentary sources such as published and unpublished documents, reports, and relevant academic materials.

### **3.12.1 Credibility**

Credibility refers to the accuracy of the finding in relation to actual reality. For this study, the researcher assured credibility by conducting in-depth interviews with participants, which allowed participants to provide a detailed description of the LED situation with WMMLM. The researcher also cross-checked responses from participants by reading and analysing published

documents about LED within WMMLM. Data were also discussed with the supervisor prior to data analysis.

### **3.12.2 Transferability**

Transferability refers to the extent to which research findings can be applied or transferred to other contexts, settings, or groups beyond the original study. To achieve transferability, the researcher carefully selected participants of the study by using a purposive sampling technique and through snowball sampling, which allowed for researcher to invite participants who are experienced and have vast knowledge about LED in WMMLM. The researcher also provided a thick, detailed description of the research setting, participants, and the socio-economic context of WMMLM.

### **3.12.3 Dependability**

Dependability refers to the consistency and reliability of research findings over time. It ensures that if the study were repeated under similar conditions, the results would be consistent. In this study, to ensure dependability, the researcher employed an audit trail

### **3.12.4 Confirmability**

Confirmability refers to whether the findings of the study are neutral and also ensures that the results are shaped by the data rather than the researcher's biases or assumptions. For this study, confirmability was achieved through the audit trail, and transcribed interviews were discussed with the supervisor before analysis.

## **3.13 ETHICAL CONSIDERATIONS**

Ethical considerations in research refer to expected and unexpected behaviours for both researchers and participants. This includes that the researcher should ensure that the participant's rights are protected and respected at all times. For this study, the researcher put the following ethical measures in place before data was collected. The researcher applied for ethical clearance from the university, and the researcher also requested a gatekeeper letter from WMMLM to collect data. Once the researcher was given the green light by the ethical clearance committee and received a gatekeeper's letter, the researcher contacted potential participants to request their participation and to schedule interview sessions. A detailed informed consent form was provided to all participants and signed consent forms were received and confirmed prior to conducting any interviews. Only participants who provided signed consent were included in

the study. The researcher ensured that the participants were informed about the nature and purpose of the interview. The participants were informed that participation was voluntary and that they were free to withdraw at any stage of the interview if they felt uncomfortable. The researcher ensured that all data was handled with the highest level of confidentiality and that participants' privacy was maintained throughout the study. The researcher also disclosed the use of recording equipment to the participants before using it.

The participants of this study were informed that the data they provided during their interviews would remain confidential. Therefore, their names and residential addresses were not disclosed during the interviews. The researcher also ensured the anonymity of the participants throughout the research by not using their real names. All audio recordings and transcripts collected during interviews were stored on a password-protected computer.

### **3.14 LIMITATIONS OF THE STUDY**

Limitations refer to constraints encountered during the research process. In this study, a key limitation is related to participant availability within the municipal participant group. Although the study initially anticipated eight municipal participants, the researcher was able to recruit six, as some officials, including the municipal manager, were not available during the data collection period. A second limitation emerged during interviews with business participants, as some interviews required translation to ensure comprehension, which extended the duration of interview sessions beyond what had initially been anticipated. A third limitation of the study relates to the scope of strategic perspectives represented in the sample. Although the researcher was able to interview the LED Manager, whose role provides insight into strategic planning and implementation within the economic development function, the absence of an interview with the Municipal Manager limited access to broader, municipality wide strategic and administrative perspectives. The Municipal Manager holds overarching responsibility for strategic coordination, policy direction, and high-level decision-making across departments. As a result, the findings primarily reflect strategic challenges related to local economic development and may not fully capture challenges at the highest level of municipal governance. In addition, the sample size of 14 participants may have restricted the diversity of perspectives included in the study.

### **3.15 CONCLUSION**

This chapter presented and discussed the methodology used in the study. The study adopted a qualitative approach, and primary data were collected through in-depth interviews with two participant groups, municipal officials within WMMLM and local business community members operating within the municipality. Secondary data were drawn from relevant literature and municipal documents, including IDP, and document analysis supported the triangulation and contextualisation of interview findings. The chapter also outlined the thematic analysis procedure used to analyse the qualitative data and explained how trustworthiness was ensured through credibility, transferability, dependability, and confirmability. Chapter four presents the findings and analysis derived from the interview data and the supporting documentary evidence.

## CHAPTER 4: RESEARCH FINDINGS, DATA ANALYSIS, AND DISCUSSION

### 4.1 INTRODUCTION

The previous chapter presented the methodology, providing a broad and detailed overview of the methods used to collect data. The qualitative research approach was adopted for this study, and various methods, such as in-depth and purposive sampling alongside snowball sampling, were used to collect and identify potential participants of the study. The current chapter is the research findings, data analysis, and interpretation chapter. This chapter seeks to analyse and discuss the data collected through in-depth interviews for this research study titled “*Examining the Impact of Local Government in Promoting Local Economic Development: The Case Study of Winnie Madikizela Mandela Local Municipality*”.

In all, fourteen (14) in-depth interviews were conducted, of which two (2) persons were short of the envisioned sixteen (16). These participants came from two different groups, namely (6) employees from the WMMLM LED office, and (8) business owners operating within the municipality. The interview schedule comprises thirty-three (33) questions in total, of these, sixteen (16) questions were directed to the municipality participants, with each of the four research objectives represented by four questions. Twelve (12) questions directed to business owners, with each objective represented by three questions. The remaining five (5) questions focus on participant demographics details. Data analysis was conducted through thematic analysis, which supports the systematic identification of patterns, themes, and relationships across participants responses.

This chapter is organised into three sections. The first section presents the demographic profile of participants and briefly outlines how thematic analysis is applied to the dataset. The second section presents summary of the data generated through the interview process, this data is organised according to research objectives. The third section interprets and discusses the findings by identifying key themes emerging from the data and analysing them in relation to the literature reviewed and the CDT. This integrated discussion positions the empirical findings in relation to existing scholarship, highlights areas of convergence and divergence, and clarifies where the study contributes additional insight to the LED literature.

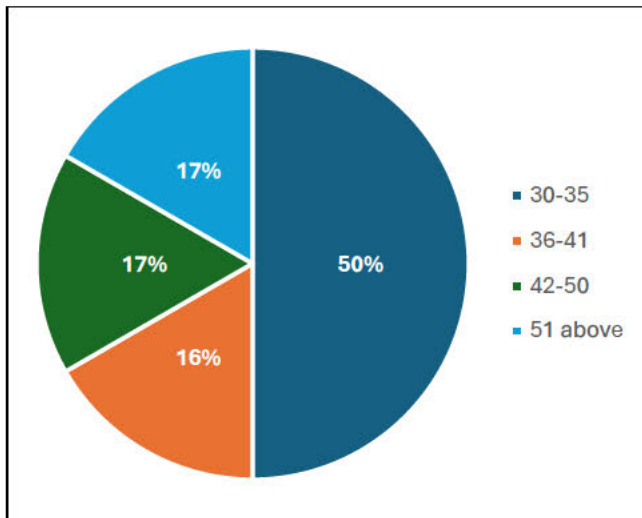
## **4.2 DEMOGRAPHIC PROFILE OF RESEARCH PARTICIPANTS**

This section presents the demographic details of the participants involved in this study. The demographic details will be presented using pie charts. As the study involves two groups of participants, each group will have its own pie chart to ensure better clarity and a more accurate representation of the demographic information. As mentioned in the previous chapter, the participants for this study are made up of fourteen (14) participants. The first group of participants was from WMMLM LED office. This group consists of six (6) people. The second group is from business community members within WMMLM. This group is made up of eight (8) participants. These businesses operate in the 32 different wards of WMMLM. The researcher conducted in-depth interviews with each participant.

The research has not used the participants' real names in order to protect their identities and maintain confidentiality but gave them code names. For instance, participants from WMMLM were assigned code names, such as "participant 1 from the municipality". Participants from the business community were referred to as "Participant 1 from small business" or by the business category to which they belong. For this study, the demographic details focused on the participants' age, gender, ethnicity, work experience, years in business, educational levels, and their nationality. This information will help the researcher and the reader better understand the participants involved in this research.

### **4.2.1 Age**

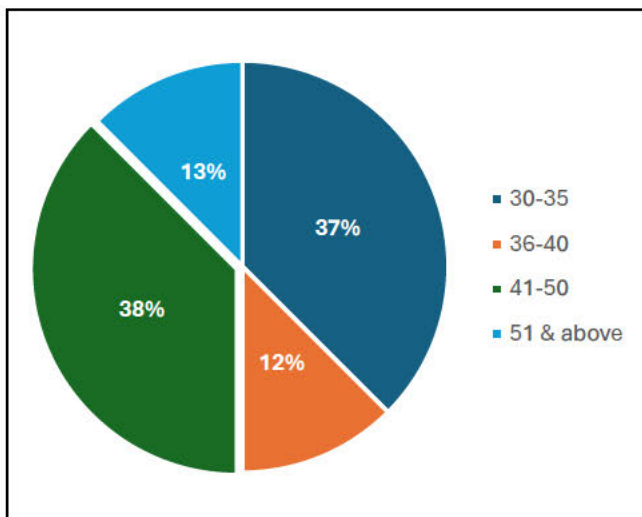
Figure 4.1 reveals that the majority (50%) of the employees within WMMLM fell between the ages of 30–35 years, while two categories, 42–50 years and 51 and above years, each account for 17%. This shows an even representation of both these age groups. The least percentage, which accounts for 16% represents the age group of 36–41 years, indicating that few employees in WMMLM fall into this age category. The age category of participants from the municipality office indicates that the LED office in WMMLM has a young workforce with limited senior representation, which could be beneficial for innovation and energy, but may also pose a risk of losing experience and continuity if not addressed.



**Figure 4.1: Age category of municipality participants**

Figure 4.2 reveals that various age groups in WMMLM owners' businesses, from this figure majority (38%) of business owners account from aged 41–50 years, followed closely by (37%) who are from 30–35 years, and a smaller proportion of 13% who are aged 50 years and above. The least represented group is those aged 36–40 years, which accounts for 12%.

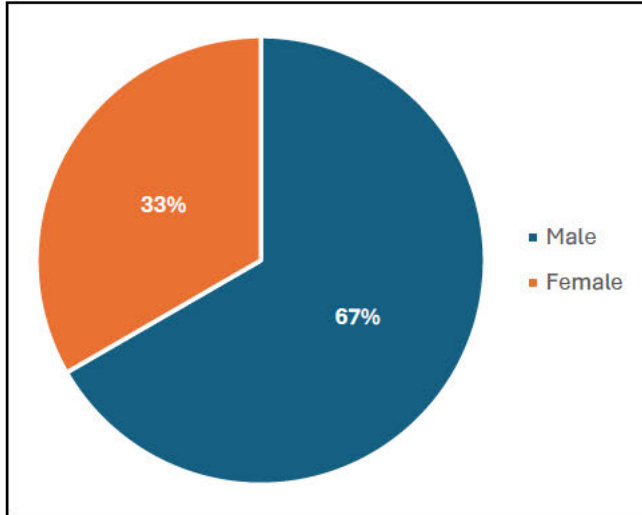
This reveals that the majority of business owners are individuals in their mid-thirties to late forties. This reflection of age is the reality of WMMLM, as Okem et al. (2023) asserted that WMMLM's population is predominantly made up of middle-aged and older people, as the majority of young people and youth migrate to the neighbouring province of KwaZulu-Natal and other provinces for better employment and life opportunities.



**Figure 4.2 Age category of business community participants**

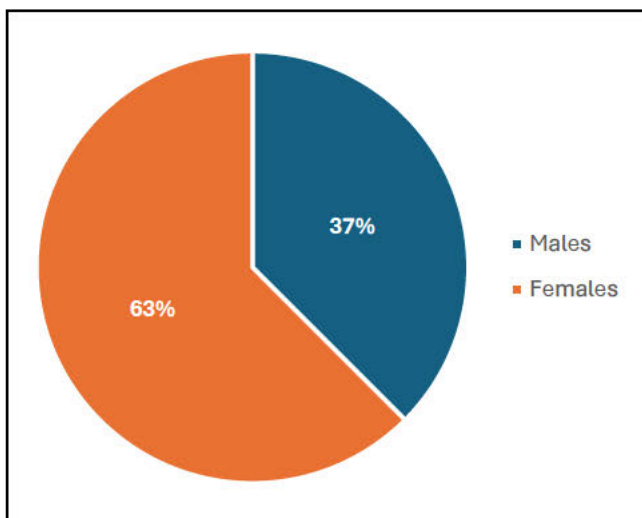
#### 4.2.2 Gender

Figure 4.3 highlights that the majority (67%) of the participants from WMMLM are males, while 33% represent females. This demonstrates that municipal officials are mostly represented by male figures compared to females.



**Figure 4.3: Gender profile of municipality participants**

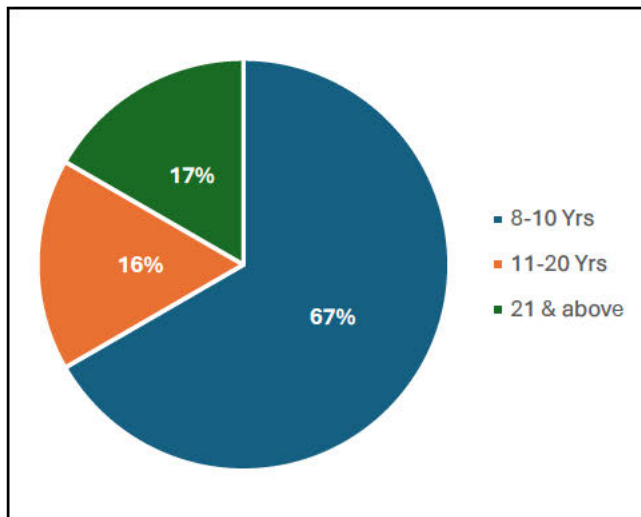
Figure 4.4 shows the gender profile for business community members who participated in this study, with the majority, 63%, being females, while males make up 37%. This representation is in line with the fact that Winnie Madikizela Mandela is a society predominantly female, with men comprising 46% of the population (Okem et al., 2023:87). Also, in accordance with the fact that WMMLM is a municipality surrounded by rural areas and unemployment being high has influenced people to consider starting business in order to alleviate poverty and meet their basic needs.



**Figure 4.4: Gender profile for business community participants**

### 4.2.3 Work Experience

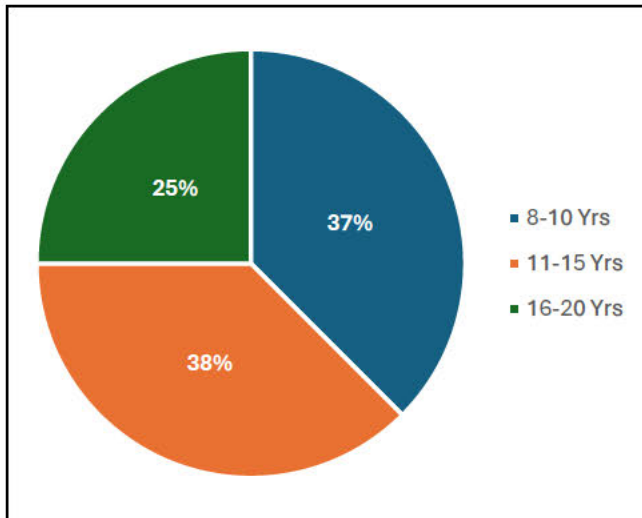
Figure 4.5 shows that the majority, 67%, have work experience of between 8–10 years. This indicates that the majority are experienced, with 17% having work experience of 21 years or more, and the least represented portion is those with 11 to 20 years of work experience, at 16%. This shows that a high minority are well-experienced staff. The various levels of experience among this group create an advantage in implementing the LED programme,



**Figure 4.5: Municipality participants' work experience**

Figure 4.6 shows the number of years that the business community members have been in business. This demographic detail indicates that a substantial portion of business participants have extensive experience in managing their businesses. 38% account for 11 to 15 years in business, which highlights a solid level of experience in running a business and the business environment. Following closely is 37% which accounts for 8 to 10 years in business. This group reflects business owners who are knowledgeable about their business but are still in the growth phase of their business cycle. The least group, which accounts for 25% of businesses, spans 16 to 20 years in business, reflecting that many businesses within WMMLM have been able to exist for a very long time.

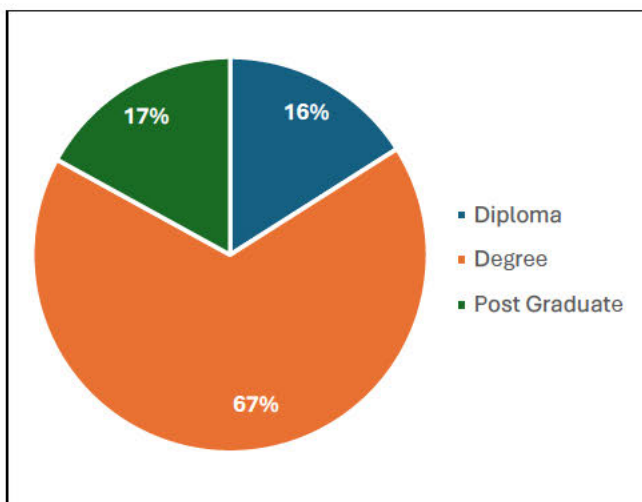
Overall, this distribution suggests that the majority of business participants have moderate to extensive experience, which can positively influence their engagement in LED initiatives and decision-making within the municipality.



**Figure 4.6: Years in business**

#### **4.2.4 Level of Education**

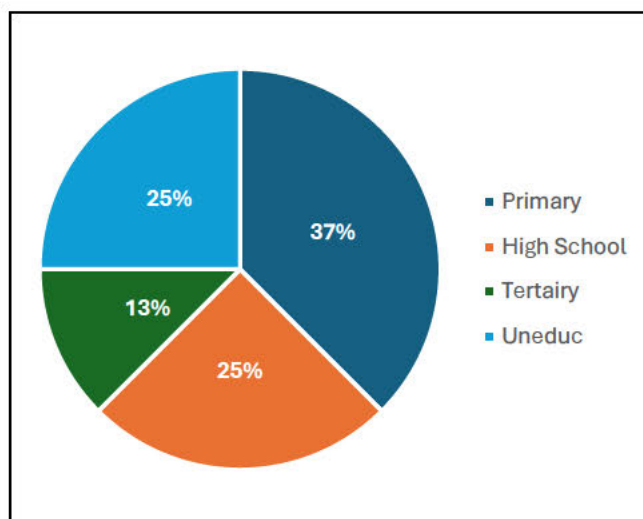
Figure 4.7 shows a highly educated group of participants from the municipality, with the majority 67% having achieved a degree qualification. This reflects that the majority have attained an academic qualification, while 16% have achieved a diploma certificate, and the least 17% have achieved a postgraduate qualification. This representation is in disagreement with scholars such as Meyer & Venter, (2013); SALGA (2010), and Ingle (2014), who argue that the majority of municipalities, especially those located in rural area, can lack adequate official responsible for implementation of LED which could led to delays in implementing and developing LED strategy due to education levels or skills. However, this was not the case in WMMLM because the majority of participants involved in this study had obtained a form of tertiary education; with these skills they were able to develop and implement LED strategies without encountering problems.



**Figure 4.7: Level of education for municipality participants**

Figure 4.8 shows a diverse level of education, with 37% having completed only primary education, followed by those with high school education and those who are uneducated, at 25% each, and the least, 13%, who have completed their tertiary education. This shows that a small group has acquired professional skills or knowledge of entrepreneurship. This distribution shows that people with high levels of formal education are not the only ones who own businesses in WMMLM, but self-initiative, perseverance, and real-world experience are also crucial components of entrepreneurial activity.

Overall, this research concludes that many people who are unable to find employment due to a lack of education often resort to starting a business to make a living. The fact that WMMLM is a rural area with little to no manufacturing sectors has led people to use natural resources for basic survival and to start their own business (Okem et al., 2023). This factor of limited manufacturing and industrial sectors is also highlighted in the WMMLM's Integrated Development Plan (2022–2027) document.

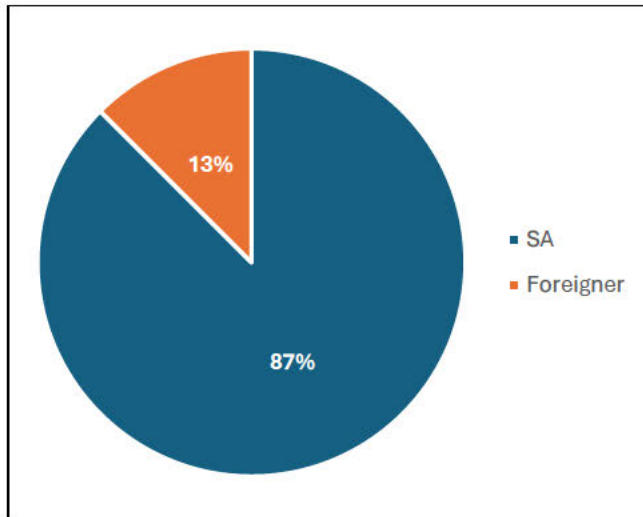


**Figure 4.8: Education level for business community member participants**

#### **4.2.5 Nationality of Participants**

Figure 4.5.1 shows that the majority, accounting for 87% of business owners, are South African, while a small portion, 13%, are foreigners. This shows that within WMMLM, not only do South African entrepreneurs exist, but also foreign entrepreneurs have a space in the local business environment.

Overall, the majority of participants from the business community for this study are African. This reality for WMMLM is a good reflection, as it indicates that the municipality is supporting local entrepreneurship among historically disadvantaged groups, which is what LED seeks to achieve by creating employment and an environment that fosters the growth of local businesses. Participants from the WMMLM office were all South Africans.



**Figure 4.9: Nationality of business community participants**

### **4.3 DATA ANALYSIS STEPS**

As discussed in detail in Chapter 3, the thematic analysis approach was adopted to analyse the data collected through in-depth interviews. This type of data analysis is mostly common on qualitative data. It seeks to organise, bring meaning, interpret, and describe data collected from the participants in a comprehensive manner (Jili, 2019). Hlumuka (2020) cited that according to Howitt & Crammer (2011), for one to use thematic analysis, one needs to follow these steps, which are for the researcher to familiarise themselves with the collected data, come up with codes, search and review themes, and define and provide names for the themes. For this study, the researcher applied thematic analysis by organising and capturing the notes taken during the interview section into a Word document. While capturing the notes, the researcher highlighted themes she noted as she was capturing the responses of participants. The researcher listened to the transcription of the records taken during the interview proceedings. The researcher listened to the recording multiple times to ensure that the captured data was correct; this was also done to ensure quality assurance.

#### **4.4 PRESENTATION OF DATA COLLECTED**

The following section presents the data collected from the participants. This data will be presented in accordance with the four objectives of this research study. This will help show how each objective was addressed by the participants' responses. Since this study has two groups of participants, each objective will have data collected from the municipal participants, and the same objective will also have data collected from the business community. After presenting the data this way, the following section will be the analysis section. The data will be analysed in a thematic manner, meaning that the data will be coded, and then themes will be created. This will help in better understanding the overall findings.

##### **4.4.1 Objective 1: To assess the role of WMMLM in promoting local economic development – Responses from municipal officials**

To assess the role of WMMLM in promoting local economic development, municipal officials were asked about LED initiatives implemented by the municipality, how economic development priorities are addressed, support provided to local businesses and entrepreneurs, and partnerships established to enhance LED. The responses revealed several common areas of focus.

Participants indicated that WMMLM operates within a predominantly rural context, where social service delivery remains a key priority. However, officials reported that the municipality has also identified economic development as an important focus area. According to participants, WMMLM has identified key economic sectors within the municipality, including agriculture, tourism, fisheries, wholesale and retail, SMMEs, ocean economy, mining, and construction. Support within these sectors includes the provision of training, mentorship, and, in some cases, materials to assist businesses.

Municipal officials further reported that WMMLM promotes LED through capacity-building initiatives such as training workshops, incubation programmes, and skills development activities. These initiatives are aimed at equipping entrepreneurs and business owners with basic business and sector-specific skills. Participants noted that incubation programmes typically run over a fixed period and focus on improving sustainability within different economic sectors, particularly agriculture.

In terms of prioritising and addressing economic development issues, participants stated that LED priorities are incorporated into municipal planning and budgeting processes, including

the Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP). Officials reported that the municipality conducts IDP roadshows across wards to engage communities on economic challenges. In addition, sector-specific forums were identified as platforms where business owners raise concerns and engage with municipal officials and other stakeholders.

Participants also indicated that WMMLM supports local businesses and entrepreneurs through budget allocations directed towards training, skills development, and access to resources. Support is provided both directly by the municipality and in collaboration with other government departments.

Finally, all participants reported that WMMLM has established partnerships with various public and private stakeholders to support LED initiatives. These include collaborations with the Alfred Nzo District Municipality, the Small Enterprise Development Agency (SEDA), the Department of Agriculture, the Department of Sport, Recreation, Arts and Culture, the South African Planning Institute, and private entities such as Wild Coast Sun. According to participants, these partnerships enable shared provision of training, resources, facilities, financial support, and exposure opportunities for local businesses, farmers, and artists.

#### **4.4.2 Objective 1: To assess the role of WMMLM in promoting local economic development – Responses from business owners**

To examine the role of WMMLM in promoting LED, participants from the business community were asked in what ways WMMLM has supported their business and the business community, how they perceive the municipality's role in fostering economic growth in their area, and, where asked, about specific programmes or actions from the municipality that have impacted their business.

Responses revealed varied experiences depending on the type and size of business. Participants from SMMEs and co-operatives generally reported receiving substantial support from the municipality, including access to land and boreholes, provision of equipment and tractors, workshops, and incubation programmes aimed at skills development and business growth. Programmes such as Farmers' Day and collaboration with SEDA were highlighted as particularly impactful in improving business skills, networking, and production capacity.

While, participants from the informal business sector expressed mixed experiences. Some received shelter stands, which provided limited protection from weather conditions, while

others reported receiving no support at all. Informal business owners raised concerns about inequitable distribution of resources, lack of follow-up support such as access to funding or training, and a perception that the municipality prioritises formal businesses over informal enterprises. This unequal support contributed to feelings of exclusion among some informal traders, despite their contribution to the local economy.

Overall, the data indicate that WMMLM has implemented a range of LED programmes targeting different business sectors, with formal and registered enterprises benefiting more fully from these initiatives. At the same time, the municipality faces challenges in ensuring equitable support for informal businesses, highlighting areas for improvement in participation, resource allocation, and inclusive support mechanisms.

#### **4.4.3 Objective 2: To examine the effectiveness of LED strategies in place to promote local economic development at the local level – Responses from municipal officials**

In order to examine the effectiveness of LED strategies implemented by WMMLM to promote economic development, participants from municipal officers were asked how is the success of LED strategies evaluated, what metrics or indicators are used to measure the effectiveness of these strategies, they were asked to provide examples of LED projects implemented by the municipality and some of challenges faced by municipality when implementing LED strategies and how has they been addressed.

Participants from the municipality explained that the effectiveness of LED strategies in WMMLM is assessed through a combination of monitoring and evaluation processes, including monthly reports, site visits, and tracking the progress of businesses that have received municipal support. These methods provide information on activities, achievements, challenges, and outcomes, enabling decision-makers to adjust strategies and improve implementation where necessary.

Municipal officials highlighted several LED initiatives that have contributed to economic development. The Inclusive Green Municipalities Programme, implemented between 2017 and 2021, focused on ensuring inclusivity by supporting women, youth, and people with disabilities across all LED activities. The OR Tambo Homecoming, an annual cultural event, created employment opportunities while giving local artists exposure. Support for small businesses, such as spaza shops and B&Bs, was provided through start-up capital, marketing assistance,

and capacity-building workshops. Agricultural projects, including the Lencolin Green Project, assisted both subsistence and commercial farmers, providing access to land, equipment, and training.

Despite these successes, participants consistently identified budget constraints as a major challenge. Most municipal funding is prioritised for basic service delivery, leaving limited resources for LED programmes. Other challenges included inadequate business documentation, disagreements among business partners, and difficulties in effectively monitoring and evaluating LED initiatives. To address these challenges, the municipality has sought collaboration with private sector partners and the district municipality, enabling them to pool resources and enhance the implementation of LED programmes. While WMMLM has implemented diverse and inclusive LED strategies across multiple sectors, resource limitations and operational challenges continue to influence the full effectiveness and reach of these initiatives.

#### **4.4.4 Objective 2: To examine the effectiveness of LED strategies in place to promote local economic development at the local level – Responses from business owners**

In order to examine the effectiveness of LED strategies implemented by WMMLM to promote economic development, participants from business owners were asked about the effectiveness of the municipality's LED strategies in meeting local business needs, seek real-life examples of their impact, and gather suggestions for improvement based on business owners' experiences.

Business participants highlighted both strengths and limitations in the municipality's LED strategies. Several participants acknowledged that platforms such as business forums allow local businesses to raise concerns and inform LED programmes, while initiatives like Farmers Day and the provision of land have supported growth and skills development for SMMEs and cooperatives. However, informal businesses reported inconsistent and unequal support, with shelters provided to some but not all, and inadequate protection from weather conditions. Across all business categories, participants emphasized the need for enhanced workshops focusing on financial management, bookkeeping, marketing, and formal business development. Many also suggested increased engagements with informal traders, access to funding, mentorship, and better linkages to suppliers and cooperatives. Participants noted that while LED initiatives have positively impacted business growth, the municipality's response to unforeseen challenges such as extreme weather remains limited. Infrastructure constraints,

including poor rural roads, unreliable electricity, and inadequate irrigation, were also highlighted as barriers to fully realizing LED objectives. The business community recognised the potential of WMMLM's LED strategy but identified critical areas for improvement to ensure equitable and sustainable support for all local businesses.

#### **4.4.5 Objective 3: To examine perceptions of local businesses on how LED has been implemented by WMMLM – Responses from municipal officials**

In order to examine the perception of local businesses on how LED is implemented by WMMLM participants from municipal officers were asked how local businesses perceive the municipality's role in promoting economic development, the impact of LED initiatives on their operations and growth, the effectiveness of communication and engagement between the municipality and business owners, and suggestions for improving the municipality's approach to identifying and addressing LED needs.

Municipal participants indicated that local businesses' perceptions of WMMLM's LED efforts vary depending on whether they have received support. Businesses that have benefited from municipal initiatives tend to view the municipality's efforts positively, while those that have not received assistance often perceive them as ineffective. Support provided through LED initiatives such as land, boreholes, fencing, training, and shelter stands for informal traders has contributed to business growth, improved productivity, and the creation of employment opportunities, particularly in the agricultural sector. Communication and engagement with businesses are facilitated through forums, monthly meetings, SMS notifications, and online platforms, though participants highlighted that greater involvement of ward committees and councillors could improve identification and addressing of local economic challenges. Infrastructure constraints, such as poor road conditions, were noted as a factor affecting perceptions of LED effectiveness. Overall, while municipal officials recognized the positive impact of LED initiatives, they also acknowledged the need for more equitable support, enhanced infrastructure, and stronger engagement with community structures to ensure all local businesses benefit.

#### **4.4.6 Objective 3: To examine perceptions of local businesses on how LED has been implemented by WMMLM – Responses from business owners**

In order to examine the perception of local businesses on how LED is implemented by WMMLM participants, from business community was asked questions that focused on how the municipality's LED efforts have affected business growth, whether the current programmes address business needs and challenges, and what additional support or improvements business owners would like to see.

Participants from the business community highlighted mixed experiences with WMMLM's LED initiatives. While some programmes, such as the provision of land, incubation programmes, and Farmers' Day workshops, have contributed to business growth, production, and brand awareness, others particularly in the informal sector have received minimal or inconsistent support. Many participants emphasised the need for the municipality to ensure that benefits are distributed more equitably, so that businesses that have previously received assistance do not repeatedly benefit while others are overlooked. Several participants called for an increased LED budget to allow for broader support, including access to funding, business training, and modern agricultural techniques.

Participants also highlighted gaps in addressing deeper challenges facing local businesses. Informal businesses, for instance, often lack access to adequate training, financial support, legal recognition, and markets. While shelters provided some protection, they were described as insufficient for operating under adverse weather conditions, leaving some vendors vulnerable. Across sectors, participants suggested that more workshops, consistent engagement, and programmes aimed at long-term empowerment rather than short-term relief would enhance LED effectiveness. Additionally, participants noted the need for better infrastructure, such as reliable roads, and initiatives to actively promote local businesses through marketing campaigns and local markets. The business community acknowledged the positive impact of LED programmes but emphasised the importance of equitable support, capacity-building, and inclusive strategies to fully meet local business needs.

#### **4.4.7 Objective 4: To explore interventions to improve LED in WMMLM – Responses from municipal officials**

In order to explore interventions taken by WMMLM to improve LED, the following questions were asked to the municipal participants, to identify additional strategies the municipality could

adopt to enhance LED, explore ways to better support local businesses and entrepreneurs, consider best practices from other regions that could be applied locally, and examine the role of community members and stakeholders in shaping and improving LED initiatives.

Municipal participants highlighted several strategies and interventions aimed at enhancing LED within WMMLM. They emphasised the importance of expanding collaboration through public-private partnerships and strengthening support for SMMEs, small businesses, and informal businesses. Skill development and training for both youth and business owners were noted as critical, alongside improvements in infrastructure to attract new business opportunities. Participants also suggested increasing the municipal budget for LED initiatives and providing more targeted workshops to build business capacity.

Several participants shared plans to benchmark and introduce new sectors to diversify the local economy, including medical cannabis, the ocean economy, agro-processing, and brick manufacturing, as well as promoting events such as traditional horse racing to stimulate economic activity. Community members and stakeholders were seen as central to shaping LED initiatives, with engagement platforms such as Imbizo, IDP roadshows, and ward committee meetings enabling them to identify local needs and suggest priorities. Stakeholders, including local businesses and the private sector, contribute resources, expertise, and partnerships to strengthen LED implementation, ensuring that projects respond effectively to real community challenges.

#### **4.4.8 Objective 4: To explore interventions to improve LED in WMMLM – Responses from business owners**

In order to explore interventions taken by WMMLM to improve LED, the following questions were posed to business owners: What types of additional support do local businesses expect from the municipality, identifying specific weaknesses in the current LED efforts, and they were asked to give practical recommendations to enhance the effectiveness and impact of LED initiatives.

Business participants highlighted several areas where WMMLM could enhance its LED initiatives. They emphasised the need for financial support to manage unforeseen events, such as crop damage from weather, and for better infrastructure, including improved roads and water supply, to facilitate business operations. Informal business owners requested better-designed shelter stands, access to storage facilities, and trading permits to reduce operational challenges

and harassment. Participants also suggested creating local markets to sell products within the municipality, reducing the need to sell outside the area.

Capacity-building workshops were widely recommended, particularly those focused on financial management, bookkeeping, and profit-saving strategies. Regular site visits by municipal officials were proposed to ensure businesses' needs are understood and supported. Participants stressed that greater engagement with the business community and public would allow the municipality to develop LED programmes that address real challenges and support sustainable business growth.

#### **4.5 DISCUSSION AND ANALYSIS**

This section focuses on analysing the collected data. This section will discuss and analyse the collected data by categorising them into themes and integrating them with literature and Community Development Theory. As mentioned previously, this study consists of two groups of participants who responded to the same research objectives, but each group had different questions prepared for them. When analysing the data, the research identified one main theme for each objective, but there are different sub-themes under the same theme due to the different perspectives of these groups.

Table 4.1 presents the research questions and objectives of this study. It also presents the themes that were identified when the researcher was transcribing the collected data. This table also identifies sub-themes in accordance with the main theme. The first three objectives have one main theme identified, while the fourth objectives have two main themes identified. Each of the main themes has sub-themes that relate to the main themes. The main theme and sub-theme identified meet the objectives of this study.

**Table 4.1: Interrelationships of research objectives and questions, with themes and sub-themes**

Research Objective	Research Questions	Themes	Sub-Themes
1. To assess the overall role of WMMLM in promoting LED.	What is the overall role of WMMLM in promoting LED within the municipality?	Strategic role of the municipality in LED.	<ul style="list-style-type: none"> <li>• Structure of LED in WMMLM.</li> </ul>
2. To evaluate the effectiveness of LED strategies implemented by the municipality in fostering LED.	How effective are the LED strategies implemented by WMMLM in fostering LED?	Effectiveness of WMMLM's LED strategy in assisting local businesses.	<ul style="list-style-type: none"> <li>• Impact on business growth.</li> <li>• Lack of effectiveness of the LED strategy.</li> </ul>
3. To analyse local business perceptions regarding the implementation and impact of LED by WMMLM.	What are the perceptions of local businesses regarding the implementation and impact of LED initiatives by WMMLM?	Business perception and satisfaction.	<ul style="list-style-type: none"> <li>• Unequal distribution of municipal resources.</li> <li>• Lack of emergency preparedness and resources support.</li> </ul>
4. To explore potential interventions for improving LED efforts within WMMLM.	What interventions could be proposed to enhance the effectiveness of LED efforts within WMMLM?	<ul style="list-style-type: none"> <li>• Challenges Faced by LED.</li> <li>• Public Participation and Stakeholder Collaboration in Enhancing LED in WMMLM.</li> </ul>	<ul style="list-style-type: none"> <li>• Budget constraints.</li> <li>• Collaboration\ Partnerships.</li> <li>• Public involvement.</li> </ul>

#### **4.5.1 Theme 1: Strategic role of the municipality in LED**

According to the findings of this study, WMMLM has LED strategies in motion to help boost the economy of Mbizana. This finding is supported by Koma (2014), Mashamaite & Lethoko (2018), and Hlomuka (2020), who assert that the fundamental responsibility of local government is not only limited to service delivery to the community, but the municipality is also obligated to promote LED in that area. The municipality's focus is not solely on social development but also seeks to promote economic development through the establishment of LED strategies and programmes. This finding will be supported by the sub-themes below and responses from the municipality participants.

##### ***4.5.1.1 Structure of the LED strategy in WMMLM***

The municipality is mandated to promote social and economic development, as evident in the response shared by Participant 1, from municipality official. The findings of this study show that WMMLM has plans and strategies to promote LED. This is evidence from participant 1, from municipality official, and also participant 2, from municipality official, who describes the WMMLM LED plan.

The following quotes support the structure of the LED strategy in the WMMLM theme.

Participant 1 from the municipality:

*“WMMLM is a municipality surrounded by rural areas, so its main focus is on addressing fundamental needs like water and shelter. Although the municipality priorities social development, it has recognised the importance of fostering economic development, and it then promotes LED. The WMMLM has implemented an LED programme that prioritises agriculture, heritage, tourism, and fisheries businesses within these sectors. The LED programme seeks to offer training, mentorship, and material support to businesses in these sectors.”*

Participant 2 from the municipality:

*“Winnie Madikizela Mandela Local Municipality Local Economic Development Department has sectors such as tourism, agriculture, wholesale and retail, ocean economy, and mining and construction. With these mentioned sectors, the LED strategy usually focuses on each different sector they seeking to offer training and mentorship for businesses in this sector. For instance, agriculture sector, the LED strategy will focus on helping emerging farmers.”*

These responses are reinforced by the argument made in the literature review chapter that asserts that the implementation of LED in South Africa varies significantly across municipalities, reflecting diverse approaches and outcomes (Smith & Williams, 2020). The evidence from WMMLM adds depth to this argument by showing how LED priorities are shaped not only by sectoral opportunities, but also by the municipality's rural context and developmental pressures. Participant responses indicate that WMMLM has adopted a sector-focused LED approach aimed at stimulating economic activity across different business sectors. While this approach suggests an awareness of local economic potential, the data reveal an underlying tension between economic development objectives and the municipality's responsibility to address immediate basic service delivery needs. This tension is particularly evident in the response from a municipal participant, who emphasised that WMMLM prioritises meeting basic community needs over actively driving economic development.

This finding extends the argument made by SALGA (2010), which notes that rural local municipalities often concentrate on basic service delivery while giving limited attention to poverty reduction and job creation strategies. However, the evidence from WMMLM suggests that this is not merely a failure of strategic intent, but rather a reflection of structural constraints faced by rural municipalities, including limited financial resources, capacity challenges, and competing developmental mandates. From a Community Development Theory perspective, this highlights the difficulty rural municipalities face in balancing immediate welfare needs with longer-term economic empowerment.

The findings therefore suggest that LED in rural municipalities such as WMMLM operates within a constrained governance environment where development priorities are negotiated rather than sequentially implemented. This challenges normative LED assumptions that economic development initiatives can be effectively pursued without first addressing foundational service delivery constraints. Instead, the WMMLM case illustrates the need for integrated LED approaches that simultaneously respond to basic service delivery demands while incrementally building local economic capacity.

The response from participants shows that WMMLM identifies different sectors within Mbizana where businesses thrive and also deals with each sector separately.

Participant 3 from municipality:

*“They are also sector plans; this LED strategy focuses on each of the four sectors individually in order to identify ways and initiatives to capacity that sector.”*

This finding can be interpreted through the lens of the community development principle of economic sustainability. Economic sustainability emphasises the creation of economic, social, and environmental conditions that can be maintained over the long term (Leal Filho et al., 2019). Within a LED context, this principle encourages local economies to diversify in order to reduce dependence on a single industry or resource base. Economic diversification enables communities to reduce vulnerability to economic shocks arising from fluctuations in global markets, environmental changes, or sector-specific downturns by spreading risk across multiple industries such as agriculture, tourism, manufacturing, and services. As noted by Zondo (2020), sustainable LED initiatives are therefore those that prioritise long-term economic resilience rather than short-term gains.

Evidence from WMMLM demonstrates the practical application of this principle. Participants 1,2,3 from the municipality identified agriculture, tourism, and wholesale and retail trade as priority sectors within the municipality’s LED strategy. This sectoral diversification suggests a deliberate effort to broaden the local economic base, allowing the municipality to support different types of enterprises simultaneously. By investing across multiple sectors, WMMLM reduces the likelihood that economic shocks will affect all sectors at the same time, thereby enhancing the municipality’s overall economic resilience.

The findings further suggest that institutional capacity, particularly the experience and educational background of municipal officials, plays a significant role in shaping LED strategy and implementation. Participants involved in LED planning within WMMLM possess tertiary qualifications and more than five years of professional experience. This level of expertise appears to have contributed to the municipality’s ability to conceptualise and implement a diversified LED approach that promotes balanced sectoral development rather than privileging a single economic activity.

This finding contradicts dominant narratives within the literature, which often argue that rural municipalities lack adequately skilled officials to effectively design and implement LED strategies. Studies by Meyer & Venter (2013), SALGA (2010), and Ingle (2014) suggest that limited education levels and skills shortages among municipal officials frequently result in delays and weaknesses in LED planning and execution in rural areas. The WMMLM case challenges this generalisation by demonstrating that, where appropriate skills and experience

are present, rural municipalities can develop more strategic and sustainability-oriented LED approaches despite broader structural constraints.

#### **4.5.2 Theme 2: Effectiveness of WMMLM LED strategies in assisting local businesses**

Based on the findings of this study, it has been shown that WMMLM's LED strategy has a significant contribution to business growth. This is also supported by some of the business community members who participated in this study, who have acknowledged the positive impact of LED on their business. Regardless of the positive impact, it is still acknowledged by both municipal officials and business community members that a lot needs to be done to continue to shape and improve the business community.

##### **4.5.2.1 Impact on business growth**

The findings of this study revealed that from both groups of participants, WMMLM has had a great impact on the growth of local businesses, while participants from the municipality share examples of businesses that have grown and been impacted positively with the LED programme they have implemented also, participants from the business community share how LED has helped grow and expand their business.

The following is a quote from the municipality office that supports the impact on business growth theme

Participant 1 one from the municipality:

*“The LED initiative has a noticeable impact on the operation and growth of local businesses, which is evident in businesses in the agricultural sector, that have grown and expanded from subsistence farming to commercial operations. They sell their product to local stores such as the Boxer store and other businesses outside and within WMMLM.”*

Participant 5 from the municipality:

*“A recent LED programme aimed at helping businesses in the hospitality industry, specifically B&Bs. This was done through providing proper assistance in creating business cards and posters for marketing.”*

Participant 6 from the municipality:

*“The provision of Spaza shops with startup capital and speed points was also a successful LED strategy implemented by LED offices.”*

The following quote from the business community supports the impact on business growth theme:

Participant 3 from SMMEs and co-operative:

*“Farmers Day, which was a programme part of the LED initiative, was helpful as this programme, the municipality invited expert farmers and officials who taught them about the best way to farm, especially during climate change.”*

Participant 2 from SMMEs and co-operatives mentioned:

*“The provision of 3 hectares of land, which helps in the expansion of the products they grow.”*

Participant 1 from a small business:

*“The provision of speed points and a capital of about R10000 has been provided for their spaza shops. This was through a programme that LED and SEDA had.”*

Participant 3 from the informal business:

*“The provision of structures and feeding materials has helped me to grow from a small poultry farmer who previously kept a few pigs only for household consumption, to one who is now producing at a scale where I can sell to the local market, generate income, and even create employment opportunities in their communities.”*

The responses from participants suggest that WMMLM is deliberately moving beyond a narrow focus on formal enterprises or agriculture by supporting business development across multiple sectors. This approach indicates an understanding that sustainable local economic development requires sectoral diversity and long-term business growth rather than short-term or isolated interventions. By emphasising the long-term viability of enterprises, WMMLM’s LED strategy reflects an effort to address structural economic challenges commonly experienced in rural municipalities.

The empirical evidence from WMMLM demonstrates how municipal support mechanisms, such as business incubation and skills development workshops, are being operationalised to strengthen local enterprises. Binza (2005) argues that municipalities play a critical role in local economic development by creating enabling conditions through training, incubation, and start-

up support. The findings from this study show how these theoretical expectations are translated into practice within a rural municipal context. Rather than remaining policy commitments on paper, the support mechanisms described by participants illustrate an active municipal role in nurturing emerging and existing businesses.

Furthermore, the participants highlight the broader economic implications of strengthening local enterprises. As local businesses grow and expand, they contribute to employment creation and income generation within the municipality. Mukwarami et al., (2020) emphasise that local enterprises are central to economic transformation in South Africa because of their direct impact at the grassroots level. The experiences shared by participants suggest that WMMLM's LED initiatives contribute to these outcomes, although their effectiveness remains dependent on sustained support and adequate resourcing.

From a Community Development Theory perspective, the findings point strongly towards the principle of community empowerment. CDT emphasises that development becomes sustainable when communities are equipped with the skills, resources, and confidence to shape their own economic futures (Khalid et al., 2019). The support provided by WMMLM through training, workshops, and incubation programmes extends beyond financial assistance and addresses capacity-building, which is a key component of empowerment.

Empowerment, as discussed by Geza (2022), involves strengthening both individuals and social institutions to enable communities to overcome poverty, marginalisation, and underdevelopment. The participants' responses indicate that WMMLM's LED interventions have contributed to increased business confidence, skills acquisition, and improved access to resources. These outcomes suggest that empowerment within WMMLM is not merely conceptual but is experienced by local business actors in practical ways.

However, while the findings demonstrate meaningful progress in empowering the business community, they also imply that empowerment is an ongoing process rather than a completed outcome. The sustainability of these gains depends on continuous institutional support, effective governance, and the ability of the municipality to scale these initiatives across all sectors of the local economy. This underscores the importance of embedding empowerment-focused LED strategies within broader municipal planning and resource allocation frameworks.

#### 4.5.2.2 *Lack of effectiveness of the LED strategy*

The findings of this study have shown that business owners may have different views on the effectiveness of WMMLM's LED strategy. Some businesses have acknowledged to some degree that the LED strategy is effective, while other businesses, especially those in the informal sector, believe that LED strategies are not effective.

The following quotes support the lack of effectiveness of LED strategy.

Participant 3 from SMMEs and co-operative:

*“WMMLM's LED strategy addresses the needs of local businesses effectively. This is because the use of the business forum allows us as business owners to raise concerns, and the municipality is able to look into the issues raised, and they try to establish LED programmes that will meet those needs.”*

Participant 2 from the informal business:

*“The municipality's LED strategies usually fail to meet the needs of local informal businesses, as the municipality's LED strategies have only been partially effective in addressing the needs of local businesses. While they appreciate the shelters provided to some vendors, the implementation has been inconsistent and unequal. However, they mentioned that these shelters don't effectively offer protection from weather, but they improve business operations, while others continue to operate in open, unsafe, or overcrowded spaces.”*

Participant 1 from the informal business:

*“The LED strategy does not seem to address deeper challenges informal businesses face, such as a lack of access to training, financial support, legal recognition, or access to markets. I believe the LED strategy could be more effective if it were inclusive, transparent, and focused on long-term empowerment rather than just short-term relief.”*

The findings indicate that uneven access to municipal support has generated frustration and feelings of exclusion among informal traders who did not benefit from interventions such as trading shelters. Participants also raised concerns about the lack of transparency surrounding the criteria used to allocate this support. This lack of clarity not only undermines perceptions of fairness but also weakens trust between informal traders and the municipality. Without access to such enabling infrastructure and support mechanisms, many informal businesses remain vulnerable, constrained to survivalist activities and unable to transition into more stable

and sustainable economic operations. The data therefore suggest that while WMMLM's LED interventions provide tangible benefits to some traders, insufficient attention to the informal sector limits the overall developmental impact of the strategy.

From a Community Development Theory perspective, these divergent experiences point to partial and uneven realisation of the principles of empowerment and inclusion. CDT emphasises that development processes should enable broad-based participation and ensure that all community stakeholders have opportunities to influence and benefit from development initiatives. In the case of WMMLM, some businesses experienced LED interventions as empowering, while others perceived exclusion from decision-making and resource allocation processes. This uneven participation highlights a gap between the normative assumptions of CDT and the lived realities of informal traders within the municipality. The findings thus reveal that empowerment within WMMLM's LED framework is unevenly distributed rather than collectively experienced.

The literature on LED further reinforces the importance of inclusive and decentralised development approaches. Ndlovu (2021), drawing on Rodriguez-Pose & Pallavicini-Corona (2013), identifies key elements necessary for effective LED implementation, including decentralisation, collaboration, capacity building, and empowerment. These elements collectively challenge top-down development models by emphasising bottom-up participation and local ownership of economic initiatives. While these principles are widely promoted in LED scholarship, their translation into practice remains uneven, particularly in rural municipal contexts.

Evidence from WMMLM suggests that some of these elements have been partially institutionalised. The municipality has established collaborative relationships with public and private sector actors and has created platforms intended to facilitate community engagement, indicating an attempt to adopt a more participatory approach to LED planning. However, the data also reveal limitations in the depth and reach of these efforts. In particular, capacity building and empowerment identified in the literature as foundational to sustainable LED appear insufficiently embedded within the current LED framework. The experiences of informal traders indicate that participation does not always translate into meaningful influence or access to resources.

This gap between strategic intent and implementation highlights a critical constraint in WMMLM's LED approach. While collaborative structures exist, the absence of consistent

capacity-building initiatives for informal traders limits their ability to benefit fully from LED interventions. As a result, empowerment remains selective rather than transformative. These findings suggest that for LED to function as a genuinely developmental tool in WMMLM, greater emphasis must be placed on strengthening informal enterprises through transparent, inclusive, and sustained support mechanisms that align practice more closely with the theoretical principles of CDT and LED.

### **4.5.3 Theme 3: Challenges faced by the LED department**

The findings of this research show that the municipality faces various challenges when implementing LED programmes, both internal and external. The findings have revealed a major challenge to the LED strategy, including financial constraints on the budget set aside for the LED programme. Participants also revealed that some challenges include a lack of proper business documentation from the business community.

#### **4.5.3.1 Budget constraints**

The results of the collected data show that the limited budget set aside for LED makes it a challenge to implement all the LED programmes that the municipality has set aside to do, and these also limit the businesses that could benefit from the LED programme. The budget for the LED programme is limited because most funds go to the provision of social needs, such as water, shelter, and infrastructure, for the communities, as one of the municipality's participants highlighted that WMMLM is surrounded by rural areas, which leads to the municipality prioritising meeting social needs of the communities more.

The following quotes support the budget constraint theme.

Participant 6 from the municipality:

*“Budget constraint is a challenge we face; the municipality budget is normally focused on being allocated for the provision of basic services, and then the LED budget tends to be small.”*

Participant 3 from the municipality:

*“The limited funds available for LED implementation are one of the biggest challenges we face when trying to implement an LED programme or strategy.”*

Participant 4 from the municipality:

*“Among many issues, the limited availability of funds for the LED programme is the most persistent challenge we face as the LED department.”*

The findings of this study highlight that budget constraints remain a persistent challenge for the LED unit in WMMLM, reflecting broader structural limitations faced by Category B municipalities. Manuel & Erasmus (2024) note that municipal funding for LED initiatives varies significantly across municipal categories, with Category A municipalities typically having sufficient resources, while Category B and C municipalities operate under severe financial limitations. WMMLM’s classification as a Category B municipality explains the recurrent insufficiency of funds for implementing LED programmes, illustrating how structural funding disparities constrain local development initiatives in rural contexts.

Budgetary limitations are compounded by the perception of LED as an unfunded mandate. Khambule (2018) emphasises that many municipalities, particularly smaller towns, lack the financial capacity to support LED interventions and are further disadvantaged by limited access to commercial credit, weak income bases, and capacity constraints that negatively affect credit ratings. The experiences of WMMLM participants corroborate these observations, indicating that even with the availability of conditional funds from COGTA, financial resources remain insufficient to implement LED programmes fully and sustainably.

The persistence of these challenges is further evident when considering the experience of municipal staff. *Figure 4.7 Work Experience for Municipality Participants* shows that all participants have over five years of work experience yet consistently identify budget constraints as the primary obstacle to effective LED implementation. This indicates that funding limitations are not transient or attributable to inexperience but represent a long-standing structural barrier that has constrained the municipality’s developmental capacity over multiple years. While participants also reported attempts to mitigate funding shortfalls through collaboration with private sector partners, public institutions, and local businesses, these efforts have only partially alleviated the problem, highlighting the continued vulnerability of WMMLM’s LED initiatives to resource scarcity.

This analysis underscores that budget constraints in WMMLM are not merely operational challenges, but structural issues embedded within South Africa’s municipal funding framework. Addressing these constraints requires not only strategic internal management but also innovative and diversified funding approaches that consider the unique socio-economic realities of rural municipalities.

Participants 5 from the municipality:

*“A major challenge includes the constraint of budgets set aside for the LED programme. The municipality tries to collaborate in programmes where possible, either with private businesses or with the district municipality, to ensure that their proposed LED programme becomes successful.”*

This response from participant 5 from the municipality reveals that the LED department from WMMLM does not allow limitation of funds to hinder them from meeting their mandate as the local government of promoting economic development, which shows a sense of commitment of the local government in terms of ensuring that the town of Mbizana becomes economically developed.

#### **4.5.3.2 Issues within business structure**

The findings of this research have shown that some challenges arise not from the municipality but within the business structures. This finding is also in alignment with the following quotes that support the issues within the business structure’s sub-theme.

Participant 2: from municipality office

*“Challenges we face include that businesses have issues inside their structure, which makes it a challenge for the municipality to be able to provide help, as they don’t agree amongst each other as business partners, also the limited budget that the department has for the LED programme.”*

Participant 5: from municipality office

*“Some of the challenges we face include the lack of proper business documents from the businesses that apply for LED support, so the municipality has taken an initiative to start workshops to educate small businesses about the proper documents they need.”*

These results agree with the literature, which contends that local businesses preparedness, capability, and resilience, rather than only municipal strategies, are what determine LED outcomes (Rogerson, 2010; Nel & Rogerson, 2016). For instance, Meyer (2019) points out that weaknesses in structure in businesses, such as informality, noncompliance, or bad governance, might impede growth even in cases where municipalities offer enabling support. According to CDT, these difficulties are an outcome of a lack of empowerment and building their capacity. According to Phillips & Pittman (2015), CDT emphasises that development is most sustainable

when enterprises and communities are internally empowered to effectively participate in larger development activities. Therefore, if some businesses incapacity to properly organise themselves restricts not only their access to LED possibilities but also the inclusiveness of development outcomes. This implies that while the municipality may help with LED, creating business capacity must also be prioritised in order to prevent structural flaws in businesses from continuing to impede local development.

#### **4.5.4 Theme 4: Business perception and satisfaction with LED strategies**

The findings of this study reveal that the majority of business community members in the informal sector are dissatisfied with the municipality's LED programme. Participants from the business community have acknowledged and valued the assistance they have gotten from the municipality; nonetheless, they believe that much more needs to be done by the municipality in order to meet the demands of local businesses.

##### ***4.5.4.1 Unequal distribution of municipal support***

The findings have revealed that, especially for informal businesses, there is unequal distribution of municipal support, while others have received assistance, some have yet to receive any assistance from the municipality

The following quote supports the unequal distribution of municipal support theme.

Participant 2 from the informal sector:

*“My business needs are not addressed by the municipality, for if they were, I too would have received a shelter stand.”*

This finding shows that in WMMLM, there are disparity in resource distribution. While some businesses receive support and assistance, others do not get any help. Although only one participant voiced concerns about being excluded, this indicates that WMMLM has issues with exclusion and unfairness in resource allocation. From the perspective of CDT, the municipality can build a sustainable government by promoting community empowerment and social inclusion. According to the principle of community empowerment, it is crucial to equip individuals and communities with the skills, resources, and confidence needed to influence decisions affecting their lives. In the context of LED, empowerment encourages self-reliance, ownership, and collaboration, all of which support sustainable development and growth (Khalid et al., 2019). Empowerment means giving strength to underprivileged people so they

can meet their own needs. This has not been the case for WMMLM, as participant 2 from informal businesses has experienced feelings of exclusion from resources. They have been denied empowerment through the refusal or lack of support, such as shelter stands, like everyone else.

The goal of social inclusion is to guarantee that every member of the community, especially those from marginalised or underprivileged backgrounds, has an equal chance to take part in and profit from community development projects. This principle addresses systemic inequalities, promotes equity, and advocates for the inclusion of diverse perspectives in the decision-making process. However, the unequal distribution of shelter has caused some members of the business community to feel excluded from social benefits.

From the responses of informal sector participants, those who have received support from the municipality indicated that the support was limited to the provision of shelter stands. Thereafter, no further support was received. This suggests that LED support for informal businesses is limited and inadequate, as deeper challenges facing informal businesses such as lack of training, financial support, legal recognition, and access to markets are not being addressed. It is evident that without these additional forms of support, many informal businesses remain vulnerable and stagnant, unable to grow or transition into more sustainable operations. This finding is supported by the response of Participant 1 from the informal sector. Furthermore, *Figure 4.6 Years in Business* shows that although limited support has been provided to informal businesses, many business owners have remained operational for ten years or more through resilience and determination. These businesses continue to operate mainly to meet the basic needs of the owners and their families. However, despite their longevity, these businesses have not been able to upgrade into registered informal businesses or transition into SMMEs. This highlights the need for increased and more comprehensive support for informal businesses within WMMLM.

Participant 1 from the informal sector:

*“The business needs are partially addressed by the municipality; the provision of shelter has helped, but that is the only assistance I have received.”*

Through the lens of CDT, which fosters empowerment and participation, resulting in community members’ active involvement and empowerment in decision-making. This ensures that local knowledge, needs, and aspirations are incorporated into development initiatives (Tan,

2009). The theory promotes the enhancement of local capacity through education, training, and skill development, which fosters long-term sustainability and self-sufficiency.

The capacity building principles, as highlighted by Laverack (2007), involve enhancing the skills and capabilities of community members and institutions to enable them to manage their own development. This principle goes beyond simply delivering services to a community by actively involving community members in the process of gaining knowledge, building skills, and creating systems that help them become self-sufficient (Kamara, 2017). This approach empowers individuals, groups, and organisations to address local issues, make informed decisions, and improve their collective well-being over time.

When cities merely give street vendors shelter, they are addressing a basic need (a place to sell), but they are not enhancing the dealers' abilities, organisational strength, or financial relationships. Dependency is the outcome, and the traders' capacity to develop and maintain their standard of living and make a significant contribution to LED is constrained. In order to truly build capacity, shelters would be paired with cooperative support, financial access, skills training, and inclusion into local value chains.

In alignment with Pieterse's (2019), LED programmes in South Africa frequently concentrate on outwardly apparent outcomes, including the development of infrastructure, while ignoring more profound structural enablers, such as market connections, financial access, and skills training. One could argue that this is the case with the provision of shelter stands; whereas WMMLM may work to alleviate the surface-level lease problems that informal companies encounter, the deeper and more significant concerns are not being addressed.

#### ***4.5.4.2 Lack of emergency preparedness and response support***

The findings of this research reveal that business community members feel that the local government does not have sufficient methods to provide assistance to businesses that are usually affected because of unexpected business shocks such as wildfire, climate change. The findings show that the local government does not have plans in place for such an event, as participants from the business community highlighted in their response that little to no help is offered to them in case of unexpected incidents.

The following quote supports the lack of emergency preparedness and response support theme.

Participants 3 from the SMMEs and co-operative:

*“The LED programme has been of great assistance to the growth of their business, the implemented LED has addressed the majority of the business’s needs, however LED programme has not been of help when we face challenges due to unforeseen weather, such as wildfire or crops that did not grow due to too much rain or heat we have not received adequate assistance when we faced these challenges.”*

The business community’s worries about the absence of assistance for emergency preparedness and response point to serious flaws in the current approach. While the Disaster Management Act (2002) and South Africa’s National Disaster Management Framework (2005) require municipalities to create preparedness plans, research indicates that implementation is still lacking because of a lack of resources and capacity (Van Niekerk, 2014; Pharoah, 2020). Similar to this, the National LED Framework promotes the development of a resilient local economy, but it makes no clear mention of including small and unofficial enterprises in preparedness plans. This is part of a larger policy-practice divide where municipalities adhere to reactive rather than proactive strategies, putting businesses at risk and weakening the resilience principles that are essential to LED policy and community development (Khambule, 2021).

#### **4.5.5 Theme 5: Public Participation and Stakeholder Collaboration in Enhancing LED in WMMLM**

The findings of this study indicate that WMMLM actively engages the public and other key stakeholders in the decision-making processes related to LED programmes. Participants from the municipal office described various mechanisms used to promote public participation and to communicate relevant information to community members. In addition, the study found that WMMLM has established partnerships with a range of stakeholders aimed at supporting local businesses and stimulating economic development within the municipality.

##### **4.5.5.1 Collaborations**

The findings of this study revealed various collaborations that exist between WMMLM’s LED office with the private and public sectors; these collaborations offer different types of assistance to LED programmes and their implementation. The majority of participants identified the Wild Coast Sun collaboration, although this is not the only collaboration that exists within WMMLM; they are a partnership/collaboration in place with the public sector and other businesses.

In alignment with Meyer & Meyer (2015), local stakeholders' collaboration formation has the potential to be a dynamic driving force behind LED efforts. It has been suggested that local development initiatives supported by local businesses and communities stand a better chance of success than those undertaken only by the government. In a similar vein, Clarke & Moir (2014) reaffirmed that public, private, and institutional sectors should all work together to plan economic development, with the public sector making major cooperative efforts.

The following quotes support the collaboration theme.

All participants from the municipality:

*“WMMLM has a collaboration with Wild Coast Sun, this collaboration with Wild Coast Sun provides a facility for WMMLM to conduct workshops with SMMEs, businesses, and farmers within WMMLM.”*

Participant 1 from the municipality office:

*WMMLM also collaborates with the Alfred Nzo district, which provides assistance to businesses within the different sectors mentioned. This collaboration assists these businesses with what WMMLM could not provide. For instance, if the SMMEs business sector required training and resources, Alfred Nzo might provide resources while WMMLM provides the training.”*

Participants 2 from the municipality:

*“As the LED department, we have various collaborations with both private and public sectors. For instance, we have a collaboration with the Department of Agriculture, the district municipality, which is the Alfred Nzo district, and the Small Enterprise Development Agency (SEDA). We are also in partnership with the South African Planning Institute, which helps businesses in forestry and fisheries. These collaborations with other departments and the private sector often help in meeting each other halfway. For instance, while the LED office may provide equipment, the other party will cover what the municipality cannot assist with.”*

Participant 4 from the municipality:

*“Winnie Madikizela Mandela Local Municipality has a collaboration with the Department of Sport, Recreation, Arts and Culture, during a cultural festival that was hosted in Mbizana to help provide financial support to local artists, and also for exposure.”*

Participant 6 from the municipality office:

*WMMLM is in collaboration with other sectors within the public department, such as SEDA. This sector has provided great assistance to the retail and wholesale sector; it helps spaza shops to be registered and offers financial support.”*

All these responses have revealed that WMMLM does not solely rely on the municipality to implement the LED programme, especially given the reality that the municipality usually has limited funds available to fund the LED programme. This shows the commitment of the municipality to bring economic development. The finding also shows that the municipality is strategic in the collaborations it has, as they seek to have collaborations that will ensure that their LED programme or plan is met, their ability to identify areas they cannot assist and then form partnerships with other sectors to ensure that successfully implement all their intended LED projects.

The repeated mention of the Wild Coast Sun collaboration emphasises how important private sector alliances are to advancing municipal LED goals. The partnership with Wild Coast Sun seems to go beyond simple commercial activities, supporting local job creation, tourism promotion, and skill-building programmes. This kind of collaboration shows how the municipality may use the assets, expertise, and market presence of private organisations to support its own growth plans. This collaboration illustrates how strategic partnerships can increase local communities' and enterprises' ability to influence and participate in economic progress, as viewed through the lens of CDT's empowerment principle. By supporting efforts to promote tourism, create jobs, and improve skills, the Wild Coast Sun partnership has helped community members not only take advantage of new opportunities but also build their capacity to sustain and expand these benefits over time. Empowerment is demonstrated by increasing economic engagement, income production, and skill transfer.

The findings indicate that collaboration between the public and private sectors plays a significant role in facilitating effective LED implementation, as emphasised by the Department of Cooperative Governance and Traditional Affairs. Partnerships with private sector actors bring vital capital investments that can stimulate local economic growth, increase production, and create employment opportunities, particularly in small towns and rural municipalities (Khambule, 2018). In WMMLM, the municipality benefits from a collaborative approach that leverages both public and private sector resources, creating a broader support network for LED initiatives.

However, the municipality's heavy reliance on a single private partner, Wild Coast Sun, highlights a potential vulnerability in the current approach. Dependence on one major partner can limit the municipality's capacity to sustain LED interventions and may reduce the inclusivity of economic opportunities. Expanding private sector engagement to include additional enterprises could enhance the resilience of LED programmes, diversify available resources, and create opportunities for empowerment for a wider group of local businesses and community members. These findings suggest that while collaboration is beneficial, WMMLM's LED strategy would be strengthened by a more diversified and strategic approach to partnerships, ensuring that economic benefits and capacity-building opportunities reach a broader segment of the community.

#### **4.5.5.2 Public involvement**

According to the responses from the municipality office, the municipality uses a variety of engagement strategies to actively involve the public in the creation and execution of LED programmes. Participants mentioned that the municipality holds stakeholder workshops tailored to a particular sector, community consultation meetings, and public participation forums to get feedback on LED priorities.

The following quotes support the public involvement theme.

Participant 1 from the municipality:

*“During stakeholder engagement meetings, community members are able to raise ways in which the LED programme they improved.”*

Participant 2 from the municipality:

*“As the municipality, we do try to engage and allow public engagement in decision-making of the LED programme and strategies, this is through having Imbizo, IDP road shows platform where the community can engage.”*

Participant 4 from the municipality:

*“We constantly post any information regarding fundings, programmes, and meetings on our Website, social media pages, local newspapers, and also posters.”*

Participant 6 from the municipality office:

*“As a municipality, we have various forums established to encourage public participation. In these forums, various stakeholders engage and also raise concerns, which we as a municipality take down. We are also in these forums are able to present LED programme.”*

The response from participant 6 is also in line with information recorded in Mbizana IDP 2022–2027, which stipulates that:

*“The forum acts as ‘a Platform (institutional arrangement) where residents (individuals, private organisations, government, NGOs, CBOs, traditional authorities) within a particular locality gather, with an aim to share information and experiences, pool resources and solve problems.’ The LED Forum is represented by the following institutions, with each institution represented by an individual/s who are expected to consult, and also report back to the nominating institution: Government departments (National, Provincial and Local); Government Entities and Municipal Entities; Non-Governmental Organizations (NGOs)/Civil Society Organizations (CSOs); Chamber of Business; Youth Council; Academic Institutions.”*

The findings indicate that effective LED implementation relies on the active participation of multiple stakeholders, including government, private sector actors, civil society, and NGOs. Matlala & Motsepe (2015) emphasise that broad stakeholder engagement is essential for ensuring credibility, equity, and transparency in LED processes. Involving diverse actors also improves understanding of local socio-economic challenges, as stakeholders contribute their unique perspectives and knowledge of community needs. Additionally, leveraging the resources and capacities of multiple stakeholders can enhance efficiency and sustainability in LED programme implementation.

The participation of the public is particularly crucial, as community members possess firsthand knowledge of the development priorities and challenges within their localities. The White Paper on Local Government (1998) further underscores the developmental local government, which advocates for the inclusion of NGOs in LED planning and implementation to ensure inclusive and responsive interventions (Matlala & Motsepe, 2015). Similarly, the World Bank recognises that civil society and NGOs play a critical role in supporting the design, execution, and evaluation of LED programmes, particularly in contexts where municipal capacity is limited (World Bank, 2005; Breitenbach, 2006, cited in Matlala & Motsepe, 2015).

Together, these insights suggest that LED strategies are more likely to achieve sustainable economic and social outcomes when they actively incorporate diverse stakeholders, enabling municipalities to respond effectively to local needs while promoting transparency, accountability, and resource efficiency.

The responses from participants indicate that WMMLM is making efforts to engage both the public and the business community in decision-making processes related to LED initiatives. This approach reflects key principles of CDT, which emphasises that sustainable development requires communities to be active participants rather than passive recipients of municipal interventions (Phillips & Pittman, 2015). By involving community members in planning and decision-making, the municipality facilitates empowerment and participation, ensuring that local knowledge, needs, and aspirations are incorporated into development initiatives (Tan, 2009).

CDT further suggests that such participation enhances ownership, trust, and accountability, while also fostering social learning opportunities. When multiple stakeholders including community members, businesses, and municipal officials exchange experiences and knowledge, project design and implementation can become more responsive and effective. In the context of WMMLM, the reported engagement with the business community demonstrates an effort to operationalise these principles. Strong community involvement increases the likelihood that LED initiatives will generate sustainable socio-economic benefits, as it cultivates shared responsibility and ensures that interventions are informed by the lived realities of local actors (Meyer, 2014).

However, the findings also imply that the depth and consistency of participation may vary across sectors and stakeholder groups. While some businesses and community members feel included and empowered, others may still experience limited opportunities to influence decision-making, suggesting that the municipality's participatory approach remains incomplete. This highlights a critical area for strengthening LED implementation: ensuring that participation is systematic, inclusive, and embedded as a core component of all development initiatives.

#### **4.6 CONCLUSION**

This chapter discussed and presented the data collected during the in-depth interview. This chapter is divided into two sections: the first presents data collected in accordance with the four

research objectives. The second section analysed and discussed the collected data, which was done through the use of the thematic analysis method.

This study's summary, conclusion, and recommendations are presented in the next chapter. The chapter will offer, a thorough synopsis of the thesis, outline the key conclusions, and offer suggestions for how local governments might more effectively support and carry out LED projects and programs. It will also outline the study's limitations. Knowledge contribution and areas of interest for upcoming studies.

## **CHAPTER 5: SUMMARY, CONCLUSION, AND RECOMMENDATIONS**

### **5.1 INTRODUCTION**

The preceding chapter discussed the study's findings. The study finds that Winnie Madikizela Mandela Local Municipality has followed through with the mandate of not only promoting economic development but also providing social services. However, Local economic development implementation in this local municipality still faces issues, such as limited funds to support LED programmes and initiatives. These findings were grouped into themes and discussed, as this thesis used a thematic analysis method to analyse data.

The current chapter is the final part of this dissertation. This chapter presents a summary of the entire research, including the conclusion and recommendations for the local government, as well as practical recommendations for WMMLM. It have also identified areas of focus for further research. There are five sections in this chapter. The first section present the summary of the entire dissertation, and the second section present the summary of the findings. The third section present the recommendations based on the findings, and the fourth section outline the contribution to knowledge, as well as discuss study limitations and areas for future research focus. The last section is the conclusion.

### **5.2 SUMMARY OF THE STUDY**

The aim of this research was to evaluate the overall impact of local government on promoting LED in South Africa. This was achieved by studying the Winnie Madikizela Mandela Local Municipality. The dissertation sought to understand the impact of local municipalities by not focusing solely on the municipality's official perspective, but also by engaging with local businesses within the municipality. Local businesses are key drivers of the economy through employment creation, and their perspectives help to reveal whether municipal policies, infrastructure, and support mechanisms enable or hinder economic growth. This section provides a recap of the entire study. This study comprised of five chapters.

Chapter 1 introduced the study, which seeks to examine the impact of local government on promoting local economic development in WMMLM, and presented background information on the concept of LED from both international and local perspectives. Furthermore, it presented the research questions and objectives it seeks to achieve. The problem statement in this chapter highlights how, despite the introduction of LED policies aimed at boosting local economies,

creating employment, and addressing social inequalities, these objectives often remain unfulfilled. This chapter also included a brief discussion of the methods used to collect data, from data collection techniques to the number of participants.

Chapter 2 presented the literature review and theoretical framework. The literature focused on LED from international, regional, and local perspectives. From a South African perspective, LED is influenced and guided by various policies and acts, such as the Constitution of the Republic of South Africa, the Local Government: Municipal Systems Act (Act No. 32 of 2000), and the IDP. The literature reviewed how local governments in South Africa promote LED and highlighted the major obstacles that effective LED implementation.

Chapter 3 outlined the methodology adopted for this study. A qualitative research design was employed, utilising various methods, including in-depth and purposive sampling, as well as snowball sampling, were used to collect and identify potential participants for the study. This chapter also discussed the site where this study was carried out, which was WMMLM, a local municipality in the Eastern Cape Province, located under the town of Mbizana. It also discussed how data was analysed using the thematic analysis technique.

Chapter 4 presented and analysed the data, as well as the deliberated research findings in line with the study objectives, theory, and literature.

Chapter 5 presented the study’s summary, conclusion, and recommendations. This chapter provides an overview of the entire study, encompassing all its chapters. It will also highlight the main findings of the dissertation in relation to the four research objectives, providing practical recommendations for WMMLM and local governments across South Africa.

### 5.3 RECAP OF RESEARCH OBJECTIVES AND QUESTIONS

Table 5.1 presents the research objectives and questions for this dissertation, as outlined in Chapter 1.

**Table 5.1: Research objectives and questions**

Research Objectives	Research Questions
To assess the overall role of WMMLM in promoting LED.	What is the overall role of WMMLM in promoting LED within the municipality?

To evaluate the effectiveness of LED strategies implemented by the municipality in fostering LED	How effective are the LED strategies implemented by WMMLM in fostering LED?
To analyse local business perceptions regarding the implementation and impact of LED by WMMLM.	What are the perceptions of local businesses regarding the implementation and impact of LED initiatives by WMMLM?
To explore potential interventions for improving LED efforts within WMMLM.	What interventions could be proposed to enhance the effectiveness of LED efforts within WMMLM?

## 5.4 KEY FINDINGS OF THE STUDY

The following section presents the summary of the key findings in alignment with the research objectives of this study.

### 5.4.1 Objective 1: To assess the overall role of WMMLM in promoting Local Economic Development

The findings of this research reveal that WMMLM has implemented strategies and initiatives to promote LED, including capacity-building initiatives that aim to equip twenty business owners over a two-year period. Business owners also attested that the local municipality is trying to provide help. Although WMMLM has been promoting LED, much effort and strategy are still required from WMMLM to promote LED. The study finds that the LED project in WMMLM strategies seeks to have a long-term impact on local businesses, although not all businesses have received such assistance from municipality LED projects. It is important to note that the study finds that WMMLM efforts to promote LED appear to be disproportionate and unevenly distributed, as some business owners expressed dissatisfaction with the level of support they receive. The study finds that several respondents indicated that assistance from the municipality tends to favour certain enterprises, while informal businesses receive minimal or no support. This perceived imbalance has created frustration among some local entrepreneurs who feel excluded from municipal LED initiatives

The available literature suggests that LED projects or initiatives should aim to provide long-term relief to local businesses and citizens, and that LED should prioritise assisting small businesses in growing their operations, as these businesses play an important role in combating the high unemployment rate in South Africa. Scholars have also discussed how the South

African constitution and other policies and acts in place mandate local municipalities to promote LED and create an enabling environment for local businesses to thrive. Literature also reveals that for LED projects or strategies to be impactful and successful, the local government should involve other stakeholders, such as the local people, local leaders, and the private sector.

Considering the above finding, this study recommends that WMLM and other municipalities can promote LED in a more equal and inclusive manner. This could be achieved by ensuring that economic interventions and support programmes are available to all types of enterprises, including small-scale entrepreneurs and informal traders.

#### **5.4.2 Objective 2: To evaluate the effectiveness of LED strategies implemented by the municipality in fostering local economic development**

The findings highlight that although WMMLM has prioritised LED as mandated by the constitution, its LED strategies are usually partially effective. The majority of business participants acknowledged the efforts made by the municipality but indicated that some LED initiatives are not always implemented in a way that fully responds to their specific needs and challenges. It also finds that the strategies to measure LED are effective in WMMLM, as the site visitor's measures is able to see the progress of the businesses. However, it is advisable that they establish other strategies and unique ways to measure the success of LED.

The study also finds that WMMLM face several internal and external challenges that can impact LED implementation; among these, budget constraints have been identified as a significant issue in successfully implementing the LED project. Study also finds that according to some business participants, WMMLM LED strategies seek to address their business needs, showing that WMMLM constantly seeks to observe and inquire about the challenges they are facing and its try to solve those issues

The literature reveals that many scholars have identified LED implementation as a challenge for many municipalities. This is due to budget constraints, corruption, and an inadequate staff to implement the LED policy within municipalities. The literature has also revealed that LED programmes in small municipalities often prioritise short-term relief objectives, particularly through employment creation initiatives such as the Expanded Public Works Programme (EPWP), rather than focusing on long-term economic development outcomes. Literature has also shown that LED works best when there are inclusive and participatory

Considering the above finding, this study recommends establishing new and improved ways to evaluate the success of the LED project, it is recommended that the local government should establish unique measures of the LED strategy, for each programme they have, they should create its own measure for it is not wise to use one measure for all different LED projects or strategies it is impractical and ineffective to use a single, consistent measurement framework for every project. It is also recommended that municipalities, especially in rural areas, prioritise the creation of LED projects that have long-term development impacts.

#### **5.4.3 Objective 3: To analyse local business perceptions regarding the implementation and impact of LED by WMMLM**

The research finds that the local governments' efforts in promoting LED may vary from person to person. This could be influenced if they have received any assistance from the local municipality. Those who have received assistance will likely believe that the local government is working, while those who have not received any assistance will claim that there is little to no effort being made by the municipality. Study finds that LED projects in WMMLM can help businesses grow and expand their operations, demonstrating that LED projects aim to have a lasting impact on businesses. Findings also indicate that respondents perceived communication between the municipality and businesses as irregular and insufficient. Although participants from the municipality highlighted that they have various communication methods to inform the public about any new developments and projects.

The literature finds that poor and ineffective engagement of the public on LED projects can lead to ineffective LED projects that are ineffective and do not bring development to the community. For LED to be successful and impactful stakeholders such as local businesses and community members should be actively involved in the planning and organisation of LED projects.

Considering the above finding, this study recommends that the municipality ensure that it provides equal and fair assistance to local businesses. WMMLM should establish ways to better engage with local businesses.

#### **5.4.4 Objective 4: To explore potential interventions for improving LED efforts within WMMLM**

The study finds that WMMLM faces challenges due to a limited LED budget, which makes it difficult to implement intended projects. Improving budget allocations for LED initiatives and programmes would strengthen LED implementation and assist the municipality in ensuring that all planned LED projects are effectively executed. The study also finds that WMMLM provides opportunities for public participation in the planning of LED projects. However, some business owners indicated that they sometimes feel insufficiently involved and are not adequately consulted on the type of support or assistance they require. The study finds that WMMLM is in the process of benchmarking strategies related to the ocean economy and forestry from other municipalities across South Africa. These strategies have the potential to assist WMMLM in creating employment opportunities and promoting local economic development.

The literature suggests that local development initiatives supported by local businesses and community members are more likely to succeed than those undertaken solely by the government. Collaboration with the private sector can help the municipalities to successfully implement the LED project, as such sector can assist in providing resources or funds that will help LED projects. The literature emphasizes that local municipalities should benchmark LED programmes from other municipalities as a means of identifying effective practices. However, it is critical that such benchmarking is selective and context-sensitive, focusing on programmes that correspond to the municipality's specific economic realities and are aligned with its IDP to ensure relevance, feasibility, and sustainability. However, scholars have also stressed that rural or small municipalities must adapt strategies to their local economic realities and ensure alignment with their IDPs. Copying metropolitan programmes without contextual adaptation often fails because of differences in resources, institutional capacity, and local economic structures.

Considering the above finding, this study recommends that WMMLM should allow or provide a chance for the local community, especially business owners, to be involved in LED planning. It is also recommended that WMMLM and other municipalities collaborate with the district municipalities and the private sector in order to get assistance in terms of investment in ensuring that more capital is raised for LED projects. The municipality should ensure that it conducts a thorough analysis of the local economic context before adopting or benchmarking

development initiatives from other municipalities. It is important that benchmarking practices are guided by evidence and local relevance. The municipality should carefully assess whether the strategies and models being adopted are suitable for the area's socio-economic realities and have the potential to benefit the local community. Benchmarking should be informed by research, feasibility studies, and community needs assessments to ensure that interventions are practical, sustainable, and aligned with local development priorities.

## **5.5 RECOMMENDATIONS**

The following section offers recommendations based on the research findings, directed to the WMMLM specifically, and municipalities facing similar institutional and socio-economic realities.

- WMMLM should deepen participatory governance in LED by strengthening the meaningful involvement of ward committees, traditional leadership structures, business forums, cooperatives, and civil society organisations in both the planning and implementation of LED initiatives. Participation should extend beyond consultation to include joint planning processes during the IDP review cycle, as well as involvement in monitoring and evaluation activities, to enhance relevance, legitimacy, and shared ownership of LED outcomes.
- Local government should strengthen collaboration with the private sector, local business structures, and relevant departments such as Agriculture and Tourism, to expand resources available for LED, improve programme sustainability, and strengthen accountability through shared oversight and partnership commitments.
- WMMLM should prioritise investment in infrastructure that directly supports local enterprise development within its capital planning and budgeting processes. Particular attention should be given to the maintenance and upgrading of access roads to farming areas and business, ensuring reliable water supply for agricultural and agro-processing activities, and improving electricity infrastructure in areas with high concentrations of small businesses.
- WMMLM should formalise collaboration with key sector departments, particularly Agriculture and Tourism, through Memoranda of Understanding that clarify roles, improve

programme coordination, expand access to technical and financial support, and strengthen accountability in the implementation of LED initiatives.

➤ WMMLM should institutionalise structured and regular engagement with local businesses through the establishment of a formal Local Business and LED Forum that meets on a quarterly basis. This forum should include representatives of SMMEs, informal traders, cooperatives, farmers, and other relevant business structures, and should function as a platform for identifying constraints faced by local enterprises, co-designing LED interventions, and monitoring implementation progress.

## **5.6 CONTRIBUTION TO KNOWLEDGE**

This research contributes to the body of knowledge on Local Economic Development (LED) in South Africa. By focusing on Winnie Madikizela-Mandela Local Municipality (WMMLM), a rural municipality, it addresses a gap in the literature, as most available studies tend to focus on large metropolitan municipalities such as Cape Town, Gauteng, and eThekweni, where institutional capacity and economic activity are relatively strong. In contrast, rural municipalities, particularly those classified as Category B, often face financial constraints and other challenges, yet they remain under-researched. The study highlights the importance of context-sensitive LED approaches that take into account the socio-economic, institutional, and spatial realities of rural local municipalities such as WMMLM.

The study makes an empirical contribution by generating original, context-specific evidence from WMMLM through the inclusion of perspectives from both municipal officials and local businesses. This dual perspective provides a more grounded understanding of how LED policies, institutional arrangements, and municipal support mechanisms are experienced in practice. The study reveals gaps between policy intent and implementation outcomes, particularly in relation to infrastructure provision, business support, and participatory governance in a rural municipal setting.

By situating the research within the Eastern Cape Province a region characterised by persistently high levels of unemployment, poverty, and spatial inequality the study contributes further insight into how small towns and rural municipalities pursue local economic development under conditions of limited financial resources and institutional capacity. The

knowledge generated by this case study therefore contributes to both academic scholarship and policy-oriented debates on strengthening LED practice in rural South African municipalities.

## **5.7 STUDY LIMITATIONS**

Although this study provided a considerable number of participants and also ensured that it had diverse participants from the business community, such as small businesses and SMMEs. This, however, does not guarantee the exact reality and experiences of business owners with LED programmes and initiatives in WMMLM. This study cannot claim that it has offered a broader and all-inclusive examination of how local governments promote LED in their region, although the study tried to review how some municipalities have promoted LED in their areas in the literature review section.

The study only examined one municipality, which restricts how far the findings may be applied. In South Africa, every municipality functions under distinct administrative, political, and economic frameworks, and the experiences of one municipality may not be entirely representative of those in other regions, particularly those that are larger or more urbanised. Although a thorough investigation was made possible by the single-case study approach, the findings may be of help to other municipalities, especially those with a similar reality to WMMLM.

## **5.8 AREAS OF FOCUS FOR FUTURE RESEARCH**

While this study provided valuable insights into how WMMLM promotes LED within its region, it was limited to only one municipality and had only two groups of participants: municipality employees from the LED department and business owners within the municipality. Future researchers may broaden the scope of their research to other municipalities across various provinces, enabling a more comprehensive comparison and understanding of how socio-economic conditions and policy frameworks influence the implementation and promotion of LED.

Future research can expand on LED by involving other stakeholders, such as community leaders, private investors, and local community members, which will provide a diverse perspective on the effectiveness of LED. This will also provide a more detailed and the reality of socio-economic challenges. Additionally, future studies can include additional elements like digital data and young female empowerment in LED projects.

## 5.9 CONCLUSION

This research seeks to evaluate the overall impact of local government on promoting LED in South Africa, using WMMLM as a case study. This study concludes that LED is a vehicle that can lead to a better and improved social and economic environment when steered in the right direction. This can be the case even for South African communities, although there are still underlying factors that need to be addressed to fully see and experience the economic and social impact that LED brings to communities. These underlying factors include the fight against corruption within municipalities. Strategies to increase the budget set aside for LED initiatives and programmes, especially in small municipalities. Despite the existence of LED strategies in WMMLM and successful stories of the LED programme for some businesses within the region, the community still grapples with social and economic challenges, such as poverty and inadequate infrastructure development. These difficulties significantly affect the community's limited effectiveness of LED programmes and initiatives.

The study concludes that the broader implication of this research is that rural municipalities such as Winnie Madikizela-Mandela Local Municipality require context-sensitive Local Economic Development strategies that respond to their unique socio-economic, spatial, and institutional realities. Strengthening governance systems, expanding and diversifying funding sources, prioritising infrastructure investment, and deepening participatory mechanisms are critical for enabling LED to generate meaningful and lasting social and economic impacts in rural contexts

This study contributes to understanding how rural municipalities can operationalise the developmental mandate of local government by demonstrating both the potential and the limitations of LED in WMMLM. The study illustrates that effective LED is not achieved solely through the existence of policies or programmes, but through the creation of an enabling environment in which governance capacity, resource mobilisation, and community engagement are aligned to support sustainable local development.

In conclusion, the experience of WMMLM suggests that developmental local government in rural South Africa requires more than formal LED frameworks. It demands context-responsive strategies, ethical and accountable leadership, and genuine partnerships with local communities and economic actors. The insights generated by this study therefore have broader relevance for other rural municipalities facing similar socio-economic challenges, offering practical lessons for strengthening LED as a tool for inclusive and sustainable local development.

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# APPENDICES

## APPENDIX A: GATEKEEPER'S LETTER

### Winnie Madikizela-Mandela Local Municipality

Physical Address  
51 Winnie Madikizela  
Mandela Street  
Postal Address  
P O Box 12  
Bizana



Office of the Municipal  
Manager  
Tel: 039 251 0230  
Fax: 039 251 0917  
mahlakal@mbizana.gov.za

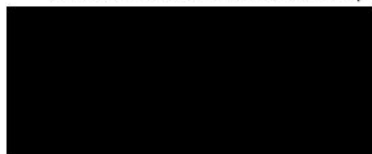
Date: 25 September 2024

Dear: **Ms Avuma Machedama (220050862)**

This letter seeks to confirm that the above-mentioned student has been granted permission from my office to conduct their study entitled: **Examining the Impact of Local Government in Promoting Local Economic Development: The Case Study of Winnie Madikizela Mandela Local Municipality.**

I am aware that the study will take place during office hours within the municipality and it will also include interviews for which they will be using to collect data.

As per your request, I Luvuyo Mahlaka (Municipal Manager) grant you permission to conduct your



*Winko & vibaani vukhokho: iinkqubo ezilungileyo zikwazi zokucacisa komatsheliso wokhokho  
ngokufanelekileyo.*

## APPENDIX B: ETHICAL CLEARANCE



17 March 2025

**Aurora Zimasa Makhedama (Z200504652)**  
School of Man Info Tech & Gov  
Westville Campus

Dear AZ Makhedama,

Protocol reference number: HSSREC/00008138/2025

Project title: Examining the impact of local government in promoting local economic development. The case study of Winkie Madikizela Mandela local municipality.

Degree: Masters

### Approval Notification – Expedited Application

This letter serves to notify you that your application received on 07 January 2025 in connection with the above, was reviewed by the Humanities and Social Sciences Research Ethics Committee (HSSREC) and the protocol has been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number.

**PLEASE NOTE:** Research data should be securely stored in the discipline/department for a period of 5 years.

Incidents of adverse events and serious adverse events (AEs and SAEs) should be reported in writing to HSSREC, the study sponsors, and any regulatory authority (where appropriate), within 7 working days of the occurrence for local sites and 14 days for all other South African sites.

This approval is valid until 17 March 2026.

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

HSSREC is registered with the South African National Health Research Ethics Council (REC-040414-040).

Yours sincerely,



**Professor Dipana Hlalala (Chair)**  
/nng

### Humanities and Social Sciences Research Ethics Committee

Postal Address: Private Bag X54001, Durban, 4000, South Africa

Telephone: +27 (0)31 260 8450/4357/3587 Email: [hssrec@uln.ac.za](mailto:hssrec@uln.ac.za) Website: <http://research.uln.ac.za/Research-Ethics>

Founding Campuses: Edgewood Howard College Medical School Pietermaritzburg Westville

INSPIRING GREATNESS

## APPENDIX C: INFORMED CONSENT FORM

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

## APPLICATION FOR ETHICS APPROVAL

**For research with human participants**

## INFORMED CONSENT RESOURCE TEMPLATE

Note to researchers: Notwithstanding the need for scientific and legal accuracy, every effort should be made to produce a consent document that is as linguistically clear and simple as possible, without omitting important details as outlined below. Certified translated versions will be required once the original version is approved.

There are specific circumstances where witnessed verbal consent might be acceptable, and circumstances where individual informed consent may be waived by HSSREC.

### **Consent to Participate in the Research Study Titled “Examining the Impact of Local Government in Promoting Local Economic Development: The Case Study of Winnie Madikizela Mandela Local Municipality.”**

Date: 16 September 2024

Greeting: Dear Participant.

My name is Avuma Zimasa Makhedama with student number 220050662. I am a Master of Public Governance candidate at the School of Management, IT & Governance, University of KwaZulu-Natal, Westville Campus. I am conducting a research study entitled "Examining the Impact of Local Government in Promoting Local Economic Development: The Case Study of Winnie Madikizela Mandela Local Municipality." Under the guidance of Dr Andile Clifford Biyela with email address [BiyelaA2@ukzn.ac.za](mailto:BiyelaA2@ukzn.ac.za).

You are being invited to consider participating in this study. The aim and purpose of this research is to explore the contribution of the Winnie Madikizela Mandela Municipality (WMM) to the success or failure of Local Economic Development (LED) initiatives. The findings will provide valuable insights into how local governments can enhance their LED projects in Mbizana and other communities. The study is expected to enroll two groups from

Mbizana communities, the first of which will be the internal participants, who will be employees from the local municipality working in the LED office, three (3) participants will be involved, and also the municipal manager. The second group of participants will be local business owners from both urban and rural areas of Mbizana. This selection will include Small and Medium Enterprises (SMEs), established businesses, and new businesses. It will involve an in-depth interview section between the researcher and participants. The duration is expected to be an hour or less. Participation in this study is voluntary, and during the interview, the participants are entitled to withdraw from the interview.

Your participation is crucial as your insights will help in understanding the municipality's ability to implement LED effectively. This research will contribute to identifying the best practices for successful LED implementation, which could benefit not only Mbizana but also other communities across the country.

This study has been ethically reviewed and approved by the UKZN Humanities and Social Sciences Research Ethics Committee (approval number \_\_00028012\_\_).

In the event of any problems or concerns/questions you may contact the researcher at 220050662@stu.ukzn.ac.za or the UKZN Humanities & Social Sciences Research Ethics Committee, contact details as follows:

**HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION**

Research Office, Westville Campus

Govan Mbeki Building

Private Bag X 54001

Durban

4000

KwaZulu-Natal, SOUTH AFRICA

Tel: 27 31 2604557 - Fax: 27 31 2604609

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

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**CONSENT (Edit as required)**

I have been informed about the study entitled Examining the Impact of Local Government in Promoting Local Economic Development: The Case Study of Winnie Madikizela Mandela Local Municipality by Miss Avuma Makhedama.

I understand the purpose and procedures of the study.

I have been given an opportunity to answer questions about the study and have had answers to my satisfaction.

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

I have been informed about any available compensation or medical treatment if injury occurs to me as a result of study-related procedures.

If I have any further questions/concerns or queries related to the study I understand that I may contact the researcher at 0 [REDACTED] or via email [220050662@stu.ukzn.ac.za](mailto:220050662@stu.ukzn.ac.za)

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

**HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION**

**Research Office, Westville Campus**

**Govan Mbeki Building**

**Private Bag X 54001**

**Durban**

**4000**

**KwaZulu-Natal, SOUTH AFRICA**

**Tel: 27 31 2604557 - Fax: 27 31 2604609**

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

Additional consent, where applicable

I hereby provide consent to:

Audio-record my interview / focus group discussion YES / NO

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**Signature of Participant**

**Date**

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**Signature of Witness**

**Date**

**(Where applicable)**

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**Signature of Translator**

**Date**

**(Where applicable)**

## **APPENDIX D: INTERVIEW GUIDE**

### **INTERVIEW SCHEDULE FOR LOCAL GOVERNMENT OFFICIALS.**

General Questions: Age rate, work experience rate, gender, education level, and ethnicity?

**Objective 1: To assess the role of Winnie Madikizela Mandela Municipality in promoting local economic development.**

1. What specific initiatives has the Winnie Madikizela Mandela Municipality undertaken to promote local economic development?
2. How does the municipality prioritize and address economic development issues within its jurisdiction?
3. What role does the municipality play in supporting local businesses and entrepreneurs?
4. Can you describe any partnerships or collaborations with other organizations or sectors aimed at boosting local economic development?

**Objective 2: To examine the effectiveness of LED strategies in place to promote local economic development at the local level.**

1. How do you evaluate the success of the municipality's LED strategies?
2. What metrics or indicators are used to measure the effectiveness of these strategies?
3. Can you provide examples of successful LED projects or programs implemented by the municipality?
4. What challenges have the municipality\ LED unit encountered in implementing LED strategies, and how have they been addressed?

**Objective 3: To examine perceptions of local businesses on how LED has been implemented by Winnie Madikizela Mandela Municipality.**

1. How do you think local businesses perceive the municipality's efforts in promoting economic development?
2. What impact have LED initiatives had on local business operations and growth?
3. How effectively does the municipality communicate and engage with local businesses about economic development initiatives?
4. How can the municipality improve its approach to identifying and addressing local economic development needs?

**Objective 4: To explore interventions to improve LED in Winnie Madikizela Mandela Municipality.**

1. What additional interventions or strategies could the municipality consider to enhance local economic development?
2. How can the municipality better support local businesses and entrepreneurs in achieving sustainable growth?
3. Are there best practices from other municipalities or regions that could be applied to improve LED efforts in Winnie Madikizela Mandela Municipality?
4. What role do community members and stakeholders play in shaping and improving LED initiatives?

## **APPENDIX E: INTERVIEW GUIDE**

### **Interview Questions for Local Business Owners**

General Questions: Age rate, years in business rate, gender, education level, and ethnicity?

**Objective 1: To assess the role of Winnie Madikizela Mandela Municipality in promoting local economic development.**

1. In what ways has the Winnie Madikizela Mandela Municipality supported your business and the local business community?
2. How do you perceive the municipality's role in fostering economic growth in your area?
3. What specific actions or programs from the municipality have been most impactful for your business?

**Objective 2: To examine the effectiveness of LED strategies in place to promote local economic development at the local level.**

1. How effective do you find the municipality's LED strategies in addressing the needs of local businesses?
2. Can you share any examples where LED strategies have directly influenced your business?
3. What improvements would you suggest for the municipality's LED strategies based on your experience?

**Objective 3: To examine perceptions of local businesses on how LED has been implemented by Winnie Madikizela Mandela Municipality.**

1. What improvements or additional support would you like to see from the municipality regarding LED?
2. How have the municipality's LED efforts impacted your business operations and growth?
3. Do you feel that your business's needs and challenges are adequately addressed by the municipality's LED programs?

**Objective 4: To explore interventions to improve LED in Winnie Madikizela Mandela Municipality.**

1. What additional support or interventions would benefit your business from the municipality?

2. Are there any specific areas where you believe the municipality could improve its LED efforts?
3. What recommendations do you have for enhancing the effectiveness of LED initiatives in the municipality?