

Local Economic Development Strategies for Employment Creation in Amajuba District Municipality

by

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Submitted in partial fulfilment of the requirements for the degree of

Master of Administration

In

Public Management and Policy

In the

School of Public Management and Administration

FACULTY OF ECONOMIC AND MANAGEMENT SCIENCES

UNIVERSITY OF PRETORIA


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DECLARATION OF ORIGINALITY

I, Nozibusiso Mavuso Ndlovu, student number 21525863, declare that the dissertation, titled “***Local Economic Development Strategies for Employment Creation in Amajuba District Municipality***” which I hereby submit for the degree Master of Administration (Public Management and Policy) at the Faculty of Economic and Management Sciences, University of Pretoria, is my own work and has not previously been submitted by me for a degree at this or any other tertiary institution.

Signature: 
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DEDICATION

I stepped into a new energy outside my comfort zone, and I found myself stepping into a chapter in my life filled with accomplishments. Looking at all my achievements made me realise that I am powerful and capable of long-term abundance.

There's nothing more my late parents wanted for me than getting a qualification.

Years later here I am working on my third qualification. As much as I want this qualification, it took so much of me I don't know how many times I said **** **.

Then I would remember that they didn't raise *isehluleki* and hence they have been the motive and reason pushing me to complete my studies. I hope I have made my ancestors very proud.

This work is dedicated to my late parents:

Philisiwe Mavuso and Thamsanqa Hadebe

ACKNOWLEDGEMENTS

My gratitude goes out to the following:

- To my husband, Dr Thabang Samkelo Ndlovu – words can never be enough Gatsheni, you made everything easy. Thank you for being my pillar of strength, for making our home a place I can escape to when the world of academia gets too much for me. Your belief in my abilities kept me going.
- To my supervisor, Dr Tyanai Masiya – thank you for your advice and constructive suggestions contributed to what the next pages are made of.
- To my daughter, Ntando – thank you for the laughs and understanding that sometimes umama needs time to do her schoolwork. I will always try to be the best person you look up to.
- To my participants – thank you for taking time in your busy schedules to do the interviews. It was a pleasure conducting them, I learnt a lot *nikwenze nakwabanye*.
- I would like to thank the University of Pretoria for the financial support.
- To my DSAC colleagues – thank you all for the healthy working environment, it was one less thing to worry about.
- Lastly, I would like to thank everyone who helped making this work a success.

ABSTRACT

South Africa has a rapidly increasing unemployment rate which has been identified as a national crisis that urgently needs to be addressed. Unemployment is seen as a structural constraint that leads to significant issues of poverty and inequality which results in the deterioration of the quality of life of people. Given this, the South African government has placed a heavy emphasis on local economic development (LED) as a tool for employment creation and poverty alleviation. LED is understood as local initiatives that are driven by local stakeholders with local government in the forefront of driving local economic activity and employment creation within local economies. This study assessed the available LED strategies and/or tools available for employment creation using the Amajuba District Municipality as a case study. Employment creation has been specifically identified as the primary tool through which transformation can occur within the Amajuba District Municipality.

This study employed a qualitative research approach in which semi-structured interviews were undertaken with 10 key participants within the Amajuba District. On this score, the study found that the Amajuba District is focusing on developing and promoting the agricultural sector, mining sector and textile sector as a LED strategy to create employment. In addition, the Amajuba District is also focused on the creation and facilitation of a conducive business environment as a LED strategy for employment creation.

The findings suggest that there is room for improvement in regard to LED implementation and employment creation as the Amajuba District suffers from relatively high levels of poverty and unemployment. Given this, the study recommends that the Amajuba District Municipality should work on improving its collaborative efforts with the private sector, civil society and other relevant stakeholders. In addition, the Amajuba District should work on the promotion of a culture of entrepreneurship within the district. This can be in the form of supporting small, medium and macro enterprises (SMMEs), local farmers and aiding in the formalisation of the informal sector which could lead to better employment creation in the Amajuba District.

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LIST OF ABBREVIATIONS

ADM	Amajuba District Municipality
ANC	African National Congress
COGTA	Cooperative Governance and Traditional Affairs
DEAT	Department of Environmental Affairs and Tourism
DPLG	Department of Provincial and Local Government
DTI	Department of Trade and Industry
EPWP	Expanded Public Works Programme
GVA	Gross Value Added
IDP	Integrated Development Plan
KZN	KwaZulu-Natal
LED	Local Economic Development
NGO	Non-Governmental Organisation
NDP	National Development Plan
NSDP	National Spatial Development Perspective
PGDS	Provincial Growth and Development Strategies
RDP	Reconstruction and Development Programme
RSA	Republic of South Africa
SACN	South African Cities Network
SMMEs	Small, Medium and Macro Enterprises
Stats SA	Statistics South Africa

CHAPTER 1

INTRODUCTION TO THE STUDY

1.1. Introduction

This study assessed the local economic development (**LED**) strategies used to promote employment creation in the Amajuba District Municipality (**ADM**). This is in response to the fact that South Africa's unemployment rate is rapidly increasing. At the time of writing, the South African unemployment rate was at 35.3%, which is indicative of a national crisis that needs to be addressed (Statistics South Africa [Stats SA] 2021). Relevant to this study, unemployment is seen as the major structural constraint which leads to significant issues of poverty and income inequality within the Amajuba District. This has been identified to lead to the deterioration of the quality of life for the people who reside within the Amajuba District (ADM 2021).

Moreover, this has led to the majority of working households to live close or under the poverty line. Accordingly, a high percentage of the people who reside in Amajuba District depend on social funding and other forms of related grants as a source of income (ADM 2021). To address this, employment creation has been identified as the primary tool through which transformation can occur within the Amajuba District (ADM 2021).

The ADM has identified that creating meaningful employment is critical in transforming the lives of people residing within the Amajuba District. Indeed, for any meaningful change to occur, the ADM is required to play a key role. This view is supported by Khambule (2021) who submits that local governments have been deemed central to the delivery of social and economic development as a result of being in close proximity to citizens and having in their midst local knowledge and active political leadership.

In the context of the Republic of South Africa, the South African Constitution of 1996 (**the Constitution**) makes provisions for the attainment of local development objectives by local governance and gives crucial functions to local governments. Accordingly, sections 152(c) and 153(a) of the Constitution state that local governments are obligated to “promote social and economic development” and must also be involved in the managing of their administration and budgeting processes such that these can meet the basic needs of communities.

Previous studies have found that LED leads to the alleviation of poverty and unemployment (Mlambo et al. 2019). One such study is the work of Khambule (2020b:96) who submits “*LED is a potent tool for local government to address unemployment and poverty*”. In addition, Khambule (2020b) submits that LED is an important means of obtaining sustainable development and the creation of employment. The work of Biyela et al. (2018) echoes these views and indicates that LED is a constitutional and government mandate which seeks to achieve economic growth and job creation in order to tackle the spatial and socio-economic inequalities that exist in South Africa.

However, Khambule (2020b) further notes that although LED can be a useful tool for local government to address both unemployment and poverty, in the South African context, local governments have not been able to achieve this as a result of challenges faced by municipalities. These challenges are cited to be the inability of municipalities to drive LED as a result of a lack of understanding of LED, insufficiently capacitated staff and the mistrust between the public and private sectors (Khambule 2018b).

As a result of the above, this study assessed the LED strategies used to promote employment creation in the Amajuba District. The study seeks to aid local government officials and policymakers as it both assessed the performance of Amajuba District’s LED initiatives as well as uncovered ways to improve LED initiatives in the Amajuba District.

1.2. Problem statement

South African society faces significantly high unemployment levels. As of writing, the national unemployment rate was at 35.3%, and more people are joining the workforce and actively seeking employment (Stats SA 2021). As things are now, the South African labour market is not adequately producing enough employment to take in the population of the working age. South Africa's high unemployment rate necessitates bold actions and a coordinated plan.

In terms of Section 25(1) of the Municipal Systems Act (Act 32 of 2000) (RSA 2000), *“each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality”*. Furthermore, the reading of the Municipal Systems Act makes it clear that each municipality has a responsibility to create employment for people living within that local municipality.

Specifically, to this study, unemployment is deemed as a major structural constraint in the Amajuba District that leads to significant levels of income inequality and poverty which contribute to the overall deterioration of the quality of life of people of the Amajuba District (ADM 2021). Moreover, the ADM (2021) submits that a high unemployment rate leads to significant dependency ratios, with an increased number of people depending on fewer wage earners. This results in a sizable portion of the working class living in close or under the poverty line (ADM 2021).

Given this, employment creation has been identified as a measure in whereby transformation and economic growth can happen within the Amajuba District (ADM 2021). This, according to the ADM (2021), will be achieved through LED strategies, specifically in the form of investment and intervention through the public and private sectors in creating an allowing environment for the generation of employment and inclusive economic growth.

Existing literature reveals a link between LED and employment creation. Indeed, Khambule (2020b) submits that LED is a potent tool to be employed by local governments in order to address unemployment and poverty. Mlambo et al. (2019)

also suggest that LED is a useful tool that results in the alleviation of poverty and unemployment. It is in this context that this study assessed the role of LED strategies in employment creation in the ADM.

1.3. Central theoretical statement and or/ hypothesis

The theory of participation applies to this study. The theory of participation can be understood as the process whereby public or stakeholder individuals, groups, and/or organisations are involved in making decisions that affect them (Reed et al. 2018:8). This can be achieved through “passively via consultation or actively through two-way engagement” (Reed et al. 2018:8).

In relation to this study, the theory of participation suggests that LED needs to be *“driven or created by the inhabitants as happening/arising out of projects that among others could lead to job creation and income generation”* (Mlambo et al. 2019:696). Further, Mlambo et al. (2019) submit that LED can become entrenched if in addition to the locals being given projects to run, there should also be active participation between all relevant stakeholders which will ensure that the local community has existing support structures to make the most of local projects. The theory of participation implies that while municipalities are seen as implementing agents, LED strategies should ensure the involvement and participation of all local stakeholders (Mlambo et al. 2019). This participation should also be characterised by openness and transparency which should ensure cooperation on issues of LED.

More so, Kantemeridou et al. (2013) submits that LED participatory planning needs to involve various stakeholders in regard to development policies. This results in the promotion of local forms of employment which depend on the characteristics of each local area as it links to “local production units and the local labour market” (Kantemeridou et al. 2013).

Furthermore, in regard to the participation of all stakeholders in LED initiatives, Khambule (2020b) reckons that LED can be defined as the sum of all economic activity by all relevant stakeholders within a local geographic area, working together

to create economic development and ultimately improve the quality of life for local residents. This suggests that LED is the process whereby the public, private and other sectors within the development space collaborate for the creation of employment opportunities and economic growth (Khambule 2018c). This involves strengthening the economic capacity of residents in local areas for purposes of improving their economic prospects and social economic conditions (Khambule 2018c).

1.4. Research questions and objectives

This section outlines the research questions and objectives.

1.4.1. Research questions

The following comprised the research questions of this study:

- (i) What is the rationale of LED strategies in South Africa?
- (ii) What are the local economic development strategies used to promote employment creation in the Amajuba District?
- (iii) What is the performance of the ADM LED strategies in creating employment?
- (iv) In what ways can the LED strategies in the Amajuba District be improved to create employment?

1.4.2. Research objectives

The study aimed at achieving the following research objectives:

- (i) Understanding the rationale behind the LED strategies in South Africa.
- (ii) Identifying the LED strategies used to promote employment creation in the ADM.
- (iii) Examining the performance of the Amajuba District's LED strategies to create employment in the ADM.
- (iv) Establishing ways in which LED strategies in the ADM can be improved to create employment.

1.5. Research approach/methodology and design

This section outlines the research design and methodology employed by the study. In most cases, research design can be understood as the structure that guides the data collection and analysis processes (Bryman & Bell 2019). Moreover, it can be seen as the plan or strategy a research project will take in order to answer the research questions posed by the study (Saunders et al. 2016:163). A well formulated research design and methodology will have in it clear objectives derived from the research questions, identify the sources from which the researcher will collect the required data and the best possible approach to collect and analyse the data.

Further, research methodology can be understood in two main forms. First, research methodology can be based on the particular research model employed in a particular study (Bryman & Bell 2019). Second, research methodology can relate to a theoretical and more abstract context. These two understandings of research methodology result in the two major forms of methodological approaches which are quantitative and qualitative research methodologies (Bryman & Bell 2019).

Regarding this study, a qualitative research approach was used to assess participants and the relationships between them by employing a variety of data collection techniques and analytical procedures for purposes of developing a conceptual framework and theoretical contribution (Bryman & Bell 2019). On this score, a qualitative methodology may employ a single data collection approach in the form of semi-structured interviews, and a corresponding qualitative analytical procedure, which is referred to as a mono method qualitative study (Saunders et al. 2016). A qualitative study can also use more than one qualitative data collection technique and a corresponding analytical procedure which is referred to as a multi-method qualitative study (Saunders et al. 2016).

This study employed a qualitative research methodology and used an interview guide approach for qualitative interviewing. Individual interviews were held with selected participants within the Amajuba District who were directly involved or

benefit in the formulation and implementation of Amajuba District development and job creation initiatives. The participants had a list of topics or issues that was discussed during the process.

1.5.1. Case study strategy

Case study research can be considered a reliable approach, especially when an in-depth and comprehensive investigation is used. The role of the case study methodology in research becomes more prominent when issues with regard to community-based problems such as poverty, unemployment, illiteracy etc. need to be investigated (Johnson 2006). For the purpose of this study, it entailed the understanding of LED strategies for employment creation in the Amajuba District. The advantage of using a case study strategy is that the researcher was able to enter the field with an understanding of the relevant literature before conducting the research. This allowed the researcher to get more in-depth understanding of phenomena under investigation, as well as providing better insight into it.

1.5.2. Population and sampling

Saunders et al. (2016) submit that non-probability sampling offers a range of techniques to select samples. These techniques include an element of subjective judgement. This study employed a non-probability sampling technique in the form of purposive or judgmental sampling. This was a result of the interviews being conducted with a sample of the population who had knowledge about LED strategies in employment creation as well as the people living in the Amajuba District.

Further, Neuman (2006) states that judgmental sampling is best suited for purposes similar to this study, since it needs the researcher to use their own expert knowledge on who to include in the sample framework. Bryman and Bell (2019) agree with this view and submit that a non-probability sampling technique is useful in situations, whereby a researcher needs to conduct a focused study on a small number of cases. Given the nature of this study and the research questions, the researcher used judgement in selecting participants of the study. The population of the study

consisted of 10 participants and the sample of the study was constituted by the following targeted participants:

- 1 x Senior Manager in one of the LED Departments in the Amajuba District.
- 2 x Managers of LED in the two local municipalities under Amajuba District.
- 2 x Senior officials of the local institutions in the municipality.
- 1 x Councillor in the local municipality.
- 2 x Community leader/ farm owner in the municipality.
- 2 x Business owner in the municipality.

1.5.3. Instruments in data collection

Bryman and Bell (2019) are of the view that the interview is the most common method used in qualitative research. Accordingly, semi-structured interviews were used to collect the data. These semi-structured interviews involved the researcher having a list of questions on the topic during the course of the interviews (Bryman & Bell 2019). Semi-structured interviews were employed to investigate the general area in which the researcher was interested (Saunders et al. 2016). The semi-structured interviews were had with senior personnel of the ADM to ask their views on LED policies and strategies for employment creation in the district. Various individuals such as the director of LED, agricultural manager, infrastructure manager, rural development, and poverty alleviation officer and research department within the district were asked about their views. The interviews were recorded, and the participants were asked to give their written consent before the interview began. The main advantage of using semi-structures interviews was that the data collected has direct bearing on employment creation in the ADM.

1.5.4. Data analysis strategy

Bryman and Bell (2019) submit that the process of data analysis combines and brings order to data collected from different places, and thereafter organises it into categories and basic descriptive units. Moreover, the analysis of qualitative data is not an easy process given that data is not readily convertible into standard measurable units of objects that can be heard and seen (Saunders et al. 2016).

Given this, analysis can still be achieved through the understanding of the research questions. Further, the analysis can still be undertaken through a qualitative analysis of the data. This study employed an interpretative phenomenological analysis when assessing the data. An interpretive technique provides an observer's impression. The following are six steps of the interpretive technique as detailed by Smith et al. (2009).

1. **Reading and re-reading** – Listening to the recording of the interview at least twice while writing the transcript assists with a more complete and robust analysis. Further, repeated reading of the transcript also allows the model of the overall interview structure to develop, and to gain an understanding of how narratives can bind sections of an interview together.
2. **Initial noting** – The second step involves assessing the semantic content and language use on an explanatory level. The researcher is required to have an open mind and to note things of interest within the transcript. This step is anticipated to help a researcher gain more familiarity with the transcript and ensures the specific ways in which the participants discuss and understand the issue. Moreover, the researcher pays close attention to the participants' responses in order to ensure that they pick on the descriptive core of comments which have a phenomenological focus and have the participants' explicit meaning. Specifically, the researcher should look out for descriptive, linguistic and conceptual comments.
3. **Developing emergent themes** – Involves recognising emergent themes by referring to the three types of comments produced in the previous steps; the data reading becomes more focused and interpretative as a result. This allows for the construction of ideas centrally from conceptual comments, mostly in the shape of a phrase and sometimes in the form of a sentence, while confirming with the linguistic and descriptive comments and the original source.
4. **Searching for connections across emergent themes** – This step involves searching for connections between emergent themes and superordinate

themes. Under each of these, subordinate themes are organised chronologically so that they could be traced from which interview each came.

5. **Moving to the next case** – The interpretive technique's idiographic process involves bracketing the ideas emerging from the analysis of the first case while working on the second. The next step involves moving to the next participant's and repeating the process. This then continues for each subsequent case. It is an important skill in allowing new themes to emerge with each case.
6. **Looking for patterns across cases** – This step involves looking for patterns across cases. This can lead to a reconfiguring and relabelling of themes in different cases. Some of the best interpretive techniques have dual quality, pointing to ways in which participants represent unique idiosyncratic instances.

Further, as the researcher collected data from various participants at different times, the incremental technique allowed the researcher enough time to conduct a preliminary analysis of the data before proceeding to a more detailed analysis. Oduro-Ofori (2011) submits that this type of technique is a common analysis tool in qualitative data analysis. It offers the opportunity to observe, examine and interpret the data and therefore allowing a researcher to form an impression in a structured way.

1.6. Ethical implications

1.6.1. Informed consent

This research followed the University of Pretoria's ethical guidelines. Once the proposal had been accepted and ethical clearance had been given, the research began. In this way, the researcher was aware of all the research ethical guidelines which included maintaining confidentiality, anonymity and informed consent. All participants participated of their own free will and were able to withdraw from the study at any time.

1.6.2. Harm and risk

When conducting the interviews, the researcher ensured that there was no harm or danger to the study participants. The interviews took place in a secure environment in Amajuba District offices and virtually, where the participants were at ease. The interviews took place during normal working hours.

1.6.3. Privacy, confidentiality and anonymity

The researcher ensured the anonymity of the research participants by not using their real names but by referring to them as “participant 1”, “participant 2” etc. and since the interviews were conducted on a one-on-one basis, the identity of the individuals is protected. The data collected will not be disclosed to any third parties and will be treated confidentially and kept safe. The researcher will only use the participants’ names to track specific interviews if queries arise. After a period of time has lapsed the interview recordings will be deleted.

1.6.4. Beneficiaries

The researcher informed the research participants how the research will benefit the Amajuba District, either directly or broadly to other researchers or even contribute to South African literature at large. This study contributes a positive input in employment creation in the Amajuba District and KwaZulu-Natal (KZN) as a whole. The participants were made aware of the fact that they have a right to the findings and can request a copy at any time should they wish to do so.

1.6.5. Voluntary participation

The research participants were informed that their participation is voluntary, and they have a right to change their mind and withdraw their participation at any time during the process of collecting data without any questions being asked.

1.7. Significance of the study

The Amajuba District suffers from a relatively high unemployment rate. This high unemployment rate is considered a major structural constraint in the Amajuba District (ADM 2021). The Amajuba District has identified the need to address the level of unemployment as it leads to significant levels of income inequality and poverty, contributing to the overall deterioration of the standard of life of people (ADM 2021).

Given the above, this study aimed at assessing the effectiveness of economic development policies in job creation in the ADM. This is crucial as it can uncover the performance of the Amajuba District in its LED strategies as they pertain to job creation objectives. This will aid academically as the study will assess the effectiveness of the ADM in LED and job creation and will possibly suggest new approaches which will stimulate both objectives.

This study will also provide the ADM policy makers with information regarding the performance of LED strategies and how to improve them. Further, the study also adds to existing research on the effectiveness of LED strategies in creating employment in South Africa.

1.8. Outline of the chapters

The study comprises five chapters, outlined below.

1.8.1. Chapter 1: Introduction to the study

Chapter 1 introduced the study and outlined the need for and the motivation of this study. First, the chapter introduced the background and the context of the study. This was followed by the problem statement and the central theoretical statement of the study. The research aims and questions were then highlighted, which was followed by the research approach employed by the study. Further, the ethical implications and the significance of the study were discussed.

1.8.2. Chapter 2: Local economic development: A theoretical foundation

Chapter 2 discusses the theoretical foundations of LED. The chapter begins by reviewing the literature on the definition of LED. This is then followed with a brief history on LED. Chapter 2 then discusses the importance of LED, the guiding principles of LED, the strategies of LED and the various role players of LED.

1.8.3. Chapter 3: Local economic development in South Africa

Chapter 3 begins by discussing the background and rationale of LED in the South African context. This is then followed with an explanation on why economic development is considered a local activity in South Africa. The chapter also reviews South Africa's LED legislative framework. The application of LED in South Africa is then discussed. This is then followed with a discussion on LED policies and employment creation as well as a review of the performance and challenges of LED in the South African context.

1.8.4. Chapter 4: Local economic development strategies and employment creation in the Amajuba District

Chapter 4 provides background information on the ADM. This is then followed by an overview on the employment challenges faced in the Amajuba District. The Amajuba District's LED strategies are then identified which is followed by a review on the performance of LED in relation to employment creation in the Amajuba District. Lastly, the chapter presents an analysis of the data which was gathered via semi-structured interviews with the participants. Various themes and subthemes emerged from this data analysis process.

1.8.5. Chapter 5: Conclusions and recommendations

Chapter 5 presents the findings, conclusions and recommendations of the study. The chapter begins by summarising the study's previous chapters. This is then followed by a summary of the study's findings. Based on these findings, the chapter

offers recommendations in hope of improving LED implementation as it relates to employment creation in the Amajuba District.

1.9. Conclusion

This chapter began by offering a background to the study and then motivated why this research was necessary. The background revealed that South Africa suffers from a high unemployment rate. Moreover, this issue is also present within the Amajuba District where unemployment has been identified as a structural constraint. Existing literature suggests that LED is a useful tool in addressing unemployment. Given this, the study is necessary as it assessed LED strategies for employment creation in the Amajuba District. The following chapter discusses the theoretical foundations and various elements of LED.

CHAPTER 2

LOCAL ECONOMIC DEVELOPMENT: A THEORETICAL FOUNDATION

2.1. Introduction

The previous chapter offered a background to the study and then motivated why this research was necessary. The background revealed that South Africa suffers from a high unemployment rate. Moreover, this issue is also present within the Amajuba District where unemployment has been identified as a structural constraint. This chapter discusses the theoretical foundations of LED and its definition. The definition of LED is investigated through reviewing existing literature. The history of LED as a concept is also discussed within this chapter. This is then followed with a discussion on the importance of LED, the guiding principles of LED, strategies of LED as well as the role players of LED.

2.2. LED: An overview

The literature cites many definitions for LED from many authors, with the bulk of these definitions highlighting the key idea that LED is a continuing process that is directed by local players from differing socio-economic sectors (Khambule 2018c; Khambule 2020b; Meyer 2014; Mokoena 2019). LED is seen as the process where the economic capacity of a particular community is built up for the purpose of improving the economic future and the quality of welfare of individuals within that area (Khambule 2018c).

According to the work of Khambule (2020b), LED is an activity in which stakeholders, such as the public sector, the private sector and non-governmental sector collaborate in order to generate an improved environment for economic growth and job creation. Mokoena (2019:60) indicates that LED is the process whereby “*local government and community-based groups*” collaborate to direct local resources and enter into partnership arrangements with one another to create

employment opportunities and stimulate economic activity. This LED process allows government authorities of all spheres to work with other stakeholders to develop local solutions to local economic challenges faced by a local area (Mokoena 2019). This process requires all relevant stakeholders to work in unison for the purpose of generating conditions for economic growth and employment creation (Khambule 2018c).

Similarly, Khambule (2020b) agrees with the perspective that LED can be seen as the participating process whereby local stakeholders, from different sectors within a specific region, work in unison to enhance and invigorate local economic activities, with the primary goal of creating economic development and the enhancement of the standard of life of residents in the area. To achieve this perspective, LED is used as a tool that enables the most vulnerable, marginalised, and impoverished residents within a local area to meet their basic needs and goals.

LED is cited within the literature as an important tool that can aid in employment creation, poverty alleviation and improving the quality of life of local residents (Meyer 2014). On this score, the primary goal of LED can be seen as identifying ways in which the local resources and knowledge are fully maximised in order to benefit the local residents (Meyer 2014).

2.2.1. Local economic development in the context of development

Although this dissertation focuses on LED, it should be noted that it is part of a bigger notion of development that encompasses other key factors. Given this, it is necessary for the following section to provide an overview of the broad idea of development, including its numerous changes and dimensions.

2.2.2. Brief history and stages of local economic development

Since the 1960s, the idea of LED has gone through three different stages (World Bank 2006). LED as an idea is a result of globalisation. As a result of globalisation, a number of producers of products and services faced competition from other producers from nations across the globe that were in position to supply goods and

services at effectively lower prices (World Bank 2006). Through experience, researchers and theorists have gained deeper knowledge of successful and failed projects aligned with the idea of LED in each of the three stages.

The first stage of LED took place between the 1960s and the early 1980s. During this period, the LED industry was focused on attracting manufacturing investment, hard infrastructure investment, and foreign investment. The second stage of LED took place between the 1980s and the mid-1990s. This phase of LED placed emphasis on retaining and expanding established local firms. Similar to the first phase, this stage of LED focused on attracting investment, although investment was targeted to certain industries. The third stage of LED which is currently taking place between the mid-1990s to the present time focuses on infrastructure expenditures, public-private collaborations, networking, and improving the overall business climate. **Table 1** below reflects the numerous stages, the era, the approaches taken, and the tools used for LED throughout recent history.

Table 1: History of local economic development

Wave	Focus	Tools
"First: 1960s to early 1980s"	"During the first wave the focus was on the attraction of": "mobile manufacturing investment, attracting outside investment, especially the attraction of foreign direct investment". "hard infrastructure investments".	"To achieve these cities used:" "massive grants" "subsidized loans usually aimed at inward investing manufacturers" "tax breaks" "subsidized hard infrastructure investment"
"Second: 1980s to mid- 1990s"	"During the second wave the focus moved towards: the retention and growing of existing local businesses. still with an emphasis on inward. investment attraction, but usually this was becoming more targeted to specific sectors or from certain geographic areas".	"To achieve these cities provided:" "direct payments to individual businesses. business." "incubators/workspace." "advice and training for small- and medium-sized firms." "technical support." "business start-up support. some hard and soft". "infrastructure investment."
"Third: Late 1990s onwards"	"The focus then shifted from individual direct firm financial transfers to making the entire business environment more conducive to business." "During this third (and current) wave of LED, more focus is placed on:" "soft infrastructure investments. public/private partnerships. networking and the leveraging of private sector investments for the public good. highly targeted inward investment attraction to add to the competitive advantages of local areas".	"To achieve these cities are:" "developing a holistic strategy aimed at growing local firms" "providing a competitive local investment climate supporting and encouraging networking and collaboration" "encouraging the development of business clusters encouraging workforce development and education closely targeting inward investment to support cluster growth" "supporting quality of life improvements"

Source: World Bank 2006.

2.2.3. LED in other Countries

This next section briefly discusses LED from a global perspective. To this score, Shannon (2018) indicates that in England, it is believed that local governments are in prime position to understand the drivers and barriers to local growth and prosperity. Therefore, local governments take the responsibility and lead their own development to realize their own economic potential. Local authorities, work with local businesses and other stakeholders in creating the right conditions for investment and innovation (Shannon 2018).

Furthermore, according to Shannon (2018) there is at least one local Enterprise Partnership (LEP) across all areas of England. These LEP's are voluntary bodies which were established for the primary purpose of coordinating economic development and growth policies in local areas and have a close working relationship with local authorities (Shannon 2018).

Eberts (2005) submits that the process of LED in the United States is an example of a bottom-up, decentralised approach to developing policy and delivering services. Morgan (2009) further indicates that local governments of the United States take responsibility for various aspects of LED which includes regulations, infrastructure investment, marketing and tax incentives.

Furthermore, in the United States, it is recognised that workforce development is a priority in the pursuit of LED (Shannon 2018). As a result of this, there have been efforts in creating working relationships between the workforce and educational systems (Shannon 2018).

2.3. Importance of LED

The existing literature highlights the importance of LED as a policy tool. First, LED can be a source of funding for employment creation, poverty eradication, empowerment and the generation of wealth (Khambule 2020a). On this score, LED can be employed as useful tool that tackles socio-economic inequalities, poverty,

and high unemployment within a local area. Second, LED can potentially increase income levels which can then lead to the increase in the revenue base for local authorities (Makhubo 2015).

Third, LED positions local governments to better deliver services and facilities to local residents. Local government officials that are mandated to take on development, are able through LED policies to create new institutions for the purpose of continuous economic expansion that encourages interactions between development and under-development zones (Biyela et al. 2018).

Fourth, LED can be a useful policy tool as it can aid in the much broader process of regional and national development which plays into the achievement of national macro-economic policy objectives (Makhubo 2015). Fifth, LED policy measures can often consolidate the developmental strategies of local governments as local officials tend to be over-stretched (Khambule 2018b). Moreover, planning can also tend to be short-sighted and more politically focused whereby longer-term strategic plans are brushed aside. To address this, LED focuses on utilising the local human, institutional and physical resources in order to stimulate the local economy (Makhubo 2015).

2.4. Guiding principles of LED

According to Davids (2004), LED has to follow certain key principles. First, LED should be implemented in a way that allows the identification and use of available resources towards the stimulation of the local economy which will ensure the creation of employment opportunities. Successful LED should not be seen as one action or specific programme but rather be understood as the total individual contributions by local authorities, the private sector, non-governmental organisations (NGOs) and the community. These stakeholders are required to work together in order to achieve LED.

Second, LED should involve a participatory process, in which, the local citizens of all sectors collaborate to stimulate the local economy. LED should promote the

public, private and civil society to form partnerships in order to work together in finding solutions to local economic challenges.

Third, LED should empower local participants to effectively use labour, capital and other local resources in order to create employment opportunities, reduce poverty and stimulate the local economy. Fourth, LED should promote local values in the form of increased self-reliance, the attainment of fundamental human needs, reciprocal commitment and the achievement of social and environmental goals.

2.5. LED strategies

There are two main schools of thought when it comes to the implementation of LED, that being the corporate centre approach and the alternative approach. In the corporate centre approach, the private sector makes the decisions in regard to industrial development. In this school of thought, the private sector has the responsibility of creating an enhanced market environment which promotes economic development (Garidzirai 2018).

This school of thought of LED implementation is often criticised as it has no involvement of low-income earners as it favours the elite as the majority of the resources are moved from the public to the private sector in order to improve economic growth, economic development and create employment (Garidzirai 2018).

In contrast, for the alternative approach to LED, the public sector influences the decisions of the private sector (Garidzirai 2018). The public sector has the responsibility of economic growth, economic development and employment creation. This approach tends to favour low-income earners as this group is involved in the planning process for their own economic development (Garidzirai 2018). Moreover, LED strategies can be further segmented within the strategies outlined below.

2.5.1. Development and maintenance of services and infrastructure

According to Makhubo (2015), the primary strategy that municipal service delivery pivots on is the development and maintenance of services and infrastructure as this tends to address previous inequalities through the rendering of basic services. Further, Reddy et al. (2003) indicate that infrastructure enhancement can lead to employment creation for the poor as well as stimulate economic activity that further generates employment.

Van der Waldt (2007) also supports this view and indicates that the local area environment determines the relative economic advantage of a region and its capability of attracting and retaining investment. Given this, local areas can create economic opportunities at national or international level through the construction of their economic strength (Makhubo 2015).

2.5.2. Retaining and expanding services

Another LED strategy is the retaining and expanding of business and services. By doing so, local businesses can achieve improvements in their productivity, increase their market share which leads to higher value-added levels in the production chain (Makhubo 2015). Another advantage of retaining businesses in a local area is that this can help in attracting new industries that would also be interested in doing business in that area which will aid the support of small, medium and macro enterprises (SMMEs).

According to Van der Waldt (2007), municipalities can offer community services, such as sports and recreational facilities, arts and culture, and resorts etc. that could have positive impacts on poverty eradication, job creation, standard of life, civil society, and other social issues.

2.5.3. Preventing a drain of resources from the local economy

Makhubo (2015) submits that SMME development is a critical strategy in promoting LED that generates employment while also empowering historically deprived individuals. Local governments are encouraged to offer professional guidance and support to SMMEs within a local region, specifically advice and assistance on

“management, marketing, accounting, financing, sourcing resources and problem solving” (Makhubo 2015). SMMEs are deemed important in regard to the national economy as they stimulate economic growth through employment creation which leads to redistribution of wealth throughout the economy (Makhubo 2015). Given this, local economies should aim at avoiding the loss of resources away from the area. Further, SMMEs need to be allowed to source among themselves and to also form business forums and organisations. Furthermore, Makhubo (2015) highlights the following aims of SMMEs:

- The development of local investment through local business channels;
- The development of local skills and improved employment opportunities through local materials; and
- The promotion of diversity that leads to a healthy and stable local economy.

Moreover, the South African government’s White Paper on National Strategy for Development and Promotion of Small business in South Africa (RSA 2005a) highlights the importance of SMMEs and assigns the following responsibilities:

- SMMEs can be used to tackle the problem of unemployment as they are tools to create jobs;
- SMMEs can advance local competition through creating a marketplace for localities whereby they can grow to a point where the need for expansion is identified following demand changes and the need to become internationally competitive;
- SMMEs can ensure and stimulate black economic empowerment; and
- SMMEs can assist in achieving the basic needs of people in the absence of social support systems.

2.5.4. Community-based economic development

Community-based LED centres on the job creation, training, mentoring and enterprise development in order to increase access to employment and employment generation that leads to self-sufficiency for more disadvantaged communities

(Reddy et al. 2003). This strategy of LED involves training business owners in the attempt to support local income-generating projects. This strategy entails training beneficiaries to be self-sufficient in the management of funds and the creation of employment.

According to Reddy et al. (2003), for this approach to be successful, it should be shared with other relevant strategies, that being the creation of marketing opportunities for small projects that are self-sustainable. This LED strategy is focused on the empowerment of local communities to expand self-sustained fundamental services for local assets (Makhubo 2015). This form of LED strategy tends to have projects that promote and encourage community-based economic development such as the following:

- *“Water provision and sanitation;*
- *Water usage awareness;*
- *Provision of low cost housing;*
- *Community drama;*
- *Agricultural projects/production; and*
- *Small-scale entrepreneurial activities”.*

Further, Van der Waldt (2007) submits that the wider the range of employment and activities generated within a community, the more residents will offer services to one another, the more markets are built and money circulated.

2.5.5. Developing human capital development

This LED strategy centres on the investment of human capital through the development of skills and education. According to Reddy et al. (2003), there is a link between the encouragement of sustenance wages and human capital expansion as a well-paid, “healthy and sound educated workforce” is more productive than one that is not.

This suggests that the LED strategy of focusing on human capital development can increase the participation of the poor in the local economy through affording skills and education. This LED strategy takes a more holistic approach to development as both economic and social goals are achieved (Makhubo 2015). This form of development assists in the local people accessing new economic as well as employment opportunities.

2.5.6. Expanded public works programmes

The expanded public works programmes (EPWPs) LED strategy is a short-term programme that aims at creating additional work and training opportunities. It offers poverty and income relief by creating temporary work for the unemployed (Kobokana 2007). This approach promotes labour-intensive projects through the creation and provision of employment opportunities for local residents.

This approach involves communities and municipalities lobbying that all government projects should employ labour intensive approaches for local employment (Makhubo 2015). This LED strategy focuses on the delivery of employment and the creation of infrastructure that aids in the development of human resources through training programmes and the empowerment of local communities. Accordingly, this form of LED strategy encourages intensive labour activities which lead to employment creation (Van der Waldt 2007).

2.5.7. Industrial recruitment and marketing

Reddy (1999) indicates that heritage cities, cultural cities, and new civic centres can be employed to promote a local area as an appealing destination for purposes of attracting commercial, retail and government investment. This strategy to LED involves inviting new industries to a local area as an attractive area to visit, live and invest in. This requires consideration as individuals and businesses contemplate a range of elements prior of making a decision to invest or stay within an area, that being the cost of production, the cost of living, how close local markets are for production, supplier locations, the availability of research and development organizations, access to transportation networks and whether the local area has

good services and infrastructure (Makhubo 2015). Further, according to Reddy et al. (2003), the access of recreational facilities can also influence this decision along with the standard of education and care centres and other societal risk factors, such as crime.

2.5.8. Plugging the leaks in the local economy

Another LED strategy is preventing the outflow of money from a local area by encouraging local residents to purchase locally, to promote and support periodic markets, raise funds for local events and festivals, create infrastructure through using local labour and locally manufacture materials, as well as the promotion of employee training and networking enterprises of all shapes and sizes within the local community (Makhubo 2015).

According to Reddy et al. (2003), this LED strategy identifies leaks in the local economy and develops measures to address those leaks which are unavoidable in every local economy as a result of an absence of funds or the failure to make funds circulate longer within a local economy.

2.5.9. Export promotion and international trade

This LED strategy focuses on creating local businesses that are more competitive by focusing on sectors in which the local economy has both a comparative and competitive advantage. Further, sectors are identified and supported in order for them to be competitive internationally for purposes of exporting products and/or services (Makhubo 2015). As a result of living in the era of globalisation and international competition, local areas should use LED strategies that focus on export promotion and international trade.

2.6. Role players in LED

The implementation of LED depends on the collaboration of various stakeholders. These stakeholders are discussed further below.

Government institutions: National, provincial and local governments are required to provide the necessary regulation of governance through law-making and should have the required legal and authoritative framework to support policymaking.

Parastatals, and state-funded initiative: These are required in order to play a crucial part in policy formulation and execution as other stakeholders will seek guidance from these role players as exemplars for compliance to policies and the execution of the Amajuba District's legislative and authoritative framework.

Traditional authorities: The South African institution recognises the aspect of traditional leadership through customary law. Traditional leaders represent a system of community organisation which has aided in effective local governance and is values under the democratic order (Lazarus Developments 2011).

The private sector: The private sector consists of small-scale to large-scale firms which have an important role to play in policymaking. Specifically to the Amajuba District, small and medium enterprises are of significant importance for the region's economy (Lazarus Developments 2011).

The Non-governmental sector: The non-governmental organisation (NGO) sector, which consists of non-profit organisations and community-based organisations, is critical for various initiatives such as developmental, social and environmental needs and rights. This sector tends to be dominant in the identifying of problems of and solutions for society by using a range of tools such as persuading legislators, public awareness campaigns, advocacy etc. NGOs tend to play an important function as they hold all stakeholders accountable (Lazarus Developments 2011).

The residents of a local area: The residents of the local area also play a critical role in the policy making mechanism through votes, public protests and public demands. Indeed, in local communities, politics tends to be sensitive to previously disadvantaged groups such as women, youth, local communities and indigenous peoples (Lazarus Developments 2011).

International actors: As a result of globalisation, the domestic activities of the Amajuba District are no longer confined from the influences of the world. The most apparent influence is from international environmental agreements that impact local policy making.

2.7. Conclusion

This chapter provided insight into the theoretical foundations of LED. First, the background and origin of LED were discussed. The discussion then moved to the importance of LED and the various guiding principles of LED. This was then followed by a discussion on the various strategies and elements of LED. Further, this chapter identified the various role players involved with LED. After providing a theoretical overview of LED, the next chapter discusses LED in the South African context.

CHAPTER 3

LOCAL ECONOMIC DEVELOPMENT IN SOUTH AFRICA

3.1. Introduction

The previous chapter discussed the theoretical underpinnings of LED. Following this discussion, this chapter deals with LED in the South African context. First, this chapter begins by discussing the background and rationale of LED in the South African context. Second, the idea of economic development as local activity is discussed in this chapter. This is then followed by a review of South Africa's LED legislation framework. Further, the application of LED within South Africa is discussed, followed by a discussion on how LED is considered a useful tool for employment creation. Lastly, the chapter reviews South Africa's performance, and the challenges faced concerning LED implementation.

3.2. Background and rationale of LED in SA

A lot of changes were brought about in governance and local government when the Republic of South Africa became a democratic republic in 1994. The Local Government Transition Act of 1993, as amended in 1996 (RSA 1996b), is the primary post-apartheid local government legislation that requires municipalities in South Africa to foster economic and social development. Several legislative requirements oblige municipal governments to participate in economic development at the locality. Further, local governments are authorized by the Constitution to encourage LED and are assigned specific duties.

Moreover, this is guaranteed under the Republic of South Africa's Constitution of 1996 (RSA 1996), the White Paper on Local Government of 1998 (RSA 1998a), and the Local Government Municipal Systems Act of 2000 (RSA 2000). Local governments, according to Sections 152(c) and 153(a) of the Constitution, should encourage social and economic growth, as well as organise and "manage their administration, budgeting, and planning" procedures to prioritise the community's

fundamental requirements and to promote the community's social and economic development. The work of Van der Waldt (2018) identifies the following principles government should follow when implementing LED:

- (i) *“Create strategies with a focus on employment creation and poverty alleviation.*
- (ii) *Ensure the beneficiaries of LED are previously disadvantaged people, marginalised communities and geographical regions, BEE enterprises and SMMEs. These groups should fully participate in the economic life of the country.*
- (iii) *Ensure that each locality develops an approach that is best suited to its context.*
- (iv) *Ensure the promotion of local ownership, community involvement, local leadership and joint decision-making.*
- (v) *Foster local, national and international partnerships between communities, businesses and government in order to address challenges, create joint business ventures and build local areas.*
- (vi) *Use local resources and skills in order to maximise the opportunities for development.*
- (vii) *Formulate diverse economic initiatives to form an all-inclusive approach to local development.*
- (viii) *Create flexible approaches that respond to changing circumstances at local, national and international level”.*

Local government is vital not just for basic service delivery, but also for people's economic and social growth. Local government may also contribute to social development, employment creation and economic growth by successfully collaborating with the provincial and national spheres of government, as well as a variety of public and civil society organisations and the private sector (Van der Waldt 2018). LED entails finding and utilising local resources to provide employment and economic growth. Communities and local governments may play an important role in choosing their own economic trajectories by being more proactive and collaborating with local stakeholders such as business entities, and civil society (Van

der Waldt 2018). LED success is dependent on local partnerships collaborating with provincial and national entities that promote and support local initiatives (Khambule 2018a). In attempts to build a strong, secure global economy for the 21st century, the South African government should ensure that the majority of South Africans are lifted out of poverty through the generation of sustained employment that allows them to support themselves and their families. LED should aim at poverty eradication, inequality and unemployment reduction (Khambule & Mtapuri 2018).

In the South African context, Van der Waldt (2018) says that “LED is a process managed by municipalities in accordance with their constitutional mandate to promote social and economic development”. Meyer (2013) identifies three stakeholders in relation to LED, namely government, the private sector, and local communities. Importantly, LED in South Africa is informed by the South African Constitution which offers a developmental model of local government.

Accordingly, local government is responsible for service delivery and the socio-economic development of communities. Sections 152 and 153 of the South African Constitution state that municipalities are required to “*provide and manage their administration, budgeting and planning processes to give priority to the basic needs of communities*” (RSA 1996). Moreover, according to the South African Constitution, local governments are required to fulfil the following functions (RSA 1996):

- *“Provide democratic and accountable government for all communities.*
- *Ensure service provision in a sustainable way.*
- *Promote social and economic development.*
- *Promote a safe and healthy environment.*
- *Encourage community participation and involvement in matters of the area”.*

Mlambo et al. (2019) submit that although municipalities are considered to be implementing agents of LED, they should also ensure the involvement and participation of other local stakeholders in order to fulfil the functions above. Looking at the above-mentioned definitions, LED in a broader sense is to provide a chance for local government, the private sector, and the local community to collaborate in

order to enhance the local economy while improving the local business, alleviating poverty, creating employment, ensuring a competitive environment and increasing sustainable inclusive growth and development in a region.

Further, LED is supported and formalised by the Republic of South Africa (RSA 1998c) which requires “*local government committed to working with citizens and groups within the community to find sustainable ways meet their social, economic and material needs, and improve the quality of their lives*”. More so, the Republic of South Africa (1998c) submits that local governments are responsible for employment creation and the creation of an enabling environment for development. Furthermore, the Department of Provincial and Local Government (DPLG 2006) identifies the following guiding principles in relation to LED:

- *“Through a developmental approach, Government has a decisive and unapologetic role to play in shaping the economic destiny of our country;*
- *Creating an environment in which the overall economic and social conditions of the locality are conducive to the creation of employment opportunities is the responsibility of Local Government;*
- *LED is an outcome of actions and interventions resulting from local good governance and the constant improvement and integration of national priorities and programs in local spaces;*
- *Inward investment from the state or private sector will only be effective where the potential and competitive advantages of each area are known and exploited;*
- *Promoting robust and inclusive local economies requires the concerted, coordinated action of all spheres and sectors of government centred on the application and localisation of the principles espoused in the National Spatial Development Perspective (NSDP);*
- *Locally owned appropriate solutions and strategies must emerge to support national frameworks in both rural and urban local spaces and should promote sustainable development and sustainable human settlements;*

- *South Africa competes in a global and increasingly integrated world economy whose threats must be minimised and whose opportunities must be exploited;*
- *Private companies, including social enterprises and cooperatives, form the heart of the economy and have a crucial role to play as partnerships with public and community role players that will ultimately stimulate robust and inclusive local economies;*
- *People are the single greatest resource and including all citizens in development and increasing their skills leads to increased opportunities for stimulating local economies;*
- *Local initiative, energy, creativity, assertive leadership and skills will ultimately unlock the latent potential in local economies and will shape local spaces”.*

Historically, South Africa had a specific regional planning strategy addressing settlement patterns under apartheid, with all residential districts anchored by racial segregation. Following the establishment of a democratic government in South Africa, the government launched the LED initiative in an attempt to solve poverty and socio-economic difficulties. The LED’s overarching mission is to reduce poverty and enhance people's lives in a sustainable way through economic growth and employment creation.

3.3. Economic development as a local activity

For the purpose of this study, the focus is on the third sphere of the government which is local government in the ADM. According to Khambule (2018a), local governments have the greatest responsibility in addressing poverty, unemployment and inequality in South Africa as they are in close proximity to local residents and the developmental challenges of a local area. The demarcation of municipal borders in South Africa following the 2016 Local Government Elections is a recent event. This reduced the number of municipalities from 278 to 257, with eight metropolitans, 44 district municipalities, and 205 local municipalities remaining. Municipalities rule for four years and manage local affairs in accordance with national and provincial

legislation. They are concerned with the development of local economies as well as the provision of infrastructure and services.

More so, the South African Constitution obliges all spheres of government to follow the cooperative government principles which understand the complex nature of government in the attempts to meet its challenges. In order to meet these challenges, the White Paper on Local Government indicates that all spheres of government should work together in order to achieve the following:

- *“Collectively harness all public resources for purposes of achieving the same goal within a framework of mutual support.*
- *Creating a cohesive multi-sectorial view on the interests of the country, and respecting the discipline of national goals, policies and operating principles.*
- *Coordinating activities in order to avoid wasteful competition and costly duplications.*
- *Utilising human resources effectively.*
- *Settling disputes constructively without resorting to costly and time-consuming litigation.*
- *Rationally and clearly dividing between them the roles and responsibilities of government so as to minimise confusion and maximise effectiveness”.*

Further, it is stated that intergovernmental relations can be understood as a “*set of multiple formal and informal processes, channels, structures and institutional arrangements for bilateral and multilateral interaction within and between*” the three spheres of government (RSA 1998a). Moreover, the South African Constitution recognises the interconnectedness of all spheres of government and gives these spheres of government the responsibility to work together in order to address South Africa’s issues regarding poverty and unemployment (Khambule 2020a).

The RSA (1998a) highlights that a system of intergovernmental relations needs the following strategic purposes:

- *“To promote and facilitate cooperative decision-making.*

- *To coordinate and align priorities, budgets, policies and activities across interrelated functions and sectors.*
- *To ensure a smooth flow of information within government, and between government and communities, with a view to enhancing the implementation of policy and programmes.*
- *The prevention and resolution of conflicts and disputes”.*

Moreover, the South African Constitution relates the roles and responsibilities of national and provincial government with respect to local government (RSA 1998a). The subsections below outline the specific roles of national and provincial government as they relate to local government.

3.3.1. National government

National government has a responsibility to and plays several roles regarding local government, which include the following:

A strategic role: National government has the duty of formulating the strategic direction for the socio-economic advancement of the country and for all spheres of the government. On this score, government should make certain that local government is operating within a permissive environment that is ordered and capacitated in a way that empowers it to encourage the advancement of residents, local communities, and the country.

Coordinating the transition: National government, with the assistance of other spheres of government has the responsibility of coordinating, managing and overseeing the transition of local government as intended by the Local Government Transition Act through the legislation of a new local government system.

Providing a legislative framework for local government: National government has the responsibility of providing an overall legislative framework for local government which should be within the general framework of the South African Constitution.

Providing a framework for municipal capacity-building and supporting municipalities:

Section 154(1) of the South African Constitution mandates both “national and provincial government with supporting and strengthening the capacity of municipalities” such that they are able to handle their own issues, exercise their powers and execute their role. On this score, national government has the responsibility of establishing an overall direction for municipal capacity-building and assistance.

Support for key institutions: National government has the responsibility of promoting and strengthening organised local government in order for it to be able to perform its constitutional role effectively. Further, national government has the responsibility of supporting other organizations which are needed for the transfiguration and continued feasibility of local government.

Local government finances: National government has the responsibility of offering budgetary provisions for local governments which include directing the structure of intergovernmental budgetary relations, establishing local government’s fiscal power within the overall tax structure, and advancing legislation to decide local government’s equitable share of revenue raised nationally and on other financially-related issues such as municipal fiscal forms and procedures.

Monitoring and oversight: National government has the responsibility of ensuring the required degrees of compatibility, uniformity and consistency by developing a general framework for a system of monitoring and oversight with which other state entities can perform their functions.

Intervention: In spite of the fact that provincial government is fundamentally mandated for intervention, national government has the responsibility of intervening together with provincial government or in cases where provincial government is unable or in instances where national monetary resources are compromised or where intervention is needed to preserve economic unity, essential national standards and national security or to avoid unreasoned measures that are counterproductive to a province or the nation as a whole.

3.3.2. Provincial government

The RSA (1998a) indicates that there are “differing conditions and challenges for the establishment of the local government system, both between and within provinces”. These differences can be attributed to the differing capacity and revenue of existing municipalities and the level of unfulfilled demands in municipalities. Given this, provincial governments are required to tailor their approach in order to successfully support local governments by having the following roles and responsibilities:

A strategic role: Provincial government has the duty of formulating a direction and/or strategy for integrated economic, social and community development in the province through the provincial growth and development strategy.

A developmental role: Provincial government has the responsibility of ensuring that municipal integrated development plans merge in order to create a workable development plan through the province and are vertically integrated with the provincial growth and development strategy. Further, provincial government should make certain that municipal planning and budgeting procedures give preference to the fundamental needs of the community and encourage the socio-economic advancement of the community as mandated by section 153 of the South African Constitution.

An intergovernmental role: Provincial government has the responsibility of establishing forums and process for the purposes of including local government in decision-making processes which affect it.

Regulatory role: Section 155(7) of the South African Constitution grants both national and provincial government the legislative and executive authority to see to the effective performance by municipalities of their executive authority with respect to local government matters.

An institutional development and capacity-building role: Provincial government has the duty of encouraging the advancement of local government capacity to allow municipalities to carry out their roles and manage their own issues.

A monitoring role: Provincial government has the responsibility of monitoring local government in order to guarantee high standards of public service and good governance are maintained.

An intervention role: Provincial government like national government has the responsibility and role of intervening in the affairs of local government in order to safeguard the following:

- Protecting and promoting minimum standards of local government delivery and democracy and to ensure that local government is fulfilling its constitutional mandate;
- Restoring a municipality to financial stability or to ensure financial sustainability;
- Promoting accountability and public faith in local government institutions; and
- Preventing corruption and maladministration.

3.4. Local economic development policy and legislative framework

South Africa's LED legislative framework is guided by many fragmented key pieces of legislation and related policy documentation. The subsections below outline these relevant legislation and policy documents.

3.4.1. The Constitution of the Republic of South Africa

The Constitution of the Republic of South Africa (1996) ("**the Constitution**") is the supreme law that governs within South Africa. The Constitution acknowledges local governments as a distinctive sphere of government in which section 152 of the Constitution mandates local governments to prioritise the fundamental needs of the

community, to foster the socio-economic development needs of the community and to take part in national and provincial development initiatives.

Moreover, section 152(1)(e) of the Constitution requires local governments to promote the inclusion of communities and community institutions in local government matters and associated participatory rights of local citizens. The Constitution makes it clear that local governments have the obligation to promote the social and economic empowerment of their jurisdiction. Further, section 153 of the Constitution requires local government to structure and manage its administration, budget and planning processes in order to prioritise the needs of the community in promotion of the communities' social and economic development (RSA1996).

3.4.2. The Municipal Demarcation Act

The Local Government Municipal Demarcation Act (RSA 1998c) aimed to establish new municipal boundaries within South Africa. This process resulted in over 1000 local councils amalgamated into 284 municipalities. The purpose of the Local Government Municipal Demarcation Act was to remove small councils by joining neighbouring local authority areas under a single jurisdiction and by integrating rural areas with urban centres. This was done in order to ensure economic and service efficiency such that a municipality is able to fulfil its constitutional mandate of promoting the "social and economic development, integrated development, effective local governance and the incorporation of poorer communities under the jurisdiction of wealthier local authorities" (RSA 1998c).

3.4.3. The Municipal Structures Act

The Municipal Structures Act can be understood as an extension of the Local Government Transition Act. The Municipal Structures Act mandates municipalities to focus on LED-associated activities in the form of "tourism planning, public works, infrastructure development and markets" (RSA 1998b). The Municipal Structures Act requires municipalities to promote the economic and social development within their jurisdiction.

Moreover, the Municipal and Structures Act acknowledges and ensures the participation of traditional leaders within local government administration within the communities they live. Further, the Municipal and Structures Act requires district councils to aid local municipalities that fall within their jurisdiction through integrated development planning, capacity development and equitable distribution of resources (RSA 1998b).

3.4.4. White Paper on Local Government

The White Paper on Local Government is informed by the Reconstruction and Development Programme (**RDP**). The White Paper on Local Government outlines the developmental role of local government and details the central role of municipalities in working with local communities in order to find sustainable ways of achieving their social and economic needs (RSA 1998a). The White Paper on Local Government requires local governments to maximise both economic growth and social development in order to make certain that the local economic and social conditions are favourable in order to create jobs (RSA 1998a).

Local governments are seen to have a critical function to play, both as policymakers and institutions for local democracy. To fulfil their roles, local governments need to be more strategic, visionary and influential. Local governments are responsible for the promotion of empowerment and redistribution and the achievement of the following outcomes:

- a) “Exercising municipal powers and functions to ensure the maximisation and impact of social and economic development and growth.
- b) Play an integrating and coordinating role in ensuring alignment between public and private investment within a municipal area.
- c) Democratic development.
- d) Build social capital through providing community leadership and vision.
- e) Attainment of LED, whereby local government can play a crucial role in employment generation and stimulating the local economy through the

provision of business-friendly services, local procurement, investment promotion and support for small business and growth sectors.”

3.4.5. The Municipal Systems Act

The Municipal Systems Act (RSA 2000) outlines the processes required to allow municipalities to move towards socio-economic empowerment of communities and to achieve the universal access to essential services that are afforded to all. The Municipal Systems Act details the factors needed to achieve a “developmental local government system, that being participatory governance, integrated development planning, performance management and reporting, resource allocation and organisational change”.

The Municipal Systems Act outlines the implications for LED in regard to operational processes and tools to support pro-poor development. Municipalities are mandated to include local communities in the dealing of the municipality to supply services in a financially and sustainable way and to support economic and social advancement within the municipality. Specifically, section 2.7.2 indicates that LED can be “promoted through the provision of special tariffs for commercial and industrial users”.

Moreover, section 2.7.2 of the Municipal Systems Act requires municipalities to undergo developmentally oriented planning in the form of integrated development plans. These plans should be formed with the consultation of communities and other relevant stakeholders and coordinate and join all relevant municipal development plans, resources, capacity and budgeting and should be compatible with national and provincial requirements.

3.4.6. Integrated Enterprise Development Strategy

The primary goal of the Integrated Enterprise Development Strategy is to provide access to support and development services to those who were historically excluded to fully participate in the South African economy by integrating them (RSA 2005b). Given this, municipalities are required to target certain groups within local areas

when supporting SMMEs. The Integrated Enterprise Development Strategy mandates municipalities to support SMMEs through its LED strategies. Municipalities through this policy support SMMEs by engaging in the following:

- (i) *“Promoting entrepreneurship.*
- (ii) *Leadership training and awards.*
- (iii) *Strengthening the business environment through more flexible regulations.*
- (iv) *Enabling better access to finance and markets.*
- (v) *The improvement of infrastructure facilities and business support.*
- (vi) *Enhancing competitiveness and capacity at the enterprise level through skills training.*
- (vii) *Enhancing quality, productivity and competitiveness support.*
- (viii) *The facilitation of technology transfer and commercialization of inclusion”.*

In addition, the policy submits that local communities are believed to be skilful, resourceful and entrepreneurial when they are both creative and innovative in the production of goods and services that meet the needs of the community. However, this local talent, potential and creativity are wasted resulting in LED becoming less impactful as local businesses are unaware of the existence of the many forms of government support (Mokoena 2019).

3.4.7. National Spatial Development Perspective

The National Spatial Development Perspective (**NSDP**) framework’s primary purpose is the reconfiguring of the “apartheid spatial relations and the implementation of spatial priorities that meet the constitutional imperative of providing basic services to all and reducing poverty and inequality in South Africa” (RSA 2006). The NSDP assesses the various spatial elements of social exclusion and inequality and recognises the burden that equal and inefficient spatial arrangements have on communities.

As a result of the South African government’s objective of growing the economy, creating employment and addressing poverty and promoting social cohesion, the

NSDP aids in confronting the following fundamental planning questions. First, the NSDP poses the question to where exactly government should focus its various investment and development initiatives. This is done to ensure sustainable and maximum impact. Second, the NSDP explores the types of spatial forms and arrangements that would be the most conducive for the achievement of South Africa's objectives of democratic nation building and social economic inclusion.

Third, the NSDP explores how the South African government can capitalise on complementarities and also facilitate consistent decision making while moving from beyond the focus on integration and coordination procedures in order to establish processes and mechanisms that will bring about strategic coordination, integration and alignment.

Moreover, in order to fully contribute to the growth and development policy objectives of the South African government, the NSDP offers the following five principles. First, the NSDP indicates that the South African government should strive for rapid economic growth which is both inclusive and sustained. This is required to ensure that other policy objectives such as poverty alleviation are met. Second, the NSDP indicates that the South African government has the constitutional obligation to provide basic services to all South African citizens wherever they may reside. Third, the NSDP indicates that the South African government spending on fixed investment must be on localities of economic growth and/or economic potential for purposes of gearing up private sector investment that will encourage sustainable economic activities, thus generating long-term employment.

Fourth, the NSDP indicates that the South African government should address both past and current social inequalities that focus on people and not places. In local areas where there are relatively high levels of poverty and demonstrated economic potential, government should focus on fixed capital investment that goes beyond basic services in order to capitalise on the potential of those local areas. In local areas where there is low demonstrated economic potential, government should focus on investing beyond the provision of basic services and should focus primarily on developing the human capital through the provision of education and training, social transfers and relief programmes. Moreover, government should focus on

reducing the migration costs through offering labour-market intelligence that would give people better information, opportunities and capabilities that will them allow to move, should they choose to, to other local areas that are more likely to offer more sustainable employment and economic opportunities.

Lastly, for purposes of overcoming the spatial distortions of apartheid, government should ensure that the future settlement and economic development opportunities are channelled into activity corridors and nodes that link with the main growth centres. Government should ensure that infrastructure investment primarily supports local areas that can become major growth nodes within South Africa and the Southern African Development Community in order to create regional gateways to the global economy.

The above five principles are formulated to target government action and investment while also avoiding a watering-can approach and enabling South African government to achieve the maximum social and economic impact within the context of limited resources (RSA 2006). Furthermore, the NSDP acknowledges that different regions are faced with economic potential and spatial variation. The level of poverty is also vastly different within the different regions of South Africa (RSA 2006). Given this, the NSDP submits that as a result of the diverse and disparate spatial contexts, approaches should be differentiated and conducive to the various differing contexts (RSA 2006).

3.4.8. Provincial Growth and Development Strategy

The primary objective of the Provincial Growth and Development Strategy (**PGDS**) is to offer a collaborator framework to drive implementation within a province (DPLG 2005). The PGDS should not be understood as a provincial government plan but instead a development framework for a province as a whole (DPLG 2005). The PGDS seeks to understand provincial endowments and resources. Development potential (as defined in the NSDP) and limitations, as well as factors shaping these are changing over time (DPLG 2005).

These elements should be spatially referenced using trend information being specifically important. Institutional arrangements and resource requirements that

need to meet challenges should be identified, with the understanding that resources and capacities required may be found in national and local spheres. In this way, difficult choices around resource allocation, usage and trade-offs are informed (DPLG 2005).

The PGDS is more of a strategic statement that should have the following characteristics. First, the PGDS should ensure that it builds on the principles and approach laid out in the NSDP and ensure engagements with the metropolitan, district and local municipalities to ensure the sub-provincial application of the NSDP.

Second, the PGDS should offer direction and scope for province-wide development programmes and projects, that lie within the context of a long-term perspective, while also considering the available resources, economic, political, social and natural environment constraints and opportunities. Moreover, the PGDS should be seen as a tool to address the legacies of apartheid, promote sustainable development, reduce poverty and create employment.

Third, the PGDS should be seen as a public and private sector investment framework whilst also bringing up opportunity areas and development priorities. Fourth, the PGDS should focus on looking at addressing key implementation blockages and issues which include, among others, institutional reforms.

Lastly, the PGDS should enable intergovernmental alignment and guide the activity of various stakeholders and agencies which include national and provincial sector departments, parastatals, and metropolitan, district and local municipalities by linking to and deepening the application of the NSDP.

3.4.9. National Framework for Sustainable Development in South Africa

The National Framework for Sustainable Development was formulated to work in line with the National Framework for Local Economic Development by incorporating sustainability and a livelihood approach into LED strategies at the local level, for purposes of fostering sustainable employment creation and antipoverty projects (DEAT 2008). These projects are required to focus on using existing resources,

social networks, local savings and skills and must emphasize livelihoods derived from sustainability priorities (DEAT 2008).

The National Framework for Sustainable Development outlines South Africa's vision for sustainable development and offers interventions to re-orient the nation's development path towards sustainability (DEAT 2008). The framework outlines five key policy areas for strategic implementation, that being: "(i) enhancing systems for integrated planning and implementation; (ii) sustaining South Africa's eco-systems and utilising resources sustainably; (iii) investing in sustainable economic development and infrastructure; (iv) creating sustainable human settlements; and (v) responding to emerging human development, economic and environmental challenges" (DEAT 2008).

3.4.10. National Framework for Local Economic Development

The primary focus of the National Framework for Local Economic Development is the improvement of "good governance, service delivery and public and market confidence in municipalities through the alignment of national and provincial programmes" (DPLG 2007:3). The framework aims to move towards a more strategic approach of economic development of local economies by overcoming challenge and failures whereby municipalities manage projects or start-ups. The framework seeks to support local economies and elevate the importance of local economies within the national economy.

The National Framework for Local Economic Development (DPLG 2007) is guided by the following 10 principles:

- i. "Through a developmental approach, Government has a decisive and unapologetic role to play in shaping the economic destiny of our country.*
- ii. Creating an environment in which the overall economic and social conditions of the locality are conducive to the creation of employment opportunities is the responsibility of Local Government.*

- iii. *Local Economic Development is an outcome of actions and interventions resulting from local good governance and the constant improvement and integration of national priorities and programs in local spaces.*
- iv. *Inward investment from the state or private sector will only be effective where the potential and competitive advantages of each area are known and exploited.*
- v. *Promoting robust and inclusive local economies requires the concerted, coordinated action of all spheres and sectors of government centred on the application and localization of the principles espoused in the National Spatial Development Perspective (NSDP).*
- vi. *Locally owned appropriate solutions and strategies must emerge to support national frameworks in both rural and urban local spaces and should promote sustainable development and sustainable human settlements.*
- vii. *South Africa competes in a global and increasingly integrated world economy whose threats must be minimized and whose opportunities must be exploited.*
- viii. *Private companies, including social enterprises and cooperatives, form the heart of the economy and have a crucial role to play as partnerships with public and community role players that will ultimately stimulate robust and inclusive local economies.*
- ix. *People are the single greatest resource and including all citizens in development and increasing their skills leads to increased opportunities for stimulating local economies.*
- x. *Local initiative, energy, creativity, assertive leadership and skills will ultimately unlock the latent potential in local economies and will shape local spaces”.*

In addition to its guiding principles, the National Framework of Local Economic Development (DPLG 2007) seeks to achieve the following eight objectives:

- i. *“To shift towards a more strategic approach to the development of local economies and overcome challenges and failures in respect of instances where municipalities themselves try to manage litany of non-viable projects or startups.*

- ii. *To support local economies in realising their optimal potentials and making local communities active participants in the economy of the country.*
- iii. *To elevate the importance and centrality of effectively functioning local economies in growing the national economy.*
- iv. *To wage the national fight against poverty more effectively through local level debates, strategies and actions.*
- v. *To improve community access to economic initiatives, support programmes and information.*
- vi. *To improve the coordination of economic development planning and implementation across government and between government and non-governmental actors.*
- vii. *To build greater awareness about the importance and role of localities and regions which globally are playing an increasingly significant role as points of investment facilitated by supportive national policies”.*

3.4.11. The Broad-Based Black Economic Empowerment Amendment Act (Act 46 of 2013)

Section 1(c) of the Broad-Based Black Economic Empowerment Amendment (BBBEE) Act (RSA 2013) targets and makes mention of “women, workers, youth, people with disabilities and people living in rural areas” as groups that must be integrated and included in socio-economic strategies developed by any organ state or public institution.

Sections 2(a), (b) and (c) outline how these groups should be integrated in socio-economic strategies. These are as follows:

- (i) *“Empowering rural and local communities by enabling access to economic activities, land, infrastructure, ownership and skills.*
- (ii) *Promote access to finance for black startups, SMMEs, co-operatives and black entrepreneurs including those in the informal business sector.*
- (iii) *Increase effective economic participation and black owned and managed enterprises, SMMEs and co-operatives and enhance their access to financial and non-financial support.*

- (iv) *Adequate access to resources, own assets and be able to attract investment”.*

3.5. Application of local economic development in South Africa

Mokoena (2019) indicates that there are two main approaches of LED, namely the pro-market LED and the pro-poor LED approach. Pro-market LED, which is a macroeconomic concept, tends to be found in urban areas whereas pro-poor LED tends to be found in rural areas.

Pro-market LED focuses on investment, economic growth and entrepreneurship within a local economy (Mokoena 2019). This type of approach seeks to improve the competitiveness and promotes infrastructure development and entrepreneurship within a local economy. In the South African context, it was realised that the pro-market LED approach was not people centred and thus a bottom-up/pro-poor approach was introduced.

The pro-poor/bottom-up approach enables local residents to partake in the decisions that influence their living conditions (Mokoena 2019). Local residents are involved in the planning, decision making and implementation of all plans within area. This approach has been adopted by the South African government as the majority of people within South Africa are poor (World Bank 2016). This approach seeks at addressing the issues of the local community whereas the pro-market LED approach does not fully address employment creation and poverty alleviation within a local municipality (Mokoena 2019). Furthermore, Table 2 below illustrates the history of LED approaches within South Africa.

Table 2: History of LED policies in South Africa

Pre-1994 (apartheid era)	<ul style="list-style-type: none"> • “The approach was government-planned industrial decentralisation and LED initiatives, as part of the social engineering and economic boosterism of the apartheid state (Rogerson 1997; Nel & John 2006). • From the 1980s, programmes were introduced to attract industries, promote place marketing, and develop infrastructure, tourism and land. However, by the early 1990s, many of the decentralised, planned places (e.g. Botshabelo, Mdantsane) were failing, with plants closing and jobs being lost (Marais et al. 2016; SACN 2016)”.
1994-2002	<ul style="list-style-type: none"> • “The new Constitution (RSA 1996) came into force and included the principle of developmental local government, reinforcing the importance of economic planning at the local level.

	<ul style="list-style-type: none"> • Two opposing approaches to LED developed: a city-based (or pro-market) approach and a community-based approach (Nel 1997). As donors started channelling their funding through government, the community-based approach lost momentum (Nel 2005). Community groups argued in favour of pro-poor approach to LED (Khanya-ACIDD 2006). • Government introduced the LED Fund (1998) that was aimed at projects with a pro-poor, poverty-relief focus. Projects had limited success because they were poorly planned and designed, seldom considered the value chains, were mostly implemented by the public sector and often did not include appropriate technical support (Marais & Botes 2007). • Some of the large cities implemented inner-city renewal programmes and large tourism investments, such as waterfront developments and convention centres, which were in many cases driven by public-private partnerships (Nel & Rogerson 2007)".
2003-2011	<ul style="list-style-type: none"> • "Having discontinued the LED Fund (2002), government developed a new LED policy for South Africa, the National LED Framework 2006–2011 (DPLG 2006), which was: • A five-year strategic framework aimed at supporting the development of sustainable local economies through integrated government action. • A guide to LED that proposed a strategic implementation approach that government and communities could use to improve LED, and suggested actions for implementing LED Key Performance Indicators".
Post 2011	<ul style="list-style-type: none"> • "A review of the 2006–2011 LED Framework took into consideration the state of the economy and of local government, the existing national economic frameworks and national contemporary LED issues, and identified LED challenges and opportunities". • "Challenges included: the lack of a shared conceptual understanding of LED, poor intergovernmental relations on LED, sectoral plans not integrated as part of LED planning and implementation, limited funding and financing for municipal-led LED programmes, the lack of a differential approach to LED implementation, and skills deficit and general human resources issues".
2016	<ul style="list-style-type: none"> • "Cabinet adopted South Africa's national urban policy, the IUDF, which promotes a differentiated approach to cities and towns. • The IUDF recognises the specific problems associated with intermediate cities in South Africa, including dependence on a single economic sector, poor urban management, inadequate maintenance of municipal infrastructure, and weak relations between the municipality and external role players. • The IUDF specifically calls for a national LED strategy and for economic development to be central to the municipal agenda".
2018	<ul style="list-style-type: none"> • "The Ministry of Cooperative Governance and Traditional Affairs (COGTA) published a draft National Framework for Local Economic Development: Creating Innovation driven Local Economies 2018–2028 (COGTA 2018) that takes forward the policy proclamations". • "Its aim is to provide strategic guidance to LED agents and actors and their activities in order to achieve innovative, competitive, sustainable, inclusive local economies that maximise local opportunities, address local needs, and contribute to national and provincial development objectives".

Source: South African Cities Network (SACN 2019).

3.6. LED policies and employment creation

3.6.1. South African LED policies framed to create employment

Khambule (2018c) indicates that the participatory approach to LED in South Africa, which involves different stakeholders who have an interest in the development of the socio-economic conditions and employment generation at local government,

has not translated to actual practice. One of the objectives of LED policies is the reduction of unemployment through employment creation. This requires local municipalities to create projects that generate employment and better the living conditions of people.

Accordingly, the South African Constitution gave powers to local municipalities to generate employment and improve the living conditions of citizens within local economies. LED policies are seen as a catalyst to enhance economic growth, economic development and employment creation. This according to Mokoena (2019) needs local governments, the private sector and the local community to work together in solving the needs of the local economy. Further, this requires the local municipality to be able to make its own decisions in terms of solving unemployment and poverty (Nel & Rogerson 2005).

Given this, local municipalities have the responsibility to identify projects that will generate employment. These projects should ensure that the citizens of the local economy are employed. Further, local municipalities should also promote local business ideas that will create employment. On this score, LED should focus on ensuring that the local investment climate is conducive for local businesses and support is offered to SMMEs (Mlambo et al. 2019).

Historically, under the apartheid government, LED was not seen as an important policy measure to pursue as the government of the day opted to apply what is considered as Keynesian style policies (Nel 1999). These policies allowed the apartheid government to control all aspects of South African society. The effect of this was the suppression of local initiative and local autonomy (Nel 1999).

Nel (2001) submits that LED in South Africa is a post-1990 phenomenon as LED was more aligned with the neo-liberal economic strategy proposed by the then newly elected democratic government, the African National Congress (**ANC**). The ANC were committed to devolve powers of government to local governments and offer support to community-based projects (Nel 2001).

Initially, LED policies were a result of the local economic crises and the responses to those crises were often led by local leaders and the communities in which they

reside (Nel 2001). Further, during the earlier post-apartheid years, South African law and policy did not offer clear guidelines to how local authorities can pursue LED. However, the South African Constitution (RSA 1996) and other laws and policy papers did offer some insights. Specifically, Sections 152(c) and 153(a) of the constitution states that local government must “*promote social and economic development*” and “*Structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community*”.

In addition, the Local Government Transition Act of 1993 and its 1996 Amendment (RSA 1993, 1996b) required municipalities to “promote economic and social development”. This particular act required local governments to work on and implement Integrated Development Plans that looked to address issues of spatial and transport planning, infrastructure and the promotion of economic development (Nel 2001).

Nel (1999) indicates that there were four different types of LED policies that existed in South Africa. First of these were formal local government initiatives which were in-line with more developed nation thinking in that policies overlapped with overall government policies. Second were community-based small town initiatives which were often as a result of non-governmental organisations’ facilitation and support. Third were Section 21 Development Corporations which were companies referred to as not for gain, which focused on promoting local development within local areas. Lastly were Top-down LED initiatives which were a result of provincial and/or national government attempting to catalyse and support local development.

3.7. Performance and challenges of LED strategies in SA

In regard to the performance of LED strategies in South Africa, Van der Waldt (2018) finds that the period between 2005 to 2014 was characterised as a period of proliferation of LED strategies, plans and guidelines. During this period, the South African government was able to succeed in mainstreaming LED through aligning the NSDP, the PGDS and municipal IDPs (Van der Waldt 2018).

As of recent, LED strategies have tended to focus on building the local economic capacity of a specific area. This recent approach to LED is seen as a participatory process that includes the private and public sector within a specific local area (Van der Waldt 2018). In this regard, Van der Waldt (2018) found a general systemic weakness in municipalities in implementing LED strategies. This is a result of “*ineffective organisational arrangements and systems, poor situational assessments and strategic planning, limited resource allocation to pro-poor strategies and ineffective management practices*” (Van der Waldt 2018:702).

Further, Lawrence and Rogerson (2019:145) highlight that as much as the South African government has placed a great deal of focus on LED interventions, a number of factors have contributed to undermine the general performance of LED in South Africa. These challenges are cited as “being a poor awareness of what LED is, the lack of understanding of local economies, human resource capacity and budget constraints, widespread corruption in the form of State capture, the targeting of unsustainable-community-based interventions, weak business environments for the private sector and the challenge of trying to coerce market-based forces to work in spaces with limited prospects of profitability” (Lawrence & Rogerson 2019:145).

Moreover, Lawrence and Rogerson (2019:145) submit that although the South African government can be considered a leader within the global south in regard to establishing LED policies and strategies, it is hard to argue that outcomes have made a significant difference in all local communities.

Khambule (2020b) also highlights the inadequacies of LED strategies in South Africa by submitting that LED in South Africa faces many institutional and market-related failures that undermine local economies. According to Khambule (2020b), these institutional failures are as a result of capacity and planning within local government, whereas the market failures are a result of a lack market information that leads to financial risk aversion at the local government level.

Moreover, Khambule (2020b:96) identifies key LED challenges that need to be addressed in South Africa, with those being “*the lack of capacitated LED officials, the inability of municipalities to plan and implement LED initiatives, a lack of funding*”

for LED and governance problems associated a lack of understanding LED". Khambule and Mtapuri (2018:440) echo these findings and indicate that there are five main challenges of LED in South Africa, which are "*the incapacity of local government to implement LED, the incapacity of local government to plan for LED, governance challenges as a result of not understanding LED, a lack of funding for LED and the mistrust between the government and the private sector*".

Further, the poor performance of LED and its associated challenges are not a recent occurrence. Indeed, Ingle (2014) submits that the role of government in the pursuit of LED has been unsatisfactory in South Africa. Ingle (2014) notes that the approach to LED, which is employed in South Africa, has faced challenges even in occasions when these initiatives are successful. The reason for this is the fact that the LED function in South Africa is poorly integrated into local government operations (Ingle 2014).

Importantly, Ingle (2014) submits that local governments in South Africa are failing to understand the needs of the local economies in which they operate as a result of a lack of reliable data. Ingle (2014) adds that the departments which are responsible for LED are often under-resourced. This view is supported by Strydom (2016:79) who submits that local municipalities, which are mandated with the responsibility for LED, lack the resources to pursue it. Accordingly, the work of Akudugu and Laube (2013:12) reveals that the successful execution of LED is dependent on the available financial resources which according to Mokoena (2019) is a considerable challenge in South Africa.

Furthermore, it appears that there is a *lack of direction on LED objectives*. The work of Khambule (2021:509) reveals that there is a "*lack of institutional and skills capacity, inability to plan and implement development policies, a lack of understanding of local contexts, the lack of professionalising local government and poor political leadership*". In addition, Koma (2012) suggests that the vast majority of South African municipalities are unclear of the exact meaning of LED and how to implement LED policies. The work of Reddy and Wallis (2012:81) supports this view and indicates that there is a general absence in the common understanding of local economic processes across local government.

3.8. Conclusion

This chapter offered insights on LED within the South African context. The discussion began with detailing the background and rationale of LED within the South African context. Next, economic development was identified as a local activity. The discussion then moved to the available South African LED policy and legislative framework. Further, this chapter discussed the application of LED within South Africa. LED policies in relation to employment creation were then discussed. Lastly, the performance and challenges of LED policies in South Africa were identified. The next chapter discusses LED strategies and employment creation within the Amajuba District. In addition, the next chapter presents an analysis of the data which was collected through semi-structured interviews with the participants.

CHAPTER 4

LOCAL ECONOMIC DEVELOPMENT STRATEGIES AND EMPLOYMENT CREATION IN THE AMAJUBA DISTRICT MUNICIPALITY

4.1. Introduction

The previous chapter discussed the concept of LED in the South African context. The chapter began on the background and rationale of LED within the South African context. The chapter found that the rationale of LED within South Africa is addressing the legacies of apartheid by reducing poverty and enhancing the lives of South African residents through sustainable economic growth and employment creation. This chapter investigates the available LED strategies for employment creation in the Amajuba District. First, this chapter provides background information on the ADM. This is followed by an overview of the socio-economic and employment challenges faced within the Amajuba District. Lastly, this chapter presents an analysis of the data which was collected from the study. This study employed a qualitative research methodology and used an interview guide approach for qualitative interviews. Individual interviews were conducted with selected participants within the Amajuba District who were directly involved in or benefit from the formulation and implementation of ADM's LED and job creation initiatives.

A case study strategy was taken in order to understand the LED strategies for employment creation in the Amajuba District. Semi-structured interviews were used to collect the data and the data analysis strategy employed was an interpretative phenomenological approach.

The sample of this study consisted of a total of 10 participants that were selected from the Amajuba District. The sample of the study comprised the following targeted interviewees; (i) 1 x Senior Manager in one of the LED departments in the Amajuba District; (ii) 2 x Managers of LED in the two local municipalities under the Amajuba District; (iii) 2 x Senior Officials of the local institutions in the municipality; (iv) 1 x

Councillor in the local municipality; (v) 2 x Community leader/ farm owner in the municipality; and (vi) 2 x Business owner in the municipality.

Participants 2, 3 and 4 were interviewed at their office premises which were quiet and undisturbed premises that provided the participants familiarity with their surroundings. The rest of the participants were interviewed virtually in their chosen environments. **Table 3** below is a broad overview of the participants of the study.

Table 3: Participants in the study

Participant	Participant category
Participant 1	Senior Manager in one of the LED departments in the Amajuba District.
Participant 2	Manager of LED in one of the local municipalities under Amajuba District.
Participant 3	Senior Official of the Local Institutions in the municipality.
Participant 4	Manager of LED in one of the local municipalities under Amajuba District.
Participant 5	Senior Official of Local Institutions in Amajuba District
Participant 6	Community Leader/Farm Owner
Participant 7	Business Owner
Participant 8	Business Owner
Participant 9	Councillor
Participant 10	Community Leader

4.2. Amajuba District Municipality – Background and Context

The ADM is located in the KwaZulu-Natal Province's north-western corner. According to the Municipal Demarcation Board, ADM is one of 10 district municipalities that comprise the KZN Province and are part of one Metro. The Amajuba District is a Category C Municipality made up of three smaller municipalities as indicated in Figure 1 below:

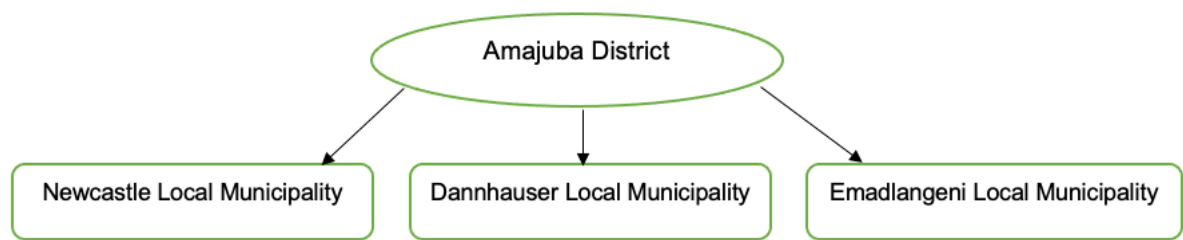


Figure 1: Amajuba District Municipality entities

Source: Author's own construct.

Newcastle Local Municipality – Newcastle played an important role in the Anglo-Boer War and is today the main town in northern KwaZulu-Natal. Newcastle was the fourth town built in 'Natal,' and it played a significant part in the Transvaal's First War of Independence, with the last battle taking place in 1881 near Schuinshoogte. Newcastle also played an important role in the Anglo-Boer War, appearing in both the Boer and English defence (ADM 2021).

Dannhauser Local Municipality – is named after Renier Dannhauser, a German farmer who acquired four properties in the region from the then-owner, the Natal government, in 1872. Dannhauser is a coal mining town that was established in 1870 and became a village in 1937 (ADM 2021).

Emadlangeni Local Municipality – Until recently, Emadlangeni Local Municipality was known as Utrecht. Its history began in 1852 when Voortrekker settlers sold 100 head of cattle for Zulu King Mpande's grazing rights in Zululand. The immigrants claimed the region as their own in 1854, establishing the Republic of Utrecht (ADM 2021).

The ADM is predominantly rural with extensive commercial farmlands. The map in Figure 2 illustrates where this district municipality fits into KZN and also the main towns in this District Municipality. The town of Newcastle is the primary urban centre and economic hub with Dannhauser and Utrecht serving as secondary service centres (ADM 2021). The Amajuba District contains settlements that range from urban and high-density areas of Osizweni and Madadeni Townships to the informal

settlements in Johnston, Blaawbosen and Cavan (JBC) and to more rural settlements that form part of Ubuhleomzinyathi (ADM 2021). The Amajuba District is characterised by large-scale commercial agriculture with intensive irrigated production found around the Chelmsford dam which is fertile land and used for high value crop production (ADM 2021).

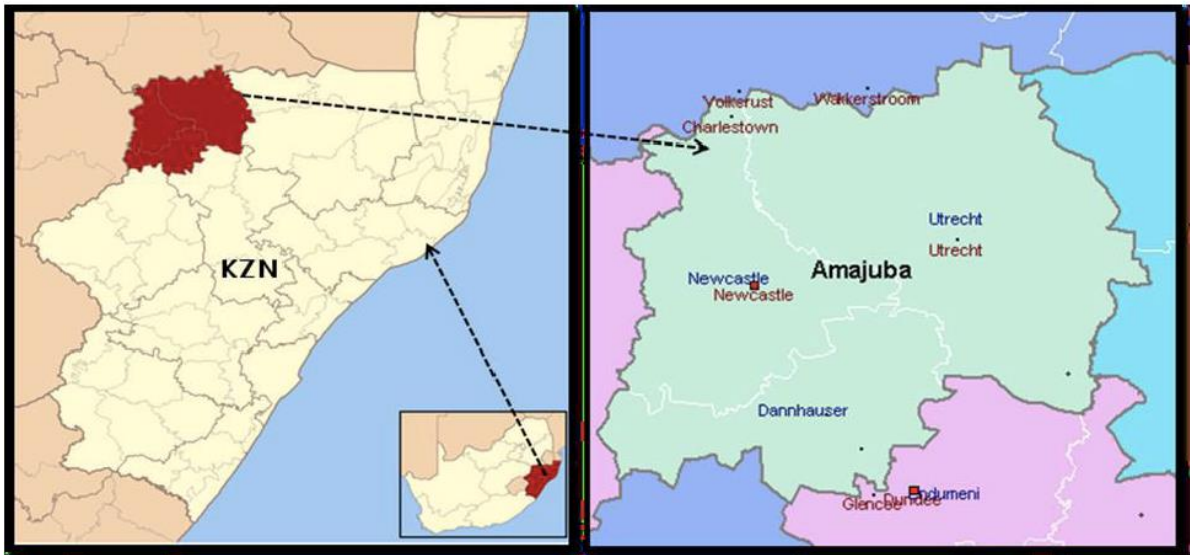


Figure 2: Map of Amajuba District Municipality

Source: ADM (2021).

The Amajuba District has an estimated total population of 531 327 people which translates to approximately 117 256 households. The town of Newcastle has the highest number of people, estimated at 389 117, which translates to 90 347 households. Second is the town of Dannhauser with 105 341 people which translates to 20 242 households. Third is the town of Emadlangeni with 37 869 people which translates to 6 668 households (ADM 2021). Further, **Table 4** and **Table 5** below show the population figures for the ADM. In addition, **Figure 3** shows the population distribution within the ADM.

Table 4: Amajuba District Municipality total population

	Total population		Population growth rate
	2011	2016	(2011-2016)
Municipality			
Newcastle	363 236	389 117	7.1%
Dannhauser	102 161	105 341	3.1%
Emadlangeni	34 442	36 869	7.0%
Amajuba District	499 839	531 327	6.3%

Source: ADM (2021).

Table 5: Amajuba District Municipality population by gender

Male		Female	
2011	2016	2011	2016
238 712	253 829	261 127	277 498

Source: ADM (2021).

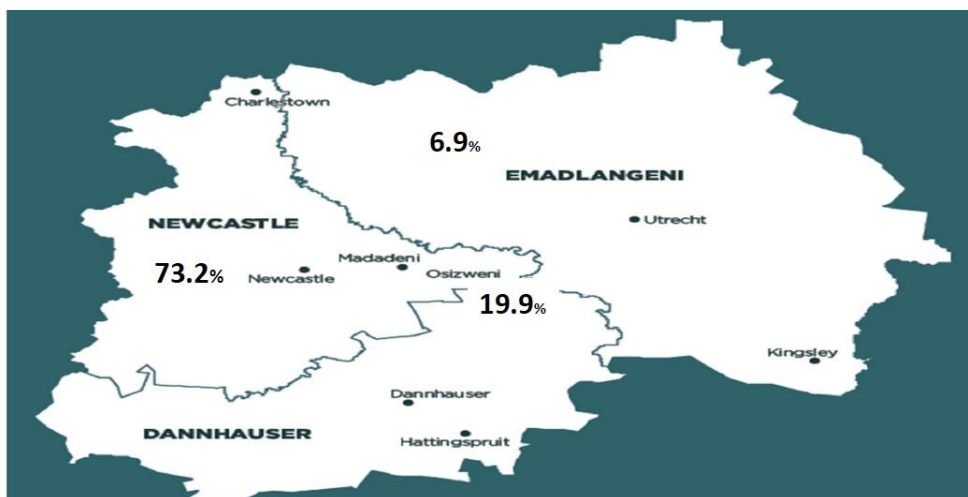


Figure 3: Amajuba District Municipality population distribution

Source: ADM (2021).

Further, the Amajuba District is characterised by a significant population of economically inactive people between the ages of 0 to 14 years who make up about 35% of the population. The largest age cohort in the Amajuba District is those between the ages of 15 to 64 years, estimated at 61%. The age cohort above 65 years is estimated at 4%. **Figure 4** below reflects the Amajuba District's population size.

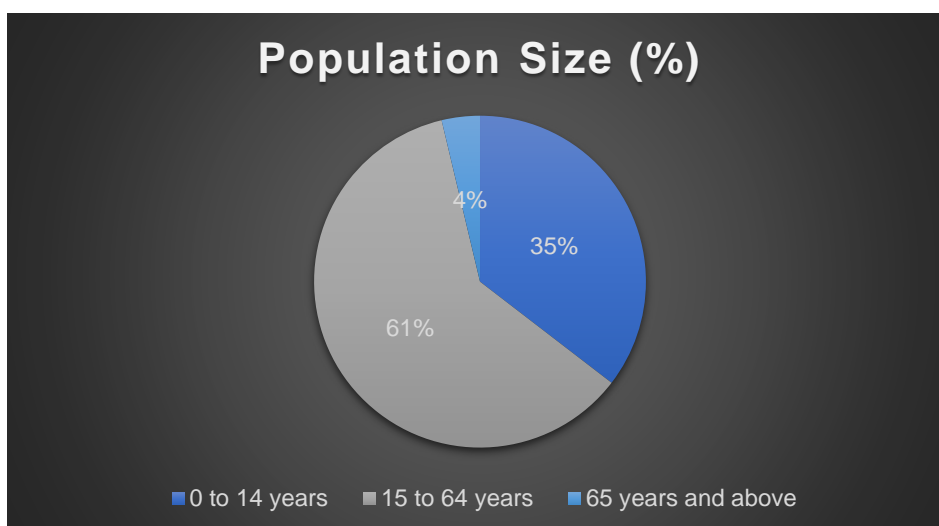


Figure 4: Amajuba District Municipality population size

Source: Statistics South Africa (Stats SA 2017).

The Amajuba District's population is predominately made up of Africans who account for approximately 93.2% of the population. Second are Whites who account for approximately 3.4% of the population. Third are Asians who account for approximately 2.8% of the population. Lastly are Coloureds who make up 0.6% of the population. Figure 5 below is a reflection of the population groups within the ADM.

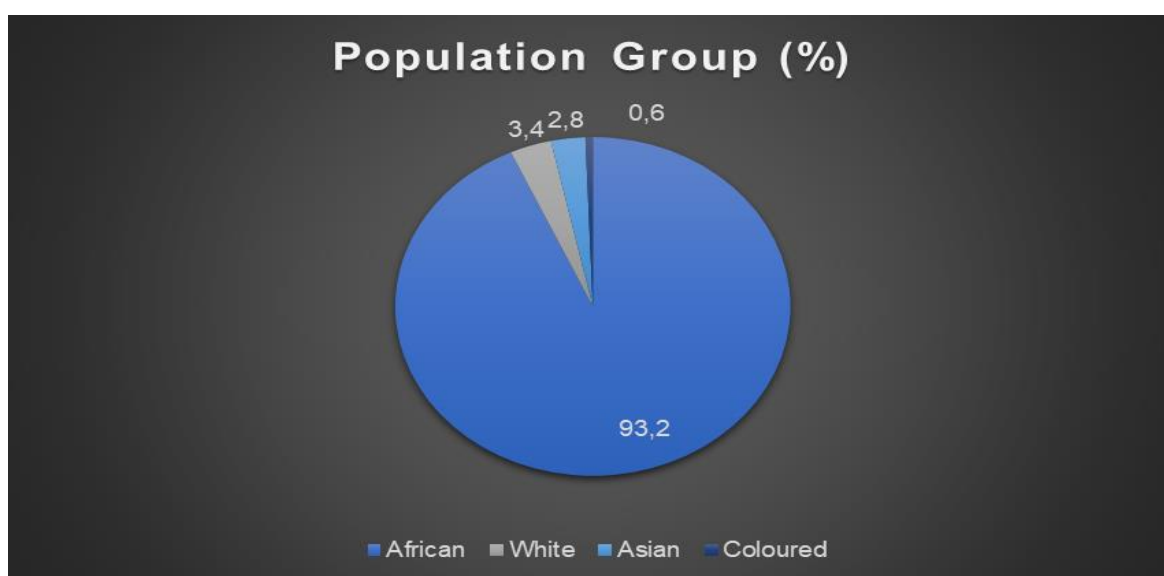


Figure 5: Amajuba District Municipality population groups

Source: Statistics South Africa (2017).

4.3. Employment challenges in the Amajuba District

Table 6 below reflects employment per sector in KZN and in the Amajuba District for 2018. The tertiary sector employs the majority of people in both KZN and in the Amajuba District with an estimated employment of 74.2% and 75.7% respectively. Moreover, **Table 6** reflects the overall number of people employed in KZN and in the Amajuba District for 1998, 2008 and 2018. Newcastle accounts for the majority of people employed in the Amajuba District in 2018 with approximately 80%. In regard to KZN, the Amajuba District accounts for 4.4% of people employed in KZN with Newcastle accounting for the majority within the Amajuba District with 3.5%.

Furthermore, in terms of the official definition of unemployment, the Amajuba District had an unemployment rate of 27.7% for 2018 with Dannhauser having the highest unemployment rate in the Amajuba District with 43.8% in 2018. These figures are reflected in **Table 7** below.

Table 6: KZN and Amajuba District Municipality employment per sector

Sector	KZN	Amajuba	Newcastle	eMadlangeni	Dannhauser
Primary	5,3%	3,8%	4,0%	3,4%	3,1%
Agriculture	5,0%	3,7%	3,9%	3,0%	2,7%
Mining	0,4%	0,2%	0,1%	0,4%	0,3%
Secondary	20,5%	20,5%	20,9%	18,7%	18,8%
Manufacturing	12,4%	13,7%	14,0%	12,4%	12,1%
Electricity	0,3%	0,3%	0,3%	0,2%	0,4%
Construction	7,8%	6,5%	6,6%	6,1%	6,4%
Tertiary	74,2%	75,7%	75,1%	77,9%	78,1%
Trade	21,0%	24,4%	23,9%	27,6%	26,0%
Transport	6,2%	7,0%	6,9%	7,5%	7,0%
Finance	14,4%	15,3%	15,2%	15,0%	15,8%
Community Services	23,7%	21,6%	21,8%	20,7%	21,1%
Households	8,8%	7,4%	7,3%	7,1%	8,2%

Source: LEDS (ADM 2020).

Table 7: Amajuba District Municipality unemployment rate (2016 to 2018)

Year	Amajuba	Newcastle	eMadlangeni	Dannhauser
2016	33,7%	32,0%	31,7%	43,0%
2017	30,9%	29,3%	30,2%	40,8%
2018	27,7%	32,0%	32,7%	43,8%

Source: KZN Provincial Treasury (HIS Markit: Regional Explorer).

According to the ADM (2021), unemployment is a major structural challenge within the Amajuba District. Unemployment is identified as a major contributing factor to the high degrees of poverty and income inequality within the Amajuba District. This contributes to the deterioration of the overall quality of life and the high dependency ratio within the Amajuba District as more people rely on fewer wage earners (ADM 2021).

The ADM (2021) submits that this high level of unemployment leads to “a large number of working households living near or below the poverty line”. More so, a

sizable proportion of the people that reside within the Amajuba District rely on grants and other related forms of welfare (ADM 2021).

Given this, employment creation has been identified as the primary goal in order to achieve economic growth and transformation within the Amajuba District (ADM 2021). According to the ADM (2021), this can be achieved through investment and both public and private sector interventions that seek to create a more enabling environment which will stimulate the creation of job opportunities.

In 2011 the KZN Provincial Treasury made available its KZN Multiple Deprivation Index, which is based on income levels, employment levels, health, education, access to services and crime rates. This index ranks each local municipality within KZN, and it assesses 51 local municipalities in KZN and ranks in ascending order, from 1 being the highest level of deprivation to 51 being the lowest level of deprivation. **Table 8** reflects the rankings of the local municipalities within the ADM according to each indicator and offers the final ranking of each local municipality against other municipalities within KZN.

Table 8: Amajuba District Municipality Deprivation Index

	Income	Employment	Health	Education	Living environment	Crime	Final ranking
Newcastle	45	50	11	45	45	30	49/51
Emadlangeni	20	19	5	36	36	29	21/51
Dannhauser	3	8	44	21	16	28	11/51

As reflected above in **Table 8**, Dannhauser appears to have the highest level of deprivation within ADM, ranked 11th out of 51 municipalities in KZN. Moreover, Newcastle has the lowest levels of deprivation within the ADM and also appears to rank more favourably within KZN.

Table 9 below reflects the total number people living below the poverty line (as defined by Statistics South Africa). According to ADM (2021), 50% of the Amajuba District's population lives below the poverty line. The contribution factors to this are cited as high unemployment rates and minimum job opportunities (ADM 2021).

Table 9: Amajuba District Municipality poverty levels

	Amajuba	Newcastle	eMadlangeni	Dannhauser
Year	People below food poverty line as defined by Statistics South Africa			
2014	172 763	116 708	13 946	42 109
2015	172 152	117 417	13 950	40 785
Year	People below the lower poverty line as defined by Statistics South Africa			
2014	263 508	179 701	20 904	62 904
2015	262 609	180 610	20 788	61 212

Source: KZN Provincial Treasury (HIS Markit 2018).

Moreover, in terms of KZN, the Amajuba District has a limited contribution to the provincial economy. **Table 10** below reflects the total provincial gross value added¹ (**GVA**) for all sectors for the years 2014 to 2019. On average, for the period 2014 to 2019, the ADM contributed to approximately 2.9% of total provincial GVA with the majority of the contribution coming from Newcastle with an average total provincial GVA of 2.3% over the period 2014 to 2019. eMadlangeni had an average contribution of 0.2% whereas Dannhauser had an average contribution of 0.4% over the period 2014 to 2019.

¹ Gross value added measures the economic productivity of a corporate subsidiary, company or municipality to an economy, producer, sector, or region.

Table 10: Amajuba District Municipality gross value added – All sectors (2014 to 2019)

Year	KZN	Amajuba	Amajuba (%)	Newcastle	Newcastle (%)	Emadlangeni	Emadlangeni (%)	Dannhauser	Dannhauser (%)
2014	R441 348 652,00	R13 840 018,00	3,1	R11 050 951,00	2,5	R1 093 146,00	0,2	R1 695 922,00	0,4
2015	R444 390 988,00	R14 045 149,00	3,2	R11 178 021,00	2,5	R1 099 257,00	0,2	R1 767 871,00	0,4
2016	R446 745 306,00	R14 213 252,00	3,2	R11 349 051,00	2,5	R1 086 750,00	0,2	R1 777 452,00	0,4
2017	R498 493 069,00	R13 060 997,00	2,6	R10 286 868,00	2,1	R1 112 473,00	0,2	R1 661 657,00	0,3
2018	R780 742 797,00	R21 675 879,00	2,8	R16 731 501,00	2,1	R1 661 626,00	0,2	R3 282 752,00	0,4
2019	R804 022 565,00	R22 161 210,00	2,8	R17 176 848,00	2,1	R1 696 406,00	0,2	R3 287 957,00	0,4
Average	R569 290 562,83	R16 499 417,50	2,9	R12 962 206,67	2,3	R1 291 609,67	0,2	R2 245 601,83	0,4

Source: KZN Provincial Treasury (HIS Markit: Regional Explorer).

4.4. LED strategies and employment creation in Amajuba District Municipality

The following themes were extracted from the data that was elicited from the interviews with the participants. They give insights into the state of LED strategies and employment creation in ADM and the following themes are detailed below: (i) the ADM's LED strategies and tools to create employment; (ii) the performance of LED strategies in employment creation in the Amajuba District; (iii) challenges of LED within the Amajuba District; and (iv) potential ways to improve LED in the ADM.

4.4.1. The Amajuba District Municipality LED strategies and tools to create employment

The participants identified a number of LED strategies that are employed in the ADM for purposes of employment creation. The subsections below discuss these tools as identified by the participants.

4.4.1.1. Community work programmes

A number of participants indicated that the ADM is implementing community work programmes such as the EPWP to create employment within the Amajuba District. The EPWP is considered a short-term programme with the aim of creating additional work and training opportunities. Further, the EPWP offers poverty and income relief by creating temporary work for the unemployed.

Participant 2 specifically highlighted the use of the EPWP to create employment in the Amajuba District and indicated that

“we have to be direct, we can create job opportunities through community work programmes, the EPWP and internships”.

The use of the EPWP is also cited in the literature as a LED strategy to create employment (Makhubo 2015). According to Makhubo (2015), this approach involves communities and municipalities lobbying that all government initiatives should

employ labour intensive techniques for local employment. Moreover, this LED strategy aims at the creation of employment and infrastructure that aids in the development of human resources through training programmes and the empowerment of local communities.

4.4.1.2. The attraction of investment

According to some of the participants, the ADM has been able to create employment through the attraction of investments and working with different industries and encouraging these industries to employ people. The literature terms this LED strategy as industrial recruitment and marketing (Makhubo 2015). This LED strategy uses heritage sites, cultural sites and new civic centres to promote a local area as an appealing destination for purposes of attracting commercial, retail and government investment.

Moreover, this LED strategy involves inviting new industries to a local area as an attractive area to visit, live and invest in. Businesses and individuals consider a number of elements before deciding to make a decision to invest or stay within an area. These factors include, among others, the cost of production, supplier locations, the availability of research and development organizations, access to transportation networks and whether the local area has good services and infrastructure (Makhubo 2015).

On that score, according to participant 2, the ADM is

“looking to attract investors and working with different industries where we encourage them to employ the local people and create a conducive environment for business to thrive, by ensuring infrastructure is available and up to standard and electricity is available”.

4.4.1.3. Creating a conducive business environment

The participants identified the creation of a conducive business environment as a LED strategy to create employment. This approach is aimed at aiding local

businesses to achieve improvements in their productivity which leads to increased market share and higher value-added levels in the production chain.

As local businesses grow, their demand for employees grows as well. According to the literature, municipalities can assist in creating a conducive environment that could lead to positive impacts on poverty eradication and employment creation (Mlambo et al. 2019). On this matter, participant 3 indicated that the ADM is using this LED approach to create employment and stated that the ADM has the responsibility

“to coordinate all local formal and informal businesses to make sure that the environment is workable, and that the economy of the area grows. In simple terms, ensure that people are working, have jobs, improve their livelihood, people are trading together, big business coming to town employing people and creating a conducive environment for business to operate”.

4.4.1.4. Funding and supporting local entrepreneurship and SMMEs

A few of the participants indicated that the ADM is funding and supporting local entrepreneurs and SMMEs as a LED strategy to create employment. To this score, participant 4 indicated that the ADM is trying to get

“sustainable SMME funding whereby we develop already established businesses to ensure that they are sustainable and try to grow the business by providing marketing materials and appointing a mentor to them”.

This, according to participant 4, leads to additional employment as

“the more the business grows, more employment is achieved”.

This LED strategy focuses on creating local businesses that are more competitive and as these businesses grow more employment is created. Moreover, funding and supporting local entrepreneurship and SMMEs is important as, according to

Khambule (2018b:41), SMMEs and entrepreneurial development are important components and drivers of local economies.

4.4.1.5. Promoting the agricultural sector

The NSDP acknowledges that different regions are faced with different economic potential and spatial variations (RSA 2006). As a result of the diverse and disparate spatial contexts within South Africa, LED approaches should be differentiated and conducive to various differing contexts. In addition, the PGDS seeks to understand provincial endowments and assets when it comes to LED in regions (DPLG 2005).

On that score, the ADM (2021) identifies the agricultural sector as an existing sector with further opportunities for growth in the district. Moreover, the ADM (2021:248) submits that growing the agricultural sector within the district would generate employment. Further, the agricultural sector is considered one of the main economic sectors within the Amajuba District (ADM 2021:268).

The participants also identified the promotion of the agricultural sector as a LED strategy to generate employment. According participant 2,

“agriculture is huge in our municipality, and we believe our people can be self-sustainable if we can assist them to formulate the sector”.

Participant 4 indicated that the ADM

“is in the process of establishing a TVET college that will focus on agriculture”.

Moreover, participant 5 indicated that the Amajuba District is focusing on the agricultural sector and submitted that this will

“create sustainability to the agricultural programs which are available, it will also attract investors, it will also improve skills within the agricultural sector and enhance agro-procession and increase the productivity of the land”.

4.4.1.6. Promoting the mining sector

Another sector that has been identified as a priority sector to promote LED and employment creation within the Amajuba District is the mining sector. The mining sector is identified as it has potential for “production of labour-intensive mass-produced goods which are more dependent on labour costs and affordable transport linkages” (ADM 2021:71). The ADM (2021:271) indicates that the closing of large companies in the mining sector has left many residents unemployed. Given this, the ADM has focused on promoting the mining sector as a LED strategy to create employment.

On that score, participant 2 indicated that

“LED can be promoted and focused in the mining sector as not many role players are there from local people. Most of the people operating in the mining sector are people from outside the district but we believe it is crucial that some of the programmes done in the mining sector are done by local people. This can be done by ensuring that a certain percentage is dedicated to the local community to prevent total economic benefits leaving the Amajuba District”.

Participant 1 indicated that there were job losses due to a decline in the mining sector and submitted that

“a lot of economic activities was in mining which influenced a lot of the economic growth and decline, forcing people to lose jobs and relocate to other areas”.

As a result of this, the ADM has focused on the promotion of the mining sector as a LED strategy to create employment within the district.

4.4.1.7. Promoting the textile sector

Another sector identified as a priority sector within the Amajuba District is the textile manufacturing sector. A few of the participants identified the promotion of the textile

sector as a LED strategy to promote employment creation within the Amajuba District. Participant 1 indicated that the ADM

“has a LED strategy which is a tool, from the LED strategy we derive our sector plans. Out of these plans we would make business plans which would specify projects and programmes that we implement and such projects and programmes should be strategic and high impact that would be able to absorb more labour or create employment for the people of the district”.

Participant 1 further added that

“to make an example of the clothing and textile sector. There is a sector plan and we are currently developing the clothing and textile hub which is pro-people of the district and is providing a professional working space as well as linking your historically disadvantaged individuals in the sector to the mainstream economy to become suppliers. That is one of the tools we have that has resulted in employment creation”.

Promoting and supporting the textile sector would lead to additional employment opportunities within the Amajuba District.

4.4.2. The performance of LED strategies in employment creation in the Amajuba District

A number of the participants expressed their dissatisfaction with the performance of the ADM regarding its LED strategies for employment creation. Participant 8 indicated that

“I would rate the municipality very poorly”.

Participant 3 indicated that they give the performance of the ADM

“a 3 out of 10”

for its LED strategies for employment creation. A low rating was also given by participant 7 that indicated that they would rate the performance of the ADM's LED strategies for employment creation

“a 4 out of 10”.

Further, the subsections below discuss the performance of the ADM's LED strategies for employment creation identified in the subsections above.

4.4.2.1. Community work programmes

The participants offered somewhat mixed responses regarding the effectiveness of community work programmes such as the EPWP to create employment within the Amajuba District. Participant 7 indicated that

“the municipality has programs like the EPWP where they put a lot of effort in creating employment”.

Participant 2 indicated the ineffectiveness of the EPWP in regard to an LED strategy to create employment across the entire district of the long periods of time as the EPWP is considered a short-term solution to employment creation. On this score, participant 2 indicated that

“we hire youth mainly to work in their respective wards to do maintenance and because of budget constraints, we are unable to hire a large number of people and for a long period of time, and since our municipality is huge sometimes its difficult to cover all the wards and the distance creates difficulty in allowing us to implement our programmes in all the areas even to access them is far and difficult”.

Moreover, the literature identifies a lack of effectiveness of community work programmes in regard to LED initiatives. Indeed, Lawrence and Rogerson (2019:145) indicate that the targeting of unsustainable community-based inventions has undermined the general performance of LED inventions in South Africa.

Specifically, the literature indicates a number of challenges to the EPWP that undermine LED initiatives within South Africa. Regarding this, Aghimien et al. (2019) find that the EPWP suffers from: (i) low wages being given to participants; (ii) a lack of discipline among participants; (iii) a lack of funding; (iv) a lack of communication and coordination; (v) improper implementation; (vi) improper recruitment of participants; (vii) limited time for training; and (viii) delays in payments of stipends.

4.4.2.2. The attraction of investment

According to the findings of the interviews, the Amajuba District has struggled to attract investment to the ADM. Participant 3 submitted that

“The challenges are lack of investment, to be specific, over the past 5 years we have had two major industries closing down in the district, so we are not doing well in terms of our business retention as well as expansion, otherwise we wouldn’t have lost those two businesses”.

The consequences of this lack of investment is noted to contribute to issues of unemployment, poverty and inequality as a participant stated that

“in terms of the investments coming outside of the district you would not be able to attract any new investments that lead to issues of unemployment due to the inability to bring new businesses and absorb the labour force. This perpetuates poverty as well as inequality in our societies”.

Participant 6 indicated that this lack of investment is a result of the lack of infrastructure within the Amajuba District and added that

“the infrastructure within the municipality is poor. Roads and some of the towns aren’t doing well. People wouldn’t necessarily come to these towns and areas because they would rather drive to some other roads”.

To this score, participant 9 indicated that the ADM could attract investors by improving the current infrastructure and submitted that

“improving the infrastructure would be a good start. Just getting the roads better so people can come in like tourists and even local South Africans”.

This view is also cited in the literature as the ability and performance of attracting investment are based on the local area conditions which determine the relative economic advantage of a local area and its capability of attracting and retaining investment (Van der Waldt 2007). Moreover, Makhubo (2015) found that the decision to live and invest in a local area depends on the cost of production, the cost of living, how close the local markets for production are, supplier locations, the accessibility of research and development institutions, access to transportation networks and whether the local area has good services and infrastructure.

4.4.2.3. Creating a conducive business environment

The participants interviewed revealed that the Amajuba District has not been effective in creating a conducive business environment. Participant 1 states that the ADM is

“not doing well in terms of our business retention as well as expansion”.

Participant 1 further added that the ADM was unaware that businesses were struggling and submitted that

“we were not aware that those businesses were struggling and could actually close down and leave the district, that is one challenge. Secondly, it’s the institutional structuring or let me say the local economic development governance – we are not in sync with big business, there are no platforms where government actually sits and listens to the challenges that big business is going through”.

Similarly, the literature also cites the failure of South African municipalities in creating conducive business environments. According to the work of Lawrence and Rogerson (2019:145), weak business environments are one of the factors that

contribute to the poor performance of LED within South Africa. Moreover, Khambule (2018b:41) also notes that municipalities in South Africa are unable to facilitate conducive environments as a result of institutional factors, corruption and a lack of adequate service delivery.

4.4.2.4. Funding and supporting local entrepreneurship and SMMEs

In regard to the funding and support of local entrepreneurship and SMMEs, the participants indicated that they struggled to get funding from the ADM but however got support in other ways such as training programs, mentorships and finding the correct people to employ for their businesses. In this connection, participant 7 indicated that

“in terms of funding, I didn’t get any funding from the municipality. There have been some meetings with the municipal officials to discuss the matter of funding because what we have identified is that some black companies are not operating within the municipality because they are not doing well due to lack of funding that is the challenge”.

Further, in terms of support participant 8 indicated that

“I cannot say I have received support from the municipality. The support is there but it is not sufficient enough because the most support that we are looking for is funding, if we get funding, we will be able increase staff and some equipment that we will be using for the business”.

Similarly, participant 7 indicated that

“I struggled to get funding until I got private funding. But the municipality did assist me in other areas outside of funding”.

This lack of funding to SMMEs is contributing to the overall performance of the ADM’s performance in terms of LED strategies for employment creation. According to the findings of Mlambo et al. (2019), LED should focus on ensuring that the local

investment climate is conducive for local businesses and that support is offered to SMMEs. In addition, the BBBEE act (RSA 2013) requires the increased effective economic participation of black-owned and managed enterprises, SMMEs and co-operatives and their enhanced access to financial and non-financial support.

4.4.2.5. Promoting the agricultural sector

The participants indicated that the ADM has been effective in promoting the agricultural sector. To this score, participant 10 stated that

“one thing that I see that the municipality is engaging on is agriculture”.

The participant further added that the Amajuba District is promoting the agriculture sector by

“developing and assisting with the knowledge of agriculture”.

Participant 6 indicated that the ADM is helping

“small farmers and new farmers to become bigger”.

Participant 9 stated that the Amajuba District is supporting

“in terms of agricultural resources and also providing infrastructure for those who need it”.

In addition, participant 8 indicated that the

“Agricultural Municipality Unit is proactive in the agricultural sector”.

The same participant added that

“in terms of the agricultural sector promotion for economic activity, the municipality is excelling”.

4.4.2.6. Promoting the mining sector

In terms of the promotion of the mining sector, the participants indicated that there is room for improvement regarding support of the mining sector. To this regard, participant 2 submitted that in

“Mining we don’t have much control, however, we try to ensure that local people are prioritized”. Further, participant 3 indicated they felt that “Economic trends are stagnant, and amongst the pillars was mining. Due to the move of mining in KZN to Mpumalanga, mining started to decline in KZN, however, mining seems to be coming back to KZN”.

Further, participant 1 added that

“A lot of economic activities was in mining which influenced a lot of the economic growth/ decline forcing people to lose jobs and relocate to other areas”.

Furthermore, participant 4 stated that

“Our major sectors are agriculture, mining (past 10 years or so we have seen an increased interested from private companies in our mining sector), tourism acted as a substitute to the decline in mining activity”.

The participants seemed to suggest that mining within the Amajuba District has experienced a decline in performance. However, as of late, the ADM has been focusing on reviving the mining sector within the Amajuba District which will lead to more employment opportunities.

4.4.2.7. Promoting the textile sector

The interviews with the participants suggest that the ADM has not been effective with the promotion of the textile sector. Particularly, as participant 10 indicated,

“the previous administration in the Dannhauser Municipality built a textile workshop. The intention of the of the workshop was to try and bring in investors who specialize in the textile industry. The workshop was built with the aim of attracting investors who would come in and use the workshop and create employment within the municipality”.

However, participant 10 continued by saying that the workshop is currently not in use and that

“the workshop that I am talking about is complete but unfortunately the previous administration exited their offices before they could hand over the project to the community and the municipality. Currently, that workshop is at a standstill because there is no coordination in ensuring that workshop gets to be handed over to the municipality so that the officials who are working in the municipality can have a plan to bring in investors”.

Moreover, the participant stated that the textile workshop is not operating which is a missed opportunity in the Amajuba District and that

“it is a misfortune because it is now in completion phase [the textile workshop] but it is not operating”.

It is suggested that employment would be created should the textile workshop start operating. However, due to the inefficiencies of the ADM, the promotion of the textile sector is suffering.

4.4.3. Challenges of LED and employment creation within the Amajuba District

The participants outlined a number of challenges regarding the LED strategies for employment creation within the Amajuba District. These challenges are discussed in the subsections below.

4.4.3.1. Lack of funding

The lack of funding was identified by the vast majority of participants as a challenge for the ADM and its LED strategies for employment creation. Participant 2 indicated that the one weakness of the ADM was “*budget constrain*”. Similarly, participant 2 indicated that “*municipalities don’t have money*”. This lack of funds is consistent with the views of participant 7 who said that

“When I had my business proposal, I went to the LED department for funding support. I waited for a couple of months for assistance. When I asked why it took a long time to get assistance, I was told that they lacked staff capacity and resources were limited. Funding is difficult to get”.

Furthermore, participant 9 indicated that the ADM faced a “*lack of budget*” when it comes to “*some infrastructure project*”.

The finding of a lack of funding as a challenge to LED is also cited in other studies. One such study is the work of Lawrence and Rogerson (2019) that found budget constraints as a challenge to the implementation of LED. Another study is the work of Khambule (2020b: 96) which also highlights a lack of funding as challenge to LED implementation.

4.4.3.2. Lack of capacity

The participants identified a lack of capacity as a challenge to the ADM’s LED strategies for employment creation. Participant 7 reported that

“When I had my business proposal, I went to the LED department for funding support. I waited for a couple of months for assistance. When I asked why it took a long time to get assistance, I was told that they lacked staff capacity and resources were limited. Funding is difficult to get”.

This identified challenge to LED has also been found in other studies. One particular study is the work of Lawrence and Rogerson (2019:145) that found a lack of human resource capacity as one of the challenges of LED implementation in South Africa.

Another study is the work of Khambule (2020b) which also found the lack of capacity as one of the challenges to LED implementation within South Africa.

4.4.3.3. Private ownership of land

A common challenge identified regarding the ADM's LED strategies to employment creation was that the majority of the land within the Amajuba District is in private ownership which negatively impacted the ADM LED initiatives for employment creation. Participant 2 stated that

“The other area is agriculture, we still have a long way with agriculture as some of the challenges is with land. The municipality leases land, but it is not enough as most of the land is privately owned”.

Further, participant 2 reported that

“The other challenge is around land ownerships which results in land being under utilised and restrictions is development opportunities”.

Furthermore, participant 7 indicated that

“white farmers own the majority of the land in the Amajuba District. We would like to get it and use it as they are not doing anything with it”.

This issue of land ownership seems to be causing issues within the Amajuba District as participant 6 confirmed that

“the relationship is mostly strained between the farmers' association, community and the municipality as we have different points of view when it comes to farming”.

In regard to the literature, the researcher is unaware of any studies that cite land ownership as a challenge to LED implementation.

4.4.3.4. The lack of LED planning

A few participants highlighted a lack of LED planning as a challenge to the ADM. On this score, participant 6 indicated that the ADM suffers from

“poor coordinated planning in some infrastructure projects”.

Further, participant 4 indicated that

“we need to work on our plans, maybe once we get HOD of planning and development”.

Participant 4 also added that

“We really need to work on our [LED] plans, we have resources and opportunities”.

Similarly, other studies have found the lack of LED planning as a challenge to LED in South Africa. Indeed, Van der Waldt (2018:702) found a general systemic weakness in municipalities in implementing LED strategies, which is a result of *“ineffective organisational arrangements and systems, poor situational assessments and strategic planning”*. Khambule (2020b) also found the lack of LED planning as a challenge to LED in South Africa and indicates that the lack of planning within local government leads to institutional failures. Moreover, Khambule (2020b) also identifies the inability of municipalities to plan as a challenge to LED in South Africa.

4.4.3.5. LED not being prioritised

Participant 1 indicated that LED strategies for employment creation are not being prioritised within the Amajuba District. Participant 1 suggested that

“Another issue is that it is not being prioritised in government more especially in local government or municipalities as a result it becomes a challenge in

employment creation as we are not able to implement all the projects and programmes that we have in place”.

The participant further added that

“when it comes to budgeting for the municipality, we do not adhere to the municipal systems act where it’s very clear that the municipal systems act says the municipality should prioritise social and economic development in its budgeting, but that does not happen, very little is allocated towards the enablers for local economic development”.

This lack of the prioritisation of LED initiatives is also cited as a challenge in the South African context. Indeed, Khambule (2020b:96) found that there is a lack of funding for LED initiatives in the South Africa context. Similarly, the work of Khambule and Mtapuri (2018:440) also identified a lack of priority and funding for LED initiatives.

4.4.4. Potential ways to improve LED in Amajuba District Municipality

The participants outlined a number of measures that could be taken to improve the ADM’s LED strategies for employment creation. The subsections below outline the measures in which the Amajuba District can improve its LED strategies for employment creation.

4.4.4.1. Better collaboration of all stakeholders

Participant 2 indicated they feel that the Amajuba District needs to

“improve the working relationships with the community and different stakeholders, because of the reluctancy of some of the community members”.

This was echoed by participant 7 who submitted that

“the municipality should talk to the community and establish forums where upcoming business in agriculture, textile and sport come to together. A multisectoral collaboration is needed which will help the municipality in their LED strategy plans and employment creation”.

In addition to this, participant 3 highlighted the need for better communication among stakeholders by saying that

“We have to have structure, and what I mean is that we need to have clear lines of communication meaning we need to have the informal traders chamber, business chamber, mining chamber, all the economic activities that we have and formalise them in terms of having a structure and not be all over the place, because currently they are all over the place and we can’t coordinate them properly. So, if the chambers can develop resolutions and come up with things and come to the municipality as one voice who are involved in the local space they have to be streamlined and unified in their certain sectors in order for any resolution that comes to the municipality to have more power/weight. This will help a lot because the community will be better organised. and it will allow the LED from the municipality to be better coordinated”.

Better collaboration among stakeholders is cited as a way to ensure the success of LED initiatives. Indeed, Mlambo et al. (2019) indicate that LED can become entrenched if in addition to the community being given projects to run, there should also be active participation between all relevant stakeholders which will ensure that the local community has existing support structures to make the most of local projects.

4.4.4.2. Effective leadership is needed

The participants also highlighted the need for effective leadership in order to improve the ADM’s LED strategies for employment creation. Participant 4 stated that

“we need a leader in this municipality, someone who will lead and understand LED and be a team player so that the LED team can work together to come up with ways to develop the economy”.

Moreover, participant 2 stressed the need of improved political leadership by saying that

“If these challenges are not attended to especially by the political leadership, because now there seems to be a lack of understanding, we can’t find each other. The administrative section as well as the political leadership, because it’s not that we are short of ideas in terms of advancing economic development, but you would find that the suggestions or programs, projects that we suggest sometimes fall on deaf ears”.

4.4.4.3. Increased funding

Participant 2 pointed out that the LED strategies for employment creation could be improved by increasing the funds for the ADM’s LED initiatives. Participant 2 indicated that

“municipalities don’t have money”.

Regarding this, participant 2 felt that provincial government and the private sector should also contribute to LED funding and said that

“if provincial government and big business as it has a responsibility in some degree, put more money it can assist greatly”.

4.4.4.4. Effective LED planning and implementation

The participants also highlighted the need for better LED planning and implementation. Participant 6 stated that “

The municipality or local government has a local economic development strategy where they set out a lot of things, they want to do to promote the local

economy, like developing the sport and tourism sector, expanding the agricultural sector. They have all these plans, but we are not seeing these plans being implemented or they are being implemented very slowly on a small scale. The municipality should work on that”.

Further, participant 6 added

“No I don’t think the local government is doing enough because they have all these plans in their LED strategy but they not implementing them”.

4.4.4.5. The promotion of a culture of entrepreneurship

The participants pointed out the need for a culture of entrepreneurship in the Amajuba District in order to improve the LED strategies for employment creation. Participant 5 advocated for the need for entrepreneurship and the private sector to drive LED within the Amajuba District and submitted that

“If we can work on the culture of entrepreneurship and give lead to business community to lead LED”.

Another, participant 1 spoke about the need for self-sufficiency within the Amajuba District and said that

“we need more workshops and upskill people in those areas so that they acquire the necessary skills to run successful and sustainable businesses, because you would find that at times government does intervene/try and implement initiatives”.

This is driven by the fact that the ADM may not be able to intervene and implement LED initiatives all the time.

4.4.4.6. LED capacity building for decision makers, economic development practitioners and political office bears

One participant indicated that programmes should be designed to build the capacity of decision makers, economic development practitioners and political office bears. On this score, participant 1 submitted that

“capacity building that is in terms of policy implementation for your decision makers, political office bearers as well as your economic development practitioners”

is required in order for them to adequately meet the development challenges of the community.

Further, participant 1 indicated that Councillors should also enrol in the available courses that can aid to upskill themselves for purposes of responding adequately to the challenges of the community. Regarding this, the participant noted that

“Councillors now have courses they can take to upskill themselves and respond adequately to challenges of the community”.

This suggestion was given in order to improve the existing capacity of the ADM officials for LED planning and implementation.

4.5. Conclusion

This chapter discussed LED in the context of the Amajuba District. First, the background of the Amajuba District was discussed. Second, the employment challenges within the Amajuba District were identified. Third, the LED and employment challenges that aim to address unemployment were discussed. Fourth, the performance of LED in relation to employment creation in the Amajuba District was discussed. Lastly, this chapter presented an analysis of the data which was collected through semi-structured interviews with the participants. The data analysis process revealed various themes and subthemes in relation to the LED strategies

employed in the Amajuba District for purposes of employment creation. The next chapter presents the study's findings, conclusions and recommendations.

CHAPTER 5

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1. Introduction

This chapter presents a summary of the study's chapters and findings as well as makes recommendations based on the study's findings. The study was aimed at studying the LED strategies used for employment creation in the A ADM. This was informed as a result of the ADM (2021) identifying that unemployment within the Amajuba District is a structural constraint that leads to significant issues of poverty and income inequality within this district.

Given this, the overall objectives of the study were as follows:

- (i) Understanding the rationale behind the LED strategies in South Africa.
- (ii) Identifying the LED strategies used to promote employment creation in the ADM.
- (iii) Examining the performance of the Amajuba District's LED strategies to create employment in the ADM.
- (iv) Establishing ways in which LED strategies in the ADM can be improved to create employment.

Qualitative research methods were used for this study to enable an understanding of the LED strategies used for employment creation in the Amajuba District. The interviews were conducted in person, telephonically and virtually. The data analysis process was undertaken through a thematic analysis and the presentation of the results was based on the study's objectives.

Further, the study's recommendations are aimed to improve LED matters in regard to employment creation within the Amajuba District.

5.2. Summary of chapters

Chapter 1 introduced the background and the context of the study. This was then followed by the problem statement and central theoretical statement of the study. On this score, unemployment was identified as a structural constraint within the Amajuba District that leads to poverty and income inequality within this district. The central theoretical statement was identified as the theory of participation which is understood as a process whereby the public or stakeholder individuals, groups and/or organisations are involved in making decisions that affect them. The study's research questions and objectives were then highlighted, which was followed by the research approach employed by the study which was a qualitative research methodology in the form of semi-structured interviews.

Chapter 2 discussed the theoretical foundations of LED. According to existing literature, LED can be defined as process where the economic capacity of a locality is built for the purpose of improving the economic future and the quality of the welfare of individuals within a local area. This process includes the participation of all relevant stakeholders of that locality, such as the public sector, the private sector and the non-governmental sector. The importance of LED was also highlighted as a tool to address poverty, income inequality and unemployment within South Africa. Furthermore, Chapter 2 discussed the various guiding principles of LED, strategies of LED and the role players of LED.

Chapter 3 discussed the background and rationale of LED in the South African context. The main rationale of LED within the South African context was addressing South Africa's socio-economic issues of unemployment, poverty and income inequality. Chapter 3 then outlined South Africa's LED legislative framework which was followed by a review of the application of LED within South Africa.

Chapter 4 provided a background on the ADM. This was then followed by an overview on the employment challenges faced in the Amajuba District. The LED strategies employed within the Amajuba District were outlined which was followed by a review on the performance of LED within the Amajuba District. Chapter 4 then presented an analysis of the data that was collected through semi-structured

interviews with the study's participants. Various themes and subthemes were presented in Chapter 4 from the data analysis process.

This final chapter, Chapter 5, summarises the preceding chapters and the study's findings. This is then followed with the study's recommendations based on the findings.

5.3. Summary of findings

The findings of this study are illustrated in two ways. First the findings are summarised in a tabulated format in Table 11 below. Second, a general overview of the findings are discussed. In both instances, the findings are presented against the study's research objectives.

Table 11: Overview of findings as they relate to research objectives

Research Objective	Research finding
Understanding the rationale behind the LED strategies in South Africa.	<ul style="list-style-type: none"> • LED is a tool to address unemployment, poverty and inequality in South Africa. • South African Constitution mandates local governments to promote LED in South Africa.
Identifying the LED strategies used to promote employment creation in the Amajuba District Municipality.	<ul style="list-style-type: none"> • Government-led community projects. • The attraction of investment. • Conducive business environment. • Funding and supporting local entrepreneurship and SMMEs. • Promotion of agricultural sector. • Promotion of mining sector. • Promotion of textile sector.
Examining the performance of the Amajuba District's LED strategies to create employment in the Amajuba District Municipality.	<ul style="list-style-type: none"> • There is room for improvement in regard to the Amajuba District Municipality's LED strategies for employment creation.
Establishing ways in which LED strategies in the Amajuba District Municipality can be improved to create employment.	<ul style="list-style-type: none"> • Improved collaboration. • Effective leadership. • More funding. • Effective planning and implementation. • The promotion of an entrepreneurship culture. • Capacity building.

5.3.1. Understanding the rationale behind the LED strategies in South Africa

The study found that the main rationale of LED in South Africa was to address unemployment, poverty and inequality. Given this, South Africa has several

legislation and policy documents that oblige local governments to participate in economic and social development. Further, the South African Constitution mandates local government to promote LED. On this score, local governments are required to fulfil the following functions: (i) Provide democratic and accountable government for all communities; (ii) Ensure service provision in a sustainable way; (iii) Promote social and economic development; (iv) Promote a safe and healthy environment; and (v) Encourage community participation and involvement in matters of the area.

Further, historically, South Africa had a specific regional planning strategy addressing settlement patterns under apartheid, with all residential districts anchored by racial segregation. Following the establishment of a democratic government in South Africa, the government launched the LED initiative in an attempt to solve poverty and socio-economic difficulties. Given this context, South Africa's overarching rationale behind its LED strategies can be understood as attempting to reduce poverty and enhancing people's lives in a sustainable way through economic growth and employment creation.

5.3.2. LED strategies used to promote employment creation in the Amajuba District Municipality

The study also revealed a number of LED tools used to promote employment creation in the Amajuba District. These include: (i) community work programmes; (ii) the attraction of investment; (iii) creating a conducive business environment; (iv) funding and supporting local entrepreneurship and SMMEs; (v) promoting the agricultural sector; (vi) promoting the mining sector; and (vi) promoting the textile sector.

5.3.3. The performance of the Amajuba District's LED strategies to create employment in the Amajuba District Municipality

This study revealed that the Amajuba District is plagued with high levels of unemployment, inequality and poverty. The study found that in terms of the Amajuba District's performance in LED initiatives and employment creation, there is much

room for improvement. This is a result of a number of challenges faced in terms of LED. These challenges are found to be as follows: (i) the lack of funding for LED; (ii) the lack of capacity in terms of LED personnel; (iii) the private ownership of land; (iv) the lack of LED planning; and (v) LED not being prioritised by government.

5.3.4. Establishing ways in which LED strategies in the Amajuba District Municipality can be improved to create employment

This study revealed a number of measures in which LED and employment creation can be improved in the district. These measures include the following: (i) improving the collaboration of all stakeholders; (ii) introduce effective leadership for LED initiatives; (iii) increasing funding for LED initiatives; (iv) introduce effective LED planning and implementation; (v) promote a culture of entrepreneurship within the Amajuba District; and (vi) build LED capacity for decision makers, economic development practitioners and political office bears.

5.4. Recommendations

This section offers the study's recommendations based on the research findings. These recommendations are offered in order to promote critical thinking and further engagements on LED and employment creation issues. These recommendations aim at strengthening the implementation of LED tools in relation to employment creation. Moreover, the finding which informs the recommendation is presented before the recommendation is given. These findings and recommendations are as follows:

5.4.1. The lack of funding

The study found that the lack of funding is negatively affecting the ADM's LED strategies for employment creation. For this reason, the ADM should seek to attract additional funding from the private sector, provincial government and other relevant stakeholders who should also be encouraged to play a role in LED planning and implementation.

In addition, the ADM should foster a culture of self-sufficiency within the Amajuba District which would allow residents to become self-sufficient even in instances of a lack of funding from government. Further, the ADM should work on the promotion of a culture of entrepreneurship within the district. This can be in the form of supporting SMMEs, local farmers and aiding in the formalisation of the informal sector which could lead to better employment creation and poverty alleviation within the Amajuba District.

5.4.2. The lack of capacity

The study found that the lack of capacity is negatively affecting the ADM's LED strategies for employment creation. For this reason, the ADM should seek to attract additional funding in order to hire more personnel. In addition, the Amajuba District should facilitate training workshops directed to the officials responsible for LED to ensure that they are successful in the implementation of LED tools and/or policies.

The ADM should seek to attract additional funding from the private sector which should also play an important role in LED planning and implementation.

5.4.3. Private ownership of land

The study found that the private ownership of land is hampering ADM's LED strategies for employment creation. This is a result of the land being underutilised as those that own the land are not willing to work with the ADM. To deal with this, the ADM should seek ways to improve the relationship it has with the private sector, civil society and other relevant stakeholders within the district. All these stakeholders must be involved in the planning and implementation of LED initiatives and employment creation. This will ensure that all the available resources within the Amajuba District are utilised for the benefits of the residents of the Amajuba District.

5.4.4. The lack of LED planning

The study found that the lack of LED planning is negatively affecting the ADM's LED strategies for employment creation. To deal with this, the ADM should facilitate

training workshops directed at decision makers, economic development practitioners and political office bears. These workshops should focus on teaching the importance of LED and the successful implementation of LED tools and/or policies.

5.4.5. LED not being prioritised

The study also found that the LED not being prioritised which is negatively affecting the ADM's LED strategies for employment creation within the district as the importance of LED is not quite understood. To deal with this, the ADM should facilitate training workshops directed at decision makers, economic development practitioners and political office bears. These workshops should focus on teaching the importance of LED and the successful implementation of LED tools and/or policies.

5.5. Recommendations for further RESEARCH

This next section highlights areas of future research. First, the study found that the ADM is funding and supporting local entrepreneurship in the Amajuba District. Given this, future research can focus on the specific SMMEs that the ADM is currently supporting and the impact of that support on local entrepreneurship and the Amajuba District. Second, the study recommended that a culture of entrepreneurship should be cultivated in order to encourage LED and employment creation in the Amajuba District. To this score, future research should focus on assessing whether the Amajuba District and municipalities have what it takes to cultivate a culture of entrepreneurship.

5.6. Conclusion

In conclusion, there is scope for improvement of the ADM's LED strategies for employment creation. The literature cites LED as a measure that can assist in the eradication of poverty, income inequality and unemployment. South Africa suffers from a relatively high unemployment rate. With specific reference to this study, unemployment is considered a major structural constraint which causes issues of

poverty and income inequality within the Amajuba District. The improvement of LED strategies for employment creation in the ADM will assist in the reducing of poverty, income inequality and improve the quality of life of the residents.

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APPENDIX A: INTERVIEW QUESTIONS

Assistant Director of Local Economic Development

Respondent: _____

Date of interview: _____ Consent: YES/NO

1. Could you please provide a brief overview of the municipality?

When was the municipality established?

Please tell me about the location and size, and other characteristics of the municipality.

2. What in your opinion is local economic development?

What does local economic development involve?

3. Could you please tell me about the municipality development trends?

What are some of the municipality's development issues, in your opinion?

What are the underlying reasons of these issues?

What are some of the negative consequences of these issues?

What role does the local government play in fostering local economic development and employment creation?

What are some of the areas where local economic development can be promoted?

4. Could you please describe the economic development situation in the municipality?

What are the major economic sectors and activities that influence the municipality's economy?

What, in your opinion, are some of the municipality's economic development challenges/problems when it comes to employment creation?

How do you think these challenges/problems will affect the municipality's development?

What can be done to solve these issues/challenges?

5. What is policy?

What is the purpose of Local Economic Development policy?

What are the priorities of Local Economic Development policy?

6. What is the nature of the interaction between integrated development plan policies and local economic development policies?

7. What obstacles does the local economic development policy face in fulfilling its development mandate?

8. What social challenges does local economic development address?

9. What responsibilities does the local government in local economic development and employment creation have?

What is supposed to be the responsibility/roles of the local government in local economic development and employment creation in the municipality?

What are the sources of these responsibilities?

How relevant are these responsibilities/roles/tasks to local economic development and employment creation at the municipal level?

What does each responsibility/role involve?

How often are these roles performed?

What are the sources of these roles?

Which of these roles are mostly performed by the local government?

How can these roles sustain local economic development promotion in the municipality for generations to come?

10. Which sectors, approaches and tools have been adopted by the local government in its local economic development initiative to create employment?

Which areas of the economy does the local government focus on in its local economic development programmes for employment creation and why this sector?

What strategies and tools does the local government apply in these areas?

How relevant are these strategies/approaches?

What is the basis for adopting these strategies or tools?

Which sectors and strategies/approaches feature most in the local government 's local economic development activities?

11. What have been some of the general benefits of local government in its initiative towards local economic development and employment creation?

12. What are the general challenges facing local government in its initiative towards employment creation in the Amajuba District?

How can this be minimized?

13. What are the challenges faced by Local Economic Development in Amajuba regarding the Strength, Weaknesses, Opportunities and Threats (SWOT) analysis?

14. What can be done to strengthen the role of local economic development?

What should it do and how should it go about doing it?

How can the role of local economic development be strengthened?

Thank you for your time and co-operation!

Local Institution in the Amajuba (Participant 2)

Respondent: _____

Date of interview: _____ Consent: YES/NO

1. What is the name of your institution?

When was it established?

What are the functions and objectives of your institution?

How many branches have your institution in the municipality? Where are they located? Who are your clients?

2. In your opinion, what is local economic development?

3. Which activities are performed by the Amajuba municipality in promoting economic activities in the municipality?

4. Which activity does your institution provide to the public in general?

How many jobs has the institution created for the people of Amajuba?

5. Which activities are performed by the Amajuba municipality in creating employment for the people in the municipality?

6. Which activities are performed by the Amajuba municipality in ensuring better living conditions for the people in the municipality?

7. Which of the following economic areas does the Amajuba municipality assist and promote to help increase economic activity, employment creation, and people's living conditions in the municipality?

Agriculture

Business enterprise development

Crafts, Arts and Culture

Others (specify)

8. What does the Amajuba municipality do in promoting these areas?

9. Which of the following is mostly carried out by the Amajuba municipality?

Skills training and provision to the people, Infrastructure provision

Support to farmers, Support to business entities

Land allocation and Provision of physical development

Others (specify)

10. Which other activities should the Amajuba municipality carry out to promote and help increase economic activity, employment creation, and people's living conditions in the municipality?

11. In your opinion what challenges does the Amajuba municipality faces in promoting employment creation, economic activities, and the living conditions of the people in the municipality?

12. Is the institution involved in decisions of the Amajuba municipality when it comes to development of business activities that will create employment in the municipality?

If yes, through which means is the institution involved? How often is the institution involved or is involved?

13. In your view how should the Amajuba municipality involve other sectors in its economic development activities?

14. What in your view what can be done to strengthen the role of local economic development activities in the municipality?

What should it do and how should it go about doing it?

How can the role of local economic development be strengthened?

Thank you very much for your cooperation!

Local Institution in the Amajuba (Participant 3)

Respondent: _____

Date of interview: _____ **Consent: YES/NO**

1. What is the name of your institution?

When was it established?

What are the functions and objectives of your institution?

How many branches have your institution in the municipality? Where are they located? Who are your clients?

2. In your opinion, what is local economic development?

3. Which activities are performed by the Amajuba municipality in promoting economic activities in the municipality?

4. Which activity does your institution provide to the public in general?

How many jobs has the institution created for the people of Amajuba?

5. Which activities are performed by the Amajuba municipality in creating employment for the people in the municipality?

6. Which activities are performed by the Amajuba municipality in ensuring better living conditions for the people in the municipality?

7. Which of the following economic areas does the Amajuba municipality assist and promote to help increase economic activity, employment creation, and people's living conditions in the municipality?

Agriculture

Business enterprise development

Crafts, Arts and Culture

Others (specify)

8. What does the Amajuba municipality do in promoting these areas?

9. Which of the following is mostly carried out by the Amajuba municipality?

Skills training and provision to the people, Infrastructure provision

Support to farmers, Support to business entities

Land allocation and Provision of physical development

Others (specify)

10. Which other activities should the Amajuba municipality carry out to promote and help increase economic activity, employment creation, and people's living conditions in the municipality?

11. In your opinion what challenges does the Amajuba municipality faces in promoting employment creation, economic activities, and the living conditions of the people in the municipality?

12. Is the institution involved in decisions of the Amajuba municipality when it comes to development of business activities that will create employment in the municipality?

If yes, through which means is the institution involved? How often is the institution involved or is involved?

13. In your view how should the Amajuba municipality involve other sectors in its economic development activities?

14. What in your view what can be done to strengthen the role of local economic development activities in the municipality?

What should it do and how should it go about doing it?

How can the role of local economic development be strengthened?

Thank you very much for your cooperation!

Local Institution in the Amajuba (Participant 4)

Respondent: _____

Date of interview: _____ Consent: YES/NO

1. What is the name of your institution?

When was it established?

What are the functions and objectives of your institution?

How many branches have your institution in the municipality? Where are they located? Who are your clients?

2. In your opinion, what is local economic development?

3. Which activities are performed by the Amajuba municipality in promoting economic activities in the municipality?

4. Which activity does your institution provide to the public in general?

How many jobs has the institution created for the people of Amajuba?

5. Which activities are performed by the Amajuba municipality in creating employment for the people in the municipality?

6. Which activities are performed by the Amajuba municipality in ensuring better living conditions for the people in the municipality?

7. Which of the following economic areas does the Amajuba municipality assist and promote to help increase economic activity, employment creation, and people's living conditions in the municipality?

Agriculture

Business enterprise development

Crafts, Arts and Culture

Others (specify)

8. What does the Amajuba municipality do in promoting these areas?

9. Which of the following is mostly carried out by the Amajuba municipality?

Skills training and provision to the people, Infrastructure provision

Support to farmers, Support to business entities

Land allocation and Provision of physical development

Others (specify)

10. Which other activities should the Amajuba municipality carry out to promote and help increase economic activity, employment creation, and people's living conditions in the municipality?

11. In your opinion what challenges does the Amajuba municipality faces in promoting employment creation, economic activities, and the living conditions of the people in the municipality?

12. Is the institution involved in decisions of the Amajuba municipality when it comes to development of business activities that will create employment in the municipality?

If yes, through which means is the institution involved? How often is the institution involved or is involved?

13. In your view how should the Amajuba municipality involve other sectors in its economic development activities?

14. What in your view what can be done to strengthen the role of local economic development activities in the municipality?

What should it do and how should it go about doing it?

How can the role of local economic development be strengthened?

Thank you very much for your cooperation!

Local Institutions in the Amajuba (Participant 5)

Respondent: _____

Date of interview: _____ Consent: YES/NO

1. What is the name of your institution?

When was it established?

What are the functions and objectives of your institution?

2. In your opinion, what is local economic development?

3. Which products does your institution provide to the public in general? *How many jobs has the institution created for the people of Amajuba?*

4. What are the institutional challenges that Local Economic Development address?

5. In your opinion whose responsibility it is to promote economic development in the Municipality? *Do you think they are doing enough in terms of economic development promotion of the municipality?*

6. What does your institution do to promote the economic development of the municipality? *What are the challenges to your efforts? How can these roles be enhanced further?*

7. Which of your products are geared towards promoting economic development in the municipality? *(Promoting business development, agricultural activities, supporting job creations activities etc)*

Which other programmes, projects and activities has your institution implemented to promote economic development in the municipality?

8. In your view what does the local government do that promote local economic development of the municipality?

(Please give your opinion on its performance in local economic development.)

9. What relationships exist between your institution and the municipality?

(How do these relationships influence the economic development activities of the municipality? How can these relationships be enhanced to promote economic development in the municipality further?)

10. What kind of relationships exists between your institution and the business community of the municipality?

(How do these relationships influence the economic development activities of the municipality? How can these relationships be enhanced to promote economic development in the municipality further?)

11. What in your view what can be done to strengthen the role of local economic development activities in the municipality?

What should it do and how should it go about doing it?

How can the role of local economic development be strengthened?

Thank you for your time and co-operation!

Farm Owner/Community Leader in Municipality (Participant 6).

Respondent: _____ **Position** _____

Date of interview: _____ **Community** _____

Consent: YES/NO

1. What role do you play as a community leader and a farm owner in economic development of your community and the district as a whole?

2. What is your understanding of the term local economic development?

3. Could you kindly define the relationship between your leadership, councillor, and the municipality's local government in terms of economic development?

4. How does this relationship help the community's and municipality's overall development?

5. How can this relationship be improved for the community's and municipality's overall economic development and employment creation?

6. Which of the following activities of the municipality are you aware of?

a) Skills training and provision to the people

b) Infrastructure provision

c) Support to farmers (specify)

d) Support to business entities(specify)

e) Land allocation

f) Provision of physical development permits

g) Others (Please specify)

7. As a farmer can you please describe the expected and actual roles of farmers in local economic development promotion? What are some of the initiatives by farmers regarding employment creation in the municipality?

8. Could you briefly describe the Amajuba municipality's economic development situation, and what are some of the municipality's economic development challenges/problems?
9. In your opinion what are some of the effects of these challenges/problems on the development of the Amajuba municipality and your activities?
10. How can/have these challenges been addressed and who should they be addressed to?
11. What have been some of the actions taken by the local government to promote the municipality's & your community's economic development and employment creation?
12. Are there any community groups or farmers involved in economic development of the community and municipality?
13. What are the existing opportunities, potentials, and resources in the community that can be used to boost local economic development activities?
14. How have these opportunities, potentials, and other resources been used to promote local economic development in the community and municipality?
15. In general, do you think the local government is doing enough when it comes to employment creation in your community and municipality?
16. What can the local government do to further boost the municipality's economic development and employment creation?

Thank you for your time and co-operation!

Local Business in the municipality (Participant 7&8)

Name of the business: _____

Respondent: _____

Date of interview: _____ **Consent: YES/NO**

1. What made you decide to do/ open a business in this municipality?
2. How long is your business and how many people are working in your business?
3. Did you get any funding from the municipality when you started your business?
4. Are you currently receiving any support from the municipality?
5. In your opinion which activities does the Amajuba municipality carry out to promote local economic development in the municipality?
6. In your opinion which activity does the Amajuba municipality carry out to help create employment in the municipality?
7. In your opinion which activity does the Amajuba municipality carry out to improve the living conditions of the people of Amajuba?
8. Which of the following economic sectors does the Amajuba municipality support and promote to improve the living conditions of the people, employment creation and economic activities in the municipality?
 - Small Medium Enterprise
 - Sport, Arts and Culture
 - Agriculture
 - Other (specify)

9. What does the Amajuba District development department do to promote the economic sectors mentioned above?
10. Which of the following economic development department activities in economic development of the Amajuba municipality are you aware of?
- Support of small and medium business enterprise.
 - Providing skills and training to the people.
 - Support to agriculture (please be specific)
 - Providing business permits to those who needs it.
 - Providing infrastructure to those who are in need.
 - Other (please be specific)
11. Have you ever benefited from any of the above? If yes, which one did you benefit from and how?
12. Which other activities should the economic development department undertake to promote employment creation, economic activity, and the living conditions of its residents? Please provide reason for these suggestions.
13. What challenges, do you think, confront the economic development department and the Amajuba municipality in promoting employment creation, economic activities and the residents of Amajuba a better living condition?
14. What opportunities exist in the Amajuba to increase local economic development department's involvement in uplifting its people and economic development?
15. Can you rate the local economic development department using the scale of 1 to 10. 1 being very poor and 10 being excellent? Please explain why you rated the way you did.
16. In your opinion what should the local economic development department do to increase its participation in employment creation in the municipality?

Thank you very much for your cooperation!

Councillor in Municipality (Participant 9)

Respondent: _____

Date of interview: _____ **Consent: YES/NO**

1. Can you please describe your municipality to me?
2. What is the role of local government? *What role does it specifically play in local economic development promotion in the municipality?*
3. What is your role as a councillor in the municipality?
4. What is your understanding of the term local economic development? *What does it involve? What should be the components and objectives of any local economic development activity? What should be the content of any local economic development initiative? Whose responsibility is it to promote the local economic development of the area and the municipality?*
5. Can you kindly define the relationship between community leaders, councillors and the municipality's local government in terms of economic development?
6. How does this relationship help the community and the municipality's overall development?
7. How can this relationship be improved for the community and municipality's overall economic development and employment creation?
8. Can you please describe the economic development situation in the municipality? *(What have been some of the development trends in the municipality)*
9. What are some of the development problems or challenges you perceive to be in the municipality? What are the causes of these problems?

10. What are some of the effects of these problems/challenges on the development of the municipality?
11. What specific programmes, projects and activities that you are aware has the local government put in place to promote the economic development and employment creation in the municipality?
12. What are the contents of these programmes, projects and activities? What have been some of the benefits of these activities to your community?
13. What have been some of the challenges and failures of these programmes, projects and activities?
14. What can the councillor's do to enhance these activities while working together with the municipality?
15. Are there any community groups involved in economic development of the community and the municipality?
16. What are the existing opportunities, potentials, and resources in the community that can be used to boost local economic development activities and create employment?
17. How have these opportunities, potentials, and other resources been used to promote local economic development and create employment in the community and municipality?
18. As a councillor, do you think the local government is doing enough when it comes to employment creation in your community and municipality?
19. What can the local government do to further boost the municipality's economic development and employment creation?

Thank you for your time and co-operation!

Community Leader in Municipality (Participant 10).

Respondent: _____ **Position** _____

Date of interview: _____ **Community** _____

Consent: YES/NO

1. What is your role as a role as a community leader in economic development of your community? *Please describe the expected and actual roles of community leaders in local economic development promotion?*

2. What is your understanding of the term local economic development?

3. Could you kindly define the relationship between your leadership, councillor, and the municipality's local government in terms of economic development?

4. How does this relationship help the community's and municipality's overall development?

5. How can this relationship be improved for the community's and municipality's overall economic development and employment creation?

6. Which of the following activities of the municipality are you aware of?

a) Skills training and provision to the people

b) Infrastructure provision

c) Support to farmers (specify)

d) Support to business entities(specify)

e) Land allocation

f) Provision of physical development permits

g) Others (Please specify)

7. What are some of the initiatives by community leaders working together with councillor's regarding employment creation in the municipality?

8. Could you briefly describe the Amajuba municipality's economic development situation, and what are some of the municipality's economic development challenges/problems?
9. In your opinion what are some of the effects of these challenges/problems on the development of the Amajuba municipality and your activities?
10. How can/have these challenges been addressed and who should they be addressed to?
11. What have been some of the actions taken by the local government to promote the municipality's & your community's economic development and employment creation?
12. Are there any community groups involved in economic development of the community and municipality?
13. What are the existing opportunities, potentials, and resources in the community that can be used to boost local economic development activities?
14. How have these opportunities, potentials, and other resources been used to promote local economic development and employment creation in the community and municipality?
15. In general, do you think the local government is doing enough when it comes to employment creation in your community and municipality?
16. What can the local government do to further boost the municipality's economic development and employment creation?

Thank you for your time and co-operation!

Household in the municipality (Participant 11)

Respondent: _____ **Position** _____

Date of interview: _____ **Place of residence** _____

Consent: YES/NO

1. Can you please tell me about yourself, things like your age, occupation and how long have you been staying in the municipality

2. What are some of the development problems you perceive to be in the municipality? What are the causes of these problems?

3. What in your view are some of the resources in the municipality that can be used to address these problems?

4. What is your understanding of the term local economic development? What should be the components and objectives of any local economic development activity? What should be the content of any local economic development initiative?

5. What are some of the economic development problems of the municipality and what causes these problems?

6. What are some of the effects of these problems on the development of the municipality?

7. What specific programmes, projects and activities that you are aware has the local government put in place to promote the economic development and employment creation in the municipality?

8. What are the contents of these programmes, projects and activities? What have been some of the benefits of these activities to you and your community?

9.What have been some of the challenges and failures of these programmes, projects and activities?

10.What can the local government do to enhance these activities?

11. Do you think the local government is doing enough for the people of Amajuba Municipality?

12. In a scale of 1 to 10, how would you rate the local economic development department. 1 being very poor and 10 being excellent? Please explain why you rated the way you did.

Thank you for your time and co-operation!

APPENDIX B: INFORMED LETTER OF CONSENT

Letter of Introduction and Informed Consent Department of Public Management and Administration.

Local Economic Development Strategies for Employment Creation in Amajuba District Municipality

Research conducted by:

Mrs. N.N Mavuso Ndlovu (21525863)

Cell: 067 084 8706

Dear Participant

You are invited to participate in an academic research study conducted by Nozibusiso Mavuso Ndlovu, a master's student from the Department of Public Management and Administration at the University of Pretoria. The purpose of the study is to investigate local economic development policies in regard to employment creation in the Amajuba District Municipality.

Please note the following:

- This is an anonymous study survey as your name will not appear on the interview. The answers you give will be treated as strictly confidential as you cannot be identified in person based on the answers you give.
- Your participation in this study is very important to us. You may, however, choose not to participate and you may also stop participating at any time without any negative consequences.
- Please answer the interview questions as honestly as possible. This should not take more than 45 minutes of your time
- The results of the study will be used for academic purposes only and may be published in an academic journal. We will provide you with a summary of our findings on request.
- Please contact my study leader, Dr. T. Masiya at 012 420 2138 or tyanai.masiya@up.ac.za if you have any questions or comments regarding the study.

In research of this nature the study leader may wish to contact respondents to verify the authenticity of data gathered by the researcher. It is understood that any personal contact details that you may provide will be used only for this purpose and will not compromise your anonymity or the confidentiality of your participation.

Please sign the form to indicate that:

- You have read and understand the information provided above.
- You give your consent to participate in the study on a voluntary basis.

Participant's signature

Date

APPENDIX C: ETHICS APPROVAL LETTER



UNIVERSITEIT VAN PRETORIA
UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA

Faculty of Economic and Management Sciences

RESEARCH ETHICS COMMITTEE

Approval Certificate

15 October 2021

Mrs NN Mavuso Ndlovu
Department: School of Public Man + Admin

Dear Mrs NN Mavuso Ndlovu

The application for ethical clearance for the research project described below served before this committee on:

Protocol No:	EMS197/21
Principal researcher:	Mrs NN Mavuso Ndlovu
Research title:	Local Economic Development Policies for Employment Creation in Amajuba District Municipality
Student/Staff No:	21525883
Degree:	Masters
Supervisor/Promoter:	Dr T Masiya
Department:	School of Public Man + Admin

The decision by the committee is reflected below:

Decision:	Approved
Conditions (if applicable):	
Period of approval:	2021-10-01 - 2022-10-31

The approval is subject to the researcher abiding by the principles and parameters set out in the application and research proposal in the actual execution of the research. The approval does not imply that the researcher is relieved of any accountability in terms of the Codes of Research Ethics of the University of Pretoria if action is taken beyond the approved proposal. If during the course of the research it becomes apparent that the nature and/or extent of the research deviates significantly from the original proposal, a new application for ethics clearance must be submitted for review.

We wish you success with the project.

Sincerely

pp PROF JA NEL
CHAIR: COMMITTEE FOR RESEARCH ETHICS

Fakulteit Ekonomiese en Bestuurswetenskappe
Lefapha la Disaense tsa Ekonomi le Taolo

APPENDIX D: APPROVAL FOR TOPIC CHANGE



Faculty of Economic and Management Sciences

POSTGRADUATE COMMITTEE

15 August 2022

Dr T Masiya
School of Public Management and Administration

Dear Dr Masiya

TITLE REGISTRATION (REVISED)

This serves to advise that the revised title submitted for the research of the candidate indicated below was approved by the Postgraduate Committee:

Student:	NN Ndlovu
Student number:	21525863
Degree:	MAdmin (Public Management and Policy)
Supervisor/Promoter:	Dr T Masiya
Co-supervisor/Co-promoter:	-
Approved title:	Local economic development strategies for employment creation in the Amajuba District Municipality
Date approved:	12 August 2022

IMPORTANT:

Please note that, if ethics clearance has not yet been granted for the above research, the candidate should apply for ethics clearance before any research may be undertaken.

Sincerely



pp PROF K BARAC
CHAIR: POSTGRADUATE COMMITTEE

cc: Prof HG van Dijk
Student Administration

Fakulteit Ekonomiese en Bestuurswetenskappe
Lefapha la Disaense tSa Ekonomi le Taolo

APPENDIX E: APPROVAL LETTER FROM THE AMAJUBA DISTRICT MUNICIPALITY

Private Bag X6615

NEWCASTLE

2940

R4356, Amajuba Building,
Section 1, Madadani



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Imibuzo: Corporate Services

Enquiries:

13 May 2021

Dear Sir/Madam

TO WHOM IT MAY CONCERN

This letter serves to confirm that Ms Nozibusiso Mavuso Ndlovu who is a final year student at University of Pretoria studying towards a Master's Degree in Public Management and Administration. She has been granted an opportunity by Amajuba District Municipality to conduct her research based on Local Economic Development (LED) Policies in Employment creation.

A research will be conducted at the Municipality in a form of interview, taking about +- 30 minutes and will be recorded.

Hope you will find the above in order.

Yours faithfully



Adv. NN Khambule
Acting Municipal Manager