

UNIVERSITY OF KWAZULU-NATAL

The assessment of the Local Economic Development Agency as a trade and investment enabler in ILembe District.

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DECLARATION

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LIST OF ACRONYMS AND ABBREVIATIONS

ASD	Alternative Service Delivery
BNRE	Business Retention and Expansion
DTI	Department of Trade and Industry
DPLG	Department of Provincial and Local Government
EU	European Union
FDI	Foreign Direct Investment
IDP	Integrated Development Plan
IDZ	Industrial Development Zone
IPA	Investment Promotion Agencies
IDS	Industrial Development Strategy
IC	Investment Climate
KZN	KwaZulu Natal
LED	Local Economic Development
LEDAs	Local Economic Development Agencies
MFMA	Municipal Finance Management Act
MIGA	Multilateral Investment Guarantee Agency
MSA	Municipal Systems Act
NDA	National Development Act
NDP	National Development Plan
NPC	National Planning Commission

NEEDS	National Economic Empowerment and Development Strategy
NEPAD	New Partnership for Africa's Development
OECD	Organization for Economic Co-Operation and Development
SA	South Africa
SDC	Swiss Agency for Development and Cooperation
SALGA	South Africa Local Government Association
SMME	Small, Medium and Micro Enterprise
UNDP	United Nations Development Program
WPLG	White Paper on Local Government
WBG	World Bank Group
USA	United States of America
UNCTAD	UN Conference on Trade and Development
PPP	Private Public Partnerships

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ABSTRACT

Below optimum trade and investment levels are core economic aspects which negatively affect KwaZulu Natal communities and municipalities. In iLembe District Municipality, Enterprise iLembe is the Local Economic Development Agency tasked with the mandate of enabling and promoting trade and investment. There are concerns that Enterprise iLembe is not performing its mandate satisfactorily. This study investigates how effective Enterprise iLembe has been in enabling trade and investment in iLembe District. Qualitative and quantitative interviews were conducted to obtain information and evaluate Enterprise iLembe in terms of trade and investment promotion, its challenges and what should be done to improve. The results showed that Enterprise iLembe was working to create an enabling environment by engaging all concerned parties, marketing and forming partnerships. To some extent Enterprise iLembe is successful in being a trade and investment enabler. Several external factors, chief among them political interference and lack of funds, have been identified as limiting Enterprise iLembe in achieving its mandate. However, there are key flaws in how Enterprise iLembe operates. The staff at Enterprise iLembe is not adequately informed on the mandate and policy guiding Enterprise iLembe, hence some become ineffective. Interview results seemed to lack uniformity of information levels, thus pointing to poor communication or general employee ignorance, both having negative outcomes on performance. The interviewer, after probing in the qualitative interviews, failed to get a pro-active plan of action to tackle the problems facing Enterprise iLembe. The recommendations for Enterprise iLembe are that it should adopt a more pro-active approach and best practices of Local Economic Development Agency practices should be benchmarked against developed countries. Furthermore, Enterprise iLembe should be more empowered as sometimes, it is given a mandate without the financial and political resources to deliver on the mandate. The findings of this study are not only beneficial and applicable to the case study institution, but to all District Municipalities, Development Agencies and public sector institutions.

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CHAPTER ONE

OVERVIEW OF THE RESEARCH STUDY

1.1 Introduction

This study assesses how Enterprise iLembe acts as a trade and investment enabler within the iLembe District Municipality, KwaZulu Natal (KZN). Enterprise iLembe is a Local Economic Development Agency (LEDA) of the iLembe District Municipality mandated to drive economic development by promoting trade and investment in the region. This chapter discusses the background of the study, the research problem, aim and objectives, research questions, significance of the study and the summary of the methodology utilised in the study. It further provides the structure of the study of chapters and conclusion.

1.2 The background of the study

According to Cohen (2010:3), trade and investment are an important economic concepts which affect communities on a daily bases within different municipalities. Trade and investment must be looked at from a local government perspective because any investment and trade takes place primarily in the municipal immediate space hence stimulating economic activity and jobs in the area (South Africa Local Government Association (SALGA), 2010).

The apartheid government was characterised by a strong focus on central planning and control. There was almost no role for local authorities in economic planning and development, beyond certain spatial (town) planning responsibilities. In contrast, the post-1994 government has placed a strong emphasis on community and grassroots initiatives and participation. Importantly, local government is now viewed as a sphere, of government as opposed to being a tier of government. Local government has been allocated a range of roles and responsibilities with respect to economic and social development. This environment is more of the general concept of Local Economic Development (LED) as a decentralized economic Alternative Delivery System (ADS) (SALGA, 2010). The UN-Habitat (2009:1) describes LED as an inclusive process in which local citizens from different sectors work together to stimulate local businesses, producing a resilient and sustainable economy. LED encourages public, private, academic, and civil societies to establish partnerships and cooperate to find local solutions to common economic problems. The LED process tries to empower local people to use business enterprise, labour, capital, and other local resources for empowerment. Long-term sustainable

development is the focus of LED. It is against this background that the study will seek greater understanding of the role and the impact of Enterprise iLembe as an enabler of trade and investment within the four local municipalities within the iLembe District.

Peters (2004:255) state that the traditional service delivery approach has limitations, and Alternative Service Delivery (ASD) arrangements present an opportunity to innovate and improve trade and investment if used appropriately. In addition to using creative delivery mechanisms responsibly, explicit accountability measures need to be put in place to avoid fruitless expenditure and other types of mismanagement. Several political science theorists have argued in favour of various political and administrative decentralisations as part of the democratisation process and an endeavour to improve trade and investment. LEDAs work within wider local development systems and what can go wrong or need attention if success is to be assured. The study addresses some fundamental questions on how Enterprise iLembe operates, how effective it is in enabling trade and investment and where improvements in its operation can be implemented.

1.3 The research problem

Enterprise iLembe's jurisdiction is within the iLembe district municipality in KZN. Its core mandate is implementation of enabling economic policy on behalf of the municipality (Enterprise iLembe, 2015). It should be kept in mind that LEDAs do not make policy, but merely implement policy, also they have a very specific mandate to deliver with the policy frame work. There is a perception that Enterprise iLembe, as an entity of local municipalities, is not achieving its role of supporting local investment and trade since its establishment (Nene, 2015). There is evident lack of visible trade and investment in local economies in most local municipalities that are represented by Enterprise iLembe. The local actors such as local business (firms, small and medium enterprises, informal traders); local research institutes, academic institutions and local communities, have been vocal in expressing their collective views that Enterprise iLembe is not supporting local economic development as expected. If Enterprise iLembe does not achieve its intended trade and investment promotion mandate, the consequences can be dire since they may not attract additional investment from the local investment and Foreign Direct Investment (FDI) as they are their main source of funding.

This study endeavours to highlight, through directing its focus on the challenges faced by Enterprise iLembe in fulfilling its respective mandates and why there is a perception that it has failed. There is a need to research extensively the ability and capability of Enterprise iLembe to fulfil the mandate of appreciating and unearthing the dynamics of development in the formal and informal sector. This is particularly relevant within the developing country context.

1.4 The aim of the study

The aim of the study was to assess the impact of Enterprise iLembe as a trade and investment enabler in iLembe District, KZN.

1.5 The objectives of the study

The objectives of the study are outlined below as:

- To identify the challenges that affect Enterprise iLembe in promoting trade and investment in iLembe District Municipality.
- To investigate strategies that are being implemented by Enterprise iLembe in promoting trade and investment in iLembe district.
- To recommend sound strategies to Enterprise iLembe for the promotion of trade and investment in iLembe district.

1.6 The research questions

Below are the research questions which will act as a guide in attaining the objectives:

- Which factors affect Enterprise iLembe in promoting trade and investment in iLembe district?
- Which strategies are being implemented by Enterprise iLembe in promoting trade and investment in iLembe district?

- Which sound strategies can be recommended to Enterprise iLembe for the promotion of trade and investment in iLembe district?

1.7 The significance of the study

The significance of the study is steered by the need to investigate the impact that LEDA initiatives have as enablers for trade and investment thus improving the livelihoods of the people of iLembe district. The study has been conceptualised from the context that LED initiatives should contribute towards community development through creating a trade and investment-enabling environment. An enabling environment in turn means the creation of jobs, alleviation of poverty and unemployment with the likelihood to add value to the body of knowledge related to LED in the iLembe district municipal area.

This study attempts to understand how Enterprise iLembe function in the trade and investment context to explore strategies applicable to Enterprise iLembe to improve trade and investment at iLembe District. Municipalities are blamed for poor service delivery and no research of this nature has been carried out at Enterprise iLembe, it is expected that the outcomes of this research will assist management in developing strategies to improve its core services.

1.8 The scope of the study

The study focuses solely on Enterprise iLembe as an LDEA case study whose mandate, among is enabling trade and investment with in the iLembe District. The study is conducted at the iLembe District Municipality. I Lembe District Municipality include local municipalities like Ndwedwe, Maphumulo, Stanger and Mandeni.

1.1 Research methodology

The mixed method methodology was adopted which combine the qualitative and quantitative approaches. Four Enterprise iLembe management personnel participated in the qualitative part of the research, management personal were purposely selected as they have access to more information which would assist in gaining a better understanding. The four Enterprise iLembe

practitioners had interviews with open-ended questions that were aligned with the research objectives. Five Enterprise iLembe employees, four LED practitioner from each of the four municipalities and one from the district municipality participated in the quantitative part of the research. The participants in the quantitative interview were chosen from all the involved municipalities and from Enterprise to provide a balance panel. Participants from the municipalities work are involved in LED and work closely with Enterprise iLembe. The quantitative research composed a five Likert scale questionnaire to all the employees of Enterprise iLembe and the LED practitioners, which had taken ten minutes to complete. All the qualitative data was analysed using Microsoft Word which was coded into themes and all the quantitative data was analysed using SPSS that generated data into reports, graphs and tables.

1.8 Structure of the study

Chapter One introduced the study and provides a broad overview of the role of Enterprise iLembe in their endeavours to promote trade and investment. The chapter further provides objectives and key questions of the study. Research methodology and design are indicated and rationalised.

Chapter Two deals with the literature review. The literature explored in the study was guided by the study objectives. It seeks to identify the factors that affect the Development agency in promoting trade and investment in iLembe District, to investigate strategies that are being implemented by the Agency in promoting trade and investment in iLembe District. The legislative and policy framework have played a crucial role in institutionalising various economic activities of the Enterprise iLembe.

Chapter Three mixed theory and practice of the Development Agency in the iLembe District Municipality. The application of the theory in this study was informed by the researcher's point of view that, a theory is a systematic explanation of the interrelationships among economic variables, and its purpose is to explain the causal relationship among these variables. The theories applied in this study include liners stages of economic development, structural change models and the neo-colonial dependence theories.

Chapter Four presents the methodological approach underpinning the study. The researcher used a mixed method approach. This methodology was deemed relevant due to its potential for

collecting sufficient data through qualitative and quantitative paradigms. A total of 14 questionnaires were administered to the Enterprise iLembe and municipal LED workers staff. Structured interviews were conducted with four Enterprise iLembe staff. These samplings techniques were selected on the basis of their flexibility in reaching a sufficient number of subjects in an unbiased manner.

Chapter Five present the data analysis, interpretation and graphical representation of the data and the research findings.

Chapter Six discusses the findings of the study and answers the research questions under the appropriate objectives appropriate recommendations are provided for future studies. Based on empirical studies, conclusions of the study are provided under four broad themes.

1.10 Conclusion

As noted at the beginning, this chapter entailed looking at the role played by LEDAs specifically Enterprise iLembe in promoting trade and investment. LEDAs play a crucial role to ensure effective LED.

The study may be used in developing a monitoring and evaluation framework for LED within the district as well encourage trade and investment promotion. Other potential outputs include but are not limited to the following, identifying further roles that may be performed by Enterprise iLembe, identification of possible local and international partnerships to enhance LED, fusing traditional and contemporary trade and investment approaches to enhance LED and to provide comprehensive solutions to complex problems faced by Enterprise iLembe.

CHAPTER TWO

LITERATURE REVIEW ON THE LOCAL ECONOMIC DEVELOPMENT

2.1 Introduction

This chapter presents the literature review pertaining to LED as whole. The chapter starts with the legislative framework governing LED in South Africa (SA). The theory governing LED is explored followed by a discussion of LEDA form a global and SA perspective LEDAs as the drivers of LED are then critiqued.

2.2 Legislative Framework around LED

By virtue of being municipal entities, LEDAs in SA are bound by very specific legislative framework which governs their mandate and their operations, below are some of the most important. It is however important to note that while the discussed framework is elaborate it is not exhaustive.

2.2.1 The Constitution of the Republic Of South Africa (Act 108 Of 1996)

The Constitution of the Republic of South Africa is the supreme law of the country. The municipalities are responsible for facilitating the LED. In addition, the constitution, based on the Bill of Rights, requires the government to implement poverty, unemployment and rural development initiatives. The constitution calls for the formation of a government for the development of the poor and gives the local government responsibility for economic development. Article 502 of the Constitution states that local authorities must promote social and economic development. Municipalities must provide sustainable services to communities, promote social and economic development, and promote the participation of local and municipal organizations in community affairs.

2.5.2 The Local Government Transition Act of 1993 As Amended In 1996.

The 1993 Transitional Act on Local Government, as amended in 1996, envisages the introduction of local LED in post-apartheid South Africa to introduce sustainable and inclusive administrative practices (Abrahams, 2003: 189). The law encourages initiatives to strengthen community, redistribute resources, develop human resources, reduce poverty and promote local creativity and innovation in mobilizing local resources. In these efforts, private sector participation is key to sustainable and successful LED initiatives (Abrahams, 2003).

2.5.3 The White Paper On Local Government (1998)

The White Paper on Local Government (1998) introduced the concept of "developmental government", defined as "a local government committed to working with citizens and community groups to find sustainable ways to manage their resources and better their lives. The document states that "the local government is not directly responsible for creating jobs, but rather for taking active measures to ensure that economic and social conditions are met. Municipalities were empowered by the white paper to utilise integrated development planning, performance management and local economic development as strategic approaches to democratization of development while creating an environment where people and communities can meet their needs.

2.5.4 Municipal Structures Act Of 1998

The law on municipal structures of 1998 introduced participatory local democracy and local development. The Municipal Structures Act 1998 (Chapter 4) focuses on community consultation with the aim of bringing about and strengthening participatory democracy in the field of local government. The framework provides for governments to stimulate the growth of local economies and respond to local needs, formulate and implement strategies to create jobs and develop communities (Mokate, 1999).

2.5.5 The Integrated Sustainable Rural Development Strategy Of 2000

The Integrated Sustainable Rural Development Strategy 2000 has been developed to speed up LED in rural areas of SA in order to improve the quality of life of rural communities through poverty reduction and ensuring sustainable livelihood. The strategy emphasized key policy

issues related to the extension of social safety nets to rural residents, the strengthening of rural infrastructure, rural access to resources, increased local economic growth, capacity building and the strengthening of rural institutions (Lewis, 2001: 3).

2.2.6 The Local Economic Development Policy Paper (2001)

The Local Economic Development Policy Paper of 2001 states that there is no single common approach to LED which can work in every local area because all areas have unique opportunities and challenges to meet. Special programs must be developed to suit specific needs based on local context using resources available to establish pro-poor LED strategies.

2.2.7 The National Framework For Local Economic Development In South Africa (2006-2011)

The system expresses that the investment in LED arrangement in post-1994 South Africa is nearly connected with the change to the formative local government. The structure is gone for elevating a vital way to deal with the investment in local economies and a move far from limited local interests concentrated just on governments “contributions to impromptu activities.” Nonetheless, Department of Provincial and Local Government (DPLG) states that LED is not obviously incorporated into the calendar of civil capacities, and that may be deciphered as “an unfunded order for districts” (DPLG, 2006: 3-9). Nel (2001:50) states that service delivery - based associations are built up by Non-Governmental Organizations (NGO) as key facilitators of LED activities by giving the essential skill and systems administration for contributor help on the restricted LED.

2.3 Local Economic Development theory

2.3.1 Defining the concept of ‘local’

The word ‘local’ in the sense of ‘local development’ refers to a geographical location whose inhabitants share common objectives, opportunities or challenges. The strength of ‘local’ is: (i) people have common interests and a common history (ii) the small geographical size leading to the proximity of the actors (iii) a collaborative infrastructure and a context of mutual learning (Asheim, 2007).

The geographical scale on which LEDAs operate is different, although most work at the regional or metropolitan level. In Mozambique, LEDAs are provincial, in the United Kingdom they are regional and in South Africa they are districts. It seems clear that LEDAs operate at a subnational level. It is important to deliberate on the most appropriate geographic scale for LEDAs, particularly to determine if an LEDA is more likely to be successful than other structures such as a municipal LED unit (Xaba, 2008).

2.3.2 Local economic development theory

The term LED refers to regional economic development, in which the defined area is a functional economic zone. The basic conditions of a functioning economy are trust, cooperation and innovation of all key players (Rogerson, 2009). LED has been designed to use unique native resources (Nel and Rogerson, 2005). LED is a process of transformation that requires strategic alignment of key players in the region (Meyer-Stamer, 2008). The strategy requires positive changes in a number of areas, methods and activities in which stakeholders have a common understanding of the region's potential for profitable development and how it can be managed to gain a competitive advantage. region of origin (Porter 1998, Stamer, 2008). There is no consistent, optimal, and certified approach to maximizing growth potential and minimizing risk (Roberts, 2011). However, opportunity costs in the form of growth opportunities arise if the calculated risks are not taken into account (World Bank, 2013).

LED is a participatory process that leads to progress and growth (Rodríguez-Pose and Tijmstra, 2005). LED is economy-driven, with the ultimate goal of creating a sustainable development model that takes into account economic, social and environmental aspects (Rogerson, 2009). The theory of economic growth must evolve with changing economic structures and the three identified phases of economic growth (Nel and Rogerson, 2005; Meyer-Stamer, 2008; Swinburn and Yatta; 2006). Blakely and Leigh (2010) argue that a fourth phase, sustainable local economic development, summarises historical LED theories.

In South Africa's level of development is based on the fact that it promotes the development of the country and its citizens, exploiting its vast capacity for planning, monitoring and implementing development goals in order to redefine advantage compared to economies in areas of overall strategic value. (Olivier *et al.*, 2010). According to Knorringa and Meyer-Stamer (2008), living local economies generally result from interactions between market

forces, entrepreneurship and opportunities and can sometimes be the result of national governments planning and development efforts.

LED is recognized as a critical approach to local government action in SA within local governments and the need to ensure that development benefits the poor and their outcomes (Rogerson and Rogerson, 2010). The valuable development of LED professionalism and local government professions could solve fundamental problems and lead to more economical implementation and implementation of local economic development (RSA, 2011).

2.3.3 Challenges with LED

Swiss Agency for Development and Cooperation (SDC) (2018) highlight the following challenges facing LED and LEDAs:

- i) In practice, LED projects are often either too focused on strategic planning of the public sector or participation and bottom up processes.
- ii) Strategic planning is based on expert analyses and solutions, which might be sensible, but not rooted in local realities and not taking the locality to the ‘adjacent possible’.
- iii) Participatory processes come up with good and interesting suggestions but it is often not clear if these are strategic for the long-term development of the region.
- iv) The evidence base for facilitative/participatory approaches has not been systematically established.
- v) There is often not a big overlap between administrative areas and functional economic space, which makes it difficult to locate a project and recruit the right stakeholders.
- vi) A project approach to LED can result in a gap between LED initiatives and the wider local government service delivery at the local level.
- vii) There can be a gap between a project focus and targets and what emerges as local priorities in a participatory LED process.

2.3.4 Factors that affect LED

Jim Woodruff (2018) states that economists generally agree that economic development and growth are influenced by four factors: human resources, physical capital, natural resources and technology. The highly developed countries have governments that focus on these areas. The least developed countries, even those with large natural resources, will lag behind in terms of development if they do not promote technological research and improve the skills and education of their workers.

2.3.5 Measures of LED success

Bollman (1999) asserts that many rural communities are searching for ways to stimulate local economic growth. Some factors are unique to a particular time and place. But are there other local factors that will foster growth over time. Bollman (1999) further states that development is multidimensional and community welfare may be measured in more than one dimension. There are four measures of local community “development” that are admittedly narrowly focused on the performance of the labour market:

- i) the rate of growth of average real earnings per worker in the community;
- ii) the rate of growth of average real hourly wage rates for workers in the community;
- iii) the rate of growth of employment in the community
- iv) the rate of growth of community aggregate earnings is offered as comprehensive indicator of community economic development.

Kusmin (1996) argue that the growth in community aggregate earnings (whether due to employment growth or growth in earnings per worker, or both) is a useful single indicator of local economic development.

2.4 The LEDA Approach

The institutions called LEDAs, are what control LED. Finding the best institutional mechanisms to promote LEDs has not been an easy task for local municipalities and their partners in most countries. A continuous process was also implemented to reinvent and renew the role of LEDAs in the places where they already existed, change the intervention center and change the tools used or destroy the old generation of LEDA and create new ones. Currently,

LEDAs are seen as tools to stimulate and shape local economic growth and not just as tools to stimulate new economic development in poorer areas (Bartlett, 2007).

According to the OECD (2009), the desire to create LEDAs to respond to the crisis persists, but they have also been created for other reasons in many countries. The two main differences are the extent to which LEDA are created in all territories to promote competitiveness and productivity (for example, in the United Kingdom and France) or if they are intended only for certain places that are deemed to need further assistance (for example, in Canada and Germany). In developing countries such as Brazil and South Africa, there are bottom-up initiatives to create LEDAs in one or two places and only a few national governments (eg Mexico and Bulgaria) have decided to create full coverage of some types of development agencies. (OECD, 2009).

LEDA supports the principle that local authorities, regional and national partners consider the agency model a good way to manage economic development and rehabilitation activities. Local governments have different powers and responsibilities for economic development and rebirth in the different national contexts of developing countries. However, the use of corporate structures for development and economic recovery is in most cases a means to maximize the capacity of a local government or a sub-region to respond to economic factors in this context. In most cases, this is a way to overcome some of the limitations of the dominant institutional structure, regardless of its characteristics (OECD, 2009).

2.4.1 LEDA: A global context

Cox and Townsend (2005) indicate that the experience of using LEDs on a global scale is very different in time and space, since the first LEDs were created in Europe in the 1950s in post World War II. LEDAs are present in all regions of the world, including the United States of America (USA) , Europe, Latin America and Africa. On the international level, LEDA differs from the legal structure that determines the level of autonomy, the level of development of the host country and the definition of the local word.

When focusing on the progress of ADEL in developed and/or developing countries, it is important to consider the institutional framework of LEDs. The main differences in the institutional structure of LEDs adopted in the United States and the United Kingdom (Great Britain) are the role of the central state, which is more pronounced in the United Kingdom than

the greater fragmentation of power in the United States. United States (Cox and Townsend). , 2005).

Third world LEDA are trying to solve the problems associated with rising unemployment, especially among unskilled workers, lack of commercial know-how and working capital, which leads to the inability to acquire new technologies for development and growth, as well as lack of experience in business management. medium-sized enterprises (including lack of marketing skills at the national and international levels). In developing and restructured societies, such as Latin America, Mozambique and Central and Eastern Europe, the decentralization of local government functions has been relatively recent. This usually means that at the local level, there is no LED support, poor coordination and resources are insufficient. Bureaucratic procedures tend to be more cumbersome in contextual development and transformation (Xaba, 2009). In Mozambique, an LED approach has been adopted, which takes into account the corresponding spatial scale of LEDAs at the provincial level. The main objective of these LEDAs is to support income generation and employment promotion (Xaba, 2009). For comparison, in developed countries, for example in the USA, LEDAs must perform a series of functions that go beyond traditional public services.

Another perspective which differentiates LEDAs is the level at which they operate, essentially the definition of the word local. Mozambiquean LEDAs operate on a provincial level while South African operate on a district level, In Mozambique, whereas in the UK they are regional

2.4.2 LEDA: South African context

In the South African context, the Municipal System Act (MSA) No. 32 of 2000 and the Municipal Financial Management Act (MFMA) No. 56 of 2003 allow the establishment of municipal bodies to provide a wide range of services to the community. For this reason, LEDAs were established as special LED promotion organisations. LEDAs, as municipal units, are specific implementation tools developed by municipalities or districts with the cooperation of other local actors to achieve their common goals of supporting local innovation. It should be noted that LEDAs do not develop policy, but simply implement them. Policy development is the responsibility of the elected municipal councillors and other authorities and not the agency. The role of LEDA is therefore to implement the LED policy laid down in the municipal strategic documentation, such as the Integrated Development Plan (IDP). LEDs have their own

legal personality as municipal bodies and Article 86b of the Municipal Code provides for three types of municipal bodies: i) a private company that provides for a personal training process in accordance with company law. 61 of 1973; a public service established by regulation; and a public service with multiple jurisdictions established by written agreement between two or more communities (DCoG, IDC, 2008). Unlike the South African legal environment, LEDAs in most countries are charitable legal structures owned by local public and private entities. Therefore, local actors jointly plan and implement local economic development initiatives through LEDA, identify the most practical tools for their implementation and implement a coherent system for their technical and financial support, while in South Africa the flexibility in the form of LEDAs is limited due to the provisions of the MFMA. Due to the limitations imposed by the provisions of the MFMA, most municipalities have decided to use a local authority as a mechanism to set up their own LEDAs. The MFMA has imposed significant obligations on a community to ensure compliance with legal and financial aspects and the achievement of socio-economic objectives. Without exception, these obligations have a significant influence on whether an LEDA achieves the desired results. According to the law amending the local system law (No. 44 of 2003) (Chapters 8A, 85b.2), no municipality can form an association or participate in the establishment, acquisition or participation in an association unless this person is a legal person is not a municipal entity. The law requires that municipalities conclude a service contract with the service bureau. This means that the agreement must clarify the relationship between the community and the LEDA and clarify issues related to financial management. Therefore, to satisfy the MFMA, the municipality must retain the share of the LEDA control (DCoG, IDC, 2008).

2.4.3 Principal partners of in LEDA

2.4.3.1 LED and Engaging with the Private Sector

Swiss Agency for Development and Cooperation (SDC) (2018) LED builds on the participation of both the public and private sectors, hence, full name EPS is a central element of LED. In situations where there is a good working relationship between the local government and the local private sector, this happens organically. If this relationship is not established, it can be the task of an LED project to establish a working relationship. SDC (2018) further states that in Private Public Partnerships (PPP) initiatives, contracts are often between donors and private firms in MSD, contracts are often between the project and private firms. In LED, agreements on collaboration and funding should always happen between local actors, i.e. the

local government and the private sector. PPP principles apply to contracts between local governments and the private sector.

2.4.3.2 LED and Local Governance

SDC (2018) states that LED is essentially a part of local governance and in a decentralised context the responsibility of the local government. LED focuses on improving the competitiveness and economic situation of a territory, together with the other local governance processes contributing to improving life in a specific territory. LED and governance programs can complement each other as they both depend on but also build participatory local governance capability and local social capital.

SDC (2018) further states that governance projects often struggle to establish processes that include the private sector while economic development processes often struggle to include the local government structures – LED and local government depend on but also build capacity and capability of local government institutions. Decentralisation, a capable local government, and democratic principles to allow for inclusive and participative processes are preconditions for successful LED.

2.5 Local Economic Development Agencies, Trade and Investment

The iLembe Development Agency Trade and Investment Strategy 2017–2022 (the Strategy) is a plan for cooperation between governments, business, educational institutions and local councils to create jobs for iLembe Development Agency. It aims to use iLembe Development Agency’s natural and acquired strengths to tap into the immense opportunities being created by expanding local and international markets. By capturing these opportunities, the Strategy seeks to achieve two aspirational targets:

- Increase iLembe Development Agency’s share of national overseas exports to 22 per cent and maintain through to 2022.
- Increase the number of investment outcomes facilitated by the iLembe Development Agency Government by 20 per cent by 2022.

To achieve these targets, the Strategy recognises megatrends affecting the global economy such as the rise of Asia, population ageing, pressure on natural resources, climate change, borrowing constraints on governments, the glut of private capital and the opportunities of the digital age. It identifies Enterprise iLembe's competitive strengths, such as our abundant natural resources, skilled workforce, innovative culture, a regionalised economy with modern infrastructure and shared time-zone with Asia. By aligning Enterprise iLembe's competitive strengths with global trends, the Strategy identifies industries where the state has an actual or potential comparative advantage. This enables the prioritisation of Enterprise iLembe's most promising export and investment markets. As has been the case throughout Enterprise iLembe history, future job creation will require large amounts of FDI. Investment from outside Enterprise iLembe provides the capital needed to develop new industries and improve the productivity of existing ones. Foreign investment also promotes stronger connections with foreign markets and the adoption of innovative technologies, helping our industries to remain competitive against tough rivals. Trade is also essential to Enterprise iLembe's economic growth. The Strategy recognises that Enterprise iLembe largest export industries—mining, food and agribusiness, tourism and international education and training—will continue to drive trade and job creation, and that the competitiveness of these industries will be boosted by innovative technologies and business practices.

At the same time, the Strategy strengthens collaboration between business and government to deploy innovation and create industries of the future, including mining equipment, technology and services, defence and aerospace, advanced manufacturing, biomedical and life sciences, renewable energy and bio futures. A number of Enterprise iLembe and government agencies are already supporting trade and investment through existing programs and actions. These actions are highlighted throughout the strategy. Trade alludes to a fundamental monetary idea that includes different gatherings partaking in the deliberate transaction and afterwards the trading of one's merchandise and enterprises for wanted products and investments that another person has. The coming of cash as a medium of trade has enabled the trade to be directed in a way that is considerably more straightforward and powerful contrasted with before types of trade, for example, dealing. In a monetary sense, an investment is the buy of merchandise that are not devoured today but rather are utilized later on to make riches. (INVESTOPEDIA, 2016).

2.5.1 Factors to explain Economic Growth within Local Municipalities

Boldeanu and Constantinescu (2015) indicate the relationship between our community building activities and our local economic growth policies is generally weak. A higher level of average school years in the community was associated with a smaller increase in the average hourly wage. Total community income has increased less in more educated communities as lower wage growth has not been offset by employment growth and / or an increase in hours worked. However, keep in mind that communities with higher average years of schooling have higher employment growth than the average community.

Boldeanu and Constantinescu (2015) further indicate that another measure of the human performance of the community is the proportion of poorly educated and highly educated people. The results show that in the 1980s, lower and higher education areas were associated with stronger employment growth. Communities with low-skilled workers (as indicated by a high percentage of low-educated people) were able to find employment in the 1980s and increase their wage levels during this period. For example, the more populated and less educated communities had a significant association with higher community earnings growth. Studies by Killian and Parker (1991) in the United States have shown no significant correlation between employment growth in the Community and the level of education in the Community, given the structure of employment industrial and nature of the region. In this study, we examined the structure of industrial employment and the nature of the region and found a positive (albeit small) relationship between employment growth and education. In the 1980s, Canadian communities, but not the USA, enjoyed a high level of community development.

2.6 Enterprise iLembe Development Agency (EIDA)

Enterprise iLembe (Pty) Ltd is a private company that is a municipal unit of the iLembe District Municipality. That is, all iLembe Enterprise shares and assets are owned by the community. The municipal system and the local financial law provide for the creation of a local economic development agency as a special organization for the promotion of the local economy. Enterprise iLembe is responsible for commercial promotion and investment activities and for local economic development.

i) Vision: make the district the chosen destination for investments. Its mission is to promote commercial and investment opportunities in four key areas:

a) agriculture,

b) tourism,

c) production

d) Services.

(ii) Mission: promoting socio-economic development through poverty reduction and sustainable job creation.

The business sector is very optimistic about the new direct investments in the region, which put pressure on the business premises in which they operate, as well as on the modernization of the existing infrastructure to meet the new needs. ILembe's philosophy is to foster a participatory process in which local people in all sectors work together to stimulate local business and create a resilient and sustainable economy. This is expected to help create decent jobs and improve the quality of life for all, including the poor and the marginalized. This is reflected in the district Industrial Development Strategy (IDS).

2.7 Conclusion

Taking everything into account, local governments have possessed the capacity to attract the inflow of FDI as of late. This was because of the way that the increase has not prompted a predictable constructive outcome of FDI on local financial advancement. Besides, this was particularly in those nations that were not ready to make and actualize a proper procedure to pull in the foreign financial researchers. The aftereffects of the different investigations evaluated, give four fundamental ramifications as far as broadening, upgrading the absorptive limit of local firms, giving chances to linkages among household and foreign financial researchers, and demonstrating a focused on way to deal with the foreign direct investment. One of most critical marker that was uncovered and that has appeared to be essential for pulling in speculators is the capacity of government to advance arrangements that upgrade the local limit of its tenants. They supported that administration must go for pulling specifically classifications of FDI that are fit for producing overflow impacts in the general economy. Consequently, the accentuation must be centred more around utilizing limited time assets to draw in a subset of FDI's streams, as opposed to FDI when all is said in done. Therefore, this is on account of they are not similarly intrigued to add to Local monetary improvement. Therefore, we close by emphasizing the way that paying little heed to the advantages that nations have from FDI's, it is fundamental that the development procedure in a specific

economy, in particular in local governments , must begin from inside, as opposed to from outside.

CHAPTER THREE

LITERATURE REVIEW ON TRADE AND INVESTMENT

3.1. Introduction

The previous chapter discussed the literature on LED and provided the conceptual framework of LED. This chapter provide insight on trade and investment globally and at municipal level. This chapter focus on the theory of trade and investment. The objectives of trade and investment are discussed and the key aspects of trade and investment are articulated. FDI, the National Development Plan (NDP) and the strategy being implemented by iLembe Development Agency for promoting trade and investment are then discussed before the conclusion. The conclusion at the end of the chapter sums up the whole chapter three.

3.2 Trade and Investment theory

Trade and investment can be analysed in terms of proportional advantage of geographic regions called as country-based theories. Proportional advantage suggests that in each region, certain products or services may be better produced economically. This proportional advantage is based on the many productive elements of the region, such as land, labour and capital. A region will intensively export products / services that make heavy use of their abundant production elements. Although this explanation is very simple and overlooks many other important variables, it is a starting point for understanding which countries can export or import. The concept of proportional benefit can also help explain investment flows. Capital is the most mobile element of production in relation to work or land. Capital from one region can be used to invest in another region and use its rich land or labour.

Trade and investment cannot be fully explained by one theory, additionally theories continue to evolve and some are fixed or region-specific. Trade and investment theories have helped economists, governments and businesses to better understand trade and investment, and the way in which these theories can be promoted, regulated and managed is sometimes refuted by real events. Countries do not enjoy absolute advantage in many areas of production or services, and factors of production are not distributed in an orderly way between countries. Some countries have a disproportionate advantage over certain factors. The USA has many arable crops that can be used for a wide range of agricultural products. He also has a lot of access to

capital. Although the labor pool is not the cheapest, it is one of the best trained in the world. These production benefits have helped the USA become the world's largest and richest economy. However, the USA also imports a large amount of goods and services because USA consumers are using their wealth to buy what they need and need, many of which are now manufactured in other countries that have tried to create comparative advantages through cost-effective labor, land or production costs.

Therefore, it is unclear that only one theory prevails worldwide. In practice, governments and businesses use a combination of these theories to interpret trends and develop strategies. As these theories have evolved over the last five hundred years, they will continue to change and adapt as new factors affect international trade.

3.3. Trade and Investment overview

3.3.1 Trade

Trade refers to a basic economic concept that involves multiple parties participating in the voluntary negotiation and then the exchange of one's goods and services for desired goods and services that someone else possesses. The advent of money as a medium of trade has allowed trade to be conducted in a manner that is much simpler and effective compared to earlier forms of trade, such as bartering. In an economic sense, an investment is the purchase of goods that are not consumed today but are used in the future to create wealth, (Investopedia, 2016).

3.3.2 Investment

Investment is the use of funds to achieve returns. In general, investing means using money to make more money. In the financial industry, investment refers to the purchase of a financial product or other valuable asset in anticipation of favorable future profits. Investment is the allocation of funds saved from current consumption, in the hope that some benefits will be achieved in the future, essentially it is a reward for waiting for money. People's savings are invested in assets in accordance with their risk and return requirements. Under the investment refers to the concept of hidden consumption, which includes the purchase of an asset, the provision of a loan or saving funds in a bank account to generate future income. There are several investment options that offer various risk-return reimbursements. Understanding fundamental concepts and in-depth analysis of options can help an investor create a portfolio that maximizes productivity and minimizes risk.

3.3.3 Foreign Direct Investment

Donnelly (2014) states that FDI is the investment from one nation into another, typically by organizations instead of governments, that includes setting up activities or obtaining resources, incorporating stakes in other businesses. Donnelly (2014) argues that FDI involves:

- i) The buy of wage producing resources in a foreign nation that involves the control of the activity or organisation. FDI is considered to convey a significant advantage to have economies as indicated by the OECD (2009).
- ii) FDI makes immediate, steady and enduring connections between economies.
- iii) It energizes the trade of innovation and know-how among nations and enables the host economy to advance its items all the more broadly in worldwide markets. FDI is likewise an extra wellspring of subsidizing for Investment and under the correct strategy condition, it very well may be an imperative vehicle for improvement.

According to United Nations Conference on Trade and Development (UNCTAD) Global Investment Trends Monitor report (2019) the state of the FDI is as follows:

- i) Foreign direct investment (FDI) into South Africa grew by 446% to \$ 7.1 billion in 2018 after a sharp decline since 2014.
- ii) Foreign direct investment into South Africa grew from \$1.3 billion in 2017 to \$ 7.1 billion (R98.6 billion) in 2018.
- iii) FDI investments were predominantly devoted to mining, petroleum refinery, food processing, information and communications technologies, and renewable energy.

3.3.4 Trade and investment objectives

Trade and investment, globally and in municipalities is done with specific aims. Tajeram (2016) outlines the following objectives for trade and investment for purposes of Local Economic Development:

- i) To encourage the expansion in the quality and quantum of foreign and domestic direct investment by giving a proficient and powerful investment enrolment, critical thinking

and data benefit with a specific end goal to hold and grow coordinate interest in South Africa and into Africa.

- ii) To encourage fares of SA esteem included merchandise and investments into foreign markets.
- iii) To encourage the advancement and fare availability of local exporters with the goal that they can contend in foreign business sectors.

3.4 Trade and investment focus at Local Government level

SALGA (2018) list the following reason as why trade and investment should have a local government perspective:

- i) Any investment takes place in a municipal space hence it is important to have municipal participation
- ii) Need for municipalities to stay relevant in line with national policies
- iii) There is a need to create employment, stimulate economic growth at local level which will benefit local government (see Figure 3.1)
- iv) The need to create a conducive environment for trade and investments.
- v) Municipalities contribute to this conducive environment as they influence political stability, labour force affordability etc.
- vi) Municipal revenues low compromising municipal financial sustainability

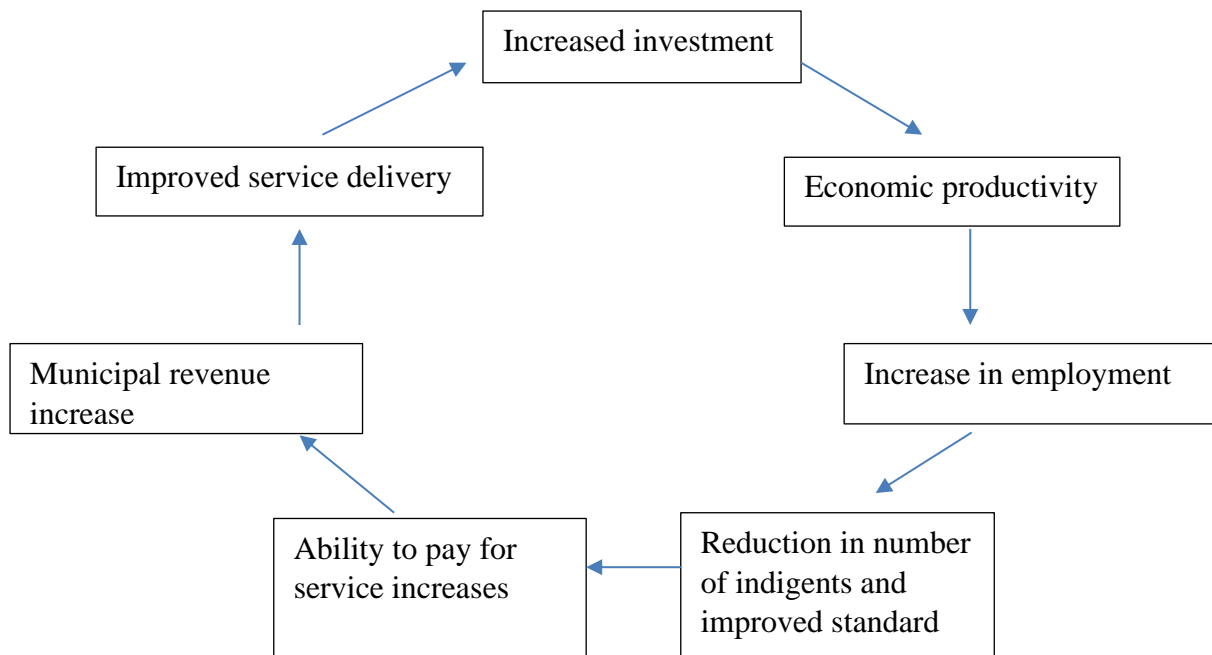


Figure 3.1 Virtuous cycle: Transmission

Source: SALGA, 2019

3.5 Key Success Factors of Investment Promotion

SALGA (2019) states that key achievement components to maintained investment as examined through the Multilateral Investment Guarantee Agency (MIGA) of the WBG Group, Presentation on Investment Promotion Best Practices and the KZN Investment Strategy of 2010, incorporate the variables talked about beneath. These achievement factors radiate from Investment Promotion Agencies (IPA) whose principal obligation is to advance investment into a locale. Key capacities incorporate picture building, investment age, foreign relations – government, technique and centre, financial specialist administrations and administration of the limited time process, speculator start-up help, record keeping and research and checking and assessment.

SALGA (2019) further states that key achievement factors incorporate;

- i) lessons learnt from national and worldwide achievement and disappointment in investment advancement.
- ii) quality control to keep up investment advancement, fascination and maintenance through a surveyed key arrangement (i.e. sufficient arranging, execution and

administration) to hold existing speculators and pull in assist investment through casual showcasing a facilitated institutional exertion is vital.

iii) marketing and deals with methodologies to focus on the need divisions and recognizable proof of foreign business sectors.

iv) a centre around areas upper hand and recognizable proof of chances.

v) effective administration of and access to data to focused elements through a site with a database of downloadable reports in connection to the local investment atmosphere and connections to potential wellsprings of help.

Common level motivators are offered by an assortment of offices which target vital need goals (sectoral, locational and business based). Successful IPAs have authoritative and bureaucratic autonomy from the government but then are adjusted to public monetary and Investment arrangement and arranging. IPAs have portrayal from both private division and government on their sheets.

3.6 The Need for Investment Promotion, Attraction and Facilitation in South Africa

The nature of a nation's Investment Climate (IC) is dictated by the dangers and trade expenses of putting resources into and working a business. These expenses are controlled by the lawful and administrative system, obstructions to section and exit, and conditions in business sectors for work, back, data, framework administrations, and other profitable information sources. The World Bank Group (WBG) bolsters enhancements in investment atmospheres by working with both people in general and private sectors. The World Bank sees a change of investment atmospheres in local government as a way to target supportable development and destitution decrease. This view is inherently shared by the South African national government, whereby investment is viewed as a key system to target long-haul monetary development and to accomplish economic advancement. Be that as it may, there is a worry universally about the trouble in drawing in foreign direct investment into South Africa. The National Investment Promotion and Facilitation Strategy demonstrate that foreign and household investment levels in South Africa stay underneath the normal for other creating and developing markets in spite of enhanced macroeconomic conditions. This is repeated by the IC. Appraisal of South Africa

attempted by the World Bank which expresses that while South Africa's general business condition enhanced it is drawing in far less FDI as much as it needs to, to handle the difficulties of joblessness and destitution.

FDI and settled capital stock are viewed as key supporters of monetary development in South Africa as a type of investment with FDI being an imperative wellspring of settled capital stock in SA. As FDI has been recognized as a vital use of investment into the nation it is vital to comprehend the advantages it holds for the host nation. The potential monetary advantages of FDI include, job creation both straightforwardly and by implication (providers and accomplices) and neediness decrease.

3.7 National Development Plan (NDP) in advancing Trade and Development

The South African Government through the National Planning Commission (NPC) has built up the NDP vision for 2030 for South Africa which is named a long haul key system for the nation to move in the direction of all in all. A Diagnostic report was discharged in June 2011 and sets out South Africa's accomplishments and deficiencies since 1994. The focal difficulties distinguished are too few individuals work; the standard of training for most dark students is of low quality, infrastructure is ineffectively situated, under-kept up and inadequate to encourage higher development, the economy is excessively and unsustainably asset escalated. In addition, the following factors escalate, the situation, an across the board illness trouble is aggravated by a falling flat general wellbeing framework, public administrations are uneven and frequently of low quality; corruption is broad; South Africa remains a separated society.

In response to these basic difficulties, the NDP 2030 arrangement illuminates the key vital improvement municipalities which require centre throughout the following 20 years. These are, employment and economy; economic framework; environmental manageability; en incorporated and comprehensive rustic economy, positioning South Africa on the planet; transforming human settlements; improving instruction, preparing and development; promoting wellbeing; social insurance; building more secure networks; building a competent and formative state; fighting debasement, transforming society and joining the nation.

While the above key municipalities are wide the three needs that are featured incorporate; raising work through quicker monetary development, enhancing the nature of training,

aptitudes advancement and development and building the ability of the state to play a formative, transformative job. These are viewed as fundamental to accomplishing higher rates of investment and intensity and extending generation and fares. ILembe District Municipality, however, the iLembe Development Agency expects to progress in the direction of the national long-haul vision of developing the economy and making work and additionally aptitudes improvement and advancement through investment fascination, advancement and assistance. The NDP recognizes the requirement for expanded interest in focused framework through enhanced administration to decrease the hazard on universal investment. This can be accomplished by rising fares, drawing in interest in the focused framework, and bringing down the expense of doing organizations through enhancing efficiencies in transport and coordination.

3.8 Foreign Direct Investment

FDI is a basic piece of a public and powerful global financial framework and a noteworthy impetus for improvement. However, the advantages of FDI do not collect naturally and equally crosswise over nations, areas and local government. National arrangements and the global Investment design matter for drawing in FDI to a bigger number of local government and for receiving the full rewards of FDI for improvement. The difficulties principally address have nations, which need to set up a straightforward, expansive and viable empowering approach condition for Investment and to assemble the human and institutional abilities to execute them.

With most FDI streams beginning from OECD nations, created nations can add to propelling this motivation. They can encourage building up nations' entrance to global markets and innovation, and guarantee strategy intelligibility for improvement all the more by and large; utilize abroad advancement help to use open/private investment investments. Also non-OECD nations are to be urged to coordinate further into rules-based worldwide systems for investment, effectively advance the OECD Guidelines for multinational enterprises, together with different components of the OECD Declaration on International Investment and offer with non-individuals the OECD peer audit based way to deal with building investment limit.

Disregarding the discussion seething in the writing on the allure or generally of FDI to development, governments in local governments are yet endeavouring purposeful endeavours

to pull in consistently expanding volume and estimation of FDI into their nations. In fact, the African Union intentionally shaped by New Partnership for Africa's Development (NEPAD) with one of the key destinations of advancing FDI streams into African nations. The Federal Government of Nigeria in its medium-term monetary improvement record, known as National Economic Empowerment and Development Strategy (NEEDS) said, "While the administration is decreasing the expense of working together in Nigeria, - the legislature will forcefully advance fares and general business arrangement to pull in FDIs, and it will seek after fare introduction as a considered approach" (NPCN, 2004, pp. 54). Nonetheless, Lipsey's (2004) conclusion was that endeavours to locate a steady connection between the degree of FDI inflows and national monetary development do not deliver solid and predictable connections. Ayanwale's (2007) conclusion that the experimental linkage among FDI and financial development in Nigeria is yet indistinct, likewise that ongoing proof confirms that the connection among FDI and development might be nation and period particular. There is a genuine need to delve further into finding the relationship wagger between FDI and financial development in Nigeria, subsequently this investigation.

In the straightforward words of Khakan and Rabia (2016:1), FDI imply one financial specialist puts his cash in another nation. Portfolio investment is otherwise called the backhanded investment. FDI has the vital job for the monetary development of the economy. FDI is the route for the financial researchers to contribute at the level of household investment funds. The upsides of FDI are to draw in the capital, learning and increment the parity of instalment. Khakan and Rabia (2016) additionally express that FID is known as the vital part of the economy. Numerous studies have demonstrated that there is a beneficial outcome of FDI on the development of all creating and under local governments. With the expansion in the level of FDI, at that point there will build the progression of trade at iLembe District, there is a need to receiving the local strategies for the change of foreign direct investment. For the drawing in of FDI, there is need of agreeable approaches and there is have to build up the foreign financial researchers' certainty. In the conditions of the political dependability, any nation can be received the FDI. FDI are influenced by the vulnerabilities. Such sorts of vulnerabilities' turned into the reason of government choice. All the past investigations have demonstrated that because of vulnerabilities the speculators do not put resources into such of nations.

Kukaj (2014) sates that due to the financial changes and improvements around the world, numerous nations need investments that may prompt new motivations for the local and

territorial advancement. In the vast majority of the progress nations, the change procedure from socialism and focal arranging, to public economy, has experienced basic and emotional changes. That investment is a pivotal fixing to development in any economy is putting it mildly. Solow (1956) asserts that the yield is a component of capital stock, work, and aggregate factor efficiency. In any case, later discoveries have risen up out of the neoclassical total generation work (Ram, 1985). New development scholars, Levine and Renelt (1992) have distinguished the primary determinants of monetary development as investment (foreign and additionally local), populace and human factor. Usually enhanced innovation, enhanced proficiency and enhanced profitability are required to advance development, regardless of whether the change originates from foreign direct investment or from residential investment is not imperative. To the degree that the above is genuine in this way, FDI if without a doubt it speaks to innovation and effectiveness that is more prominent ought to advance financial development (Ayanwale, 2007).

3.8.1. Factors affecting Foreign Direct Investment and Economic Growth

According to Khakan and Rabia (2016) past the underlying macroeconomic upgrade from the genuine investment, FDI impacts development by raising aggregate factor profitability and, all the more, by and large, the proficiency of asset use in the beneficiary economy. This works through three channels: the linkages among FDI and foreign trade streams, the overflows and different externalities versus the host nation business division, and the immediate effect on auxiliary factors in the host economy. Most observational studies presume that FDI adds to both factor profitability and salary development in have nations, past what local Investment typically would trigger. It is more troublesome, in any case, to evaluate the size of this effect, not slightest in light of the fact that extensive FDI inflows to local governments regularly agree with curiously high development rates activated by inconsequential variables. Regardless of whether, as once in a while declared, the constructive outcomes of FDI are alleviated by a halfway "swarming out" of local Investment is a long way from clear. A few scientists have discovered proof of swarming out, while there is the reason that FDI may really serve to expand local Investment. In any case, even where swarming outtakes put, the net impact, largely, stays gainful, not minimum, as the substitution tends to result in the arrival of rare residential assets for other Investment purposes.

3.9 Trade and Investment as strategic enablers of LED

Lall and Narula (2004) states that while the experimental proof of FDI's consequences varies fundamentally crosswise over nations and financial divisions, an agreement is, in any case, developing that the FDI-trade linkage must be found in a more extensive setting than the immediate effect of the investment on imports and fares. The primary Trade related advantage of FDI for local governments lies in its long-haul commitment to incorporating the host economy all the more intently into the world economy in a procedure liable to incorporate higher imports and in addition trades. Lall and Narula (2004) further states that the end of the day, trade and investment are progressively perceived as commonly strengthening channels for cross-outskirt exercises. In any case, have nation researchers need to consider the short and medium-term effects of FDI on the foreign Trade also, especially when looked with current-account weights, and they now and then need to confront the topic of whether a portion of the Foreign possessed endeavours' Trades with their parent organizations could reduce Foreign stores.

Lall and Narula (2004) states that putting into another nation's economy, getting tied up with a foreign organization or generally extending your business abroad can be to a great degree monetarily fulfilling and may give you the lift expected to hop to another level of progress. Nevertheless, FDI additionally conveys dangers, and it is exceptionally critical for you to assess the financial atmosphere altogether before doing it. Likewise, it is basic to employ a monetary master who is acclimated to working universally, as he can give you a reasonable perspective of the predominant financial scene in your objective nation. He can even enable you to screen advertise steadiness and anticipate future development. Keep in mind that we live in an inexorably globalized economy, so FDI will turn into a more available choice for you with regards to business. Be that as it may, you ought to overload its favourable circumstances and hindrances initially to know whether it is the best way to take.

Khakan and Rabia (2016) states that with a specific end goal to enhance the effects of FDI, it is in this way essential to receive approaches to enhance the nature of the FDI pulled in. This can be accomplished through better focusing in showcasing, advancement and impetus arrangement and making enhancements in the nature of local business condition regarding local aptitudes, framework, and innovation construct thus with respect to.

3.10 Conclusion

A trade enablers is responsible for export development by providing technical knowledge, in the form of marketing, trade exhibition support and providing market research on export opportunities, to the business sector especially SMME's in order to enhance their export abilities. Investment promotion is achieved through fast tracking the decision making processes offering attractive incentives for investors such as the Urban Development Zone tax incentive and building partnerships with stakeholders to define what the municipality can offer in the longer term to help consolidate, protect and enhance municipality position as an internationally recognized finance and business center.

CHAPTER FOUR

RESEARCH METHODOLOGY

4.1 Introduction

According to Kothari (2004), research methodology is an approach to efficiently solve or answer the research problem and it gives a detailed explanation of the different methods or techniques used by a researcher in studying his research problems. Therefore, it is imperative for the researcher to provide reasons for choosing the research methods used and provide justifications for using the chosen methods. This chapter highlights the research methods that were applied to undertake this research study. It commences with a background study on the research locality and the research paradigm that was used. This is followed by presenting the research design that was utilised to justify the rationale for the choice of research design. Thereafter, it extensively discussed the target population, sampling procedures and techniques, instruments for data collection. How research findings were analysed and interpreted, trustworthiness and credibility of the study and ethical considerations in the study are discussed.

4.2. The Location Of The Study

The location refers to the physical place where the research is going to be conducted. The study will be located at iLembe District Municipality, which include Ndwedwe, Maphumulo, Stanger and Mandeni, which is 5km's from King Shaka International Airport KZN.

4.3 Research paradigm

A research paradigm is a theoretical motivation or philosophical intent for undertaking a study (Cohen and Manion, 1994). It includes three basic elements: "a belief about the nature of knowledge, a methodology and criteria for validity" (Mac *et al.*, 2001: 32). A 'paradigm' may be defined as "a loose collection of logically related assumptions, concepts or propositions that orient thinking and research" (Bogdan and Biklen, 1998: 22). According to Denzin and Lincoln (2000), paradigms are human constructions which involve ethics that indicates the viewpoint of the researcher in order to have a meaningful conceptualization embedded in data. Candy (1989) suggests that the number of paradigms proposed by researchers can be grouped into three main taxonomies namely;

4.3.1 Positivist paradigm

The positivist paradigm is grounded in what is referred to as the scientific technique of investigation. Crook and Garratt (2005) state that the only foundation for understanding human behaviour and the valid way of expanding human understanding is through experimentation and observation.

4.3.2 Critical paradigm

The critical paradigm deals with social justice problems in society. It aims to discuss the economic, social and political issues that lead to conflict, oppression, power struggles and structures at any level these might happen (Kivunja and Kuyini, 2017). The critical paradigm is occasionally referred to as transformative paradigm because it seeks to change societal ills and improve social justice. This paradigm adopts a transactional epistemology (whereby the researcher interacts with the participants under study), an ontology of historical realism (this relates to social oppression), a methodology that is dialogic and an axiology that accord respect to cultural values and norms (Kivunja and Kuyini, 2017).

The pragmatic paradigm is a result of arguments by philosophies who rejected the positive paradigm approach which subscribes to the school of thought that the truth about the real world can only be known by scientific methods and also rejected the interpretive paradigm approach of determining reality by social constructions of people (Kivunja and Kuyini, 2017). These philosophers believe that research should not be mono-paradigmatic as this is not a good orientation for research. Moreover, some philosophers proposed that there ought to be a world view which would provide a research methodology that is regarded as appropriate for undertaken a research study (Alise and Teddlie, 2010). Therefore, theorists proposed pragmatic paradigm that is more pluralistic and practical. It is an approach that would allow for a combination of methods that could better explain human behaviour, their lived experiences, the norms and beliefs that construct those behaviours and the consequences emanating from different behaviours of participants (Kivunja and Kuyini, 2017).

4.3.3 The Interpretivist paradigm/constructivist paradigm

Interpretive/constructivist paradigm arose from some German philosophers who studied the interpretive understanding termed hermeneutics, the philosophy of Wilhelm Dilthey and Edmund Husserl's phenomenology (Mertens, 2010). The interpretivist paradigm is concerned

about a deeper understanding of human experiences recommending that reality is socially constructed (Cohen and Manion, 1994; Mertens, 2010). The constructivist researcher holds significantly participants viewpoints of the circumstance under study and identifies the effect on the research about their experiences and background (Creswell, 2003). The constructivist generates a theory or pattern of meanings so that it is grounded on the data generated by research, unlike the positivist that begins with a theory (Creswell, 2003). For the purpose of this research, the research questions embraced interpretivist/constructivist approach in order to provide in-depth knowledge about the study area.

4.3.4 Rationale for the Research Paradigm in the Study

In addition to the proper understanding of the theory, the researcher also needs the understanding and knowledge of the relevant philosophical studies underlying the various research principles (Sekaran, 2011). In this study, such a research philosophy is reflected in the philosophy of the positivist paradigm. This paradigm plays a fundamental role in science when it comes to explaining the contribution of research to knowledge production and the formation of the human understanding of a social phenomenon.

The origin of the term "paradigm" can be found in the book by Thomas Kuhn titled *The structure of scientific revolution* (Mouton 1996).

4.4 Research Approach Types

The study adopted a mixed method approach which combines the elements of qualitative and quantitative research in a single study. The broad discussions of this approach are provided in the below discussions.

4.4.1 Quantitative Research Methodology

Quantitative research, as per Van der Merwe (1996), is a research approach gone for testing speculations, deciding actualities, exhibiting connections among factors, and anticipating results. Quantitative research utilizes techniques from the characteristic sciences that are intended to guarantee objectivity, generalisability and unwavering quality (Weinreich, 2009). This is likewise fundamental for this research as it is guided by a firm hypothetical foundation as verbalized in section three.

The systems utilized in quantitative research incorporate the irregular choice of research members from the research populace in an unprejudiced way, the institutionalized poll or mediation they get, and factual techniques used to test foreordained theories with respect to the connection between explicit factors. The researcher in quantitative research, not at all like in the subjective research where s/he is viewed as an extraordinary research instrument because of his/her dynamic support in the research procedure, is considered as being outside to the genuine research, and results are required to be replicable regardless of who directs the research. In light of this research, quantitative research was directed with network individuals from the iLembe District Municipality, especially the individuals who partake in at least one types of LED.

4.4.2 Qualitative Research Methodology

Subjective research, as indicated by Van der Merwe (referred to by Garbers, 1996) is a research approach gone for the improvement of hypotheses and comprehension. Denzin and Lincoln (2005) characterize subjective research as an arranged action which finds the spectator on the planet. It includes an interpretive, naturalistic way to deal with the world, i.e. subjective researchers consider wonders in their normal settings, endeavouring to comprehend, or translate marvels as far as the implications individuals convey to them. Subjective research infers an accentuation on the characteristics of substances, and on procedures and implications that are not tentatively inspected or estimated (Denzin and Lincoln, 2005:10). Notwithstanding quantitative overviews, the research additionally utilized meetings to gather information from the local authorities.

4.4.3 Mixed Method Approach

As demonstrated over, this research received mixed techniques research approach. Kemper, Springfield and Teddlie (2003) characterize the mixed strategies structure as a technique which incorporates both subjective and quantitative information accumulation and research in parallel shape (simultaneous mixed strategy plan in which two sorts of information are gathered and broke down in a successive frame). Bazely (2003) characterizes this technique as the utilization of mixed information (numerical and content) and elective apparatuses (insights and research), yet applying a similar strategy. It is a kind of research in which a researcher utilizes the

subjective research for one period of a research and a quantitative research for the remainder the research.

Creswell, Fetters and Ivankova (2004:7) contend that mixed techniques research is more than basically gathering both subjective and quantitative information; it suggests that information is coordinated, related or mixed at some phase of the research procedure. They further demonstrate that the hidden rationale to blending is that neither subjective nor quantitative techniques are adequate in themselves to catch the patterns and subtleties of the circumstance, in any case, when utilized in mix, both subjective and quantitative information yield a progressively total research and supplement one another. In quest for a similar contention with respect to the rationale of mixed strategies research. Johnson and Onwuegbuzi (2004:17) demonstrate that mixed techniques inquire about incorporates the utilization of enlistment which alludes to the revelation of examples, finding which includes testing speculations and theories, and kidnapping, which alludes to revealing and depending on the best arrangement of clarifications for understanding the outcomes. Sekaran (2011) condenses the upsides of mixed technique research as pursues:

- Clarity of direction, premise and substantive centre, provide guidance to the research and a sensible reason for clarification;
- Awareness of the impediments of conventional techniques as they are altered in a mixed strategies condition;
- Appropriate use and elucidation of evaluated coding from subjective information;
- Varied strategies for treatment of "blunders" or "deviances"; and
- Appropriate speculation, given a decision of test and strategies.

These advantages of mixed strategy inquire about were regarded important to accumulate adequate information for the present research. Since mixed technique looks into epitomizes quantitative and subjective methodologies, the utilization of such methodologies in the research is additionally expounded on and justified in the area underneath.

Out of all the approaches, the researcher decided to adopt a mixed methods to gain more in-depth information.

4.5 Sampling technique

4.5.1 The sample size of the Study

According to Whitley and Kite (2013: 486), the research sample refers to the group of people to which the study results are applicable. The target population of this study was fourteen. As for research sampling, Teerenstra *et al.* (2012: 45) warns that mixed method sampling requires understanding and recognition of sampling strategies used in quantitative and qualitative research. Quantitative research often uses probabilistic sampling techniques to obtain a sample more faithful to the entire population (Graff, 2009: 45). Purposive sampling techniques are mainly used in qualitative research for the selection of participants or other study units that can provide data that responds to research questions (Creswell, 2015). Due to the nature of this study, which uses both qualitative and quantitative methods, the investigator used potential (quantitative) and objective (qualitative) frameworks.

4.5.2 Data Collection Instruments

Due to its methodological approach (mixed method), the study used structured interviews and research questionnaires to collect data from the municipal officials and community members respectively.

4.5.2.1 Structured Interviews

In organized meetings, the inquiries are asked in a set/institutionalized request and the questioner will not digress from the meeting calendar or test past the appropriate responses have gotten (Sekaran, 2011:103). The researcher utilized organized meetings to request data from the local authorities. What's more, the questioner tried to comprehend the difficulties they experience and in addition the answers to those difficulties. The choice to utilize organized meetings for this research originated from Newman's (2004:88) suggestions for meetings expressing that: Simple redress of discourse: Any misconception and error can be amended effectively in a meeting due to the nearby connection between the questioner and interviewee. Advancement of relationship: A connection between the questioner and interviewee can be created through a meeting. It increments shared comprehension and co-activity between the gatherings.

Choice of reasonable hopeful: Suitable participants can be chosen through meetings because the questioner can know a great deal about the applicant through this procedure. Accumulation of essential data: Interviews can gather crisp, new and essential data as required. Adequate data: Sufficient data can be gathered through the meeting process in light of the fact that the questioner can make an inquiry to the respondent. Through meetings, respondents gave profitable perspectives, which helped the researcher in achieving solid ends with respect to city benefit conveyance in the iLembe District Municipality.

4.5.2.2 Questionnaires

A poll is a shape containing an arrangement of inquiries, particularly routed to a factually huge number of subjects, and is a method for social affair data for a study. It is utilized to gather factual data or feelings about individuals. Hornby, Crowther and Kavanagh (1997:952) characterizes a poll as a composed or printed rundown of inquiries to be replied by various individuals, particularly as a major aspect of an overview. With the end goal of this research, the survey shaped my second information gathering strategy, as its substance was guided by the writing investigated. Help from the Statistics Department at the University of Pretoria was looked for, especially to get guidance with respect to the legitimacy of things for measurable purposes. The poll secured four factors, to be specific: personal subtleties, general data of the business, business financing data and future field-tested strategies/programs.

4.5.3 Sampling Procedures

Research testing alludes to the objective populace being explored. Zikmund (2003:13) states that, if the sample is sufficient, it will have similar attributes of the populace; and the discoveries are generally used to make inferences about the populace (Field, 2009). In addition, examining systems are techniques that are utilized to choose an sample from the populace by diminishing it to an increasingly sensible size (Saunders, Lewis and Thornhill, 2007). As per de Leeuw (2008), these testing methods are utilized when deductions are made about the objective populace. There are two fundamental testing systems (Zikmund, 2003; Saunders, Lewis and Thornhill, 2007):

4.5.3.1 Non-Probability Sampling

This alludes to objects that are chosen, in view of the judgment of the researcher and normally, speculations from this strategy are conceivable, in spite of the fact that not by utilizing factual systems. As indicated by de Leeuw (2008), measurable inductions are not suitable when non-likelihood testing is the system utilized. The non-likelihood testing likewise takes numerous structures (Zikmund, 2003):

- Convenience inspecting (heedless testing): This is the determination of the units that are most advantageous for the researcher however makes it hard to observe if the picked test is illustrative of the populace.
- Quota examining: The populace is partitioned into various gatherings that have comparative attributes; the units are then taken from every subgroup. This is a non-irregular system that is typically utilized for meetings.
- Sampling for this Study: In this research, the Non-Probability Quota testing technique was utilized for the improvement of the GSSQS scale.

4.5.3.2 Probability Sampling

This alludes to the likelihood that each protest in the objective populace could be chosen, and more often than not, the possibility of choosing one question is equivalent to the shot of choosing some other protest. This technique is typically utilized with reviews, and speculations about the populace are gotten from the example. Likelihood inspecting has four imperative components. Right off the bat, the testing outline which alludes to the populace under scrutiny. Furthermore, to choose a fitting example measure, the bigger the example the more precise the speculations about the populace. Thirdly, a high reaction rate is vital, in light of the fact that the higher the reaction rate, the more delegate the example is of the populace. At last, to choose the best testing procedure for the research from the accompanying:

- Simple Random: Each unit in the populace has a similar possibility of being chosen. This should be possible by allocating numbers to each question in the populace and after that drawing a number indiscriminately.

- Systematic Sampling: The beginning stage is haphazardly chosen and after that, each third, fourth thing and so on is chosen.
- Stratified Sampling: The populace is partitioned into strata (gatherings) that have comparable qualities and afterwards tests are drawn from each gathering.
- Cluster Sampling: The populace is isolated into gatherings (bunches), which is like the stratified inspecting, however in this strategy, there are characteristic groupings of the populace.
- Multi-Stage Sampling: This is additionally called multi organize bunch tests which are like the group examining, yet in this example, the examples are taken at various stages from the diverse groups.

With the end goal of this research, the researcher utilized basic arbitrary and stratified testing. These samplings were chosen based on their adaptability in coming to an adequate a number of subjects in a fair-minded way.

4.6 Data Analysis

Onwuegbuzie and Teddlie (2003) express that while examining subjective and quantitative information inside a mixed techniques system, researchers experience something like seven phases which is the strategy that received in this research.

Topical Analysis was utilized as it is the most widely recognised type of research data analysis in subjective research. It accentuates pinpointing, looking at and recording examples (or "topics") inside information (Rubin and Rubin, 1995). Subjects are designs crosswise over informational collections that are imperative to the depiction of a wonder and are related to an explicit research question (Spradley, 1999:202). Interwoven with conceptualisation, Braun and Clarke (2006:29) express that topical research is an arrangement of "distinguishing, dissecting and detailing designs (subjects) inside information". It negligibly composes and depicts your informational index in (rich) detail. In any case, oftentimes, it goes more distant than this and translates different parts of the research point. For this research, the key subjects or factors that educated the information research advanced around the issues of the Development Agency

making work openings in the iLembe District Municipality, for example, those issues that relate to the advancement of LED. The information research of the quantitative research was broke down through the Statistical Package for Social Science (SPSS). As indicated by Kelleher and Kelleher (1998:63), SPSS is a logical and PC based program that can be utilized to perform information passage and research and to make tables and diagrams. In accordance with this research, the SPSS research procedure was fundamental in understanding quantitative information. The SPSS research gave the conventional qualities of these business visionaries, for example, age, sex, work status, instructive foundation. Besides, it requested their recognitions about the elements influencing the development of LED within iLembe District.

4.7 Ensuring Validity and Reliability

As this research involves the utilization of both subjective and quantitative research information, the ideas used to express legitimacy and unwavering quality are more extensive than those customarily connected with quantitative research. When working with subjective information, the ideas of reliability, steadfastness, transferability and validity are additionally utilized. As indicated by MacMillan and Schumacher (2001:407), legitimacy is how much the translation and ideas have common importance between the members and the researcher. With the end goal of this research, the information assembled through subjective reviews (interviews) was tried against the writing and speculations of economic advancement. This was basic in achieving solid outcomes about the role of iLembe Enterprise Development Agency in making an economic base for poor communities.

Unwavering quality, then again, as indicated by Silverman (2004:285) is how much the discoveries of the research are autonomous of unintentional conditions. It is firmly identified with guaranteeing the nature of field notes and ensuring the free to the procedure of production of research results. Joppe (2001:1) characterizes unwavering quality as the degree to which results are predictable after some time, and are a precise portrayal of the aggregate populace under research. On the off chance that the aftereffects of a research can be duplicated under a comparable philosophy, at that point the instrument is viewed as solid. The discoveries for the present research affirmed the issues radiating from the writing overview.

4.8 Ethical Considerations

In plotting the significance of the moral code controlling human research, Clough and Nutbrown (2002:84) keep up that: ...so as to comprehend, researchers must be more than in fact able. They should go into babbled affections, public themselves to their subjects, feeling universes, regardless of whether these universes are amicable to them or horrendous. They should stand up to the duality of spoke to an experienced self all the while, both tangled, and both genuine. In applying Clough and Nutbrown's view over, the researcher of the present research thought about this and ensured the emotions, welfare and privileges of the members (see Annexure 6 for a duplicate of the moral leeway testament from the Ethics Committee at the University of KwaZulu-Natal). In accordance with the tenets and controls of the University concerning directing research utilizing human subjects, the accompanying moral contemplations were considered over the span of the research. These contemplations connected to both the quantitative and subjective research segments of this research. Secrecy alludes to the treatment of data concerning the respondents in a secret way. Respondents were guaranteed that their names would be managed in the strictest certainty. This angle incorporates the guideline of trust in which the researcher guaranteed the members that their trust would not be misused for individual gain. The guideline of intentional cooperation was disclosed to the respondents and they were likewise educated that they had the privilege to pull back from the research whenever. The guideline of educated was joined to the surveys and verbally disclosed to the interviewees. The two standards involved clarifying the research procedure and its motivations to the members.

4.9 Data Analysis and interpretation

Data analysis is described as the process of bringing meaning and structure to the data collected. It is referred to as ambiguous, and time-consuming due to the different stages of collecting data, generating themes and codes, analysing and interpreting data to actually make sense of the research questions (Marshall and Rossman, 1999). The study made use of thematic analysis to analyse data, transcripts were written out, coded and themes generated. Thematic analysis aims to identify reoccurring themes from the respondents, created patterns that answer the research questions (Maguire and Delahunt, 2017).

4.9.1 Quantitative analysis

Qualitative data deals with searching for general statements about relationships among categories of data (Marshall and Rossman, 1999). Nieuwenhuis (2007:99-100) states that, “qualitative data analysis tends to be an ongoing and iterative process, implying that data collection, processing, analysis and reporting are intertwined, and not necessarily a successive process.” Qualitative analysis does not require following one process of what a standard analysis entails, but on the contrary, quantitative analysis that conducts data analysis after data collection. Qualitative analysis process varies and it can be conducted right from when the first data is collected, or during data collection and also it can be conducted after data collection. This method of analysis is reliable makes analysis process flexible and easier for the researcher. It is reasonably cheaper and allows for speed in the analysis process.

4.9.2 Qualitative presentation

The findings from data collected were presented and analysed for the purpose of documenting the nature of trade and invest dynamics at Enterprise iLembe. Most importantly it was to recommend ways of improving trade and investment. Findings were presented to meet the specific objectives for the study by using direct quotes from participants, summary tables and theory from literature to support findings. The narratives were subjected to thematic analysis to extract popular and contradicting responses useful to support the study.

4.10 Permission to Conduct a Study

The researcher acquired composed consent from the Municipal Manager of the iLembe District Municipality so as to guarantee that the research procedure is a legitimate exercise. The letter of authorization is given in annexure 1

4.11 Pilot Study

According to Jariath et al. (2000), a pilot study is a small-scale methodological test conducted to prepare for the main study. A researcher is bound to make mistakes by writing ambiguous and misleading questions that might produce undesired responses or no responses at all. Therefore, the primary goal of conducting a pilot study is to provide a researcher with the

opportunity to make revisions and adjustments in the research instruments (Leedy and Ormrod, 2005). Prior to conducting the main interviews, five employees were randomly selected just to test the researcher's abilities in carrying out a research interview. This section prepared the researcher for the main interviews and being that it is the researcher's first experience as a researcher, it opened up areas to adjust and exposed the researcher on how to pose questions in a way to get detailed answers and how to treat and respect participants in the process of conducting the interviews.

4.12 Conclusion

This part has concentrated on the research structure and technique that support this research. Definite data with respect to the mixed techniques plan, its beginnings, its importance to this research and its general attributes, was investigated in this part. The accompanying sections expand on from the methodological recommendations made in this part by utilizing the proposed information introduction and research ways to deal with a break down the quantitative and subjective information.

CHAPTER FIVE

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

5.1 Introduction

This section exhibits the information gathered from respondents as self-managed polls and semi-organized meetings. Ten respondents took an interest in the quantitative research and four respondents partook in up close and personal meetings. Methods for tables and bar graphs are utilized present and analyse the qualitative data. For qualitative analysis, themes were generated from the data and arguments in the analysis will be supported direct quotes by the respondents and summarised statements from respondents.

5.2 Reliability and validity of results

Unwavering quality alludes to regardless of whether the outcomes can be viewed as dependable (Babbie and Mouton, 2001) and whether, if a similar research was to be led by an alternate group, the outcomes would be the equivalent or not. Consequently, this research was arranged dependent on rules from different research approach creators (Cooper and Schindler, 2008; Babbie, 2001). Cronbach's Alpha is a test to decide the legitimacy dimension of the poll. A dimension above 0.7 is viewed as satisfactory to proclaim an inquiry/survey legitimate (Pallant, 2007:121). In spite of the fact that Pallant proceeds to state that, with scales with less than ten things, usually to discover bring down qualities, even as low as 0.5, in this way Cronbach Alpha was directed on the poll and the outcomes are as per the following. The specialist likewise performed and displayed the Cronbach Alpha underneath to test the dependability of reactions.

Table 5.1 Reliability test

Cronbach's Alpha	No of Items
802	30

The Cronbach Alpha is 802 for 30 things. This demonstrates a solid inward consistency among the 30 things. This hence implies the respondents who happened to choose high scores for one thing likewise chosen high scores for the others; and respondents who chose a low score, for

one thing, chose low scores for alternate things too. Subsequently, by knowing the reaction, for one thing, would empower one to foresee with some exactness the conceivable scores for alternate things.

5.3 Participants characterisation

Table 5.1 shows a balance in terms of municipality employee participant representation in the quantitative questionnaire exercise. Municipal participants were there to balance the panel and give an opinion with a policy bearing since the policy emanates from the municipalities. Fifty percent of the questioners exercise participants were from Enterprise iLembe because it is the organization of focus in this study. Gender equality was attained, as there is equal representation of while in terms of race eighty percent is black, with 10 percent being white and 10 percent being Indian.

Table 5.2 Participants of quantitative questionnaire exercise

Respondent	Employer	Race	Gender
Respondent 1	ILembe District Municipality	Black	Female
Respondent 2	Ndwedwe Local Municipality	Indian	Male
Respondent 3	Mandeni Local Municipality	African	Male
Respondent 4	Maphumulo Local Municipality	African	Male
Respondent 5	KwaDukuza Local Municipality	White	Male
Respondent 6	Enterprise iLembe	African	Female
Respondent 7	Enterprise iLembe	African	Female
Respondent 8	Enterprise iLembe	African	Male
Respondent 9	Enterprise iLembe	African	Female
Respondent 10	Enterprise iLembe	African	Female

Table 5.2 shows the characterization of the interview participants. Interview participants were selected mainly from Enterprise iLembe, as it is the focus organization. Respondent 3 works for both Enterprise iLembe and the district municipality. He was chosen as he would most likely have a better overall view of policy and implementation. It is important to note that these individuals were in management and hence could see the bigger picture and had more understanding of the situation on the ground.

Table 5.3 Participants of qualitative interview exercise

Respondent	Employer	Race	Gender
Respondent 1	Enterprise iLembe	African	Female
Respondent 2	Enterprise iLembe	African	Male
Respondent 3	Enterprise iLembe and iLembe District Municipality	African	Male
Respondent 4	Head of Department	African	Female

5.4 Quantitative data analysis

Section A: Enterprise iLembe mandate and operations

QUESTION 1: Trade and investment promotion in iLembe District.

In this question, respondents were asked to indicate whether or not trade and investment are well understood in their work place.

Table 5.4 Trade and investment promotion responses

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	1	10.0	10.0	10.0
Neutral	2	20.0	20.0	30.0
Agree	5	50.0	50.0	80.0
No Response	2	20.0	20.0	100.0
Total	10	100.0	100.0	

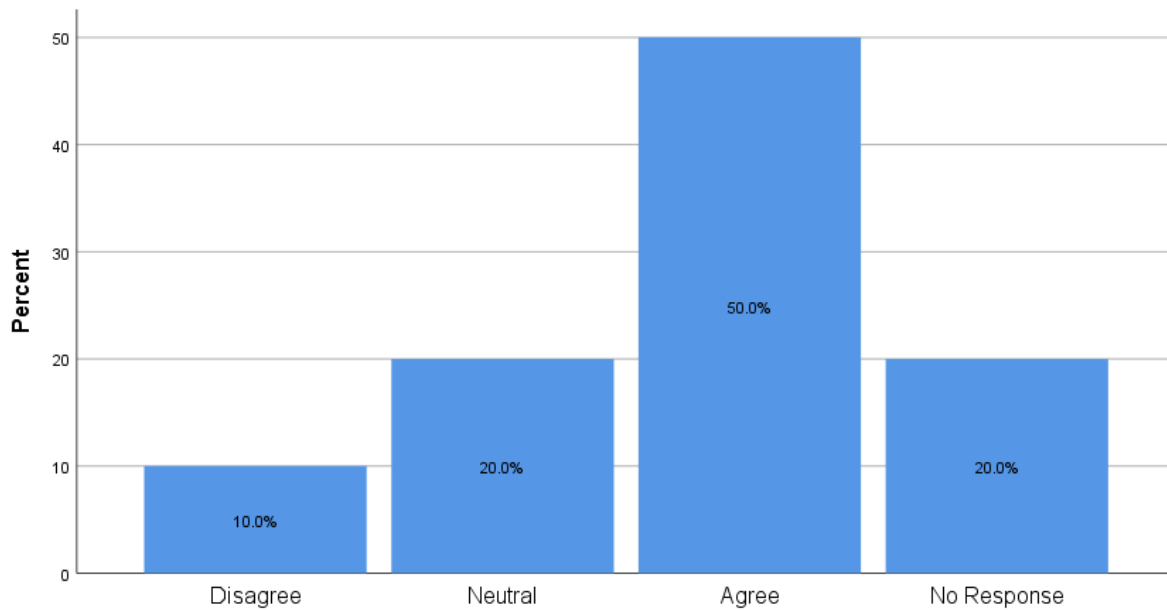


Figure 5.1 Trade and investment promotion

Table 5.4 and Figure 5.1 show that five (50 %) of the respondents concurred that trade and investment promotion were well understood in their work place. Two (20%) were neutral, two (20%) did not respond and one (10%) oppose this idea. This result is interesting in that half of the respondents did not positively confirm that trade and investment promotion was well understood. This gives the notion that half of the individuals working in trade and investment related local economic development, in municipalities and at Enterprise iLembe, did not completely understand the specifics, dynamics and importance of the a core mandate of Enterprise iLembe.

This result is in synch with Rogerson (2009) who noted that LED in SA was filled with too rhetoric and not enough action and understanding.

QUESTION 2: Trade and investment management need.

In this question, respondents were asked to indicate whether or not trade and investment management is a necessity within their Enterprise iLembe

Table 5.5 Trade and investment management need responses

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	3	30.0	30.0	30.0
Strongly Agree	5	50.0	50.0	80.0
No	0	0	0	80
No Response	2	20.0	20.0	100.0
Total	10	100.0	100.0	

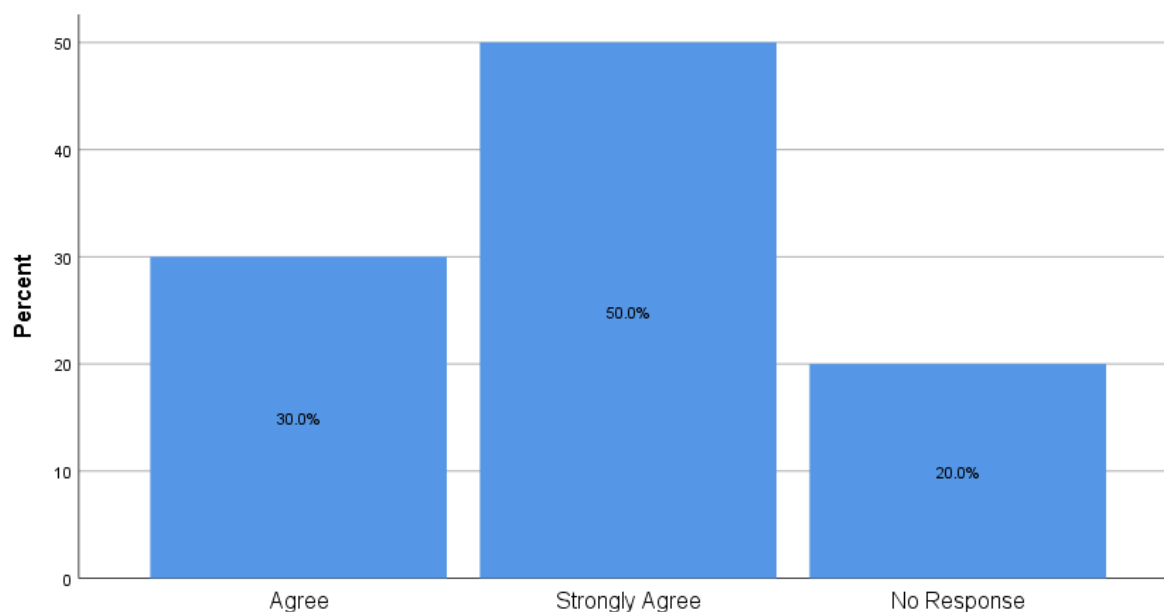


Figure 5.2 Trade and investment management need responses

Table 5.5 and Figure 5.2 demonstrate that two (20%) respondents did not answer the inquiry. Five respondents (50%) that firmly concur and three (30%) concur on the need for trade and investment management. Two respondents (20%) did not respond to the question. A majority of the respondents, 80% agree to the need of trade and investment management though to varying degree. It is important to note that there were no outright **NO** answer. This implies that trade and investment management is an important and necessary component of municipalities and Enterprise iLembe standard operation procedure.

QUESTION 3: Trade and investment management isolation

Respondent was asked whether trade and investment within their organisation is conducted separately and is compartmentalised

Table 5.6 Trade and investment management isolation responses

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	1	10.0	10.0	10.0
Agree	6	60.0	60.0	70.0
Strongly Agree	1	10.0	10.0	80.0
No Response	2	20.0	20.0	100.0
Total	10	100.0	100.0	

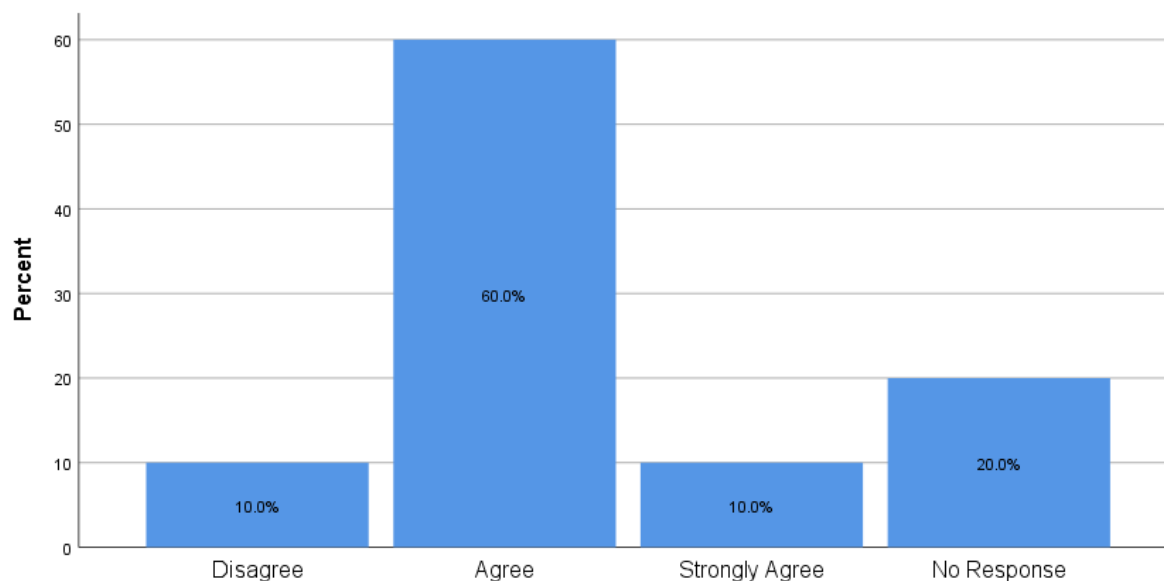


Figure 5.3 Trade and investment management isolation responses

Table 5.6 and Figure 5.3 show that two (20%) did not react to the inquiry. Six respondent (60%) out of the 8 that reacted concur that trade and investment inside the municipalities and at Enterprise iLembe is conducted separately and is compartmentalised. One respondent (10%) emphatically concur and one (10%) unequivocally oppose this idea. Seven respondents (70%) agree of the compartmentalization of trade and investment. This give problems as trade and

investment should be coordinated with other social and environmental local development concepts

QUESTION 4: Awareness of trade and investment initiatives

Respondents were asked whether all departmental members are aware of trade investment initiatives tasked by the department.

Table 5.7 Awareness of trade and investment initiatives responses

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	2	20.0	20.0	20.0
Agree	3	30.0	30.0	50.0
Strongly Agree	3	30.0	30.0	80.0
No Response	2	20.0	20.0	100.0
Total	10	100.0	100.0	

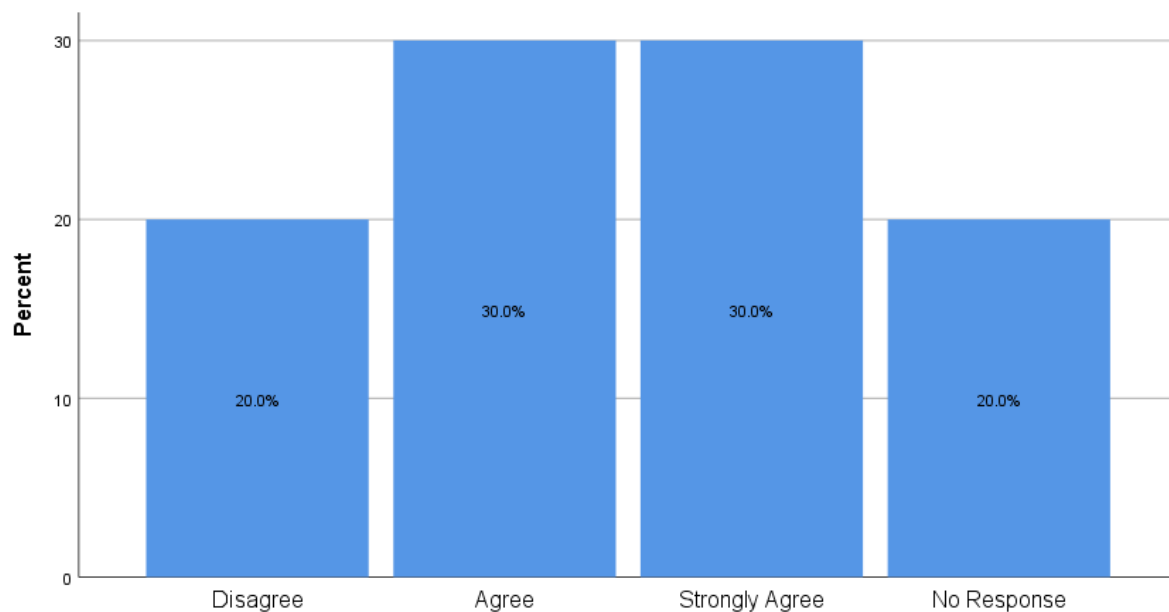


Figure 5.4 Awareness of trade and investment initiatives responses

Table 5.7 and Figure 5.4 show similarity to Table 5.4 and Figure 5.1 as they show related concepts. The link is that you cannot prompt initiatives you do know about.

Table 5.7 and Figure 5.4 demonstrate that eight respondents (80%) reacted to the inquiry. Six (60%) responded positively to the question, with three (30%) emphatically concur and another three (30%) concur that every single departmental part knows about trade venture activities entrusted by the division. Two respondents (20%) did not responded, while the remaining 2 respondents responded negatively. A 20% negative response to awareness of a key mandate be it from the policy (municipality) or implementation (Enterprise iLembe) side is worrying as it could result in lack of effectiveness.

The finding that at least 20% of the respondents showed no knowledge of the trade and investment initiatives in their departments is in contrast to Nene (2015: 51) who asserts that there is efficiency in the LEDAs he studies, Enterprise I Lembe was one of the LEDAs.

QUESTION 5: Uncertainties and risk factors

The respondents were asked whether or not their department considers uncertainties in addition to risk factors.

Table 5.8 Uncertainties consideration in respective organisations responses

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	1	10.0	10.0	10.0
Neutral	1	10.0	10.0	20.0
Agree	4	40.0	40.0	60.0
Strongly Agree	2	20.0	20.0	80.0
No Response	2	20.0	20.0	100.0
Total	10	100.0	100.0	

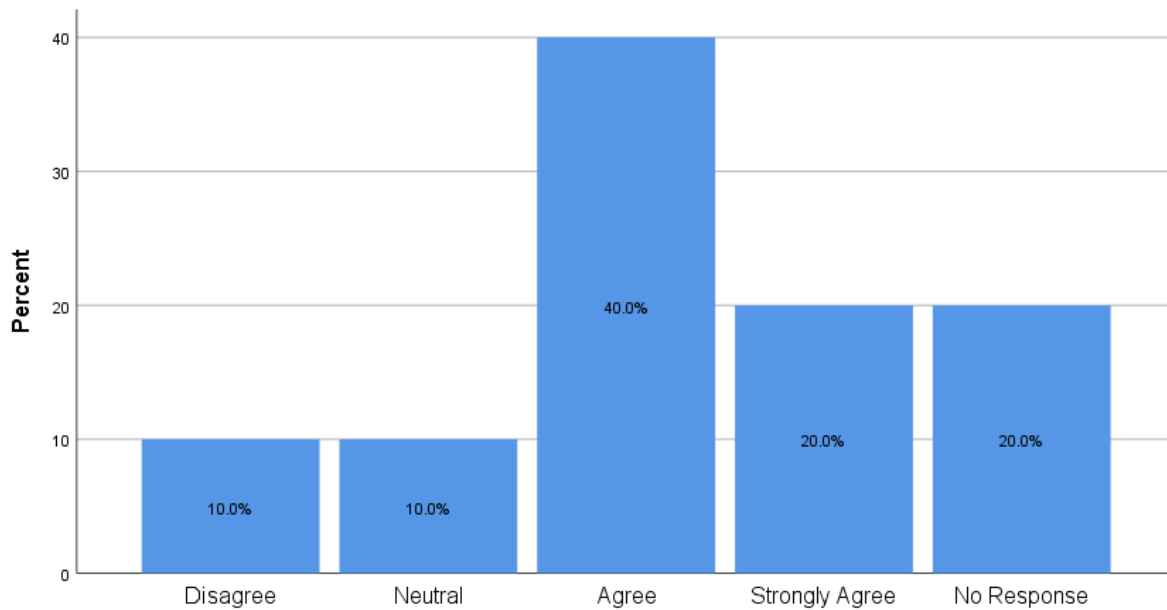


Figure 5.5 Uncertainties consideration in respective organisations responses

Eight respondents reacted to the inquiry, according to Table 5.8 and Figure 5.5. Four respondents (40%) consent to the way that their organisation thinks about vulnerabilities and uncertainties in trade and investment , two respondents (20%) strongly agree, one respondent (10%) disagrees that uncertainty is considered and one respondent (10%) was neutral nonpartisan. Two respondents (20%) did not react to the inquiry. Uncertainty is an important variable in operations of organisations and 60% response agreeing that uncertainty is considered in operations is a good indicator of good operational procedure.

QUESTION 6: Other trade and investment initiatives information

Respondents were asked whether or not they are well informed about other trade and investment initiatives administered by the organisation, besides those in their own organization/department initiatives.

Table 5.9 Other trade and investment initiatives information responses

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Neutral	1	10.0	10.0	10.0
Agree	6	60.0	60.0	70.0
Strongly Agree	1	10.0	10.0	80.0
No Response	2	20.0	20.0	100.0
Total	10	100.0	100.0	

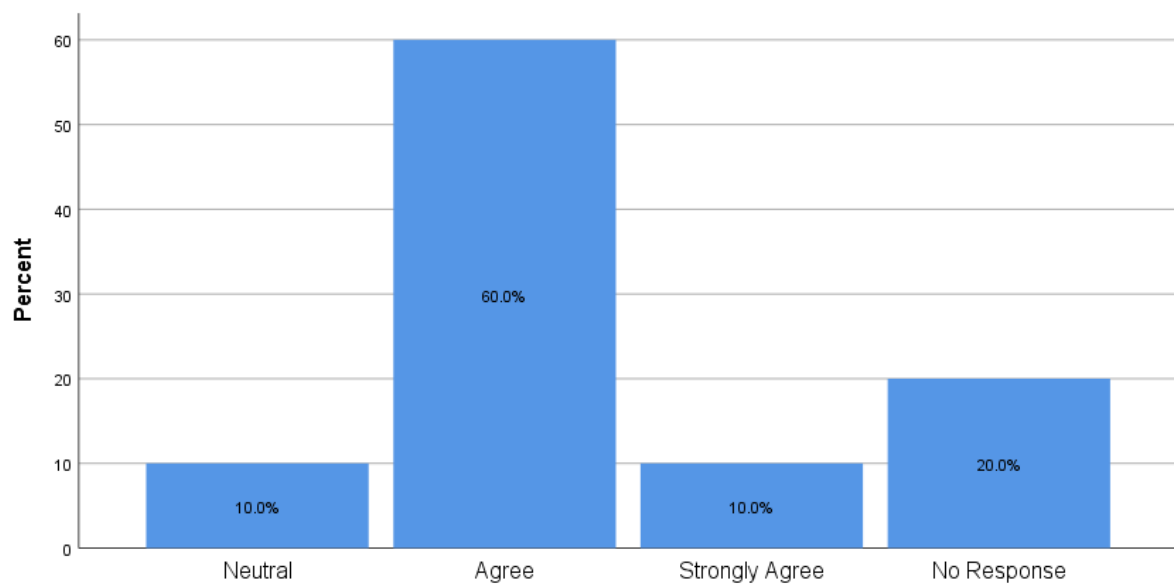


Figure 5.6 Other trade and investment initiatives information responses

Table 5.9 and Figure 5.6 show that six respondents (60%) concur that they are very much educated about different trade and investment activities. One respondent (10%) firmly concur, one (10%) was neutral and two (20%) did not react. 70% of the respondent were aware of trade and investment initiatives in other meaning that is good vertical and side ways communication between organisations and departments

QUESTION 7: Trade and investment policy protocols and procedures

The respondents were asked whether or not they are aware of the organisation’s trade and investment policies, protocols and procedures.

Table 5.10 Trade and investment policy protocols and procedures responses

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	2	20.0	20.0	20.0
Agree	4	40.0	40.0	60.0
Strongly Agree	2	20.0	20.0	80.0
No Response	2	20.0	20.0	100.0
Total	10	100.0	100.0	

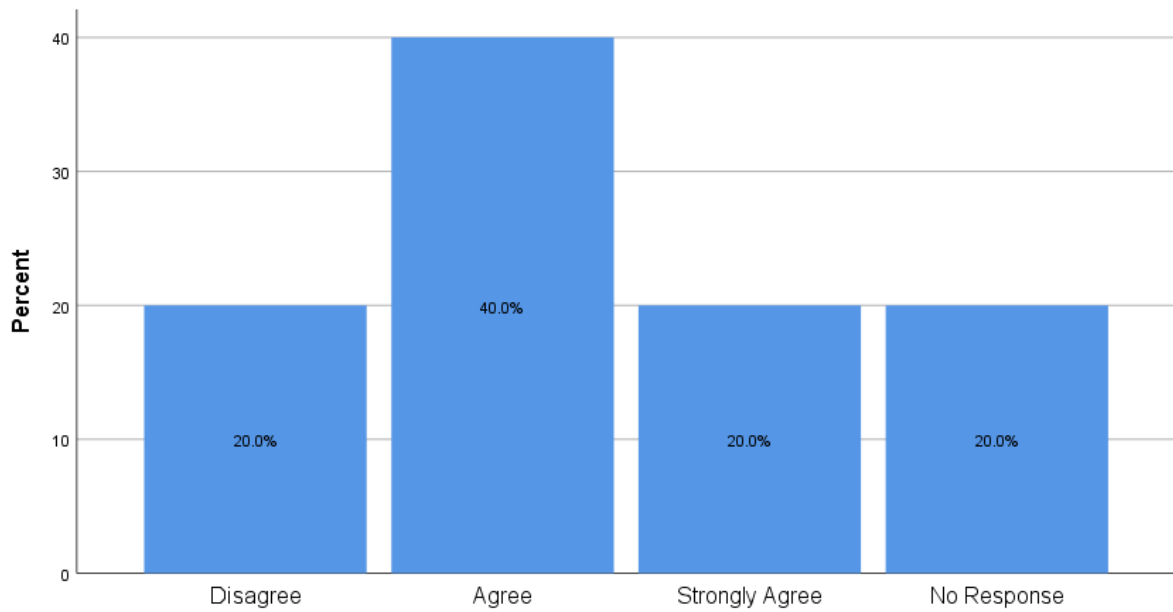


Figure 5.7 Trade and investment policy protocols and procedures responses

Six respondents (60%) were sure about policy protocol and procedures, as seen in Table 5.10 and Figure 5.7, with four (40%) agreeing and two respondent (20%) strongly agreeing. Two respondents (20%) showed that they did not agree that there was clear policy and procedural knowhow. Two (20%) did not react.

QUESTION 8: Management driven protocols

The respondent was asked whether or not the current trade and investment protocols are driven by management.

Table 5.11 Management driven trade and investment protocols responses

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	1	10.0	10.0	10.0
Agree	7	70.0	70.0	80.0
Strongly Agree	2	20.0	20.0	100.0
No Response	0	0	0	1000
Total	10	100.0	100.0	

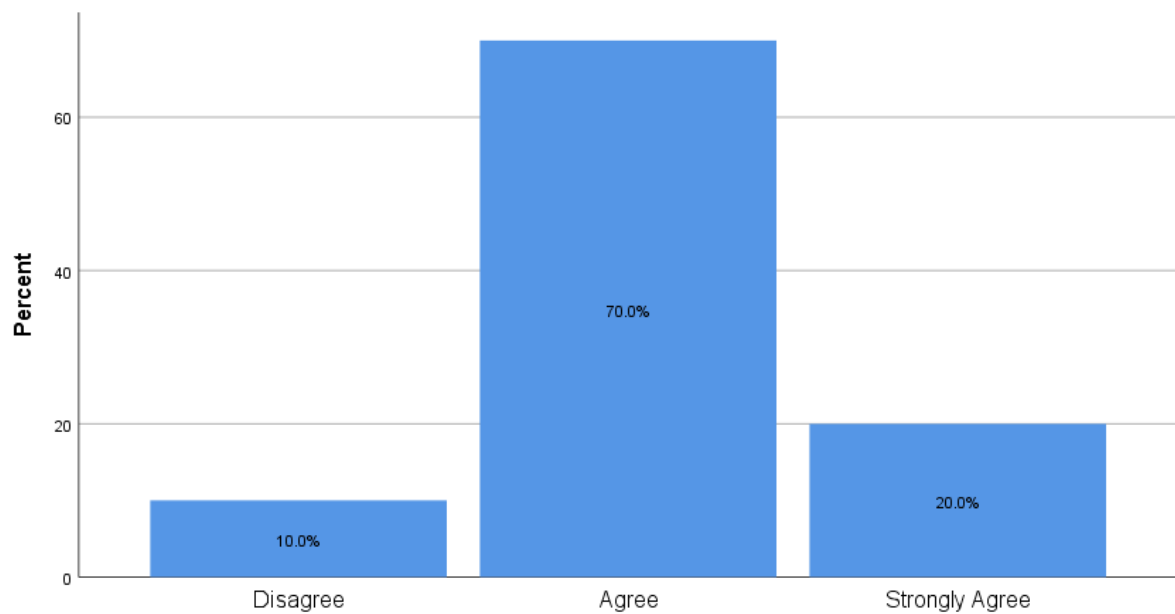


Figure 5.8 Management driven trade and investment protocols responses

Question 8 is the first question to have all its respondents respond as shown by Table 5.11 and Figure 5.8. A total of seven respondent (70%) concur that the current trade and investment conventions are driven by the executives, two respondents (20%) firmly agree while one respondent (10%) oppose this idea. This finding firmly establishing the role management plays in trade and investment as a driver of procedures associated with trade and investment. This then begs the question of whether management is “qualified” enough to provide the right protocols to promote and sustain trade and investment

QUESTION 9: Trade and investment value creation

The respondents were asked whether the current trade and investment programs in their organisation result in value creation for all stakeholders if followed consistently.

Table 5.12 Trade and investment value creation responses

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Neutral	2	20.0	20.0	20.0
Agree	6	60.0	60.0	80.0
Strongly Agree	2	20.0	20.0	100.0
No Response	0	0	0	100
Total	10	100.0	100.0	

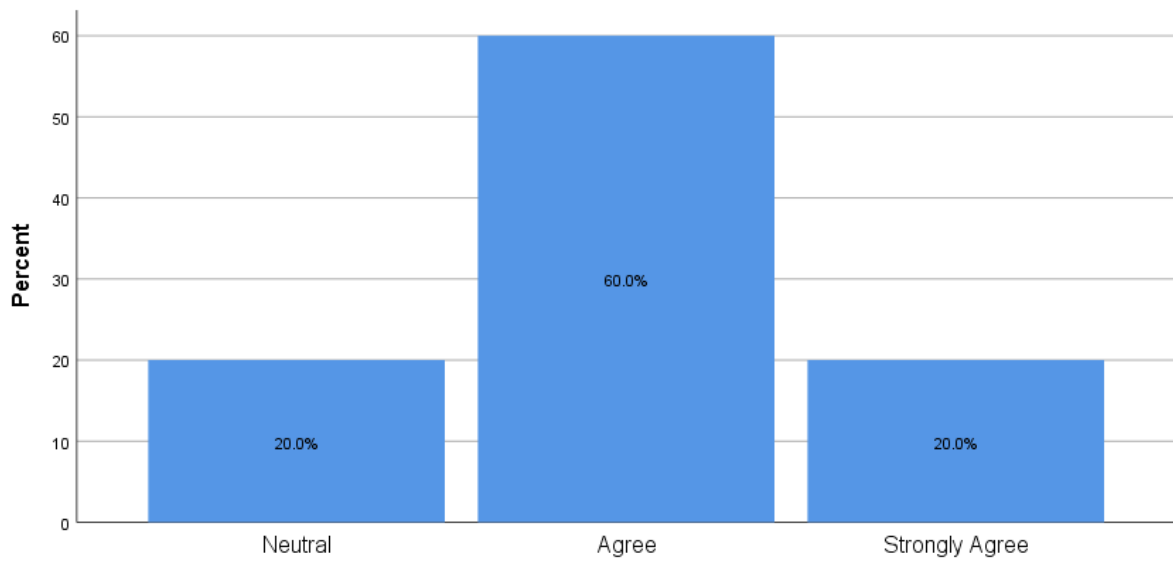


Figure 5.9 Trade and investment value creation responses

Table 5.12 and Figure 5.9 show that six respondents (60%) concur that the current trade and investment programs in their organisations result in value creation for all partners if pursued persistently, two respondents (20%) firmly agree and two respondents (20%) were neutral about the inquiry. This response shows that there is employee consensus that the current models are effective in promoting trade and investment as stakeholders benefit.

QUESTION 10: Safeguarding trade and investment from risks and uncertainties

The respondents were asked whether the organisation quantifies all risks and uncertainties to defend or safeguard all aspects of trade and investment.

Table 5.13 Safeguarding trade and investment from risks and uncertainties responses

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Neutral	2	20.0	20.0	20.0
Agree	7	70.0	70.0	90.0
Strongly Agree	1	10.0	10.0	100.0
No response	0	0	0	0
Total	10	100.0	100.0	

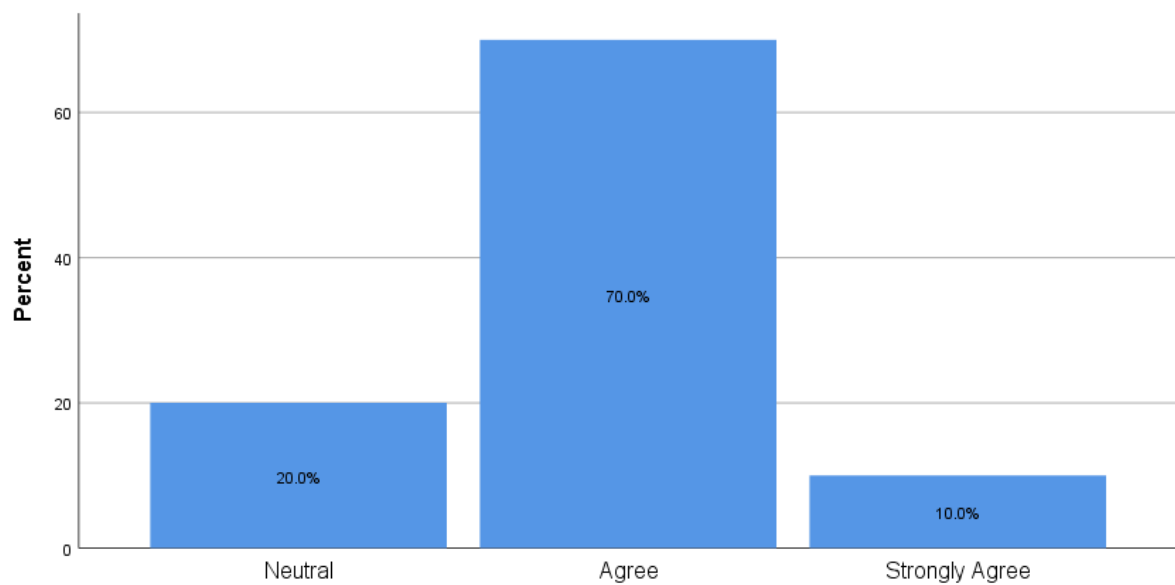


Figure 5.10 Safeguarding trade and investment from risks and uncertainties responses

Each of the 10 respondents reacted to the inquiry regardless of whether the association measures all dangers and vulnerabilities to guard or protect all parts of exchange and speculation. According to Table 5.13 and Figure 5.10, seven respondents (70%) agreed, one respondent (10%) agreed, bring the percentage which gave a positive response to 80 %. Only two respondents (20%) were impartial. The analysis of risk and uncertainties show proper systems are in place, this result is in agreement with results from question 9 were the respondents expressed 'faith' in the system and procedures to create value for stake holders

QUESTION 11: Minimizing risks

The respondents were asked whether ensuring quality at all levels will minimise risks faced by the organisation on trade and investment.

Table 5.14 Minimizing risks responses

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	1	10.0	10.0	10.0
Agree	2	20.0	20.0	30.0
Strongly Agree	6	60.0	60.0	90.0
No Response	1	10.0	10.0	100.0
Total	10	100.0	100.0	

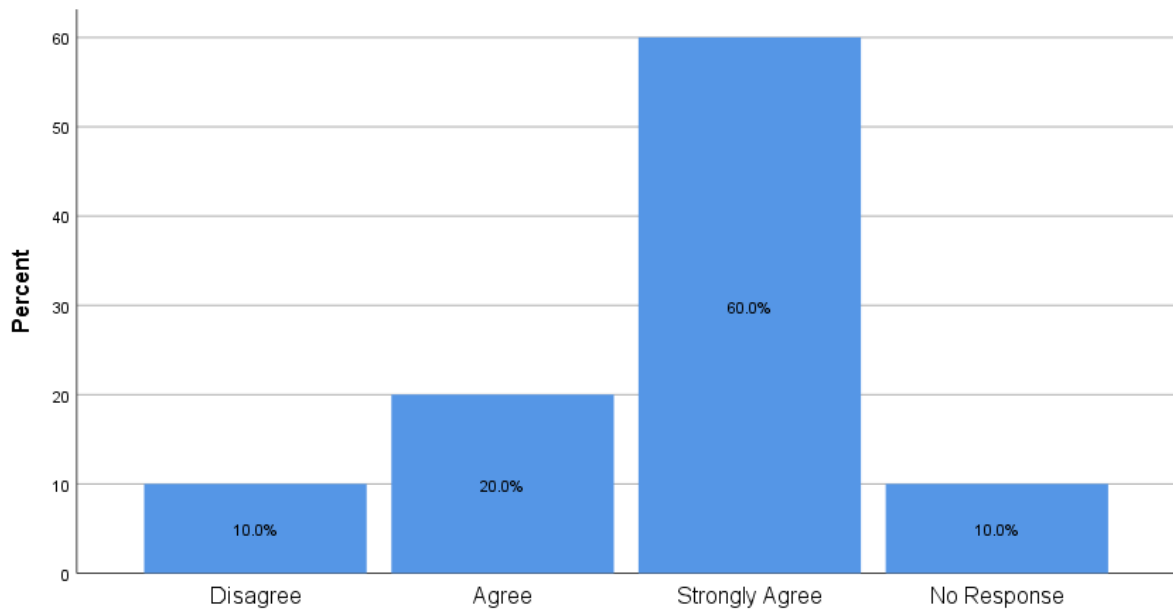


Figure 5.11 Minimizing risks responses

Table 5.14 and Figure 5.11 show that 8 respondents (80%) agree that risks can be minimized by ensuring quality service. One respondent did not react to the inquiry.

QUESTION 12: Adherence to organizational policies

The respondents were asked whether strict adherence to organisational policies would assist in promoting trade and investment.

Table 5.15 Adherence to organizational policies responses

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	1	10.0	10.0	10.0
Neutral	1	10.0	10.0	20.0
Agree	3	30.0	30.0	50.0
Strongly Agree	5	50.0	50.0	100.0
Total	10	100.0	100.0	

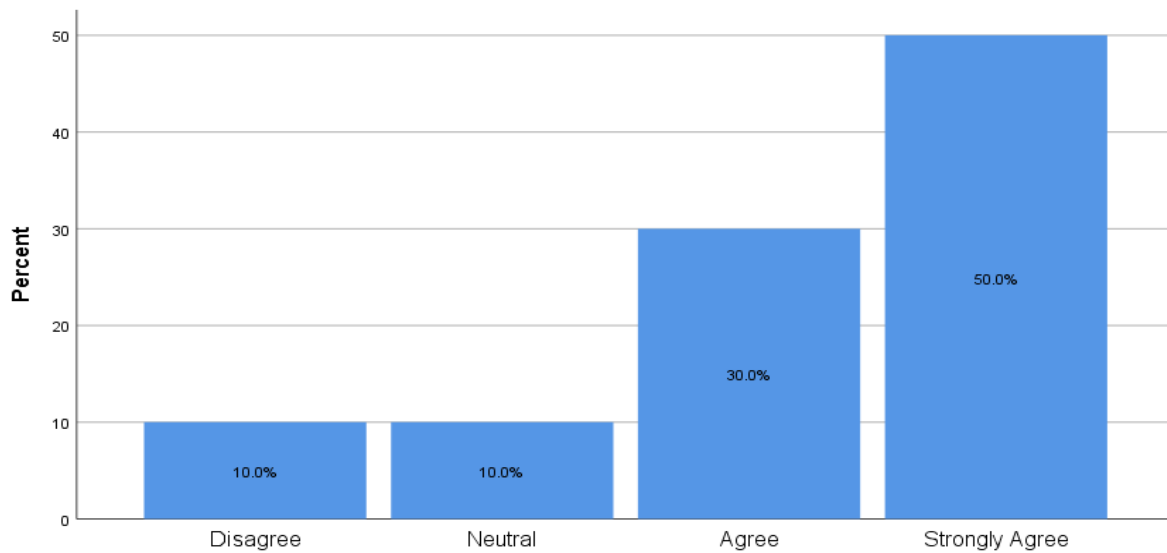


Figure 5.12 Adherence to organizational policies responses

Table 5.15 and Figure 5.12 demonstrate that all respondents reacted to the inquiry regardless of whether strict adherence to hierarchical arrangements will help with advancing exchange and venture. Five (50%) of the respondents firmly concurred, three (30%) concurred, one

dissented (10%) and one (10%) was nonpartisan. This response tally well with response form question 9, the employees of the organization believe that the system works to improve and promote trade and investment.

QUESTION 13: Governing laws and regulations

The respondents were asked whether or not the Enterprise iLembe follows all laws and regulations governing the practice of Local Authorities in South Africa.

Table 5.16 Governing laws and regulations responses

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Neutral	1	10.0	10.0	10.0
Agree	5	50.0	50.0	60.0
Strongly Agree	3	30.0	30.0	90.0
No Response	1	10.0	10.0	100.0
Total	10	100.0	100.0	

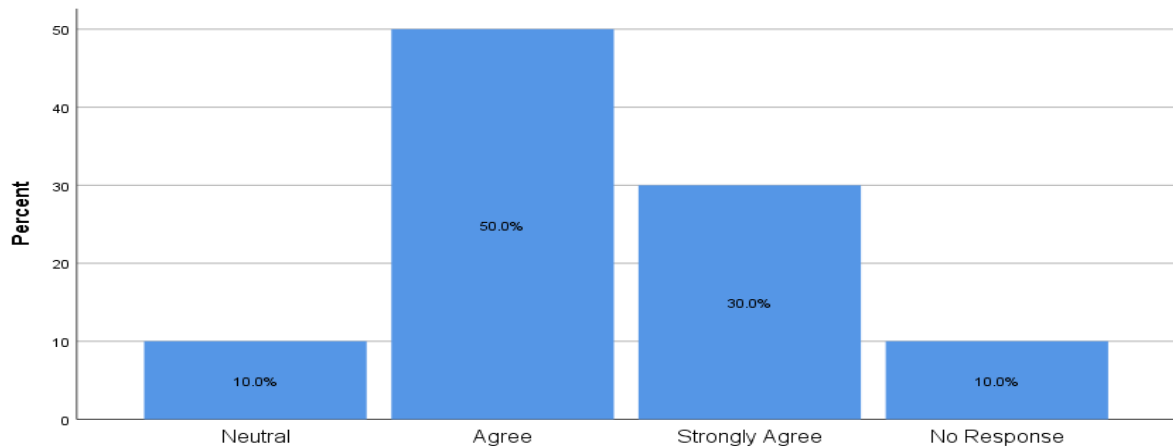


Figure 5.13 Governing laws and regulations responses

Table 5.16 and figure 5.13 show that nine respondents (90%) reacted on whether the Enterprise iLembe confirms to the act of Local Authorities in South Africa. Five respondents (50%) of the respondents agreed, three (30%) strongly, one respondent (10%) were neutral and one (10%) did not react. Being under a municipality and reporting to a board, Enterprise iLembe is bound to conform so the result is in line with what is expected.

QUESTION 14: Quality management system framework

The respondent was asked whether Enterprise iLembe has a quality management system framework.

Table 5.17 Quality management system framework responses

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	2	20.0	20.0	20.0
Neutral	2	20.0	20.0	40.0
Agree	5	50.0	50.0	90.0
Strongly Agree	1	10.0	10.0	100.0
Total	10	100.0	100.0	

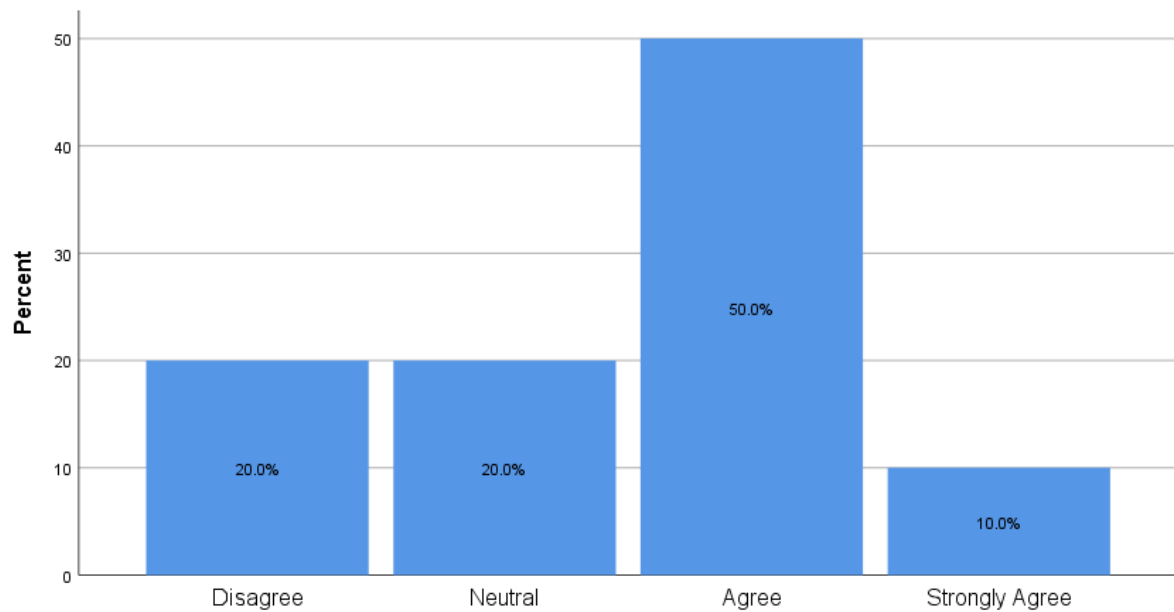


Figure 5.14 Quality management system framework responses

Table 5.17 and Figure 5.14 show that all of the 10 respondents reacted to the inquiry on the presence of a quality management framework at Enterprise iLembe. Five (50) of the respondents agreed, two respondents (20%) strongly agreed, bringing a total to 70% as the respondents who agreed. Two respondents (20%) disagreed and one respondent (10%) did not respond. Again, this shows over-whelming believe by the employees that the system is well designed and can function efficiently.

QUESTION 15: Necessity of risk department

The respondents were asked whether or not it is necessary to have a risk department since the audit department manages risk.

Table 5.18 Necessity of risk department responses

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	1	10.0	10.0	10.0
Disagree	6	60.0	60.0	70.0
Neutral	2	20.0	20.0	90.0
Agree	1	10.0	10.0	100.0
Total	10	100.0	100.0	

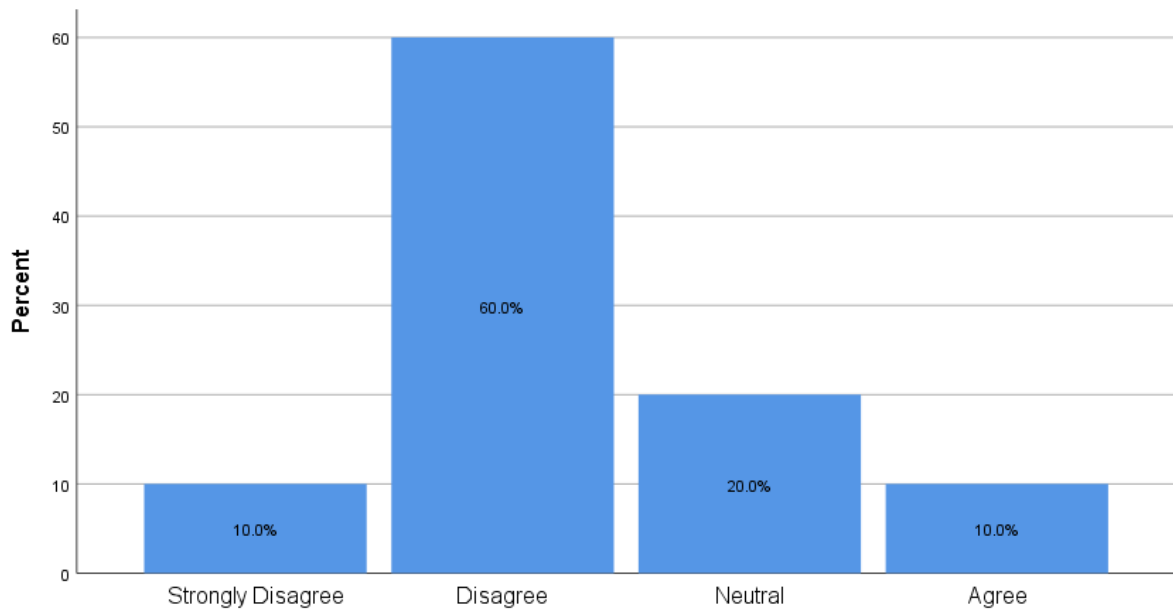


Figure 5.15 Necessity of risk department responses

Table 5.18 and Figure 5.15 show that every one of the 10 respondents reacted to the inquiry regardless of whether it is important to have a hazard division since the review office oversees chance. The outcomes demonstrate that the majority of the respondents feel that it is not important to have the risk department. Out of the 10 respondent, six (60%) showed that they disagreed, one (10%) firmly disagreed, one (10%) agreed and two (20%) were neutral. This result is linked to the response from question 10 and 11, which show that there are system already in place to anticipate and plan for risk hence there is no need for a risk department when the system already has functional mechanisms to handle risk .

QUESTION 16: Trade and investment strategy, policy and guidelines documentation

The respondents were asked whether Enterprise iLembe has a documented Trade and investment strategy, policy and guidelines.

Table 5.19 Trade and investment strategy, policy and guidelines documentation responses

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	3	30.0	30.0	30.0
Neutral	1	10.0	10.0	40.0
Agree	5	50.0	50.0	90.0
Strongly Agree	1	10.0	10.0	100.0
Total	10	100.0	100.0	

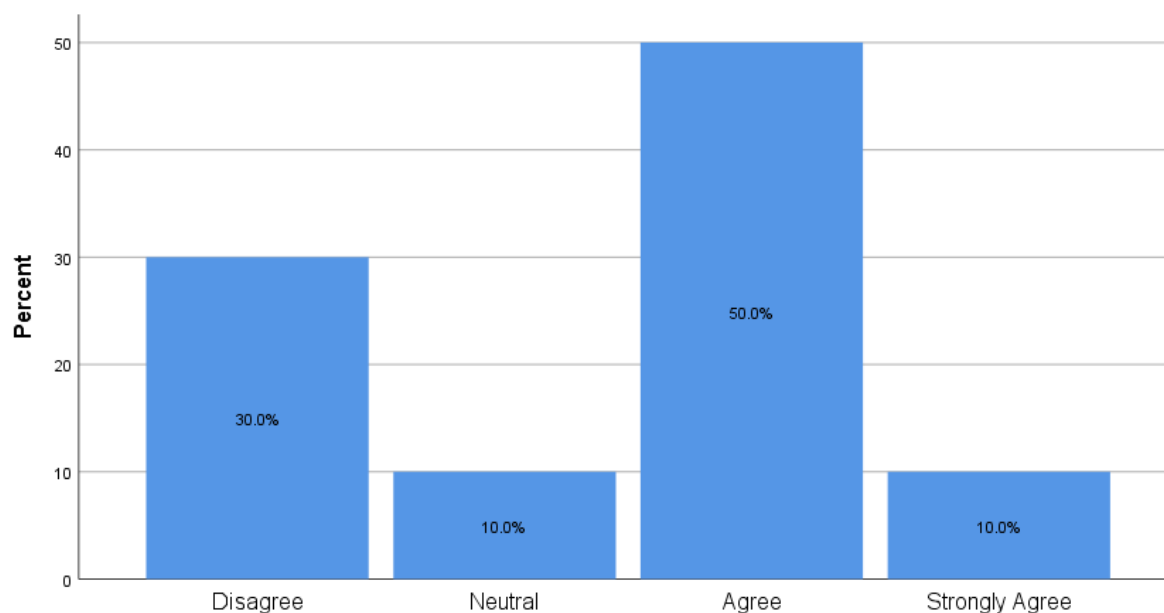


Figure 5.16 Trade and investment strategy, policy and guidelines documentation responses

Table 5.19 and Figure 5.16 show that five respondents (50%) agree that the Enterprise iLembe has a recorded trade and venture procedure, arrangement and rules and one respondent (10%) strongly agrees. This is expected as Enterprise iLembe is a local government economic policy implementer, government policy and its implementation is documented as per law. Three respondents (30%) disagree and one (10%) is neutral. The disagreeing responses could be an indication of interviews did not understanding the question or poor adherence to consistent procedure such that respondents end up thinking that there is no documented way of doing thing in the organisation.

QUESTION 17: Trade and investment training

The respondents were asked whether they often attend organisationally related trade and investment training.

Table 5.20 Trade and investment training responses

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	1	10.0	10.0	10.0
Disagree	1	10.0	10.0	20.0
Neutral	1	10.0	10.0	30.0
Agree	5	50.0	50.0	80.0
No Response	2	20.0	20.0	100.0
Total	10	100.0	100.0	

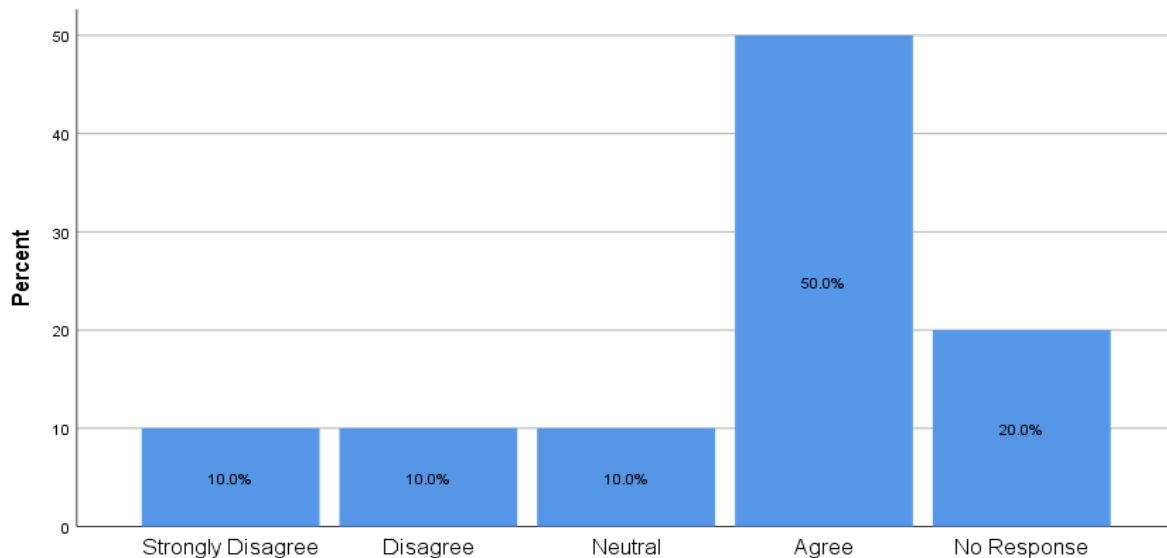


Figure 5.17 Trade and investment training responses

Table 5.20 and Figure 5.17 demonstrate that two (20%) of the respondents did not react to the inquiry regardless of whether they frequently go to the organisationally related exchange and speculation preparing. Five respondents (50%) concurred that they frequently attended training sessions. 20% disagreed that they frequently attended training sessions. This result implies that only 50% of staff can positively attest to attending training sessions frequently and hence being informed. This could result in half the work force having outdated knowledge. It is possible that the logic for having half the work force being trained frequently is that there will be lateral flow of skills and knowledge resulting in everyone benefiting from the training.

SECTION B: Successful use and implementation of iLembe Development Enterprise strategies

QUESTION 1: Commitment and support from management

The respondents were asked how much of a challenging or not is commitment and support of management to the successful use and implementation of Enterprise iLembe strategies.

Table 21 Commitment and support from management responses

Response	Frequency	Percent	Valid Percent	Cumulative Percent
Major Challenge	5	50.0	50.0	50.0
Neutral	2	20.0	20.0	70.0
Not a Challenge at all	1	10.0	10.0	80.0
No Response	2	20.0	20.0	100.0
Total	10	100.0	100.0	

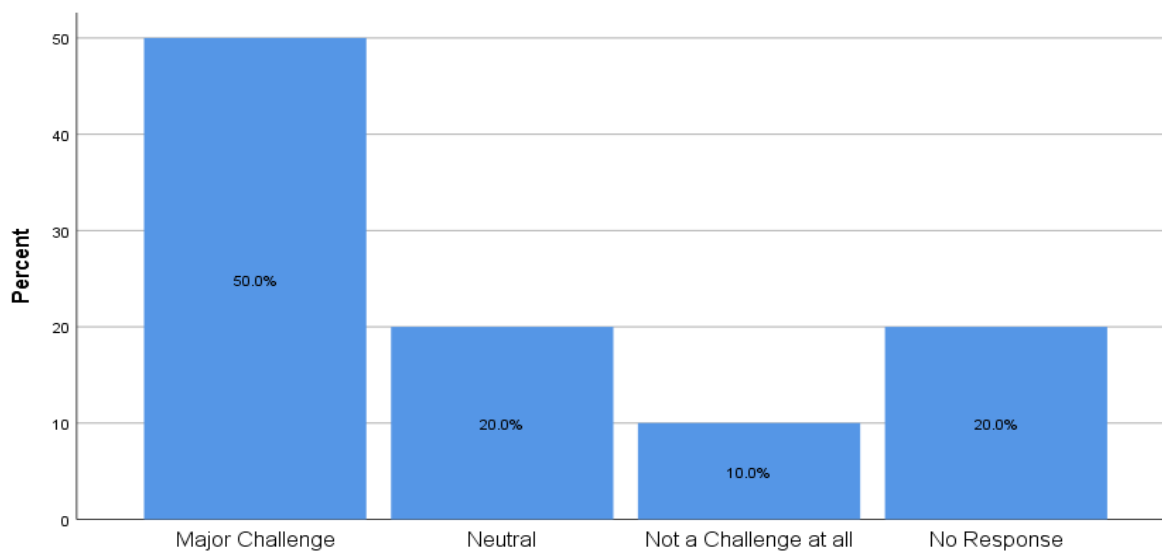


Figure 5.18 Commitment and support from management responses

Table 5.21 and Figure 5.18 demonstrate that administration responsibility and support is a major challenge in the fruitful utilize and usage of Enterprise iLembe procedures. Five (50%) of the respondents demonstrated that it is a noteworthy challenge, two respondents (20%) were neutral, one (10%) responded that it was not a challenge and two respondents (20%) did not react. A 50% response rate citing lake of managerial support means that there is weak implementation, as implementation requires the managerial/administrative will to perform.

QUESTION 2: Communication

The respondents were asked how much of a challenging or not is communication to the successful use and implementation of Enterprise iLembe strategies.

Table 5.22 Communication responses

	Frequency	Percent	Valid Percent	Cumulative Percent
Major Challenge	3	30.0	30.0	30.0
Minor Challenge	2	20.0	20.0	50.0
Neutral	1	10.0	10.0	60.0
Partially Challenging	2	20.0	20.0	80.0
No Response	2	20.0	20.0	100.0
Total	10	100.0	100.0	

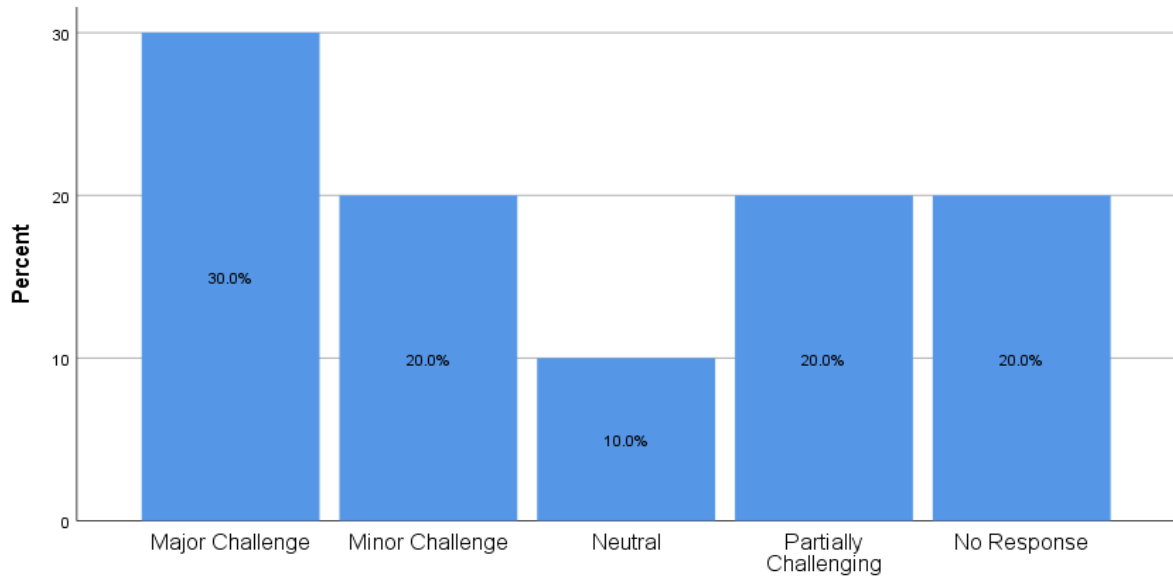


Figure 5.19 Communication responses

Table 5.22 and Figure 5.19 demonstrates that five (half) consider correspondence to be a noteworthy test to the effective utilization and usage of ILembe Development Enterprise procedures, two (20%) consider it to be a minor test, two (20%) consider it to be halfway testing, one was unbiased and two (20%) did not react.

QUESTION 3: Organisational structure

The respondents were asked how much of a challenge or not is the organisational structure to the successful use and implementation of Enterprise iLembe strategies.

Table 5.23 Organisational structure responses

	Frequency	Percent	Valid Percent	Cumulative Percent
Minor Challenge	1	10.0	10.0	10.0
Partially Challenging	6	60.0	60.0	70.0
No Response	3	30.0	30.0	100.0
Total	10	100.0	100.0	

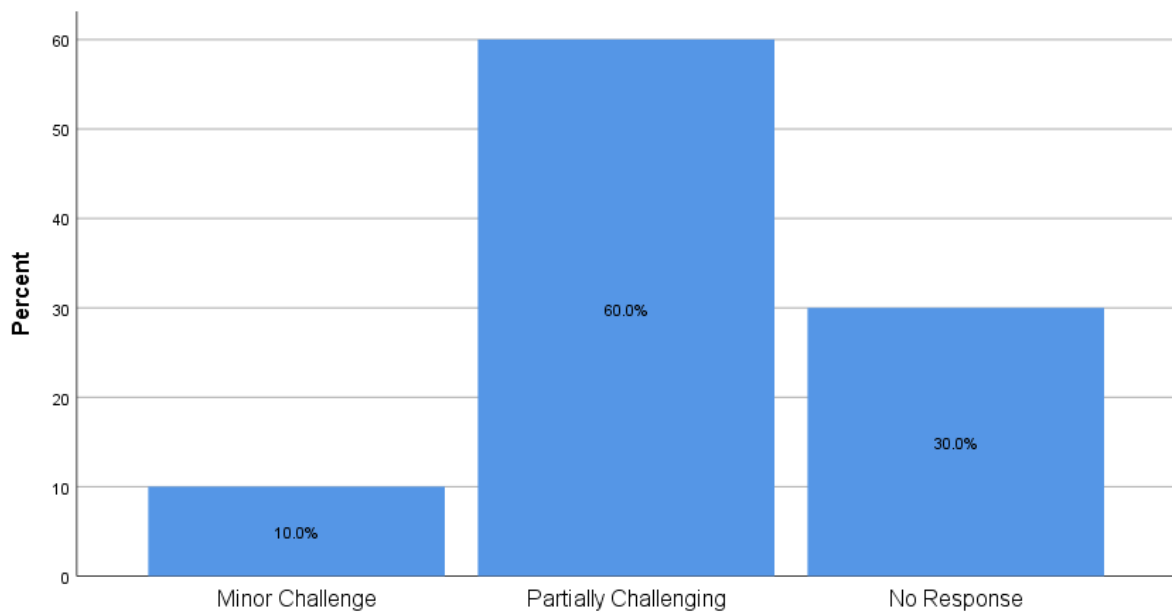


Figure 5.20 Organisational structure responses

Table 5.23 and Figure 5.20 demonstrates that six (60%) of the respondents see authoritative structure as most difficult to the effective utilize and execution of iLembe Development Enterprise procedures in advancing exchange and venture, one (10%) considers it to be a minor test and three (30%) did not react.

QUESTION 4: Information and communications technology

The respondents were asked how much of a challenge or not is information and communications technology to the successful use and implementation of Enterprise iLembe strategies.

Table 5.24 Information and communications technology responses

	Frequency	Percent	Valid Percent	Cumulative Percent
Major Challenge	1	10.0	10.0	10.0
Minor Challenge	4	40.0	40.0	50.0
Neutral	2	20.0	20.0	70.0
Partially Challenging	1	10.0	10.0	80.0
No Response	2	20.0	20.0	100.0
Total	10	100.0	100.0	

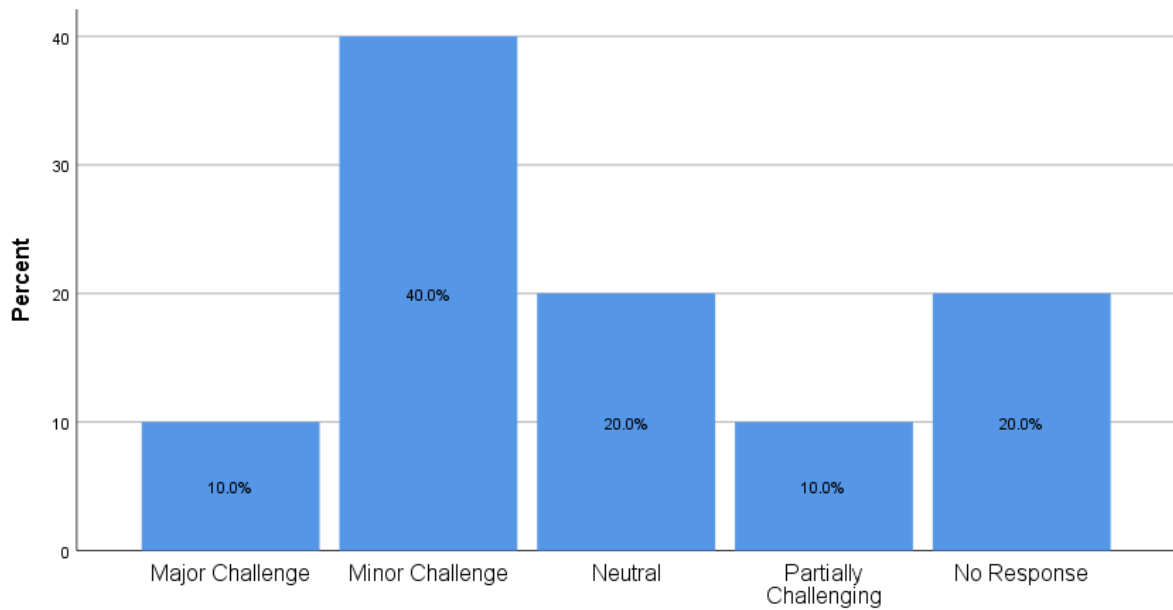


Figure 5.21 Information and communications technology responses

Table 5.24 and Figure 5.21 shows that four (40%) see data and correspondences development as a minor test to the fruitful utilize and execution of iLembe Development Enterprise systems. One (10%) respondent considers it to be significant test, one (10%) considers it to be incompletely testing, two (20%) respondents of every one of the other two classes were unbiased and no reaction separately.

QUESTION 5: Training

The respondents were asked how much of a challenge or not is training to the successful use and implementation of Enterprise iLembe strategies.

Table 5.25 Training responses

	Frequency	Percent	Valid Percent	Cumulative Percent
Major Challenge	3	30.0	30.0	30.0
Neutral	1	10.0	10.0	40.0
Partially Challenging	3	30.0	30.0	70.0
Not a Challenge at all	1	10.0	10.0	80.0
No Response	2	20.0	20.0	100.0
Total	10	100.0	100.0	

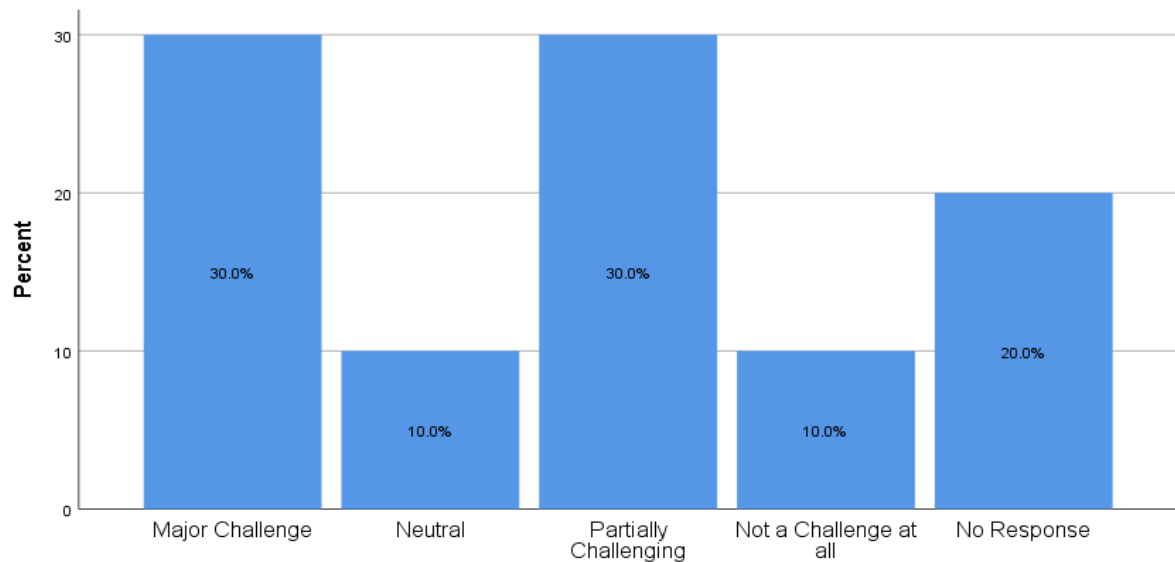


Figure 5.22 Training responses

Table 5.25 and Figure 5.22 demonstrate that three respondents (30%) each consider preparing to be a noteworthy test or somewhat difficult to the effective utilize and execution of ILembe Development Enterprise systems. Then again, one respondent (10%) considers it to be tested, one (10%) was impartial and two (20%) did not react.

QUESTION 6: Participation of everyone within the organisation

The respondents were asked how much of a challenge or not is the participation of everyone within the organisation to the successful use and implementation of Enterprise iLembe strategies.

Table 5.26 Participation of everyone within the organization responses

	Frequency	Percent	Valid Percent	Cumulative Percent
Major Challenge	4	40.0	40.0	40.0
Minor Challenge	1	10.0	10.0	50.0
Neutral	1	10.0	10.0	60.0
Partially Challenging	1	10.0	10.0	70.0
Not a Challenge at all	1	10.0	10.0	80.0
No Response	2	20.0	20.0	100.0
Total	10	100.0	100.0	

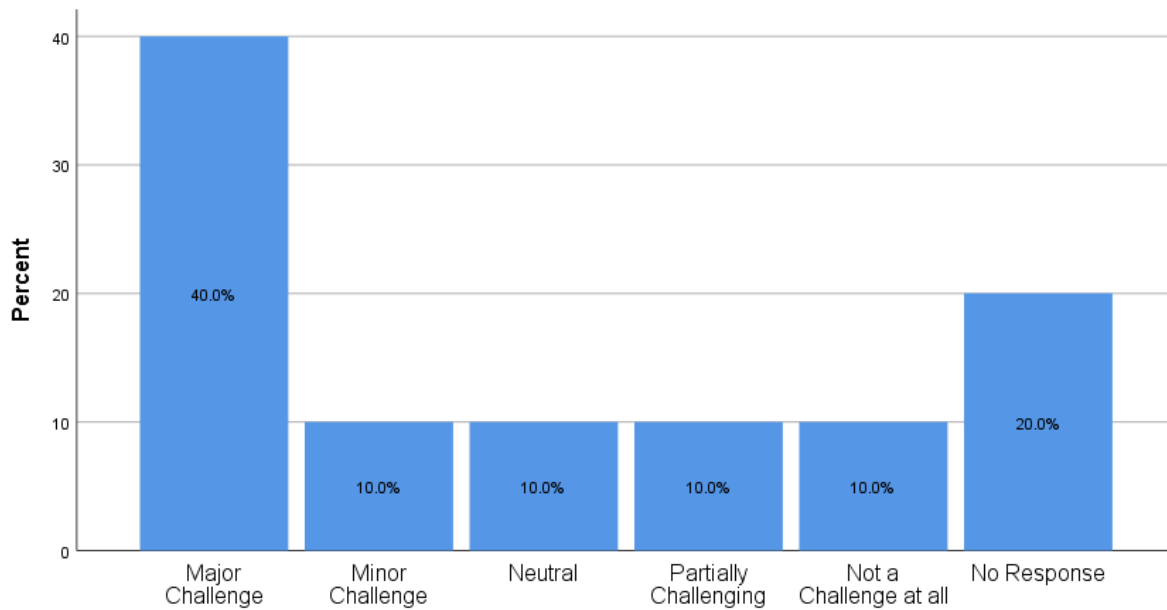


Figure 5.23 Participation of everyone within the organization responses

Table 5.26 and Figure 5.23 demonstrates that four (40%) of the respondents see interest of everybody inside the association as a noteworthy test to the fruitful utilize and execution of iLembe Development Enterprise procedures, one (10%) for every one of the other four classifications checks whether as a minor test, mostly difficult, not a test by any means, unbiased. Two (20%) did not react.

QUESTION 7: Organisational culture

The respondents were asked how much of a challenge or not is an organizational culture to the successful use and implementation of Enterprise iLembe strategies.

Table 5.27 Organisational culture responses

	Frequency	Percent	Valid Percent	Cumulative Percent
Major Challenge	1	10.0	10.0	10.0

Minor Challenge	3	30.0	30.0	40.0
Neutral	2	20.0	20.0	60.0
Partially Challenging	2	20.0	20.0	80.0
No Response	2	20.0	20.0	100.0
Total	10	100.0	100.0	

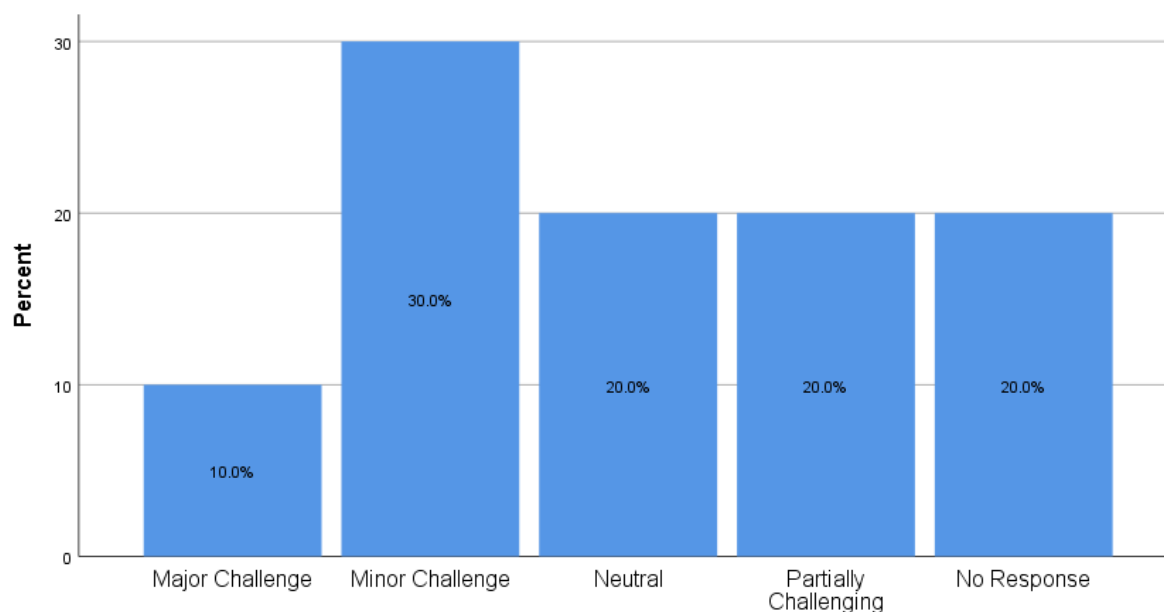


Figure 5.24 Organisational culture responses

Table 5.27 and Fire 5.24 shows that three (30%) of the respondents see authoritative culture as a minor test to the fruitful utilize and usage of I Lembe Development Enterprise methodologies, two (20%) for every one of the two classifications considers it to be mostly testing or nonpartisan, one (10%) considers it to be a significant test. Two (20%) did not react.

QUESTION 8: Capacity and infrastructure to implement trade and investment

The respondents were asked how much of a challenge or not is capacity and infrastructure to implement trade and investment to the successful use and implementation of Enterprise iLembe strategies.

Table 5.28 Capacity and infrastructure to implement trade and investment responses

	Frequency	Percent	Valid Percent	Cumulative Percent
Major Challenge	1	10.0	10.0	10.0
Minor Challenge	2	20.0	20.0	30.0
Neutral	2	20.0	20.0	50.0
Partially Challenging	3	30.0	30.0	80.0
Not a challenge at all	1	10.0	10.0	90.0
No Response	1	10.0	10.0	100.0
Total	10	100.0	100.0	

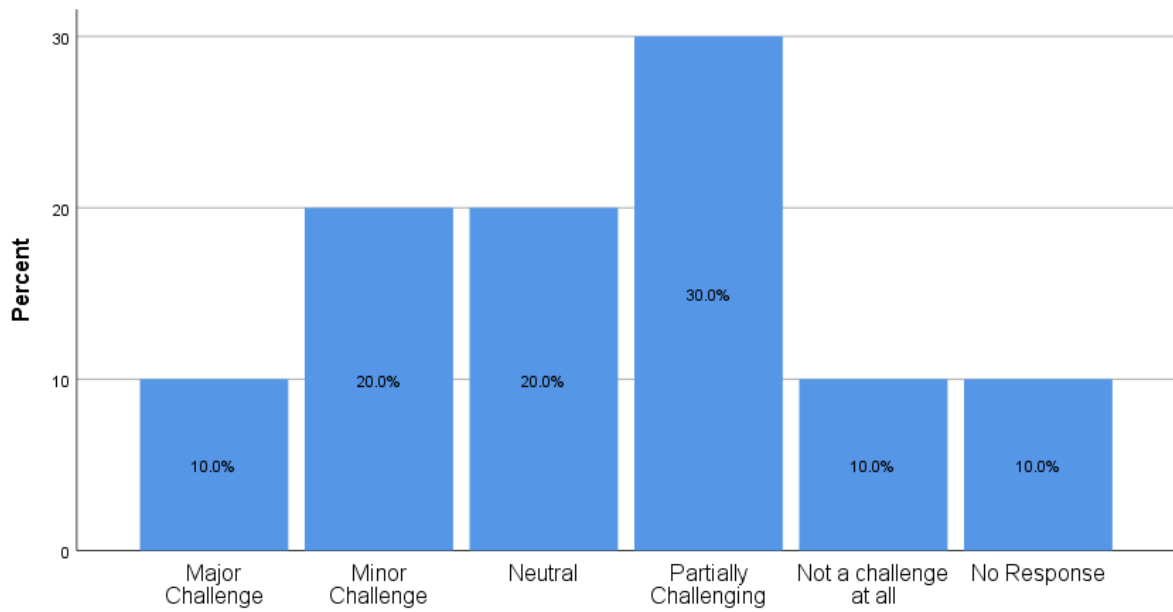


Figure 5.25 Capacity and infrastructure to implement trade and investment responses

Table 5.28 and Figure 5.25 shows that three (30%) of the respondents see limit and framework to actualize exchange and speculation as incompletely difficult to the fruitful utilize and execution of iLembe Development Enterprise procedures. Two respondents (20%) consider it to be a minor test, another two (20%) was nonpartisan, one (10%) considers it to be a noteworthy test and one (10%) considers it to be not a test by any means. The last one (10%) respondent did not react to that question.

5.8 Qualitative data analysis

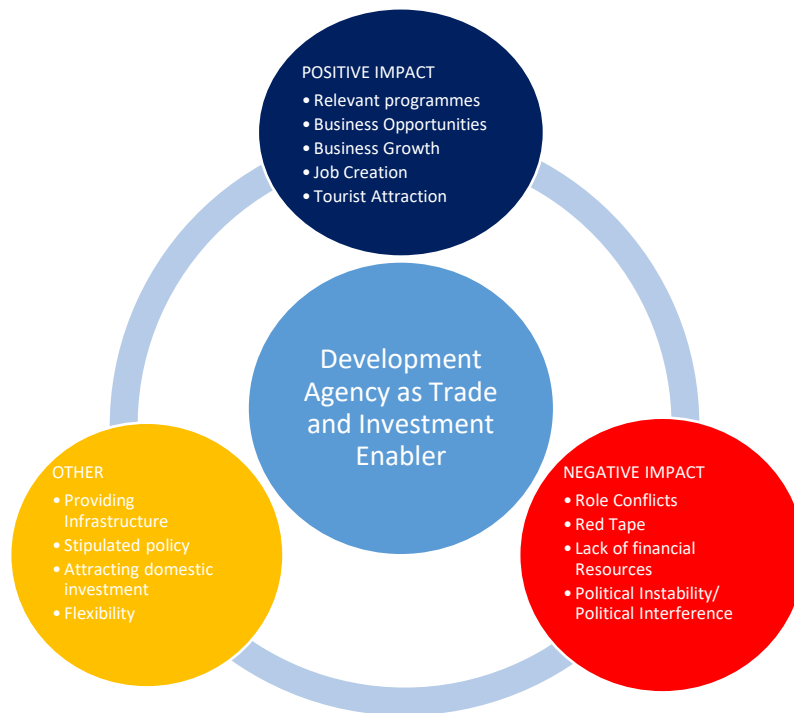


Figure 5.26 Summary of qualitative analysis

The figure above shows a summary of interviewees' perspectives of the Development Agency as a trade and investment enabler in iLembe District, KwaZulu-Natal. From the interview discussions, the researcher picked both positive and negative issues as well as general views that impact on the agency as a trade and investment enabler. On the positive side, some of the issues that came out from different interviewees include growth in businesses, eradication poverty through employment opportunities, improvement and creation of tourist attraction areas, etc. The negative side indicated role conflicts, riots in the form of burning down of factories, thus chasing investors' away, political instability, lack of financial support resulting in delay progress, etc. Other points that came out included the importance of flexibility, provision of proper infrastructure, attracting domestic investment, etc.

The structure of the results is that it is divided into 10 themes which the interviewer probed on.

THEME 1: Mechanisms in place to shape trade and investment at Enterprise iLembe.

While all the four interviewees attempted to answer this question, they did not really articulate what the researcher expected. The interviewer ended up having the notion that the respondents had no clear understanding and knowledge on the trade and investment mandate which are currently being used to shape trade and investment. Most of the responses, even when corrected to show that what was required was what is already operational, were suggestion and not what is actually in operational.

Respondent 1 showed lack of understanding of the question and when it was explained further, she explained on investing in agriculture then mixed the response with social aspects like nutrition programs.

“...if you can explain it just a bit, because I'm not really sure I understand the question, ja, I don't know.”

“And I think on the main it is to upscale the agriculture within the district. Because on a bigger scale I think our district is rich in that. I'm not sure if you're aware as well that we are currently running the national schools nutrition programme?”

Responded 2 showed a lack of comprehension and knowledge of the governance and policy framework regarding trade and investment at Enterprise iLembe.

“So those are the policies, unfortunately I do not know them off my head, but they are there in the Constitution.”

The interviewees provided information relating to the board of the agency and possible investors. The interviewees stated that there are structures set up to enhance the role of the board of Enterprise iLembe as an agency, since the board is the one that oversees the business processes of the agency. In addition to the board mention was made of the audit committee, and sub-committees.

Furthermore, the interviewees stated that the agency have opportunities for any potential investors to present their business case to the board, and that the board then takes it forward. In addition to the board and board sub-committees the interviewees indicated that the agency

uses policies that are stipulated by the constitution of the country to help entities such as iLembe Enterprise to meet achieve their objectives. As an example, one of these policies stipulate that people from the area must be given first preference especially previously disadvantages groups such as women and disabled persons. This, according to the interviewees, is done by using certain evaluation criteria such as giving more points to preferred candidates. Furthermore the interviewees indicated that Enterprise iLembe have programs in place that talk to trade and investment within communities serviced by Enterprise iLembe such as entering in business partnerships with service providers with regards to development of the communities. Below is the summary of the interviewee responses.

Table 5.29 Best practice governance to promote trade and investment response

What governance arrangements best to local communities to shape trade and investment at Enterprise iLembe?				
Interviewee	Respondent 1	Respondent 2	Respondent 3	Respondent 4
Responses	Setting up of structures and enhance role for the board.	Use of stipulated policies.	Programmes, etc.	Enter into partnerships with service providers to develop communities

THEME2: Ways of encouraging trade and investment within Enterprise iLembe.

The interviews really did not provide credible ways that are already operational that could be viewed as good enough to encourage trade and investment in communities that are serviced by Enterprise iLembe. However there are some already operation strategies to promote trade and investment.

Respondent 1 mentions securing markets for agricultural produce as a way of encourages investment and how they provide pre-investment services like feasibility studies and business plans for possible projects in the area to lure investors with.

“....we come with a secured market already for what the rural communities will be producing.”

“.....we've already done the feasibility studies, bankable business plan so now we're looking for interested private parties to invest.”

Respondent 3 talk about partnerships and holding forums as ways, currently operational in Enterprise iLembe, of attracting and promoting trade and investment.

“For me, one of them is the partnership with the private sector you know. We've tried, especially with the new council that came into office, to foster greater relations and closer relations with the private sector.”

“So what is happening of late is that through the district mesh forum, what is called the integral forum of districts, we were instructed that let's all sit down and see where exactly are areas where we can all collaborate.”

Most of the responses were giving suggestions or work in progress and not actual operation strategies to encourage trade and investment. The interviewees also indicated that Enterprise iLembe is now busy setting up an incubator, which in addition to the LED offices will help develop small businesses within the communities controlled by the agency. The interviewees emphasized the importance of ensuring that the turnaround times both in assessing tenders and processing payments is shortened. Below is the summary of interviewee responses.

Table 5.30 Methods of improving trade and investment responses

What are the most efficient ways to encourage trade and investment				
	Respondent 1	Respondent 2	Respondent 3	Respondent 4
Responses	Flexibility and finance.	Conducive environment and infrastructure.	Limiting red tape. Shortening the turnaround time. Infrastructure	Attractive incentives and put investor protocol in place.

THEME 3: Trade and investment intervention and how are they operationalized.

The interviewees expressed that creating partnerships and agreements with investors, other agencies, private sector and government department are some of the interventions used to promote trade and investment. They also expressed that through facilitation processes and in that way assisting investors in acquiring land as well as assisting in creating employment for the community.

There is a discrepancy on the issue of interventions utilized. Respondent 2 noted that there were no were partnerships especially Private Public Partnerships (PPP) but instead they used Business Retention and Expansion model (BNRE).

“You see PPP, I don’t think we’ve been aggressive enough. It is one of those strategies that we can use between us which we should bring home. I don’t think we’re taking advantage of that. But what are we doing? Oh we’ve got something else called BNRE, Business retention and expansion. That’s the only one that I know of, that’s the only one strategy here that we use.”

The other respondents however noted that partnerships were being utilised.

Respondent 1 noted that partnerships between Enterprise iLembe and local authorities were in place.

“So what we try and do is form partnerships. I know with some of the tourism exhibitions that we've had, we've partnered with the local municipalities where they co-fund together with us, so that when we are able to do that.”

Respondent 3 said, “We've tried, especially with the new council that came into office, to foster greater relations and closer relations with the private sector. So for instance we've now established what we call the iLembe Economic Development Facilitation Committee.”

Below is the summary of interviewee response.

Table 5.31 Intervention operationalisation to promote trade and investment responses

What interventions used to promote trade and investment and how are they operationalised?				
Interviewees	Respondent 1	Respondent 2	Respondent 3	Respondent 4
Responses	Playing a facilitation role.	Making use the BNRE (Business Retention and Expansion) strategy	Partnerships with private sector, etc.	Partnering with other agencies.

THEME 4: Citizen engagement for visibility promotion

There are a few ways which were indicated by interviewees that they use to promote efficiency and visibility with citizens.

Respondent 3 confirmed that Enterprise iLembe is not visible hence would be benefactors are not aware of the opportunities it offers. Social media was noted a method of improving visibility.

“There are a lot of programs that Enterprise iLembe utilise, and for me I feel that one of the challenges, that most people are not aware of them. So how do you ensure that they are aware of some of these programs? So use your social media, which I think social media now is the main form of communication.”

Respondent 1 noted the effective use of LED officers as tools of increasing visibility. Their activities with meeting people informs people of the work and mandate of Enterprise iLembe.

“We also have LED offices on the ground and we've 20 allocated an officer, Pele LM so then it becomes easier to say. I know that the agency is looking into having mobile offices if I may call it that, just to promote the issue of visibility.”

Responded 4 noted that visibility is achieved by first identifying who Enterprise needs to be visible to then engaging them.

“You need to know who your stakeholders are and engage with those stakeholders on a regular basis. If you've got projects or you're serving rural areas, you need to engage with Amakhosi on an on-going basis.”

Below is the summary of interviewee response.

Table 5.32 Citizen engagement to promote visibility and efficiency responses

How can Enterprise I Lembe engage effectively with its citizens to promote visibility and efficiency in meeting its mandate?				
Interviewees	Respondent 1	Respondent 2	Respondent 3	Respondent 4
Responses	By creating relationships with local municipalities by using their AGR structures.	The Enterprise I Lembe needs to be active on the ground to identify what the people want.	By utilising available infrastructure and creating awareness of programmes	Through stakeholder engagement

			through social media.	
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THEME 5: Benefits of trade and investment within iLembe District

The interviewees indicated that job creation, poverty alleviation, tourist attraction, development are some of the consequences for trade and investment in the iLembe region. Businesses are growing and there is a lot of development going on in the areas, promoting job creation. People are growing as development takes place. Below is the summary of interviewee response.

According to Respondent 1 and 3, Enterprise iLembe is fulfilling a greater part of what all LEDAs should be doing which is initiating pro-poor policies (Rogerson 2009)

Table 5.33 Effects of trade and investment responses

What are the consequences for trade and investment in the I Lembe Region?				
Interviewees	Respondent 1	Respondent 2	Respondent 3	Respondent 4
Responses	Job creation and tourist attraction	Business growth.	Decreasing socio-economic disparities and unemployment.	Development, employment opportunities and poverty is alleviated.

THEME 6: Conflict resolution in LED with the district

There were conflicting responses in this question. While some indicated that there were conflicts, others indicated that there were no conflicts.

Respondent 4 says there is no conflict between institutions but she however says there is conflict with political players due to interference. Political interference is also cited by Nene (2015) as a drawback. Compromise and knowing ones mandate were the ways of dealing with conflict Respondent 4 noted

“I think we don't really have conflict issues, because we are clear in terms of what Enterprise iLembe is supposed to be doing, what the local municipalities (LMs) are going to be doing and what the district is supposed to be doing. So if each and every party is clear of its rules and responsibilities, it's clear of its powers and functions, there's not going to be conflict.”

“....sometimes there would be political interference. So you find maybe there's a project that needs to be implemented, but everybody wants to get their hands in, or their pieces of that big pie. So it's sort of it delays things, it compromises things and it slows progress.”

It is possible that this response by respondent 4 was a public relations move meant to give a picture of everything working well because all other respondents noted that there was conflict and duplication of duties

Where they admitted there is conflict, the interviewees reiterated that indeed their roles and that of the local Municipality conflict, and that this conflict does pose a problem at times.

The main problem identified by the interviewees was duplication of programs, which tends to confuse the members of the public. Responded 2 said, *“It's duplication of duties is one, that's where the conflict lies. You see we'll be registering our co-ops and then you'll find out the local will also be doing the same thing. You see maybe our mandate would say we need to host an event or do a workshop in something and then only to find out the local municipality also does the same thing.”*

Respondent 2, in the same line of thinking with Respondent 4, noted politics induced conflict and for him there was no solution they could offer to politics induced conflicts.

“So I would be lying to you if I said I know how these things are resolved, because normally what happens is the local municipalities they've got their mandate from the political principals, we also happen to get from the political principals, so how these are resolved, I would be lying to you, I have no idea.”

The interviewees indicated that the best way forward to resolve conflicting roles is through sitting down as role players and report on programs and even provide suggestions as to how to assist each other. Below is the summary of interviewee response.

Table 5.34 Conflict occurrence and conflict resolution responses

How do different actors (Local and District Municipalities) and the Enterprise iLembe deal with conflicts between conflicting roles and how are these conflicts resolved?				
Interviewees	Respondent 1	Respondent 2	Respondent 3	Respondent 4
Responses	By using LED forums to disseminate information and resolve conflicts.	No idea	Conflicts are dealt with through the LED forums. Each of the role-players reports on the programmes they are undertaking and then decide on responsibilities.	No conflicts along local players as roles are clearly defined. In a case where there's an overlap in roles, you find common ground. Conflict was politics induced.

THEME 7: Barriers to achieving mandate and they are dealt with.

Respondents had various reasons which they attributed to majority of respondent noted political interference and funding as barriers to full realization of Enterprise iLembe's mandate.

Respondent 1 said,

“You see I think we've had, we haven't had much funding in the last how many years, four, five years? Actually I think the last we had funding was probably 2013 or so, if I'm not mistaken.”

“Political interference for one. yah, I think on the main it's that. I think also another barrier for me is the legislation as well, I mean there are so many bottlenecks and red tape”

Other researchers have cited Lack of funding as a drawback for LEDAs (Meyer, 2014)

Respondent 2 noted infrastructure unavailability and political instability as barriers and the respondent highlights that these barriers need political intervention to be removed.

“Another one is the struggle to get, to attract investors into the district. There it's because of the infrastructure that we have, I think the environment is not as yet that conducive to allow outside investors into our district. Now this one is not really, but there is political instability every once in a while that's, I mean there's riots where there's people striking, I know Isethebe they have suffered a lot when people were burning down factories, and that has chased quite a good businesses from the area. And how they overcome, you see these decisions are taken at a higher level, on political principles”

Respondent 3 disagrees that politics is a barrier and says the major barrier is financial resources in agreement with Respondent 1.

“No, I don't think that's a barrier to be honest. It may have been previously, but now I think we have received more than enough buy-in from our political leadership. If you look at the ruling party for example, they had that conference end of this year. The economic transformation commission of the ruling party's conference was purely driven by Enterprise iLembe. If you look at the resolutions that were taken there, they were actually allocating specific responsibilities to Enterprise iLembe. So the political level I think there is buy-in. The one barrier for me is still the issue of financial resources...”

The interviewees indicated that political interference is sometimes a hindrance. Secondly, the interviewees indicated that financial resources is a barrier both to the agency as well as the community at large. Funding to local business people is a hindrance in many ways. It delays implementation of programs, impede sustainability of programs. The interviewees indicated

that lack of funding make development agencies ineffective. Below is the summary of interviewee response.

Table 5.35 Possible barriers and solutions to barriers in achieving iLembe Enterprise mandate to mandate response

What are the barriers to the full realisation of the Enterprise iLembe roles/mandate and how are the overcome?				
Interviewees	Respondent 1	Respondent 2	Respondent 3	Respondent 4
Responses	Political interference, legislation as well as red tape.	Aligning with the local district. Environment not conducive to allow outside investors. Political instability resulting in riots and strikes. Burning down of the factory, chasing good business away.	Financial resources is the main barrier. Development agencies without solid revenue base become ineffective.	Funding in the sense that everybody wants a share, thus delaying, compromising and slowing down progress.

THEME 8: Models used to maximize trade and investment

The interviewees indicated that they identify and use unutilised state-owned land within the district to encourage trade and investment, use foreign investment and get outsiders to do business. One of the interviewees indicated that they attend trade and fair shows and exhibitions to achieve maximum output in promoting trade and investment. Below is the summary of interviewee response.

Table 5.36 Models of operation to achieve maximum trade and investment responses

What are the models that are utilised by the agency to achieve maximum output in promoting trade and investment?				
Interviewees	Respondent 1	Respondent 2	Respondent 3	Respondent 4
Responses	Business incubator.	Use of foreign direct investment and source funding. Or get outsiders to do business in the area.	Identifying unutilised state-owned land within the district to encourage trade and investment.	Attending trade and fair shows, exhibitions and PPPs. Signing agreements with various investors

THEME 9: Investment mechanisms used to strengthen trade and investment.

One of the interviewees indicated that assisting with business incubators would strengthen trade and investment. The interviewees further indicated that visibility with planned projects so that investors know which project fits their mandate will strengthen trade and investment. It is also important to improve internal systems so that you become an attractive, financially viable investment destination.

Below is the summary of interviewee response.

Table 5.37 Investment mechanisms used to strengthen trade and investment responses

What investment mechanisms used to strengthen trade and investment?				
Interviewees	Respondent 1	Respondent 2	Respondent 3	Respondent 4
Responses	Assisting with business incubators		Trying to attract domestic investment using state-owned land. Improving internal systems so as to become an attractive, financially viable investment destination.	Knowing your offering as an area to be able to market it. Document and declare your comparative and competitive advantages. Be visible with planned projects so that investors know which project fits their mandate.

THEME 10: Recommendations

The interviewees indicated that by ensuring the agency is financially viable and sustainable to achieve its mandate would ensure faster, sustainable and economic achievement of the agency mandate. Below is the summary of interviewee response.

Table 5.38 Mechanisms to ensure faster, sustainable and economic achievement of the agency mandate responses

What mechanisms would ensure faster, sustainable and economic achievement of the agency mandate?				
Interviewees	Interviewee 1	Interviewee 2	Interviewee 3	Interviewee 4
Responses	Funding from stakeholders like development trade and investment, COGTA.	Do not know. Provide infrastructure, water and electricity.	Implementing programmes using state-owned land to attract investment. Improve the turnaround time for approval, limiting red tape. Ensuring the agency is financially viable and sustainable to achieve its mandate.	

5.9 CONCLUSION

This chapter offered the analysis and interpretation of both the quantitative and qualitative study. The empirical data analysis is aligned with the study objectives and responds to the key questions guiding the study. The principal objective of the study was to assess the role of iLembe Development agency as an enabler for Trade and Investment within the iLembe District within KwaZulu Natal. The findings clearly indicate that iLembe Development Agency have the potential to steer Trade and Investment, facilitate economic growth for local communities.

Notwithstanding this, however, the study noted key elements affecting the Agency, such as lack funding from stakeholders like Department of Trade and Investment, COGTA and the lack

of access to financial support. These findings point towards a need for more consistency of economic planning between all government spheres.

CHAPTER SIX

DISCUSSION, CONCLUSION AND RECCOMENDATIONS

6.1 Introduction

Chapter 5 presented the qualitative and quantitative results as questions and answers and the analysis of the answers in relation to the specific question. This chapter will briefly discuss all the data then review if the study has answered the research questions. The conclusion will follow at the end.

6.1 Discussion of data: the complete picture

Below is a discussion to enable the complete picture the interviews and questionnaires provided. The headings have been selected to capture what the interviewer feels is important. These heading and the discussions under them are not meant to address the objectives but to give a better understanding of the responses of the objectives, though some concepts may appear in both these discussion and the objectives discussion

6.1.1 Understanding the mandate of Enterprise iLembe

There is no holistic understanding of the mandate and mandate related operations and dynamics of Enterprise iLembe. Quantitative data show that half of the individuals who work for or directly with Enterprise iLembe did not out rightly agree that they understood the mandate of the Enterprise iLembe (quantitative question 1). Also, there was an average of 20% no responses from section A quantitative question 1 to question 7, these questions dealt with the mandate and operations of the Enterprise iLembe in achieving the mandate. The twenty percent is taken as people who, a simple yes or no answer would not describe what they thought on the mandate of Enterprise iLembe was. Qualitative interviews responses also showed that same trend. With Qualitative interviews, the interviewer probed and re explained even restructured question so that the respondent would understand but the answers showed a lack of clear understanding by some of the respondents. Also when asked about documentation of trade and investment strategy, policy and guidelines, 30% of the respondents said these were not documented (quantitative question 16). As a government implementer of policy, Enterprise iLembe these documents such important principle or rather should document such principles. The 30% who agree with the notion no documentation could simply be ignorance on the part of the respondents or point to the fact there is no proper documentation. Either way it shows

that there is no comprehensive understanding of what Enterprise iLembe should be doing or how to do it.

Training may be cited as a way of knowledge transfer but again, quantitative question 17 show that 20 % disagree that they regularly undergo trade and investment training and 20% did not respond. 40% of the respondents did not out rightly agree that the organisation initiates trade and investment training. With a clear pattern showing lack of trade and invest mandate knowledge.

The question then becomes how do the staff and other key personnel deliver on making Enterprise iLembe a trade and investment enabler if they do not know what they are supposed to be doing.

6.1.2 What is Enterprise iLembe doing to enable trade and investment?

In the municipal content on trade and investment, a lot is already happening although not being attributed to Trade and Investment for example investment on infrastructure and in education (guarantees skilled labour which in turn attracts investment). There are some positive activities to enable trade and investment being carried by Enterprise iLembe. Political supports increase ease of doing business. Enterprise iLembe has been very active and proactive in the economic transformation commissions of the ruling party's conference resulting in political buy in from the ruling party. Though political interference can never be completely eliminated, it has been significantly reduced as some of the responsibilities previously being taken by politicians were given to Enterprise iLembe according to Respondent 4 in the qualitative interviews. Enterprise iLembe has been working to source and secure markets for agricultural produce, this is important as it enable agriculture. Farmers can secure loans and improve production if they are assured of a market and stable pricing of their produce. Enterprise iLembe has been working on doing the groundwork for investors in the form of doing feasibility studies and business plans for potential invest avenues. These documents will then work as advertisement tools so that investors see where there is potential through the feasibility studies and if they do decide to invest, business plans will already be available.

Entrise iLembe has been working on training SME, this is an enabler as it empowers SMEs about better technologies and alternative markets thus improving their competitive advantage. Though there is some discrepancy on partnerships, the majority of the respondents noted that

Enterprise iLembe is forming PPP and partnership with other government organization to better attract and retain investment. The relationships, networks, exposure and visibility that these partnerships give Enterprise iLembe enable them to attract investment and form new trade partners. Business incubators and business retention programs BNRE are also initiatives which enable trade and investment. Below is a summary of some of the investment mechanisms used to strengthen trade and investment:

- i) Assisting with business incubators.
- ii) Trying to attract domestic investment using state-owned land.
- iii) Improving internal systems to become an attractive, financially viable investment destination.
- iv) Knowing your offering as an area to be able to market it.
- v) Document and declare your comparative and competitive advantages.
- vi) Be visible with planned projects so that investors know which project fits their mandate.

6.1.3 Challenges and shortcomings of Enterprise iLembe

This section discusses two of the major challenges, according to the interviewer, which have held back Enterprise iLembe in doing its duty. In all the interviews there is no mention of fund outsourcing to supplement the grants Enterprise iLembe receives. Coincidentally shortage of funding was noted as the biggest and consistent barrier to improving trade and investment conditions, but there was no mention of what has been done to get more funds. Also from the interviews there seems to be lack of knowledge of the mandate of Enterprise iLembe by the staff, associate staff and the public. Not enough is being done in terms of workshops and advertisement. There was no mention of export promotion, development and support, trade seems to be focused on local trade, but given the unique geographic position of iLembe district, these should be emphasized as it is close to a port for internal market access.

6.3 Discussion of objectives

Below is a short discussion of the results under the heading of the objectives to show that what was set out to be achieved was achieved.

6.3.1 To identify the factors that affect the Development agency in promoting trade and investment in iLembe District

The study reveals that political interference, legislation, red tape, aligning with the local district were the factors that affect the development agency. Over and above that the study reveals that environment was not conducive to allow outside investors and political instability were resulting in riots and strikes. The consequences of the finding contributes on burning down of the factory and chasing good business away. The study also reveals that financial resources is the main barrier in the development of agency when it comes to promoting trade and investment from I Lembe. Another obstacle for I Lembe development agencies was not having solid revenue base become ineffective.

6.3.2 To investigate strategies that are being implemented by the Agency in promoting trade and investment in I Lembe District.

The study reveals that the existence of conflicting roles entailed the using LED forums to disseminate information and resolve conflicts. This ensures conflicts are dealt with through the LED forums. Each of the role-players reports on the programmes they are undertaking and then decide on responsibilities. Apart from the findings, the study reveals that job creation and tourist attraction, business growth, development, employment opportunities and poverty is alleviated and decreasing socio-economic disparities and unemployment were the strategies implemented by i Lembe District.

6.3.3 To recommend sound strategies to the Development Agency for the promotion of trade and investment in I Lembe District.

The study recommended sound strategies for promoting of trade and investment in I Lembe District such as promoting investments through playing a facilitation role, as well as making use of the BNRE (Business Retention and Expansion) strategy. Apart from the alluded, partnerships with private sector together with partnering with other development agencies. The study reveals that the I Lembe Development Agency government alone cannot meet the developmental needs of I Lembe District. It is therefore imperative that government and the private sector combine their efforts and capabilities to provide infrastructure that would ensure the delivery quality services through the following measures: Flexibility and finance,

Conducive environment and infrastructure, limiting red tape. Shortening the turnaround time. Infrastructure and Attractive incentives and put investor protocol in place.

6.4 Recommendations

The following recommendations are based on the findings from the primary study in conjunction with the research objectives and questions. In particular the third objective entailed providing clear and feasible potential strategies for contributing to assessing the Local Economic Development Agency as a trade and investment enabler in iLembe District, KwaZulu-Natal

- i) Increase the quality and quantum of foreign and domestic direct investment; bearing in mind that it does not suppress local investment.
- ii) Provide an efficient facilitation and information service in order to retain and expand investment in iLembe Development Agency thereby serving as a one-stop shop initiative;
- iii) Develop new and existing iLembe district exporters' capabilities, in order to grow exports globally (goods, services and capital);
- iv) Provide appropriate information, financial support and practical assistance to sustain organic growth in traditional markets and penetrate new high growth markets.
- v) Development agencies should carry the mandate of sharing their information and resources with communities in the name of local economic development. They also have to engage with communities and all stakeholders about LED.
- vi) The community has to organise itself for LED, which can be done through community LED forums etc. This results in a dialogue on local economic development and enables cooperation that can lead to strengthened institutional arrangements for LED.
- vii) Information sharing should not only consist of municipalities relaying information to communities; communities should also relay information to municipalities as people have more knowledge about their local areas.

- viii) Platforms of sharing information about LED and trade and investment matters should be developed, and competent people have to be put in place to share such information

6.5 Areas for Further Study

Based on the limitations of the present study and the findings from the study, there are several areas that future researchers are encouraged to examine. In particular, the following studies may emanate from this study and encouraged future endeavors: These suggested areas for future research are primarily based on the importance of local economic development within the South African context. The issue of trade and investment to aid local economic development is not currently fully explored by South African researchers. South Africa, with the economic crisis that it is facing (slow economic growth, growing inequalities and poverty), should view trade, investment as well as FDI to be mechanisms it has to deploy in overcoming the current socio-economic conditions. Future research can be conducted exploring the different roles that each stakeholder has to play, in order to create true participatory local economic development through trade, investment and FDI. The use of trade and investment, from the perspective of the researcher, can also bring about social cohesion as postulated by the study participants. It is only through communities knowing their roles in local economic development that development agencies can be more accountable to the communities in within which they operator. It is also recommended that a future study can be conducted on the role of trade and investment in improving service delivery in South Africa. This study can involve communities, traditional authorities and local authorities.

6.6 Conclusion

LED within nations is not only important but is inevitable. The present study involving iLembe Development Agency supports this ideology. The study examined and achieved a number of research objectives and questions and highlighted the significance of LED through trade, investment and FDI. A broad consultation of the literature was conducted in an attempt to explain the basics trade, investment, FDI and economic development at district municipal level. The critical success factors for effective local economic development where also ascertained. The appropriately adjudicated research methodology and research strategy was employed in

conducting this study. The sampling strategy, choice of data collection instruments and the validity and reliability of the data obtained aided the study in producing the outlined results. This study provided a number of meaningful findings indicating the factors that impact the development agency as an enabler of local economic development through trade and investment as well as FDI. The study posited potential strategies for promoting efficacious local economic development through trade, investment and FDI.

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Appendix A Informed Consent
UNIVERSITY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP

Masters in Commerce (LED) Research Project

Researcher: Eugene Desele (0824487127)

Supervisor: Dr. Njabulo Khumalo (0312608768)

Research Office: Mr. Sabelo Gumede (0312608172)

Dear Respondent,

I, Eugene Desele, am a Masters in Commerce (LED) student, at the Graduate School of Business and Leadership, of the University of KwaZulu-Natal. You are invited to participate in a research project entitled: “The assessment of Development Agency as a trade enabler in ILembe District KZN. The aim of the study is to assess the impact of Development Agency as a trade and investment enabler in iLembe district, KZN.

Through your participation I hope to understand your views of the Development Agency as an enabler of trade and investment. The results of the interview are intended to contribute to the improvement of the program and its delivery.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this interview. Confidentiality and anonymity of records identifying you as a participant will be maintained by the Graduate School of Business and Leadership, UKZN.

If you have any questions or concerns about participating in the interview or about participating in this study, you may contact me or my supervisor at the numbers listed above.

The scheduled interview should take about 20 minutes to an hour. I hope you will take the time to participate.

Sincerely

Investigator’s signature _____ Date _____

This page is to be retained by the participant

Appendix B Informed Consent

UNIVERSITY OF KWAZULU-NATAL

GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP

Masters in Commerce (LED)

Researcher: Eugene Desele (08344807127)

Supervisor: Dr. Njabulo Khumalo (0312608768)

Research Office: HHREC Administrator Tel: 0312608350 Fax: 0312603093

CONSENT

I..... (Full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project.

I understand that I am at liberty to withdraw from the project at any time, should I so desire.

I hereby consent/do not consent to record the interview.

SIGNATURE OF PARTICIPANT

DATE

.....

This page is to be retained by the researcher

Appendix C Interview Questions

This study is conducted in partial fulfilment for the award of a, Masters in Commerce (LED) at University of KwaZulu Natal.

The aim of this study is the assessment of the Development Agency as a trade and investment enabler in Local Economic Development in ILembe District, KwaZulu-Natal. All data obtained from this research will be stored confidentially.

The research intends to cause no physical or psychological harm or offense and to abide by all commonly acknowledged ethical codes. You voluntarily agree to participate in this research project by filling the following questionnaire. You have the right to ask the researcher any question regarding this study. You also have the right to reject participation. You may withdraw from this research any time you wish.

This may take a few minutes of your time. Please ensure that you have responded to every statement.

Section A: Demographics

1. Age: _____

2. Gender: _____

3. Race: _____

5. Employer: _____

The following are factors that affect the Development agency in promoting trade and investment in iLembe District

Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Trade and investment is well understood in my department.	1	2	3	4	5

2. Trade and investment management is a necessity within my organisation.	1	2	3	4	5
3. Trade and investment within my organisation is conducted separately and is compartmentalised (i.e., conducted within each department instead of collectively across all departments).	1	2	3	4	5
4. All departmental members are aware of Trade investment initiatives tasked by the department.	1	2	3	4	5
5. My department considers uncertainties in addition to risk factors.	1	2	3	4	5
6. I am well informed about other trade and investment initiatives. (Other than those in my department) administered by the organisation.	1	2	3	4	5
7. I am aware of the organisations trade and investment policies, protocols and procedures.	1	2	3	4	5

8. The current trade and investment protocols are driven by management.	1	2	3	4	5
9. The current trade and investment programmes in my organisation result in value creation for all stakeholders if followed consistently.	1	2	3	4	5
10. The organisation quantifies all risks and uncertainties to defend or safeguard all aspects of trade and investment.	1	2	3	4	5
11. Ensuring quality at all levels will minimise risks faced by the organisation on trade and investment.	1	2	3	4	5
12. Strict adherence to organisational policies will assist in promoting trade and investment.	1	2	3	4	5
13. The ILembe Development Agency follows all laws and regulations governing the practice of Local Authorities in South Africa.	1	2	3	4	5
14. ILembe Development Agency has a quality management system framework.	1	2	3	4	5

15. The audit department manages risk, which indicates a risk department is not necessary.	1	2	3	4	5
16. I Lembe Development Agency has a documented Trade and investment strategy, policy and guidelines.	1	2	3	4	5
17. I often attend organisationally-related trade and investment training.	1	2	3	4	5

Section B

The following are factors that may affect the successful use and implementation of I Lembe Development Enterprise strategies in promoting trade and investment.. Please rank each item according to the degree to which each aspect represent a challenge to the organisation from 1 (*major challenge*) to 8 (*not a challenge at all*).

Item	Major challenge	Minor Challenge	Neutral	Partially Ch
1. Commitment and support from management	1	2	3	4
2. Communication	1	2	3	4
3. Organisational structure	1	2	3	4
4. Information and communications technology	1	2	3	4
5. Training	1	2	3	4
6. Participation of everyone within the organisation	1	2	3	4
7. Organisational culture	1	2	3	4

8. Capacity and infrastructure to implement trade and investment	1	2	3	4
--	---	---	---	---

Appendix D Interview Questions

Questionnaire

This study is conducted in partial fulfilment for the award of a, Masters in Commerce (LED) at University of KwaZulu Natal.

The aim of this study is the assessment of the Development Agency as a trade and investment enabler in Local Economic Development in ILembe District, KwaZulu-Natal. All data obtained from this research will be stored confidentially.

The research intends to cause no physical or psychological harm or offense and to abide by all commonly acknowledged ethical codes. You voluntarily agree to participate in this research project by filling the following questionnaire. You have the right to ask the researcher any question regarding this study. You also have the right to reject participation. You may withdraw from this research any time you wish.

This may take a few minutes of your time. Please ensure that you have responded to every statement.

Section A: Demographics

1. Age: _____

2. Gender: _____

3. Race: _____

4. Employer: _____

What governance arrangements best to local communities to shape trade and investment at Enterprise ILembe?

What are the most efficient ways to encourage trade and investment?

What interventions used to promote trade and investment and how are they operationalised?

How can Enterprise ILembe engage effectively with its citizens to promote visibility and efficiency in meeting its mandate?

What are the consequences for trade and investment in the ILembe Region?

How do different actors (Local and District Municipalities) and the Enterprise ILembe deal with conflicts between conflicting roles and how are these conflicts resolved?

What are the barriers to the full realisation of the Enterprise ILembe roles/mandate and how are they overcome?

What are the models that are utilised by the agency to achieve maximum output in promoting trade and investment?

What investment mechanisms are used to strengthen trade and investment?

What mechanisms would ensure faster, sustainable and economic achievement of the agency mandate?

Appendix E Ethical Clearance



21 June 2018

Mr Eugene Mthuthuzeli Desele (216073450)
Graduate School of Business & Leadership
Westville Campus

Dear Mr Desele,

Protocol reference number: HSS/0366/018M

Project Title: The assessment of the Local Economic Development Agency as a trade and investment enabler in Ilembe District, KwaZulu-Natal

Approval Notification – Expedited Application

In response to your application received 02 May 2018, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application 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.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

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

Yours faithfully

.....
Professor Shenuka Singh (Chair)

/ms

Appendix G Permission Letter



TEL: +27 (0) 32 946 1206
FAX: +27 (0) 32 946 2819
PO Box 543, 82190, 4420
Cnr Lind Road & Botshoane,
Kusile, KwaZulu-Natal,
South Africa.
www.enterpriseilembe.org.za

25 May 2016

Mr. Eugene Desele

Email: eugenedesele@gmail.com

Dear Mr. Desele;

APPROVAL TO PROCEED WITH A PREQUISITE OF THE AGENCY

We hereby acknowledge your email dated 24 May 2016.

Enterprise Ilembe has reviewed your research proposal for your master's Degree In Public Management and hereby give permission for you to proceed with your dissertation on the Economic development Agency.

I trust you find the above in order

Yours faithfully

A black rectangular box redacting the signature of the Chief Executive Officer.

Mr. TS Mkhwanazi /
Chief Executive Officer

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