
**AN EXAMINATION OF LOCAL
ECONOMIC DEVELOPMENT (LED)
IN BOPHIRIMA DISTRICT**

BY

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(LED) IN BOPHIRIMA DISTRICT**

by

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DECLARATION

I declare that this work is a direct result of personal effort. It is submitted in part fulfilment of the requirements for the Master's Degree in Business Administration (MBA), at the University of North West, Mafikeng Campus.

I further declare that it has not been submitted before in any degree or examination at any University.

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CERTIFICATE OF ACCEPTANCE FOR EXAMINATION

This dissertation entitled **AN EXAMINATION OF LOCAL ECONOMIC DEVELOPMENT (LED) IN BOPHIRIMA DISTRICT**, written by:

Refiloe Masego Elizabeth **MAKHONOFANE**, Submitted to the Graduate School of Business and Government Leadership in the Faculty of Commerce and Administration is hereby recommended for acceptance for examination.

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STUDY ABSTRACT

South Africa's Constitution attaches the promotion of social and economic development as one of the objects underpinning local government (Act 108, 1996). Most municipalities are however experiencing different developmental challenges particularly in relation to achieving infrastructural backlogs and stimulating local economic growth (dplg, 2000). Conspicuous discrepancies pertaining to the living standards of different racial groups resulted in repressed human and economic development particularly for the black majority in the country.

Local Economic Development is thus one of the programmes government introduced in order to stimulate local economies through effective utilisation of local resources and skills for the locality's economic advancement. This process requires the active involvement of all local stakeholders with local government playing a facilitation, stimulation and coordination role (dplg, 2000). The Bophirima District is also faced with a number of developmental challenges experienced by most municipalities in the country including the implementation of the LED programme.

The main objectives of this investigation therefore included:

- Establishing whether municipalities in the Bophirima District understand their roles and responsibilities in relation to the LED programme.

- Establishing whether the district and its local municipalities have capacity to perform or implement the LED programme.
- Establishing whether sufficient resources and support (financial and non-financial) are provided to municipalities to ensure successful implementation of the LED programme.
- Establishing whether the concept local economic development (LED) is uniformly understood among municipalities and relevant stakeholders.

Main Findings and Recommendations of the study

It was revealed in the findings that despite the implementation challenges faced by municipalities in the Bophirima district, municipal officials do know what their actual roles and responsibilities in relation to the LED programme are. An overwhelming 71% of those interviewed supported this finding. The most worrying factor however, is the 29% of municipal officials of which 18% indicated not knowing what their roles and responsibilities pertaining to the programme are as well as the 11% that is also not sure. By implication, these officials are simply employed to do nothing or anything else irrelevant to the objectives of the LED programme. The challenge therefore is for Bophirima district municipalities to conduct a skills audit in order to assist in ensuring that the right skills and competencies are effectively utilised for the relevant positions.

Secondly, it was established that municipalities do not lack capacity but rather officials' ability to effectively implement the LED programme needs to be effectively harnessed. Thus there is a dire need for the improvement of practical implementation skills among LED officials within the district.

The study further highlighted two very critical areas that require immediate intervention by municipalities in the Bophirima District. The stakeholders' understanding of LED as a concept and particularly as a programme needs reinforcement. Capacity building through relevant Sector Education and Training Authority (SETA) requires serious consideration. In the case of the local government programmes, the Local Government and Water Services Education and Training Authority (LGWSETA) is the most appropriate.

It was further established that even with the availability of resources to support the LED programme, different comprehension of desired outputs leads to conflicting implementation strategies or approaches. This was implicitly highlighted in the findings between the way LED is understood among municipal officials and stakeholders respectively.

Lastly, the oversight role of politicians in local economic advancement while it is constitutionally mandated, it somehow stifles officials' decision making capacity and ultimately delays effective service delivery. This was attributed to the council committee system which mainly is regarded as slow and inflexible.

CHAPTER 1: ORIENTATION

1.1 Introduction

The essence of this chapter is to introduce the reader to the study on the examination of Local Economic Development (LED) in the Bophirima District. The research objectives of the study including its scope are spelled out. The importance of conducting this study is also outlined as well as the environment within which it is conducted. In addition, concepts used are clarified. Lastly, a detailed chapter outline or plan is provided.

1.2 Objectives of the study

During the IDP-LED workshop held in Bela-Bela in December 2005, Alistair Fray from the Department of Provincial Local Government in his presentation described LED as an outcome not an input (dplg, 2005). He further emphasised the strategic facilitation role municipalities have to play to render LED operational. Significantly though, he highlighted the main constraints and challenges that municipalities face in relation to the implementation of the LED programme including among others:

- *Capacity constraints in skills and human resources*
- *LED strategies not linked to local realities*
- *Lack of participation of important stakeholders*
- *Over politicising of economic development*

These and other factors contribute to the need to establish precisely what are the impeding reasons for poor implementation of the LED programme in Bophirima District. More specifically, the following are the main objectives of the study:

- 1.2.1 To establish whether municipalities in Bophirima District understand their mandate (roles and responsibilities) in respect of the LED programme.
- 1.2.2 To establish whether the district and its local municipalities have capacity to perform or implement the LED programme.
- 1.2.3 To establish whether sufficient resources and support (financial and non-financial) are provided to municipalities to ensure successful implementation of the LED programme.
- 1.2.4 To establish whether the concept local economic development (LED) is uniformly understood among municipalities and relevant stakeholders.

1.3 Scope of the study

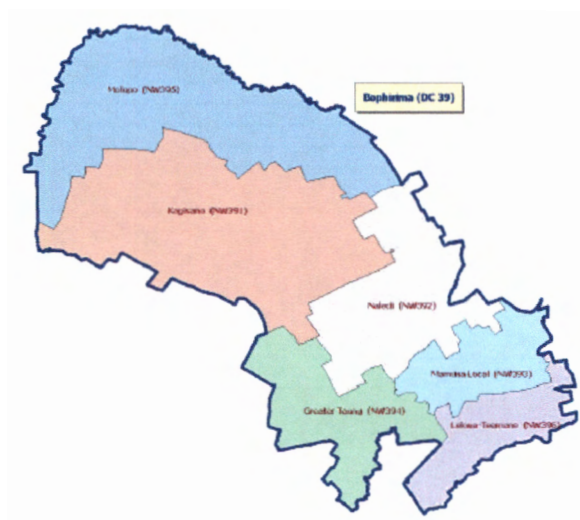
The North West province is one of the nine provinces in South Africa. It comprises a total of six district municipalities and 27 local municipalities. The six district municipalities include:

- Bojanala Platinum District Municipality (DC37)
- Central District Municipality (DC38)
- Bophirima District Municipality (DC39)
- Southern District Municipality (DC40)
- Kgalagadi District Municipality (CBDC1- cross-border)
- West Rand Cross Boundary District Municipality (CBDC8- cross-border)

(Municipal Demarcation Board (MDB) NW: 2004/2005)

Bophirima District in particular, comprises six local municipalities. They include Naledi, Kagisano, Mamusa, Greater-Taung, Lekwa-Teemane and Molopo (Municipal Demarcation Board (MDB) DC39 Report: 2004). Map 1 below illustrates the different local municipal areas in the Bophirima district.

Map 1



Map 1: Showing the location of the Local Municipalities in Bophirima District (Demarcation Board Report: 2004)

For the purposes of this study, all the six local municipalities falling within the Bophirima District will be considered in this investigation. In addition, both provincial and national sector departments and state agencies responsible for economic development and growth as well as non-government actors (private sector, labour and civic structures) will be engaged.

The results of this study are intended to reflect the current situation with regard to the challenges faced by Bophirima district in successfully implementing the LED programme and stimulating local economic activity. Furthermore, they are intended to assist the district in re-aligning its economic development strategy to pursue potential local economic drivers for the efficient and effective utilisation of limited resources.

1.4 Study significance

Local economic development is deemed to be a very important territorial concept meant to encourage local inhabitants to form partnerships and continuously work together to address poverty and joblessness. As an on-going process, it is meant to harness cooperation between government, private sector and other social partners into encouraging external stakeholders and/or investors to take interest in developmental opportunities presented by individual localities (www.worldbank.org). It is however upon the government (national, provincial and local) to play a pivotal role by creating an enabling environment within which economic activity can effectively take place at local level especially since national economic growth and development is highly dependent on successfully functioning local economies (dplg, 2003).

This study is very critical in a sense that it is meant to assist the Bophirima District and its local municipalities to identify and strategically address the challenges that impede on the successful implementation of the LED programme. It is also meant to foster a common understanding among municipalities and its stakeholders as to what LED is about and the roles that each have to play to make it a successful reality.

Furthermore, the study is meant to assist municipalities to reflect on their internal institutional arrangements and ensure that relevant and competent skills are employed to support and strengthen established, emerging and struggling local business including potential partnerships so as to stimulate competitive economic activity.

1.5 Study Environment

The study is conducted within the context of the South African local government sphere of government. Chapter 3 of the country's Constitution clearly stipulates the principles governing the inter-relatedness and interdependence of the three spheres of government being national, provincial and local spheres. In addition, section 152 (1) (b) also implores local government to ensure provision of services to communities in a sustainable manner including section 152 (1) (c) promoting social and economic development (Act 108 of 1996).

LED therefore is increasingly being acknowledged as a critical area for policy development for post-apartheid South Africa (Rogerson, 1997). The emergence of democracy in 1994 has seen LED as a central facet of policy planning for both urban and

rural reconstruction (LGWSETA, 2005). Several government policy documents significantly emphasise local community economic advancement. They include the White Paper on Local Government (1998) which accentuates citizens and groups within communities to find a sustainable way to meet their social, economic and material needs to improve their quality of life, Reconstruction and Development Programme (RDP), Growth, Employment and Redistribution (GEAR) programme which highlights the redistribution of income and opportunities in favour of the poor coordinated through the New Partnership for Africa's Development (NEPAD) initiative.

Of great significance to the policy frameworks as well are the municipal integrated development plans (IDP's), provincial growth and development strategy (PGDS) and the National Spatial Development Plan (NSDP). As a result, LED does not exist in a vacuum but rather it is influenced and takes place within the regional, provincial, national and global context (dplg, 2000). Thus a need for a well coordinated, synergised and integrated LED strategy customised to serve the needs of a particular locality is very crucial.

While acknowledging the country's transformation successes and challenges for the past eleven years, the local economy is yet to escape the harsh reality the majority of people still find themselves in. The existence of the two economies being the first [modern, contributes significantly to the country's gross domestic products (GDP), well integrated with the global economy] and the second [marginalised, underdeveloped, with little or no contribution to the GDP] (LGWSETA, 2005) is still quite conspicuous within the district as well as in other areas within the entire country. Black communities are unfortunately

still portraying weak and up-and-coming economic activity while the majority of their counterpart still continues to flourish unconstrained.

This sad reality was also acknowledged by the State President in his address to the National Council of Provinces (NCOP) in April 1994 when he mentioned that both the urban and rural poor represent the big percentage of the population, are structurally disconnected from the first and global economy and are practically incapable of self-generated growth and development (LGWSETA, 2005).

1. 6. Clarification of concepts

1.6.1 Local Economic Development: LED is defined by (www.worldbank.org) as a process by which government, business and non-government sector partners work collectively to create better conditions for sustainable economic growth and employment generation. In addition, the Department of Provincial Local Government (dplg) defines LED as a process wherein local resources (skills, and ideas) are combined to stimulate local economies and respond innovatively and competitively to changes in national and global economies (dplg, 2003).

1.6.2 Capacity: Refers to the ability to deliver on specific responsibilities within given human, finance, land availability, entrepreneurial resources including facilitation, collaboration and project management skills (dplg, 2000).

1.6.3 Financial and non-financial support: Financial support relates to accessibility of finance for active economic activity while non-financial support relates to the accessibility and availability of relevant information for the advancement of such economic activity (North West-SMME Development Summit Report, 2005).

1.6.4: LED Strategy: This refers to the long term locally customised economic growth and development plan addressing priority issues with targeted scarce resources(www.worldbank.org).

1.6.5 LED Programme: This relates to a rational and strategically aligned approach to sector specific implementation of a plan, for example, SMME promotion, business development, tourism promotion, emerging housing contractor promotion, water and sanitation, etcetera (dplg, 2000).

1.6.6 LGWSETA: Local Government and Water Services Education and Training Authority.

1.6.7 Institutional Arrangement: It is defined as a range of organisations, structures and networks through which LED is coordinated, managed, implemented and monitored including their interrelationships (dplg, 2000).

1.6.8 Institutional capacity: An organisation's ability to effectively and efficiently deliver on its responsibilities and functions (dplg, 2000).

1.7 Chapter layout

Chapter 1 introduces the reader to an understanding of the objectives of the study. The scope, importance of conducting this study, as well as the environment within which it is conducted are dealt with. In addition, concepts used are clarified and a chapter outline is provided.

In chapter 2 the theoretical foundation of the study is given. A clear linkage between the research questions and economic development theories that have a direct bearing on the problem statement is highlighted herein.

An analysis of the current South African economic development approach, with a concise historical background and the developmental local government approach to economic development is provided in chapter 3.

The research problem is firstly stated in general terms in chapter 4. Thereafter, a series of research questions are formulated.

In chapter 5 the research design and analysis for the study is given. The chapter outlines how the study is undertaken from sample selection, data collection to actual analysis of results. The results of the study are reflected in chapter 6.

In chapter 7 the research results are discussed and conclusions and recommendations are made. Cross references to other relevant studies, as well as to the underlying theory are made.

CHAPTER 02: THEORETICAL FOUNDATION

2.1 Introduction

This chapter provides a theoretical foundation to support the need to carry-out the study. A clear linkage between the research questions and economic development theories that have a direct bearing on the problem statement is highlighted.

2.2 LED theoretical framework

The object of LED is to strategically plan through partnership between local government, private sector and civic organisations to stimulate local investments for the promotion of sustained and progressive local economies (www.makingcitieswork.org). Local stakeholders need to jointly identify their locality's economic strengths and potential, capitalise on their comparative advantage and build upon such strengths to overcome business stagnation and job-creation obstacles.

LED is to a great extent underpinned by a number of theoretical imperatives. One of those includes the economic base theory which encompasses two schools of thought (Bingham & Mier, 1993). The first school of thought assumes development emanating from the growth centres to the periphery. This implies that business is largely influenced by external factors (basic) and less dependent on local factors (www.acns.fsu.edu/EDT), whereas the other considers development at the growth centres to be informed by the desires and aspirations of people at grassroots level (non-basic). The latter also urges the

periphery dwellers to take development into their own hands to attain a life-style of their own. The same view is supported by Dixon & Pretorius (2001) when they mention that the shift to people-driven development asserted Africa's position in the global economy. LED as a result occurs within a particular space economy.

However, the economic base theory also maintains that the local economy is strongest when it develops the basic sector to be able to withstand possible external pressures while simultaneously ensuring survival of the local markets (www.acns.fsu.edu/EDT). This simply means that external markets are still able to remain strong amid failing local economies. Conversely, if the basic economy loses competitive advantage and experiences disinvestment the local non-basic economy also suffers (Bingham & Mier, 1993).

In addition, local productivity, export potential and skills acquisition and retention all contribute towards sustained regional and locality development. However, as Tassonyi (2005) observes, the traditional determinants of business location are superseded by the growing need for a high local resource base in the form of human capital. He further asserts that the input approach to LED emphasising tax reduction, subsidised infrastructure and cheap factor inputs ultimately puts pressure on the affected taxing jurisdiction. Capacity building thus takes centre stage in an effort to create and retain the local knowledge base deemed necessary to effectively respond to the changing economic environment. This assertion therefore requires an in-depth introspection by the district in relation to its capacity to meet the desired growth potential given the existing economic trends.

The principle of neighbourhood economies being drained of resources due to disinvestments or lack of active involvement by local business also requires some consideration. Lack of entrepreneurship deprives localities of necessary income thus creating scarcity of capital (Bingham & Mier, 1993). This has to some extent been experienced by most rural communities whereby the local business environment is undermined by financial institutions' failure to provide accessibility to banking facilities.

Bingham & Mier (1993) however concede that this neighbourhood drain of resources is attributable to the existing gaps in structural economies and de-industrialisation. In addition, the poor or apathetic involvement of the previously advantaged communities in LED revival initiatives not only deprives them of the economic benefit but also of the social benefit. The more vibrant the economy, the better the employment opportunities for communities and the less the crime incidents experienced

LED is also underpinned by the cluster theory. This approach refers to the ability and capacity of localities to identify the building blocks that will yield significant economic growth (Tassonyi, 2005). Prospects of diversification of economic drivers for example mining, tourism, manufacturing and so on requires the best available human resource base to ensure proper planning at cluster level. Thus the involvement of civic structures, academic institutions, financial institutions and business is important to assist with leveraging existing opportunities.

Practically, the North West PGDS is effectively advocating this approach and has resulted in the establishment of sector specific steering committees for the advancement of cluster growth. This process is also given impetus by the existence of sector aligned

Broad Based Black Economic Empowerment (BBBEE) charters aimed at advancing the economic growth of the previously disadvantaged individuals (PDI's).

Due to the growing realisation of the different approaches to implementation of the LED programme across sector departments and public entities, it appears as though there is some reluctance to practically and not only theorising collaboration with the private sector to mainstream economic drive. For instance, the Department of Provincial Local Government (DPLG) advocates in its draft policy for the adoption of the pro-poor strategy to LED whereas the Department of Trade and Industry (DTI) through the Micro Economic Reform Strategy (MERS) advocates for pro-growth development (LGWSETA, 2005). These parallel differences send different messages to different people and entities and hence differences in approaches.

However, the DPLG further asserts that there is no single approach to LED as localities differ and so are their comparative advantage (dplg, 2003). This point of view introduces an important aspect of local governance. It focuses on the extent local role players are able to proactively, collectively and orderly undertake challenges faced as a unit and not with different individual plans. Adequate coordination is as a result quite critical to ensure competitiveness, access to information and attractiveness of the local economy (Tassonyi, 2005). Caution is however sounded for over-reliance on local effort lest external resources are rejected to the detriment of the local growth potential.

In the chapter 3, one observes the emphasis of the development of the strategic national LED policy framework as long overdue. The urgent need for re-alignment and integration of programmes aimed at meeting developmental priorities that include job-creation, poverty alleviation, GDP growth and investment promotion among others, is also emphasised. What remains a reality though is the fact that all these can only be achieved through availability of both financial and non-financial resources both from state and non-state actors. The question therefore is whether municipal entities and stakeholders are able to leverage existing opportunities to economically transform their localities (dplg, 2005). Whether they make sufficient use of the policies government has introduced to assist in this transformation process needs to be established.

The above argument can thus be linked to the asset based theory that asserts that the more assets an individual or community has secured or has access to and the better they are managed, the less vulnerable they are. Conversely, the more these assets are abused and mismanaged the more insecure and impoverished they become (Rogerson, 1997). Thus the more local stakeholders effectively utilise the existing state, state entities and private sector resources to alter their economic status, the more their position will improve as opposed to those who choose to abuse or ignore the existence of such resources. As observed by Kebotlhale (1999), change in attitudes and aspirations that influence industrial activities will ensure significant progress towards sustainable LED initiatives. Individual role-players have to assess the impact their roles have on the LED programme implementation.

The authors of the Bophirima district LED strategy document K2M Consortium (2004) in their final analysis, observed that *'The failure of the Bophirima District Municipality to deliver sustainable economic growth through its current institutions are clearly borne out through the research and statistical analyses'*.

It is precisely due to the preceding statement that the researcher institutes this investigation of LED in Bophirima District given the clearly stipulated research questions in chapter 4. Not much impetus is given in relation to assessment of capacity within the district particularly in relation to the roles and responsibilities of municipal entities, uniform understanding of LED by envisaged public-private stakeholders in particular and factors impeding successful PPP focused development.

2.3 Conclusion

In conclusion, the ability of the district as a region to organise and jointly forge a homogenous development agenda needs to be harnessed and supported in line with the objective and vision of the Microeconomic Reform Strategy (MERS) which sees the country having a *'restructured and adaptive economy characterised by growth, employment and equity built on the potential of all people, communities and geographic areas by 2014'* (DTI, 2002).



CHAPTER 03: LIRATURE REVIEW

3.1 Introduction

The African continent has survived the aftermath of colonialism and aims at restructuring its individual countries and its people. This transformation agenda is endorsed in the African Renaissance philosophy of optimism and hope for African people (Dixon & Pretorius, 2001). In essence this philosophy urges African people to take development into their own hands to eradicate poverty, illiteracy and launch political and economic transformation (LGWSETA), 2005).

The World Bank (2001) acknowledges that with the ever changing economic, political and technological environments, local economic development (LED) has evolved from emphasis on foreign infrastructural investment during the 60's to 80's, inwardly targeted sector specific investment with direct focus on individual businesses during the 80's and 90's to the currently sector inclusive business involvement through private-public partnerships. This apparent holistic approach aims at:

- *Fostering growing local firms*
- *Supporting and encouraging collaboration and networking*
- *Workforce development and capacity building*
- *Cluster focussed growth and inward investment*
- *Improved quality of life and attractive business environment*

The ability of communities to adapt to these ever-changing national and global market forces therefore, may positively contribute to their individual successful and vibrant growing economies (www.makingcitieswork.org).

South Africa like many African developing states affected by colonialism is faced with the challenge of ensuring fair and equitable resource allocation in an effort to redress past imbalances. This economic transformation process can be realised through unearthing possibly unexploited economic potential. Dixon & Pretorius (2001) observe that the continent still significantly lacks capacity to utilise these unexploited resources for the benefit of its inhabitants. They further postulate that in comparison to other developing regions in other continents, Africa still requires entrepreneurial, technical and managerial skills particularly in the fields of commerce and industry. However, all is not doom and gloom as the continent is rich with entrepreneurial drive hence the existence and mushrooming of an active but struggling informal sector (Dixon & Pretotius, 2001).

The essence of this chapter therefore is to highlight the current trends with regard to LED in South Africa by providing a brief historical overview including the constitutionally adopted developmental local government approach. In addition, policy frameworks that directly impact on the programme implementation are highlighted and an analysis of a customised Bophirima LED strategy and current challenges are outlined. Finally, a summary of literature is provided in the concluding remarks.

3.2 LED: A South African Approach

3.2.1 Historical perspective

Since returning to the global economy, the country is exposed to the realism of the two most significant economic forces being globalism (where national or state borders have become insignificant or fluid) and localism (which relates to the uniqueness of social and economic conditions existing within a particular locality) (Nel & Rogerson, 2004). They further postulated that economic crises obligated communities to look inward at their own unique resources and skills to ensure '*collective self-reliance*'. The same view is supported by Dixon & Pretorius (2001) when they acknowledge the importance of investing in local people as building blocks in achieving sustainable development.

Nonetheless, issues of poverty, unemployment and illiteracy may not be considered in isolation without overcoming the hurdles of politics, trade and development and racial integration (Joburg, 2002). In addition, '*collective self-reliance*' may also not be achieved if issues of intellectual capacity, uniform understanding of concepts and implementation approaches are equivocally addressed. Until these are collectively addressed, localities would still fail to establish their own economic strengths, agree upon best strategy and implementing such strategy (www.makingcitieswork.org).

The new democratic dispensation has brought along a number of challenges and changes both politically and economically in South Africa. Prior to 1994, the country was already in a state of economic decline due to economic isolation as a result of former racial discrimination policies (Department of Trade and Industry (the dti), 2004). This situation

developed into serious discrepancies pertaining to the living standards of different racial groups within the country. Repressed human and economic development still is the effect of the apartheid legacy especially for the poor black majority. Access to developmental finance, whether at a small or large scale, continue to pose a discouraging factor to improving people's standards of living (the dti, 2004).

The country's past economic policy was integrally focused on industrial development and systematically used cheap and unskilled labour consisting mostly of black people. This not only disempowered them from active economic participation but also resulted in landlessness, poor skills development, no self-employment ventures and lack of access to entrepreneurial opportunities (the dti, 2004). This situation perpetuated the current economic imbalances within the country to the extent where there exists different levels of economic activity characterised by extreme poverty at one end (second economy) and affluent existence (first economy) at the other.

- **First economy:** Comprises of the so-called middle class at the upper level and salaried working class and self-employed (entrepreneurs). These are people who are economically active and have access to financial services and even commercial loans from state agencies and commercial banks.
- **Second Economy:** Comprising of the economically active poor on the upper level, followed by the survivalists (very poor) then the hard –core poor or destitute people. These are people who basically still do not have access to developmental finance (to assist in land ownership & active participation in

commercial farming activities) and basic services (water, electricity, sanitation, and etcetera) (www.anctoday.org.za).

Upon the withdrawal of international sanctions and pro-disinvestment campaigns, the country got reintegrated with the world economy. Being one of the largest and competitive economies in Africa, it is leveraging its mining and energy resources even though these do not necessarily translate into immediate sustainable growth.

3.2.2 Developmental local government approach to LED

South African government puts a high priority on developing local government as enshrined in Chapter seven (7) of the Constitution. Sections 153 (a) and (b) clearly outline developmental duties of municipalities while section 154 (1) also emphasises the cooperative obligations of the three spheres of government. Essentially, this section calls for both national and provincial spheres of government to provide support and strengthen local municipalities' capacity to effectively manage their own affairs. Therefore, in line with the objects of local government (Act 106: 81), communities and community organisations are encouraged to get involved in matters of local government, particularly their socio-economic emancipation.

One of the greatest government challenges is to bridge the existing gap between the first and the second economy. Local government is thus considered a relevant platform upon which all relevant stakeholders can effectively participate to bring about this desired outcome. Edmonds (2003: 897) supports this approach by acknowledging that the

devolution of government programmes to more localised institutions is the main objective of contemporary development policies within the framework of participatory development. This approach is seen as most critical since most government departments are involved in programmes that have a direct bearing on LED planning (Nel & Rogerson, 2004). They include the Department of Environmental Affairs and Tourism through local tourism promotion programmes, Department of Public Works (expanded public works programme (EPWP)), Social Development (poverty alleviation programme) among others.

However, Stamer, 2002 observes that this local public investment approach no matter how admirable carries a number of practical implementation challenges. Some of these challenges include municipal uncertainty and apathy as to what and how to organise local economic actors and ensure effective community involvement that is innovative, creative and entrepreneurial in nature. Further compounding the confusion is the lack of common understanding of LED as a concept and competent skill that would facilitate local community involvement to contribute positively towards improved local economies.

A municipal case study investigation conducted by Rogerson (1997) into issues of LED and poverty alleviation in South Africa reveals that of the ten municipality case studies involved, most of them have

“...an understanding of LED strategies and the importance of a deliberate program to make it happen. However, very few have a grounded understanding of structural poverty in their localities.”

Most significantly, is the realisation that none of the local authorities involved in the case studies know how their LED strategies can be designed, structured and monitored for a systematic reduction of poverty (Rogerson, 1997). This finding greatly supports the notion that most municipalities do not fully comprehend their mandate in relation to the LED programme. Of equal importance pertaining to the same investigation is the observation by the author that lack of capacity and service delivery weakness in local government contribute to the existing gaps in regard maximising and enhancing entrepreneurial, job-creating informal and micro-enterprise economies.

Rogerson's (1997) report also highlights that LED as a loosely used concept with different interpretations may be used by local communities to keep external investors out of local market penetration on the insistence that local people must be given opportunities. This therefore has the potential to disrupt public-private partnership initiatives despite possible lack of efficiency and capabilities of local inhabitants (Rogerson, 1997). Similarly, it is apparent that there are some local government policy makers who maintain that LED is all about pro-SMME procurement processes. This fallacy unfortunately, seems to exist in most municipalities across the country.

Adding to this confusion as well is the uncoordinated effort by local government to integrate the private sector, local business and public voluntary sectors into equal economic transformation partners. Fundamentally, as supported by Hindson & Vicente (2005), this poor coordination leads to other non-governmental actors feeling sidelined and their contributions unimportant hence their apathetic interest and lack of participation in government programmes. In addition, this somehow reinforces the reluctance of the

private sector to financially support emerging enterprises. The apparent lack of consensus over whether LED's main objective is to promote economic growth or alleviate poverty (Hindson & Vicente, 2005) also contributes to this indifferent attitude since the private sector is mainly profit oriented. This state of affairs is further perpetuated by the fact that there is still no common LED policy document coordinating and outlining economic developmental processes in the country.

3.2.3 LED policy imperatives

The regulatory framework supporting LED within the country is still fragmented, suggesting that immediate intervention is required. They include the Reconstruction and Development Programme (RDP), White Paper on Local Government, Broad Based Black Economic Empowerment (BBBEE) policy, Microeconomic Reform Strategy (MERS), Cooperatives' strategy, Preferential Procurement Policy Framework Act (PPPFA), Municipal Finance Management Act (MFMA), Small Business Development framework, and others previously mentioned. They are meant to support the existence, operations and attainment of reconstructive economic advancement particularly for the previously disadvantaged individuals and entities.

In an effort to deal with these challenges, government through the Department of Provincial and Local Government (dplg) in 2002 and 2005 respectively made an effort to properly conceptualise and formulate a policy document culminating in a recently modified draft policy entitled "*Policy Guidelines for Implementing Local Economic Development in South Africa*" (Hindson & Vicente, 2005). Several consultative

workshops with municipalities across the country on the latter draft policy document ensued but yielded no final adopted document yet. This against the background that municipalities have annual allocations from the LED Fund (recently incorporated into the Municipal Infrastructure Grant (MIG)) disbursed through provincial local government and housing departments to ensure implementation of the LED programme.

Essentially, there is no LED policy in place, persistent different understanding of the LED concept, lack of proper coordination of intended stakeholders, poor capacity at municipal level and yet municipalities are expected to make significant impact within their localities to improve the lives of the people. Worst of all is the fact that several government departments both nationally and provincially have incorporated the LED concept as their feasible service delivery mechanism.

While it is important to learn from international experiences on implementation of some of the government programmes, it is equally important to reflect on internal and local circumstances and capacity in order to design well-informed approaches to implementation strategies (van der Merwe & van der Merwe, 1999).

Development as a result, must be demand driven so as to yield significant impact through participation and instilling a sense of programme ownership (Rao & Ibanez, 2005). The apparent oversight to initially consult all local role-players as envisaged implementers, facilitators and supporters of the LED programme during policy formulation only to be involved at a stage where their buy-in and/or 'important contributions' are requested is counter progressive. As observed by Rogerson (1997), the business sector may use this

unfriendly approach to justify its reluctance to cross-subsidise low-income enterprises. As partners, processes must unfold inclusively from the initial stage.

As a consequence, economically unviable and unsustainable community business enterprises most of which have since collapsed (Hindson & Vicente, 2005) are a direct product of the pro-poor implementation strategy advocated by the un-adopted policy document of 2002. Most beneficiaries of such business enterprises have no sense of ownership and moreover lack business acumen to successfully translate financial business opportunities to sustainable ventures. This unfortunate occurrence was bound to happen since a top-down approach to economic development was adopted. Projects were simply imposed on people deemed to be destitute or poor. Secondly, there appears to be no linkage between the impact of such business ventures to the overall national and global economic growth strategies. Undoubtedly, territorial production structure takes place within the regional and global context.

The recent draft policy makes an effort to recognise and incorporates the important elements of bridging the first and second economic divide through implementation of the broad-based black economic empowerment (BBBEE) including harnessing local enterprise competitiveness (Hindson & Vicente, 2005). The critical concern here is that for as much as LED is driven from a government perspective, how much both its business and other social partners does understand its overall intent lest the most crucial resources (finance and capacity) are withheld to the detriment of the objective. Hodgson (2005, 141) mentions that one of the central problems to any economic arrangement is the existence of incompatible a strategy or individual sector agendas.

Thus it is not surprising to establish and realise that mainly government departments and some agencies' development priorities greatly differ from those identified in the municipal IDP's. This malady therefore encourages the importance of early collaboration for improved collective accomplishment. On the other hand, collaboration no matter how important does not remove the disturbing emphasis on government as the central driving force for LED as purported in the draft policy (Hindson, 2003). This contradiction in approach presumes that state resources are significantly sufficient to singularly meet developmental challenges (Hindson & Vicente, 2005).

3.3 Challenges and experiences: Bophirima District

3.3.1 Bophirima District's economic development activity and strategy analysis

Critics maintain that IDP processes are good in uniting stakeholders around broad developmental visions with less effective implementation mechanisms to financially support locally identified ventures (Hindson & Vicente, 2005). They further interestingly observe that the treatment of LED in IDP's has been quite feeble, producing year after year unviable business development projects with less appreciation of the importance of locality development. It was for this and other previously mentioned factors that the Bophirima district municipality commissioned the development of the localised economic development and tourism strategy (herein referred to as the LED strategy or the strategy) in 2003. This process was funded by Crea South Africa and through the organisational bidding process, K2M Consortium appointed as service providers.

Bophirima District municipal area is predominantly an agricultural area, hence the district's vision is *"To ensure the optimal utilisation of available resources for efficient, effective and sustainable service delivery and to develop our district into a significant agricultural area"*. Its approximate population is 480 500 people within an approximate 47 478 km² area. The district therefore accounts for approximately 40.82% of the total of the North West Province spatially. It however has a relatively small population within the province amounting to 13, 97% (Visi Africa Consulting, 2005).

The district municipal area comprises six local municipalities including Naledi, Mamusa, Molopo, Kagisano, Greater Taung and Lekwa-Teemane. In consideration of the general lack of outstanding and significant economic activities, the following are some of the major economic activities in the Bophirima District municipal area (Visi Africa Consulting, 2005):

- Small-scale live-stock farming mainly in Kagisano, Naledi and Greater-Taung municipal areas with Naledi having a comparative advantage in the production of beef hence is affectionately referred to as the 'Texas of South Africa'.
- Industrial, retail and manufacturing opportunities in Naledi.
- Significant irrigation agriculture in the Greater Taung municipal area.
- Small- scale alluvial diamonds in the Mamusa and Lekwa-Teemane municipal areas.

The following are some of the objectives underpinning the development of the LED strategy as specified by K2M Consortium (2004):

- *“To provide a strategic framework for the development of a local economic development and tourism strategy focusing on the strengths, weaknesses, opportunities and threats to economic development in the district.*
- *To develop a local economic development strategy that is informed by stakeholder needs, local initiatives and that is aligned with the local IDP’s and the provincial economic development and industrialization strategy (NW-2014).*
- *To develop the capacity of councillors and relevant council officials to implement the strategy”.*

Therefore, in line with the above objectives, the developed LED strategy recommends that there should be an alignment among significant potential economic drivers (K2M Consortium, 2004) as characteristic in the district through:

- Commercialization of the informal agricultural sector (predominant in Naledi, Kagisano and Greater Taung municipal areas).
- Agro-processing, manufacturing and tourism.
- Small-scale mining and beneficiation.

The strategy further acknowledges the existence and significant contribution of the informal trade accounting for almost 40% of the economic activity in the region (K2M Consortium, 2004). This therefore implies that this sector needs formalisation and support as it also contributes to the economic growth within the district. In addition, K2M

Consortium (2004) postulates that there is a need to unlock new economic activities through among others:

- Launching a programme to recognize, manage and reward new business ideas.
- Continuous market research and information dissemination processes (government & private sector economic development programmes).
- Facilitating access by future entrepreneurs to provincial and national SMME assistance schemes (both financial and non-financial).
- Marketing and promotion of existing SMME's (across sectors) to intensify market linkages locally, nationally and internationally.

It was earlier highlighted that development in general and economic development in particular as integrated processes do not take place in a vacuum but rather within specific frameworks. Thus, in line with the NSDF, it is imperative that future economic growth be primarily explored in areas with a medium to high resource base and medium to high human need (Visi Africa Consulting, 2005). Therefore, Naledi municipality, in particular Vryburg town is considered the main growth centre within which growth activities or drivers could be channelled. This does not imply that other areas are ignored but that their individual economic strengths are to be efficiently and effectively explored considering the overall economic agenda of linking and expanding the first and second economic divide. Furthermore, these identified economic drivers are equally emphasised within the PGDS and also form part of the overall economic priorities for the entire country hence the establishment of different sector specific charters to fast-track implementation.

3.3.2 Critical analysis of the LED strategy

The need for improvement of performance in LED through capacitating LED staff and management of a comprehensive monitoring system of LED initiatives for job-creating and poverty alleviating efforts is emphasised. The reviewed literature has so far revealed that for as long as LED programmes are disjointed and fragmented among government departments and social partners it may prove futile to effectively and accurately monitor the impact these initiatives have on the overall district economic development objectives. Therefore such capacity enhancement has to be broad-based and include all LED role-players.

Secondly, the literature further seem to suggest that the finalisation and subsequent implementation of the long awaited LED policy would assist in closing some of the delivery loopholes especially as far as alignment, synergy and integration of economic development programmes are concerned. This however, may not immediately alter the status quo. Attracting and retaining qualified and competent skills poses the greatest challenge given the threat posed by existing five years employment and performance contracts for senior managers.

In addition, the strategy advocates the establishment of an incubator mechanism in the form of an Economic Development Agency (EDA) to fast-track the process of implementing anchor projects or economic drivers. The Bophirima EDA (BEDA) is regarded as the enabling infrastructure for socio-economic development strategies and implementation thus assisting the district to achieve its economic development objectives.

The incubator programme is also meant to produce successful businesses that are financially viable and sustainable (K2M Consortium, 2004).

However, Hindson & Vicente (2005) argue that the EDA has the potential advantage to skills concentration and ensuring implementation of large initiatives but absorb large resources than they are able to produce. Secondly, since they are more public private partnership (PPP) inclined they provide a focused and specialised approach to project implementation and run the risk of absolving municipalities of their constitutional responsibility of ensuring sustainable socio-economic development. Since public resources are mainly utilised to sustain these entities, a constant and conscious approach is required particularly as far as ceding of power and overall accountability are concerned.

Furthermore, since EDA's are usually section 21 companies run through Board of Directors, decision making is mainly complex and time-consuming. This therefore has the potential to alienate its activities from municipal control and management (dplg, 2000).

Lastly, the roles of already existing support entities such as the North West Development Corporation (NWDC- infrastructural challenges), Entrepreneurial Support Centres (ESC's- non-financial support) which have been incorporated into (Small Enterprise Development Agencies – SEDA), Khula Enterprise (small business loan-finance), Invest North West (marketing and promotion) and other similar establishments meant to provide both financial and non-financial support for economic advancement seem to have been downplayed. In particular, government's efforts to adopt the local economic clustering approach to unearth the economic potential of local economies are also not adequately

addressed. As observed by Hindson & Vicente (2005), the local economic clustering is enjoying global significance for strengthening local competitive advantage.

They further assert that it is such clusters of small to medium sized entities within connected sectors that constitute the core to LED promotion. As mentioned in the previous chapter, Provincial governments including North West are actively driving this process through PGDS sector specific steering committees. Of greatest importance is the effort to ensure that available resources are effectively and efficiently channelled to viable and sustainable business ventures.

3.4 Conclusion

In conclusion, it is apparent from the literature that essentially, there exists a homogenous definition of the concept LED (based on international best practices) but the greatest challenge is interpreting that definition comprehensively and translating it into practical approaches relevant to the South African situation in general and the district in particular. Rogerson (1997) and Hindson & Vicente (2005) seem to argue that LED is best facilitated by the private sector and social partners with government as a supporting structure whereas others (dplg, 2003) maintain that government as the driving force and custodian of public resources should provide such required resources for the successful implementation of the programme in partnership with the private and social partners. These differing views of opinion in approach and implementation also seem to compound the delay in the finalisation of the national LED policy framework.

The examination of LED in the Bophirima district given the research questions in the following chapter is thus greatly influenced by the observation of K2M Consortium (2004) that the district has failed to deliver sustainable economic growth through its current institutions. This against the background that the strategy provides no impetus in relation to assessment of capacity within the district particularly in relation to the roles and responsibilities of municipal entities, officials' skills base, uniform understanding of LED by envisaged stakeholders in particular and factors impeding successful PPP focused development.

CHAPTER 4: PROBLEM STATEMENT AND RESEARCH QUESTIONS

4.1 Introduction

In this chapter, the problem statement is outlined including the research questions. The previous two chapters dealt with the theoretical foundation and literature review as a basis for chapter 4 in which the research problem and research questions are formulated.

4.2 Problem statement

Local economic development (LED) is increasingly playing a significant role in the economic restructuring processes of different localities, even though local government is not directly responsible for job creation (White Paper on Local Government, 1998). Many if not all government departments and state entities are running different programmes meant to increase employment quotas, alleviate poverty and effectively contribute to the economic advancement of different localities. Examples include the Expanded Public Works Programme (EPWP) coordinated through the Public Works department, Water & Sanitation Programme (Water Affairs and Forestry), Schools Nutrition Programme (Education department), Skills Development Programme (Department of Labour), Land Redistribution Programme (Land Affairs department) and many others administered within different government departments. All these programmes are mainly meant to stimulate job creation and ultimately assist poor communities in alleviating poverty.

However, as observed by Kebotlhale (1999: 27), government departments' roles in LED are greatly uncoordinated and disjointed hence there is currently duplication of efforts and

questionable statistics on the impact these efforts have on improving the living standards of the previously disadvantaged individuals (PDIs). The same uncoordinated pattern exists even within some if not most municipalities through their water and sanitation, electrification, housing, economic development and other similar programmes. As a result, there seems to be a high rate of poor horizontal and vertical collaboration between and among government spheres and related agencies.

Even though LED is supposed to play a central part in local economic transformation, it seems to be understood differently by different individuals (dplg, 2003). This therefore, greatly influences the manner in which it is implemented at different local municipality level. In addition, it appears as though municipalities fail to recognise the fact that there is no single approach to LED. What seems to work for one area may not necessarily work for the other since each area has its own unique set of opportunities and challenges (dplg, 2000).

To compound this problem, municipalities are classified into grades, according to their population and budgetary size thus affecting the ability particularly of smaller municipalities to establish dedicated and capacitated LED units. This lack of sufficient resources, tenuous fiscal position and possible shortage of skilled and qualified staff in municipalities all seem to contribute to the hindrance of successful implementation and mentoring of LED initiatives (Nel & Rogerson, 2004).

Consequently, the above-mentioned and other problems certainly contribute to poor policy implementation, uncoordinated development approaches and disappointing results

as far as the LED programme is concerned (Douglas & Chadwick, 2003). Bophirima district, charged with playing a coordinating, facilitation and supporting role to local municipalities, is thus not an exception to the existing circumstances.

In this study therefore, the researcher intends to draw attention to the major challenges impeding successful implementation of LED initiatives at district and local municipality level within Bophirima District.

4.3 Research questions

It is against the above-stated research problem that the following research questions are formulated:

4.3.1 Do municipalities in Bophirima District know what their actual roles and responsibilities are in respect of the LED programme?

Municipalities within the Bophirima District have recently ensured the establishment of LED units and in some instances, departments. As revealed in the literature, the apparent lack of a guiding policy (LED policy) for implementation has seen municipalities having to cope with a number of projects literally imposed by certain government departments both nationally and provincially. This disjointed approach has also seen a number of local projects financially benefiting from different departments for the same enterprise.

4.3.2 Is there sufficient capacity within the district and its municipalities to execute the LED programme?

Capacity in this instance is meant to assess whether municipal entities and other stakeholders are able to execute their responsibilities with limited resources effectively and efficiently.

4.3.3 Are sufficient resources (financial and non-financial) and support made available to municipalities to ensure successful implementation of the LED programme?

This question is intended to establish whether municipal entities and stakeholders are able to leverage existing opportunities to economically transform their localities. Do they make sufficient use of the policies government introduced to assist in this transformation process?

4.3.4 Is there a common understanding among municipalities and their stakeholders as to what LED entails?

The literature review in the preceding chapter drew attention to the possibility that LED as an overly used concept seems to be understood differently by different sector stakeholders and individuals. This question therefore is intended to establish the prevalence of this position in the Bophirima District and to equally establish how much it is affecting service delivery.

4.4 Conclusion

In this chapter the problem was stated in general terms, followed by a series of research questions. The next chapter focuses on the research design and analysis of the study.

CHAPTER 5: RESEARCH DESIGN AND ANALYSIS

5.1 Introduction

In the previous chapter the research problem and four research questions were formulated. In this chapter an exposition of the investigation is given. The aspects addressed are: the sample, the measuring instrument and data analysis.

5.2 The sample

For the purposes of this study, all six local municipalities falling within the Bophirima District municipal area represent the target population. The sampling frame, closely related to the population, represents the list of elements from which the sample is actually drawn (Cooper and Schindler, 2006). The following elements represent the sampling frame:

5.2.1 Municipal officials

- Officials directly responsible and contributing to the implementation of the LED programme (district and local municipalities)
- Municipal managers
- IDP managers
- Political office bearers (LED members of the municipal council (MMC's))

5.2.2 Municipal stakeholders

- Sector department officials
- Representatives or officials of the existing state agencies (for example SEDA, NWDC, Invest North West, etcetera)
- Labour representatives including Salga, Imatu and Samwu
- Non-state actors (private sector in the form of business forums, financial institutions and civic structures- CBO's , NGO's and traditional leadership)

A non-probability sampling method known as purposive or quota sample was used. This method allowed for the equal representation of both municipal officials and non-municipal stakeholders involved in the implementation of the LED programme in the study. A relatively small sample (80 elements) was therefore used. Elements were selected because they conformed to a particular criterion (Cooper and Schindler, 2006). Economically active elements with ages ranging from 18 to 60+ and with at least some high school qualification (preferably Grade 11) formed part of this investigation. Much effort was made to select and include elements in the sample frame as precisely and representative as possible.

5.3 Data collection method

A communication method (both verbal and written) of primary data collection was used. Structured pre-coded questionnaires for personal, self administered and telephonic interviews were employed. A total of 80 questionnaires were distributed equally among both municipal officials (40) and stakeholders (40) respectively. The services of two

experienced volunteer data collectors were engaged to speed-up the data collection process. An introductory letter outlining the purpose of the study was prepared and attached to each questionnaire for all respondents (refer to Annexure A). Direct person to person interviews were also employed. Mainly telephonic interviews were used for some sector department officials, private sector and municipal managers. As this is an exploratory study, meaningful probing was also used to induce more and desired responses (Cooper and Schindler, 2006). This approach was meant to assist the researcher to fully grasp and attach meaning to the fundamental aspects of the study.

5.3.1 Measuring instrument

The type of data collected is of a qualitative nature. Content validity was employed to test the appropriateness of the questionnaire in relation to the objectives of the study (Cooper and Schindler, 2006). Colleagues involved in the field of LED at district municipality level were engaged to test the content validity and reliability of the instrument. Two separate but interrelated questionnaires for both municipal officials and municipal stakeholders were designed and tested. Content validity is preferred since there is adequate definition (not comprehension) of concepts used and that information gathered best addresses useful aspects pertinent to the study.

Similarly, as the instrument is considered valid in terms of measuring what it purports to measure, it is also regarded as a reliable measure of content (Cooper & Schindler, 2006). In this instance, the inter-rater reliability or internal consistency is measured by the amount of homogeneity and agreement of the measure of understanding of LED as a

concept between both municipal officials and municipal stakeholders. Refer to Annexure B for municipal officials' questionnaire and Annexure C for municipal stakeholders' questionnaire.

5.4 Data analysis

A comprehensive summary of the presented and analysed data is provided. Data collection instruments contained pre-determined and systematic data categories. This assisted with structuring data in terms of particular themes and interrelationships (Mancosa, 2001). Graphs, pie charts and tabular presentations are used to de-textualise data and explain particular patterns observed. Since the questionnaire used was predominantly pre-coded, data capturing was speedily facilitated. A combination of both univariate and bivariate tabular presentations for categorical data is used in the analysis of some biographical and survey questions. Where necessary, percentages are also used to highlight a number of specific cases per category.

Essentially, a deductive approach to data analysis is adopted (Mancosa, 2001). The existing theoretical framework in chapter 2 is linked with the process of analysis in order to support or refute the research questions in chapter 4. This process assists the researcher to establish how the collected data relates to the original research questions.

CHAPTER 6: RESULTS

6.1 Introduction

In this chapter a full analysis and interpretation of the study examining Local Economic Development (LED) in Bophirima District is presented. Primary data collected is herein analysed, summarised and discussed. Data collection was mainly achieved through person to person and telephonic interviews using structured pre-coded questionnaires.

6.2 Review of the study

Local Economic Development (LED) is increasingly acknowledged as a critical area for policy development globally. The emergence of democracy in South Africa saw LED regarded as a central facet of policy planning particularly for local government.

The overall purpose of this study is to assist the Bophirima District and its local municipalities to identify and strategically address the challenges and constraints that impede on the successful implementation of the LED programme. The study purpose is underpinned by the objectives outlined hereunder.

This study was conducted with the aim of achieving the following objectives:

- To establish whether municipalities understand their mandate (roles and responsibilities) in respect of the LED programme.

- To establish whether the district and its local municipalities have capacity to perform or implement the LED programme.
- To establish whether sufficient resources (financial and non- financial) and support are provided to municipalities to ensure successful implementation of the LED programme.
- To establish whether the concept local economic development (LED) is uniformly understood among municipalities and relevant stakeholders

The presentation of results therefore is meant to establish whether the above objectives are achieved or not achieved.

6.3 Results presentation

A total of eighty (80) questionnaires were equally distributed among both municipal employees (40) and municipal stakeholders (40). The results in this report are mainly presented in tables and or figures. For example, table 6.1 illustrates the number of questionnaires distributed, returned and analysed, table 6.2 and figure 6.1 show the gender of municipal officials including tables 6.3, 6.4, 6.5 depicting employing municipality, length of service and position vis-à-vis qualifications of municipal respondents respectively. Tables and figures are as a result sequentially numbered to allow the reader

ease reference to them. A brief discussion outlining table contents per each table is also presented.

Table 6.1 Returned Questionnaires

Category	Distributed(Sample)	Returned	Analyzed	%
Municipal Stakeholders	40	35	35	87,5%
Municipal Officials	40	38	38	95%
Total	80	73	73	91%

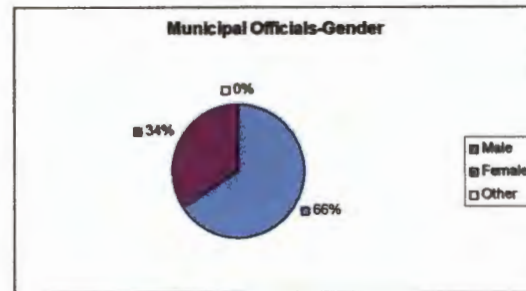
The results of this study are presented in two parts. The first part (Part A) is the analysis and interpretation of questionnaires received from municipal officials (questionnaire labelled Annexure B) and the second part (Part B) is the analysis and interpretation of questionnaires received from municipal stakeholders (questionnaire labelled Annexure C).

6.3.1 Part A: Analysis and Interpretation of Municipal Officials' Questionnaires

The ensuing illustrations represent the biographical information of respondents including gender, employing municipality, position in municipality, length of employment in similar position and educational qualifications. Table 6.2 and figure 6.1 highlight the gender distribution of respondents with males accounting for 66% and females with only a 34% response rate.

Table 6.2: Gender of Respondents**Figure: 6.1**

Gender	Coding	Number	Total	%
Male	1	25	38	66%
Female	2	13	38	34%
Other	3	0	38	0%
Total		38	38	100%



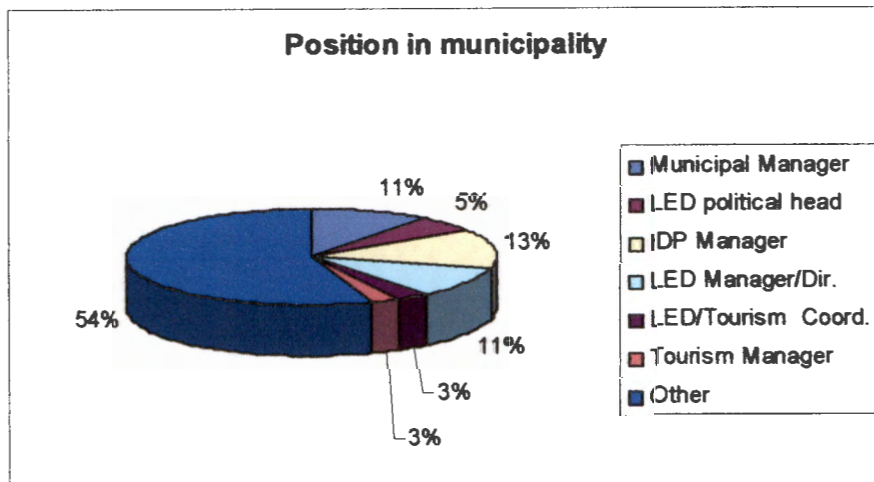
In table 6.3, the majority of respondents (31%) are employees of Bophirima district municipality followed by Naledi (15%) and Mamusa (13%) local municipalities respectively. Molopo, Lekwa Teemane and Kagisano local municipalities registered an equal number (11%) of respondents. A relative low response rate (8%) is observed in Greater Taung local municipality.

Table: 6.3 Employing municipality

Response	Code	Number	Total	%
Naledi L. M.	1	6	38	15%
Greater Taung L. M.	2	3	38	8%
Molopo L. M.	3	4	38	11%
Lekwa-Teemane L. M.	4	4	38	11%
Mamusa L. M.	5	5	38	13%
Kagisano L. M.	6	4	38	11%
Bophirima district	7	12	38	31%
Total		38	38	100%

A maximum of forty (40) questionnaires were distributed among municipal employees and a total of 38 were returned. The respondents' level of participation in this study by virtue of positions held in municipalities is illustrated in figure 6.2.

Figure 6.2 Position in municipality



An equal number of participation for both municipal managers and LED managers (11%) is observed. Of the seven municipal managers available in the district only four (4) which constitutes 57% have responded. Similarly, out the seven LED managers in the district only four (4) responded. A fair response rate of IDP managers (13%) is however observed. The majority of responses from the 'other' category (54%) incorporate respondents from other municipal departments supporting and contributing to the LED programme such as the engineering, project management, housing, and other similar departments.

Table 6.4 reflect the length of service (in years) in a similar position of municipal officials interviewed. Furthermore, in table 6.5 an analysis of the position in a municipality against the level of qualifications of officials is presented.

Table: 6.4 Length of service

POSITION	NUMBER OF YEARS			
	0-2	3-5	6-10	10+
Municipal Manager(s)	0	4	0	0
LED political head	0	2	0	0
IDP Manager	2	3	0	0
LED Manager/Dir.	0	4	0	0
LED/Tourism Coordinator	0	1	0	0
Tourism Manager	1	0	0	0
Other	5	8	8	0
TOTAL	8 (21%)	22 (58%)	8 (21%)	0

The system of developmental local government (municipal system) was formally introduced in the year 2000 in South Africa hence the majority of officials interviewed (58%) are 3-5 years old within the system. The 21% noticed in the category 6-10 years are probably those incorporated from previous local administrations. None of the officials interviewed had longer than ten years of service in local government.

Similarly, only a few officials (21%) are fairly new in their current positions. The above finding is greatly important since the length of service in an institution and the fact that the municipal system is fairly new in the country impacts on desired performance outputs.

Table: 6.5: Position and educational qualifications

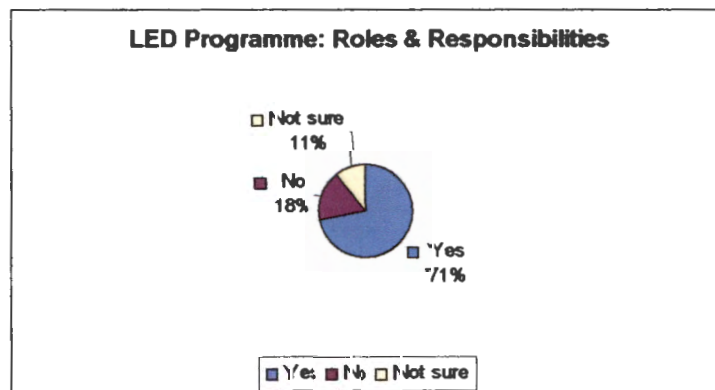
POSITION	EDUCATIONAL QUALIFICATIONS						
	Grade 11	Grade 12	Diploma	Bachelors Degree	Post graduate degree	Doctorate	None
Municipal Manager(s)	0	0	0	3	1	0	0
LED political head	0	2	0	0	0	0	0
IDP Manager	0	0	0	3	0	0	0
LED Manager/Dir.	0	0	0	3	1	0	0
LED/Tourism Co.	0	1	0	0	0	0	0
Tourism Manager	0	0	0	0	1	0	0
Other	4	12	6	2	0	0	0
TOTAL %	10%	39%	15 %	29%	8%	0%	0%

It is apparent that officials in management positions (29%) interviewed possess formal tertiary qualifications with additional 8% holding post-graduate qualifications. This finding is equally important as it establishes the intellectual competencies of municipal officials to execute their responsibilities. Thus table 6.5 shows that about thirteen (13) municipal officials interviewed are in management positions. The analysis also reveals that most respondents in the 'other' category (39%) have grade 12 as their highest educational achievement followed by 15% holding university diplomas.

6.3.1.1 Programme Implementation and Management: Roles, Responsibilities and LED Comprehension

Figure 6.3 highlights municipal officials' responses in relation to their conception or clear understanding of their roles and responsibilities with regard to the LED programme. The majority of respondents (71%) agreed that they clearly understand what their roles and responsibilities in relation to the LED programme are, 18% do not know whereas 11% are not sure.

Figure: 6.3 LED Roles and Responsibilities



The eighteen percent (18%) respondents who do not know their roles and responsibilities including the eleven percent (11%) who are not sure reflect the need for intervention. Keeping officials in positions when they do not know what they are there for is counter-productive and retards service delivery. There is a need for municipalities to conduct a skills audit and reflect on their internal structures and align responsibilities per individual competencies and capabilities.

Out of the 71% of respondents who grasp what their roles and responsibilities pertaining to LED are, 81% maintain that among others, they involve supporting local business enterprises, attracting foreign investment, SMME development and facilitation of joint stakeholder economic development planning. Eleven percent (11%) maintains that LED only involves local business support and attracting foreign investment and 4% are not sure. Table 6.6 illustrates these findings.

Table: 6.6 Roles and responsibilities in relation to LED – ‘YES’

Response categories	‘Yes’ responses		%
	0	27	
Supporting local business	0	27	0
Attracting foreign investment	0	27	0
SMME development	0	27	0
Facilitate joint stakeholder dev.	1	27	3%
Ensure programme implementation	0	27	0
Only 1 & 2 above	3	27	11%
All of the above	22	27	81%
Not sure	1	27	4%
Total	27	27	100%

Respondents who do not understand their roles and responsibilities pertaining to LED (18%) highlighted a number of factors as outlined in table 6.7 including lack of sufficient

training, lack of policy guidelines, no clear distinction between LED and IDP, etcetera. These views will be contrasted with those highlighted as retarding LED programme implementation towards the end of part A.

Table: 6.7 Roles and responsibilities in relation to LED –‘NO’

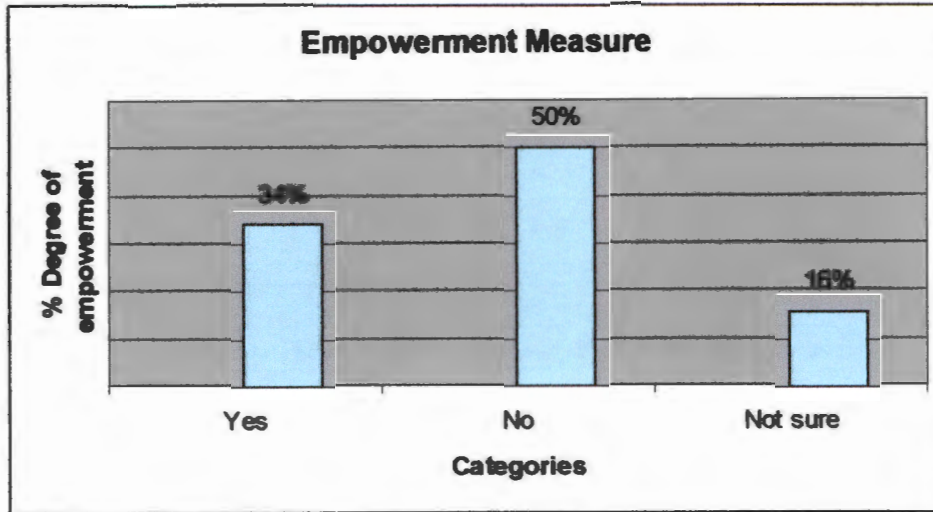
Categories	Response	Total	%
Lack of guiding policy framework	0	7	0
Lack of comprehensive LED strategy	0	7	0
LED & IDP are the same	1	7	14%
Insufficient training	1	7	14%
Doing most things irrelevant to LED	0	7	0%
All of the above	3	7	43%
Other	2	7	28%
Total	7	7	100%

Interestingly, most of the respondents (50%) believe that they are not adequately empowered to carry-out their LED related responsibilities. 34% believe that they are empowered and only 16% is not sure whether they are empowered or not. Empowerment in this instance relates to the ability and capability to effectively implement the programme. Table 6.8 and figure 6.4 illustrate these findings.

Table: 6.8 ‘Are you adequately empowered?’

Categories	Code	Responses	Total	%
Yes	1	13	38	34%
No	2	19	38	50%
Not sure	3	6	38	16%
Total		38	38	100%

Figure: 6.4 Graphic presentation of empowerment measure

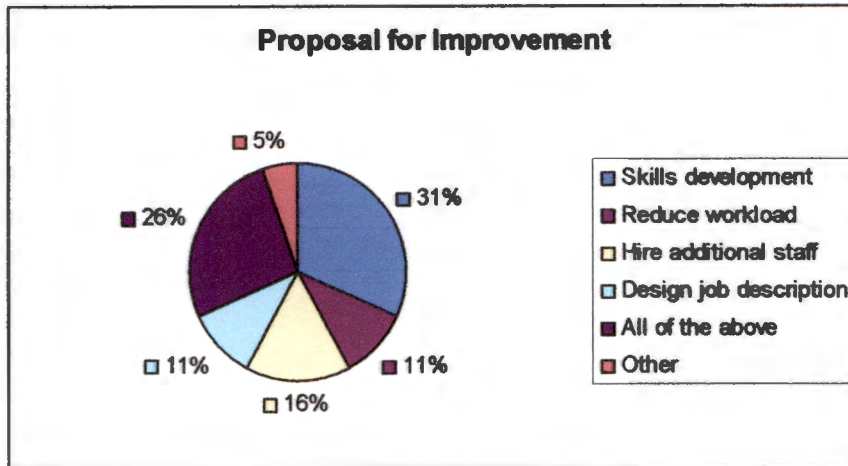


The following are therefore responses in reaction to how municipalities can empower their employees involved in LED. The majority (31%) believe that they be empowered through improving their skills base (skills development) whereas 26% maintain that while skills need improvement, municipalities must reduce officials' workload, hire additional staff and design job descriptions. Table 6.9 and figure 6.5 show these findings.

Table: 6.9 How to empower officials

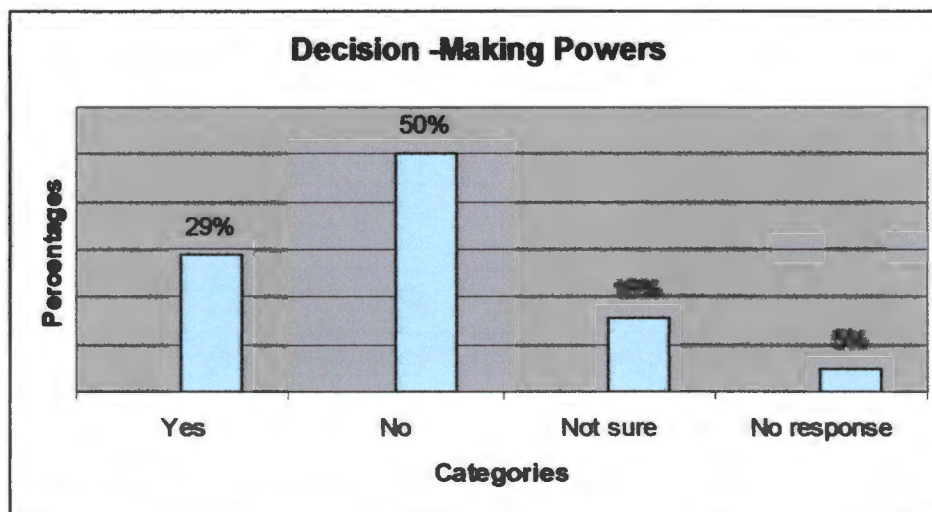
Category	Responses	TOTAL	%
Skills development	6	19	31%
Reduce workload	2	19	10%
Hire additional staff	3	19	16%
Design job description	2	19	11%
All of the above	5	19	26%
Other	1	19	5%
Total	19	19	100%

Figure: 6.5 Proposal for improvement



Significantly, the results further reveal a similar percentage (50%) to respondents not adequately empowered (refer to figure 6.4) of respondents who by virtue of their positions in a municipality do not have decision making powers. Only 29% maintain that they do have such powers. A small percentage (16%) is not sure whether they have decision making powers or not and 5% did not provide any response as shown in figure 6.6.

Figure: 6.6 Decision making powers



The high rate (50%) of lack of adequate decision-making powers as reflected in the findings is quite a crucial development as it reflects another possible contributory factor to

implementation challenges faced by the district. Equally, the high percentage of municipal employees who are not empowered (50%) is another major factor.

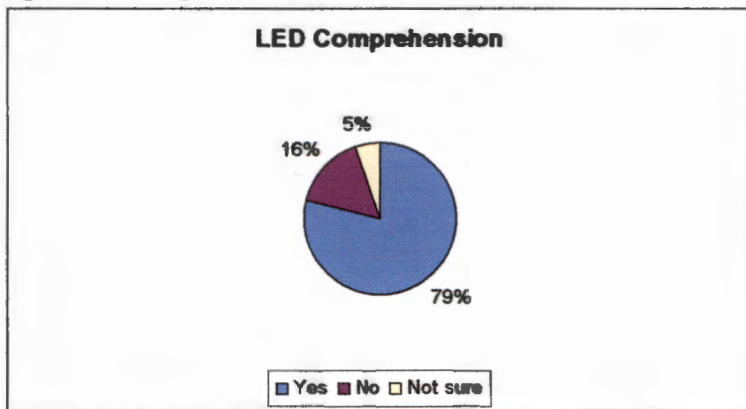
Table 6.10 shows that seventy nine percent (79%) of the respondents have a clear understanding of what LED means whereas 16% do not know. Out of the total respondents, only 5% are not sure what LED entails.

Table 6.10 Comprehension of LED

Response	Total responses received		%
Yes	30	38	79%
No	6	38	16%
Not sure	2	38	5%
Total	38	38	100%

Figure 6.7 represents responses in relation to the LED comprehension as highlighted in the preceding table.

Figure: 6.7 Comprehension of LED



A decline of 8% from those who understand what LED means (79%) and those who know their roles and responsibilities (71%) is observed, of which 2, 6% still do not know what their roles and responsibilities are and 5, 3% are still not sure. This implies that even if

respondents do know what LED means, they do not understand what their roles and responsibilities in relation to the LED programme are.

6.3.1.2 Municipal capacity to execute the LED programme

A homogenous response (100%) is obtained with regard to stakeholder involvement in economic development planning processes by municipal officials. All respondents believe that they adequately involve other stakeholders in economic development processes.

Table: 6.11 Stakeholder involvement

Category	Responses	Total	%
IDP Hearings	14	38	37%
LED Forum	5	38	13%
Intergovernmental Forum	7	38	18%
Ad Hoc Meetings	3	38	8%
All of the above	9	38	24%
Other	0	38	0%
Total	38	38	100%

The manner in which stakeholders are involved is highlighted in the preceding table 6.11. Out of the total, 37% engage stakeholders through IDP hearing processes, 13% via LED forums, 18% through the Intergovernmental Forum, 8% through ad-hoc meetings whereas 26% of respondents employ all these methods to try and get stakeholders involved.

Respondents further acknowledged their awareness of the existence of state agencies supporting economic growth initiatives. A total of 12 respondents (32%) as reflected in table 6.12 are aware of the accessibility of the Small Enterprise Development Agency (SEDA) within the district, 11% of the North West Development Corporation (NWDC),

26% is aware of the accessibility of both and lastly, 21% regard Invest North West as also accessible.

Table 6.12 State agencies accessibility

Category	Responses	Total	%
SEDA	12	38	32%
NWDC	4	38	11%
UMSOBOMVU	0	38	0%
KHULA	0	38	0%
INVEST NW	8	38	21%
1 & 2 Above	10	38	26%
All the above	4	38	11%
Other	0	38	0%
Total	38	38	100%

6.3.1.3 Programme financial and non-financial support

A significant number of respondents (45%) maintain that their municipalities have a designated LED programme budget. A relatively large proportion however (32%) do not have such a designated budget while 24% are not sure. This finding significantly reflects the level of commitment by municipalities in Bophirima district in ensuring the successful implementation of the LED programme. In essence, if there is no designated budget for this purpose, then it becomes practically impossible to achieve this objective.

Table: 6.13 LED Budget

Category	Code	Responses	Total	%
Yes	1	17	38	45%
No	2	12	38	32%
Not Sure	3	9	38	24%
Total		38	38	100%

Of those who have the budget for LED, 82% maintain however that it does not meet their planned priorities and as a result they either engage and lobby financial assistance from sector departments (57%), state agencies (29%) and 14% engage both sector departments and state agencies including the private sector [see tables 6.14 (a & b)].

Table: 6.14 (a) 'Does it meet planned priorities?'

Category	Code	Responses	Total	%
Yes	1	3	17	18%
No	2	14	17	82%
Not Sure	3	0	17	0%
Total		17	17	100%

Table: 6.14(b) Supplementing shortfall

Category	Code	Responses	Total	%
Engage sector Depts	1	8	14	57%
State agency funding	2	4	14	29%
Private sector funding	3	0	14	0%
All of the above	4	2	14	14%
Other	5	0	14	0%
Total		14	14	100%

Table 6.15 depicts a distribution of raw scores pertaining to the opinions expressed in relation to what factors contribute to the perceived retardation of progress in the implementation of the LED programme in Bophirima District. Respondents expressed their opinions ranging from **strongly agree, agree, neither agree nor disagree, disagree, strongly disagree to do not know**. Subsequently, a percentage distribution in table 6.16 is also presented with interpretations.

Table: 6.15 Raw scores distribution-LED Programme implementation opinions

Opinions Expressed	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	Do not know	
Municipalities lack capacity	13	18	3	4	0	0	38
There are no sufficient resources to implement and sustain projects	21	11	2	4	0	0	38
Poor implementation skills among officials	7	18	9	3	1	0	38
No uniform policy document to guide implementation	13	19	3	3	0	0	38
Poor political leadership	24	8	4	2	0		38
Internal bureaucracy	20	10	7	1	0	0	38
Fragmented service delivery	16	14	5	3		0	38
TOTAL							0

Table 6.16 shows that there are a number of factors that somehow hamper the successful implementation of the LED programme in the district. The biggest percentage of respondents strongly regard poor political leadership (63%), lack of sufficient resources (55%), internal bureaucracy (53%) and fragmented service delivery (42%) respectively as the main contributors to poor performance.

The fact that very few opinions (18%) are expressed in relation to **strongly supporting** the notion that poor implementation skills among officials retards implementation of the LED programme, reflects the possibility of bias since municipal officials themselves were involved in this investigation.

A similar pattern is also observed in the '**agree**' category which however prioritises lack of a uniform policy framework (50%), poor implementation skills among officials (47%)

6.3.2 Part B: Analysis and Interpretation of Municipal Stakeholders'

Questionnaires

Subsequent illustrations are a summary of data collected from municipal stakeholders comprising sector department officials, business owners, private sector, labour, NGO's and CBO's. Similar to the analysis of municipal officials' data; tables, graphs and pie charts are utilised to provide a clear perspective of related issues including a brief discussion underneath each table or graph.

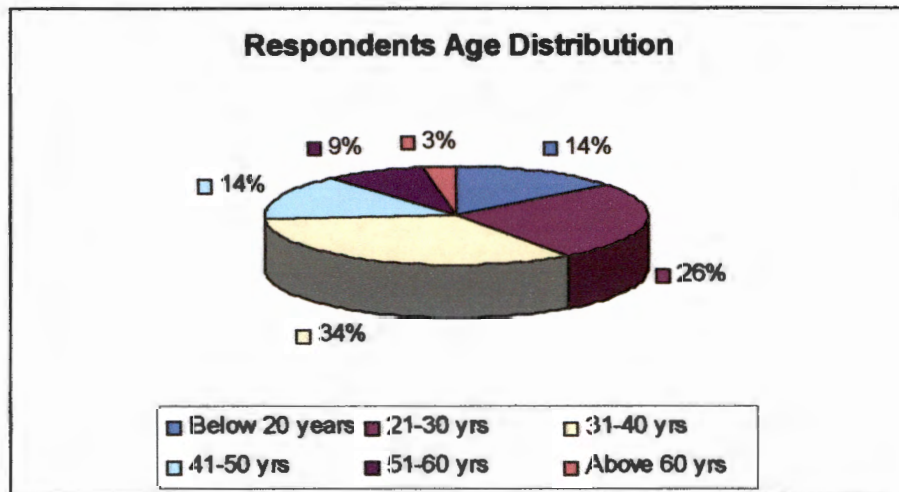
Table 6.17 reflects that the majority of stakeholders who responded are females accounting for 51% followed by males with 49%. In addition, table 6.18 illustrates the age distribution of municipal stakeholders' age and so does figure 6.8. It is observed from the latter figure that the majority of respondents (34%) fall within the 31-40 years age range followed by the 21-30 years age range with 26%. A further 14% represents respondents in the 41-50 age bracket. It is also worth noting the collective 40% contributions of the youth (from below 20 to 21-30 years) in this investigation. Only 9% of the 51-60 years and 3% reflecting those above 60 years respectively is also shown.

Table 6.17 Stakeholders Gender

Category	Code	Responses	Total	%
Male	1	17	35	49%
Female	2	18	35	51%
Other	3	0	35	0%
Total		35	40	88%

Table 6.18 Stakeholders Age

Categories	Responses	Total	%
Below 20 years	5	35	14%
21-30 yrs	9	35	26%
31-40 yrs	12	35	34%
41-50 yrs	5	35	14%
51-60 yrs	3	35	9%
Above 60 yrs	1	35	3%
Total	35	35	100%

Figure 6.8 Respondents Age Distribution

Furthermore, figure 6.9 illustrates that the majority of respondents have some form of educational qualifications and thus provide valuable inputs to this investigation. A total of 23% possess bachelor's degrees, 9% post-graduate degrees, 14% university diplomas. Most respondents (34%) however have only up to grade 12 and grade 11 (20%) level respectively.

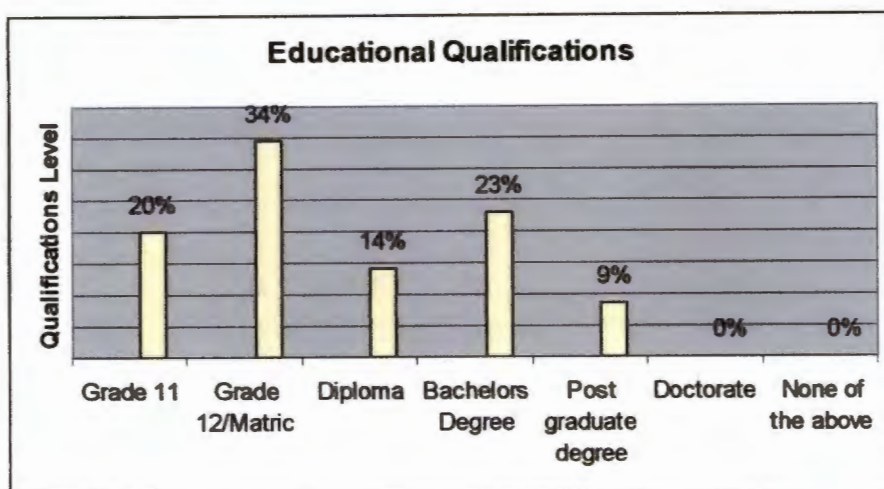
Figure: 6.9 Respondents educational qualifications

Table 6.19 attempts to establish any relations between respondents' age groups and educational qualifications according to data collected. The table thus reflects that respondents in the youth categories (below 20 years and 21-30 years) have the largest number of Grade 11 (16%) and Grade 12 (31%), suggesting therefore that the majority of respondents are the socio-economically active youth with a relatively low literacy level. Nonetheless, a fair contribution of the 31-40 age group is also observed. However, a low response rate of the adult population raises some concern.

Table: 6.19 Age and qualifications comparison

EDUCATIONAL QUALIFICATIONS	AGE DISTRIBUTION						
	Below 20	21-30	31-40	41-50	51-60	Above 60	
Grade 11	3 (8%)	3 (8%)	1 (3%)	0	0	0	0
Grade 12	5 (14%)	6 (17%)	1 (3%)	0	0	0	0
Diploma	0	3 (8%)	2 (6%)	0	0	0	0
Bachelor's Degree	0	2 (6%)	5 (14%)	1 (3%)	0	0	0
Post graduate	0	0	2 (6%)	1 (3%)	0	0	0
Doctorate	0	0	0	0	1 (3%)	0	0
None	0	0	0	0	0	0	0
TOTAL %	22%	40%	31%	6%	3%	0%	0%

The majority of respondents interviewed reside in Naledi (20%), Lekwa Teemane (17%) and outside the district jurisdiction (17%) as reflected in table 6.20. Fourteen percent (14%) live in Mamusa, and an equal percentage (11%) live in Kagisano and Greater Taung respectively while lastly, only 9% reside in Molopo municipal area.

Table 6.20: Municipal area of residence

Category	Responses	Total	%
Naledi L. M.	7	35	20%
Greater Taung L. M.	4	35	11%
Molopo L. M.	3	35	9%
Lekwa-Teemane L. M.	6	35	17%
Mamusa L. M.	5	35	14%
Kagisano L. M.	4	35	11%
None of the above	6	35	17%
Total	35	35	100%

Most of the respondents resided in their municipal areas for longer than 10 years (37%) and about 17% do not necessarily reside in those areas. This somehow suggests that they probably only work in such municipal areas and commute on week-ends. This percentage also includes those sector departments officials interviewed telephonically from provincial and national departments. About 46% stayed in the municipal area for less than 10 years. Table 6.21 provide such detail.

Table 6.21 Length of stay in a municipal area

Categories	Responses	Total	%
Less than 2yrs	1	35	3%
2-5 yrs	7	35	20%
6-10yrs	8	35	23%
11-15 yrs	10	35	28%
15ys +	3	35	9%
None of the above	6	35	17%
Total	35	35	100%

Twenty nine percent (29%) of the stakeholders which forms a majority are from the sector departments followed by the self-employed (14%) and NGO members (14%) respectively. An equal representation (9%) of members of the CBO's, business owners and private sector was attained. Table 6.22 fully outlines the work status of the stakeholders interviewed followed by an outline of developmental programmes they are involved in table 6.23 and figure 6.10 respectively.

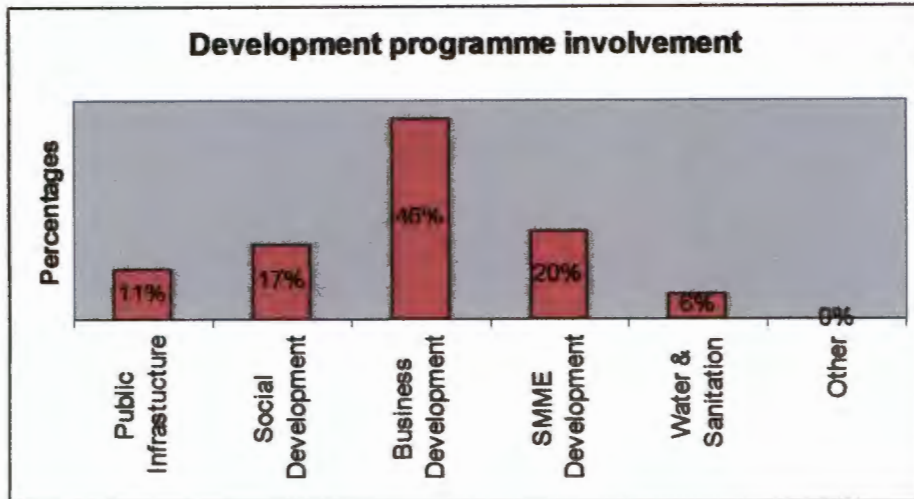
Table: 6.22 Stakeholders Work Status

Category	Code	Responses	Total	%
CBO	1	3	35	9%
NGO	2	5	35	14%
Labour Union Official	3	4	35	11%
Self-Employed	4	5	35	14%
Business Owner	5	3	35	9%
Private Sector	6	3	35	9%
Sector Department Official	7	10	35	29%
None Of The Above	8	2	35	6%
TOTAL		35	35	100%

It is worth noting that the majority of stakeholders interviewed are actively involved in business (46%) and SMME (20%) development programmes. Quite a significant number (17%) is also involved in social development issues followed by public infrastructure (11%) and water and sanitation programmes (6%).

Table: 6.23 Development Programme involved in

Category	Code	Responses	Total	%
Public Infrastructure	1	4	35	11%
Social Development	2	6	35	17%
Business Development	3	16	35	46%
SMME Development	4	7	35	20%
Water & Sanitation	5	2	35	6%
Other	6	0	35	0%
TOTAL		35	35	100%

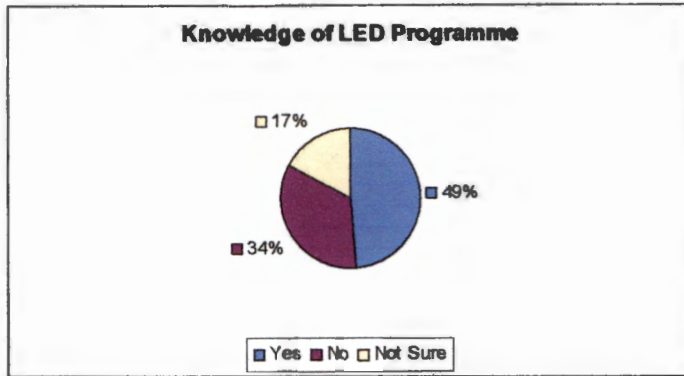
Figure: 6. 10 Development Programmes

6.3.2.1 Programme Implementation and Management: Roles, Responsibilities and LED Comprehension

Table 6.24 shows that most respondents (49%) have heard of and know about the LED programme when 34% know nothing about it and only 17% are not sure. This information is also depicted in figure 6.11.

Table: 6. 24 Knowledge of the LED programme

Category	Code	Responses	Total	%
Yes	1	17	35	49%
No	2	12	35	34%
Not Sure	3	6	35	17%
Total		35	35	100%

Figure: 6. 11 Knowledge of the LED programme

Those who know about the programme have mainly acquired such knowledge through workshops (47%), via municipal officials (24%), media sources (12%), through politicians (5%) and other sources (12%). Table 6.25 provides a full analysis of this statement. This finding assists in establishing whether LED as a concept is equally understood among both municipal officials and stakeholders. Thus, the manner in which stakeholders' knowledge of LED is acquired greatly affects the way in which it is supported. It is thus deduced from this finding that there exists different concept understanding particularly since different sources were cited.

Table: 6. 25 LED Knowledge Acquisition (How?)

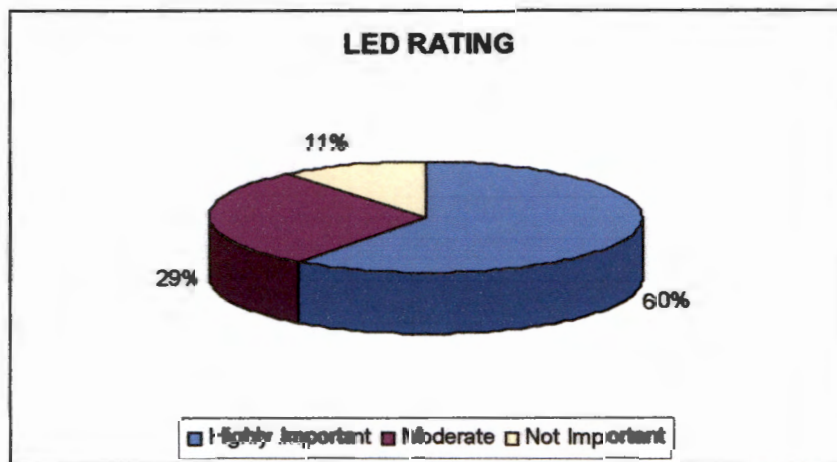
Category	Responses	Total	%
Media sources	2	17	12%
Municipal Officials	4	17	24%
Politicians	1	17	5%
Workshops	8	17	47%
Other	2	17	12%
Total	17	17	100%

In addition, a relative number of respondents (43%) as reflected in table 6. 26 believe that they understand what LED means and 29% indicates that they do not fully understand what it means. Equally, 29% of the respondents are not sure whether they understand the concept or not. Despite these disparities in opinion, 60% of the respondents believe that LED is a very crucial service delivery programme and they rate it as highly important. Secondly, 29% maintain it is moderately important whereas only 11% believe it is not important. Refer to figure 6.12.

Table 6.26 LED meaning

Category	Code	Responses	Total	%
Yes	1	15	35	43%
No	2	10	35	29%
Not Sure	3	10	35	29%
Total		35	35	100%

Figure: 6.12 LED Rating



Subsequently, table 6.27 shows that 34% of respondents believe that the main objectives of LED among others are, poverty alleviation, employment creation, enriching the poor and economic growth facilitation. An equal percentage representation (20%) believes that

LED is about poverty alleviation and employment creation whereas 14% maintain it is about economic growth. Only a minimum percentage (6%) believes LED is meant to enrich the poor and a further 6% does not know its purpose.

Table: 6. 27 LED Purpose

Categories	Code	Responses	Total	%
Alleviate Poverty	1	7	35	20%
Create Employment	2	7	35	20%
Enrich the Poor	3	2	35	6%
Economic Growth	4	5	35	14%
All of the above	5	12	35	34%
Do not Know	6	2	35	6%
Total		35	35	100%

6.3.2.2 Municipal capacity to execute the LED programme

In table 6.28 (a), the majority of respondents (51%) indicated that they participate in municipal development structures when only 29% do not. Twenty (20) percent are quite apathetic as they are not sure whether they do participate or not. To compound this notion as reflected in table 6.28 (b), a further 50% of those who do not participate in municipal planning structures highlighted that they still are not sure why they do not participate, 30% are never informed of such structures and an equal 10% is always committed or either not interested.

Table: 6.28 (a) Participation in municipal structures

Category	Code	Responses	Total	%
Yes	1	18	35	51%
No	2	10	35	29%
Not Sure	3	7	35	20%
Total		35	35	100%

Table: 6.28 (b) Reasons for not participating

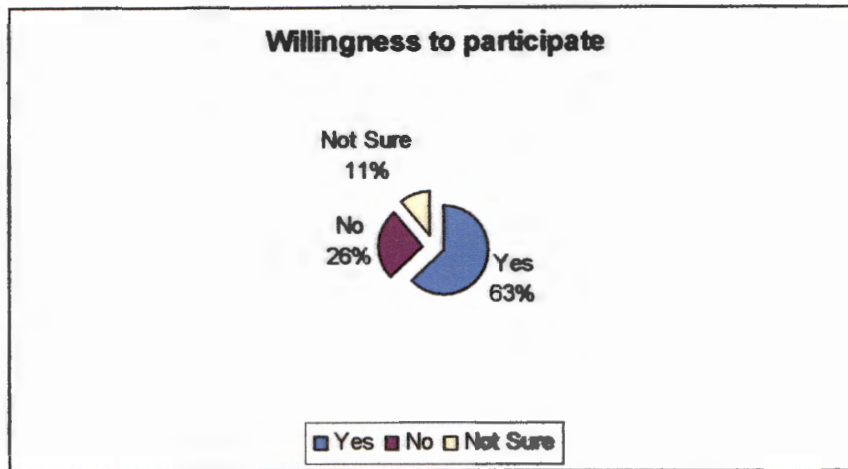
Category	Code	Responses	Total	%
Never informed	1	3	10	30%
Always committed	2	1	10	10%
Not interested	3	1	10	10%
Not Sure	4	5	10	50%
Total		10	10	100%

A fair assessment of municipalities' performance in relation to their ability to meaningfully coordinate local stakeholders for joint economic planning purposes is observed in table 6.29. Most respondents (43%) rated municipalities 'good' with only a few (9%) who believed that municipalities performed excellently. Very few respondents, less than 20% maintain municipalities did not do enough with a further 11% indecisive.

Table: 6. 29 Municipalities' Performance- Stakeholder Coordination

Category	Code	Responses	Total	%
Excellent	1	3	35	9%
Good	2	15	35	43%
Poor	3	10	35	10%
Very poor	4	3	35	9%
Not sure	5	4	35	11%
Total		35	35	100%

The results further indicate that the majority of stakeholders (63%) are willing to effectively participate in joint economic planning activities in partnership with municipalities. Only a small percentage (26%) indicated lack of interest in the process and a further 4% are still apathetic. Figure 6.13 illustrates these findings.

Figure: 6. 13 Willingness to participate in planning structures

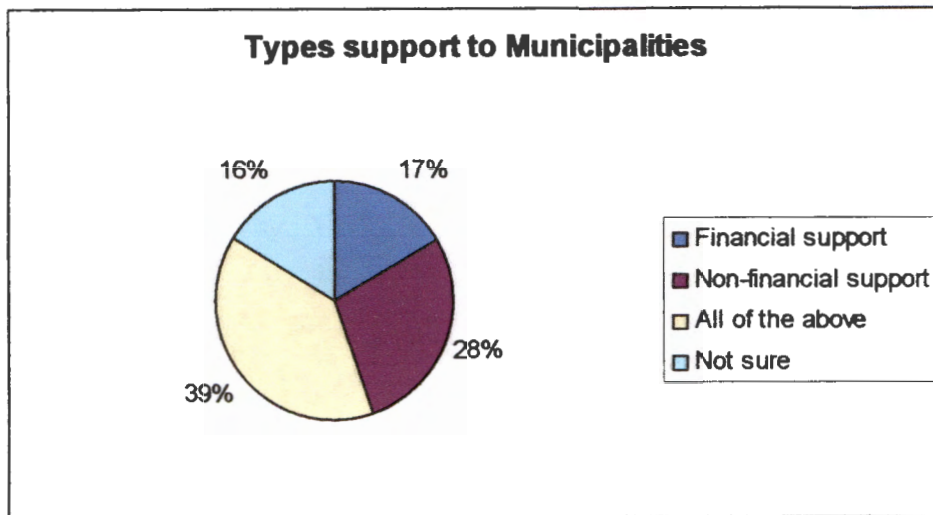
6.3.2.3 Programme financial and non-financial support

Most organisations and sector departments involved in the study do support the LED programme. This finding is reflected in table 6.30 wherein 51% respondents said they do, 23% do not and 26% of respondents are not quite sure.

Table: 6. 30 LED Initiatives Support

Category	Code	Responses	Total	%
Yes	1	18	35	51%
No	2	8	35	23%
Not Sure	3	9	35	26%
Total		35	35	100%

In addition, 51% of stakeholders who provide support to the LED initiatives indicated that their organisations mainly provide both (39%) financial and non-financial support, 28% provide only non-financial support and 17% only financial support. Sixteen (16) percent indicated that they are not sure which form of support if any is given to the LED programme as reflected in figure 6.14.

Figure: 6. 14: LED initiatives support

6.4 Conclusion

This chapter concentrated on providing the results of the study based mainly on the analysed data. Effort was also made to correlate and establish some form of relationships between and among important variables highlighted in the research questions.

Most significantly, it emerged from the results that the Bophirima District and its local municipalities' officials do understand what their roles and responsibilities in relation to the LED programme are. This is reflected by the 71% response rate obtained pertaining to this issue. The eighteen percent (18%) respondents who do not know their roles and responsibilities including the eleven percent (11%) who are not sure reflect the need for immediate intervention by municipalities. Keeping officials in positions when they do not know what they are there for greatly retards service delivery. There is a need for

municipalities to conduct a skills audit and reflect on their internal structures and align responsibilities per individual competencies and capabilities.

Secondly, the results revealed that the district does possess sufficient capacity to ensure successful implementation of the programme. Despite the existing intellectual capacity among officials (with above 50% tertiary qualifications), a similar capacity also exists among stakeholders with almost 46% of those interviewed holding tertiary qualifications. The greatest challenge however is a need to capacitate the youth the majority of which interviewed (54%) have only up to grade 12 qualifications.

The above and other issues pertinent to this investigation particularly those emanating from the results, are discussed in detail in the following chapter.

CHAPTER 7: DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

7.1 Introduction

In this chapter, a discussion of the main findings of this investigation is provided. A correlation of the main findings with the literature in chapter 3 including conclusions drawn is also presented. Lastly, recommendations in relation to the established challenges are provided.

7.2 Discussion of results

7.2.1 Programme Implementation and Management: Roles, Responsibilities and LED Comprehension

Most of the findings of this study seem to support the notions expressed in the research questions in chapter four. However, it was revealed that despite the implementation challenges faced by municipalities in the Bophirima district, the majority of officials do know what their actual roles and responsibilities in relation to the LED programme are. An overwhelming 71% of those interviewed supported this finding. The most worrying factor however, is the 29% of municipal officials of which 18% indicated not knowing what their roles and responsibilities pertaining to the programme are as well as the 11% that is also not sure. By implication, these officials are simply employed to do nothing or anything else irrelevant to the objectives of the LED programme.

The challenge therefore is for Bophirima district municipalities to conduct a skills audit in order to assist in ensuring that the right skills and competencies are effectively utilised for the relevant positions.

In addition, the analysis showed that the district possesses relatively sufficient intellectual capacity among its officials to successfully implement the LED programme. Above fifty percent (50%) of municipal officials interviewed possess tertiary qualifications particularly in management positions. A similar trend among municipal stakeholders was also observed. Forty six percent (46%) of those who participated in the study hold tertiary qualifications.

It should however be noted that the literature reviewed in chapter two extensively deemed LED as a joint local stakeholder coordinated approach to economic development (dplg, 2003). As a result, municipal officials' capacity alone is not able to bring about the desired programme output. Capacity is equally needed from the stakeholders involved. The challenge however seems to lie with the youth sector with about 54% interviewed with mainly grade 11 and 12 qualifications.

Furthermore, the assertion held by the Department of Provincial Local Government (dplg, 2003) that LED seems to be understood differently by different individuals and institutions appear to hold true. This was implicitly highlighted in the findings between the way LED is understood among municipal officials and stakeholders respectively. Significantly, municipal officials regard LED as underpinned by providing local business support, foreign investment attraction, SMME development and active facilitation and

coordination of relevant stakeholders. In essence, they regard LED as creating a conducive environment within which economic prosperity can take effect. On the other hand, some municipal stakeholders (34%) regard LED as a pro-poor programme meant to alleviate poverty, create employment and contribute to economic growth.

The results also consistently revealed that over and above different interpretations of what LED is perceived to be, a great majority of municipal officials (79%) maintain that they know what it means as opposed to 43% of the stakeholders. Most interestingly is the manner in which the majority of stakeholders indicated they learned about LED. They mentioned that they learned mainly through workshops, municipal officials and to some extent, via media sources. This finding as a result suggests that there exists differing concept understanding among stakeholders thus the possibility of different levels of support. This situation calls for immediate intervention measures if at all the benefits of this programme are to be effectively realized.

7.2.2 Municipal capacity to execute the LED programme

In relation to the municipalities' ability to facilitate and coordinate meaningful stakeholder participation, it was revealed that municipalities in Bophirima are indeed giving this approach sufficient attention. All municipal officials interviewed conceded that their municipalities engage relevant stakeholders in economic planning processes. In contrast, only 52% of the stakeholders interviewed supported their active participation in municipal planning structures. They highly commended their municipalities' efforts to coordinate the joint planning processes.

The literature in chapter 3 further seemed to suggest that poor collective collaboration may result in issues of intellectual capacity, uniform understanding of concepts and implementation approaches evasively addressed if localities do not work together to establish their own economic strengths (Nel & Rogerson, 2004). Thus a fair percentage of municipal stakeholders interviewed (51%) acknowledged that their organizations are actively involved in providing some form of support to LED related initiatives. This percentage is commensurate with the 52% of those who actively participate in municipal planning structures.

The literature further revealed that there are a number of public or state entities, business support policy frameworks and sector departments that provide support to the LED programme. They include among others SEDA, Khula Enterprise, Invest North West, NWDC, Independent Development Trust (IDT), Industrial Development Corporation (IDC), DTL, DPLG and many others including sector specific charters. This was as a result supported by the findings through the reflection of the existence and accessibility of such public entities within the district.

As a matter of fact the SEDA office was opened in Vryburg (Naledi Local Municipal area) in 2005. Nonetheless, the ability of municipalities to effectively collaborate with such structures to leverage resources available still poses a challenge. This assertion is supported by the asset based theory that asserts that the more assets an individual or community has secured or has access to and the better they are managed, the less vulnerable they are. Conversely, the more these assets are abused and mismanaged the more insecure and impoverished they become (Rogerson, 1997).

7.2.3 Programme financial and non-financial support

Both financial and non-financial support is provided by some stakeholders to LED related initiatives. Others maintained that they either provide financial or non financial support only. In addition, municipalities that indicated that they have a designated LED budget conceded that it does not meet most of their planned priorities thus they end up requiring external additional financial assistance. Most mentioned that they engage sector departments, state agencies as well as the private sector.

A worrying factor observed is the failure of some municipalities to have a designated LED budget. One therefore wonders how are they able to ensure the successful implementation of the programme without the necessary resources. This situation does also contribute to the ineffective utilisation of officials responsible for LED in municipalities hence some do not know their actual roles and responsibilities.

7.3 Conclusions and recommendations

In conclusion, the results of this investigation seem to adequately address the research questions as envisaged. Even though the researcher initially pre-empted in chapter four that lack of capacity at municipal level, different understanding of the LED concept, insufficient resources and poor understanding of the actual roles and responsibilities by municipal officials negatively impact on the successful implementation of the LED programme, the results revealed more related constraints than anticipated.

In the first place, they revealed that insufficient practical implementation skills among officials contribute negatively to the LED programme success rate. Furthermore, the following, in no particular order, were also importantly prioritized as greatly suffocating the success rate of the LED programme implementation with the rating of collective positive responses ('strongly agree' and 'agree') obtained in brackets:

- No uniform policy to guide implementation (84%)
- No sufficient resources (84%)
- Poor political leadership (84%)
- Lack of capacity at municipal level (81%)
- Internal bureaucracy (79%)
- Fragmented service delivery (79%)
- Poor implementation skills among officials (65%)

Secondly, officials in management positions within municipalities reflected that their lack of decision-making powers (50%) precisely since implementation of some development programmes are ratified through council committees then by Council which normally sits once a quarter as per the Municipal Structures Act, negatively affect their productivity. This bureaucratic system thus contributes to lack of effective decision-making hence officials' contention that they are not adequately empowered to carry out their obligations. This entire process greatly delays some of the implementation priorities.

Some of the stakeholders' level of LED understanding is of significant concern, particularly the manner in which they mentioned they acquired such understanding. This

situation therefore calls for a formal knowledge acquisition process by engaging relevant skills development authorities. In essence, linkages with the relevant training Seta, in this instance, the Local Government and Water Services Education and Training Authority (LGWSETA) needs to unfold at municipal level in order to capacitate stakeholders. This approach is regarded as a possible intervention measure to LED capacitating process. Tassonyi (2005) conceded in chapter two that there is a growing need for a high local resource base in the form of human capital to support growing economies. Thus capacity building needs to take centre stage so as to create and retain the local knowledge base to effectively respond to the rapidly changing economic environment.

In conclusion, the study has highlighted three very critical areas that require immediate intervention by municipalities in Bophirima District. In the first instance, it was established that municipalities do not lack capacity but rather officials' ability to effectively implement the programme needs enhancement. Thus there is a dire need for the improvement of practical implementation skills among LED officials. A proper skills audit needs to unfold so as to place relevant skills in relevant positions.

Secondly, stakeholders' understanding of LED also needs to be reinforced. It was established that even with the availability of resources to support the programme, different comprehension of desired outputs leads to conflicting implementation strategies or approaches.

Lastly, the oversight role of politicians in local economic advancement while it is constitutionally mandated, it somehow stifles officials' decision making capacity and ultimately delays effective service delivery. This was attributed to the council committee system which mainly is regarded as slow and inflexible.

7.4 Study Limitations

This study does not make any claim with regard to the all-inclusive and broad issues related to the understanding and implementation of LED programme in Bophirima district. It merely serves as a basis for further investigation into the matter. It is however hoped that the findings which to a great extent represent the current position in relation to the research questions examined, would assist the district and its local municipalities to reflect thereon and put systems in place to support the LED programme implementation.

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www.acns.fsu.edu/EDT

www.anctoday.org.za

www.makingcitieswork.org

www.worldbank.org

Appendixes

Annexure A

Introduction Letter

Annexure B

Municipal Officials Questionnaire

Annexure C

Municipal Stakeholders Questionnaire

ANNEXURES

ANNEXURE A

No. 7 Totius Street
VRYBURG
8600

12 January 2006

To all respondents

Sir/Madam

**AN EXAMINATION OF LOCAL ECONOMIC DEVELOPMENT (LED) IN
BOPHIRIMA DISTRICT**

The above matter refers.

This study is conducted with the aim of establishing constraints if any, that impede on the successful implementation of the LED programme in the Bophirima District.

You are one of the valued municipal officials and stakeholders selected in this regard. You are kindly requested to provide your honest opinions in order to obtain meaningful results. Your inputs are quite valued.

Kindly note that you are not obliged to furnish your name.

The information that you provide, will be treated as strictly confidential.

Yours faithfully

.....
Masego Makhonofane

ANNEXURE B

QUESTIONNAIRE: 01

(Municipality officials)

SECTION A

BIOGRAPHICAL DATA

[Please mark your response with a tick (✓). There are no right or wrong answers]

[Please do not write your name.]

1. Gender

Male	1
Female	2
Other	3

2. Which municipality do you work for?

Naledi L. M.	1
Greater Taung L. M.	2
Molopo L. M.	3
Lekwa Teemane L. M.	4
Mamusa L. M.	5
Kagisano L. M.	6
Bophirima District M.	7

3. What is your position in the municipality?

Municipal Manager	1
LED political head	2
IDP Manager	3
LED manager/Director	3
LED/Tourism coordinator	4
Tourism manager	5
Other	6

4. How long have you been in the municipality in a similar position?

0 – 2 years	1
3 – 5 years	2
6 – 10 years	3
Above 10years	4

5. What is your highest educational qualification?

Grade 11	1
Matric/Grade 12	2
Diploma	3
Bachelors degree	4
Post graduate degree	5
Doctorate degree	6
None of the above	7

SECTION B

SURVEY QUESTIONS

1. Programme implementation and management

1.1 Do you clearly understand what LED means?

Yes	1
No	2
Not sure	3

1.2 Do you have a clear understanding of what your role and responsibilities in relation to the LED programme are?

Yes	1
No	2
Not sure	3

1.3 If yes, what do they entail?

Supporting local business enterprises	1
Attracting foreign investment	2
SMME development	3
Facilitate joint stakeholder economic development planning	4
Ensure programme implementation	5
Only 1 , 2, 3, above	6
All of the above	7
Not sure	8

1.4 If no, why?

Lack of guiding policy framework	1
Lack of a comprehensive LED strategy	2
LED and IDP are the same	3
Insufficient training	4
Doing most of the things irrelevant to LED	5
All of the above	6
Other	7

1.5 Do you believe that you are adequately empowered to carry out your responsibilities?

Yes	1
No	2
Not sure	3

1.6 If not, how best do you think your municipality can empower you?

Skills development	1
Reduce workload	2
Hire additional staff	3
Design a job description	4
All of the above	5
Other	6

1.7 In relation to your position in the municipality, do you have decision-making powers?

Yes	1
No	2
Not sure	3

2. Stakeholder participation

2.1 Does your municipality engage other stakeholders in economic development planning processes?

Yes	1
No	2
Not sure	3

2.2 If yes, how are they involved?

IDP hearings	1
LED forum	2
Intergovernmental Forum	3
Ad hoc meetings	4
All of the above	5
Other	6

2.3. If no, why?

Never respond to invitations	1
Always send apologies	2
Lack of interest in municipal activities	3
Oversight by municipality	4
All of the above	5
Other	6

2.4 Which of the following state agencies are accessible within your district?

SEDA	1
NWDC	2
Umsobomvu Youth Fund	3
Khula enterprise	4
Invest North West	5
1 and 2 above	6
All of the above	7
Other *	8

* Please specify:

3. Programme financial and non-financial support

3.1 Does your municipality have a designated budget for the LED programme?

Yes	1
No	2
Not sure	3

3.2 If yes, does it meet your planned priorities?

Yes	1
No	2
Not sure	3

3.3 If not, how do you supplement the shortfall?

Engage other sector departments	1
State agencies funding	2
Private sector funding	3
All of the above	4
Other	5



3.4 In your opinion what do you think retards progress in the successful implementation of the LED programme? Which of the following opinions do you agree with?

	Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree	Do not know
Municipalities lack capacity	5	4	3	2	1	0
There are no sufficient resources to implement and sustain projects	5	4	3	2	1	0
Poor implementation skills among officials	5	4	3	2	1	0
No uniform policy document to guide implementation	5	4	3	2	1	0
Poor political leadership	5	4	3	2	1	0
Internal bureaucracy	5	4	3	2	1	0
Fragmented service delivery	5	4	3	2	1	0

Thank you very much for your valuable inputs.

ANNEXURE C

QUESTIONNAIRE: 02

(Municipal Stakeholders)

SECTION A

BIOGRAPHICAL DATA

[Please do not write your name.]

1. Gender

Male	1
Female	2
Other	3

2. What is your age group?

YEARS	
Below 20	1
21 – 30	2
31 – 40	3
41 – 50	4
51 – 60	5
Above 60	6

3. What is your highest educational qualification?

Grade 11	1
Matric/Grade 12	2
Diploma	3
Degree	4
Post graduate degree	5
Doctorate	6
None of the above	7

4. In which municipal area do you stay?

Naledi L. M.	1
Greater Taung L. M.	2
Molopo L. M.	3
Lekwa Teemane L. M.	4
Mamusa L. M.	5
Kagisano L. M.	6
None of the above	7

5. How long have you been staying there?

Less than 2 years	1
3 to 5 years	2
6 to 10 years	3
11 to 15 years	4
More than 15 years	6
None of the above	7

6. Which of the following best describes your current work status?

CBO volunteer	1
NGO volunteer	2
Labour union official	3
Self-employed	4
Business owner	5
Private sector employee	6
Sector Department official	7
None of the above	8

7. Which development programme are you involved in?

Public infrastructure	1
Social development	2
Business development	3
SMME development	4
Water & sanitation	5
Other	6

SECTION B

SURVEY QUESTIONS

1. Local Economic Development (LED)

[Please mark your response with a tick (✓). There are no right or wrong answers]

1.1 Have you heard of the government's economic development initiative known as the LED?

Yes	1
No	2
Not sure	3

1.2 If yes, how did you know about it?

Through media sources	1
Municipality officials	2
Politicians	3
Workshops	4
Other	5

1.3 Do you understand what LED means?

Yes	1
No	2
Not sure	3

1.4 How would you rate the importance of the LED programme?

Highly important	1
Moderate	2
Not important	3

1.5 What purpose do you think LED serves?

Alleviate poverty	1
Create employment	2
Enrich the poor	3
Economic growth	4
All of the above	5
Do not know	6

1. 6 Do you participate in any municipal development structure?

Yes	1
No	2
Not sure	3

1. 7 If no, why?

Never informed	1
Always committed	2
Not interested	3
Not sure	4

1. 8 Does your organisation support LED related initiatives?

Yes	1
No	2
Not sure	3

1. 9 If so, what type of support do you provide?

Financial	1
Non-financial	2
All of the above	3
Not sure	4

1. 10 LED is meant to be a multi-stakeholder development programme. Municipalities are considered appropriate to meaningfully coordinate local stakeholders for joint planning purposes. How would you rate your municipality's performance in relation to the above statements?

Excellent	1
Very good	2
Good	3
Poor	4
Very poor	5
Not sure	6

1. 11 Are you willing to effectively participate in joint economic planning activities in your area?

Yes	1
No	2
Not sure	3