

# The synchronisation of the Integrated Development Plan and Local Economic Development Policy in South African municipalities

*A sine qua non* for growth and development

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## ABSTRACT

*The purpose of this article is to examine the interrelationship between the integrated development plan and local economic development policy within the South African context. The integrated development plan is mandatory for municipalities in terms of the Municipal Systems Act, 2000, as amended and economic development is one of the significant objects of local government in line with section 152 of the Constitution of the Republic of South Africa. The enormity of the challenges facing the South African municipalities such as public service delivery in areas of water and sanitation, electricity provision, high levels of poverty and unemployment necessitate proper synchronisation between integrated development planning processes and local economic development policy imperatives attuned to the unique circumstances prevalent in the individual municipalities. This article, therefore, discusses the cardinal interconnections that should shape the formulation of integrated development plans and local economic development with a view to ensuring that growth and development objectives of the national, provincial and local spheres of government are synergised.*



## INTRODUCTION

There are enormous challenges facing South Africa in general and local government in particular, regarding the attainment of both growth and development objectives and targets. Some of the challenges and bottlenecks stem from, shortage of skills required to propel growth and development, lack of administrative capacity and ineffective implementation of development policy frameworks. Essentially, the perennial problems that continue to stifle the implementation of the local economic development (LED) policy in South Africa appear to be the following: the need for greater synchronisation of integrated development plan (IDP) and local economic development (LED) policy framework in the sphere of local government; the fragmented and silorised planning approach pertaining to integrated development plans and local economic development priorities in municipalities; and inadequate skills required for the implementation of local economic development policy within municipalities. These problems chiefly affect the realisation of fundamental objectives of developmental local government in terms of the need for maximisation of social and economic development, and integration and coordination of local economic development activities and efforts within the sphere of local government.

Furthermore, a widely observed phenomenon is that LED is unevenly developed and operationalised within the country. In particular, major divides are glaring in terms of policy development, institutionalisation of LED, and applied practice between the largest, most well resourced and capacitated municipalities, on the one hand, and smaller urban municipalities, on the other (Rogerson 2006; Xuza 2007). It is conceded that the devolution of significant power to implement LED is impeded when many local municipalities lack skills and adequate funds and other resources to run LED offices, pay for training, or to finance projects (Nel & Goldman 2006). The lack of an integrated approach to the delivery of LED remains a systematic weakness. By and large, there is absence of professionalism in LED owing to its poor career prospects resulting in LED not attracting or retaining the type of officials who might be able to combine business skills and public sector skills (Rogerson 2009:62).

The status accorded to the function of LED varies widely between different municipalities with implications for access to resources for staffing. LED is barely located in its own department often operating within a wider unit such as planning and community services. The delivery of basic services is given priority over LED activities in terms of political support and access to resources (Lawrence & Hadingham 2008:43). This situation is the result of a lack of understanding of the importance of LED as well as of what can be done and general pessimism concerning the limited successes observed in LED especially in small towns. It is argued that LED should be given the prominence it deserves in local government with issues of economic development becoming central to the development agenda of a locality (Lawrence & Hadingham 2008:45). An important step forward towards professionalising LED would be to acknowledge that LED should be understood as a cross-cutting issue by municipalities (Rogerson 2009:62).

A recent analysis in the Limpopo province points to the lack of qualified technical staff especially town planners, the absence of competence to review building plans and zoning applications and the absence of technologies that improve LED potential (Kaiser Associates 2007 in Rogerson 2009:63). In poorer municipalities the existence of low skills and lack of

qualified technical municipal staff result in an unhealthy if not exclusive reliance on private consultancies and of consultant-driven strategies for LED. As the municipality lacks capacity to monitor the quality of these strategies, there is a cumulative trend towards the production of low quality LED plans marked by a project focus, unrealistic targets, an inability to identify the drivers of local economic development and poor implementation (Rogerson 2009:64).

Trah and Wegmann (2009) point out that these findings stress the continued existence of training gaps that need to be addressed. A core of trained and committed LED experts at local level and in universities is lacking. Although larger cities can draw on a wider talent pool, smaller municipalities have no such staff pool with the consequence that an urgent need exists to train LED officials and to expose councillors to this concept (Good Governance and Learning Network 2008:82 in Rogerson 2009:64). At the higher more advanced levels of training, there are gaps in the institutional training landscape (Trah & Wegmann 2009). In part, this can be explained by the fact that capacity shortcomings in LED staff are not merely confined to municipalities but are manifested in erosion of high level professional staff. In universities there are few LED researchers and only limited direct course offerings in LED (Rogerson 2008). Furthermore, in departments of national government there are further capacity shortcomings as a result of staff turnover at both the departments of Co-operative governance and Traditional Affairs and Trade and Industry (Trah & Wegmann 2009).

## **HISTORICAL BACKGROUND TO INTEGRATED DEVELOPMENT PLAN (IDP) AND LOCAL ECONOMIC DEVELOPMENT**

The advent of the democratic epoch in South Africa has brought tremendous changes and challenges within the sphere of local government. One of the significant changes is the new constitutional status accorded to the sphere of local government which clearly spells out that local government is recognised as an integral, distinctive and interdependent sphere of government that ought to manage its affairs independently, effectively, efficiently and responsively in line with national development policies and economic priorities such as the New Growth Path and the provincial growth and development strategies (PGDS). The local sphere of government is viewed as integral to the realisation of growth and development objectives underpinning national and provincial development frameworks set out above. Local government is also obliged to play a critical role in promoting social and economic development in line with constitutional imperatives. Thus, through the local economic development policy, municipalities have assumed a central role in contributing to job creation, in the eradication of poverty and in boosting local economies. A synergised and integrated approach on the part of the spheres of government is therefore a *sine qua non* towards achievement of growth and development.

The traditional role of the local government which formerly entailed glaringly inequitable rendering of basic services to the community at large, has been completely redefined into a developmental role. This is in tandem with the *White Paper on Local Government* of 1998, which advocates a developmental local government. This simply means that local government should be developmentally orientated and driven. South African municipalities are in addition tasked with the formulation and spearheading of local economic development



(LED) policies in order to best fulfil the developmental priorities and needs of local communities.

International experience has demonstrated that local municipalities can play a pivotal role in LED initiatives for poverty alleviation. Municipalities are strategically placed to undertake long-term planning in the arena of poverty alleviation, particularly as it relates to relationships with non-governmental organisations (NGOs), community-based organisations (CBOs) and the private sector (Pieterse 2000). Thus, integrated development planning is mandatory in terms of the *Municipal Systems Act* of 2000 as amended, while local economic development is conceived of as one of the objects of local government in terms of the *Constitution of the Republic of South Africa* of 1996.

The *Development Facilitation Act* No. 67 of 1995 (DFA) was promulgated to form the basis for a coherent framework of development and to overhaul the fragmented unequal and incoherent planning system inherited from the apartheid government. A National Development and Planning Commission was appointed to spearhead this process. Local Government was then institutionalised within the premise of an integrated development approach in the country. It is through this process that the concept of an Integrated Development Plan (IDP) was born (Kanyane & Koma 2006:4). The *Municipal Systems Act* of 2000 builds on the *Development Facilitation Act* and the *Local Government Transition Act* to construct a new planning framework for developmental local government (DBSA Development Report 2000). The historical background to the Integrated Development Plan and Local Economic Development in South Africa clearly shows that the legislative and policy development process that took place after the 1994 democratic epoch gave impetus to the operationalisation of economic and social development, and poverty alleviation imperatives.

## **POLICY FRAMEWORK**

The Constitution sets the tone for the promotion and realisation of LED policy objectives, namely, the promotion of social and economic development through economic growth, employment creation and poverty alleviation. The objects of local government amongst others are: to provide democratic and accountable government for local communities; to ensure the provision of basic services to communities in a sustainable manner; to promote social and economic development and to encourage the involvement of communities and community organisations in the matters of local government.

The importance of coordination and integration in government is underscored in Section 41(i) (h) of the Constitution, 1996, which provides that all spheres of government and organs of state within which each sphere must cooperate with one another in mutual trust and good faith by fostering friendly relations, assisting and supporting one another, informing one another of, and consulting one another on, matters of common interest, and coordinating their actions and legislation with one another. To give effect to these constitutional provisions, the *Intergovernmental Relations Framework Act*, 2005 (Act 13 of 2005) was promulgated, which establishes a framework for cooperation. It promotes and facilitates intergovernmental relations (Tshiyoyo and Koma 2011). Poor coordination could severely undermine the new development effort. In this regard, it is important for all municipalities to actively develop

mechanisms to ensure resources and investment initiatives from both public and private sectors in order to meet their development targets. An important method of ensuring better coordination and commitment is through the process of Integrated Development Planning (Bekink 2006:71).

Bekink (2006:69) asserts that developmental duties cannot be achieved without the cooperation and constructive support of both national and provincial governments. In instances where municipalities are not successful in developing their own strategies to meet community needs, national and provincial governments may have to adopt a more prescriptive approach. In this regard it is important to note that developmental duties should not be seen on an individual basis within each sphere of government, but should be promoted on a collective basis within government as a whole.

At the level of intergovernmental relations, the central issues relate to the ability of responsible departments to forge interorganisational relations in respect to implementation of local economic development. For instance, since 2007 the departments of Trade and Industry and Cooperative Governance have been involved in bilateral discussions and proposal on collaboration for partnership. There are other several departments implementing projects that have direct implications for LED, namely, the national department of Agriculture which has programmes with direct ramifications for LED and should be linked into Integrated Development Planning processes, and the department of Mineral and Energy has prescribed the production of Social and Labour Plans as a prerequisite for the grant of mining rights in terms of the *Minerals and Petroleum Act* of 2002. The Social and Labour Plan requires enterprises seeking mining and production rights to develop and implement comprehensive Human Resources Development Programmes including Employment Equity Plans, LED programmes and processes to save jobs and manage downscaling and closure (Chhagan 2005; Rogerson 2009).

Building upon this form of sector integration, the National Joint Programme of Action for LED was proposed in 2008 to involve the department of agriculture, mineral and energy as well as the trade and industry and cooperative governance and to form a potential basis for sectoral integration (DPLG 2008a). However, a joint programme has not yet been put in place due to lack of capacity on the part of the department of co-operative governance to develop institutional arrangements for this programme (Mitchell 2009).

The *White Paper on Local Government*, 1998 locates the developmental duties for local government within the context of the notion of developmental local government. In essence, developmental local government is described as local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives (1998:17). According to the White Paper (1998:18) the nature of a system of developmental local government comprises four specific and interrelated characteristics. These characteristics are: maximising social development and economic growth; integrating and coordinating activities; democratising development; and a process of leading and learning. The developmental outcomes of local government include local economic development. The White Paper specifically provides for local government to play an important role in promoting job creation and boosting the local economy.

It is pertinent to state that the above-mentioned legal and policy frameworks endeavour to provide the basis, context and form for promotion of both social and economic

development within the sphere of local government. The synergy that ought to be developed and operationalised for the achievement of local economic development from a policy perspective is also given impetus by the *Policy Guidelines for Implementing LED* in South Africa issued by the former Department of Provincial and Local Government in March 2005 (now the Department Cooperative Governance). In understanding the imperative of a synergistic approach towards the implementation of LED, it is important to note that all state action and economic activity converge in a municipal area. State success in supporting economic development will depend on the extent to which the three spheres of government align their development strategies, coordinate their actions and achieve integrated development outcomes in these respective municipal areas (Policy Guidelines for Implementing LED 2005:12).

According to the *Local Government: Municipal Systems Act, 2000* as amended, Section 23(1)(a-c), local government planning is to be developmentally orientated. In order to achieve this objective, all municipalities must undertake developmentally orientated planning to ensure three purposes:

- municipalities strive to achieve the objectives of local government set out in the Constitution;
- municipalities give effect to their developmental duties set out in the Constitution; and
- municipalities, with other organs of state, contribute to the progressive realisation of the (socio-economic) fundamental rights contained in the Constitution.

In terms of the *Municipal Systems Act, 2000* as amended, each municipal council must adopt a single, inclusive and strategic plan for the development of the municipality within a prescribed period after the start of its elected term. Such a plan should have amongst other objectives the following aim:

- to link, integrate and coordinate plans and to take into account proposals for the development of the municipality;
- to ensure that resources and capacity of the municipality should be aligned for the implementation of the plan;
- to ensure that the plan forms the basis on which annual budgets are to be based;
- to ensure compatibility with national and provincial development plans and planning; and
- to commit the municipality to adhere to the legislation.

The Integrated development plan identifies local economic development as a cross-cutting and interdisciplinary part of municipal operational planning (Malefane 2008:131). Local economic development is an integral part of the broader strategic plan (IDP) in a municipality. Owing to local economic development's cross-cutting nature of operation, it has a great deal of influence on the role and orientation of all sector departments and therefore represents the major part of the integrated development plan. This simply implies that although the integrated development plan is incorporative of local economic development, IDP is not LED, and LED is not the IDP. Furthermore, an IDP which does not reflect, or incorporate or make meaningful reference to future economic activities would be incomplete and a recipe for the failure of development (Malefane & Mashakoe 2008:477).

According to Roux and Van Rooyen (2002:218), traditional local government planning practices are being replaced by modern planning techniques to enable local government officials to respond effectively to changes in the municipal environment. New planning models are evolving throughout the world to capacitate local government officials to optimise their resources in fulfilling their functions. Planning entails the activity involved in creating a plan. In other words, a process of planning is required to formulate a plan, which, in turn, necessitates systematic thinking. It can also be stated that a plan is a meticulously conceived programme of intended action. It should be noted that, although a plan by definition does not constitute a policy, it can be argued that once a plan, or intended action, has been approved, it contains important policy directives and guidelines. A definite link therefore exists between planning and policy formulation in so far as planning provides the programmed action of integrated development policy.

According to Ceasar and Theron (1999:60), IDP involves a process through which local government observes issues and sectors in relation to one another and encompasses all efforts to address the needs of its residents, especially the poor. The IDP implies a process of holistic planning, taking account of and integrating all aspects of local government including economic issues, social issues, spatial issues and institutional issues. Ceasar and Theron (1999:61) also state that planning is a directive activity that requires a systematic approach to historical data, current conditions and expected results. Planning therefore has long-term implications for local government. IDP implies that a process is embarked upon which should be managed by local government officials in a holistic manner, according to the principles of sustainable development because it contains important policy directives (Roux & Van Rooyen 2002:220).

Essentially, an IDP sets out the vision, needs, priorities, goals and strategies of a municipal council to develop the municipality during its term of office, as part of a long-term vision and plan for development. In terms of the Municipal Systems Act, the community must have a say in both the content of the IDP and the process by which it is drafted. The IDP provides the framework for determining the budget of a municipality. It is closely linked to the performance management system of a municipality in terms of which a municipality's progress is assessed. The IDP is not only a plan, but is also a strategic instrument, a management tool, and a method of running a municipality. The IDP provides a framework for all the activities of a municipality. It is also meant, over time, to be an important site of effecting cooperative governance in practice (Carrim 2001:1-2).

According to the Development Bank of Southern Africa (Integrated Development Planning 2000a:4), municipalities should essentially adopt a strategic approach to planning and implementation through the IDP process. In terms of the planning and implementation process, the following issues are germane:

- The vision is an ambitious, credible, inspiring and achievable statement about the particular municipality's future.
- The IDP process requires a comprehensive external as well as internal environmental audit. The result is a so-called *status quo* analysis.
- The IDP process requires a thorough SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis, which is referred to as the situational analysis.
- From the situational analysis an integrated development framework (development objectives), consisting of a set of development strategies, is derived.





- The IDP process defines operational strategies to achieve the set development strategies. Short and medium term implementation steps give effect to these plans.
- All implementation plans should be linked to the particular municipality's budget, which requires that each implementation step be linked to a responsible person, a target date and a budget.
- The IDP process requires an annual evaluation of the plan to account for changing circumstances, needs and realities.

The IDP is a comprehensive and sophisticated planning tool for assessing municipal service delivery and infrastructure development. However, most municipalities have neither the financial nor the administrative capacity to design and implement an IDP fully. During the transitional phase of local government, the planning process has tended to be complicated and prescriptive. All municipalities, regardless of size or capacity, were required to provide the same level of detail in their IDPs. Few municipalities outside the metropolitan areas could comply with the strict time-frames set by national and provincial legislation. Those that tried found it possible only by ignoring the statutory requirements for public consultation. This meant that scarce resources were wasted in producing documents most stakeholders could not understand and that municipalities in financial distress could not implement the plans (Development Bank of Southern Africa 2000:92).

Integrated development planning is the overarching pivotal point around which local government developmental and regulatory responsibilities revolve, and has proven to be a vital tool in ensuring the integration of legitimate physical and economic needs of local communities with broad municipal goals. Simply put, where properly designed and implemented, integrated development planning can be both integrative and distributive; it is a municipal planning tool aimed at integrating rich and poor neighbourhoods while distributing goods and services. Spatial plans would be mindful of connecting and binding an existing town with neighbouring townships and rural villages in a much more concrete way, by means of new housing, transportation and commercial development in intermediate buffer areas (Mogale 2003:232).

Integrated Development Planning is one of the key tools for local government to cope with its new developmental role. In contrast to the role which planning has played in the past, Integrated Development Planning is now seen as a function of municipal management, as part of an integrated system of planning and delivery. The IDP process is meant to arrive at decisions on issues such as municipal budgets, land management, promotion of local economic development and institutional transformation in a consultative, systematic and strategic manner. Integrated Development Plans, however, will not only inform the municipal administrations, they are also supposed to guide the activities of any agency from the other spheres of government such as corporate service providers, non-governmental organisations and the private sector within the municipal area. The development of IDP represents a major policy shift in South African local government and holds the leaders of municipalities paramount in development (Malefane 2008:3).

Credible IDPs should include LED plans that elaborate on strategies and programmes required for ensuring local economic growth, job creation and poverty eradication. These plans should take cognizance of strategies such as the National Spatial Development Perspective, the New Growth Path, Provincial Growth and Development Strategy and the



millennium goals. It should also develop and facilitate public-private partnerships, SMME development, and sustainable development. A functional IDP process is the one which is able to identify the real needs of the people and to break them down into sectoral issues including but not limited to water, health, electricity and housing. The effective management of the IDP process can, therefore, be defined as the ability of municipal stakeholders to harmonise responses to the priority issues in terms of balanced resource allocation and programmatic implementation of development projects coupled with mechanisms to monitor cost effectiveness and to reduce duplication and wastage in the use of limited resources at the disposal of municipalities (Mashamba 2008:425-426).

It is apparent that through the formulation and implementation of IDPs as required by the *Municipal Systems Act, 2000*, municipalities are well placed to effect and realise the basic developmental needs and interests of local citizens. In addition, IDPs ensure participation from diverse stakeholders such as business, community-based organisations, and labour and youth formations within the municipality. More fundamentally, IDPs provide a yardstick by which local citizens are able to measure the performance of a municipality during its term of office. It is against this background, that the solicitation of input, resources, and ideas from various stakeholders (including municipalities) is crucial in order to realise local economic development objectives. The setting up of LED institutions and structures is an attempt to facilitate an inclusive and robust approach to achieve LED objectives. Local government as one of the spheres of government nearest to local communities is well placed to identify, drive and implement programmes aimed at addressing unemployment, poverty alleviation and developmental challenges facing South Africa. Increasingly, municipalities have assumed the important role of ensuring that substantive and beneficial development takes place within their jurisdiction albeit with varying and disappointing results (Koma 2010:112; Koma 2013:24).

The formulation of LED strategies in the municipal sphere is informed by the Integrated Development Plan (IDP) adopted by municipal council. The IDP precedes the LED plan and strategy shaped by a municipality. The implementation of local economic development by South African municipalities is not optional, voluntary or unconditional. It is not by their choice, or by favour intended to benefit their local communities, that they have to implement local economic development, but rather in terms of a legislative obligation with which they need to comply (Malefane & Mashakoe 2008:5). As also argued by Malefane and Mashakoe (2008:5), the *Constitution of the Republic of South Africa, 1996*, is the most important piece of legislation that guides various laws, policy papers and regulatory frameworks. It serves as a foundation for reference to the institutionalisation of local economic development as a strategic function of municipalities.

According to Mokate (1999:192-193), the concept of local economic development was brought about by negative factors such as urban decline, high unemployment rates and conditions of increasing poverty. Thus, there is a natural synergy between local economic development and poverty alleviation to a certain extent. Koma (2013:130) asserts that the purpose of local economic development is to create conditions conducive to propel and boost local economies and thereby addressing high levels of poverty, unemployment and inequalities facing the majority of the South African population and more importantly, ensure global competitiveness and the integration of the South African economy within the global economic context.

For most of the municipalities the initial LED practice was confined to small, medium and micro enterprise projects, the support of survivalist type initiatives in the form of community economic development projects, the majority of which proved unsustainable once donor or public sector funding disappeared (Van der Heijden 2008:3). The Development Bank of Southern Africa (2008:3) records that, until recently, the main focus of most municipal LED initiatives was on micro-level projects with the result that the initiative lost currency as an effective sustainable development tool. The national review undertaken by the Good Governance Learning Network (2008) concurred that the successes of projects focussed on LED were limited and, where interventions did produce results they tended to be tourism linked (Good Governance Learning Network 2008:84).

## **ROLES AND RESPONSIBILITIES OF SPHERES OF GOVERNMENT AND AGENCIES**

The New Regional Industrial Development Strategy states that in line with the Key Performance Areas underpinning the strategic developmental agenda for local government, the Department of Trade and Industry should focus on the following interventions for LED:

- Building systemic competitiveness in District municipalities and assist in the development of credible LED planning; building capacities in municipalities;
- Supporting the development of implementable LED plans that are aligned with Integrated Development Plans by building industrial and sectoral analysis capacity within poor District municipalities;
- Providing LED institutional support at the District municipal level through the development of regional growth coalitions;
- Assisting municipalities in the development of effective regional industrial road maps (regionally based economic development strategies) and business plans through the Regional Growth Coalitions;
- Prioritising LED interventions in Provincial Growth and Development Strategies; development of 52 district and metropolitan municipal profiles; support to municipalities with respect to the identification of industrial potential and areas and sectors of economic decline; and
- Aligning regionally based economic development strategies and economic profiles to spatial economic direction provided in the National Spatial Development Perspectives; and alignment of LED to regionally based economic development strategies to national strategies such as the National Industrial Policy Framework and the Industrial Policy Action (DTI 2011:37).

The need for greater synchronisation on policy development and implementation pertaining local economic development also appears to be missing. For example, on the one hand, the Department of Trade and Industry is amongst others responsible for Regional Industrial Development (that impacts on LED), and also provides policy support, capacity building in the area of LED planning, partnership building and facilitation of implementation of LED. On the other hand, the Department of Co-operative Governance also has a separate unit dedicated to LED programmes. However, most municipalities tend to interact with

the latter department on issues related to LED policy implementation due to its strategic mandate focusing primarily on local government programmes. The delineation of roles and responsibilities coupled with inter-organisational relations for national, provincial and local governments can enhance the efficacy of LED policy implementation (Koma 2013:139).

The 2005 LED Policy Guidelines set forth key roles and responsibilities for the provinces and local government. The role of provincial government is seen as follows: to assume a coordination role taking responsibility for resources allocated from national to provincial government and ensuring that these are correlated with the priorities of the various Integrated Development Plans; provinces should establish LED fora to carry out the work of the National LED Forum and establish dedicated LED units in provincial governments; provinces should assume a role in building capacities of municipalities to undertake LED and in supporting them in its implementation; the role of the Provincial Growth and Development Strategy (PGDS) is considered vital for the coordinated development of the local economy in the province (DPLG 2005:20).

The Development Bank of Southern Africa (DBSA) is another key strategic partner in LED. The Bank's mandate is to accelerate socio-economic development through the financing of physical, social and economic infrastructure. Essentially, the Bank assumes multiple roles as financier, advisor, partner, implementer and integrator to mobilise finance and expertise for development projects (Patterson 2008:13). In relation to LED, the Bank is assuming a crucial role in providing funds to support an integrative approach that deals with what are considered as critical capability gaps for the development of LED strategies (DBSA 2008). During 2007 the Bank initiated a process to establish a Local Economic Development Fund with the objective of unlocking economic potential within identified localities to drive shared growth. This is to be achieved through six sets of activities (DBSA 2008): developing the requisite strategic framework or LED strategies; leveraging economic infrastructure to stimulate economic activity and nurture social inclusion; closing funding gaps by initiating a funding vehicle that combines different sources and levels of risk and debt capital aimed at financing socio-economic development at cost levels that underpin financial viability of the recipient entity; collaboratively mobilising stakeholders to leverage private sector participation; promoting collaborative networks and building lasting social compacts; nurturing, building and managing relationships crucial to the achievement of national development goals; and building institutional capacity, through the offering of the Bank's Vulindlela training programmes and through building university partnerships (DBSA 2008).

In terms of influencing LED, provinces have an important role to play in guiding local governments in the evolution of LED programmes through the Integrated Development Planning processes and more broadly in contextualising national imperatives and grounding them within the realities and specificities of each province. The Provincial Growth and Development Strategy furnishes an essential link between national and local development processes and can assume a pivotal role in influencing horizontal linkages within LED ensuring that development at the sub-provincial level takes place in an integrated manner. The Provincial Growth and Development Strategy can ensure that development and infrastructure decisions are not limited to the perspective of a single district but instead are intertwined together to create a regional economic development perspective that reflects and addresses local concerns and yet neatly links with national economic planning (Rogerson 2009:63).



## CONCLUSION AND RECOMMENDATIONS

Integrating local economic development strategies within an Integrated Development Plan could also ensure that local economic development is an outcome of the planning process and therefore, it could be assumed that a developmental vision for a municipality will include an economic vision. In fact, it is unimaginable to think that any South African municipality could develop a vision that does not tackle poverty and joblessness. Once a vision has been developed, the municipality will need to identify developmental objectives. The next step within the Integrated Development Plan process is to formulate strategies to realise these developmental objectives. If a municipality has created a developmental vision, then it is clear that certain local economic development strategies will be appropriate in meeting the desired objectives of the plan. Concrete projects can then be formulated to assist in implementing the chosen strategies. The benefits of the integration of the local economic development strategies within the municipal plan are that: economic strategies are part of an integrated plan for addressing municipal developmental challenges; municipal resources are allocated to these strategies; the outputs and impact of the local economic development strategies and projects are monitored as part of the municipal performance management system; and the role of the municipality within economic development is clearly defined within each strategy (Harrison *et al.* 2003:183–184).

The important aspect raised in this article is that municipalities should view LED functions and mandate as cross-cutting and holistic. These approach would enable municipalities to incorporate LED priorities in their long term Integrated Development Plans. At the present moment, most of the small local municipalities are unable to operationalise LED in their Integrated Development Plans as LED is considered in isolation from the integrated development planning process that mainly focuses on service delivery and infrastructure issues. As a result, most Integrated Development Plans contain limited analysis on the economic potential and competitiveness of local economies and strategies that could be employed to tap into the economic potentialities of the localities.

The crucial issue of lack of adequate LED skills should also be taken into account. One of the prerequisites for LED implementation is the possession of appropriate skills on the part of the implementers. The generic skills necessary to enable LED officials to carry out their functions should include project development and management, development and economic planning and monitoring and evaluation. The intensification of the LED learnership programme coordinated by the Local Government Sector Education and Training Authority (LGSETA) must be fulfilled with a view to fast-track acquisition of skills amongst potential implementers. It is also important that higher education institutions should conceptualise and develop appropriate LED courses and modules and incorporate them into the curricula tailored for both undergraduate and postgraduate students. The curricula should take into account the multi-disciplinary nature of LED in the shaping of the content of the courses and modules. Through this holistic approach, potential students would be exposed to economic, planning, development administration and policy dimensions germane to local economic development. The University of the Western Cape in partnership with the Department of Trade and Industry has already pioneered this endeavour and other universities should also contemplate embarking on this similar academic venture in the foreseeable future.

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