

# The Implementation of Local Economic Development Policy

## The case of the Emakhazeni Local Municipality in South Africa

S B Koma

School of Public Management and Administration  
University of Pretoria

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### ABSTRACT

This article examines the implementation of Local Economic Development (LED) within the context of the Emakhazeni Local Municipality situated in the Mpumalanga Province in South Africa. The objectives of this article are to examine LED policy implementation and the bottlenecks facing the achievement of LED objectives within the local sphere of government in general and the Emakhazeni Local Municipality in particular and to develop an LED policy implementation model based on the findings of the case study and literature review.

For the purpose of this article, LED serves as an important strategy to boost local economies to address the high levels of poverty, unemployment and inequalities facing the majority of the South African population, and more importantly to ensure global competitiveness and the integration of the South African economy within the global economic context.

### INTRODUCTION

The adoption of the *Constitution of the Republic of South Africa* of 1996 was a major breakthrough for the system of local government as it brought a new constitutional status for municipalities. Section 153 of the 1996 Constitution states that a municipality must structure and manage its administration and budgeting, planning processes to give priority to the basic needs of the

community. Section 152 of the 1996 Constitution mandates municipalities to promote the social and economic development of the community and to participate in national and provincial development programmes. This implies that the sphere of local government is conceived to be integral to the realisation of the growth and development objectives underpinning new development frameworks such as the National Development Plan (2011), New Growth Path (2010), the National Spatial Development Perspective (2006) and other provincial growth and development strategies.

The Local Government: *Municipal Systems Act 32* of 2000 as amended specifically mandates municipal councils to adopt a single, inclusive and strategic plan for their development of the municipalities within a prescribed period after the start of the elected term of the municipal council. This strategic plan is referred to as the Integrated Development Plan (IDP), which contains the broader development priorities and objectives of each municipal council and LED embodied within the IDP.

In the South African context, LED is seen as being important for various reasons, for example to create jobs and new economic opportunities, to increase income levels thereby enabling municipalities to pay for services and to broaden the tax and revenue bases of a municipality. LED policy is also intended to empower the most vulnerable, marginalised and poor sectors of local communities to raise sufficient income to meet their basic needs and aspirations. The LED policy cannot be separated from poverty alleviation projects and programmes initiated and implemented at municipal level such as the Expanded Public Works Programmes (EPWPs), the provision of free basic services and the provision of support for Small Medium and Micro enterprises and cooperatives.

## **THE CHALLENGES OF LED FOR DEVELOPING COUNTRIES**

Local municipalities around the world face, to varying degrees, the same problems of inequality, unemployment and growing poverty levels and limited provisioning of basic services to local communities (Horn and Lloyd 2001:59). These challenges are aggravated by international trends and new realities like urbanisation, the technological revolution and globalisation, and the increasing global competitive environment. The impact of these factors on the economies of cities and towns is not an exception. A combination of these factors constitutes the new developmental external framework noted above within which local municipalities must address their economic destiny. In addition to the challenges noted above in South Africa and other less developed countries, economies are also characterised by market failures, market imperfections, inefficiency, risk

and lack of entrepreneurial culture. This places a responsibility on governments for job creation, poverty alleviation and economic growth. Innovative and viable policy strategies are necessary for municipalities to address pressing societal problems manifested through the high unemployment and poverty levels and lack of access to basic services. Municipalities are increasingly required to: mediate between the local and global; balance LED policy aimed at urban competitiveness and poverty alleviation; to engage in more open and transparent state and civil society relations; to reform intergovernmental relations and promote cooperative governance (Development Bank of Southern Africa 2000:26).

Municipalities have a key role to play in coordinating and promoting LED. Municipalities can neither simply focus on providing local services and developing infrastructure, nor limit their regulatory involvement with the private sector through imposing planning restrictions and environmental management rules. Consequently, municipalities have become crucial role-players in the investment decisions of private sector organisations. Hence, many of the important variables that determine whether a private company decides to invest in a particular area are the responsibility of municipalities. These include access to development land, local transport and communications infrastructure, serviced sites, specialised waste disposal facilities, access to trained staff, educational facilities, housing and recreational amenities, to attract and retain skilled staff. In the highly competitive developed economies, LED has become a core activity with a significant impact on the local economy and employment.

An LED policy should balance the need for attracting investment with the needs of local communities. The private sector also requires a competitive advantage through reduced production costs and enhanced social and physical infrastructure. Therefore, a municipality should promote LED and simultaneously protect the environment, stimulate employment and implement poverty alleviation strategies (Development Bank of Southern Africa 2000:29–30).

The 2006 National LED Framework also provides the overarching context within which the roles and responsibilities of different LED stakeholders can be situated. In relation to the practice of LED the activities of the Department of Cooperative Governance (CoG) is at the core of national government programming. CoG has a Chief Directorate which is dedicated to promote LED and implements several programmes with strong LED links. The CoG's LED Chief Directorate supports the following LED activities: the development and review of national policy, strategy and guidelines on LED; providing direct and hands on support to provincial and local government in selected cases; providing management and technical support to Nodal Economic Development Planning; facilitating, coordinating and monitoring donor programmes; and assisting LED capacity building processes (Rogerson 2009:20).

The 2005 LED Policy Guidelines set forth key roles and responsibilities for the provinces and local government. The role of the Provincial Growth and Development Strategy (PGDS) is considered vital for the coordinated development of the local economy in the province (Department of Provincial and Local Government 2005:20) and 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 IDPs;
- to establish LED fora to carry out the work of the National LED Forum and establish dedicated LED units in provincial governments; and
- to assume a role in building capacities of municipalities to undertake LED and in supporting them in its implementation.

## **CONCEPTUALISING POLICY IMPLEMENTATION**

Policy implementation refers to the setting in motion of policy directives as authorised by the decision-makers and according to their prescriptions. It implies the practical manifestation of well researched policy issues and should be conducted in a properly planned and programmed manner (Hogwood & Gunn 1986:197). According to Howlett and Ramesh (2003:185) policy implementation constitutes an integral stage of the policy cycle, where policy decisions are translated into action. It is defined as the process whereby programmes or policies are carried out and the translation of plans is put into practice. While some decisions may have been made on the general shape of a policy, still others are required for it to be set in motion, notably, funding must be allocated, personnel assigned, and rules of procedure developed, amongst other matters. From the foregoing, it can be deduced that the implementation process flows from policy decision(s) aimed at addressing a specific problem or need that requires implementers to successfully carry it out in a more practical manner within the broader realm of the policy cycle.

According to Quade (1989:348), the programme for implementation should be simple and should put little reliance on bureaucratic processes. An implementation programme should also take into consideration the following requirements: the financial requirements brought about by new policies or changes in existing policy and organisational and administrative requirements. In other words, the administrative and organisational capacity of the department responsible should be realigned or changed if necessary in order to cope with new policy challenges and human resource requirements. Implementing the policy implies not only the availability of trained staff, but also their commitment

to pursue goals and objectives in a professional manner. This implies that in order for any implementation programme to be effective, adequate financial, human resources and organisational resources should be allocated aimed at realising broader policy objectives.

Fourie (2004:15) believes that the success of this stage of the policy cycle is dependent upon an array of variables such as: the correct definition of the original problem, the accurate identification of causal links, and just determination of realistic objectives, all of these having an impact on whether or not deviations might occur during this implementation stage. According to Van der Waldt (2001:97), such deviations may occur due to a shift in the programme during the implementation stage, geographic fragmentation (especially among national government and the provincial and local spheres of government), programme fragmentation (when different government agencies are responsible for different sections of policy implementation, and a break-down occurs), administrative and management deficiencies, conflict among multiple goals, and vague legislative prescriptions. Hogwood and Gunn (1997:217) cautioned that circumstances external to the implementing agency, absence of adequate resources, inaccurate theories of causes and effect, non-agreement on objectives, unspecified division of labour, faulty communication and coordination between policy implementers, as well as imperfect compliance from constituencies may further abrade effective and full implementation. Wildavsky (1975) states that since policy is made, based on the present knowledge of an uncertain future, it is bound to fall short in some aspects depending on the accuracy of existing knowledge and estimated predictions.

More often than not policies that set out to achieve ambitious targets may ultimately fall short of their desired outcomes. The lack of reliable data usually hampers policy makers' ability to devise clear policy goals with well-defined implementation plans and evaluation mechanisms. Another problem of policy implementation could be political will and commitment from officials. Leadership and political commitment are crucial for the success of policy (Howlett and Ramesh 2003:180).

The separation of policy design from implementation is artificial. Howlett and Ramesh (2003:185) assert that after a public problem has made its way to the policy agenda, various options have been proposed to resolve it, and a government has made some choice among those options; what remains is putting the decision into practice. At the same time, different bureaucratic agencies at different levels or spheres (national, provincial or local) are involved in implementing policy, each with its own interests, ambitions and traditions that affect the implementation process and shape its outcomes (Bardach 1977 and Elmore 1978 in Howlett and Ramesh 2003).

The next section discusses the constitutional mandate and the various categories of local government with reference to the Emakhazeni Local Municipality. The

discussion also covers the socio-economic situation facing the local municipality and the spatial location of the municipality within the Mpumalanga province of the Republic of South Africa.

## **Background to the case**

The Emakhazeni Local Municipality is constituted in terms of the Constitution of 1996 and the *Local Government: Municipal Structures Act* 117 of 1998 as a Category B municipality. In terms of the *Constitution of the Republic of South Africa*, 1996, section 155 (1), there are three categories of municipalities, namely, Category A; Category B; and Category C. A municipality that has exclusive municipal executive and legislative authority in its jurisdiction falls under Category A and a general term for a Category A municipality is a metropolitan municipality. Category B municipalities are municipalities that share municipal executive and legislative authority in a specific area with a Category C municipality within whose area such Category B municipalities fall. A Category B municipality is also referred to as a local municipality. The Constitution of 1996 determines that Category C municipalities are municipalities which have municipal executive and legislative authority in areas that include more than one municipality. The general term for a Category C municipality is a district municipality.

The *Local Government: Municipal Structures Act* 117 of 1998 contains criteria for determining when an area must have a Category A municipality (Metropolitan), with exclusive legislative and executive authority throughout its area of jurisdiction; and a Category B municipality (Local Municipality), that shares executive and legislative authority with a category C municipality (District Municipality). Within these basic types of municipalities, each Provincial Local Government Member of the Executive Council (MEC) must then determine whether an executive mayor or executive council should perform the executive functions of the municipality. The Provincial Local Government MEC must determine whether or not municipalities should have ward committees to strengthen local representation. Provincial MECs have a considerable discretion to influence the viability of each municipality, ensuring the optimum structure for each council, based on local factors, including the political and administrative capacity of the council (Pycroft 1999:188).

The potential advantage of creating different types of municipality is that it affords each MEC for Local Government with the flexibility to determine the most cost-effective form of local government based on the local conditions, service requirements and local political preferences. The disadvantage of this is that the efficiency savings of one type of municipality, as opposed to another, may be slight, as the main costs associated with a municipality are

related to administrative expenditure, service delivery and capital repayment. The type of municipality (whether executive mayor, executive committee, ward based, or sub-council) had only a limited impact on these fundamental financial components. Furthermore, the introduction of non-uniform types of municipalities within the same province, and from province to province, introduced a level of complexity and confusion that could operate against the efforts to encourage public participation in municipal activities (Pycroft 1999:188,189).

The mandate for municipalities is succinctly contained in the preamble to the *Local Government: Municipal Structures Act 117 of 1998* as:

*“A vision of democratic and developmental local government in which municipalities fulfil their constitutional obligations to ensure sustainable, effective and efficient municipal services, promote social and economic development, encourage a safe and healthy environment by working with communities in creating environments and human settlements in which all our people can lead uplifted and dignified lives”.*

Emakhazeni Local Municipality is located in the Nkangala District municipality in the Mpumalanga province of South Africa. According to the Community Survey conducted by Statistics South Africa in 2007, the local municipality had a population size of 32 840 persons. The municipality is also the least populated in the Nkangala District Municipality with a population density of 6,93 persons per square meter. The municipality is bordered to the West by the Steve Tshwete Local Municipality which is also part of the Nkangala District Municipality, to the South it is bordered by Albert Luthuli Local Municipality which is part of the Gert Sibande District Municipality, to the North by the Thaba Chweu Local Municipality and to the East it is bordered by the Mbombela Local Municipality which are both part of the Ehlanzeni District Municipality in the Mpumalanga Province (Emakhazeni Local Municipality's 2011–2012 Integrated Development Plan).

The Emakhazeni Local Municipality is strategically positioned in the provincial context of the Mpumalanga province as it is located between the Pretoria and Johannesburg complex in the Gauteng province and Nelspruit, the provincial capital of the Mpumalanga province. Moreover, it is situated on the N4 national road of the Maputo Corridor, which is the main link between the Gauteng province, Mpumalanga province and Mozambique. The transport infrastructure in the form of rail lines provides a linkage with Gauteng and Maputo, the capital of Mozambique and Richards Bay, in the KwaZulu-Natal province. The municipality is a tourist destination and further serves as the gateway to the major tourism attraction points in Mpumalanga province and the eastern parts of Limpopo

province through the Kruger National Park to the East and Pilgrim’s Rest, Graskop, Mashishing and Hoedspruit to the Northeast of the province (Emakhazeni Local Municipality’s 2011–2012 Integrated Development Plan).

The unemployment rate in the Emakhazeni local municipality was 30% in 2010 and the weighted average household income earned by the economically active population per annum is R31 494 53 in terms of the 2001 figures. The economy is composed of various sectors which make it diversified, namely, mining, agriculture, trade, transport, government, community services and manufacturing. Mining is leading in terms of employment within the municipality with 22,7% followed by the trade sector with 20,6% (Emakhazeni Local Municipality’s 2011–2012 Integrated Development Plan).

The next section presents the methodology underpinning the field research and a discussion of results based on research questions contained in an interview schedule emanating from the field research work that took place at the Emakhazeni local municipality’s offices.

## METHODOLOGY AND FINDINGS

The field research work took place at the offices of the Emakhazeni Local Municipality, Mpumalanga province. This work also involved a documentary review of various official documents developed by the Municipality, notably, the IDP Review document for 2010–2011 financial year, Emakhazeni Local Municipality’s LED Strategy, March 2007 and the Emkhazeni Responsible Tourism Plan, March 2008. Literature review was also carried out. For the purpose of data analysis an MS Excel spreadsheet was used for data coding, analysis and presentation.

**Table 1: Research sample**

Profile of respondents	Number of respondents
Municipal manager	1
Manager in the office of the executive mayor	1
IDP and LED officer	2
Corporate and Social Investment officer	1
Chairpersons of Community Development Forum	3
Member of the Executive Mayoral Committee	1
Youth Development Manager	1

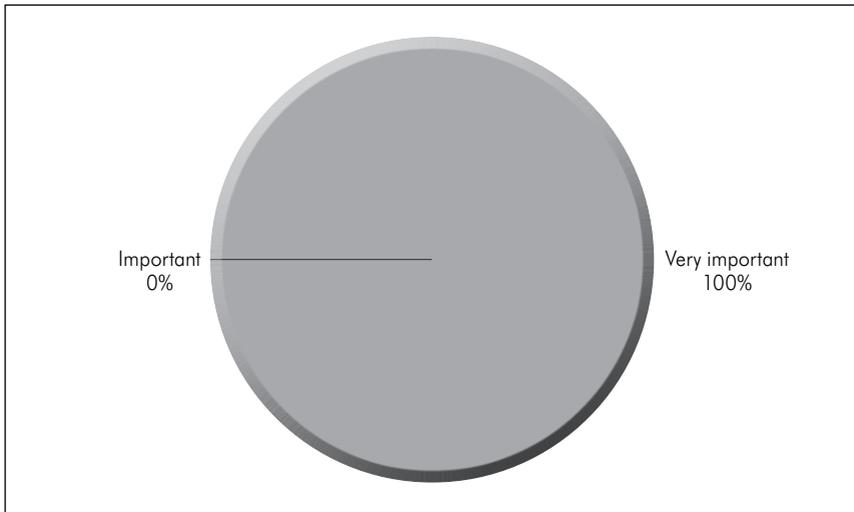
The profile of these above-mentioned research participants includes both the internal staff represented by the senior municipal officials, and the external municipal stakeholders, namely the members of the Community Development Forum involved with the formulation and implementation of the LED policy within the municipality. Noteworthy, the staff establishment of this municipality is relatively small due to inadequate staffing and limitations of resources.

**Table 2: Response rate**

Number of interviewees	Actual	Response
10	10	10

It is interesting to note that the target number of respondents was actually achieved because all the respondents were available for the focus group interview meetings as per the schedule agreed upon by the author and the municipal LED coordinator. The respondents were required to complete a self-administered questionnaire, which consisted of nine closed questions and one open-ended question. This section provides an analysis of the respondents’ perceptions and views with regard to the LED Policy of the Emakhazeni Local Municipality. The analysis of the respondents is categorised into three broad themes, namely: LED Policy Planning Context; LED Policy Stakeholders; and LED Policy Implementation.

**Figure 1: Importance of LED**



Source: (Koma 2014:264).

## Question 1: Importance of LED

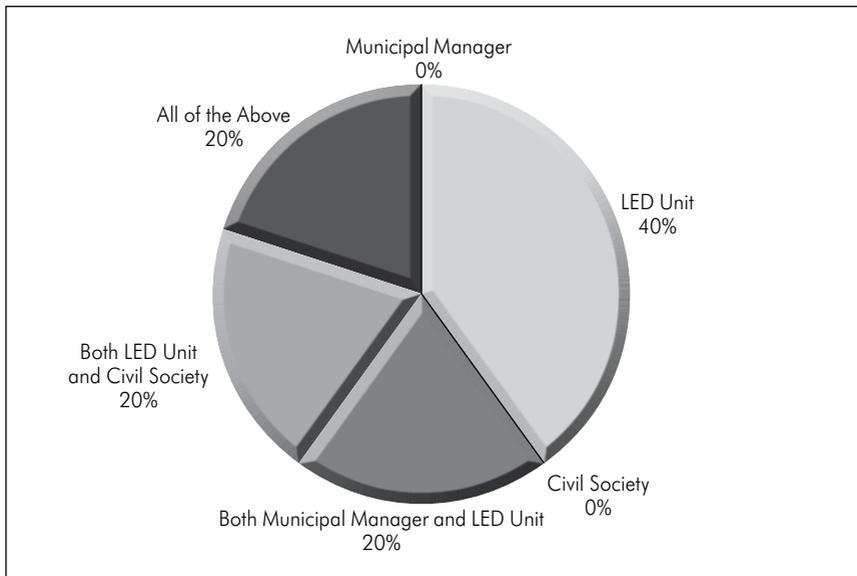
Research participants were required to indicate the importance of LED for the municipality. Figure 1 graphically illustrates the responses of the participants.

In answering this question, the participants were provided with two options in order to indicate their perceived importance of LED for their municipality. Figure 1 highlights that all of the participants were of the view that local economic development is certainly very important for the operations of the municipality. This overwhelming response also indicates the primacy of LED policy for the municipality accorded by the participants. This research finding further reflects that all the important role-players within the municipality acknowledge that LED is very important and strongly needed to realise the strategic objectives of the municipality, namely: economic growth, employment creation and poverty alleviation.

## Question 2: Responsibility for implementation of LED

From the responses received and as Figure 2 illustrates, the majority (40%) of the participants indicated that the LED Unit of the municipality is primarily responsible for the implementation of the LED policy.

**Figure 2: Responsibility for implementation of LED**



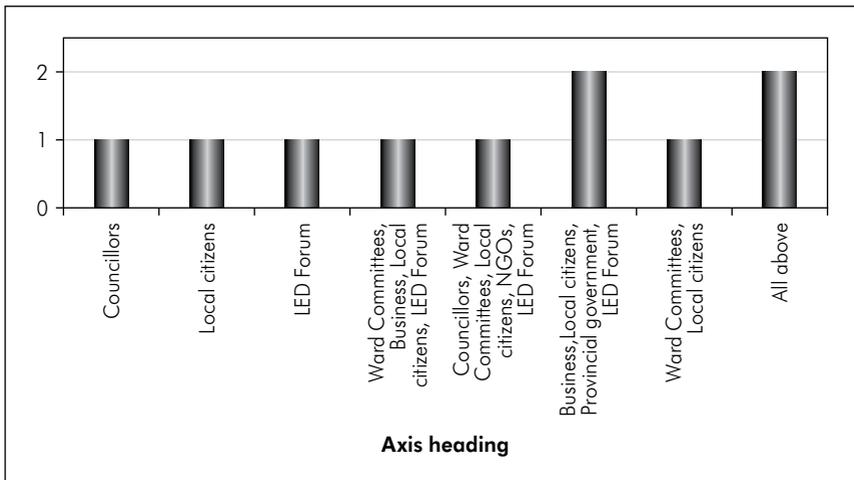
Source: (Koma 2014: 266).

205 of the respondents were of the view that both the Municipal Manager and the LED Unit are responsible for the implementation of the LED policy, whereas another 20% of the respondents stated that both the LED Unit and civil society are responsible for the policy's implementation. The existence of the LED Unit and the involvement of civil society in the implementation of the LED policy clearly show the inclusive approach adopted by the municipality to realise the objectives of the policy, notably, ensuring economic growth, employment creation and poverty alleviation.

### Question 3: Opinions taken into account regarding implementation

Various stakeholders' opinions are taken into account in formulating and implementing LED policies. Participants were asked to highlight which opinions are taken into account when decisions relating to the implementation of the Policy are made.

**Figure 3: Opinions taken into account regarding implementation**



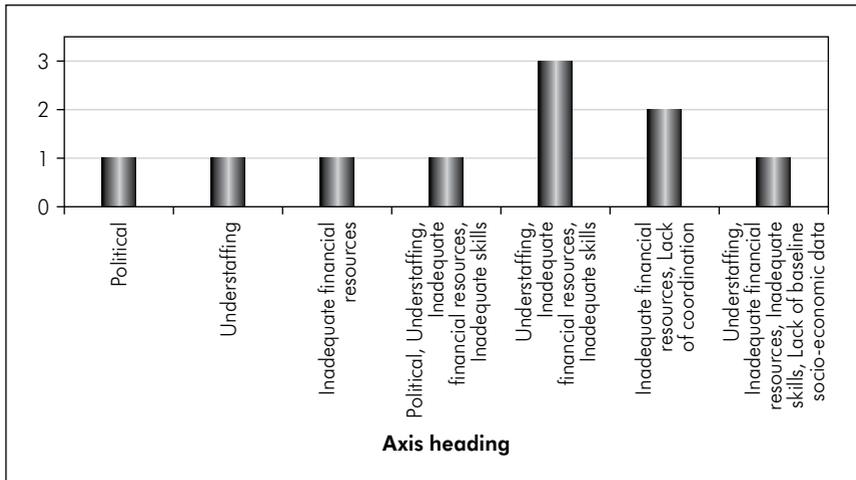
Source: (Koma 2014:269).

Figure 3 illustrates that two of the ten (20%) participants underline that the opinions that are taken into account for the implementation of the LED policy, are those of: business, local citizens, provincial government, and the LED Forum. Two of the ten (20%) respondents indicated that all stakeholder opinions, which include: councillors, ward committees, business, local citizens, experts, NGOs, provincial government and the LED Forum, are taken into consideration.

## Question 4: Barriers to implementation

Question 4 required participants to reflect on the barriers responsible for influencing the implementation of the LED Policy. Figure 4 illustrates that various factors hinder the implementation process, such as: political barriers, understaffing, inadequate financial resources, inadequate skills, lack of clear national government policy direction, lack of baseline socio-economic data, and a lack of coordination. Respondents were given the prerogative to choose more than one barrier or factor, which they thought to be relevant.

**Figure 4: Barriers to implementation**



Source: (Koma 2014:269).

A combination of understaffing, inadequate financial resources and inadequate skills, as well as a combination of inadequate financial resources and a lack of coordination were identified as the major barriers in the process of implementing the LED policy. The lack of skills, coordination, funding and understaffing for LED policy implementation invariably exhibit the institutional capacity deficiencies facing small local municipalities. It is difficult for small local municipalities to attract and retain qualified and competent LED practitioners due to limited labour supply within the local labour market and financial resources available to them to be able to fulfil this objective. At the same time, the role of provinces in building the capacities of municipalities to undertake LED and in supporting them in its implementation is succinctly provided in the LED Policy Implementation Guidelines, 2005.

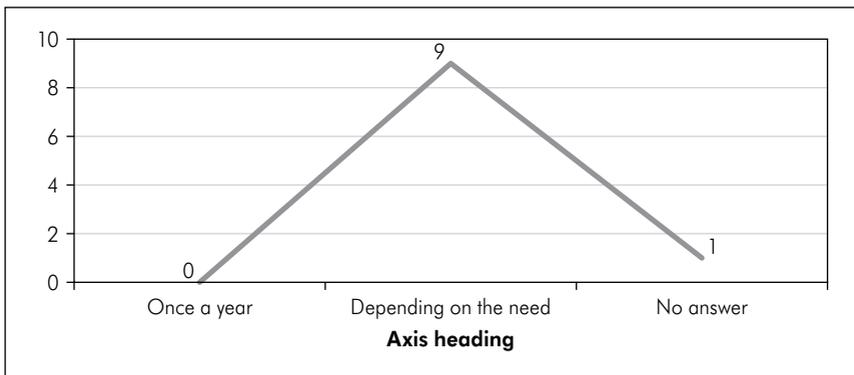
The DBSA launched the LED Fund in 2008 that is aimed at assisting localities with demonstrable economic potential but they are hampered by, a limited

revenue base and access to commercial and grant funding to capitalise on the potential within their areas. Through this fund, low capacity local municipalities could successfully raise funding for LED policy implementation.

### Question 5: Frequency of updating and reviewing LED policy

Similar to the need for convening meetings to discuss the progress made with the implementation of the LED policy, it is of paramount importance to regularly update and review the LED policy. This question asked participants how often they reviewed and updated the LED policy. Figure 5 below illustrates the responses.

**Figure 5: Frequency of reviewing and updating LED policy**

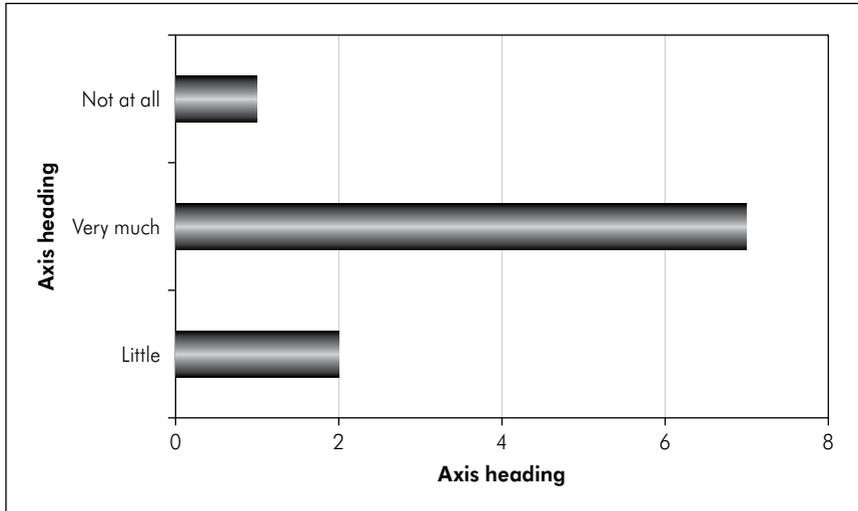


According to Figure 5, the majority of participants (90%) state that the LED policy is only reviewed and updated when there is a need to do so. One respondent did not establish a view. According to the World Bank LED Model (2005) LED strategy should be reviewed at least annually to ensure that it remains relevant. It may be that conditions have changed or that the initial assessment was incorrect for the local conditions. The LED strategy should evolve continuously to respond to the changing competitive environment.

### Question 6: Consideration of National and Provincial Growth and Development Strategies

Research participants were required to indicate the extent to which the National and Provincial Growth and Development Strategies were considered in the formulation of the LED policy. From figure 6 below, it is evident that the National and Provincial Growth and Development Strategies form an integral part of the LED policy.

**Figure 6: Consideration of National and Provincial Growth and Development Strategies**



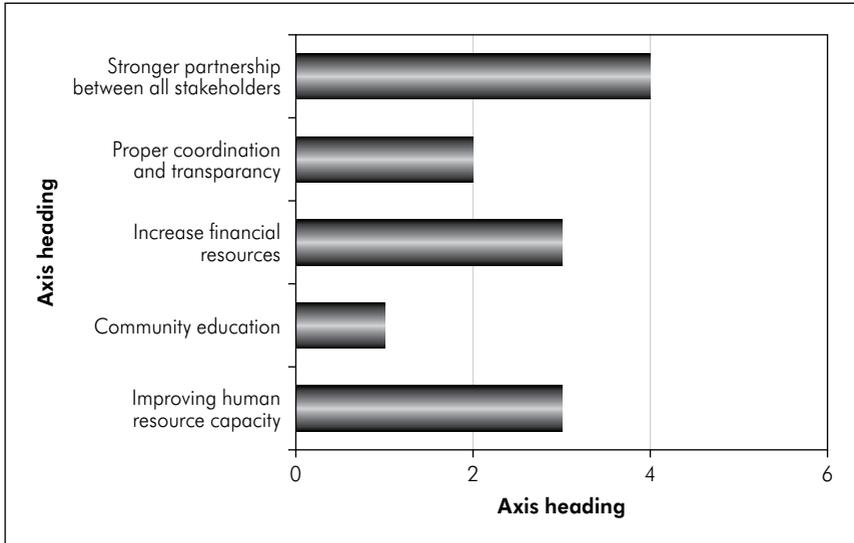
Source: (Koma 2014:274).

An overwhelming 70% of the participants affirm that the Growth and Development Strategies are central to the formulation of the LED policy, while one of the ten participants (10%) indicated that these strategies are not considered at all in the formulation of the LED policy. The remaining 20% of the participants highlighted that the National and Provincial Growth and Development Strategies are taken into consideration. This research finding supports the assertion that local municipalities should invariably align their LED policies to the national economic development policies, namely, the New Growth Path, National Development Plan, National Spatial Development Perspective, and Provincial Growth and Development Strategies.

### **Question 7: Realising objectives of LED policy**

The other important question entailed the respondents having to provide their opinion on how the LED policy objectives could be best attained or realised. The participants were not provided with options to choose from, so for the purposes of this analysis, the author categorised the participants' responses into the following: stronger partnership between all stakeholders; proper coordination and transparency; increase in financial resources; community education; and improving human resource capacity. Figure 7 illustrates the responses of the research participants.

**Figure 7: Realising objectives of LED policy**



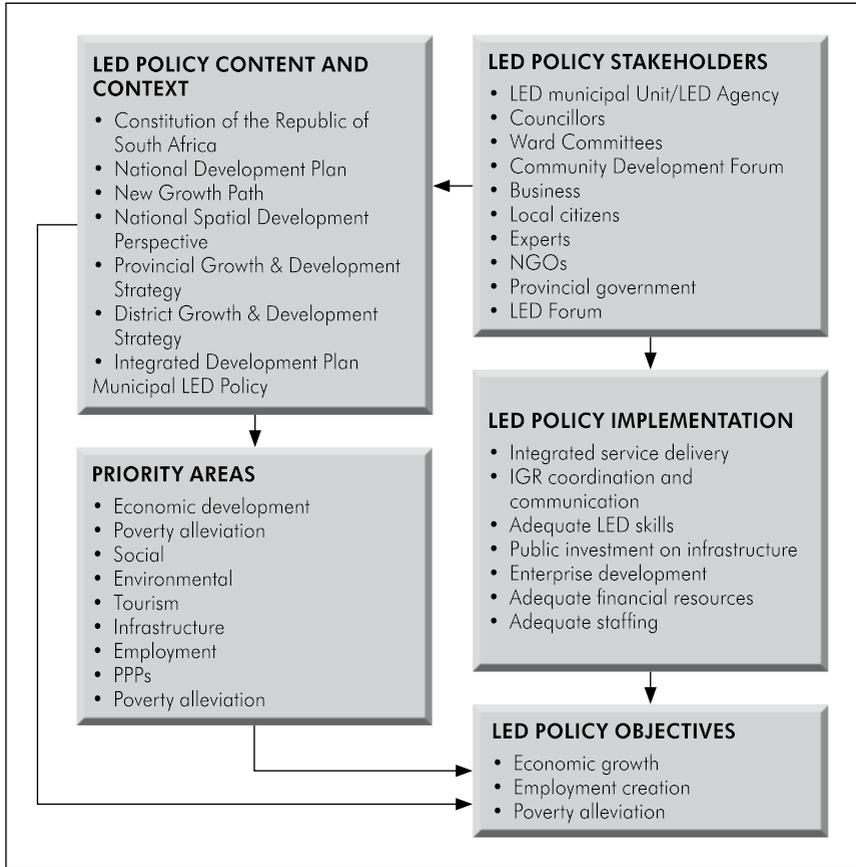
Source: (Koma 2014:275).

According to Figure 7, 40% of the participants were of the view that a stronger partnership between all stakeholders, coupled with an improvement in the human resource capacity, as well as an increase in financial resources, would assist the municipality in meeting the objectives of the LED policy. Participants suggest that in terms of improving the human resource capacity of the municipality, there should be an introduction of training and orientation programmes for officials who are involved in the formulation and implementation of the LED policy. Two of the ten respondents believe that the objectives of the policy may be realised if there is greater coordination and transparency in the entire process of formulating and implementing the LED policy. Community education was another important factor suggested by the participants (10%).

These findings suggest that there are numerous bottlenecks facing the implementation of LED policy. Notably, the lack of skills, coordination, funding and understaffing are the major contributing factors affecting the implementation of the policy within the Emakhazeni Municipality. The report on the Strategic Review of Local Government published in 2009 appropriately highlights these above-mentioned factors namely, limited capacities, inadequate financial resources and the lack of proper coordination among the various responsible spheres of government, as the crucial bottlenecks that hinder the effective implementation of the LED policy.

There is little synergy regarding the planning process encapsulating the various strategic national economic development policies namely, the New

**Figure 8: LED policy implementation model**



Source: (Koma 2014:279).

Growth Path, National Spatial Development Perspective and Provincial Growth and Development Strategy and the municipal LED policy implemented by the local municipality. The failure on the part of local municipalities to align municipal LED policy and the national economic development policy frameworks invariably affects the integration of strategic national and provincial development imperatives necessary for the achievement of economic growth, employment creation and poverty alleviation. The lack of synergised and integrated development planning frameworks is a crucial issue that needs the attention of LED policy planners and implementers within the municipality.

The model in Figure 8 is a representation of critical variables that should be taken into account with a view to ensuring proper implementation of the

LED policy within the context of developmental local government. This model is based on the broad themes of the research findings of this research, namely: LED policy content and context; LED policy stakeholders; LED policy implementation and LED policy objectives.

## **LED policy content and context**

The first variable refers to the LED policy content and context. This variable covers the important legislation and public policies that underpin the promotion of growth and development objectives at the macro, micro and meso levels. The Constitution of 1996 provides for local government objectives and Section 153 clearly states that one of the objectives of local government is to promote social and economic development, as already stated. Furthermore, local government must encourage the involvement of communities and community-based organisations (CBOs) in the affairs of local government. 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 National Development Plan (NDP) (2011) covers the government's vision for 2030 and reflects on the overall strategic priorities and objectives of government for the next two decades. This plan provides a broader planning framework to inform the formulation of the LED policy. This alignment is crucial for the purpose of ensuring that the LED policy is synchronised with the major thrusts of the NDP. The New Growth Path (NGP) policy broadly outlines the strategic objectives of the government and more importantly contains targets for the achievement of growth and employment creation. Flowing from this NGP policy, LED policy planners should also take into account the intentions of the National Spatial Development Perspective in order to understand and locate the potential economic growth points for their local areas. This would help LED policy planners to generate a sound spatial development plan tailored for the specific circumstances and conditions unique to their local areas. A spatial development plan is integral for the realisation of LED policy objectives.

LED policy cannot be insulated from the imperatives of the provincial government through the formulation of the Provincial Growth and Development Strategies (PGDS). This provincial strategic development framework provides the basis within which LED policy planners should locate the growth and development priorities of the province and give direction to the content of the LED policy. This synergy of both the PGDS and LED policy is imperative for ensuring integrated development planning within the two spheres of government and thus realise the fundamental objectives of intergovernmental

relations and also incorporate the District's Growth and Development Strategy (Koma 2014:280).

The content of the LED policy should also encapsulate the broader municipal strategic plan namely, the Integrated Development Plan (IDP). The IDP is an innovative strategic planning tool aimed at ensuring that the development thinking mode of municipalities locates the short, medium and long-term development plans of municipalities within the parameters of an inclusive and participatory process of consultation, involvement and engagement with local citizens, community-based organisations, non-governmental organisations and the business community. The synergy between the IDP and LED policy is integral for the achievement of LED policy objectives (Koma 2014:281).

As a result, the priority areas for LED policy should principally focus on economic development, employment creation, poverty alleviation, social, environmental, tourism, infrastructure, and public-private partnerships issues. These priority areas are also reflected in the NDP, NGP, Provincial Growth and Development Strategy, National Spatial Development Perspective and IDPs.

## **LED Policy stakeholders**

The other crucial variable situated in the LED policy implementation model involves LED policy stakeholders. It is important to note that in terms of the *White Paper on Local Government*, 1998 developmental local government is defined as a government committed to working with local citizens, non-governmental organisations and community-based organisations to find sustainable ways and means to meet their social, economic and material needs and improve the quality of their lives. This definition of developmental local government clearly provides the context within which the LED policy should be conceptualised and operationalised.

The solicitation of input, views and resources from various stakeholders is crucial to effective implementation of the LED policy. At the municipal level important stakeholders include the Councillors who are expected to provide vision on how they intend to develop, harness and achieve the economic potential of their municipalities in order to boost local economies, generate employment and reduce poverty. The involvement of LED municipal units/agencies/forum in shaping the content of the LED policy is also crucial for the success of the LED policy. These LED municipal structures should be adequately resourced and capacitated in terms of both human and financial resources, and empowered to take a leading role in the mobilisation of resources for the purpose of realisation of LED policy objectives. The active involvement of the ward committees, local citizens, non-government organisations, and experts is imperative for the realisation of developmental local government.

## LED policy stakeholders

LED policy implementation is also a crucial variable and therefore municipalities should take the following elements into account, namely:

- Integrated service delivery planning through the provision of basic services such as water and sanitation, electricity, human settlements and education should be prioritised. In order to fulfil integrated service delivery planning it is imperative for municipalities to ensure that Service Delivery Budget Implementation Plans (SDBIPs) are synchronised with IDPs. This should also take into account the service delivery plans that are developed by sector departments at the provincial level such as roads, education, cooperative governance and human settlements (Koma 2014:282).
- Intergovernmental relations (IGR) coordination and communication should be achieved through the jettisoning of silorised development planning processes across the three spheres of government. Thus, coordination of government development frameworks should be effected from the Presidency, the provincial offices of Premiers and municipal managers' departments informed by the NDP, NGP, National Spatial Development Perspective, Provincial Growth and Development Strategies, Municipal IDPs and LED Policy Framework (Koma 2014:283).
- Public investment on infrastructure should be initiated and spearheaded by government departments and municipalities. This would help stimulate and boost local economies and thereby generate employment creation and poverty alleviation. This strategy will further advance the agenda of the South African developmental state demonstrating capacity to intervene in the economy in order to promote and achieve growth and development strategic objectives (Koma 2014:283).
- Enterprise development should be promoted and underpinned by market access and research; availability of premises for enterprises; physical infrastructure such as electricity, telecommunications, roads and transport facilities such as railways and ports; linkages with existing large enterprises; sound trade and enterprise regulations; adequate funding for start-ups and training and capacity building initiatives (Koma 2014:283).
- Adequate financial resources should be made available for municipalities in order to initiate LED projects through various avenues, namely, the Development Finance Institutions notably the Development Bank of Southern Africa (DBSA) and Industrial Development Corporation (IDC). These resources may be allocated in the form of loans, grants and subsidies tailored for municipalities with demonstrable economic potential and capacity to drive growth and development initiatives (Koma 2014:283).

- Adequate LED skills are crucial for the effective implementation of LED policy and various capacity-building initiatives should be developed and customised to cater for the generic skills development of LED policy implementers and this should assume an interdisciplinary focus involving economic, development and spatial planning, public administration and management and project management domains (Koma 2014:284).
- Adequate staffing for LED municipal units/departments and agencies should be a top priority for municipalities. This may be achieved through adequate funding in order to attract and retain professionally qualified, competent and capable LED policy implementers within both resourced, high capacity and under-resourced and low capacity municipalities. The skewed skills levels of LED staff across municipalities should be addressed as a matter of urgency and significance with a view to achieve LED policy objectives (Koma 2014:284).

## CONCLUSION

This article commenced with the imperatives for LED in the context of developing countries. The conceptualisation of policy implementation was also highlighted. Policy implementation is viewed as an integral stage of the public policy cycle and basically entails the translation of policy objectives into action carried out by implementers at various levels of an organisation. In the context of public administration, implementers assume a crucial role and responsibility for effecting policies endorsed by policy makers with a view to address a societal problem or social need. The setting of the Emakhazeni Local Municipality situated in the Mpumalanga province of the Republic of South Africa was highlighted. This article also introduced a model for LED policy implementation suited for the sphere of local government. This model clearly outlines three critical variables for policy implementation with reference to LED namely: LED policy content and context; LED policy stakeholders and LED policy implementation. The integration of these critical variables serves as a *sine qua non* for the implementation of the LED policy.

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## **AUTHOR'S CONTACT DETAILS**

Dr S.B. Koma  
University of Pretoria  
School of Public Management and Administration  
Pretoria  
0002  
Tel: 012 420 2138  
Email: [sam.koma@up.ac.za](mailto:sam.koma@up.ac.za)