

Job creation and employment sustainability within the Tlokwe Local Municipality: A policy analysis

**BN Mumba
20482701**

Dissertation submitted in fulfilment of the requirements for the
degree Master of Arts-Public Management and Governance at
the Potchefstroom Campus of the North-West University

Supervisor: Prof HG van Dijk

November 2016

ACKNOWLEDGEMENTS

I would like to express my deepest appreciation as follows:

First and foremost I would like to thank God my heavenly Father, for being my sanctuary in all moments and constantly showering me with love, peace, joy, guidance and support. I thank him for the wisdom, strength, understanding and grace he gave me throughout this study.

Professor HG van Dijk, my supervisor and director, for her belief in me, her patience throughout this journey and opening her office door to me. I thank her for her encouraging words that pushed me to the finish line, her support that knows no bound. Her presence, insight and knowledge enabled this study to be possible.

My parents, for their prayers, love and unwavering support. Thank you for seeing the best in me and guiding me at all times.

Professor B.R. Hanyane, my mentor, for believing in me, his encouragement, reminder to always be positive and to look towards the goal.

Dr W. ten Ham-Baloyi, for her support, prayers and encouragement.

Netta, my kindred spirit and mentor, for her guidance, undying loyalty, support, love, respect, appreciation and always reminding me to seek God.

Celumusa for his support, encouragement and constantly reminding me to trust God and pray.

The employees of the Tlokwe Local Municipality, for readily being available and taking part in the study.

My siblings and friends, for their support, love, interest and encouragement.

ABSTRACT

Unemployment is an ongoing issue globally and specifically in South Africa with a current unemployment rate of 25.7% which has negative effects on society and influences the livelihoods of individuals. Job creation should be emphasised and be created in an environment that is able to produce more opportunities for its citizens. The alignment of the three spheres namely; national, provincial and local governments are paramount in addressing challenges experienced in societies by communities. The study sets out to investigate job creation and sustainable employment currently addressed through the Local Economic Development (LED) policy, specifically within the Tlokwe Local Municipality. The study argues that by facilitating an enabling environment supportive of economic growth, job creation will also be addressed. The primary aim of this research was to explore how evident job creation and employment sustainability are in the LED policy of the Tlokwe Local Municipality. For the purposes of the study a policy analysis approach was taken with respect to policy implementation in local government.

A qualitative research methodology was used in this study, including a literature review and unstructured individual interviews with selected public officials. The findings of the study were that for the LED policy to be successful, the drafting of the LED policy by relevant specific individuals should provide clear objectives in guiding the prioritisation of LED projects and programmes. As conceptualised in theory, public officials should be working collaboratively with other stakeholders to achieve the developmental objectives of LED. Collaboration can be achieved by the practical implementation of the LED policy. However, currently this is not the case. The lack of recognition for the importance of the LED policy negatively affects the institutional culture and commitment in promoting alignment amongst public officials within the Tlokwe Local Municipality. In addition, the lack of community participation in the LED policy prevents public officials from knowing the types of challenges being experienced in the various areas of the Tlokwe Local Municipality. It therefore shows that the lack of prioritisation and recognition for the importance of the LED policy by public officials has a negative influence on implementation and being successful in addressing the needs of communities. Therefore, public officials have a responsibility in being equipped with the appropriate knowledge in facilitating integration and recognition of the LED policy within all functions that are related to enable a supportive environment to foster job creation and a sustainable employment.

Various recommendations were made to the Tlokwe Local Municipality with respect to prioritisation of LED projects by ensuring that public officials obtain the necessary information concerning the LED policy. By considering the implementation of these recommendations, public officials will be able to create an enabling environment that promotes both economic

growth and job creation. Furthermore these recommendations will improve the interaction amongst public officials of other departments in setting LED priorities that need to be realised through including LED projects in the Tlokwe Local Municipality's Integrated Development Plan, which is expected to have a positive effect in promoting organisational commitment amongst public officials and therefore might lead to the needs of communities being met.

KEYWORDS

Job creation, employment sustainability, economic growth, communities, local economic development, Tlokwe Local Municipality, public officials, unemployment

TABLE OF CONTENTS

ACKNOWLEDGEMENTS	I
ABSTRACT	II
CHAPTER 1: OUTLINE OF THE STUDY	1
1.1 INTRODUCTION	1
1.2 ORIENTATION.....	1
1.3 PROBLEM STATEMENT	7
1.4 RESEARCH OBJECTIVES	11
1.5 RESEARCH QUESTIONS.....	11
1.6 CENTRAL THEORETICAL STATEMENTS	12
1.7 RESEARCH METHODOLOGY	12
1.7.1 Approach to be used.....	12
1.7.2 Research design.....	13
1.7.3 Instrumentation.....	13
1.7.3.1 Literature review	13
1.7.3.2 Interviews	15
1.7.4 Population and sampling	16
1.7.5 Data analysis	16
1.7.6 Limitations of the study	17
1.8 ETHICAL CONSIDERATIONS.....	17
1.9 SIGNIFICANCE OF STUDY	18
1.10 CHAPTER DIVISION.....	18
1.11 CONCLUSION	19

CHAPTER 2: A THEORETICAL FRAMEWORK FOR UNDERSTANDING POLICY WITH REGARD TO JOB CREATION AND EMPLOYMENT SUSTAINABILITY WITHIN THE CONTEXT OF LOCAL ECONOMIC DEVELOPMENT	20
2.1 INTRODUCTION	20
2.2 CONCEPTUALISING POLICY IN THE STUDY OF PUBLIC ADMINISTRATION.....	20
2.3 A THEORETICAL FRAMEWORK FOR POLICY	27
2.3.1 Definition of policy and policy analysis	27
2.3.2 Policy analysis models and stages	28
2.4 DEVELOPMENT THEORIES PERTAINING TO ECONOMIC GROWTH	35
2.4.1 Defining development in relation to economic development.....	35
2.4.2 Development theories: an overview	37
2.4.2.1 Modernisation	37
2.4.2.2 Dependency Theory	39
2.5 CONCLUSION	42
 CHAPTER 3: ENVIRONMENTAL FACTORS INFLUENCING LOCAL ECONOMIC DEVELOPMENT WITHIN THE TLOKWE LOCAL MUNICIPALITY	 44
3.1 INTRODUCTION	44
3.2 THE ENVIRONMENT DEFINED.....	44
3.3 EXTERNAL ENVIRONMENT	47
3.3.1 Economic environment	58
3.3.2 Social environment	62
3.4 INTERNAL ENVIRONMENT	64
3.4.1 Institutional culture.....	65
3.4.2 Institutional commitment	68

3.5	CONCLUSION	70
	CHAPTER 4: CHALLENGES RELATED TO THE FACILITATION OF JOB CREATION AND EMPLOYMENT SUSTAINABILITY THROUGH LOCAL ECONOMIC DEVELOPMENT WITHIN THE TLOKWE LOCAL MUNICIPALITY	72
4.1	INTRODUCTION	72
4.2	LOCAL ECONOMIC DEVELOPMENT IN THE TLOKWE LOCAL MUNICIPALITY	73
4.2.1	Role of local government in Local Economic Development.....	74
4.2.2	The purpose of Local Economic Development.....	78
4.2.3	Local Economic Development stakeholders	80
4.3	LOCAL ECONOMIC DEVELOPMENT IN ADDRESSING UNEMPLOYMENT AND JOB CREATION	83
4.4	CHALLENGES IN LOCAL ECONOMIC DEVELOPMENT POLICY IMPLEMENTATION	84
4.4.1	Socio-economic challenges in Local Economic Development policy implementation	85
4.4.2	Political environmental challenges in realising Local Economic Development policy implementation	87
4.4.3	Institutional challenges in Local Economic Development policy implementation	89
4.5	CONCLUSION	92
	CHAPTER 5: RECOMMENDATIONS AND CONCLUSIONS	94
5.1	INTRODUCTION	94
5.2	FINAL CONCLUSION	95
5.3	RECOMMENDATIONS	97
5.3.1	Recommendations addressing environmental-related challenges.....	97

5.3.2	Recommendations addressing input-related challenges	98
5.3.3	Recommendations addressing conversion-related challenges.....	99
5.3.4	Recommendations addressing output-related challenges	101
5.4	CONCLUSION	103
	REFERENCE LIST	104
	ANNEXURES.....	127
	ANNEXURE 1	127
	ANNEXURE 2	129
	ANNEXURE 3	130
	ANNEXURE 4	131
	ANNEXURE 5	132

LIST OF TABLES

Table 3.1: SWOT analysis Tlokwe Local Municipality	48
--	----

LIST OF FIGURES

Figure 2.1: Generic process model.....	32
Figure 2.2: The open systems approach	33
Figure 3.1: Process in a SWOT analysis	45
Figure 3.2: The economic structure of Tlokwe Local Municipality	60

CHAPTER 1: OUTLINE OF THE STUDY

1.1 INTRODUCTION

Irrespective of the fact that South Africa is a middle-income nation, the South African society is considered unequal in comparison to the world. This society continues to be affected by poverty in the face of economic growth despite its democratic transition in 1994 (Malakwane, 2012:1). South Africa like many other countries is faced with the following socio-economic barriers; unemployment, poverty and inequality (Faulkner *et al.*, 2013:2). After South Africa attained a democratic government, Local Economic Development (LED) was an initiative that was introduced by government in trying to address the mentioned socio-economic challenges (Moyo, 2007:220).

As a result government had a requirement for looking into the needs of citizens by making use of public services provided to citizens in a manner that is effective and efficient. This responsibility should be exercised within all three spheres of government (Nzimakwe & Mpehle, 2012:280). According to Bogopane (2012:1) local government's role lies in ensuring that LED creates an environment for job creation, sustainable rural development and urban renewal. This is important so that government structures can conduct strategic local partnerships and promote sustainable economic growth.

Chapter one includes an orientation to the study and a problem statement as well as research objectives and research questions. A central theoretical statement, research methodology, significance of the study, ethical consideration, and preliminary chapters are discussed accordingly and lastly, concluding remarks are made.

1.2 ORIENTATION

The *World Economic Situation and Prospects* (2013:9) reports unemployment as continuing to be one of the biggest contributors to rising poverty in developed as well as developing countries such as South Africa. Rodrik (2006:1) argues that the transformation South Africa has undergone since its democratic transition in 1994 is nothing short of remarkable. Between 1995 and 2009 unemployment rose from 17% to 25%, leading to South Africa having one of the highest rates of unemployment in the world (Hodge, 2009:500). Statistics South Africa (cited by Malakwane, 2012:1) reported that unemployment increased to 25.7% in July 2011.

The focus of the study is on job creation and sustainable employment through local economic development (LED), specifically within the Tlokwe Local Municipality. Employment can be described as work that is done in order to earn a salary (The Oxford advanced learner's

dictionary of current English, 2006:479). The Provincial Growth and Development Plan of the North West (2030:12) states that job creation is a means through which economic growth and transformation can occur by distributing the benefits of growth widely and reducing dependency on the welfare system. It will require the investment and intervention from both private and public sectors to create an enabling environment to stimulate the generation of employment opportunities and economic growth. Sustainability can be defined as “to continue or be continued for a very long time” (The Oxford advanced learner’s dictionary of current English, 2006:1492) which implies continued employment. Furthermore, economic development, social development and environmental protection are interdependent and mutually reinforcing components of sustainable development. United Nations Development Programme mentions the following: “development is not just about growth. Likewise, sustainability is not just out there for protecting the environment. Both development and sustainability are primarily about people living in peace with each other” (United Nations Development Programme, 2012:4).

From the aforementioned it can be deduced that job creation and employment sustainability are two interrelated issues affecting developing countries worldwide. Job creation can be viewed as a process of providing work opportunities for a sustained period of time. Furthermore, the World Economic Situations and Prospects (2013:10) reports how unemployment has a negative impact on both the individuals who lose their jobs as well as the economy as a whole. Adequate job creation should be a key policy priority in a developing country such as South Africa.

The issue of unemployment is not new for municipalities such as the Tlokwe Local Municipality. For example, the Tlokwe City Council Annual Report (2015:37) estimates an average unemployment rate of 44% in which a comparison was done between males and females. By comparison, males have a higher percentage of unemployment, namely 26%, while females were estimated to have a percentage of 18%. It is clear that both genders are greatly affected despite the difference in percentages.

Unemployment has countless effects that can influence the livelihoods of individuals. This can be seen in the harsh changes that have taken place in the society that is the Tlokwe Local Municipality, particularly in its big increase in social problems due to unemployment. This is evident in the Organisation for Economic Co-operation Development (OECD) Policy Brief (2014:1) which states that local government has an essential role towards contributing to local potential in terms of job creation, business expansion and social cohesion. As a direct response to unemployment which national policies appeared unable to defeat on their own. Furthermore, the high unemployment rate causes a great demand for social grants as a form of poverty alleviation. According to the Tlokwe City Council Annual Report (2015:209) unemployment comes with challenges which include vulnerabilities such as high levels of poverty and a declining local economy.

The OECD Policy Brief (2014:1) indicates that if implemented properly, local development initiatives can bolster national efforts to create employment and tackle poverty which negatively affects the country's economy. Creating an environment that is able to produce more opportunities for its citizens through bringing about job opportunities, should be the emphasis in job creation. This is evident when Folley (2010:5) states that for social and economic development, job creation rests on local government. Furthermore, Triegaardt (2007:3) explains that local government is directly responsible for ensuring an enabling economic and social environment that is conducive to the creation of employment opportunities.

Sections 40 and 41 of the Constitution of the Republic of South Africa, 1996, recognises that local government in South Africa has an important role to play in job creation, as it is the sphere closest to the people. According to Section B of the White Paper on Local Government, 1998, the concept of developmental local government is defined as local government committed to working with its citizens and groups within the community, and to find sustainable ways to meet their social, economic and material needs to improve their quality of life (South Africa, 1998).

Local government has a significant role to play not only in reaching people but in addressing the challenges with which people are faced. Employment in South Africa is a challenge in relation to the level of employment and the quality of jobs generated. Employment serves a purpose not only in bringing about a decent wage, but in creating a better living standard for communities (Hodge, 2009:501). Job creation should be viewed as an outcome of economic and business investment. Rodrik (2006:2) states that in South Africa unemployment is mostly found amongst the young and unskilled, and that the transition to a multi-racial democracy in 1994 posed difficult political, social and economic challenges which have been widely recognised. Job creation and low levels of expertise and skills are therefore some of the greatest challenges that need to be resolved in South Africa, as reported by the World Economic Situation and Prospects (2013:10). Although black youths are particularly vulnerable to unemployment, all races are affected by unemployment. Initiatives such as youth programmes and training facilities have been proposed at national, provincial and local spheres to address the unemployment challenge. It is generally acknowledged that job creation is an outcome rather than a direct initiative of policies (OECD, 2001:1) which requires the involvement of three spheres of government that are aligned to strategic policies, which guide and promote economic growth as a way to help citizens.

In 1994 the African National Congress (ANC) came into power, the officials developed an economic policy aimed at driving employment and economic growth: the Growth Employment and Redistribution Policy (Hereinafter referred to as GEAR) (Oosthuizen & Bhorat, 2004:1). According to Triegaardt (2007:2) GEAR represented the macro-economic framework proposing labour market reforms, privatisation, and trade liberalisation and reduced deficits of which the

latter two objectives were achieved. GEAR was short-lived because it received severe criticism, as it was unable to address the issue of unemployment (Triegaardt, 2007:2). This is explained by Rodrik (2006:2) who showed that unemployment increased drastically from 17% to 25% since South Africa's democratic transition in 1994.

The GEAR Policy was replaced by the New Growth Path (Hereinafter referred to as NGP) in 2010, which aimed to respond to the bad economic downturn which affected people globally (SEIFSA Economics Division, 2011:3-4). The NGP Policy focuses on possibilities that exist with regard to job creation and economic sectors (Triegaardt, 2007:1). This is supported by Kingdon and Knight (2003:408) who state that there is a need for policies focused on the reduction of unemployment rates. It can be seen that research efforts have been carried out on job creation and employment sustainability for South Africa as a whole (see for example Hodge, 2009; Oosthuizen & Bhorat, 2004). However, little research has been conducted concerning local municipalities' contribution in South Africa, according to Rashinee *et al.* (2006:7).

The NGP was replaced by the National Development Plan which can be defined as the country's strategic framework addressing serious goals and objectives that are effective in aiding a country to reach a preferred level of growth (Go *et al.*, 2013:6, Ndeke 2013:16). There are some serious goals pointed out in the National Development Plan which include poverty alleviation, standards of the population and education and skills development (Department of International Relations and Cooperation, 2013:16). Furthermore, The National Development Plan has other important objectives that include job creation opportunities, a clean environment, sufficient nutrition for the population and provision of recreational and leisure facilities (Milman & Short, 2008:758). According to Van Nieuwkerk (2013:6) there is a need to improve the effectiveness of the National Development plan, the following strategies are necessary; promoting the importance of training and improving the capacity of different departments and structures, enhancing collaboration and partnership with different government departments, structures and stakeholders. The elimination of poverty and improving the socio-economic factors and standards of the South African population are also part of the long-term goal of South Africa's National Development plan (National Planning Commission, 2014:102).

In order to facilitate the appropriate alignment between national, provincial and local employment objectives, specific strategic policies were also brought to the fore such as the Medium Term Strategic Framework (MTSF) and the Medium Term Expenditure Framework (MTEF) in June 2009. The MTSF is a document that is used in guiding and planning the allocation of resources across spheres of government (Medium Term Strategic Framework, 2012:4). Municipalities are also informed by the Medium Term Strategic Framework and its mandates which include (Medium Term Strategic Framework, 2012:4):

- unity in diversity;
- working together in the creation of a democratic, non-racial, non-sexist and prosperous society;
- the establishment of long-term national planning capacity as the principal mechanism for defining long-term frames of reference and subsidiary objectives;
- co-ordinating and integrating government efforts as well as monitoring and evaluation; and
- to adapt their Integrated Development Plan (IDP) in line with national medium-term priorities.

From the above it can be seen that the Medium Term Strategic Framework's mandates are important because they emphasise the need for cohesion in creating jobs for individuals. This requires local government intervention that will be framed as objectives to address the challenge of unemployment, which entails local government working together with the people.

The Medium Term Expenditure Framework (MTEF) gives institutional guidelines to prepare expenditure plans in a three-year cycle. The MTEF is aimed towards investment, where the emphasis is placed upon high investment levels through economic and social infrastructure development promoting a more rapid Growth in the Gross Domestic Product (GDP) growth, support, employment and broadening economic activity (National Treasury, 2012:6).

The national framework in relation to job creation makes known the effects that come with unemployment causing poor living standards. Hence there should be alignment within the three spheres of government in addressing this issue of employment creation, namely national, provincial and local economic development. The focus in this study will be on the local sphere as it is closest to the people and can therefore identify challenges that need to be addressed, particularly unemployment. Integrated Development Plans (IDPs) are policies through which LED in South Africa can be achieved and are drafted to ensure that a municipality's LED initiatives are appropriately reflected. LED initiatives are strategic plans that will help develop capacity and integrate different government departments to have a consolidated LED process, as argued by the former Department of Provincial and Local Government (DPLG) (2006:9) currently Department of Cooperative Governance and Traditional Affairs (CoGTA). The IDP acts as a vehicle in promoting possible solutions between communities and the municipality in promoting sustainability. The IDP is a strategic planning instrument which manages and guides all planning, development and decision-making in a municipality. The IDP is very important in relation to municipalities because it serves the purpose of improving the lives of individuals living in the jurisdiction of the municipality. Through the IDP, strategies are integrated, co-

ordinated and linked to the use of natural, financial, human and physical resources (Tlokwe Local Municipality, 2015:15).

Job creation and employment sustainability at the local government sphere are guided through LED. LED is a process that involves stakeholders implementing strategies and programmes aimed at improving the lives of people (Koma, 2013:144). This is stated in Section A (2.6) of the White paper on local government, 1998, which argues that there is no municipality that can ignore the economic changes and opportunities taking place in its locality, in the surrounding region, in the nation and globally. Section B of the White Paper on Local Government, 1998, makes mention of four interrelated characteristics for developmental local government, including (South Africa, 1998):

- maximising social development and economic growth;
- integrating and co-ordinating;
- democratising development; and
- leading and learning.

From these characteristics it is evident that social development and economic growth are the responsibilities of local government and that local government should facilitate the realisation of these aims through appropriate strategic planning.

LED can be defined as a process in which local government and/or community based organisations or groups manage existing resources and enter into partnership with the private sector or with others to create new jobs and stimulate economic activity. The Tlokwe Local Municipality (2015:281) states that the LED Policy is a strategic policy promoting economic growth and sustainability in enabling the Tlokwe Local Municipality to address the challenge of unemployment. In addition Koma (2013:128) contends that LED cannot be separated from poverty alleviation projects and programmes initiated and implemented in the municipal sphere, which makes provision for free basic services such as social grants and child support in improving the lives of citizens. Meyer (2007:3) notes that the components of LED in an area include:

- a sustained improvement in people's living conditions;
- sustained reduction of poverty levels;
- structural transformation of society in terms of policies;

- structural transformation of society in terms of politics, culture and economy, which lead to greater productivity, income and choices for people; and
- modernisation of the economy.

The abovementioned aspects are of importance because they bring about change in the social, political and economic environment in addressing the issue of unemployment that is affecting a number of South Africans. It is evident that these components aim to promote a better living standard for individuals.

An example of a LED is the Expanded Public Works Programme (EPWP) which is used in the facilitation of employment creation and economic growth (Philips, 2004:7). Philips (2004:7) explains that the EPWP is a nation-wide programme drawing significant numbers of the unemployed into productive work with sufficient skills in order to gain more insight while they work and increase their capacity to earn an income.

From the above it can be argued that both national and local spheres implement policies aimed at addressing the issues of job creation and employment sustainability, as these are still regarded as challenges due to the high rise in unemployment. The primary aim of this research is to see how evident job creation and employment sustainability are in the LED Strategic Policy of the Tlokwe Local Municipality.

1.3 PROBLEM STATEMENT

The Tlokwe Local Municipality is a Category B municipality which can be defined as a municipality that shares municipal executive and legislative authority in its area with a Category C municipality within whose area it falls (South Africa, 1996: Section 155(1)). The Tlokwe Local Municipality is situated in the Dr Kenneth Kaunda District Municipality (formerly known as the Southern District area of jurisdiction). According to census figures from 1996-2011, the Potchefstroom population is as follows: Census 1996 Potchefstroom population was 124 813, Census 2001 the Potchefstroom population was 128 353, Census 2011 indicated that Potchefstroom had a total population of 162 762 people. The population is, according to the census is 162 762, an increase of 34 409 people (Tlokwe Local Municipality, 2015:6). With regard to this research the Tlokwe City Council Annual Report (2015:6) states that in the period 2009-2010, the Potchefstroom population comprised 250 000 persons (Tlokwe Local Municipality, 2012:35). The Tlokwe Local Municipality describes its service delivery intentions for the following areas: Mohadin, Ikageng, including its extensions, Promosa, Potchefstroom town, Matlwang and Leliepan/Baitshoke, Haaskraal, Turfvlei, Vyfhoek, Mooibank, Machavie, Miederpark, Kopjeskraal, Wilgeboom, Lindequesdrift, (Agricultural Holdings) Rooipoortjie,

Venterskroon, Buffelshoek, (Rural) Vredefort Dome (World Heritage Site), Vaal River (Tourism attraction) and the rural hinterland (Tlokwe Local Municipality, 2015:6).

Currently, the Tlokwe Local Municipality is characterised by the following social problems (Tlokwe Local Municipality, 2015:44):

- High prevalence of HIV/AIDS in the community and teenage pregnancies.
- High crime rate and offences often committed by children under the age of 18 years of age. The most common crimes within this town are assault and armed robbery, committed by juveniles as well as adults, domestic violence and child abuse.
- Commercial sex is a social problem and continues to increase due to trucks passing through and using the N12 route. There are eight transition areas in the city of Potchefstroom, serving as a haven for commercial sex during weekdays (Tlokwe Local Municipality, 2015:44).

Furthermore, the unemployment rate in Tlokwe Local Municipality is a challenge. Unemployment may give rise to a number of socio-economic problems, creating a poor living standard for many. The Tlokwe Local Municipality is characterised by two types of settlements, namely rural and urban settlements (Tlokwe Local Municipality, 2015:30). One of the greatest challenges is making services accessible to farm areas and informal settlements due to deficient development infrastructure. There is also a great need for facilities and programmes for the youth, people with disabilities and women and children (Tlokwe Local Municipality, 2015:44). In addition, the Tlokwe Local Municipality (2015:4) states that the Integrated Development Plan (IDP) is the chosen approach involving the municipality and the community in finding the best strategy and solution towards sustainable development. The Tlokwe Local Municipality (2015:86) explains that its municipal plan has three key requirements:

- Skills development - requires local people within the town of Potchefstroom to acquire skills and training that can enable them to create jobs for themselves, rather than waiting on government for employment opportunities.
- Agriculture initiatives - the exploration of farming alternatives to income-generating activity: community farming projects, fresh produce and flea markets identified as some of such income-generating activities for local development.
- Enhancing tourism - potential to enable people to participate in tourism activities and in earning a living. For economic development and job creation these three aspects are important in the communities of Potchefstroom.

These three aspects are important in addressing unemployment affecting individuals in the Tlokwe Local Municipality, as they contribute to employment creation. However, despite such efforts, the unemployment rate between male and females as outlined above continues to be a stumbling block in the Tlokwe Local Municipality (Tlokwe Local Municipality, 2015:79). Similar to the IDP, the LED policy has the purpose of building up the economic capacity of the Tlokwe Local Municipality in improving its economic future (Koma, 2013:142). In Section D of the Tlokwe Local Municipality IDP (2015:82) it alludes to the mission of the municipality that is to “provide quality sustainable services that are responsive to our communities’ needs within a healthy, safe and green environment”. Such a vision can be accomplished through collaborating with other stakeholders by working collectively to identify better policies that can be implemented (Mokhatla, 2001:1). By understanding needs and formulating plans to find the best way of making the local economy fully functional, the study argues that jobs will need to be created and an environment for sustainable employment should be ensured by the Tlokwe Local Municipality.

For the purposes of this study a policy analysis approach was taken with regard to policy implementation in local government Cloete, *et al.* (2006:3-4) define a policy as a “statement of intent”, that is required in specifying the basic principles to be pursued in attaining specific goals. Cloete *et al.* (2006:3-4) define policy analysis as the systematic analysis of the dimensions and variables influencing public policy and is an indispensable part of policy management. To which policy management is explained as a deliberate method of dealing with policy issues and processes from start to finish. Furthermore, Dunn (2004:2) sees the methodology of policy analysis as “a process of inquiry designed to discover solutions to practical problems”. It is a systematic, disciplined, analytical, and scientific process to produce well-supported recommendations for government action dealing with policy problems.

The above depicts the importance of policy analysis in all spheres of government, in that it reduces uncertainty for public officials and provides information for decision-makers, for example the local economic development priorities as communicated through the LED policy. The DPLG (2006:4) states that the national framework for LED in South Africa is a guide seeking to advance an understanding of LED and putting forward a strategic implementation approach that municipalities, provinces, national government, state-owned enterprises and communities are able to focus on in order to improve local development. In relation to this research, policy analysis was carried out on the basis of attaining an in depth understanding of policy problems related to policy development and implementation and in suggesting solutions to specific issues that influence job creation and reducing unemployment. Further discussion of policy analysis will be made in connection to job creation and unemployment as well as the LED policy in chapters two and three.

In the following section mention will be made of two policies, namely the IDP and LED that are focused on economic change within the Tlokwe Local Municipality with regard to job creation and employment sustainability. The focus will be upon their strategic objectives and how their implementation is of importance to job creation and employment sustainability. Various sectors and their significance to the economy in terms of job creation will be discussed. Social challenges will also be examined within the Tlokwe Local Municipality.

For economic change to take place policies have to be implemented to address the problems being experienced by individuals that are unemployed. Besides LED, one such policy is the IDP. The Tlokwe Local Municipality (2015:84) states that in the IDP there are developmental objectives or strategic objectives. Developmental objectives within the IDP can be defined as statements of intent which the municipality would like to achieve in the medium-term, in order to address the priority issues that were identified and contribute towards realisation of the mission. The objectives exist to breach a gap between current reality and the future (Tlokwe Local Municipality, 2015:79), economic growth and LED, with the emphasis mostly placed on economic growth. Furthermore, job creation is specifically mentioned as part of the municipality's NDP 2030 objectives aimed at eliminating poverty, reducing inequality, raising economic growth and build capable and developmental state (Tlokwe Local Municipality, 2015:49). However, the IDP objectives make no mention of job creation although the study argues that by facilitating an enabling environment supportive of economic growth, job creation will also be addressed.

The LED's foci or objectives for economic development in the Tlokwe Local Municipality lie in having specific co-ordination and facilitation responsibilities which need to be addressed in an innovative manner, aiming to initiate and promote integrated and sustainable LED as well as attract investments (Tlokwe Local Municipality, 2015:275-276). The primary aim of the LED comes down to economic growth and development within the Tlokwe Local Municipality (Tlokwe Local Municipality, 2015:275-276). With reference to the main objective of LED policy, unemployment continues to be a challenge within this Municipality. It is acknowledged that the IDP is a vehicle for LED; however, if no mention is made of job creation and employment in the strategic objectives within the IDP, what type of reflection does it have on the LED whose aim is to bring about economic change? This research is therefore aimed at identifying how job creation and sustainable employment should be facilitated through the strategic policies of the Tlokwe Local Municipality. The research focuses on analysing policy formulation, implementation and evaluation in order to identify where challenges exist in ensuring job creation and employment sustainability, specifically through LED.

1.4 RESEARCH OBJECTIVES

The objectives of the study are to:

- describe job creation and employment sustainability in the context of LED policy;
- analyse the Tlokwe Local Municipality LED policy in terms of its impact on job creation and reduction of unemployment;
- examine the environmental framework of the LED policy in relation to policy/laws, economic environment and social environment.
- identify the challenges in facilitating job creation and employment sustainability through LED in Tlokwe Local Municipality; and
- propose policy recommendations to address job creation and employment sustainability in the Tlokwe Local Municipality.

1.5 RESEARCH QUESTIONS

In order to be able to achieve the objectives of the study, the study will attempt to answer the following questions at hand:

- What is the theoretical framework enabling job creation and employment sustainability within the context of the LED policy?
- What influence does the Tlokwe Local Municipality's LED policy have on meeting its job creation and employment sustainability initiatives?
- What are the environmental policy, economic and social factors that influence the LED policy?
- What are the challenges in the facilitation of job creation and employment sustainability through the LED?
- What policy recommendations can be proposed to address job creation and employment sustainability within the Tlokwe Local Municipality?

1.6 CENTRAL THEORETICAL STATEMENTS

Koma (2013:128) explains that LED is a multi-dimensional and multi-sectoral process through which the skills, resources and ideas of local stakeholders are combined to stimulate local economies to respond innovatively to changes in the national global economic environment, in order to attain an end result, such as job creation, poverty alleviation and the redistribution of wealth. Currently, the municipality's NDP 2030 objectives are aimed at eliminating poverty, reducing inequality, raising economic growth and build capable and developmental state (Tlokwe Local Municipality, 2015:49). According to Hanekom (1987:8) policy is significant because it is future-orientated and normally aimed at promoting the general welfare of society rather than a particular societal group whilst taking place within the framework of legally instituted public bodies such as legislatures or government departments.

1.7 RESEARCH METHODOLOGY

Neuman (2006:68) states that a methodology refers to the techniques that a particular discipline uses to manipulate data and acquire knowledge. A qualitative approach is used to gain insight into people's attitudes, behaviours, value systems, concerns or lifestyles (Fouché & Schurink, 2011:307).

1.7.1 Approach to be used

This study is primarily qualitative in nature and makes use of a literature review and interviews in addressing the research objectives of the study. A research design can be defined as a plan of how a researcher intends to conduct the research. It involves the type of study being undertaken and whether the question or phenomenon that is being investigated can be answered in the best possible way (Mouton, 2006:180). Qualitative research is naturalistic, holistic and inductive as well as aimed at gaining a better understanding of the phenomenon under investigation. Moreover, qualitative research is flexible in nature, bringing about more opportunity with regard to new ideas and its proficiency to describe, explain and understand the study being done (Auriacombe & Mouton, 2007:443). In this case the phenomena to be investigated include job creation and employment sustainability as realised through the strategic policies of the Tlokwe Local Municipality.

The qualitative study was conducted by investigating and gathering data on the nature of job creation and employment sustainability within the strategic policies of the Tlokwe Local Municipality. Qualitative research emphasises the importance of meaning being derived from data that is being used (Rasmussen *et al.*, 2006:93).

1.7.2 Research design

A research design is “the entire plan of a quantitative and/or qualitative research study from problem conceptualising to the dissemination of findings” (Grinnel, 2001:547). The research comprised a case study design which, according to Creswell (2007:73), involves an exploration of a “bounded system” (bounded by time, context and/or place) or through detailed, in-depth data collection involving multiple information sources. Babbie (2001:10) argues that in a case study, researchers seek to enter the field with knowledge of relevant literature before conducting the field research. The advantage of a case study is that it helps the researcher gain in-depth knowledge on the phenomena being studied and will further provide better insight into the phenomena. For the purpose of this study this entails understanding how the Tlokwe Local Municipality facilitates job creation and employment sustainability through its LED policy (Smit *et al.*, 2007:38). The systems approach comprises different stages of performance which should remain balanced at all times. The action of the different stages has an effect on the entire outcome of the institution.

1.7.3 Instrumentation

As previously mentioned, this research study is primarily qualitative in nature and makes use of the following in attaining the research objectives of the study as stated above:

- literature review/documents; and
- interviews.

These methods are explained in the following sections.

1.7.3.1 Literature review

The review of literature or documents is based upon consulting books, journals, internet sources, theses and dissertations all pertaining to the specific topic which deals with job creation, employment sustainability and LED. The purpose of the literature review is to compare and contrast the different methods and findings from related literature. According to Fouché and Delport (2011:133), a literature study is aimed at contributing towards a clearer understanding of the nature and meaning of the problem that has been identified. In relation to this study, the literature review was intended to highlight the benefits and disadvantages of strategic policies that are implemented to address a particular issue - in this case, job creation and employment sustainability.

Furthermore, with the secondary analysis, the study made use of official documentation of relevance to this research. “The qualitative researcher is likely to collect, analyse and interpret

data simultaneously, going back and forth between these steps. He or she tends to build new theory as well as draw upon existing theory during these steps” (Neuman, 2006a:15).

Documents are essential and significant sources of collection, primarily in qualitative research, as it is crucial for a researcher to handle them with care and not to display them in an inappropriate manner because of privacy (De Vos *et al.*, 2011:376). According to Ritchie and Lewis (2003:35), a documentary analysis is one that involves the study of existing documents, either to understand their substantive content or to illuminate deeper meanings, which may be revealed by their style and coverage.

Examples of documents also include the following: annual reports, minutes taken in meetings, relevant legislation, process notes, training plans and other confidential documents. According to Prior (2003:26) the use of documents should be in the context of the study being done. Documents have both advantages and disadvantages, which include:

- Using them is relatively cost-effective. This is because a document study is relatively low cost and enables the researcher to get as much information as needed in an investigation (Monette *et al.*, 1994:204).
- Individuals are more likely to be open in documents which can be most helpful to the researcher when compared to an interview (Bailey, 1994:295-296).
- Authors who publish documents do not anticipate that their documentation will be used for a particular analysis, unlike surveys and experiments where participants involved are aware of the fact that they are being studied (Monette *et al.*, 1998:204).
- Documents serve as an advantage because they are the only method that does not require personal contact with any subject. Documents possess information that can be of great assistance to particular research (De Vos *et al.*, 2005:382).
- Disadvantages include the following as discussed by Bailey (1994:296-298) and Monette *et al.* (1994:205-206):
- Some documents are incomplete (in the cases of reports, statistical records and historical documents).
- Meaning gaps are present in databases and cannot be filled.
- There is evidence of some bias because certain documents were not intended for research purposes, for instance, autobiographies may be written for making money, or annual reports may be written with the aim of influencing consumers positively.

- Documents may be easily destroyed by natural disasters such as fire, floods and storms and preservation of documents for longer periods may result in such documents becoming illegible (Royse, 2004:213).
- Documents may not be easily available because records were not kept and this may affect researchers in some fields of study. However, in some instances, records are kept and may be classified as inaccessible for security purposes.

However, Prior (2003:29) notes that when a researcher makes use of documents, it is the researcher's responsibility not to take what is stated in documents at face value, but that he or she should have an objective stance. This is the reason why multiple methods of data collection were used. As discussed in the next section, the literature review was supplemented with interviews from primary data sources i.e. officials within the Municipality responsible for LED.

1.7.3.2 Interviews

This study comprises in-depth interviews with relevant individuals or officials within the Tlokwe Local Municipality in order to obtain information with regard to how job creation and employment sustainability are facilitated through the IDP and LED of the Municipality.

De Vos *et al.* (2011:347) explain that there are two ways of conducting a one-on-one interview, namely through structured and unstructured interviews. Structured interviews use pre-coded closed-ended questions which are usually administered with a limited set of response categories and interviewers are instructed to never stray from the instrument (Denzin & Lincoln, 2000:5). Unstructured interviews are more open to interviewer effects than their structured counterparts, since the interview is an integral part of the research instrument in that there are pre-defined frameworks and questions to refer to during the interview (Minichiello *et al.*, 1990:3). This research made use of unstructured interviews. The following are characteristics of unstructured interviews (De Vos *et al.*, 2011: 348):

- the purpose of unstructured interviews is to understand the experiences of other people and the meaning they make of those experiences;
- they are focused and discursive;
- they allow the researcher and participant to explore an issue;
- they are used to determine individuals' perceptions, opinions, facts and forecasts; and
- their reactions to initial findings and potential solutions are valuable.

The interviews used in this research are unstructured in a manner which attempts to retrieve information that can address the previous research questions as indicated above. However, disadvantages of unstructured interviews include (De Vos *et al.*, 2011:348-349):

- lack of flexibility and consistency;
- the researcher can at times be involved and subjective; and
- too much information can be given out by participants which lacks relevance.

By combining different sources of information the study attempts to gain a holistic understanding of the manner in which the strategic policies of the Tlokwe Local Municipality facilitate and enable job creation and employment sustainability.

1.7.4 Population and sampling

Bless and Higson-Smith (2006:99) define population as the set of elements that the research focuses upon and to which the results obtained by testing the sample could be generalised. According to Schurink (2011:312) the sample refers to people selected from the population and included in the study under investigation. Sampling is a process of selecting a group of subjects for a study in such a way that the individuals represent the larger group from which they were selected, specifically if generalising the results are of concern (Gay, 1987:101). However, for the purposes of this study, non-probability sampling techniques in the form of purposive or judgmental sampling are used. This choice of sampling technique was due to the fact that interviews had to be conducted with a sample from the population with specific knowledge regarding the IDP and LED policies' influence on job creation and economic development. Judgmental sampling is best suited for this purpose, since it requires the researcher to employ his or her own expert knowledge on whom to include in the sample frame (Neuman, 2006b). The sample included six officials involved in the following structures; four officials working directly with the LED policy, one IDP manager, as well as one ward councillor responsible for the portfolios of public participation and small and medium enterprises. The above sample is important because of the knowledge and awareness the abovementioned officials and political office-bearer have with regard to economic growth and job creation within the Tlokwe Local Municipality.

1.7.5 Data analysis

Neuman (2006a:467) states that "qualitative data analysis involves examining, sorting, categorising, evaluating, comparing, synthesizing and contemplating the coded data, as well as reviewing the raw and recorded data". According to De Vos *et al.* (2001:80) when analysis takes

place in qualitative data, the researcher should view particular elements separately and then afterwards in combination with others. The aim of data analysis is to relate data gathered as mentioned in the form of facts, findings and perceptions to the phenomena under consideration. In addition, Henning (2004:101) highlights that the true test of a competent qualitative researcher comes in the analysis of the data, a process that requires analytical craftsmanship and the ability to capture understanding of the data. The study will be thematically analysed with specific themes emanating from the literature review and further supplemented through data collected during in-depth unstructured interviews.

1.7.6 Limitations of the study

In this particular study, participants were officials of the Tlokwe Local Municipality, chosen for their involvement in the IDP and LED policies. Job creation and employment sustainability are phenomena that are aligned with government priorities as identified in the State of the Nation Address (2016) inclusive of economic development and growth. Documentation in this study may come with its own disadvantage, because some documentation may not be readily available. In the interviewing of participants, some individuals may not be readily available or may not be willing to give out as much information as required, which can affect the study and its recommendations.

The limitation of a case study includes the possible bias in the collection of data, since the researcher gathers and interprets the information on his or her own using themes as identified through the literature review. Another challenge would be found in the inability to draw a definite conclusion in terms of cause and effect, since a case study involves an exploration (Creswell, 2007:73). The findings from the research cannot be generalised to all local government institutions since the case study aims to enhance an in-depth understanding of LED, job creation and employment sustainability within the Tlokwe Local Municipality.

1.8 ETHICAL CONSIDERATIONS

Ethical considerations are important because social research involves the study of people. Consideration should be given to participants through the use of a consent form. The researcher should be clear as stated by De Vos *et al.* (2011:56) citing Babbie (2001:470) that participants involved in research need to be aware of a general agreement about what is proper and improper in respect of scientific research. This was done by explaining the objectives of the research, what was needed from the participants as well as the direction the research took. It was important that participants became aware that their confidentiality could not be guaranteed as interviews were held with a particular purpose of quoting the person that is being interviewed. Participants were also given a declaration form stating that their participation is

voluntary and they understand the nature of their involvement in the study, which is for academic purposes only.

1.9 SIGNIFICANCE OF STUDY

Job creation and employment sustainability are two concepts that local governments, including the Tlokwe Local Municipality, are responsible for facilitating and enabling. South Africa is currently experiencing challenges in this respect due to its high unemployment rate.

The gap between the knowledge of what works and the widespread adoption of those practices has become a preoccupation of researchers and a challenge for policy makers (Baker, 2011:1). Gaining a better understanding of job creation and employment sustainability will enable policy-makers to become aware of issues that may have been overlooked, including the promotion and the collaboration of other departments, especially with projects that will benefit communities. This research has therefore taken the view that job creation and employment sustainability can be effectively enabled, if the dynamics, both environmental and organisational in nature are understood in the municipal sphere. The study aims to assist public officials become aware of the degree to which unemployment affects most communities, and to find a different strategy that will help the community to become more empowered. Recommendations were thus made to address specific limitations within the policy formulation, implementation and evaluation.

Through an understanding of issues addressed, the study indirectly sheds light on how to reduce unemployment and poverty in South Africa at large. This may be particularly useful to policy makers in equipping them with sufficient knowledge for purposes of modifying current policies directed at job creation and employment sustainability, with regard to relevant legislation. Academics may benefit from this research by widening the fields of study to not only focus on the eradication of poverty, but also to focus on employment aspects of economic development in South Africa.

1.10 CHAPTER DIVISION

Chapter 1 presents the orientation, problem statement and research methodology. In this section a general overview will be provided and information on the problem being investigated will be examined, as well as delivering the justification for why the topic is worth investigating through the use of the research methodology.

Chapter 2 describes the theoretical framework underpinning job creation and employment sustainability in the context of policy analysis. This chapter contains a literature review, including comments, arguments and recommendations made by selected authors on the related topic.

The chapter serves as theoretical foundation for locating the study in Public Administration and describing the specific theories pertaining to policy analysis and development.

Chapter 3 describes and explains the environmental policy, economic and social factors influencing LED within the municipal sphere. Attention is specifically given to the policy framework enabling LED as well as describing the regulatory obligation of the municipal sphere in promoting economic development through its strategic policies.

Chapter 4 describes and explains the policy challenges, using the systems approach to policy analysis for the purpose of the study. Attention is given to the specific policy formulation, implementation and evaluation challenges which influence the ability of the Municipality to promote and enable job creation through specifically LED. Here an analysis will be given with regard to challenges that are experienced by LED staff in supporting job creation and employment sustainability.

Chapter 5 concludes the study and offers recommendations and possible avenues for future research. This is where summaries of the research chapters are provided and recommendations are highlighted for consideration in policy formulation, implementation and evaluation.

1.11 CONCLUSION

In chapter one the orientation was presented as well as the problem statement. The research questions and research objectives were outlined. This chapter described the research methodology and significance of the study. Chapter one concluded by stating chapters that are to follow. The purpose of chapter one is to offer the specific contextual and conceptual framework guiding the study.

The following chapter provides a literature review locating the study within the discipline of Public Administration and offering specific perspectives on policy as a public administration function. Chapter two conceptualizes, specifically, the LED policy within the practice of public administration followed by a theoretical framework for understanding policy with regard to its definition and in-depth understanding of policy analysis in relation to unemployment, job creation and employment sustainability within the context of Tlokwe Local Municipality.

CHAPTER 2: A THEORETICAL FRAMEWORK FOR UNDERSTANDING POLICY WITH REGARD TO JOB CREATION AND EMPLOYMENT SUSTAINABILITY WITHIN THE CONTEXT OF LOCAL ECONOMIC DEVELOPMENT

2.1 INTRODUCTION

In the previous chapter, the background of the study, the problem investigated through the study as well as the aims and objectives of this study were presented. The chapter highlighted the nature of the challenge of unemployment within the South African society, with its concomitant problems regarding job creation and the levels of expertise and skills needed. The chapter identified the policy responses of national and local spheres of government responsible for addressing the issue of job creation and employment sustainability.

This chapter conceptualises the LED policy within the practice of public administration followed by a theoretical discussion of policy with regard to its definition and an in-depth understanding of policy analysis in relation to unemployment, job creation and employment sustainability within the context of Tlokwe Local Municipality. This chapter is divided into three main sections. Section one examines Public Administration as a discipline with in-depth focus on public governance. Section two provides a theoretical understanding of policy and policy analysis, while section three describes the development theories related to job creation and employment sustainability within the context of LED, followed by some concluding remarks.

2.2 CONCEPTUALISING POLICY IN THE STUDY OF PUBLIC ADMINISTRATION

Baker (1972:12) defines public as any institution or agency which is run directly or indirectly owned or primarily financed by government, which includes all government departments, the administrative institutions of the courts of law, municipalities and other state-owned enterprises (SOEs). This concept is normally found in the public sector and does not necessarily mean the ultimate or sovereign control over public matters, but rather the directing and coordinating on behalf of people or citizens and it is often connected with the notion of service. The following section will be looking at Public Administration as an academic discipline as well as public administration as a function or a practice.

Public Administration is a broad and encompassing area of study and as a result, one cannot with sense of certainty point out the specific focus and scope of Public Administration (Uchem & Erunke, 2013:3). While the discipline is difficult to define, the practice of public administration has been described as determined action taken in pursuit of conscious purpose (Vieg, 1946:3).

The publication of the essay by Woodrow Wilson in 1887 led to the identification of Public Administration as a subject which should be taught at academic level. The scientific management or administration approach was further supported by authors such as Goodnow, Taylor, Gulick and Urwick who proposed specific principles of administration (Thornhill, 2006:796). Public Administration is a scientific discipline primarily concerned with the implementation of government policy. Despite the practice of public administration dating back centuries, it is only recently that Public Administration has been regarded as an academic discipline. Public administration is reflected in the way public administrators continuously practice public administration in the formulation and implementation of policy (Stillman, 1980:3). Vigoda (2002:4) takes the view that Public Administration is an eclectic science, drawing from multiple disciplines such as Business Management, Psychology and Sociology. Thus Public Administration as an academic discipline has a multi-disciplinary approach, allowing the discipline to share common aspects with other human sciences such as Political Science, Law, Economics, Sociology and History. This could present an argument in support of Public Administration as a discipline of human sciences (Omotoye, 2011:38). However, the complex nature of people's behaviour is difficult to predict because their wants are not the same as their needs, which necessitates a multi-disciplinary focus in the discipline (Omotoye, 2011:37).

Furthermore, Public Administration is regarded as a university subject where the practice of public administration is evident, thus the field of operation of activity is studied (Omotoye, 2011:38). In addition, Omotoye (2011:41) states that public administration is concerned with forms and structures, functions, tasks and processes in public affairs. These are means and not an end, although they can greatly influence the end. Rosenbloom (1993:5) agrees with the above statement when he states that administration is an ongoing, active business part of government, placing a focus on executing the law formulated by legislative bodies, interpreted by the courts, through the process of organisation and management. Denhardt and Denhardt (2007:11) state that there are core elements that have been established within the discipline, which represent the mainstream although classic view of Public Administration:

- focus on government in connection to direct delivery of services through existing or through newly-authorised agencies of government;
- concern of public policy and administration linked to designing and implementing policies focused on single, politically defined objective;
- administering of public programmes through hierarchical institutions with managers largely exercising control from the top of the institution;
- efficiency and rationality are the primary values of public administration;

- public institutions operate efficiently as closed systems, thus citizens involvement becomes limited; and
- the role of the public administrator is largely defined as planning, organising, staffing, directing, co-ordinating, reporting and budgeting (POSDCORB).

From the above it can be noted that these core elements have had a great influence on Public Administration today. Public Administration has had a radical transformation in the way it addresses grievances experienced by society. The scientific nature of the discipline has helped scholars in familiarising with current developments occurring within the field. In support of the above, Gildenhuis (1998:119) states that public administration has been perceived as a government activity that deals with the execution of public policies. Furthermore, Gladden (1961:12) is of the notion that public administration is concerned with the activities of government and the word administration means to care or look after people, making an administrator a servant and not a master. Caiden (1982:3) states that public administration refers to the way in which people gather themselves as a public, through seeing similar obligations and duties, handling shared problems and to accomplish mutual goals that comprise the subject matter of public administration. The moment people are aware of some form of improvement, this will result from combining their resources and working together in the shared goals or interest instead of relying on personal abilities alone even though some individual advantages have to be lost with regard to communal benefits.

Public administration can thus be seen as a systematic ordering of public affairs, and the calculated use of resources, aimed at making those services happen which address needs of the society. Omotoye (2011:37) disseminates the above as the discipline being explained as a systematic ordering of public affairs. Furthermore, administration and managing public resources are important, according to Du Toit *et al.* (1998:37), to ensure their sustainability. This is of particular importance because some resources cannot be renewed or replaced. Therefore, it is important that available resources should be managed in such a way that people can benefit from them until such time as they can be substituted by something else. In addition, Du Toit *et al.* (1998:6) are of the opinion that it is important for the maintenance of sustainable resources and the utilisation thereof to be seen as vital for a country's development. On the one hand, scholars are of the view that public administration has some similarities to other human endeavours, which may not be easy to define (Omotoye, 2013:37). On the other hand, Cloete (1994:63) is of the opinion that public administration is seen as a distinctive field of work, due to the requirement of those who practise public administration (i.e. the political office-bearers and public officials) in a democratic state. Public administrators have the responsibility of respecting specific guidelines sometimes referred to as tenets or principles that govern their conduct when carrying out their work. These office-bearers are in fact the rulers who decide what matters are

indispensable to the welfare and survival of the society at large. This results in public administration as a wide-ranging study in such a way that it can only be described in unclear, broad, unstructured and challenging way (Rosenbloom, 1993:4). Fuggle and Rabie (1992:27) are of the view that through the practice of public administration and management, South Africa should promote economic growth, however, if such guidelines are adhered to citizen's needs are not satisfied and there is lack of sustaining resources. For the purpose of the study job creation could contribute to economic growth and sustainable employment, which emphasises the need to practice public administration with efficiency and effectiveness. Through the practice of public administration, job creation should therefore be stimulated and enabled, ultimately in order to satisfy the needs of citizens, lack of public administration within communities has negative outcomes on a policy such as the LED in reaching its objectives. As indicated above, public administration as a government activity therefore has a significant role to play in addressing the issue of unemployment as a concern or affair affecting the public at large.

From the above it is clear that the practice of public administration is dynamic and complex in nature and involves interaction between more than one persons in both a formal and informal setting. For the purpose of the study this is supported by Denhardt and Grubbs (2003:1) who state that the public administrator has a task not only in attaining efficiency and effectiveness, but also being open to the many organisations and persons that help define the public interest. In addition, it can be noted that policies, such as the LED policy in the context of public administration, has a responsibility in ensuring that resources serve citizens' needs in a way that sustains them. However, the complex nature of people emphasising their public involvement in policy formulation and implementation may help the public administrator to identify concerns that citizens have and that need to be addressed. Public organisations therefore, have to be remade placing focus on innovative leadership and co-operation among employees in order to ensure efficiency in public service delivery (Dobuzinskis, 1997:300-302). This is depicted in New Public Management as a more contemporary paradigm in the study of Public Administration.

The New Public Management paradigm emerged during the 1970s when there was a global financial crisis. The focus of this paradigm was on improving public productivity, performance-oriented organisations and employees, increased accountability and decentralised decision-making all in an effort to create more effective public organisations (Denhardt, 2008:137). Dunleavy and Hood (1994:9) state that the term "New Public Management" has become a useful shorthand, in summarising descriptions of a way of reorganising public sector bodies in bringing their management, reporting and accounting processes closer to business methods. This is supported by Hood (1996:268) who states that the intention of New Public Management is towards moving away from what is now regarded as a traditional progressive-era set of doctrines of good administration which focuses on orderly hierarchies, depoliticised

bureaucracies, and the elimination of duplication or overlap. New Public Management means that, “the public sector is not distinctive from the private sector” (Olsen, 2003:510). Furthermore, Hughes (1998:59) argues that instead of being described as a specialisation within public administration similar to how scientific management was regarded, the aim of New Public Management is on replacing the traditional or classic approach to the study of Public Administration.

Even with a focus on public performance, Lynn (2006:42) argues that public managers are directed by rules and hierarchy and the following public service values of reliability, consistency, predictability and accountability to legislatures and courts in executing and maintaining the rule of law all on behalf of the common good or public interest. According to Promberger and Rauskala (2003:2) under the New Public Management, management lies as the foundation of public sector activity and professional managers are looked at as important to improving public sector performance. Furthermore, Promberger and Rauskala (2003:2) state that New Public Management evokes effective measures of performance to the public sector organisation. This implies that organisations must pay closer attention to the aims and objectives they are following when delivering their services. Van Dijk (2006:11) argues that the New Public Management theory moves beyond the separation of politics from administration and utilises the economic market for political and administrative relationships. The requirement includes rational inputs and outputs to satisfy the demands of the public. In this paradigm common good is not present. This is because in the market-driven principles, public organisations are forced to compete due to exposure to market forces. It is in such a situation that the language of contracts and transactions replaces the language of politics with its consideration for equity, fairness and the common good. Noordhoek and Saner (2005:39-43) argue that New Public Management has been greatly discredited and thus cannot be viewed as a paradigm that could result in a theory for Public Administration. Criticisms against the New Public Management include the following (Rhodes, 1996:663):

- New Public Management does not distinguish between being a value-driven and an effectiveness-driven approach to government. This then causes a culture clash in that the citizen is not merely a client, and a government, not merely a company. Citizens have a responsibility which clients do not have and this would mean New Public Management needs a long-term view of investment, which a short-term government cannot achieve. Implying that New Public Management is a luxury which public organisations lacking access to basic resources cannot promote.
- New Public Management notes that management principles are not found in public service organisations. The benefits taken from a Weberian hierarchy, including predictability, accountability and legality are not present in New Public Management. Results oriented

performance means production of numbers as the justification for existence. As a result numbers lead to performance indicators and a multitude of indicators mean numbers becoming more important than the welfare of the society it serves. This is termed the New Public Management's "obsession on outcomes".

From the above-mentioned, it can be deduced that New Public Management has brought about great changes as to how government addressed certain public matters concerning citizens in allowing citizens to have a voice in such matters. For the purpose of this study it is essential to note that the underlying reasons for New Public Management should not be ignored. This is because government has a critical role to play in ensuring responsiveness through the use of effective management tools and techniques (Van Dijk, 2006:12). Furthermore, Van Dijk (2006:12) emphasises that the state has a responsibility in making more room in the public, where citizens can interact with each other in a civilised and respectable manner whilst ensuring integrity. Through New Public Management emphasis is placed on ensuring that citizens are able to become actively involved in decisions that government make concerning their livelihoods. The reality is that the challenge in theorising Public Administration is found in the duality of its existence – the art of administration describes and explains its human interaction; while the science of administration lies in its functions and operation within a political environment. Thus, at present, Public Administration is studied through a Public governance approach because its function has moved beyond the original parameters set for how the state should function. There have been contemporary arguments with regard to roles and responsibilities the state possesses, and this supports a Governance approach (Van Dijk, 2006:40). Bridgman (2007:149) defines governance as the distribution of authority. Furthermore, Bridgman (2007:149) states that it can be referred to as the qualitative state of excellence in decision-making, that governance is a high-order activity which stands in context with administrative and managerial activity. The World Bank (cited by Adejumboi, 1998:26) defines governance as "consisting of public accountability, transparency in government procedures, abiding by the rule of law and efficient and effective public service leadership and management". The United Nations Development Programme (1997) is of the same view as it highlights the specific nature of concepts, such as governance, which is defined as the exercise of political, economic and administrative authority in the management of a country's affair at all levels. Governance consists of the complex mechanisms, processes and institutions through which citizens and groups articulate their interests, mediate their differences and exercises their legal rights and obligations. In relation to this study, governance is very important because it brings forth efficiency, accountability, transparency and effectiveness which is necessary for any sort of action that is to be exercised with regard to the formulation and implementation of policy, in this case the LED policy.

From the above-mentioned, it is evident that there is a relationship between governance and policy in that it seems to it that the needs of the public are addressed through government action based on its interaction with civil society. However, public administrators have an active role and responsibility in managing the resources of the public, because if such resources are not managed well this could turn into a problem and affect citizens who are in need of such resources.

Stoker (1998:18) argues that governance is based on four propositions namely:

- “governance referring to a set of institutions and actors that include both public and private sector;
- governance identifying the power dependence between actors involved in collective action;
- governance identifying self-governing network of actors; and
- governance recognising that getting things done does not reside with government should use new tools and techniques to steer relationships.”

From the above-mentioned four propositions it is clear that government should interact with civil society and the private sector, which has specific implications for the manner in which policies are formulated and analysed. The above propositions are fundamental because they are indicators that governance is the approach for the practice of administration that requires public officials to be responsible and action oriented in getting things done by working with other public and private sector actors. Furthermore, according to Bagby and Frank (2001:624), the state has a responsibility in ensuring the common good. This depicts governance as being whole and consequential rather than being precise and following a particular procedure (Somoleka, 1998:164). Thornhill (2006:804) is of the opinion that governance is thus an indication of a significant new development in the practice of public administration, and by implication also in the discipline. For the purpose of the study, governance is used to explain the relationship that local government has with civil and private sector organisations in promoting an enabling environment which could foster economic growth and thereby contribute to sustained employment.

In the following section the theoretical framework for public policy will be described, with specific emphasis on policy analysis as the perspective applicable to the focus of the study.

2.3 A THEORETICAL FRAMEWORK FOR POLICY

In the section that follows, definitions will be given with regard to policy and policy analysis and models and stages involved in policy analysis will be explained. The purpose of this section is to provide a sound theoretical basis for the use of policy analysis as perspective for the study.

2.3.1 Definition of policy and policy analysis

Anderson (2003:2) defines a policy as a relatively stable, purposive course of action followed by an actor or set of actors in dealing with a particular challenge or concern. Macrae and Wilde (1985:3) are of the view that policy is a significant course of action chosen by either a private or public organisation or an influential person, which impacts on many people thus referring to it as public policy when government makes use of it. On the contrary, Oner and Saritas (2004:888) point out that policy should not only be understood as just a state action, but as a culturally accepted way of obtaining social purposes. Pal (2010:2) states that public policies are important elements in today's society in that they promote both guidance for government officials and accountability to citizens. When the Government's actions become grounded in policy, they seemingly are taking a course of action that has been looked into in terms of the nature of the problem they are facing and the situation at hand.

From the above-mentioned it is evident that policy acts as a directive for local government where a particular course of action takes place thus making it systematic. Local government has the responsibility of addressing the interest and needs of people because it is viewed as an independent sphere that is people-oriented (De Beer & Lourens, 1995:5). For the purpose of the study public policy is, thus, aimed at addressing social concerns of the citizens, including unemployment, through the implementation of specific policies, such as the LED, by government organisations, such as the Tlokwe Local Municipality.

Furthermore, Anderson (cited by Kuye *et al.*, 2002:73) is of the opinion that policy can be regarded as a government action or a guideline aiming at ensuring the attainment of goals and objectives. This would make policy subject to the environment and change. Hanekom (1992:7) is of the view that public policy is a formally articulated goal that the legislator intends pursuing with society or with a societal group. From the two definitions, one can conclude that public policy is goal-oriented and purposive in achieving desired outcomes. However, public policy does not come into existence on its own; its development is dependent on the interaction between government organisations, public officials and the public itself. According to Colebatch (1998:74) politics leads to policy while administration flows from it. In other words, the policy process has three stages: the first stage involves decisions being taken on goals that

government hopes to achieve and the second stage involves decisions that are executed through administration. The third stage involves policy analysis.

Public administration, thus, includes the function of policy-makers and their ability to choose goals whilst administrators have the responsibility of executing the determined objectives. Furthermore, policy according to Roux (cited by Kuye *et al.*, 2002:73-74) "... relates to current societal issues, such as needs and aspirations of society and its people, economic and technological developments, party politics, environmental and natural events". Furthermore, Majchrzak (1984:18) is of the view that policy can be seen as an attempt to find solutions to complex social problems which have various factors, dimensions, causes and effects. According to Akor (2008:53) this would mean that policy equates the authorised decisions public officials have made to facilitate a course of action. This implies the presence of important expertise and knowledge in the areas under consideration as well as the information pertaining to effectively attend to such matters. Policy analysis is therefore defined by Dunn (1981:35) as an applied social science which makes use of a number of methods for inquiry and argument, to produce and alter policy-relevant information that can be used in political settings to solve policy problems. Quade (1975:4) is of the opinion that policy analysis is regarded as a particular type of analysis that brings forth and presents information as a way to improve the basis of policy-makers in exercising their judgment. Stillman (1980:3) states in relation to policy analysis that a particular challenge should be evident in the public sector for government bodies to address.

From the above definitions of policy and policy analysis the role policies play in the public sector becomes clear as well as their function in putting forward a plan of action addressing problems that are experienced by citizens (Anderson, 2003:2). In addition, Hanekom (1987:8) remarks that all (public) policies are future-orientated, usually aimed at the promotion of the general welfare of society rather than a societal group, and take place within the framework of legally instituted public bodies such as legislatures or government departments. Wildavsky (1979:16) is of the opinion that public policies are not eternal truths, but rather hypotheses subject to alteration and deciding new ones until these in turn are proved unsatisfactory, which highlights the necessity for policy analysis to take place. However, policy analysis is not done through a singular model, but a variety of policy analysis models can be identified, which will now be described.

2.3.2 Policy analysis models and stages

Hanekom (1987:45) points out that public policy-making theories are used in explaining the policy making process. In addition, policy making is enhanced by the use of models in identifying problems presented in an acceptable area, while it seems that the various perspectives on policy-making can contribute to clarity of the process. Dunn (1994:152) defines

policy models as a simplified representation of a number of selected aspects of a particular problem situation constructed for particular purposes. In addition, Cloete *et al.* (2006:33) are of the view that not all models have the same function. Some are more focused on attempting to describe and explain the total policy process for example the systems model. Whereas, other models only place focus on one or more stakeholders or approaches within that process, such would include the institutional model, the incremental model or the social interaction model, other times the combination of such models would be needed in describing and explaining specific context.

De Coning and Sherwill (2004:4-5) states that a number of authors have seen the usefulness in analysing the policy process in terms of stages, through which a policy issue may pass through, for instance:

- deciding to decide (issue search or agenda setting);
- deciding how to decide or issue filtration;
- issue definition;
- forecasting;
- setting objectives and priorities;
- options analysing;
- policy implementation;
- monitoring and control; evaluation and review;
- policy maintenance, succession or termination of policy.

Dror (1990:89-90) distinguishes between the content and the dynamics of processes. He states that policy development can be improved in two ways: firstly through improving policy making processes involving better policy management and redesigning organisations. Secondly by forming grand policies that have been improved, guiding the substance of discrete policies involving the application of policy analysis to grand policies as well as process and organisation upgrading which helps policy development as a whole.

Furthermore, the public policy models can be divided into two categories, the first category, which includes four models focusing on the analysis of approaches for determining the most suitable policy options. These include:

- The rational-comprehensive model which according to Dye (1987:31) states that rationalisation can be seen as a way in achieving maximum social gain. In this context, a policy analyst should be aware of all the value preferences of a particular society or community and their relevant importance. That is to identify and analyse all possible policy alternatives (including specific frameworks relevant to a particular discipline); explore the possible consequences of each alternative, and select a range of options that will bring about the desired outcome (Dye, 1987:31).
- The incremental model which was first developed by Charles Lindblom. The incremental model views public policy as a continuation of existing government activities with the potential for small, incremental adoptions only (Cloete *et al.*, 2006:34)
- The mixed-scanning model was formed as an alternative to the above two models. The mixed scanning model was developed by sociologist Amitai Etzioni. Users of the mixed-scanning model bring together the good characteristics of the rational comprehensive model with those of incremental model (Hanekom, 1987:85), by reviewing the overall policy and by concentrating on specific need, policy result or policy impact (Hanekom, 1987:85).
- The garbage can model in which decision-makers delay taking decisions for a number of reasons. This normally happens when situations compel them into reactive acceptance of a situation that has developed over time into one which they can only accept passively, without any real alternative open to them, amounting to a policy decision taken by default (Saxonberg & Sirovatka, 2014:451-452).

The second category includes five models for policy analysis focusing on the policy-making process. These would include (Cloete *et al.*, 2006:36-40):

- The elite/mass model which is based on the assumption that a small, elite group only is responsible for policy decisions and that this group is made up out of an ill-informed public.
- The group model which argues that one of the main agents for policy change is the initiative by interest groups to pressure and interact with policy makers on preferences and self-interest. Henry (1992:289) notes that the group model is usually linked with the legislature rather than the bureaucracy, but it has also been recognised for a while by scholars that the “neutral” executive branch of government is influenced by pressure groups.
- The institutional model where Anderson (1979:22) notes that the institutional model could be usefully employed in policy analysis by analysing the behaviour patterns of different public institutions, for instance the legislature versus the executive and their effect on policy-making.

- The systems approach which Cloete *et al.* (2006:40) are of the opinion that the model is valuable for the purposes of policy analysis. Cloete *et al.* (2006:40) highlight that this model is especially helpful in portraying policy processes on a general and simplistic level and often identifying major sub-systems and processes. Hanekom (1978:81) is of the opinion that the systems model is able to provide perspectives on aspects such as the influence of the environment on political policy and *vice versa*, the ability of the political system to change demands into public policy, effectiveness of the feedback process and the extent to which feedback is integrated in the adoption of existing and new policies. Wissink (cited by Fox *et al.*, 1991:33) notes the value of the systems model in relation to its framework which depicts a relationship between the demands, the political system and the results or outputs in terms of stabilising the environment or triggering new demands. However, the systems models also come with some shortcomings, such as its inability to show how the actual transformation of inputs into outputs takes place, which then views this part of the process as a “black box”. Another disadvantage according to Wissink (cited by Fox *et al.*, 1991:32) is the insufficient use of information about political change and why certain policies evolve as a response to those changes. From the above mentioned, Boland and Fowler (2000:424-425) are of the view that there is more to the systems model other than its logical and orderly formation because of the fact that to any model there are multiple factors involved in its process which gives way to cause and effect on policy decisions.
- The generic process model (refer to 2.1) which provides a comprehensive set of phases and proposes specific requirements and key issues to be addressed during each phase. The phases include policy initiation, policy process design, policy analysis, policy formulation, decision-making, policy dialogue, implementation and monitoring and evaluation (De Coning, 1995:164) (refer to figure 2.1). One advantage of this model is that it identifies major stages and considerations of the various stages through which a policy is developed. The models disadvantages would include not being able to detail on all activities that should be attended to during a particular phase, such as policy analysis techniques during policy or the usefulness of decision-making and negotiating models during policy adoption. Lastly, the generic model does not provide guidance on the use of institutional capacities during the policy phases and where the use of analytical team leadership qualities and managerial effectiveness are important considerations (Cloete *et al.*, 2006:51).

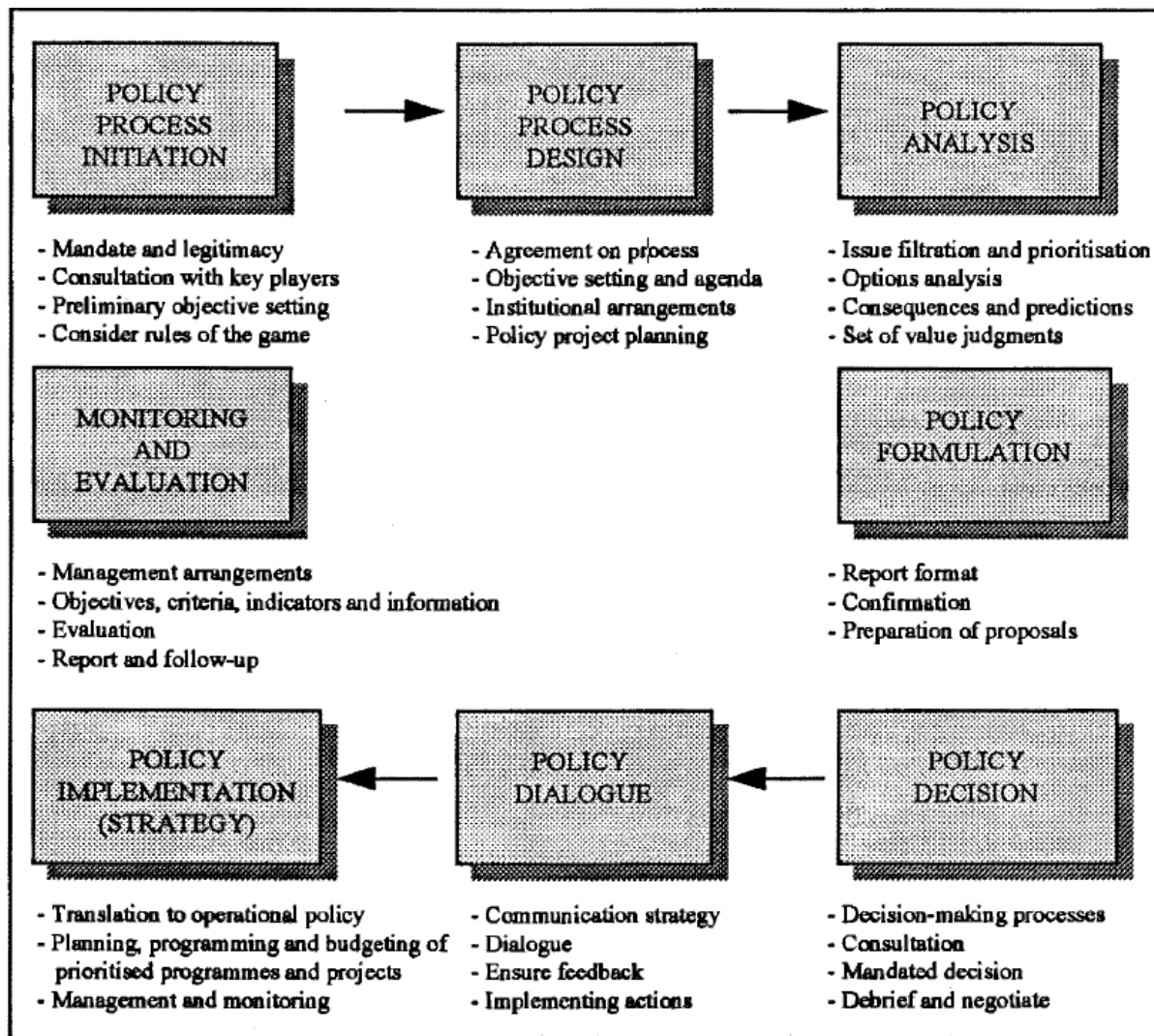


Figure 2.1: Generic process model

Source: De Coning (1995)

From the above-mentioned it can be noted that models particularly relating to the policy-making processes can be of use in actual policy-making initiatives including policy analysis (refer to 2.1) which is the focus of the study. In addition, it should be pointed out that there is no specific model that can be more useful than another. This is because for each problem the usefulness of a model or parts thereof, must be determined. Models contain a number of facets that are relevant depending on the type of application required (Dunn, 1994:152). Dunn (1994:185) defines a model as “a simplified representation of selected aspects of a problem situation constructed for particular purposes”. Furthermore, Cloete *et al.* (2006:33) state that models used for policy management and public policies fall into two broad categories: those which are appropriate for analysing the process of policy making and those which are appropriate for analysing the content, results, impacts and likely consequences of policy.

However, there are specific challenges in the South African experience prompting particular process requirements, as depicted in the generic process model. These challenges include the following (Cloete *et al.*, 2006:51):

- Most international policy process models provide for the policy analysis phases in great detail but do not provide guidance regarding the events leading up to the analysis phase. In South Africa there is still a need for essential aspects within the model that are crucial to the process.
- Lack of prioritising, as the South African context simultaneously introduces large scale public sector transformation and mega policy-making endeavours which require that special attention be given to institutional arrangements.
- Lack of proper planning, as in South Africa, where macro-institutional considerations dominate and the organisational level is effected in a short space of time.
- The inability to be specific when addressing a particular challenge, particular South African considerations, which has prompted the development of the generic process model were to single out the process facilitation elements from the policy analysis actions on content, so as to be able to focus on the management of the actual facilitation of a policy process as a distinct project.

Since the open systems approach has been chosen as a model that is suitable for the purpose of this research, a broader discussion of the model as depicted in Figure 2.1 as follows.

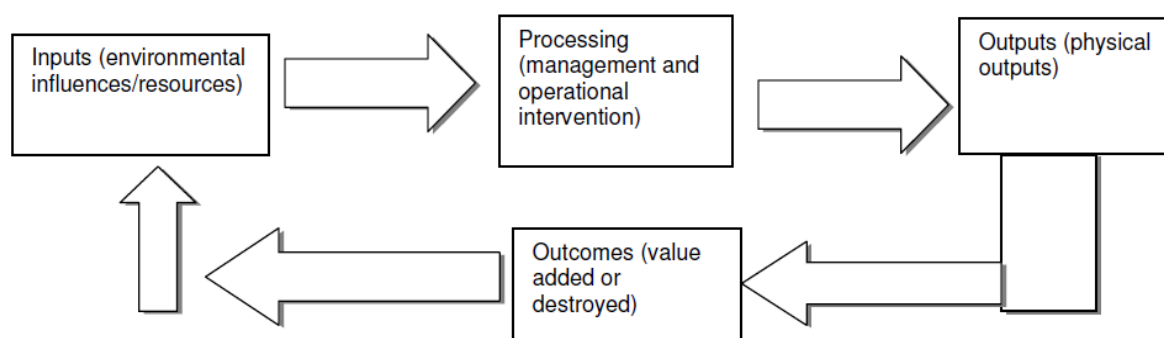


Figure 2.2: The open systems approach

Source: Minnaar and Bekker (2005)

As mentioned in Figure 2.1 above it can be deduced that the systems approach has a number of stages that are essential in determining that the output produced is effective in response to

citizens' needs. According to Fox *et al.*, (1991:10) the open systems approach makes use of inputs from the environment, in order to reach a particular goal within an institution. The institutions have a responsibility in dealing with challenges and adapting to the environment in which they function (Fox *et al.*, 1991:13). Although there are more functional policy stages/phases models that are commonly used, such as Dunn's policy-making model and Wissink's stage model, the stages in the systems model are of particular use in the analysis of policies aimed towards promoting economic growth and sustained employment. In addition Matthew (2004:377) is of the opinion that Africa's leaders frequently view development as an urgent priority. Moreover, Africa's leaders also make frequent reference to the need for development, often convincing their people to endure hardship because this will ultimately bring about development or to accept a controversial policy because this policy is said to be necessary if development has to take place (Matthew, 2004:377).

The systems approach developed in the 1950s by David Easton identifies an institution as comprising different stages of performance which should remain in balance at all times. The action of the different stages influences the overall outcome of the institution (Smit *et al.*, 2007:38). The systems approach in South Africa illustrates that public policies are initiated as a result of demands raised by the public within the external environment. The political environment as an authentic executive institution has the authority to give out values and resources, examples of political institutions would be government departments on national, provincial or local spheres (Nealer, 2013:19). Van der Walddt and Du Toit (1999:95) are of the opinion that the systems approach depicts a holistic and detailed view of the system in an environment, the systems approach consists of a variety of ideas and concepts that can be linked. In addition, Van der Walddt and Du Toit (1999:64) regard the systems approach, as an open system consisting of interdependent subsystems such as departments, which function as subsystems of the environment in which they operate. As an open system the institution receives inputs from the environment in which it functions. These inputs are changed into outputs and thereafter, returned to the environment, as will be illustrated in figure 3.1.

Minnaar and Bekker (2005:24) are of the opinion that the open system reflects the existence of institutions in a close and constant interaction with the environment in which they operate. The environment receives resources needed to improve the lives of citizens. In this way, the institution is enabled to have an influence in its environment. This is executed through promoting services that aim to meet the needs of citizens and improving their livelihoods, in figure 2.1, the open systems approach is illustrated.

Furthermore, from the above it is evident that models play a vital role in policy analysis. Models assist public officials to identify and present the problem at hand in such a way that phases of a specific model are used as intended. Models also serve as a guide for policy makers when

dealing with a particular problem. In regard to this research, models are significant as they will serve a purpose in assisting public officials to address issues of job creation and employment sustainability through the use of the systems model. Other key issues such as the purpose of a policy that will also have an effect in policy analysis for this study will include development and economic growth which will be discussed in the following sections.

2.4 DEVELOPMENT THEORIES PERTAINING TO ECONOMIC GROWTH

In the following section development theories in relation to how it affects the economy will be defined and discussed as it relates to this study.

2.4.1 Defining development in relation to economic development

During the period following the Second World War, development, which was considered similar to industrialisation, became important (Kingsbury *et al.*, 2004:22). Lehman (1979:10) is of the opinion that the challenges that are faced by most developing countries have to be directed around the word *development* to make a clear decision regarding what development means. In so doing, governments will be able to devise meaningful targets or indicators and thus help in improving policy nationally or internationally. The ultimate purpose of development is in raising incomes and in the process providing access for the poor to a range of goods and services (Rapley, 2007:1).

Bellu (2011:2) describes development as an event that comprises a new stage or can be seen as merely a change. In addition, he states that, when referring to a society or to a socio-economic system, “development” usually means improvement, either in the general situation of the system or in some of its constituent elements. Development may occur due to some deliberate action carried out by single agents or by some authority pre-ordered to achieve improvements to ensure favourable circumstances in both. Development policies are examples of such actions meant to facilitate a change in the social and economic conditions of a community. Development could mean, “evolution or bringing out from a latent or elementary condition”, “growth and unfolding”, “gradual advancement through progressive stages” (Oxford advanced learner’s dictionary of current English, 2006:400) implying that with development change is evident. Such change is based on an area of improvement for the better and in the process of development concepts related to movement and process is found (Brown, 2007:3).

Thomas (2004:1-2) is of the opinion that development is a concept which is contested theoretically and politically, and is inherently both complex and ambiguous. Development has taken on a limited meaning as a result of the practice of development agencies, especially in aiming to reduce poverty and addressing the Millennium Development Goals (MDG) now

Sustainable Development Goals, which according to Pisano *et al.* (2015:115) include the following:

- end poverty in all its forms everywhere;
- end hunger, achieve food security and improved nutrition and promote sustainable agriculture;
- ensure healthy lives and promote well-being for all ages;
- ensure inclusive and equitable education and promote lifelong learning opportunities for all;
- achieve gender equality and empower all women and girls;
- ensure availability and sustainable management of water and sanitation for all;
- ensure access to affordable, reliable, sustainable and modern energy for all;
- promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all;
- build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation;
- reduce inequality within and among countries;
- make cities and human settlements inclusive, safe, resilient and sustainable;
- ensure sustainable consumption and promotion patterns;
- take urgent action to combat climate change and its impacts;
- conserve and sustainably use the oceans, seas and marine resources for sustainable development;
- protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss;
- promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions in all levels; and

- strengthen the means of implementation and revitalise the global partnership for sustainable development.

However, development has been subject to various interpretations that try to explain its importance in society. In addition, development is seen as something good, having a positive impact on its citizens as well as the economy (Soubbotina, 2004:7). For the purpose of this study development is important because it can be seen as a measure of whether a policy that is implemented has achieved what it was supposed to achieve, specifically related to ability to facilitate economic growth and employment sustainability. Gelb (2010:32) supports the above when he states that in order to understand economic development in South Africa, it is important that one gains an understanding on the country's economy, (refer to 1.1, where specific economic policies were described). Furthermore, it is important to include that when dealing with economic development, according to Vieg (1946:3) having a systematic approach and making use of calculated resources is essential because many goals are achieved. In some cases government may have a rather short-term view when addressing some public grievances whereas, in other instances government may in fact be the main obstacle in determining development of a particular country (Lehman, 1979:10). Rahnema (1997:379) argues that development has not failed because of governments, institutions and people not being able to implement it effectively but rather because it is "the wrong answer to its target population needs and aspirations". Matthew (2004:375) is of the view that it is essential to highlight that post-development theorists appear to use the word development to refer to the theories and practices which have most commonly been associated with the term development in the post-Second World War era. The post-development concepts to be used include modernisation and dependency. In the following section an overview of development theories will be discussed.

2.4.2 Development theories: an overview

Malick (2005:4) is of the opinion that development theories have to deal with two challenges: firstly, development should be based on problem analyses and secondly, offer opportunities for development strategies, this is evident in the theories of modernisation and dependency. The focus of various theories relate to how economic, social, political or cultural factors influence development. In support, the following section makes mention of the nature of modernisation and dependency theories which will be discussed, specifically in relation to economic development which forms the basis of this study.

2.4.2.1 Modernisation

Concepts such as economic development and economic growth began to dominate development theories around the 19th century, thereby placing emphasis on the improvement of

people's livelihoods and standards of living. Development of less fortunate countries was regarded by great number of development professionals, policy-makers and academics as similar to economic development (Kingsbury *et al.*, 2004:25). Furthermore, Kingsbury *et al.* (2004:43) emphasise that, "as a process, development practitioners are reminded that development involves the identification of roles of government, private sector and individuals that bear directly on the welfare outcomes that people experience". Hence, inclusiveness, consultation and accountability are critical elements of development as a process.

The background to the development of the modernisation theory comprises the political concerns of the United States of America in the late 1950s and early 1960s (Tipps, 1973:200; Preston, 1996:166). Modernisation theories can be said to have their beginnings in the classical period of social change (Giddens, 1991:137-138; Tipps, 1973:200-201; Smith, 2003:44). In addition, Smith (2003:44) is of the view that two characteristics of early modernisation continue to have an impact on current modernisation discourse. Huntington (1968:52) and Nash (1984:6) define modernisation as a multi-dimensional process comprising of modifications in all spheres of production including human thought and activity. Kingsbury *et al.* (2004:24) support the above by stating that, the rate the modern era unfolded made a way for the world and developing countries. This would cause poverty to be dealt with in a way that backward economies became modernised allowing modernisation to become the first order of business. The Modernisation theory thus argued for addressing issues of poverty through development of LED policy. With reference to the research it can be argued that modernisation was a concept first utilised by western societies as a way to bring about positive change for countries and improve their development capacity, which was later also adopted by African countries. The Modernisation theory posits that development is crucial because it is a process in which individuals, groups and communities find ways to be responsible for their own livelihoods, welfare and future (Kingsbury *et al.*, 2004:25).

From the above it can be seen that modernisation has been seen as a theory of development which aims to better the lives of individuals in a particular country. Despite the aim of modernisation, South Africa continues to battle against high rates of unemployment which affects the country's economic development (Hodge, 2009:489). Modernisation, is a process that cannot be undone or stopped, this is true because when developing countries come into dealings with the developed countries, they will no longer hold back and will ultimately be drawn to the move towards modernisation (Hodge, 2009:489). According to Coetzee, Hendricks and Wood (2001:33), modernisation is viewed as a process of change that happens in the external environment and having an effect on the following; the individual, social structure and culture. Modernisation culture includes broader values, norms and attitudes of the larger contexts within which people find themselves. Therefore the theoretical assumption can be made that as the

basis of this study modernisation is a staged process focusing on economic growth and development which comprises a variety of areas of production including human thought and activity. The latter is essential to the study as the LED policy is focused on bringing positive change and also improving the economic growth with regard to job creation and employment sustainability within the context of the Tlokwe Local Municipality. Therefore, development is vital and plays a role in improving and finding better policies in addressing the needs of citizens.

Similar to modernisation theory, dependency theory resulted from the work of various branches of the social sciences (Valenzuela & Valenzuela, 1978:543). Dependency Theory will be explained in the following section.

2.4.2.2 Dependency Theory

“The theory came to being as a reaction to the conventional approaches to economic development that emerged in the aftermath of World War II” (Matunhu, 2011:68). Evans (cited by Smith, 1981:756) defines dependence as a condition in which the rate and direction of resources or capital grow more from outside influence the inside change. Furthermore, Sunkel (1969:23) states that dependency can be seen as a description of the economic development of a country in terms of the external influences on national development policies which include political, economic and cultural influences. Dependency can be viewed as something that happened with the objective of forming a particular pattern in the world economy, presenting some countries as better developed or investment opportunities than others. This gave rise to a condition where a certain group of countries become situated around the development and increase of another country’s economy (Dos Santos, 1971:226).

In addition, Ferraro (1996:2) points out that there are three similar features to the following definitions which are normally referred to by theorists Singer and Prebisch (1949). Firstly, dependency consists of the international system as having three sets of states, differently described as dominant/dependent, centre/periphery or metropolitan/satellite. The dominant states are more developed industrial nations in the Organisation for Economic Cooperation and Development (OECD). The dependent continents consists of Latin America, Asia and Africa that have a lower Gross National Product and which greatly depend on export of a single commodity for foreign exchange earnings.

Secondly, both definitions are familiar with the notion that outside forces are important to the economic activities within the dependent states. Outside forces include multi-national corporations, international commodity markets, foreign assistance, communications and any other ways by which advanced industrialised countries can represent their economic interests

abroad. Thirdly, dominant and dependent states are dynamic because the exchange between the two states increases inequality (Ferraro, 1996:6).

Dependency can be viewed as a historical process, founded in the internalisation of capitalism. Reid (cited by Matunhu, 2011:68) is of the opinion that, “the hope that faster economic growth ‘modernisation’ in developing countries by itself would benefit the broad masses of poor people has not been fulfilled and no concept of development can be accepted which continues to condemn hundreds of millions of people to starvation and despair”.

Furthermore, Vasconi (cited by Chilcote, 1974:8) suggests a variety of opinions regarding dependency. Firstly, it is true that some dependent countries may or may not develop to the level they would like. Secondly, that dependency is influenced by history, and third, that dependency comprises internal and external forces that play an important role in a country’s history. This would be with regard to the way a country is structured in connection to its historical and international position. According to Ferraro (1996:1) the dependency theory was viewed as a solution to explaining the continuous poverty of less developed countries. Various approaches, however, have their own interpretations of dependency. The traditional neoclassical approach argues that poorer countries are late in coming to concrete economic practices and the moment better techniques of modern economics surface, then poverty begins to fall away. The Marxists approach or theory views poverty as an effect of capitalist exploitation. The world systems approach argues that poverty has a devastating effect on the development of the international political economy which manifests itself in favouring the rich and penalising the poor (Ferraro, 1996:1).

From the above the study argues that dependency has been considered to be an approach to the economic conditions created in a country due to outside influences. Such an economic view comes from Marx’s argument that the economic structure is the basic structure of a society by which all other structures are sustained. If the economic structure of a country is greatly influenced by external forces, it limits the ability of that country to respond to growing economic demands for sustained employment through economic growth.

In connection with the research it is crucial to note that the economy of a country determines the availability of resources that will be supplied to its citizens ensuring that their living conditions is improved (Ajei, 2007:42). In this case, the Tlokwe Local Municipality has the responsibility to implement a LED policy to enable economic growth and development for the benefit of the people in society by working with private organisations. Furthermore, LED is defined as a process that is ongoing whilst being driven by local actors from different societal sectors implying collaboration and co-responsibility between the public and private sector for the economic development of a region (Patterson, 2008:3). In this regard, within the context of the

case the government organisation is dependent on external actors for realising LED objectives, while external actors are dependent on government for creating an enabling environment promoting LED. Nuwagaba (2008:6) is of the opinion that LED can be viewed as a locally driven strategic planning process that is located within the local government, business community and the non-governmental organisations that seek to address and use resources to enhance the economy and create job opportunities locally. Economic development can be defined as a form of sustained improvement in the long term of the material and spiritual welfare of the lives of individuals. This results in the alleviation of poverty and inequality taking place, as well as the creation of suitable job opportunities (Van Wyk, 2004:13). Furthermore, Holman, (2000:3) is of the opinion that economic development can be viewed as a process that influences growth and restructuring in an economy to enhance the economic well-being of a community. Bartik (2003:2) supports this when he states that economic development can also occur through moving employed labour and land to more productive uses, for example better jobs. From the mentioned definitions regarding economic development one can note that economic development presents opportunities for individuals in creating better job opportunities and improving the economy of a state. According to Parker (2004:22) LED is a concept that is fairly new in municipalities of South Africa that continues to be practiced by other wealthy countries. Hindson and Mey-Stamer (2007:10) state that a widely-accepted definition of LED is that it is regarded as a process in which partnerships between local government, the private sector and the community are established. Mbekeni *et al.*, (2008:5) view LED as a form of intervention used to promote economic development in a specific area ranging from a small neighbourhood to a region or district so as to manage local and access external resources that can be used to stimulate the economy. In its early years, the LED established its focus by concentrating on growing the economic and tax base of a location.

From the mentioned two theories of modernisation and dependency the study argues that the concept of development and the theories associated with development have undergone various interpretations that try to explain its importance to a society where development is supposed to take place. The primary aim is to see the improvement in society through economic growth in order to provide a better standard of living for citizens. It can therefore, be noted that development cannot take place without some sort of partnership especially when looking at it in terms of economic development as it has been explained by the above authors. Thus, the dependency relationship among partners involved in LED should be recognised and facilitated through the public policy process.

Based on the literature discussed, the purpose of this study is to have a better understanding of how development theories have explained economic growth thus far for developed as well as developing countries. Through development, various governments take action in improving their

economies. Such action was also seen in the economy of South Africa. Thus, the LED policy has been gradually emerging as a development strategy specific for the local sphere of government. Although there has been no long-term attention to the anti-poverty dimension of LED in South Africa, the concept of LED has been part of the local government for at least a decade (Pieterse, 2006:1). Although LED policies have their origins in the high income countries of Europe and North-America (Rodriguez-Pose & Tijmstra, 2005:35), developing countries such as South Africa, also make use of the LED policy to address issues pertaining to unemployment and sustainable growth to prevent employment. The focus of the study was to determine the extent to which the Tlokwe Local Municipality has been able to address unemployment and job creation through an analysis of the LED policy.

2.5 CONCLUSION

This chapter aimed to answer the first research objective which was to analyse the Tlokwe Local Municipality LED policy in terms of its impact on job creation and reduction of unemployment. This chapter demonstrated varied views from scholars with respect to the impact Tlokwe Local Municipality's LED policy has on job creation and reduction of unemployment. They included the following; the significance of job creation being viewed as an initiative within today's society because of the benefits it comes with, which include economic growth, poverty alleviation and development. The understanding of the LED policy's relevance globally as well as in the context of South Africa is crucial for the improvement of standard of living of citizens. This implies that there is no easy or simple way in reducing unemployment in South Africa without group effort from the relevant stakeholders. Public officials still face challenges in promoting cooperation and coordination within the public sector especially in having little or no recognition of LED policy. Policies should be viewed as crucial and essential not only in the academic discipline of Public Administration but also among citizens and public officials in its contribution towards reducing unemployment. Policies are influenced by the coming together of government organisations, public officials and the public itself without such interaction a policy cannot be successful. Such policies would include macro-economic policies as well as the LED policy that share a common goal of enabling economic growth, job creation and poverty alleviation. The separation of the importance of public administration and LED policy may affect the success of LED policy which can only function through the interaction of stakeholders in the private and public sector by focussing on a common goal in creating an enabling environment for economic growth and employment sustainability.

Although there are various models that have been put in place in trying to reduce unemployment, unemployment continues to affect the economic growth and development of South Africa. Despite South Africa being viewed as a developing country there is still more that can be done in addressing the issue of unemployment through the creation of jobs. This emphasises the

importance of local government in having an administrative responsibility that needs to be exercised effectively and efficiently. Effective and efficient administration has great implications on the LED policy with the aim of improving economic growth.

The following chapter will include an in-depth discussion of the environmental factors that affect the ability of the LED policy to make possible job creation and sustained employment. This is in relation to the political, economic and social factors affecting unemployment and job creation.

CHAPTER 3: ENVIRONMENTAL FACTORS INFLUENCING LOCAL ECONOMIC DEVELOPMENT WITHIN THE TLOKWE LOCAL MUNICIPALITY

3.1 INTRODUCTION

Chapter two comprised a theoretical discussion of policy with regard to its definition and an in-depth understanding of policy analysis in the context of public administration with its intention towards enabling the Tlokwe Local Municipality to facilitate job creation and sustainable employment. This chapter analyses the environmental factors influencing LED from a literature perspective whilst simultaneously acquiring a better comprehension of the concepts at hand. The study argues that LED is a local initiative (municipal obligation) in response to changes which occur in both the external and internal environment, which implies the necessity for analysing the influence the internal and external environments have particularly on the LED policy of the Tlokwe Local Municipality.

However, before analysing the influence of the external environment on LED within the Tlokwe Local Municipality context, it is imperative to define environment as a concept, specifically in relation to a municipality operating as an open system.

3.2 THE ENVIRONMENT DEFINED

Minaar and Bekker (2005:21) define the environment as a place in which a particular institution operates. One should note that environmental scanning for situation analysis is a process that is vital for municipalities in understanding their environments better. Daley (2002:34) agrees that institutions cannot function independently, because institutions and environments are dependent on each other for survival.

As mentioned previously (refer to 2.1), public institutions function interdependently. In the municipal context, this is more pronounced, since municipalities operate at the sphere closest to the people and therefore is responsible for addressing the needs of their people. Municipalities then operate as a system responding to the needs as articulated through the environments within which they operate.

The external and internal environments may consist of political, economic, social, technological, environmental and legal factors (PESTEL) (Madumo, 2011:117). For the purpose of the study, the external environment will be discussed as it pertains to specific political, social and economic environmental influences on LED within the Tlokwe Local Municipality's context.

Figure 3.1 below will illustrate the process involved within a SWOT analysis and a discussion will follow after.

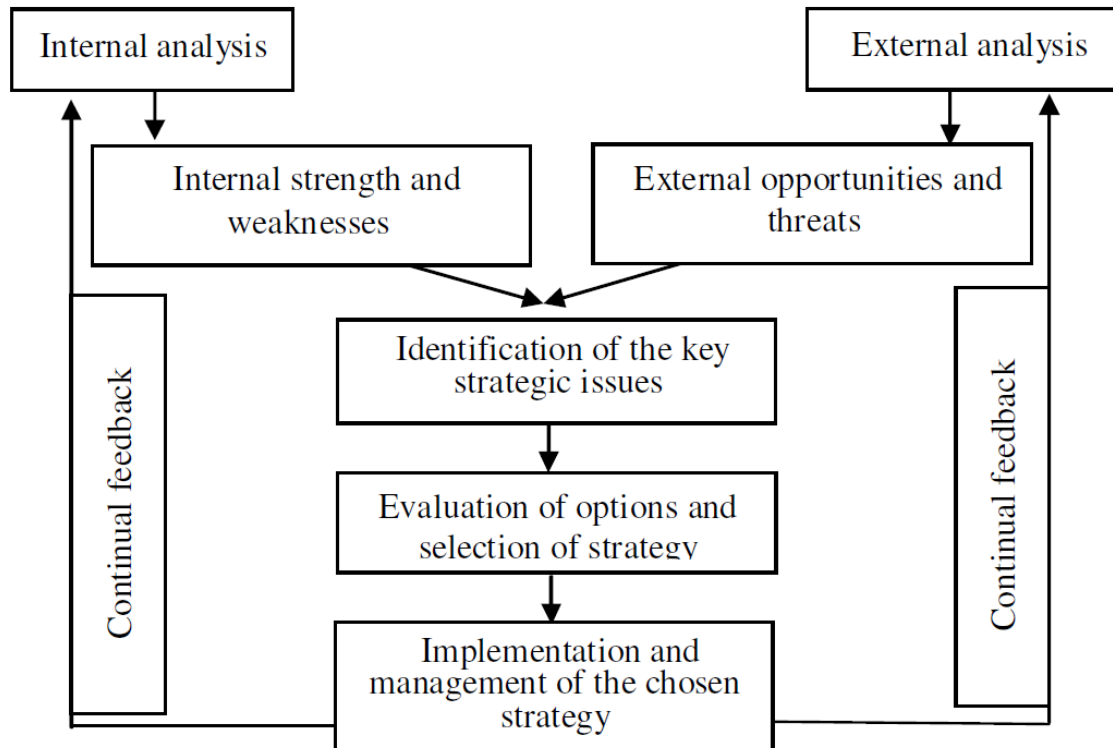


Figure 3.1: Process in a SWOT analysis

Source: Ommani (2011)

As illustrated above a SWOT analysis is a technique that helps an institution to evaluate its Strengths, Weaknesses, Opportunities and Threats. It helps those responsible for meeting citizens' needs to assess what can and cannot happen, including its Opportunities and threats (Ommani, 2011:9448). In the internal environment, Houben *et al.* (1999:125) argue that there are a range of internal and external factors within the internal environment of an institution including unemployment, which may influence the vision and mission of the institution. Conducting a situation analysis or strengths, weaknesses, opportunities and threats (SWOT) analysis is important as it assists the institution in understanding its internal and external environment better. The situation analysis involves the analysis of internal factors that include strengths and weaknesses as well as external factors that include opportunities and threats. This analysis focuses on the multifaceted reality which is experienced by a municipality and its communities. In addition, Van der Walddt *et al.*, (2007:104) argue that with a situation analysis the bulk of information is generated. In light of the above, the internal factors will include strengths and weaknesses and the external factors opportunities and strengths. For the

purpose of the study, the internal environment will be explored. Therefore, it is crucial to examine the influence that the external and internal environments have on the Tlokwe Local Municipality with specific focus to LED policy.

Although the open systems approach to policy analysis as discussed in section 2.4, depicted in figure 2.1 is outlined in a simplistic manner, this approach is rather more complex because it is influenced by two different environments in service delivery: including the external and internal environments. In the light of the above, there are aspects in the environment of the open systems approach that need approval from public officials when delivering services. Aspects such as effects, determinants and challenges may occur in the environment where services are to be rendered. These factors will then determine whether services are delivered effectively and efficiently (Omotoye, 2011:119).

This study focuses on job creation and employment sustainability through LED policy implemented by local government institutions. Bartik (2003:4) explains that because of government aid in individual private businesses, LED is often subject to political challenges. This may be seen by political liberals as “corporate welfare” and by political conservatives as unapproved government intervention in the private sector. Public officials dealing with the LED policy do not decide what should happen in the various municipalities, but puts its focus on what the state can do to give support to local leaders, communities, businesses, non-governmental organisations, organised labour and the stakeholders in realising their own collective objectives (DPLG, 2006:16). Bogopane (2012:1) points out that generally government has a specific role to play in LED to ensure that LED policies facilitate job creation. LED policies should thus focus on aiding marginalised people and communities within the municipal boundaries through a collaborative approach to improve economic development.

Furthermore, the former DPLG (2006:15) states that local government has four key roles to play in LED, which include:

- to provide leadership and direction in policy-making (by laws and processes to regulate land in a manner that reduces the costs of doing businesses and maximises the involvement of people in the local economy;
- to administer policy, programme and projects (the core function of any person or structure responsible for LED is to co-ordinate and maximise the impact of programmes and projects with respect to growth and development);
- to be the main initiator of economic development programmes and projects with respect to economic growth; and

- to be the main initiator of economic development programmes through public spending, regulatory powers, and (in the case of larger municipalities) the promotion of industrial, small business development, social enterprises and cooperatives.

From the above-mentioned it can be argued that municipalities, through their LED policies, have an important role to play with regard to improving the lives of individuals and enhancing economic growth. Through the use of LED, a number of projects can be facilitated in such a way that the focus is placed on improving the standard of living for many. Therefore, the analysis of the external environment can initiate the possible identification of future trends, since the external environment can either have a positive or negative effect on the LED policy's ability to enable economic growth and opportunities in relation to job creation (Olairewayu, 2012:194). For the purposes of this research, examining the connection between the LED policy and its external environment is therefore essential, as will be illustrated in the next section.

3.3 EXTERNAL ENVIRONMENT

Yuksel (2012:52) defines the environment as comprising of the internal and the external environment. The business dictionary (2015a) defines the internal environment as comprising of conditions, entities and factors within an institution impacting the activities and choices, especially with regard to behaviour of the employees. In support, Van der Waladt and Knipe (2009:17) mentions factors in the internal environment that includes; municipality's internal processes and practices, its structures, management style and resources. Whereas, the external environment is defined as consisting of conditions, events and factors influencing an institutions' activities and choices (The business dictionary, 2015b). Furthermore, the external environment exists outside the institution and includes the following; the economic, social or cultural and political environment.

Table 3.1 below demonstrates with relevance to the institution how the SWOT analysis is conducted.

Table 3.1: SWOT analysis Tlokwe Local Municipality

STRENGTHS	WEAKNESSES
Availability of Infrastructure / facilities Municipal management knowledge Political stability and leadership	Business leadership Organisation culture Business performance management Strategic positioning Business processes / procedures Organisation structure Resource management Financial management Human capital management Risk management Policy development Corporate relations (marketing communications) Contract management Service delivery Programme management Project management and Implementation ITC Resources
OPPORTUNITIES	THREATS
Revenue generation Inter-Governmental support Resource availability International events specifically Soccer World Cup 2010 Tourism Facilities (Attractions and Partnerships) Constitution / Local Government legal framework	Negative supplier perceptions Theft and vandalism of municipal assets Non payment culture in community Absence of SLA's amongst spheres of Government Informal settlements Financial constraints Municipal planning still based on statistics of Census 2011 infrastructure backlog baseline is provided by technical departments and outdated ward profiles from CDWs

Source: Tlokwe Local Municipality (2015)

As mentioned in Table 3.1 above the SWOT analysis of the Tlokwe Local Municipality is divided into two parts in the environment the external and internal environment. A SWOT analysis includes both the external and internal factors. To ensure that the information provided is controlled. A SWOT analysis can be divided into two sections, internal factor consisting of Strengths and Weaknesses and external factors which is Opportunities and Threats Van der Waldt *et al.* (2007:104). The external environment involves factors outside the local

government's control such as economic or social factors relating to unemployment and high levels of poverty. There are a number of factors in the external environment, which have an influence in the way an institution is governed. Institutions are not constant because they are forever adjusting their structures and processes so as to respond better to the environment. When conducting a SWOT analysis, the external environment will indicate possible opportunities and threats to the institution (refer to table 2.2) as an institution is greatly in need of the opportunities and threats in its external environment so as to improve the living standards for the community (Houben *et al.*, 1999).

In the next section, the study will analyse the external environment by focusing on the political, economic and social environments influencing LED within the specific municipal context of the Tlokwe Local Municipality.

3.2.1 Political environment

The political environment, as stated above, is part of the external environment. According to Schwella (1991:19), a political environment is part of a society relating to the way in which the legislative framework is managed. The political environment influences institutions within a society and can be conceptualised as including ideas, philosophy and political ideology that are implemented through policies. This is established through national power structures and processes; pressure and interest groups; political policy; and governmental laws, acts and regulations. Faulkner and Loewald (2008:1) point out that the political environment has a significant role to play with regard to implementing and monitoring legislation. The political environment encompasses issues dealing with the institution, for creating political alliance in providing good policies. In the political environment it is important to note that national government in South Africa sets a broad policy framework for all public institutions on all spheres of government. In turn, provincial governments operationalise these policies by setting broad guidelines specifically to facilitate and enable policy implementation by municipalities in their area of jurisdiction (Van der Walddt *et al.*, 2007:24-25).

From the above-mentioned, it is evident that a policy is a manifestation of a country's political environment. Furthermore, it can also be noted that policy objectives should be in support of people's livelihood, otherwise such policy would inevitably amount to more damage than good to communities

Local government, including the Tlokwe Local Municipality, is the sphere closest to the people. In the next section, specific attention will be given to the policies aimed at alleviating unemployment and poverty through LED initiatives.

The Constitution of the Republic of South Africa, 1996, sets (hereinafter referred to as Constitution, 1996) a framework for municipalities and section 155 (1) (South Africa, 1996) categorises municipalities as:

- Category A: refers to a municipality that has only municipal executive and legislative authority in its area.
- Category B: refers to a municipality sharing municipal executive and legislative authority in its area, with a category C municipality within whose area it falls.
- Category C: refers to a municipality that has municipal executive and legislative authority in an area that consists of more than one municipality.

Section 155 (3) (a) of the Constitution, 1996 (South Africa, 1996) further highlights that national legislation should establish particular criteria for determining when an area should have a single category A municipality or when it should have municipalities of both category B and C. Although local government is regarded as being a distinct and independent sphere of government, national and provincial government have legislative and executive authority in seeing to it that municipalities perform their duties efficiently in terms of schedules 4 and 5 by regulating the execution of their executive authority (South Africa, 1996: Section 155).

The Constitution, 1996, is the highest law of the South African state, having a great and immediate effect on local government. Section 151 of the Constitution, 1996, points out that national or provincial government cannot interfere in a municipality's capacity or right to exercise its powers or perform its functions unless the municipality acts in a manner that is, contravenes its mandate. A municipality is conferred with both legislative and executive powers, while Section 152 of the Constitution, 1996, stipulates that municipalities should enhance social and economic development, to ensure the provision of services to communities in a sustainable manner and providing a local government that is democratic and accountable for local communities. Section 153 of the Constitution, 1996, notes that municipalities have an obligation in structuring and managing its administration and budgeting, including its planning processes so that priority can be given to the basic needs of the community including participating in national and provincial development programmes. Section 41 and 154 of the Constitution, 1996, stipulates that a relationship of co-operative government among the national, provincial and local spheres of government should empower, be democratic, efficient, accountable, developmental and sustainable in order to ensure the welfare of citizens in South Africa (South Africa, 1996).

Section 195 of the Constitution of South Africa (1996) (1) (c) and (e) states that public administration should be ruled according to the principles enshrined in the Constitution and include that public administration must be development-oriented and respond to people's needs

by promoting public participation in policy-making. From a Constitutional perspective local government is obliged to promote the economic and social development of its communities through its policy participation and implementation functions (South Africa, 1996).

The White Paper on Local Government, 1998, states that the municipalities cannot ignore opportunities for citizens in respect to job creation taking place within their jurisdiction as well as globally (South Africa, 1998: Section A). Furthermore, Section B (South Africa, 1998) makes note on four interrelated characteristics for developmental local government (refer to section 1.1), arguing its responsibility with regards to economic growth and social development. According to the White Paper on Local Government (South Africa, 1998:46), the Constitutional mandate of local government is to promote social and economic development of communities. This gives municipalities a mandate in providing economic services in assisting other agencies where applicable. The White Paper on Local Government (South Africa, 1998:46) also indicates that a review of existing legislation obstruct LED in carrying out its function especially when matters such as planning and rating need to be carried out by both national and provincial government. The Local Government Municipal Structures Act (117 of 1998), The Municipal Systems Act (32 of 2000), and The Municipal Finance Management Act (56 of 2003) are legislative measures taken by national government in enabling municipalities to perform their duties and functions. Section 19, of the Municipal Structures Act (117 of 1998) states that the municipal council must move towards achieving objectives as set out in Section 152 of the Constitution.

Furthermore, Section 19 (2) stipulates that the municipal council should annually look into the needs of the community and make it a priority that their needs are met. The Municipal Systems Act (32 of 2000) further stipulates that a municipality should take the direction towards a development-oriented plan, so as to ensure to (South Africa, 2000):

- move towards achieving the objects of local government as indicated in section 152 of the Constitution;
- produce its developmental duties as set out in section 153 of the Constitution; and
- work together with other organs of state in contributing to the progressive realisation of important rights contained in section 24 of the Constitution, 1996, which states that everyone has the right to an environment that is not harmful to their health or well-being, section 25 of the Constitution, 1996, stipulates that no individual may be denied of property except in terms of law of general application and no law may permit arbitrary deprivation of property, section 26 of the Constitution, 1996, which states that everyone has the right to have access

to adequate housing and section 29 of the Constitution, 1996, which states that everyone has the right to basic education including adult education (South Africa, 1996).

In addition, the Municipal Systems Act (32 of 2000), Section 25 (1) makes it clear that each municipal council must, after the start of its elected term, create a single, inclusive and strategic plan for development of the municipality. In the abovementioned the Municipal Systems Act (32 of 2000) and Municipal Structures Act (117 of 1998) are legislative frameworks that guide municipalities in meeting the needs of communities whilst moving towards a development-oriented plan. Furthermore, municipalities should promote transparency and public participation, which are essential especially when serving the people.

Furthermore, the Municipal Finance Management Act (56 of 2003) complements the Municipal Structures Act (117 of 1998) and the Municipal Systems Act (32 of 2000) in the aim to transform municipalities in becoming more participatory, transparent and accountable. Section 2 of the Municipal Finance Management Act (56 of 2003) highlights the object of modernising budget and financial management practices in the different municipalities in order to enhance the ability of municipalities to deliver services to all their residents, customers and users. The principle of transparency is also enhanced within municipalities, to enable municipalities to move towards improving the content and quality of their financial management yearly. The local government sphere has a responsibility in aligning itself with the growth and development objectives that constitute new development frameworks. These include, firstly, the National Development Plan (NDP) (The Presidency, 2011:3) that aims to ensure that citizens have a decent standard of living through the reduction of poverty and inequality. Secondly, Koma (2014:41) states that the National Spatial Development Perspective (NSDP) seeks to invest in areas of government that have potential for sustainable and economic development and other provincial growth and development strategies (Koma, 2014:41). The NSDP (Koma, 2014:41) emphasises the need to grow the economy as well as to create jobs and points out the importance of co-ordinating government action and alignment. In alignment with the abovementioned, the Municipal Finance Management Act (56 of 2003), stipulates that municipal finance must be managed in such a way in order to reach its objectives, which is the delivery of services that are effective and efficient.

Zarenda (2013:1) states that the NGP has its priority set on job creation, with the aim of reducing levels of unemployment with a fraction of 10% by 2020. The NGP was developed by the economic cluster that was under the leadership of the Minister for Economic Development, Ebrahim Patel, as part of the National Planning Commission. The NGP and NDP have been presumed to spring from the Cabinet's recognition that South Africa cannot achieve social cohesion and sustained economic development unless all players work together to address poverty and inequality (Hendriks, 2012:3). Therefore, the NGP calls for political change as a

needed requirement for economic growth, transformation and greater co-ordination between government departments. This is done as a plan to transform public institutions in placing attention to increase competition, develop skills and improve efficiency. The NGP is a policy framework that shows government in action through creating more jobs to better the lives of citizens, (Hendriks, 2012:4). The NGP policy further looks on the possibilities that exist with regard to job creation and economic sectors (refer to 1.1).

Zarenda (2013:3) states that the NDP has a vision for the country for 2030 that aims to provide an environment where all South Africans achieve a proper standard of living through reducing poverty and inequality. Zarenda (2013:3) argues that the core elements of such a decent standard of living include the following:

- housing , water, electricity and sanitation;
- safe and reliable public transport;
- quality education and skills development;
- safety and security;
- quality health care;
- social protection;
- employment;
- recreation and leisure;
- clean environment;
- adequate nutrition.

While these core elements are necessary for a better standard of living, the focus of this research is employment through sustainable job creation. Job creation is important as it reduces poverty and leads to a better standard of living for many (refer to 1.1), which implies that the national, provincial and local governments have a responsibility in working together to address the economic development and employment needs of local communities. For the purpose of this study, job creation and sustainability as indicated in both the NGP and NDP are important in ensuring that the Tlokwe Local Municipality can work towards meeting the needs of people and improving their livelihood.

Following on the above-mentioned, the study argues that the regulatory frameworks and acts play an important role in helping public officials to have some form of structure as they address the needs of local communities in a transparent, effective, efficient, and accountable manner. Furthermore, the following acts and regulatory frameworks also strengthen each other in establishing a developmental approach in the Tlokwe Local Municipality. For example as also mentioned in chapter one, to enhance economic growth and the creation of jobs, the former (DPLG, 2006:7) drafted the National Framework for LED in which the facilitating and enabling LED policies for local government, were promoted. According to the DPLG (2006:4) the National Framework of LED in South Africa has been developed as a guide that seeks to advance an understanding of LED and has put forward a strategic implementation approach that municipalities, provinces, national government, state-owned enterprises and communities may concentrate on in order to improve LED. The national framework in relation to job creation makes known the effects that come with unemployment causing poor living standards and high levels of poverty. Therefore, alignment in the three spheres of government in addressing unemployment and economic development is necessary.

There are ten guiding principles stipulated in the National Framework of LED, which include the following (DPLG, 2006:7):

- government is moving towards a developmental approach in being decisive and unapologetic in shaping the country's economic destiny;
- local government has a responsibility in creating an environment where economic and social conditions of the locality are conducive for job creation;
- LED has an outcome of actions and interventions coming from local government of good governance and the continuing improvement through bringing together national priorities and programmes in local spaces;
- inward investment comes from the state and is of great importance especially when potential and competitive advantages are known and are used up;
- the promotion of local economies requires co-ordination from all spheres and sectors of government where focus is placed on the application and localisation of principles located in NDP;
- appropriate solutions and strategies come forth in support of national frameworks in both rural and urban local spaces. In promoting sustainable development and sustainable human settlements;

- South Africa is in competition in a global and rising integrated world economy whose threats should be reduced and opportunities made use of excessively;
- private companies with the inclusion of social enterprises and co-operatives have an essential part to play in stimulating robust and inclusive local economies;
- citizens play a significant role in development and enhancing their skills making room for encouraging local economies; and
- unlocking the potential in local economies; local initiative, energy, creativity, assertive leadership and skills should be promoted.

Thus, from the above-mentioned, it merges that national and local governments have a great responsibility in ensuring that the needs of citizens are addressed and their standard of living improved through the creation of jobs. These principles serve as a guideline for local government to create conducive conditions that will enhance the creation of jobs therefore, for the purpose of this study a developmental approach enables Tlokwe Local Municipality to see to it that the environmental conditions are favourable and conducive to create jobs that will better the lives of citizens.

The National Framework for LED also makes provision for specific objectives, which include (DPLG, 2006:7):

- the shift towards a strategic approach in developing local economies and overcoming challenges and failures that slows down the progress of municipalities;
- enhancing local economies in realising their best ability and involving local communities in becoming active participants in the country's economy;
- uplifting the importance and effective functioning of local economies in growing the economy;
- finding effective and strategic ways in finding means to nationally fight against poverty through local sphere debates, strategies and actions;
- enabling communities to get access to economic initiatives, support programmes and information;
- developing co-ordination of economic development planning and implementation across government and between government and non-governmental actors; and

- increasing awareness on the significant role of localities and regions which are globally increasing vital role as points of investment provided by supportive national policies.

From the above it can be seen that local economies have a fundamental role to play in improving the economy and promoting a better living standard for individuals. This is done through providing a strategic developmental approach to reduce unemployment which is a challenge that is being faced by Tlokwe Local Municipality.

The North West Provincial Growth and Development Strategy (2014:5) developed as a result of the call made by the President in the State of The Nation Address in 2004 where the national, provincial and local structures were challenged to align their growth and development strategies and programmes of action, the national priority objectives, the national spatial development perspective and the municipal integrated plans. A review that was made over the first ten years of the democratic government makes note of the considerable progress in institutional transformation and the formulation of policy and legislation in line with the Constitution, 1996 (North West Provincial Growth and Development Strategy, 2014:9). However, the North West Provincial Growth and Development Strategy (2014:8-9) argues that challenges related to fighting poverty and unemployment, including improving the low levels of expertise and skills, necessitate both immediate and long term attention, requiring primary goals for sustained growth and economic development which include:

- an economic goal where focus is placed on an average economic growth rate of 6.6% per annum in halving unemployment over a ten-year period; and
- a poverty eradication goal addressing the basic needs backlog in accordance with the provisions of the Constitution, 1996, and in preparing the poor for future growth and development.

From the above-mentioned it emerges that job creation and poverty alleviation and low levels of skills are seen to be the greatest challenges to be resolved. In addition such challenges are seen as crucial and the use of variety of possible interventions would be key so as to getting better results in a short space of time to improve the livelihood of citizens.

Before 1994, local government was primarily concerned with service provision and the implementation of regulations (Madumo, 2011:29). Furthermore, with the introduction of the Constitution, 1996, and legislative policy frameworks, the role of government expanded to a large extent. Municipalities therefore, adopted the IDP as an essential tool for planning development, since municipalities are required to be developmental in their functioning as previously stated. A municipal IDP, similarly to the National Framework of LED, can be looked at as a process through which a municipality prepares a strategic developmental plan, which

can be viewed as an instrument that guides planning management, investment, development and implementation of decisions as well as taking into account input from all stakeholders (refer to 1.1). It is important for one to consider that through the LED and IDP attempts are made in addressing unemployment, for these two frameworks both have a development approach in ensuring a better standard of living for individuals. In light of the mentioned LED thus has an important role of integrating development planning in the economic development environment (Van der Walddt *et al.*, 2007:141). As was discussed and outlined in chapter one, the LED policy is a strategic policy promoting economic growth and sustainability in assisting Tlokwe Local Municipality in addressing challenges such as high levels of unemployment (Tlokwe Local Municipality, 2015:118).

The IDP is an approach for planning in aiming to involve the municipality and community in finding possible solutions towards sustainable development (Tlokwe Local Municipality, 2015:94). This resulted in the need to enact other legislation in order to regulate IDP on a more permanent basis (Tlokwe Local Municipality, 2015:12). This IDP is responsible for the following (Tlokwe Local Municipality, 2015:13):

- linking, integrating and co-ordinating plans and takes into account proposals for the development of the municipality;
- aligning the resources and capacity of the municipality with the implementation of the plan;
- forming the policy framework and general basis on which annual budget must be based; and
- being compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.

From the above-mentioned, it is argued that the Tlokwe Local Municipality has a vital role to play with regard to co-ordinating and promoting LED (Koma, 2014:42). Cohen (2010:3) states that the development and implementation of LED plans and strategies have been done according to the needs of communities in different parts of South Africa. According to Heymans (1995:5), the success of the LED depends on the following: leadership in local communities, a sense of crisis that seeks the attention of local stakeholders in taking action for situations that arise in their communities; the bringing together of key stakeholders in the local community to take action in the planning and tentative implementation of LED initiative and the shared unlocking of local resources in support of LED.

According to Tlokwe Local Municipality (2015:276) the current LED document in TLM is a drafted strategy that has to be implemented. The Economic Development Strategy for Potchefstroom was commissioned by the City Council in 2008. The LED strategy is the

responsibility of the Economic Development Department and is needed to promote participation of stakeholders that is the public, councillors and key project stakeholders, as a way to improve the economic development strategy aimed at becoming better, stronger, and relevant to the needs and aspirations of the communities in Potchefstroom. The LED document is also to be used as a foundation for the development of a vision for the realisation of a better future and improved standard of living for all the residents within the area of Potchefstroom (Tlokwe Local Municipality, 2015:277). Furthermore the Tlokwe Local Municipality has a responsibility in coordination and facilitation. In addressing development challenges that are brought about by a mix of urban and rural economies that surrounds the municipal area of jurisdiction ranging from a relatively strong economic performance to relatively isolated settlements with high levels of poverty. These challenges need to be addressed in an innovative manner to initiate and promote integrated and sustainable LED (Tlokwe Local Municipality, 2015:281).

To elaborate on what was mentioned above, one can note that the public responsibility for LED enabled through the political environment implies specific emphasis to be placed on the co-ordination and facilitation of public resources aimed at promoting integrated and sustainable LED as well as attract investments as discussed in chapter one. In terms of economic growth and the creation of jobs, improving the living standards of individuals should be regarded as a priority. Therefore, it is important to understand and detect challenges that are experienced by public officials in the implementation of the LED policy which is seen as being vital in presenting economic opportunities and creating jobs that cater for the needs of citizens. In the following section, the economic environment will be discussed.

3.3.1 Economic environment

Starting in 1994, South Africa had an urgent need to repair its political liberation and openness to global trade and investment with economic growth that would be of benefit to all people involved. This is because, to a large extent, unemployment was, and still is, largely prevalent among the economically disadvantaged (Yohane, 2004:7). According to Cohen (2010:3), the post-1994 government had its focus placed on community, grassroots initiatives related to economic development and participation of citizens. The vision of a free South Africa with an economy that meets the needs of its citizens in a more equitable manner can be traced back to the Freedom Charter of 1955 (Cohen, 2010:3). This vision was later refined and developed to what had been known as the Reconstruction and Development Programme (RDP) (Phutiagae, 2007:132). The national framework in relation to job creation makes known the effects that come with unemployment causing poor living standards and high levels of poverty. Therefore, alignment in the three spheres of government in addressing unemployment and economic development is necessary.

According to Du Toit *et al.* (2002:95) the economic environment comprises an economic system that is relevant at a particular time and setting, used by people to create and divide wealth. Economic Diversification in Africa (2011:1) stipulates that African countries have reaped the benefits of increased levels of economic growth, human development and political stability. The Tlokwe Local Municipality (2011:119) argues that the economic environment could deliver significant opportunities for economic growth, through focusing on the abundant expertise for enhanced knowledge and skills offered by its community and attract more foreign investors.

One of the most perturbing challenges with respect to economic environment is unemployment, which has increased tremendously since the democratic transition. Unemployment is more common among the young, unskilled and black population which Rodrik (2006:2) argues is an economic tragedy as it has a negative impact on the South African economy. Furthermore, Snower and De La Dehesa (1997:1) point out that large-scale unemployment has become the main social and economic issue in South Africa as well as in a number of developing countries. Unemployment is a great waste of human potential as it is the main cause of poverty and inequality. Unemployment removes the availability of money for citizens, in creating social and economic tensions. This is supported by DPLG (2006:10) emphasising that accelerated and shared growth are vital in addressing the issue of unemployment and poverty which are significant challenges that are experienced by many local economies. Omotoye (2011:132) is of the opinion that since government is the single largest employer in the South African labour market and challenges such as high levels of unemployment, low productivity and crime, have a negative impact on the South African economy, government has a major role to play in controlling these factors.

There are developmental hindrances that are experienced by the Tlokwe Local Municipality in relation to a combination of both urban and rural economies that make up the municipal area of jurisdiction. This varies somewhat from a strong economic performance to an isolated rural settlement with high levels of poverty (Tlokwe Local Municipality, 2014:81). The Tlokwe Local Municipality has policies pertaining to co-ordination and facilitation for improving the living standard of citizens, including its LED policy. These policies should be viewed at in a manner which is aimed at initiating and enhancing integrated and sustainable LED so as to attract investments. In addition, tourism development in the Tlokwe Local Municipality is seen as a joint responsibility of local government with the private sector. Tourism within the Tlokwe Local Municipality is not a community service, but rather a commercial industry with the intent to attract visitors in spending money at areas of businesses and services within the public sector (Tlokwe Local Municipality, 2014:82).

In the following sections, the economic potential areas that can enhance job creation and sustainability will be discussed. Those areas of growth are indicated in Figure 3.2 that shows the economic structure of the Tlokwe Local Municipality.

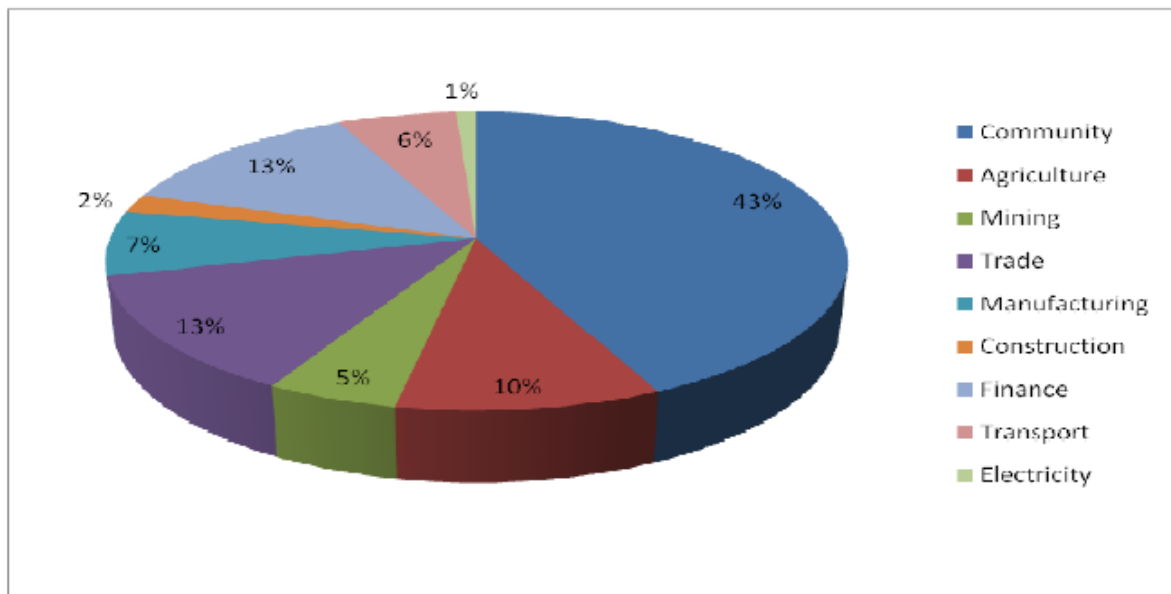


Figure 3.2: The economic structure of Tlokwe Local Municipality

Source: Tlokwe Local Municipality (2015:81)

Figure 3.2 provides for the economic structure of Tlokwe Local Municipality in the various sectors, which include (Tlokwe Local Municipality, 2015:282-285):

- The community services sector which contributes 43% to the Municipality's economy. This sector is made up of a number of government departments such as the South African National Defence Force, South Africa Police Services and a number of government departments around which the economic activities in Potchefstroom revolve, where economic activities within Tlokwe Local Municipality happen.
- The agriculture sector which contributes 10% to Tlokwe Local Municipality's economy. However, the contribution has been declining because of changes that are evident and taking place in the sector as well as the effect of labour legislation, high input costs, and the low prices of maize and flowers. The Tlokwe Local Municipality is a key strategic marketing agricultural linkage and inter provincial hub. That hopes to benefit the residents in Potchefstroom by contributing to sustained economic growth in the future, through making use of the university and the agriculture college that is beneficial to communities in transforming the nature and activities in the agriculture industry of Potchefstroom.

- The retail and trade sector which contributes 13% to the economy of Tlokwe Local Municipality and has performed quite well compared to other sectors due to low inflation and interest rates. This sector has gained from the construction of a new shopping mall, which will make Potchefstroom a regional shopping destination. However, due to current changes taking place in the economy, the retail sector will be affected in the years to come because such sectors should be promoted and targeted for support in order to sustain growth in the future.
- The construction sector which comprises a specific brick-making project funded by Anglo-Gold Ashanti for the implementation of a brick manufacturing project. In previous years, the construction sector played an insignificant role, but since 2011 growth has been mainly driven by the construction of commercial as well as social infrastructure.
- The Finance and Services sector which plays a crucial role within Tlokwe Local Municipality due to the major role it has in the economy and its contribution of 13% to the economy. The sector is dependent on various activities, these are; the university, range of businesses supplying services to other bodies in the corporate and the public sectors, health services and financial services.
- The transport sector which is greatly in need of activities that happen in other sectors, these include; manufacturing, construction, agriculture, trade as well as tourism.
- The electricity sector increased over the years providing households within the Tlokwe Local Municipality access to electricity.

From the above-mentioned it can be argued that each sector has a part to play to the economy of the Tlokwe Local Municipality. These sectors, to a degree, assist in the creation of jobs for citizens. However, as mentioned in chapter 1, there are a number of influences that affect job creation and economic growth in the external environment of the Tlokwe Local Municipality.

Therefore, the creation of jobs is paramount and should be one of government's main goals. This is supported by Erasmus *et al.* (2005:29) who argue that the economy needs to be enhanced, in order to create means of improving the living conditions of its citizens. Unfortunately; one challenge is the presence of socio-economic inequalities in the society. Government needs to create a platform to increase the number of jobs for its citizens. However, this does not automatically mean that such individuals will be paid well or even enough to improve their livelihoods. Omotoye (2011:132) is of the opinion that employees are given less than they should be getting, which is a problem that is experienced in the South African labour market and, at times, causes tension in the working environment resulting in workers not

wanting to work until their demands have been met. Labour unions have a part to play in ensuring that public services are being provided, to such an extent that it helps to reduce social and economic inequalities. Therefore, one can argue that services should be provided to such an extent, that it will contribute positively thereby addressing negative outcomes being experienced by citizens (Omotoye, 2011:132).

For the purposes of the study as has been mentioned, it is evident that the economic environment is not constant but dynamic. This is due to demands and influences that have an effect on the direction of the Municipality with regard to goals and set objectives. Furthermore, economic development is a priority in the Tlokwe Local Municipality as it is identified as one of the key performance areas of the Municipality through its IDP, in promoting participation of citizens with the Tlokwe Local Municipality in creating a platform for public officials to respond effectively to the needs of individuals. In the next section, the social environment will be looked at in relation to human development and its influence on LED within the Tlokwe Local Municipality.

3.3.2 Social environment

Section 3.2 indicated that environmental scanning is crucial and important as it focuses on monitoring and assessing of economic and social conditions (Omotoye, 2011:133). Du Toit *et al.* (2002:94), describe the social environment as the final sum of all social sub-systems that people belong to and the interaction between these sub-systems that can influence the environment for public administration. Furthermore, Fox *et al.* (1991:20) define the social environment as patterns of interaction within a society. Factors that should be considered in the social environment include; demographics, housing and education (Fox *et al.*, 1991:20). In any society it often occurs that people adopt a particular culture through familiarising themselves with the values, expectations, laws and customs of that society. The lifestyle of people is impacted on by this culture and this in turn influences their consumption. Culture, values, expectations and so on are bound to change over time because change is certain. In a culture various subcultures are present and include nationality, population group, religion and demographic area (Smit *et al.*, 2007:70). The following sub-cultures have to a certain degree, an effect on and implications for the functioning of an institution. People's needs and desires should be the driving force behind the system of public administration. Equality, equity, responsibility, justice and empathy should be taken into account and can be arguably viewed as significant societal values (Smit *et al.*, 2007:70). The following normally have a negative impact on the livelihoods of citizens in a society, including corruption, discrimination and inefficiency. Individuals within a society commonly adapt to the norms of the society they live in. This includes getting familiar with practices and rituals found in that particular place, such as;

religion, values, traditions, laws, and language, which inevitably will also change (Smit *et al.*, 2007:70).

The Tlokwe Local Municipality is situated in the Dr Kenneth Kaunda District Municipality area of jurisdiction of the North West Province (Tlokwe Local Municipality, 2015:6). Potchefstroom is a city that is located in the Tlokwe Local Municipality (refer to 1.1). The Tlokwe City Annual Report (2012:35) states that the population of Potchefstroom population comprises 250 000 people. The demographic of Potchefstroom is mostly male-dominated; this is due to a number of immigrants who come into the area in search of employment. In-migration therefore, indicates that a greater need for social services will be in demand such as housing, municipal infrastructure, health facilities and so on (Tlokwe City Annual Report, 2015:30). Furthermore, the Tlokwe Local Municipality is characterised by a high rate of unemployment causing a high need of social grants, which is meant to aid individuals to a certain degree (Tlokwe Local Municipality, 2012:9).

The Tlokwe City Annual Report (2015:18) states that the Human Development Index (HDI) for Potchefstroom (0.6) does not compare favourably with that of the Gauteng Province (0.7), which indicates that the local population of the Tlokwe Local Municipality experiences a lower level of life expectancy, income and literacy than those in Gauteng. The lower HDI is a confirmation that there is competitive disadvantage due to high levels of poverty and a shortage of skills.

Furthermore, according to the Tlokwe Local Municipality (2015:46), the labour remuneration estimated that about 83% of the population in Tlokwe Local Municipality earned an income less than R3200 per month. The increase of unemployment and low income households imply that not enough money is made by households as a result there is low buying capacity. In addition, this causes many households not to be able to pay for services and municipal rates and taxes, thus contributing to the prevalence of poverty. With regard to tertiary education, less than 21% of all individuals in Potchefstroom above the age 19 had a Grade 12 or higher qualification in 2011. Such low education levels have a negative effect on the Tlokwe Local Municipality as it presents challenges in terms of availability of skills required for employment opportunities that might be created in the area (Tlokwe Local Municipality, 2015:46-47).

With regards to housing, the Constitution, 1996, stipulates in section 26 that everyone has the right to access adequate housing. However, this is a challenge for the Tlokwe Local Municipality due to the increasing number of immigrants that come to Potchefstroom as indicated above. Despite the Constitution, 1996, emphasising the importance of housing a great number of individuals still do not live in favourable conditions. In addition, Statistics South Africa (2011) reported that there is an increase within the period 2011 of 51.5% of households in the Tlokwe Local Municipality; this indicates that there is still a great need for housing.

From the afore-mentioned, it is important to note that the social environment has a major role to play in relation to the Tlokwe Local Municipality and the citizens it serves; however, such an interaction has its challenges especially when the needs of citizens are left unmet. In the social environment, identifying challenges and interaction between the Tlokwe Local Municipality and its citizens are significant especially when concerning human development. This shows that public officials have a responsibility through being empathetic and also forming developmental programmes that can meet the needs of citizens especially in disadvantaged communities, through focussing on enabling education to individuals as a way to bring more opportunities in skills development.

In the light of this study, the ability of local government to manage the LED policy successfully in connection to economic growth and creation of better jobs depends on how well the public officials within the Tlokwe Local Municipality examines and understands the social environment in which it operates, so as to address the social issues citizens experience within society.

From the above discussion of the external environment, the study acknowledges that the Tlokwe Local Municipality operates in a political and legislative environment that enables a focus on LED. However, factors within the economic and social environment hamper the ability of the Municipality to meet the needs of its citizens. As such, issues pertaining to unemployment and a lack of human development should receive attention through the LED policy. The study argues that only when the Municipality's strategic policies, specifically the IDP and LED policies, reflect the external environmental realities will the municipality be in a position to ensure job creation and thereby influence sustainable employment.

However, as indicated in the beginning of the chapter, the Municipality's ability to enable job creation is not only affected by its external environment, but also by its own internal environment.

The following section will analyse and define the internal environment.

3.4 INTERNAL ENVIRONMENT

The preceding section discussed the external environment of the Tlokwe Local Municipality, focussing on the political, economic and social factors influencing the implementation of the LED policy. The factors evident in the political, social and economic environment were discussed and explicated; because arguably, they are considered as having an influence on the LED policy and the environment within which it functions. Omotoye (2011:136) argues that the internal environment is an area in the environment which directly has an effect on the availability of resources for the realisation of the realisation of the LED policy. In addition, the mentioned factors that are found in the internal environment can be seen to have an influence on the LED

policy directly. Schwella (1991:20-21) states that the internal environment or the micro environment can be outlined as the solid visibility of more general environmental forces. Moreover, Van der Walddt and Knipe (2009:17) view the internal environment as consisting of factors that include the municipality's internal processes and practices, for instance, structures, management style and resources. In addition, the Business Dictionary (refer to 3.2) defines the internal environment as conditions, entities, events and factors with an organisation influencing activities and choices in relation to the behaviour of employees. The following are normally viewed as being part of the internal environment, including the institution's mission statement, leadership styles and its institutional culture. Furthermore, the planning, organising, leading and control of activities by public officials normally happen in the internal environment. The internal environment involves interaction between the institutional and individual goals, the resources needed to achieve these goals, community needs and the external environment (Smit *et al.*, 2007:63).

In the internal environment of the Tlokwe Local Municipality the concepts *institutional culture* and *institutional commitment* will be explored.

3.4.1 Institutional culture

A culture can have an effect on an institution in a number of ways; for example through the shape of the market, political influence and the attitude of the workforce. It is thus crucial that social influences be taken seriously by those in charge (Smit *et al.*, 2007:70). The cultural environment can be viewed as beliefs, interactions and attitudes that take place in society. Values and norms of a culture are vital especially in the assessment of preferences and needs (Hodge & Anthony, 1984:64). However, Rossouw *et al.* (2007:167) point out that culture is not the only factor influencing what takes place in an organisation but also has an effect on what institutions achieve and how they go about to achieving their set target.

Martins and Martins (2003:380) define institutional culture as particular systems where one shared meaning is held by individuals in an institution that differentiates it from other institutions for example, something understood in a particular way by the Tlokwe Local Municipality might not be viewed similar by North West Province or any other private or public institution. Arnold (2005:625) is of the opinion that culture involves norms, beliefs, principles and ways of doing things that are unique to every organisation. Schein (1985:9) views an institutional culture as "a pattern of basic assumptions invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration that has worked well enough to be considered valid, and therefore to be taught to new members as the correct way to perceive, think and feel in relation to those problems." According to Omotoye (2011:137) local government such as the Tlokwe Local Municipality's institutional culture is guided by its vision

and mission. The vision and mission of a municipality addresses two aspects. Firstly, the vision of a municipality looks at where it sees itself within a particular time-frame, and secondly, the mission of a municipality aims to understand how the institution will achieve its vision (Omotoye, 2011:3). The vision of the Tlokwe Local Municipality is, “a transformed Tlokwe Local Municipality striving for economic, social and human development through good governance” whereas, the mission of the Municipality is to provide quality sustainable services that are responsive to communities’ needs within a healthy, safe environment that take place through good governance (Tlokwe Local Municipality, 2015:82). The relationship between the vision, mission and strategy is that they all move towards accomplishing a particular target. Mintzberg (cited by Nichols, 2012) shows that strategy can be used in various ways, the most common being the following four:

- strategy is a plan, a “how” a means of getting from here to there;
- strategy is a pattern in actions overtime, for example, a company that regularly markets very expensive products in using a “high end” strategy;
- strategy is position, that is, it reflects decision to offer particular products or services in particular markets; and
- strategy is perspective, that is a vision and direction.

From the mentioned definitions it is clear that every institution operates differently. Leaders or public officials in an institution should determine the type of environment that best describes the institutions vision, mission, and values by identifying the behaviours that would reflect the institutions vision, so as to develop strategies that are in line with the institutions vision (Werner, 2007:25). Pearce and Robinson (2004:420) made a list of the following methods that should be followed when creating and managing a specific institutional culture; including:

- emphasis on key themes and important values;
- encouraging propagation of stories that talk about core values;
- practices should be implemented that steadily promote desired beliefs; and
- common themes should be adapted that enhance the institution.

The above methods are significant in managing an institution’s culture as described. The study notes that the LED policy is positively influenced by the institutional culture when goals and objectives of an institution are followed and commitment is seen when officials plan, manage and seek to meet needs of citizens in an effective way. Therefore, it is important for a structure

to be set within the developmental approach espoused by the values and principles of the Tlokwe Local Municipality if the objectives of LED are to be achieved. Therefore, Tlokwe's intention towards economic and social development is reflected in their vision through the promotion of good governance that requires transparency, accountability, efficiency, effectiveness. It is also important for one to note that fostering an institutional culture focused on development implies that officials will be able to deliver on their developmental mandate if they are equipped with the appropriate knowledge promoting development. This is because institutional culture and knowledge regarding LED are important as they both should promote accountability and efficiency.

Knowledge is paramount in every institution and can be defined as understanding facts, ideas and actions of what is known (Robbins *et al.*, 2009:58). Knowledge is essential for instance in knowing the management functions and the drafting of a policy that can be achieved through managing resources. However, skills such as decision-making and problem-solving are just as important (Smit *et al.*, 2007:304). Bhojaraju (2005:1) defines knowledge management as a process consisting of the gathering, managing and sharing of information within the confines of an organisation. Furthermore, Smit *et al.*, (2007:438) views knowledge management as a systematic approach that identifies, manages and shares information resources. In addition, Van der Walddt *et al.* (2007:26) makes note that citizens demand information of their surroundings. This is with regard to the management of public goods and how tax money is spent. They are willing to participate in developmental processes and in making decisions that will affect them as well as anticipating better services. However, to participate, citizens need to acquire more information on how exactly municipalities work, how decisions are made and how civil society is organised.

This will be helpful in situations where citizens have lost trust in municipalities regarding providing the right quantity and quality of services. Therefore, efforts should be made in helping citizens regain trust in municipalities. Ebdon (2002:275) is of the view that ordinary democracy is about empowering all individuals with the platform of participating actively in the awareness of their well-being and fulfilment. Van der Walddt *et al.* (2007:88) argue that the importance of knowledge is essential; specifically for a municipality with regards to the availability of its resources. Such knowledge is crucial in enabling alignment of individual and institutional performances by managers. Therefore, the assumption about knowledge based on the emphasis that the Tlokwe Local Municipality places on development in regard to its performance indicators is through promoting transparency and the willingness to share information, which is essential for public participation.

From the discussions above it can be noted that knowledge is vital as it helps officials to be well-informed in and when making decisions. Knowledge also brings about orderliness within

the institutional culture through prioritising which area should first be addressed and how to go about that matter. The LED policy in the Tlokwe Local Municipality requires policy makers to be knowledgeable so as to implement a policy that addresses social and economic challenges experienced by individuals.

Koma (2014:145) confirms this by stating that a policy is initiated by policy-makers as a response to social challenges that individuals face at a particular time. In addition, Goel (1994:126) points out that policy has a role in making known areas in the context of which institutional decisions are to be made. This shows how important policies are in bringing structure to the political, economic and social objectives in the form of laws, rules and regulations. A municipality has a responsibility pertaining to the co-ordination and facilitation (refer to 3.2). The study acknowledges that a supportive organisational culture promotes the sharing of knowledge to benefit its citizens through appropriate policy formulation and implementation. An organisational culture that supports organisational values aimed at developmental and growth enables policy formulation and implementation which will address the social and economic challenges prevalent in its communities. However such an enabling organisational culture necessitates institutional commitment reflective of the drive to support economic development and growth. The next section will discuss institutional commitment as the second concept of internal environment.

3.4.2 Institutional commitment

The commitment to an institution is characterised by employees' attitudes, perceptions and behaviours towards institutional policies and their implementation. An attitude is viewed as either positive or negative opinions formulated about a number of things such as objects, people or events (Robbins *et al.*, 2009:72). Miller (2003:72) states that it is an estimate of judgements that can either be viewed as favourable or not depending on what occurrence have happened at that point. Furthermore, Smit *et al.* (2007:298) point out that an employee's attitude can influence his or her performance in an institution. In the mentioned it can be noted that the attitude of public officials or policy makers is significant because it influences the implementation of policies in delivering quality services to the citizens. In addition, this can be viewed as a responsibility of managers within institutions such as the Tlokwe Local Municipality to ensure that attitudes of officials or policy makers are in alignment with the set objectives and vision of an institution.

The perceptions of public officials in the Tlokwe Local Municipality are vital as they influence the implementation of set objectives found in the LED policy. Perceptions can be viewed as a process that involves interpreting and organising the physical impressions given off by public officials, so that they are able to give meaning to their surroundings. It should be noted that

one's perception and what is currently happening does not always go together (Robbins *et al.*, 2009:119). Despite institutions having distinctly established goals, each official might have a different goal. Experiences of past employees can influence the perception of present employees (Smit *et al.*, 2007:304). From the mentioned, it should be noted that perceptions and attitudes of policy-makers or public officials can influence the implementation of the LED policy in meeting the needs of citizens with regard to challenges experienced by those citizens. Smit *et al.* (2007:412) state that an employee's behaviour can be influenced by their moral principles and values. Once again, this emphasises the relationship between organisational culture as manifested through organisational values and organisational commitment as manifested through employee attitude, perception and behaviour. Such behaviour may also be directed by regulatory frameworks or legislation, for instance the national framework for LED in delivering quality services to communities including working towards achieving set objectives.

Therefore, O'Reilly (1989:17) describes institutional commitment as an employee's mental connection to the organisation, involving the participation of work-related matters, having loyalty and belief in the values of the organisation. Furthermore, Werner (2007:335) is of the view that institutional commitment characterises the employee's association with the organisation and the effects of enduring working at the institution. Additionally, Morrow (1993) is of the opinion that institutional commitment gives off feelings such as attachment, identification and loyalty objects of commitment to the institution. Institutional commitment can be viewed as a state of being, whereby employees are accountable for their actions and beliefs that sustain their activities and involvement in the institution (Miller & Lee, 2001). For instance, Koma (2014:42) notes that municipalities are seen as institutions and are important role-players in co-ordinating and promoting LED. Local municipalities all around the world constantly face a variety of challenges at different points, such as; inequality, unemployment, high levels of poverty and limited provision of basic services which continue to affect local communities (Horn & Lloyd, 2001:59). This comes to show that for such issues to be dealt with, institutional commitment by public officials is required to enhance the standard of living of citizens.

As mentioned above, attitude, perception and behaviour included in the internal environment have an effect on the formulation and implementation of the LED policy. This reflects that public officials should align themselves with the vision and mission of the institution in order to achieve the set objectives found in the LED policy in the Tlokwe Local Municipality. The Tlokwe Local Municipality (2012:119) points out that it has a responsibility pertaining to co-ordination and facilitation (refer to 3.3.2). Therefore, municipalities have a role in enhancing LED while at the same time protecting the environment, stimulating employment and implementing poverty alleviation strategies (Development Bank of Southern Africa, 2000:29-30).

From the above discussion of the internal environment, the study acknowledges the importance of an enabling and supportive organisational culture reflective of an organisational commitment towards promoting economic development and growth. Recognition is given to the influence that an organisational vision, mission and values have towards establishing a supportive organisational culture. Employees' attitudes, perceptions attitudes, perceptions and behaviour are indicative of the extent to which they align themselves to the organisational vision, mission and values. Alignment is promoted through the sharing of knowledge which in turn affects organisational commitment. The study argues that without a supportive internal environment the Tlokwe Local Municipality will be unable to address unemployment and poverty through its strategic policies. If strategic policies promote job creation and sustainable employment, the study argues the internal environment, its organisational culture and climate should reflect its intention towards development and growth.

Both the external and internal environments may influence the ability of the Tlokwe Local Municipality in promoting job creation and sustainable employment. The study acknowledges that within an open systems approach to policy analysis the influence of an organisation's environments should never be underestimated. Ultimately the success of public policies will be judged by their ability to realise objectives such as promoting growth and development.

3.5 CONCLUSION

This chapter addressed the second research objective which aimed to examine the environmental factors of the LED policy in relation to policy/laws, economic environment and social environment.

This chapter commenced with a discussion of the environmental factors that influence the implementation of the LED policy within the Tlokwe Local Municipality. This chapter demonstrated the importance of understanding the external and internal environment, including identifying and addressing significant factors in connection with the LED policy. The LED policy of Tlokwe Local Municipality should be integrated within the political, social and economic factor to ensure its success of improving the standard of living for communities. The lack of interaction from public officials in respect to the LED policy pertaining to the organisational culture and organisational commitment can affect the success of LED in enhancing economic growth and development. In respect to the discussion the following important aspects were included; knowledge, attitudes, perceptions and behaviour of the internal environment, If the following are not used accordingly in the TLM the LED policy may have a negative outcome in respect to its influences on the external factors such as unemployment. Furthermore, regulatory frameworks, legislation and policies pertaining to functioning of the Tlokwe Local Municipality have guidelines on how the LED policy should be used, lack of interaction and coordination from

public officials affects LED policy negatively. In addition, policies are influenced and endorsed in the Tlokwe Local Municipality by policy makers with the aim of addressing social challenges faced by citizens in the jurisdiction of the Municipality. Participation from various municipalities is required or else the success of LED policy is greatly affected. Moreover, it is important that policy-makers align themselves with set objectives and targets of the municipality through the effective management of the external and internal environments in enabling the success of LED policy.

The next chapter will identify the challenges in facilitating job creation and employment sustainability in the Tlokwe Local Municipality.

CHAPTER 4: CHALLENGES RELATED TO THE FACILITATION OF JOB CREATION AND EMPLOYMENT SUSTAINABILITY THROUGH LOCAL ECONOMIC DEVELOPMENT WITHIN THE TLOKWE LOCAL MUNICIPALITY

4.1 INTRODUCTION

Chapter three focused on the environmental factors influencing LED from a theoretical perspective whilst at the same time getting an in-depth understanding of the concepts at hand. Two environments were looked at - the external and internal environments including identifying and addressing important factors concerning the external and internal environments. The external environment investigated the political, economic and social factors influencing the LED policy, whereas, the internal environment discussed two concepts which included; organisational culture and organisational commitment.

The purpose of the study is derived from the main problem presented in Chapter one, where the focus was placed on the following research question to be dealt with:

- What are the challenges in facilitating job creation and employment sustainability through the LED?

The objectives of the study as indicated in chapter one are to:

- Identify the challenges in facilitating job creation and employment sustainability.

For the purposes of this study, the Tlokwe Local Municipality was chosen as the locus. The researcher made use of semi-structured interviews that were conducted with public officials in the selected departments of the Tlokwe Local Municipality.

The chapter aims to identify and analyse the challenges related to the facilitation of job creation and employment sustainability in the Tlokwe Local Municipality within the context of LED policy. The focus of the chapter is to discuss the empirical findings as viewed under each theme outlined below:

- LED in the Tlokwe Local Municipality;
- LED in addressing unemployment and job creation; and
- Challenges in implementing LED policies.

4.2 LOCAL ECONOMIC DEVELOPMENT IN THE TLOKWE LOCAL MUNICIPALITY

The Department of Economic Development has an important role to play in the success and implementation of the Local Economic Development Plan (Tlokwe City Council, 2013:51). The aim of the LED is to offer the Tlokwe City Council, the private sector, and the local community an opportunity to work together to improve the local economy. LED strategy focuses on enhancing the local business and competitive environment and increase sustainable inclusive growth and development in the area. LED is an important tool for alleviation of poverty and the development of sustainable local economies. LED is regarded as a tool used to unlock economic opportunities that will create jobs and uplift the livelihoods of communities (Tlokwe City Council, 2013:13). The role of the Department of Economic Development in LED is that of a facilitator than a provider. The Department of Economic Development focuses on extracting value for both entrepreneurship and regulation in optimising synergies between stakeholders representing two opposite forces in the economic development space (Tlokwe City Council, 2013:51).

As a facilitator of LED, the Department of Economic Development could play the following roles, which include:

- Strategic guidance and development of a knowledge hub- to ensure LED is in alignment with the district, province and the National Development Plan, in being integrated with the Tlokwe IDP. Another important aspect is acquiring knowledge and information in all aspects of LED, this includes information about economic development at the various spheres of government.
- Facilitation of the delivery of the LED plan- It will ensure that the delivery of the LED plan is integrated with the overall IDP process of the LED is part of.
- Optimisation of stakeholders' synergies - through facilitating the process of constructive dialogue between stakeholders and need to be up-skilled to play this role.
- Building capacity through partnerships - one of its important skills is to form value-adding partnerships with the various stakeholders and available capacity of various stakeholders to deliver in terms of LED plan. A typical stakeholder capacity audit include; expertise, organisational capacity and resources.

As was conceptualised in chapter one, LED is defined as a process in which local government and/or community-based organisations or groups manage existing resources and enter into a partnership with the sector or others to create new jobs and stimulate economic growth. In addition, the Tlokwe Local Municipality (2015:285) states that the LED policy is a strategic policy

promoting economic sustainability in the Tlokwe Local Municipality to address the challenge of unemployment. Furthermore, IDP's are policies through which LED in South Africa can be achieved and are drafted to ensure that a municipality's LED initiatives are properly reflected. Again chapter one points out that the Tlokwe Local Municipality is a category B municipality, which is defined as a municipality that shares municipal executive and legislative authority in its area of jurisdiction with category C municipality. In Tlokwe Local Municipality (2011:82) the role and vision of Tlokwe Local Municipality are to strive for economic, social and human development through good governance. The above vision can be accomplished through; collaborating and working with other stakeholders (including the District Municipality), that aims to identify policies suitable for implementation (Mokhatla, 2001:1).

Chapter one described specific social and economic problems that were evident as a result of unemployment. The argument was made that the effects of unemployment give rise to the socio-economic factors. Tlokwe Local Municipality is characterised by a rural and urban settlement and as a result individuals face the challenge of unemployment which causes poverty. (Tlokwe Local Municipality, 2015:46) indicates that a pre-eminent challenge is to ensure parity in service delivery between the different types of settlements, including farm areas.

In the following sections attention will be given to analyse the specific role of local government, towards addressing unemployment and job creation through LED.

4.2.1 Role of local government in Local Economic Development

In the literature review presented in chapter two concepts of local government, public administration, public policy and development were analysed. Following a thematic analysis for empirical data, the following sections explore respondents' feedback regarding the above-mentioned theoretical concepts.

In this particular theme, respondents were asked about their interpretation of the role of local government in LED. Respondents experienced difficulty answering questions related to their understanding of what constitutes stakeholders, socio-economic and political environmental influences pertaining to policy implementation, whereas other questions such as the role of local government and the purpose of LED policy were answered with more ease and certainty. Respondents had the following views: local government's role is to create an enabling environment so that services can be delivered (Mokotedi, 2015), also, to develop communities and improve their livelihoods because local government is the first place where contact is made between an individual and government institution (Galeng, 2015; Thornhill, 2008). Luka (2015) notably views local government as being significant because they have a major role in

improving the lives of citizens. In the same light, Luka (2015) identifies the importance of community engagement in enabling public officials to address the concerns of the public and being accountable to them. Additionally, Luka (2015) points out that public officials have a responsibility in being accountable to communities for the following reasons; providing good governance, promoting public participation and giving individuals access to basic services that improve their standard of living. Likewise, as indicated in chapter three, the municipal council, on an annual basis, should prioritise and focus on the needs of the community.

The above responses are in line with the available literature that explains the role of local government to be the following (DPLG, 2006:15; Triegaardt, 2007:3; South Africa, 1998:Section B; Bogapane, 2012:1; the Constitution, 1996): The above authors expressed similar views on the role of local government and all agreed that local government's commitment is to the public and is centred on ensuring that the needs of citizens are prioritised accordingly in the economic and social environment as well as improving their living situations. Emphasis is placed on the responsibility local government has pertaining to the following; promoting public participation, economic growth, development and creating an enabling environment for the facilitation of job creation. Additionally, the role of local government is also in being accountable and transparent to local communities. In contrast, Madumo (2011:29) was of the opinion that prior to 1994 local government's role was limited and mostly centred on service provision and implementing regulations determined by national government.

This study supports the notion that municipalities are needed in society because of being the sphere closest to the people (South Africa, 1998: Section A) meaning more can be done in making sufficient changes within communities. The above role of government given or reported by literature (DPLG, 2006:15; Thornhill, 2008:492; South Africa, 1998: Section B; Madumo, 2011:29, Triegaardt, 2007:3) is similar to Mokotedi (2015), Galeng (2015) and Luka (2015), which shows that public officials have a good understanding of the role of local government. Local government should be focused in addressing concerns the public raise. Furthermore, the study acknowledges that local government needs to adhere to what is stipulated in the Constitution, 1996, and municipal policy frameworks because it is a mandatory requirement, in that services needed by the people cannot be provided unless local government works hand-in-hand with local residents by listening to their grievances.

For the purposes of the study, the above-mentioned is vital when considering whether job creation and employment sustainability are evident in the implementation of the LED policy. Local government's commitment is people-oriented and to create a developmental local government, which strives for the improvement in the following; citizens living conditions, growth in the economy; and development within the environment. The above responses and literature, depicts the role local government plays in LED to enhance job creation and employment

sustainability. The study acknowledges the responsibility that local government has towards citizens in addressing their grievances and creating an enabling environment to combat the issue of unemployment which is affecting the Tlokwe Local Municipality. However, despite the respondents' views on the role of local government, unemployment continues to give rise to socio-economic problems within the Tlokwe Local Municipality and therefore affects the role of local government as indicated above.

When probed on a challenge about local government experiences in relation to meeting the needs of citizens, respondents gave these responses: Masitenyane (2015) and Mokotedi (2015) are of the opinion that there is a lack of interaction between public officials in other departments and public officials within Economic Development Department of the municipality. In contrast, Luka (2015) emphasises that in addressing unemployment, public officials within the Tlokwe Local Municipality should engage with unemployed citizens to understand what they need.

The above responses indicate that there is a similarity with literature which indicates the following; according to chapters one and two of the study, the responsibility of public officials cannot be overlooked within local government in meeting the needs of citizens. However, lack of interaction between other departments and public officials placed in the Economic Development Department within the Tlokwe Local Municipality affects citizens greatly - the reason being that there is no cohesion or coordination which is paramount when dealing with citizens' needs at the local government sphere. Chapter three highlights that municipalities through their LED policies have an important part to play in meeting the needs and improving the lives of citizens. Koma (2014:41) underlines the importance of coordinating government action and ensuring alignment. Lack of interaction within municipalities affects the organisational culture resulting in citizens' needs and LED objectives not being met. With regard to this study, the lack of interaction between public officials has a detrimental effect on the communities as well as Tlokwe Local Municipality's vision and mission (refer to 4.1). Two equally important concepts are; community engagement and public participation in addressing the reduction of unemployment and job creation through LED (Tlokwe Annual Report, 2011:5). The lack of interaction within the Tlokwe Local Municipality affects not only citizens but public officials fulfilling the role of local government as stated above. For this reason, public officials need to realise the importance of working together and combating the issue of unemployment which is negatively affecting the Tlokwe Local Municipality (refer to 1.1). Lack of interaction decreases the chances of the Economic Development Department achieving the LED objectives which cannot be achieved without group effort.

When asked whether they had received any support from national and provincial sphere, two respondents (Galeng, 2015; Masitenyane, 2015) identified funding as being a big concern. This highlights the importance of financial resources, which are essential in implementing LED

initiatives and fulfilling the local government's role to improve the lives of individuals. Additionally, a lack of funding within the Economic Development Department is a serious barrier because the lack of funding limits opportunities focused on employment creation initiatives and prevents local government from creating an enabling environment for its citizens. As a result, tension can exist between public officials and community members, when citizen's needs are not prioritised and met. Luka (2015), Masitenyane (2015) and Mokotedi (2015) agree that in involving communities within the Tlokwe Local Municipality, public officials in other departments should be given sufficient information regarding the role of the Economic Development Department in realising the objectives of the LED policy. The LED policy, while within the executive ambit of local government, cannot be achieved without commitment from all public officials.

The above responses support views derived from available literature, for example, Moyo (2007:225) explains that a lack of funding or failure in managing funds is problematic and hinders the successful implementation of the LED policy. Alignment within the three spheres of government is crucial especially when dealing with funding in municipalities (refer to 1.1). The study acknowledges the importance of funding in the implementation of LED initiatives as well as providing more information to officials on the reciprocal relationship between LED and the Economic Development Department. For the purpose of the study, public officials should see the importance in focusing on projects that promote job creation and employment sustainability in local government, where funding is required from provincial and national government.

All respondents acknowledge the centrality of local government towards economic and social development within communities. Respondents indicate that the LED policy could be used as a vehicle to promote job creation and employment sustainability positively (refer to 1.1). Respondents argue that local government alone cannot achieve this and support from national and provincial government is required. Interdependency and interrelatedness are paramount in creating an enabling environment for LED policy implementation (refer to 1.1). Policy implementation is vital and the study supports the necessity of alignment between the three spheres as well as equipping public officials with knowledge pertaining to the role of LED policy in promoting economic and social development. For this reason, public participation and community engagement are essential in addressing the needs of the community.

To understand the role of local government in LED, it is necessary to conceptualise LED as indicated by respondents. The purpose of LED, as expressed by officials cannot be overlooked and will be examined below.

4.2.2 The purpose of Local Economic Development

When interviewed on the question pertaining to the purpose of LED policy, respondents had the following opinions: Mokotedi (2015) agrees that the LED's purpose is in developing the economy of the Tlokwe Local Municipality by eliminating poverty through job creation. Luka (2015) argues that the purpose of a public policy is promoting public participation by addressing problems identified by the public which gives the public a sense of ownership in being involved with the policy. On the one hand, Galeng (2015) is of the view that the purpose of the LED should be focused more on entrepreneurship and assisting businesses to promote employment opportunities. On the other hand, Masitenyane (2015) expresses the view that "LED was crafted by the legislators or government to try to assist in the development of LED and community development, where government intervenes and your normal private sector or commercial activities will not. Given our past history of separate development, one should acknowledge that there are other parts of the economy that are much stronger than others. Those left behind unfortunately are your previously disadvantaged people. LED is trying to see whether the intervention of government processes and programmes can make a difference in enhancing disadvantaged communities." In support of this, chapter two highlights the practice of public policy within public administration as a government activity being essential in addressing the challenge of unemployment. This is because it involves the interaction of more than one person in both the formal or informal setting. In consideration of the above, Luka (2015) argues that citizens lack the understanding on the importance of a policy. Additionally, citizens fail to comment on changes they would like to see in a policy due to their lack of understanding. Luka (2015) further explains that the importance of a public policy should be emphasised to citizens as well as a policy's purpose which should be explained accordingly. Public officials, therefore, should provide citizens' with sufficient information as a way to educate them, so as to promote public participation among citizens regarding challenges that concern them. Poor participation from citizens and a limited understanding of a policy is problematic (Luka, 2015). Thus, such shortcomings need to be addressed, otherwise unemployment will continue to affect local communities within the Tlokwe Local Municipality and initiatives by local municipalities will be regarded as ineffective.

The above responses are in line with ideas from available literature that mentions the purpose of LED policy: Meyer (2007:3) depicts the LED policy as a mechanism that promotes economic growth and development to improve the livelihoods of citizens. In support, chapter two states that a policy is formulated for a particular purpose resulting in a policy being goal-oriented and purposively seeking to achieve desired outcomes. Correspondingly the Tlokwe Local Municipality (2015:281) states that the LED's focus should be in initiating and promoting integrated and sustainable LED which includes attracting investment.

For the purpose of this study, respondents share the opinion that LED should lead to economic and social development of communities, however there are some challenges as indicated by one respondent that continue affecting the Tlokwe Local Municipality from reaching its vision. Most of the respondents agree that LED is a mechanism (or policy) that should be able to address a variety of development concerns including one respondent who argued on the importance of public participation in reference to LED policy during the evaluation stage. The significance of a policy manifests in its ability to find complex social problems that have a negative effect on citizens. LED, as achieved through public policy, should, therefore, address the concerns of a community while furthering the objectives set by a municipality. With this in mind, government's intervention is considered as essential because government acts as an enabler to an open systems approach concerning development. Development is seen to be positive because it raises income and gives citizens living in dire situations opportunities to have access to goods and services (refer to 2.4.1) which implies that development brings change within a society (Oxford advanced learner's dictionary of current English, 2006:400). Bellu (2011:2) argues that development can be described as an event consisting of a new stage. A policy's development, thus, entirely depends on the interaction between government organisations, public officials and the public itself. The LED policy can be seen as a strategic policy, which aims to promote economic growth and sustainability in enabling the Tlokwe Local Municipality in addressing the challenge of unemployment (Tlokwe Local Municipality, 2015:281). The study thus argues that, for the Tlokwe Local Municipality to promote an enabling environment, the LED policy should be integrated and coordinated within the objectives of Tlokwe Local Municipality to achieving economic growth and sustainability. Chapter two conclusively argued that development policies should be viewed as examples of actions in facilitating change in the social and economic conditions of a community. The OECD Policy Brief (2014:1) emphasises the importance of properly implementing local development initiatives which can create employment and reduce poverty that affects local government including the Tlokwe Local Municipality. Section A (2.6) of the White Paper on Local Government, 1998, argues that there is no municipality that can ignore the economic changes and opportunities that take place, locally, or in the surrounding region, in the nation or globally (South Africa, 1998).

As underlined above local government has a responsibility in improving the economic and social environment that is conducive to the creation of employment opportunities. Economic empowerment can be denoted in the above responses, as promoting participation in order to contribute within the communities by increasing the standard of living for many. The above shows that economic growth and development are paramount in LED as they create a better platform for change, however, lack of prioritisation may affect citizens greatly because it is the responsibility of public officials to ensure citizens are satisfied. Koma (2013:128) is of the

opinion that LED cannot be separated from poverty alleviation projects and programmes initiated and implemented in the municipal sphere. As argued in chapter one, that for social and economic development, job creation rests with local government and their ability to promote LED (Folley, 2010:5).

With reference to the discussed, a prevailing observation can be made, namely that LED's purpose is to improve the living standards of individuals and enable economic growth. However, there are still a number of complex social problems that public officials are trying to address which have a negative consequence on communities. One key challenge is interaction between employees dedicated to ensuring the implementation of the LED policy. Chapter two emphasises the need for group effort, in combining of resources and working together for improvement to be evident. Luka (2015) agrees that alignment within the three spheres of government as well as between different departments within the Municipality is important especially if projects are to be prioritised to facilitate economic and social development. For LED policy to contribute to Tlokwe Local Municipality's effort towards growth; development, support and coordination is required within and between all departments.

As discussed previously, respondents indicated that LED cannot be achieved without the input from communities. Communities are one of the stakeholders which should be given opportunity to participate if LED is to be successful. Thus, the stakeholders involved in the LED, as identified and expressed through respondents, will be discussed in the next section.

4.2.3 Local Economic Development stakeholders

Respondents were asked about which stakeholders are involved in LED, and in response Luka (2015) identified a stakeholder as local government that initiates a policy that directly affects citizens of that municipality. For this reason, the following stakeholders should also be included: institutions of higher learning, organised formations, taxi associations, the business sector, community members, faith-based organisations as well as organisations representing disabled people (Luka, 2015). Mokotedi (2015) was more direct in explaining that LED integrates all units, departments or persons referred to as economic developers. Economic developers consists of community services, infrastructure, housing, public safety, sports, arts and culture.

The above responses conform with the available literature pertaining to which stakeholders are involved in the development of an LED policy. Chapter two stated that officials have a responsibility of being open to a number of organisations and persons that help in achieving LED initiatives. Similarly, Brynard and De Coning (2006:180) suggest that policy implementation is a multi-faceted concept that can be done at various levels of government and obtained in collaboration with the private sector, civil society and non-governmental organisations. In

addition, Madue (2008:202) views policy implementation as a strategic process, requiring integration of processes and networks in the effort toward realising and achieving a particular goal. Furthermore, chapter three noted that the role of local stakeholders, specifically regarding actions taken in the planning and implementation of LED initiatives which aims to combat the issue of unemployment, is important.

In the above, respondents seemed to differ in their opinions as to who constitute stakeholders to be involved in LED policy implementation, which can affect the success of LED policy during implementation. Additionally, aspects regarded as playing an important role in implementing strategies include stakeholders, inclusive of organisations and persons aimed at improving the lives of people (Koma, 2013:144). The lack of support and collaboration will cause difficulty in achieving economic growth and job creation. Similarly, as referred to in chapter two, Caiden (1982:3) emphasises the importance of collective effort which can contribute greatly to the success of LED public policy implementation such as the LED policy, specifically with economic growth and development. Chapter two further mentions that available resources should be handled effectively in order for communities to benefit from them. The LED policy focus is on what the state can do to give support to local leaders, communities, businesses, non-governmental organisations, organised labour in realising their own collective objectives (DPLG, 2006:16). However, if such a goal is not reached this could be seen as a stumbling block that has an influence on the LED policy in not being able to reach its objectives. Galeng (2015) understood stakeholders to include the local chamber of commerce, universities and ordinary community members.

Respondents share the opinion that the LED policy involves both public and private sectors and as such local government should be seen as the enabler for economic development aimed at addressing unemployment and creating sustainable jobs. Respondents further agree that community members should be involved, including the involvement of communities through organised groups i.e. chamber of commerce or universities. The study argues that differences in the opinions regarding which stakeholders to involve in LED may contribute to the complexity and challenges experienced during the LED policy implementation. This affects LED policy within the Tlokwe Local Municipality when trying to achieve its set objectives that focus on promoting economic growth and sustainability that are important if the reduction of unemployment is to be addressed. Chapter three suggests that the LED policy does not determine what should happen, but the need of having guidance from local government, in attending to the needs of communities. In this way the implementation of LED initiatives can take place when stakeholders are brought together. Bogopane (2012:1) supports the above when he states that government has a particular role to play in making it possible that LED promotes job creation.

The above depicts the important role public officials hold in making decisions on what issues are necessary for the welfare and survival of the society (refer to 2.2). In this regard governance is viewed as fundamental because through partnerships, efficiency, accountability, transparency and effectiveness should be promoted (refer to 2.3). These aspects are vital with regard to formulation and implementation of a policy. Therefore, governance and policy have a relationship in meeting the needs of the public through government action on its interaction with civil society (refer to 2.3) indicating the necessity for interaction between government, civil society and the private sector. The study acknowledges the vital role officials play in determining whether a society improves or disintegrates. From the above it is clear that the decisions taken within the Tlokwe Local Municipality should be people focused. All in all, officials are public officials whose focus should be on the well-being of citizens.

When questioned on how the abovementioned stakeholders have been consulted Masitenyane (2015), Luka (2015), Galeng (2015) and Modiakgotla (2015) were of the view that consultation happens when there is a meeting or workshop scheduled as well as a project involving different departments. Respondents participating in this study went on to point out the various ways to invite key stakeholders, including communicating through local radio stations, local newspapers, the internet and the telephone service providers. The respondents view such meetings or workshops as essential because this is a platform where interaction with stakeholders takes place.

The above responses are in line with Siyongwana and Mayekiso (2011:146) who highlight the various ways in which local community or stakeholders can be involved in development initiatives; for instance attending meetings that encourage critical dialogues, writing letters and emails. Additionally, the extent of community participation can be different and can include; presenting information, consultation, and decision-making and empowering citizens. Mokotedi (2015), Galeng (2015) and Cilliers (2015) concurs that prioritising LED projects to improve the living standards of the community is fundamental especially during the consultation of stakeholders. This is because it creates a favourable environment for job creation to alleviate poverty. Therefore, the study supports the importance of consulting stakeholders in addressing the issue of unemployment in the Tlokwe Local Municipality.

The above respondents agree that consulting stakeholders involved in LED projects is vital for increasing economic growth aimed at addressing the needs of the community. However, if there are a variety of opinions as to who constitutes stakeholders and how they should be involved, the consequences can be dire resulting in failure to meet the needs of citizens. The above arguments have all focused on the influence that LED may have on addressing unemployment and job creation. These two themes, as understood and expressed by respondents, will now be described.

4.3 LOCAL ECONOMIC DEVELOPMENT IN ADDRESSING UNEMPLOYMENT AND JOB CREATION

Masitenyane (2015), Mokotedi (2015) and Galeng (2015) shared their views pertaining to the role that the LED policy plays in addressing job creation and the reduction of unemployment. Unemployment is viewed as an ongoing problem that continues to affect society and is seen as a contributing factor to poverty (The World Economic Situation and Prospects, 2013:9). All their opinions expressed the need for LED to achieve economic growth and improve the livelihoods of individuals. For this reason, working collectively within departments is one way of achieving this. In chapter one, employment was defined as work done in order to earn a particular salary. Job creation was seen as a means whereby economic growth and transformation can manifest and reduce dependency on the welfare system. Investment and intervention are vital from both the private and public sectors to create an enabling environment for employment opportunities and economic growth. Likewise, Masitenyane (2015) was of the view that LED officials should actively be involved during the budgeting of the Municipality. This creates the availability of jobs for human labour in preventing equipment to replace human labour. In the light of the mentioned, job creation may be positively affected. Mokotedi (2015) emphasised the importance of government in creating an enabling environment for economic growth and working interdependently with other departments by focusing on a need identified by the public.

Additionally, Mokotedi (2015) explained that job creation programmes such as the EPWP aim to equip and empower individuals. In support of this, Philips (2004:7) states that EPWP can be used in the facilitation of employment creation and economic growth. He further notes that the Expanded Public Works Programme is nation-wide and part of LED in reducing the rate of unemployment. Galeng (2015) indicates the importance of information sessions where individuals become capacitated in understanding what specific opportunities favour entrepreneurs out there and how to take responsibility for that. In this instance, the Municipality enables and supports entrepreneurship as a means of creating sustainable jobs and thereby addressing unemployment. Galeng (2015) focused on the market system and its ability to support entrepreneurship in achieving economic growth through assisting such businesses in employing more people. As a result job opportunities are essential for the well-being of citizens.

The above responses and literature are in line with the impact LED has in addressing the reduction of unemployment and job creation. Those responsible for LED policy implementation within the Tlokwe Local Municipality perceive it as an opportunity to engage the private sector in securing employment and creating sustainable job opportunities. Recognition should be given to the fact that the public officials do not perceive job creation as their responsibility alone. For this reason, there is a need to secure partnerships with the private sector in building stronger communities. For the purpose of the study, the LED policy should be seen as a vehicle in

creating jobs and economic growth which is needed within Tlokwe Local Municipality (refer to 1.1).

In the same light, public officials working within the Economic Development Department indicate that they experience difficulty with the LED policy implementation because other municipal departments lack awareness of the LED policy's importance. The lack of interaction between municipal departments has a negative effect on both economic and social development. The above responses and literature are in line in that they point towards the importance of support and collaboration from other departments because lack of support affects the successful implementation of LED policy that is focused on improving the livelihoods of citizens, in promoting economic growth and sustainability.

From the above-mentioned, it is evident that LED is not taken seriously by other departments due to lack of awareness on LED policy's function. As a result, public officials recognise that implementation challenges exist due to the lack of prioritisation given to LED projects as a result of poor collaboration from other departments, not involving all stakeholders during the formulation of the policy as well as resource constraints due to a lack of alignment between government spheres. The challenges related specifically to the implementation of the LED policy will be described in the next section.

4.4 CHALLENGES IN LOCAL ECONOMIC DEVELOPMENT POLICY IMPLEMENTATION

In chapter two, it was indicated that a systems approach will be followed in analysing policy implementation and the challenges associated with it. As explained in chapter three, a municipality is regarded as a system responding to the needs of citizens through the environment within which it operates. An open system theory comprises specific components i.e. environment, input, conversion and output, which influences the manner in which analyses from respondents' comments will be provided as it relates to the environment in particular. The Chapter will conclude with analyses of the institutional challenges related to input, conversion and output as part of policy implementation.

Chapters two and three defined an environment as consisting of the political, social and economic influences, which will be further discussed within this section. The environment is divided into two: the internal and external environments (refer to 4.1). The internal environment consists of aspects that have a direct effect on the availability of resources for the LED policy implementation (Omotoye, 2011:136). The external environment is regarded as consisting of outside factors that are out of institution's control. These factors include economic, political or social factors such as poverty that influence the way in which an institution operates. In support Olarewayu (2012:194) points out that the external environment can identify future trends and

affect a policy in a positive or negative way. Therefore the study acknowledges that both the external and internal environment have an important role to play and influences the direction in which an institution operates within an environment.

In the following sections challenges pertaining to the influence of the external and internal environments on LED will be discussed.

4.4.1 Socio-economic challenges in Local Economic Development policy implementation

The respondents were asked the following two questions, viz.

- Which specific social challenges does LED address?
- Which specific economic challenges does LED address?

In response to the question on social challenges, Mokotedi (2015), Modiakgotla (2015) and Galeng (2015) agreed that unemployment was a social challenge within the Tlokwe Local Municipality. Cilliers (2015) was unable to identify any social challenges. Galeng (2015) argued that lack of business opportunities and funding contributes to social problems. Accelerated and shared growths are important in looking into the issues of unemployment and poverty which are concerns affecting many local economies (DPLG, 2006:1). Modiakgotla (2015) struggled to answer the question appropriately and towards the end mentioned crime which he regarded as a social problem. When asked about economic challenges, Mokotedi (2015) brought up new concepts such as xenophobia and transnationalism that are influenced by economic problems as well as fear from citizens because of a lack of resources.

The above responses are in line with the available literature when looking at which specific social challenges LED addresses: Unemployment is a challenge that normally affects economically disadvantaged individuals (Yohane, 2004:7). Cohen (2010:3) agrees that the post-1994 government places more focus on the community, grassroots initiatives related to economic development and public participation. In contrast to the above, Omotoye (2011:132) agrees with the mentioned in that government has a significant role to play in ensuring that high levels of unemployment, low productivity and crime are controlled in reducing economic problems experienced by citizens. Unemployment has become a social and economic issue in South Africa as a developing country (Snower & De la Dehesa, 1997:1). In relation to the study, economic and social challenges may have a negative influence of the implementation of the LED policy within Tlokwe Local Municipality in meeting the needs of citizens. The LED policy is focused on economic growth and development where economic growth is fundamental in that it

creates jobs and raises the standard of people. However, if such challenges are not addressed accordingly, the LED policy will fall short in achieving its objectives.

According to chapter three, the social environment is considered to be a final sum of social sub-systems that people belong to. This includes the interaction encountered between these sub-systems that influence the environment where public administration functions for implementing policy. In support, Fox *et al.* (1991:20) are of the view that the social environment involves individuals interacting within a society. The social environment like the political environment has been viewed as a place where public administration takes place. The economic environment is defined as an environment that comprises of an economic system that is relevant at a particular time and setting, creating wealth or dividing it. The economic environment has the potential in creating more prospects to expand economic growth. Likewise, abundant expertise creates the opportunity for better knowledge whereas, skills offered within communities could contribute to attracting foreign investors (Tlokwe Local Municipality, 2015:285). Chapter three concludes that the social environment in reference to Tlokwe Local Municipality and the citizens it serves experiences challenges in meeting the needs of citizens.

The World Economic Situation and Prospects (2013:10) argues that the low levels of expertise and skills are major concerns in South Africa. In support Rodrik (2006:2) agrees that unemployment in South Africa is an ongoing challenge that affects the youth and unskilled to a great extent. Masitenyane (2015) agrees that unemployment can be seen as an economic challenge. Different views were given concerning economic challenges in Tlokwe Local Municipality; the following opinions provided by respondents are outlined below:

- “Community growth is a problem due to an expanding population; particularly evident in the Ikageng suburbs of the Tlokwe Local Municipality. With a growing population, the need for sustainable employment increases which places an additional burden on the successful implementation of the LED policy” (Masitenyane, 2015).
- “Delays in renewing infrastructure can be regarded as a challenge due to dilapidated buildings needing maintenance. Providing the infrastructure for economic growth is of utmost concern, but should the resources not be available, the use of infrastructure for LED projects is negatively affected” (Galeng, 2015).
- “Limited resources affect communities within the Tlokwe Local Municipality which means that LED policy implementation is negatively affected. Communities have no resources to be actively involved in development and, thus, rely on the Municipality to not only enable, but also initiate, support and maintain development within communities. The community does not have the means to ensure development initiatives, which means that the Municipality will

perceive the community as passive or unable to contribute to the sustainability of LED projects” (Masitenyane, 2015).

- “The inability to have an incentive on how to attract businesses and how to keep them in Potchefstroom. The empowering of people is not seen as significant. The Financial Department does not realise that LED policy has to stimulate the economy to bring in money. The municipality being unable to create conducive conditions for economic investment that provide incentives to communities in supporting growing business. The socio-economic challenges will prevail within the communities and continue to affect the implementation of the LED” (Luka, 2015).

Thus, economic challenges affect the ability of public officials to meet the needs of citizens through appropriate policy implementation. Socio-economic challenges in the environment, affect the implementation of a policy in addressing unemployment. As outlined in the open systems approach institutions do not function autonomous because the institution and environment depend on each other (Daley, 2002:34). Therefore, for the purpose of the study, consideration should be given to recognise specific economic and social imperatives as part of policy development aimed at combatting unemployment. Therefore, for the purposes of the study, one can acknowledge that for a policy to be purposive and goal-oriented, the environment in which the policy operates should be conducive (refer to 2.3.1). In contrast, chapter two pointed out that the public administration function provides a logical way of handling affairs as well as calculating the use of resources moving towards reaching a particular goal. However, if the above challenges are not resolved within the environment, the needs of citizens will not be met because the policy (as public administration function) which is an output will not be as effective and unemployment will continue to affect citizens of the Tlokwe Local Municipality.

In support of this, chapter one argues that local government should be entirely focused in working within the community as well as finding sustainable ways in meeting their social, economic and material needs to improve the quality of life for individuals. This is because the implementation of a policy that seeks to tackle the issue of job creation and unemployment is dependent on that. The following section will look at the political environmental challenges in realising LED policy implementation.

4.4.2 Political environmental challenges in realising Local Economic Development policy implementation

The question asked was, *which specific political challenge does the LED address?* Mokotedi (2015), Masitenyane (2015), Galeng (2015) and Luka (2015) agreed that the legislative

framework was in place to promote LED. However, respondents also pointed to challenges within the political environment that have a negative effect on the LED policy being implemented. Luka (2015) further indicates that the LED is part and parcel of the IDP which is important especially if funding is needed for various projects (refer to 4.2). Furthermore, Masitenyane (2015) argued that if a department decided to deviate and do something that is not contained in the legislative framework, national government will not provide support. Respondents pointed out that the national LED framework is incomplete in that the national sphere for the past 10 years has continued to review the framework.

The above responses are similar to what is stated in available literature, in relation to the specific political challenges LED addresses. Faulkner and Loewald (2008:1) are of the view that the political environment has a vital role to play with regard to implementing and monitoring legislation. Again, chapter three, indicates that the political environment involves issues dealing with the institution in creating political alliance and promoting good policies. Additionally, regulatory frameworks and acts are essential in aiding public officials to have some form of order as they address the needs of local communities, in a transparent, effective, efficient and accountable manner (refer to 3.2.1). This is difficult because the Economic Development Department is working from an incomplete platform and has to wait on national government (Masitenyane, 2015). The argument can be made that since LED is seen as integral to the IDP and not deserving of specific or prioritised focus, municipalities find it difficult to promote economic growth and development when emphasis is placed (through the IDP) on maintaining current service delivery initiatives.

Mokotedi (2015) identified a political challenge pertaining to the performance of the LED policy, which includes the lack of stability because of frequent changes happening within political offices. In support of this, Galeng (2015) viewed power struggle as a challenge that affects the effectiveness of LED policy within a legislative framework. Luka (2015) agreed that the lack of understanding by public officials and councillors was problematic. Chapter three argues that a policy is a manifestation of a country's political environment. Likewise, policy objectives are essential and should support people's livelihoods otherwise such a policy would not obtain desirable result. However, political instability and power struggles affect the Tlokwe Local Municipality from achieving LED's policy objectives because of the mentioned challenges. Environmental aspects are prominent and need to be looked at in a holistic and integrated manner. However, all this cannot take place if councillors are not able to recognise the importance of LED projects and providing necessary funds that will be able to sustain the various projects that focus on economic growth, job creation as well as empowerment of individuals. One can note that despite a legislative framework being conducive for LED, there are political challenges that affect the implementation of the LED policy. The above responses

and literature are in line and point out that without alignment, coordination, integration and enhanced understanding of the importance of LED policy, the Tlokwe Local Municipality will continue being affected by unemployment as well as other social and economic challenges. Furthermore, the political environment is critical in its influence on both policy formulation as well as implementation. Unfortunately if needs of citizens are not addressed accordingly, unemployment remains.

In view of the above, it is evident that the political environment serves an essential part that determines whether a policy is successful or not. In support, chapter two indicates the importance of public policies in today's society in that they promote both guidance for government officials and accountability to citizens. Akor (2008:53) explains that for these reasons policy should be seen as an authorised decision taken by public officials to facilitate a course of action.

From the abovementioned, the study agrees that for LED to be effective in addressing employment sustainability and employment creation, the importance of the LED policy implementation cannot just be recognised by officials that work within the Economic Development Department. As a matter of fact recognition from other departments is also needed, and specifically councillors need to see the significance of the LED policy. The following section will look at the institutional challenges in the LED policy implementation.

4.4.3 Institutional challenges in Local Economic Development policy implementation

The use of a variety of interventions is vital in order to get results in a short space as well as promoting quality living among citizens. Respondents were probed the following question, "how do they prioritise these projects?" In response to prioritising projects, Masitenyane (2015) was of the opinion that empowering community members and prioritising their living situations should be taken seriously. Four concepts were identified as significant in prioritising projects including job creation, cooperative programmes, capacity building programmes and information sessions (Mokotedi, 2015). These concepts are essential to increase the economy through promoting a quality and sustainable lifestyle for citizens. Chapter three indicates that municipalities through the LED policies aim to effect change within the environment. For projects to be successful there should thus be administrative structure in place.

Administration is regarded as a government activity dealing with the execution of public policies (Gladden, 1961:12). Luka (2015) agreed that the lack of a project task team affects activities that need to be done accordingly. He explained that the lack of such a team can have a negative impact on a policy such as the LED policy. Therefore, the study argues that administration is required in executing the LED policy and prioritising projects for improving

citizens' living situations. The lack of administration may result in the ineffective implementation of a policy. From the abovementioned, Masitenyane (2015) and Mokotedi (2015) agree with literature that prioritising projects needs to be achieved in order to change citizens' environment for the better. Failure to work collaboratively and prioritise projects has a negative effect on citizens in the environment. The above respondents and literature are similar and agree that prioritising projects is required for the success of LED policy.

Respondents were questioned about whether LED has been successfully implemented. Masitenyane (2015) and Luka (2015) both agreed that the LED policy has not been successfully implemented. This was due to the following challenges: lack of funding, limited staff and an incomplete LED strategy, which are regarded as barriers to the success of LED policy objectives in achieving an enabling environment for the facilitation of job creation (Masitenyane, 2015; Galeng, 2015; Mokotedi, 2015). As noted in chapter three, national and local government has a great responsibility in ensuring that the needs of citizens are met and their lives improved. In contrast, Mokotedi (2015) was of the opinion that specific LED projects have been successful such as farming projects where individuals brought in their own capital, in comparison to individuals that did not invest in their projects and showed less commitment to its sustained implementation.

Most of the above responses conform to the available literature. Chapter two argued that public administrators should be active and responsible in ensuring resources of the public are managed accordingly. The mismanagement of resources affects citizens and causes citizens to complain about public administrators. From these different opinions a deduction can be made that the successful implementation of LED requires public officials within the Tlokwe Local Municipality to come together and address the above challenges to ensure the success of LED policy. Therefore, for LED policy to be successfully implemented, internal concerns as highlighted by respondents should be seen as a priority otherwise the implementation of the LED policy will not be successful. The lack of awareness from other public officials and even councillors on the importance of LED is a challenge as described earlier on in the chapter and has grave consequences in addressing the issue of unemployment and job creation.

Masitenyane (2015) argued that councillors had a limited understanding of the functioning of the Local Economic Strategy as well as a lack of awareness regarding the importance of LED implementation for sustained growth. Luka (2015) agreed that councillors' understanding of the IDP process was poor and to some extent could affect the inability to exercise their judicial responsibilities in terms of funding that is required from different stakeholders. Mokotedi (2015) touched on political instability within the Tlokwe Local Municipality that creates an atmosphere for inconsistency and confusion within political offices. The above responses were similar to the available literature, in support, the institutional culture and institutional commitment play a major

role in shaping the environment that public officials work in. These two aspects can either have a positive or negative effect on a municipality (Smit *et al.*, 2007:70) (refer to 3.4). From the above the study acknowledges that insufficient funds, lack of capacity building, shortage of staff and resources are seen as problematic barriers with regard to the LED policy implementation stage.

As indicated in chapter three, the Tlokwe Local Municipality is guided by its vision and mission. The vision looks at where the Tlokwe Local Municipality sees itself within a particular time-frame and its mission aims to understand how the institution will achieve its vision (Omotoye, 2011:137). Additionally, leaders or public officials have a responsibility within an institution to regulate the type of environment that best suits the institution's vision and mission. The shortage of employees and resources gives an indication that such a vision and mission cannot be achieved because there is lack of group effort which is paramount in combating unemployment. Granted more effort is required from fewer employees resulting in little being done to reduce unemployment and poverty within Tlokwe local Municipality. Therefore, the study argues that for combating an issue like unemployment, group effort is essential within the Tlokwe Local Municipality and lack of group effort results in unemployment persisting.

The following question was asked to the respondents as indicated in section 4.2, viz. *which specific institutional challenges influence the implementation of the LED policy?* Mokotedi (2015), Luka (2015), Masitenyane (2015) and Galeng (2015) were interviewed and shared the following views on institutional challenges. Mokotedi (2015) was of the opinion that there was little recognition given to the importance of the LED policy implementation from both politicians and officials. Galeng (2015) explained that common challenges faced within their institution include limited resources, abnormal labour relations and employee retention issues. Galeng (2015) went on to add that such issues could affect the Municipality if community members showed dissatisfaction. Luka (2015) argued that expertise from different departments enhances organisational structure and lastly, job advertisements that are not being filled brings forth a shortage of employees. The shortage of employees greatly affects the Tlokwe Local Municipality as indicated by Mokotedi (2015). According to Tlokwe Local Municipality (2015:242) the wage increases for municipal employees continued to exceed inflation, as well as the need to fill critical vacancies. This is one of the many challenges experienced during the compilation of 2015/2016 Medium-Term Revenue and Expenditure Report.

In chapter three, knowledge was discussed as being vital in that it helps officials become well-informed before making decisions affecting the public. Moreover, knowledge was seen to bring about orderliness within the institutional culture through identifying what area should be prioritised and how to go about that matter. In the case of the Tlokwe Local Municipality, the argument can be made that knowledge is a problem due to lack of understanding and

recognition for LED projects and their implementation perceived from officials and politicians. Therefore, the lack of knowledge by public officials regarding LED policy implementation aimed at improving the livelihoods of individuals hinders economic growth and development.

Chapter three highlights that a municipality has a responsibility pertaining to coordination and facilitation, which should be looked at in an innovative way to sustain LED and attract investments. Pearce and Robinson (2004:420) agree and list aspects that should be adapted to enhance the institution in creating and managing a specific institutional culture (refer to 3.4.1). In relation to the study, one can note the importance of structure which should be set within a developmental approach in facilitating job creation through the LED policy. For LED policy implementation to be successful as output, public officials need to collaborate and prioritise LED projects as mentioned. The balancing of input and output is required to meet the needs of citizens as outlined in the systems model. Knowledge which is also important in the institutional culture helps public officials make an effective impression that will influence citizens in a positive way (refer to 3.4.1). Job creation and employment sustainability are essential objectives within the strategic policies of Tlokwe Local Municipality.

From the above one can deduce institutional challenges that influence policy implementation funding and involving the right stakeholders, whereas, coordination and integration are highlighted as particularly challenging during the conversion stage of policy implementation. Therefore this shows that institutional challenges can have a negative effect on policy implementation in Tlokwe Local Municipality if not addressed accordingly. As an output, the LED policy then fails to address issues pertaining to job creation and employment sustainability. The situation is further exacerbated by an external political, social and economic environment that is unable to take ownership of such a policy due to its own challenges. As citizens in communities continue to experience low levels of employment and municipalities they find it difficult to contribute to an enabling environment aimed at promoting job creation and sustainable employment.

4.5 CONCLUSION

The chapter aimed to answer the third research objective which was to identify the challenges in facilitating job creation and employment sustainability in the Tlokwe Local Municipality.

In this chapter the Tlokwe Local Municipality within the context of LED was discussed in terms of unemployment and poverty. The themes regarding the identification of challenges related to the facilitation of job creation and employment sustainability in the context of LED was discussed and explained in detail based on the responses of respondents who participated in the study. This study scrutinised themes pertaining to the purpose of LED, unemployment and

job creation, local government and challenges of LED which were highlighted accordingly. This chapter demonstrated negative effects that affect the success of LED which include; lack of interaction and collaboration among public officials and other significant stakeholders and the lack of participation from citizens in respect to the LED policy. It can be noted that for LED policy to be successful the practice of public administration is essential including interaction amongst stakeholders.

The next chapter will focus on strategic policy recommendations which will be used to investigate job creation and employment sustainability within Tlokwe Local Municipality.

CHAPTER 5: RECOMMENDATIONS AND CONCLUSIONS

5.1 INTRODUCTION

The previous chapter looked at the following themes that were analysed and identified. These themes included LED in Tlokwe Local Municipality, role of local government in LED, the purpose of LED, LED in addressing unemployment and job creation challenges. Attention was placed on the challenges that affect the implementation of the LED policy in meeting the needs of the community. This chapter aims to address issues found in both the internal and external environments affecting the effectiveness of LED policy in Tlokwe Local Municipality. As indicated in chapter three, LED is a local initiative that reacts to changes taking place in both the external and internal environment. This depicts the influence that the two environments have on the functioning of the LED policy in the Tlokwe Local Municipality. As a result of such challenges, the Tlokwe Local Municipality is unable to meet the LED policy objectives that are essential in improving the livelihoods of citizens in Tlokwe Local Municipality using a theoretical framework which looks at the nature of the LED policy implementation within the Tlokwe Local Municipality. As a way to address challenges related to the facilitation of job creation and employment sustainability that are essential in improving the living standards of communities within the Tlokwe Local Municipality for the better. The theoretical framework of LED policy implementation within the Tlokwe Local Municipality focuses on addressing challenges related to the facilitation of job creation and employment sustainability as discussed and highlighted throughout the previous chapter. Problems were identified in chapter four and were seen as essential in addressing the issues of unemployment and job creation.

This chapter will be a concluding chapter to this dissertation. It will commence with a summary of all the previous chapters linking the chapters to the specific research objectives. Furthermore, a theoretical framework proposal will be used in this chapter to depict the significance of a policy within an organisational setting that is the Tlokwe Local Municipality. The LED policy is essential in dealing with problems that were identified in chapter four. As pointed out in chapter one, LED is viewed as a process that emphasises the importance of managing resources and bringing together the private and public sector to create new jobs and stimulate economic activity. The proposed theoretical framework will follow the same theoretical structure, as used for policy analysis and will make use of systems approach in the context of LED policy through identifying recommendations. As indicated in chapters one and two, LED is important because it aims to address the challenges that local government experiences. These challenges include high levels of unemployment, poverty and illiteracy which affect Tlokwe Local Municipality. According to chapter two, the open systems approach consists of different stages that will be used to make recommendations within this chapter. These recommendations will address the following;

the environment were Tlokwe Local Municipality operates, the input involving internal and external stakeholders, the conversion were decision-making happens and the output were implementation and the functioning of the LED policy takes place. The aim of this chapter is to discuss these stages as outlined above using the open systems approach, as well as providing recommendations addressing environmental-related challenges, recommendations addressing input-related challenges, conversion-related challenges and output-related challenges, which will be discussed in the following paragraphs below.

5.2 FINAL CONCLUSION

Chapter one of this study served as the introductory chapter and commenced with an orientation and problem statement. This chapter's focus was defined as job creation and employment sustainability within the Tlokwe Local Municipality. Furthermore, the following were discussed; research objectives, research questions and theoretical statements. The research objective of this particular chapter was to describe job creation and employment sustainability in the context of LED policy. The primary aim was to see, how evident job creation and employment sustainability are in the LED policy of the Tlokwe Local Municipality. In addition, the secondary objectives of the research study included the following:

- analyse the Tlokwe Local Municipality's LED policy in terms of its impact on job creation and reduction of unemployment;
- examine the environmental framework of the LED policy in relation to policy/laws, economic environment and social environment.
- identify the challenges in facilitating job creation and employment sustainability through LED in the Tlokwe Local Municipality; and
- propose policy recommendations to address job creation and employment sustainability in the Tlokwe Local Municipality.

Furthermore, the study followed a qualitative approach that consisted of a literature study and unstructured interviews. The chapter concluded by providing a chapter lay-out.

The research objective as stated in chapter two was to analyse Tlokwe Local Municipality's LED policy in terms of its impact on job creation and the reduction of unemployment. Chapter two comprised of a literature review which provided a theoretical framework for the study. In this chapter the first secondary objective of chapter one is presented, the theoretical discussion on policy with regard to its definition and in-depth understanding of policy analysis in the context of

unemployment, job creation and employment sustainability with reference to the Tlokwe Local Municipality.

Chapter two was divided into three main sections, where section one looked at Public Administration as a discipline with in-depth focus on public governance, section two provided a theoretical understanding of policy and policy analysis, section three described development theories related to job creation and employment sustainability within the context of LED which was followed by some concluding remarks. There were varied views from scholars on the impact LED policy has on job creation and employment sustainability. The views that were found were both positive and negative. On the one hand a policy was viewed as an important guideline assisting local government with its plan of action on the other hand without collaboration and recognition from relevant stakeholders in both the private and public sector a policy such as the LED cannot be successful. Public administration is considered as the gathering of people as a public, through looking at similar obligations and duties in accomplishing mutual goals. The respecting of guidelines is essential for public administrators to carry out their work. Lack of public administration within municipalities affects the needs of citizens from being met and prevents development from taking place through creating an enabling environment for job creation and employment sustainability to be evident. The participation of citizens in the LED policy is important. Therefore, public official's responsibility should be in working with citizens in addressing specific needs that they have identified and ensuring that such needs are reflected within a policy such as the LED policy.

Chapter three analysed the environmental factors influencing LED from a literature perspective, as well as getting an in-depth understanding of the concepts at hand. The secondary objective examined in chapter one was also examined, this included the environmental factors related to the external and internal environments. The external environment consisted of the political and legislative environment, the economic environment and the social environment. The Tlokwe Local Municipality needs to have informative sessions for public officials concerning the importance and function of LED, not only with the Department of Economic Development but also other departments. The success of LED is determined by institutions integrating the LED policy to the institutions organisational culture and organisational commitment. The LED policy cannot be separated from external and internal environment thus it is important that its objectives be aligned to the institution and the environment in which it functions, if it is to be successful.

In chapter four, challenges related to the facilitation of job creation and employment sustainability in the TLM within the context of LED policy implementation were identified and analysed. In this chapter the third secondary objective stated in chapter one was presented, that is identifying the challenges in facilitating job creation and employment sustainability through

LED in TLM. The challenge of poor coordination, no recognition and lack of interaction among public officials of other departments prevents the objectives found in the LED policy from being achieved and as a result the needs of citizens are not met accordingly. The implementation of projects within the LED policy is essential and lack of funding may lead to LED policy being unsuccessful in obtaining economic growth and development which not only benefits the Tlokwe Local Municipality but also the community at large, this implies that funding is a requirement if any improvement is to be evident in the environment.

From the above summary of previous, the mentioned secondary objectives of the study led to the main objective which is job creation and employment sustainability within the TLM: a policy analysis was also provided. In the following section recommendations produced from the study are discussed.

5.3 RECOMMENDATIONS

The study objective this section addresses is to propose a policy recommendation to address job creation and employment sustainability. Below a number of recommendations are presented in relation to TLM as deduced from the study and will be grouped according to the open systems theory which consists of environmental influences, input, conversion and output.

5.3.1 Recommendations addressing environmental-related challenges

As was conceptualised in chapters two and three, the environment is identified as a place where a particular institution operates and pertains to the external and internal environmental that has an effect on the type of policy formulated. The external environment consists of the political, social and economic influences which are outside government's control. In addition, the internal environment concerns influences that affect the Tlokwe Local Municipality in managing the LED policy.

Based on the findings presented in chapter four, the following socio-economic problems were observed by respondents: crime, poverty, lack of funding, lack of business opportunities and unemployment. The latter was considered as the main problem by all respondents. Therefore, in addressing the formulation of a policy, public officials should take into account and prioritise particular social-economic problems i.e. unemployment. Unemployment is a big issue in South African communities and persists in being a major social and economic challenge. Related problems include; inequality, poverty, crime and alcohol abuse (Malakwane, 2012:6). Chapter one notably indicates that a municipality cannot address all the problems identified in the environment. In the meantime, most South Africans are still facing difficulties with unemployment and poverty while trying to create a better living environment (Managa, 2012:2). Therefore the recommendation made from the above-mentioned, is that the environment should

have a specific influence on the type of policy formulated in order for policy implementation to be successful. Although this may be true, Tlokwe Local Municipality is inclusive of a variety of different socio-economic problems that are not addressed. Brynard (2011:77) mentions that current policies that deal with unemployment do have an impact in society; however, more focused policies are necessary so that these policies become specific when dealing with unemployment. This then means that problems identified in the environment should influence the type of policy developed. Policies are required when it comes to addressing the issue of unemployment. Nonetheless, a targeted policy is more successful as opposed to a policy that is not clearly defined.

A policy developed for unemployment should therefore be specific and strategically developed to address social issues related to unemployment within the environment. In fact, Muthethwa (2013:1) points out the importance of a well-drafted, economic policy that needs to be coordinated, implemented and monitored by relevant individuals involved in policy formulation as a way to reduce unemployment. Therefore, the survival of an institution in the long-term is determined by outside influences. As an institution carries out its operations, the institution should take into account the environment within which it functions (Yuksel, 2012:52). The environment where Tlokwe Local Municipality operates has a specific influence on the type of policy that is developed. In support Mothae and Sindane (2007:146) are of the opinion that societal problems result from an environment that is dysfunctional. For this reason a public policy serves as a specific strategy used by government in dealing with societal problems. Again this indicates the importance of the environment having a specific influence on the type of policy formulated in order for policy implementation to be successful. Reyneke (2014:43) argues that if not managed properly, the environment can have a negative influence on the performance of the institution.

The study recommends therefore that if unemployment is prioritised as the biggest social and economic challenge, the LED policy should have as specific, prioritised objectives in the eradication of unemployment through targeted LED projects promoting sustainable employment.

5.3.2 Recommendations addressing input-related challenges

As was conceptualised Chapter One, strategic plans are essential within a municipality to develop capacity and integrate different departments in having a consolidated LED policy. The LED policy requires the involvement of stakeholders in the formulation of the policy to ensure the improvement of the living standards of people within a community. Chapter three emphasises that a LED policy focuses on aiding marginalised people and communities within the municipal boundaries through a collaborative approach in order to improve economic

growth. Furthermore, chapter three highlights that South Africa cannot achieve social cohesion and sustained economic development unless all stakeholders work together to address poverty and inequality. For this reason regulatory frameworks and acts play an important part in aiding public officials in having structure to address challenges experienced by citizens. The study therefore recommends that communities are actively involved in setting LED priorities to be realised through the inclusion of the LED policy in the Tlokwe Local Municipality IDP.

Based on the findings offered in chapter four, respondents identified that the LED policy is not prioritised by other departments and councillors within the Tlokwe Local Municipality. This in itself is problematic during formulation, input, conversion and implementation. Lack of recognition by some stakeholders affects the performance of LED policy in meeting its objectives because there is no support from important stakeholders and a lack of funding was identified as a limitation for successful LED policy implementation.

The study recommends that all public officials be identified as important stakeholders involved in the LED policy formulation process. Public officials should be equipped with the appropriate knowledge to facilitate integration and recognition of LED priorities within all municipal functions, specifically functions related to enabling a supportive environment to foster job creation and sustainable employment. For this reason all stakeholders in the internal and external environment are important and should be consulted to ensure collaboration and support from stakeholders for the optimum function of LED in working towards improving the living standards of communities in the Tlokwe Local Municipality. Selaelo (2012:17) indicates the importance of key stakeholders in a municipality, coming together to reach an agreement and taking well informed decisions in enhancing economic growth as a way to create income opportunities for more people. Madumo (2015:155) further points out that since 1994, municipalities have been arranged in focusing on the needs of people, promoting accountability and democracy whilst ensuring that the provision of services to communities is done in a sustainable manner. According to Madumo (2015:154) the sole reason a municipality exists is to ensure easy delivery of services and to further promote the general well-being of the people residing within the area of a particular state. The above challenges experienced by the Tlokwe Local Municipality, however, differ from the information presented in literature, which clearly promotes collaboration among stakeholders for LED policy not only to be successful but effective.

5.3.3 Recommendations addressing conversion-related challenges

As was pointed out in chapter one, the LED policy cannot be isolated from poverty alleviation projects and programmes that are initiated and implemented within the municipal sphere, creating an environment for the provision of basic services. As highlighted in chapter one, an example of a programme that is used in the facilitation of employment creation and economic

growth is the Expanded Public Works Programme. In the same light, there is still a great need for facilities and programmes amongst community members within Tlokwe Local Municipality. Chapter two, emphasises that policy analysis is important especially because it helps public officials to identify and present the problem at hand.

Based on the findings in chapter four pertaining to conversion- related challenges the prioritising of projects were specifically identified as problematic, the respondents indicated the urgency and importance of empowering community members and prioritising their living situations which should be given adequate attention. The lack of a project task team affects the prioritising of projects and often has a negative influence on a policy like the LED policy. Some LED projects are therefore being successfully implemented whilst other projects fail due to mismanagement and the failure to work collaboratively. Concerns related to funding, staff, coordination or integration with the IDP are critical issues that are in need of specific attention especially when dealing with a policy such as the LED policy. The importance of public officials interacting and collaborating with other stakeholders is a necessity if development priorities need to be determined. The lack there of any interaction, concerning matters such as projects that are of importance and directed towards development will not be modified and specific. This will result in needed funding not being available and project that could benefit citizens not being a success. The problem of being under-staffed prevents public officials within the Department of Economic Development from reaching the developmental objectives found in the LED policy because not all projects can be achieved if fewer individuals are involved in their implementation. This implies that for development to be evident within the environment, proper implementation is necessary if opportunities are to be provided for community members in the Tlokwe Local Municipality. This is because through the IDP a number of strategies are integrated, coordinated and linked to the use of natural, financial, human and physical resources, all with the aim of improving the living standards of people within the jurisdiction the Tlokwe Local Municipality.

For prioritisation to be successful, the study recommends that those responsible for drafting the LED policy provide clear objectives to guide the prioritisation of LED projects and programmes. Furthermore, appropriate funding and staff should be provided by the Municipality including infrastructural resources for implementation to take place and in order to achieve developmental objectives in the LED policy. The promotion of development in the LED policy requires prioritisation of funds that is needed and people who should be considered for the success of a policy such as the LED policy. Therefore, taking into account is the main vehicle that enables the realisation of the LED policy, it is of importance that public officials integrate LED priorities with the IDP in facilitating job creation. Based on a social and economic environment depicting unemployment to be the major challenge, the involvement of all stakeholders in providing input

into LED objectives should enable public officials to determine criteria for LED project and programme prioritisation. The study argues for the realisation of job creation and sustainable employment through the LED projects and programmes, which implies that conditions and opportunities, favouring sustainable work should be considered as a priority criteria in the selection of LED project and programme implementation. In so doing, forming a project task team can be done inclusive of important departments as well as important stakeholders. This promotes cohesion within the Municipality and co-ordination with other departments and stakeholders. This is supported by Van der Waldt (2004:170) who is of the opinion that public managers are faced with continuous pressure in improving the performance and quality of service delivery in their municipalities. Furthermore, public institutions have a responsibility in ensuring that plans are implemented and the desired development effect is achieved and at the same time resources, funds and people including infrastructural resources are in place and used accordingly.

5.3.4 Recommendations addressing output-related challenges

As conceptualised in chapter two, the term *public* is considered to be inherent to the public sector where public officials meet the needs of citizens. In addition, the focus of the public officials should be in meeting the needs of citizens in an efficient and effective manner. Chapter three identifies the importance of conducting a situation analysis which is regarded as a process that is vital for municipalities to understand their environments better. However, chapter four notes that if the input and output as outlined in the systems theory lack balance, citizens' needs within the environment will not be met. The above highlights the interdependency between all the components within a system. Equally, as an output a policy is dependent on the interaction between all components of the system to be considered effective and efficient in its implementation.

Based on the findings of this study, local government's role was explained as creating an enabling environment so that services can be delivered for the purpose of promoting economic growth and job creation and employment sustainability. This study agrees therefore that the needs of citizens should be addressed in creating an enabling environment that aims to combat unemployment which is affecting the Tlokwe Local Municipality. This demonstrates that public officials have a responsibility in not only serving citizens but understanding the policy that is being implemented and collaborating with other stakeholders in ensuring the developmental objectives of a policy are achieved and needs of citizens are met.

Therefore, the recommendation towards the output related challenges, should be directed towards policy evaluation of the LED policy by all stakeholders in assessing what action could be taken in adjusting the policy by looking at whether a policy should continue, be modified,

terminated or replaced with an alternative course of action. Policy evaluation is considered as one of the most vital phases in the policy-making process. According to Hogwood and Gun (1984:219) evaluation tries to measure whether a policy is successful or not. It also points to a new direction in making significant changes within a policy if need be (De Coning 1995:186). Policy evaluation cannot be undertaken by an individual but needs shared responsibility by government, the private and non-governmental sectors in finding ways to meet the needs of citizens (De Coning, 1995:186). Therefore, evaluation needs to happen with the Tlokwe Local Municipality by public officials in attempting to determine whether or not the developmental objectives were realised and how it benefited citizens within the environment the LED policy operates. This evaluation could be determined with concerns such as the need for training of public officials in getting equipped with sufficient information related to the developmental objectives of the LED policy, the lack of recognition given to a policy such as the LED policy prevents creating an enabling environment for job creation and employment sustainability. This then emphasises the need for a Municipality to be development oriented if the success of the LED policy is to be evident. The LED policy as an output would also need to be evaluated against the lack of interaction among citizens and public officials in identifying their needs and reflecting them within a policy such as the LED policy. The evaluation of the LED policy is vital so that public officials can see whether the policy achieved the objectives. The promotion of capacity building such as having informative workshops on policies, enhancing leadership and the managing of human resources by a project task team, is essential for aligning with the developmental objectives found in the LED policy, also opening up a platform where community members within the Tlokwe Local Municipality can voice out their concerns if a policy is not satisfying their needs. In support, Van der Waldt (2004:71) regards efficiency as the measurement of speed and precision in which a particular task is completed. Efficiency is viewed as the ratio of output and input and effectiveness is the ratio of outcome to output. Furthermore, Minnaar and Bekker (2005:128) explain efficiency as referring to the relationship between the cost and the expedience of transforming inputs into outputs.

After following a systems approach to the analysis of whether the LED policy of the Tlokwe Local Municipality fosters job creation and sustainable employment, the study concludes that specific attention needs to be paid to the manner in which social and economic environmental factors influence the type of policy to be developed. In the political environment ample focus is placed on the promotion of development and in its nature a Municipality should be developmental and drive its development priorities through its strategic policies. As for the LED policy itself the study recognises that the IDP is the main vehicle through which LED priorities are realised. As such and as part of the input into the system all relevant stakeholders need to be involved in determining development priorities. As part of conversion the Municipality should provide the appropriate financial, human and infrastructural resources to enable

implementation. As an output the policy needs to be evaluated to determine whether its developmental objectives were realised and such fed back into the environment to determine citizen satisfaction with the realisation of objectives. The study concludes by arguing that although development seems to be a priority of the Tlokwe Local Municipality and its strategic objectives, the challenges identified hamper the realisation of job creation and sustainable employment as products of its strategic policies. The recommendations offered above should facilitate the prioritisation and recognition within the Tlokwe Local Municipality of the importance of the LED policy as strategic input towards its developmental objectives.

5.4 FINAL CONCLUSION

In this chapter, recommendations addressing the various challenges experienced in each of the stages of the open systems theory were given based on literature and the findings from respondents. These recommendations are seen as important because they aim to give alternatives as to how job creation and the reduction of unemployment within the Tlokwe Local Municipality can be addressed. Additional research should be conducted on the alignment between developmental objectives as expressed in the LED policy and priorities set forth in the IDP. Further research on the capacity within the Municipality to drive development could also assist in understanding the complexity surrounding unemployment and poverty.

REFERENCE LIST

Acts **see** South Africa.

Adejumboi, S. 1998. Africa and the challenges of democracy and good governance in the 21st century. Development Policy Management Forum (DPMF). Proceedings of the second DPMF Annual Conference on Democracy, Civil Society and Governance in Africa, 7-10 December, Addis Ababa, Ethiopia.

<http://unpan1.un.org/intradoc/groups/public/documents/cafrad/unpan008483.pdf> Date of access: 27 Sep. 2016.

Ahn, N., Garcia, R.J. & Jimeno, F.J. 2004. The impact of unemployment on individual well-being in the EU. European Network of Economic Policy Research Institute. Working paper no. 29.

https://www.researchgate.net/publication/5014387_The_Impact_of_Unemployment_on_Individual_Well-Being_in_the_EU Date of access: 1 Apr. 2016.

Ajei, M.O. 2007. Africa's Development: The Imperatives of Indigenous Knowledge and values. South Africa: UNISA. (Thesis - PhD).

Akor, E.U. 2008. Government intervention in higher education in South Africa: policy options. Pretoria: UP. (Thesis – PhD).

Anderson, C.W. 1979. The place of principles in policy analysis. *American Political Science Review*, 73(03):711-723.

Anderson, J.E. 2000. Public policymaking. New York, NY: Houghton Mifflin.

Anderson, J.E. 2003. Public policymaking: an introduction. Boston, MA: Houghton Mifflin.

Antonopoulos, R. & Kijong, K. 2011. Public job creation programs: the economic benefits of investing in social care studies in South Africa and the United States. Working paper no. 671. New York, NY: Levy Economics Institute of Bard College. http://www.levyinstitute.org/pubs/wp_671.pdf Date of access: 10 Apr. 2016.

Appleby, P.H. 1949. Policy and administration. University of Alabama: Birmingham.

- Arnold, J. 2005. *Work psychology: understanding human behaviour in the workplace*. 4th ed. London: Prentice-Hall Financial Times.
- Auriacombe, C. & Mouton, J. 2007. Qualitative field research. *Journal of public administration*, 42(6):441-457.
- Babbie, E. 2001. *The practice of social research*. Belmont, NY: Wadsworth.
- Bagby, L.M.J. & Frank, J.L. 2001. Escape from politics: philosophical foundations of public administration. *Journal of management history*, 39(8):623-633.
- Bailey, K.D. 1994. *Methods of social research*. 4th ed. New York, NY: Free.
- Baker, T.L. 1998. *Doing social research*. 4th ed. New York, NY: Free.
- Banerjee, A., Galiani, S., Levinsohn, J., McLaren, Z. & Woolard, I. 2008. Why has unemployment risen in the new South Africa? *Journal of economics*, 16(4):715-740.
- Bartik, J.T. 2003. Local economic development policies. Upjohn Institute staff working paper no. 03-91. Washington, D.C: International City Manage Association.
<http://dx.doi.org/10.17848/wp03-91> Date of access: 17 Apr. 2016
- Bellu, L.G. 2011. *Development and development paradigms: a reasoned review of prevailing visions*. Rome: Food Agriculture Organisation.
http://www.fao.org/docs/up/easypol/882/defining_development_paradigm_102enpdf Date of Access: 15 May 2016.
- Beukes, E.P., Davies, W.J., Van der Kooy, R.J.W. & Van Wyk, L.A. 1991. *Development, employment and the new South Africa*. Potchefstroom: North-West University.
- Bhojarahu, G. 2005. Knowledge management: why do we need it for corporates. *Malaysian journal of library and information science*, 10(2):37-50.
- Bhorat, H., Hirsch, A., Kanbur, R. & Mthuli, N. 2013. *Economic policy in South Africa: past, present and future*. Cape Town: Oxford University.
- Bless, C. & Higson-Smith, C. 2006. *Fundamentals of social research methods: an African perspective*. 4th ed. Cape Town: Juta.

Boland, T. & Fowler, A. 2000. A systems perspective of performance management in public sector organisations. *International journal of public sector management*, 13(5):417-446.

Bogopane, L.P. 2012. Qualitative analysis of local economic development (LED) strategy in the Ngaka Modiri Molema District, North West Province, South Africa. *Journal of social sciences*, 30(1):1-10.

Brynard, P.A. & Hanekom, S.X. 1997. Introduction to research in public administration and related academic disciplines. Pretoria: Van Schaik.

Brynard, P. & De Coning, C. 2006. Policy implementation. (In Cloete, F., Wissink, H. & De Coning, C., eds. Improving public policy: from theory to practice. 2nd ed. Pretoria: Van Schaik. p. 180-213).

Business dictionary. 2015a. Internal environment. [http://www.businessdictionary.com/definition/internal environment.html](http://www.businessdictionary.com/definition/internal%20environment.html) Date of access: 21 Mar. 2016.

Business dictionary. 2015b. External environment. [http://www.businessdictionary.com/definition/external environment.html](http://www.businessdictionary.com/definition/external%20environment.html) Date of access: 21 Mar. 2016.

Caiden, G.G. 1982. Public administration. California: Palisade.

Cilliers, M. 2015. Job creation and employment sustainability within the Tlokwe Local Municipality: A policy analysis [personal interview with Manager: Tourism and marketing] 18 July., Potchefstroom.

Cloete, F. 2006. Policy evaluation. (In Cloete, F., Wissink, H. & De Coning, C. 2nd ed. Improving public policy: from theory to practice. Pretoria: Van Schaik. p. 246-288).

Cloete, F. & De Coning, C. 2011. Improving public policy: theory, practice and results. Pretoria: Van Schaik.

Coetzee, K.J., Graaf, J., Hendricks, F. & Wood, G. 2001. Development: theory, policy and practice. Cape Town: Oxford University.

Cohen, D. 2010. Key issues in local economic development in South Africa and a potential role for SALGA. SALGA National Office.

<http://www.salga.org.za/Documents/Knowledge%20Hub/SALGA%20Position%20Papers/SALGA-Position-Paper-on-Local-Economic-Development.pdf> Date of access: 18 May 2016.

Cray, A., Nguyen, T., Pranka, C., Schildt, C., Sheu, J. & Whitecomb, E.R. 2011. Job creation: a review of policies and strategies. Institute for Research on Labor and Employment. Working paper no.105-11. <http://escholarship.org/uc/item/2fz5c0b6> Date of access: 15 Jun. 2016.

Creswell, J.W. 2007. Qualitative inquiry and research design: choosing among approaches. London: Sage.

Daley, D. 2002. Strategic human resource management: people and performance management in the public sector. New Jersey, NJ: Prentice-Hall.

Davidson, H. 1988. The sociology of modernization and development. New York, NY: Unwin Hyman.

De Coning, C.B. 1995. Development perspective on policy management. Pretoria: UNISA. (Thesis – PhD).

De Coning, C. & Sherwill, T. 2004. An assesement of the water policy in South Africa (1994 to 2003). Pretoria: Water Research Commission.

Development Bank Southern Africa. 2000. Development report: development planning division. Working paper series no. 24. Midrand: Halfway House.

Denzin, N.K. & Lincoln, Y.S. 2000. The discipline and practice of qualitative research. 2nd ed. London: Sage.

Denhardt, R.B. & Grubbs, W.J. 2003. Public administration: an action orientation. 4th ed. Belmont, CA: Thomson Wadsworth.

Denhardt, R.B. 2008. Theories of public organization. 5th ed. Belmont, CA: Thomson Wadsworth.

De Vos, A.S., Strydom, H., Fouche, C.B. & Delport, C.S.L. 2011. Research grassroots: For the social sciences and human professions. 4th ed. Pretoria: Van Schaik.

Dimock, M.E. & Dimock, G.O. 1969. Public administration. 4th ed. Oak Brook, IL: The Dryden.

Dobuszinskis, L. 1997. Historical and epistemological trends in public administration. *Journal of management history*, 3(4):298-318.

Dos Santos, T. 1971. The structure on dependence. (In Fann, K.T. & Hodges, D.C. eds. Readings in U.S imperialism. Boston, MA: Porter Sargent. p.226-240).

Department of Provincial and Local Government. 2006. National framework for local economic development (LED): stimulating and developing sustainable local economies. Pretoria: Government Printer.

Dror, Y. 1968. Public policy-making re-examined. San Francisco, CA: Chandler.

Dunleavy, P.J. & Hood, C. 1994. From old public administration to new public management. *Public money and management*, 14(3):9-16.

Dunn, W. 1994. Public policy analysis: an introduction. New York, NY: Prentice-Hall.

Du Toit, D.F.P., Van der Waladt, G. & Cheminas, J. 1998. Public administration and management for effective governance. Cape Town: Juta.

Du Toit, D., Knipe, A., Van niekerk, D., Van der waladt, G. & Doyle, M. 2002. Service excellence in governance. Cape Town: Heinemann.

Dye, T.R. 1987. Understanding public policy. Englewood Cliffs, NJ: Prentice-Hall.

Ebdon, C. 2002. Beyond the public learning: citizen participation in the local government budget process. *Journal of public budgeting, accounting and financial management*, 14(2):275-294.

Economic report on Africa. 2002. South Africa - locomotive for African growth: tracking performance and progress. Addis Ababa: Economic Commission for Africa.
<http://www.un.org/en/africa/osaa/pdf/pubs/2002era-uneca.pdf> Date of Access: 18 May 2016.

Elliot, J.A. 2006. An introduction to sustainable development. 3rd ed. New York, NY: Routledge.

Eneanya, A.N. 2010. Policy research, analysis and effective public policy making in Nigeria. Lagos: Concept.

Erasmus, B., Swanepoel, B., Schenk, H., Van der westhuizen, J. & Wessels, J. 2005. South African human resource management for the public sector. Cape Town: Juta.

Eysenck, M.W. 2004. Research methods: psychological enquiry. New York, NY: Psychological.

Faulkner, D., Loewald, C. & Makrelov, K. 2013. Achieving higher growth and employment: policy options for South Africa. South African Reserve Bank.
<http://www.resbank.co.za/Lists/News%20and%20Publications/Attachments/5806/WP1303.pdf>
Date of access: 21 Jun. 2016.

Ferraro, V. 1996. Dependency Theory: An introduction. South Hadley: Mount Holyoke College.
<http://semanticscholar.org/d715/82f1a87a914036b3af369b2be5e8411a7c8.pdf> Date of access: 8 September 2016

Folley, P. 2010. Local economic development as a tool to poverty alleviation at Ngwathe Local Municipality. Vanderbijlpark: NWU. (Dissertation – MA).

Fouché, C.B. & Deport, C.S.L. 2011. In-depth literature review. (In De Vos, A.S., Strydom, H., Fouché, C.B. & Delport, C.S.L., eds. Research at grassroots: for social sciences and human service professions. 4th ed. Pretoria: Van Schaik. p. 133-137).

Fouché, C.B. & Schurink, W. 2011. Qualitative research design. (In De Vos, A.S., Strydom, H., Fouché, C.B. & Delport, C.S.L., eds. Research at grassroots: for social sciences and human service professions. Pretoria: Van Schaik. p. 307–327).

Fox, W., Schewella, E. & Wissink, H. 1991. Public management in local government. 2nd ed. London: Pitman.

Frederickson, H.G. 1995. Changing epochs of American public administration: comparing reinventing government with the new public administration. *Public Administration Review*, 56(3):263-270.

Gay, L.R. 1987. Educational research: competence for analysis and evaluation: qualitative and quantitative approaches. Itasca, IL: F.E. Peacock.

Gelb, S. 2010. Macro-economic policy and development from crisis to crisis. (In Freund, B. & Witt, H., eds. Development dilemmas in post-apartheid South Africa. Durban: University of KwaZulu-Natal. p. 119-121).

Giddens, A. 1991. The consequences of modernity. Stanford, CA: Stanford University.

Gildenhuys, J.S.H. 1997. Introduction to local government finance. Pretoria: Van Schaik.

Gladden, E.N. 1961. An introduction to public administration. London: Staples.

Go, A., Moyer, J., Rafa, M. & Schunemann, J. 2013. Population futures: revisiting South Africa's national development plan 2030. African Futures paper no. 7. Pretoria: Institute for Security Studies.

Goel, S.L. 1994. Advanced public administration. New Delhi: Sterling.

Grinnel, R.M. 2001. Social work research and evaluation: qualitative and quantitative approaches. Itasca, IL: F.E. Peacock.

Hamilton, D.J. 2005. What's real about the business cycle? *Federal Reserve Bank of St Louis review journal*, 87(4):435-452.

Hanekom, S.X. 1978. Die toekoms van publieke administratsie as akademiese dissipline in Suid-Afrika. Pretoria: University of South Africa.

Hanekom, S.X. 1988a. Why local government matters. (In Heymans, C. & Toteuneyer, G., eds. Government by the people. The politics of local government in South Africa. Cape Town: Juta. p. 13-21).

Hanekom, S.X. 1988b. Historic events in the development of public administration 1887-1987. (In Gildenhuys, J.S.H., ed. South African public administration: past, present and future. Pinetown: Owen Burgess. p. 66-79).

Hanekom, S.X. 1992. Public policy-framework and instrument for action. Midrand: Southern.

- Hendriks, S. 2012. South Africa's national development plan and new growth path: reflections on policy contradictions and implications for food security. Bloemfontein: Association of Educational Service Agencies.
- Henning, E. 2004. Finding your way in qualitative research. Pretoria: Van Schaik.
- Hickey, S. & Mohan, G. 2003. Relocating participation within a radical politics of development: citizenship and critical modernism. Draft working paper prepared for conference 'Participation: from tyranny to transformation? Exploring new approaches to participation in development.' Manchester: University of Manchester.
- Hindson, D. & Meyer-Stamer, J. 2007. The Local business environment and local economic development: comparing approaches. Duisburg.
http://www.mesopartner.com/fileadmin/user_files/working_papers/mp-Wp11-Local-BE.pdf Date of access: 29 Nov. 2016.
- Hodge, B.J. & Anthony, W.P. 1984. Organization theory. Boston, MA: Allyn & Bacon.
- Hodge, D. 2009. Growth, employment and unemployment in South Africa. *Journal of economics*, 77(4):488-504.
- Holman, D. 2000. The international economic development council: economic development reference guide. Hawaii: Verizon Foundation.
- Hood, C. 1996. Exploring variations in public reform of the 1980s. (In Hans, A.G.M., Perry, B.J.L. & Toonen, T.A.J., eds. Civil service systems in comparative perspective. Bloomington, IN: Indiana University. p. 268-287).
- Houben, G., Lenie, K. & Vanhoof, K. 1999. A knowledge-based SWOT analysis system as an instrument for strategic planning in small and medium-sized enterprises. *Decision support systems*, 26:125-135.
- Horn, G.S. & Lloyd, H.R. 2001. Local economic development in South African towns. *Africa insight*, 31(1):59-65.
- Hughes, O.E. 1998. Public management and administration. 2nd ed. London: Macmillan.

International Labour Organisation. 2011. A skilled workforce for strong, sustainable and balanced growth. Geneva.

Keynes, M.J. 1936. The general theory of employment, interest and money. London: Macmillan.

Khamfula, Y. 2004. Macro-economic policies, shocks and economic growth in South Africa. Johannesburg: University of Witwatersrand.

Kingdon, G.G. & Knight, J. 2004. Unemployment in South Africa: the nature of the beast. *World development report*, 32(3):391-408.

Kingdon, G. & Knight, J. 2005. Unemployment in South Africa, 1995-2003: causes, problems and policies. Oxford: Oxford University.

Kingsbury, D., Emeni, J., McKay, J. & Hunt, J. 2004. Key issues in development. New York, NY: Palgrave Macmillan.

Koma, S.B. 2013. Local economic development in South Africa: policy implications. *Journal of public affairs*, 3(5):125-140.

Koma, S.B. 2014. Developmental local government with reference to the implementation of local economic development policy. Pretoria: UP. (Dissertation – PhD).

Kraak, A. 2003. HRD and the skills crisis. (*In* Human sciences research council. Human resources development review 2003: education, employment and skills in South Africa. Cape Town: HSRC. p. 660-686).

Kuhlman, T. & Farrington, J. 2010. What is sustainability? *Sustainability journal*, 2(11):3436-3448.

Lange, T. 1998. Unemployment in theory and practice. Cheltenham: Edward Elgar.

Langrod, G. 1961. Some current problems of administration in France today. San Juan: School of Public Administration.

Lehman, D. 1979. Development theory: four critical studies. London: Frank Cass.

- Levine, L. 2013. Economic growth and the unemployment rate. Congressional research service.
http://digitalcommons.ilr.cornell.edu/key_workplace/?utm_source=digitalcommons.ilr.cornell.edu%2Fkey_workplace%2F909&utm_medium=PDF&utm_campaign=PDFCoverPages Date of access: 21 Jun. 2016.
- Lewis, D.J. 2001. Policies to promote growth and employment in South Africa. Washington, DC: The World Bank.
- Luka, D. 2015. Job creation and employment sustainability within Tlokwe Local Municipality: A policy analysis [personal interview with Manager: Integrated Development Plan] 6 August., Potchefstroom.
- Lynn, L.E., Jr. 2006. Public management: old and new. New York, NY: Routledge.
- MacRae, D. & Wilde, J.A. 1985. Policy analysis for public decisions. Lanham, MD: University Press of America.
- Madue, S. 2008. Policy implementation in a turbulent environment. *Journal of public administration*, 43(3.1):197-206.
- Madumo, S.O. 2011. The role of ward committees in facilitating public participation with particular reference to Mamelodi, South Africa. Pretoria: UP. (Dissertation – MA).
- Madumo, O.S. 2015. Developmental local government challenges and progress in South Africa. *Administratio publica*, 23(2):153-166.
- Majchrzaka, A. 1984. Methods for policy research. 5th ed. Sage: Newbury Park.
- Mafiri, M.I. 2002. Socio-economic impact of unemployment. Pretoria: UP. (Dissertation – MBA).
- Malakwane, C.T. 2012. Economic and social effects of unemployment in South Africa: prospects for the future. Pretoria: TUT. (Dissertation – Mcom).
- Malick, B.O. 2005. Development theory: Rostow's five stage model of development and its relevance in globalization. Newcastle: University of Newcastle.

- Managa, A. 2012. Unfulfilled promises and their consequences: a reflection on local government performance and the critical issue of poor service delivery in South Africa. (Policy Brief-Africa institute of South Africa, Briefing No 76). <http://www.ai.org.za/wp-content/uploads/downloads/2012/05/.pdf> Date of access: 10 Jul. 2016.
- Maree, J. 2007. Strategies for reducing unemployment in South Africa and the role of organized labour. Cape Town: University of Cape Cape.
- Martins, N. & Martins, E. 2003. Organisational culture. (In Robbins, S.P., Odendaal, A. & Roodt, G., eds. Organisational behaviour: global and Southern African perspectives. Cape Town: Pearson Education South Africa. p. 379-400).
- Masitenyane, R.T.S. 2015. Job creation and employment sustainability within the Tlokwe Local Municipality: A policy analysis [personal interview with Manager: Economic Development] 28 July., Potchefstroom.
- Matunhu, J. 2011. A critique of modernization and dependency theories in Africa: critical assessment. Harare: Midlands State University.
- Mbekeni, Z., Dlakavu, N. & Mcaliden, G. 2008. Local economic development funding criteria: LED policy framework and instrument. Bhisho: Department of Economic Development and Environmental Affairs.
- Meier, S.M. 1995. Leading issues in economic development. 6th ed. New York, NY: Oxford University.
- Miller, D. & Lee, J. 2001. The people make the process: commitment to employees, decision-making and performance. *Journal of management*, 27:163-189.
- Miller, K. 2003. Values, attitudes and job satisfaction. (In Robbins, S.P., Odendaal, A. & Roodt, G., eds. Organisational behaviour: global and Southern African perspectives. Cape Town: Pearson Education South Africa. p. 65-84).
- Minichiello, V., Aroni, R., Timewell, E. & Alexander, L. 1990. In depth-interviewing: researching people. Hong Kong: Longman Cheshire.
- Minnar, F. & Bekker, K. 2005. Public management in the information age. Pretoria: Van Schaik.

- Modiakgotla, E. 2015. Job creation and employment sustainability within Tlokwe Local Municipality: A policy analysis [personal interview with ward councillor: Portfolios of public participation and small and medium enterprises] 30 July., Potchefstroom.
- Mokhatla, Z.T. 2001. Job creation at local government level: role of public-private partnerships. Vanderbijlpark: NWU. (Dissertation – MA).
- Mokotedi, E. 2015. Job creation and employment sustainability within the Tlokwe Local Municipality: A policy analysis [personal interview with Manager: Social-Economic Development] 16 July., Potchefstroom.
- Monette, D.R., Sullivan, T.J. & DeJong, C.R. 1994. Applied social research: tool for the human services. 3rd ed. Fort Worth, TX: Harcourt Brace.
- Morrow, P.C. 1993. The theory and measurement of work and commitment. Greenwich, CT: Jai.
- Moss, G. 2015. Job creation and employment sustainability within the Tlokwe Local Municipality: A policy analysis [personal interview with Manager: Enterprise Development] 16 July., Potchefstroom.
- Mothae, L. & Sindane, M. 2007. A strategy-focused leadership for improving public policy implementation and promoting good governance. *Journal of public administration*, 42(5):143-157.
- Mouton, J. 2006. Understanding social research. Pretoria: Van Schaik.
- Moyo, T. 2007. Leadership challenges for successful local economic development in South Africa. *Journal of public administration*, 42(3):220-230.
- Muthaba, G., Baguma, R. & Halfani, M.J. 1993. Vitalizing African public administration for recovery and development. Connecticut, CT: Kumarian.
- Muthaba, G.R. 1998. Citizen's perception of the role of public administration and their assessment on the public services. African training and research centre in administration for development. <http://unpan1.un.org/intradoc/groups/public/documents/cafrad/unpan006345.pdf> Date of access: 21 Jun. 2016.

Muthethwa, S.M. 2012. Job opportunities and unemployment in the South African labour market, 2011-2012. Pretoria: Government Printer

Muthethwa, S. 2013. Job opportunities and unemployment in the South African labour market. Pretoria: Government Printer.

Murphy, S. 2010. Changing perspectives: small-scale farmers, markets and globalization. London: International Institute for Environment and Development (HED).

Naidoo, G. 2004. Leadership and governance for sustainable public service. The case for selected South African public service organizations. Pretoria: University of Pretoria. (Thesis – PhD).

Nattrass, N. 2001. High productivity now: a critical review of South Africa's growth strategy. Durban: University of KwaZulu-Natal.

Nealer, E. 2013. Public management and administration. Potchefstroom: NWU, Potchefstroom Campus. (Study guide PUMA 314).

Nel, E.L. 2001. Local economic development: a review assessment of its current status in South Africa. *Urban studies*, 38(7):1003-1024.

Nel, E., Rashnee, P., Goldman, I., Rogerson, C., Abrahams, D., Gerstlauer, P., Frey, A., Moremi, T. & Nkhale, S. 2006. Investigation of pro-poor local economic development in South Africa. Grahamstown: African Institute for Community-Driven Development.

Neuman, W.L. 2006a. Research methods: qualitative and quantitative approaches. Boston, MA: Allyn & Bacon.

Neuman, W.L. 2006b. Social research methods: qualitative and quantitative approaches. 6th ed. Boston, MA: Pearson.

Nickols, F. 2012. Strategy: definitions and meanings. New York, NY: Distance consulting LLC.

Nichols, A., Mitchell, J. & Lindner, S. 2013. Consequences of long-term unemployment. Washington, DC: Urban Institute.

- Nzimakwe, T.I. & Mpehle, Z. 2012. Key factors in the successful implementation of Batho Pele Principles. *Journal of public administration*, 4(1.1):279-290.
- Nigro, F.A. & Nigro, L.G. 1980. Modern public administration. 5th ed. New York, NY: Harper & Row.
- Nishiyama, C. & Leube, K. 1984. The essence of Hayek. Stanford, CA: Hoover Institution.
- Noordhoek, P. & Saner, R. 2005. Beyond new public management: answering the claims both politics and society review. *Public organisation review*, 5(1):35-53.
- North West Province. 2014. North West Provincial Growth and Development Strategy. Mmabatho.
- Nuwagaba, A. 2008. Country assessment report on state of local economic development in Uganda. Uganda: REEV Consult International.
- Odei, A.M. 2007. Africa's development: the imperatives of indigenous knowledge and values. Pretoria: University of South Africa.
- Olarewayju, A.A. 2012. Impacts of external business environment on organisational performance in the food and beverage industry in Nigeria. *British Journal of arts and social sciences*, 6(2):194-201.
- Organisation for Economic Cooperation and Development (OECD). 2014. Job creation and local economic development. Paris.
- Olsen, P.J. 2003. Citizens, public administration and the search of theoretical foundations. *Journal of European public policy*, 10(4):506-531.
- Ommani, A.R. 2011. Strengths, weaknesses, opportunities and threats (SWOT) analysis for farming system business management: case of wheat farmers of Shadervan District, Shoushtar Township, Iran. *African journal of business management*, 5(22):9448-9454.
- Omotoye, A.M. 2011. An evaluation of the retention and career management in the South African Public Service with specific reference to the Limpopo Province. Pretoria: University of Pretoria.

Oner, M.A. & Saritas, O. 2004. A systems approach to policy analysis and development planning: construction sector in the Turkish 5-year development plans. Turkey: Yeditepe University.

O'Reilly, C. 1989. Corporations, culture and commitment: motivation and social control in organizations. *California management review*, 31:9-24.

Oosthuizen, M. & Bhorat, H. 2004. The post-apartheid South African labour market. Cape Town: University of Cape Town.

Oxford advanced learner's dictionary of current English. 2006. 7th ed. Oxford: Oxford University.

Pal, L.A. 2010. Beyond policy analysis: public issue management in turbulent times. 4th ed. Toronto: Nelson.

Parker, S.D. 2004. The challenge of sustainable land-based local economic development in poor communities of South Africa: the case of Groblershoop, Northern Cape. Cape Town: University of the Western Cape. (Dissertation – MCom).

Pattanayak, R. 2000. Dictionary of public administration. New Delhi: Anmol.

Patton, C. & Sawicki, D. 1993. Basic methods of policy analysis and planning. Englewood Cliffs, NJ: Prentice-Hall.

Patterson, C. 2008. Local economic development in South Africa. GTZ: South Africa.
http://www2.giz.de/wbf/4tDx9kw63gma/Country_Report_LED_in_South_Africa.pdf Date of access: 25 Jun. 2016.

Pearce, J.A. & Robinson, R.B. 2004. Strategic management, formulation, implementation and control. 10th ed. New York, NY: McGraw-Hill Irwin.

Pesch, U. 2008. The publicness of public administration. *Administration & society journal*, 40(2):170-173.

Peters, B.G. 1992. The policy process: an institutional perspective. *Canadian public administration journal*, 35(2):160-180.

Peters, G.B. & Pierre, J. 2012. The sage handbook of public administration. New York, NY: Longman.

Philips, S. 2004. Overcoming underdevelopment in South Africa's second economy. Cape Town: University of Cape Town.

Phutiagae, K. 2007. Local economic development and municipalities in South Africa. (*In* Van der Walddt, G., *ed.* Municipal management: serving people. Cape Town: Juta. p. 131-146).

Potter, E., Binns, R., Binns T., Elliot, J. & Smith, D. 1999. Geographies of development. London: Longman.

Pichard, L. 2005. The state of the State. Institutional transformation, capacity and political change in South Africa. Johannesburg: Witwatersrand University.

Preston, P.W. 1996. Decolonisation, war and the construction of modernization theory. Oxford: Blackwell.

Prior, L. 2003. Using documents in social research. Thousand Oaks, CA: Sage.

Promberger, K. & Rauskala, I. 2006. New public management – an introduction from the UK perspective. Austria: Universität Innsbruck.

KwaZulu-Natal Provincial Planning Commission. 2011. DRAFT provincial growth and development plan: 2012-2030. Kwazulu-Natal.

<http://www.kznonline.gov.za/images/Downloads/Publications/12-05-21%20PGDS%20Final%20Printed%20Version.pdf> Date of access: 21 Apr. 2016.

Quade, E.S. 1975. Analysis for public decision. New York, NY: American Elsevier.

Rapley, J. 2007. Understanding development: theory and practice in the world. 3rd ed. New York, NY: Lynne Rienner.

Rasmussen, E.S., Ostergaard, P. & Beckman, S.C. 2006. Essentials of social science research methodology. Odense: Odense University.

Reyneke, S. 2014. The alignment of performance indicators within the Overstrand Local Municipality: determining the role of management. Potchefstroom: NWU. (Dissertation – MA).

Rhodes, R.A.W. 1998. The new governance: governing without government. *Policy studies*, 44(4):652-667.

Rispens, R.K.E. 2009. Modern economic growth theories and the “miracle” of the East Asian Tigers. Rotterdam: Erasmus University Rotterdam.

Ritchie, J. & Lewis, J. 2003. Qualitative research practice: a guide for social science students and researchers. London: Sage.

Robbins, S.P., Judge, T.A., Odendaal, A. & Roodt, G. 2009. Organisational behaviour: global and Southern African perspectives. 2nd ed. Cape Town: Pearson Prentice Hall.

Rodrik, D. 2006. Understanding South Africa’s economic puzzles. National Bureau of Economic Research working paper no: 12565. <http://www.nber.org/papers/w12565> Date of access: 20 Apr. 2016.

Rodrik, D. 2008. Understanding South Africa’s economic puzzles. *Journal of economics*, 16(4):769-797.

Rodriguez-Pose, A. & Tijmstra, S. 2005. Local economic development as an alternative approach to economic development in Sub-Saharan Africa. A report for the World Bank. <http://siteresources.worldbank.org/INTLED/Resources/339650-1144099718914/AltOverview.pdf> Date of access: 20 Apr. 2016.

Rosenbloom, P.H. 1993. Public administration: understanding management, politics and law in the public sector. New York, NY: McGraw-Hill.

Rossouw, D., Le Roux, S.J. & Groenewald, D. 2007. Strategic management – an applied South African Perspective (including the balance scorecard). Claremont: New Africa.

Roux, N.L., Brynard, P.A., Botes, P.S. & Fourie, D.J. 1997. Critical issues in public management and administration in South Africa. Pretoria: Kagiso Tertiary.

Sarantakos, S. 2005. Social research. New York, NY: Palgrave Macmillan.

Saxonberg, S & Sirovatka, T. 2014. From a Garbage Can to a Compost Model of Decision-Making? Social Policy and the Czech Government’s Reaction to the International Financial Crisis. *Social Policy and Administration*, 48(4):450-467.

Sebola, M.P. & Fourie, L. D.W. 2007. Nature reserves and local economic development. *Journal of public administration*, 42(1):33-41.

Scheepers, T. & Monchusi, P. 2002. Implementing the law relating to local economic development in the struggle against poverty. Seminar report no. 14. Johannesburg: Konrad Adenauer Stiftung.

Schein, E.H. 1985. Organisational psychology. 3rd ed. Englewood Cliffs, NJ: Prentice Hall.

Schumpeter, J. 1934. Theory of economic development. Cambridge, MA: Harvard University.

Schumpeter, J. 1947. The creative response in economic history. *Journal of economic history*, 7(2):149-159.

Schutte, D. 2006. The dendrogram technique as a tool to development questionnaires. *Journal of public administration*, 41(3.1):616-630.

Schwella, E. 1991. Public administration from a public management perspective. (In McLennan, A. & Fitzgerald, P., eds. The Mount Grace papers: the new public administration initiative and the Mount Grace consultation. Johannesburg: University of the Witwatersrand. p. 23-26).

Steel and Engineering Industries Federation of Southern Africa. Economics Division. 2011. Government's new growth path: a SEIFSA Position. Marshalltown.

Selaelo, M. 2012. Local Economic Development (LED) challenges facing the local government in the Limpopo province: the case of Motumo trading post in the Molemole Local Municipality of the Capricorn District Municipality. Polokwane: University of Limpopo.

Siyongwana, P. & Mayekiso, T. 2011. Local community and stakeholder participation in post-apartheid urban renewal development projects in Port Elizabeth, South Africa. *Africa insight*, 41(3):142-156.

Smith, B.C. 2003. Understanding third world politics: theories of political change and development. New York, NY: Palgrave Macmillan.

Smit, P.J., Cronje, G.J., Brevis, T. & Vrba, M.J. 2007. Management principles: a contemporary edition for Africa. 4th ed. Cape Town: Juta.

Snower, D.J. & De La Dehesa, G. 1997. Unemployment policy: government options for the labour market. Cambridge: Cambridge University.

Soubbotina, P.T. 2004. Beyond economic growth: an introduction to sustainable development. 2nd ed. Washington, DC: The World Bank.

Somoleka, G. 1998. Democracy, civil society and governance in Africa: the case of Botswana. Development Policy Management Forum (DPMF). Proceedings of the DPMF Annual Conference on democracy, civil society and governance in Africa, Addis Ababa, Ethiopia, 7-10 December.

<http://unpan1.un.org/intradoc/groups/public/documents/CAFRAD/UNPAN009287.pdf> Date of access: 20 Jun. 2016.

South Africa. 1996. Constitution of the Republic South Africa 1996.

South Africa. 1998. White paper on local government. Pretoria.

South Africa. 2000. Local government: Municipal Systems Act 32 of 2000.

South Africa. Department of Provincial and Local Government. 2006. Local government: national framework of LED. Pretoria.

South Africa. National Treasury. 2012. Budget review. Pretoria.

Statistics South Africa. 2006. Labour force survey. Pretoria.

Stillman, R.J. 1980. Public administration: cases and concepts. 2nd ed. Boston, MA: Houghton Mifflin.

Stoker, G. 1998. Governance as theory: five propositions. *Internal social sciences journal*, 50(155):17-28.

Sunkel, O. 1969. National development policy and external dependence in Latin America. *Journal of development studies*, 6(1):23.

Sweezy, P. 1934. Professor Pigou's theory of employment. *Journal of political economy*, 42(6):800-811.

Swinburn, G., Goga, S. & Murphy, F. 2006. Local economic development: a primer developing and implementing local economic strategies and action plan. Washington, D.C: Venessa Meise.

Taylor, L. 2009. Growth, development policy, job creation and poverty reduction. DESA working paper no. 9. http://www.un.org/esa/desa/papers/2009/wp90_2009.pdf Date of access: 20 May 2016.

Thornhill, W. 1985. Public administration. Pretoria: ICSA.

Thornhill, C. 2006. The domain of public administration. *Journal of administration*, 4(4.1):793-806.

Thornhill, C. 2008. The transformed local government system: some lessons. *Journal of the public administration*, 43(3.2):492-511.

The Presidency. Republic of South Africa. 2006. The national spatial development perspective. 2006. Pretoria.

Tipps, D.C. 1973. Modernization theory and the comparative study of societies: a critical perspective. *Journal of sociology*, 15(2):199-226.

Tlokwe Local Municipality. 2011. Integrated development plan (IDP) review, 2011-2012. Potchefstroom.

Tlokwe Local Municipality. 2014. Integrated development plan (IDP) review, 2014-2016. Potchefstroom.

Tlokwe Local Municipality. 2015. Integrated development plan (IDP) review, 2015-2016. Potchefstroom.

Trading Economics. 2016. South Africa unemployment rate. <http://www.tradingeconomics.com/south Africa/unemployment-rate> Date of access: 21 May 2016.

Triegaardt, J. 2007. Poverty and inequality in South Africa: policy options and consequences for planning in an emerging democracy. Paper presented at the annual Association of South African Social Work Education Institutions (ASASWEI) conference organised by the University of Venda, Thohoyandou, South Africa, 18-20 September.

<http://africainequalities.org/publication/poverty-and-inequality-in-south-africa-policy-considerations-in-an-emerging-democracy/> Date of access: 20 Jun. 2016.

Uchem, R.O. & Erunke, C.E. 2013. Nature and scope of public administration. *International Journal of Development and Sustainability*, 2(1):177-182.

United Nations Development Programme. 1997. Governance for sustainable human development policy paper. <http://magnet.undp.org/policy/chapter1.html#b> Date of access: 21 May 2016.

United Nations Development Programme. 2012. Case studies of sustainable development in practice: triple wins for sustainable development. Kimberley: First Kiss Creative LLC.

Van Dijk, H.G. 2006. Management in complex organisations. *Journal of public administration*, 41(3.2):248-260.

Van der Walddt, G. & Du Toit, D.F.P. 1999. Managing excellence in the public sector. Cape Town: Juta.

Van der Walddt, G. & Knipe, A. 2009. Project management for strategic change and upliftment. Cape Town: Oxford University.

Van Meter, D.S. & Van Horn, C.E. 1974. The policy implementation process: a conceptual framework: *Administration and society*, 6(4):445-488.

Van der Walddt, G. 2004. Managing resources in the public sector-concepts, consideration and challenges. Lansdowne: Juta.

Van der Walddt, G. 2007. Municipal management: serving the people. Cape Town: Juta.

Van der Walddt, G., Venter, A., Van der Walt, C., Phuthiagae, K., Khalo, T., Van Niekerk, D. & Nealer, E. 2007. Municipal management: serving the people. Cape Town: Juta.

Van Wyk, W.J. 2004. Development economics for public management. Potchefstroom: NWU, Potchefstroom Campus. (Study guide DOBA 712).

Valodia, T. 2007. The informal economy in South Africa: issues, debates and policies. Durban: University of KwaZulu-Natal.

- Valenzuela, J.S. & Valenzuela, A. 1978. Modernization and Dependency: Alternative Perspectives in the study of Latin America Underdevelopment. *Comparative Politics*, 10(4):535-557.
- Veblen, T. 1904. The theory of business enterprise. New York, NY: Kelley.
- Vecchi, N. 1995. Entrepreneurs, institutions and economic change. London: Edward Elgar.
- Veig, J. 1946. The growth of public administration in the elements of public administration. New York, NY: Prentice-Hall.
- Waldo, D. 1994. Analysis for public decisions. New York: American Elsevier.
- Werner, A. 2007. Organisational behaviour: a contemporary South African perspective. Pretoria: Van Schaik.
- Wildavsky, A. 1975. Budgeting: a comparative theory of budgeting processes. London: Macmillan.
- Wildavsky, A. 1979. The art and craft of policy analysis. London: Macmillan.
- Wilson, W. 1887. The study of administration. (*In* Gildenhuys, J.S.H., ed. 1988. South African public administration: past, present and future. Pinetown: Owen Burgess. p. 197-222).
- World Economic Situation and Prospects. 2013. Global economic outlook. New York, NY: United Nations.
- Yohane, K. 2004. Macro-economic policies, shocks and economic growth in South Africa. Johannesburg: University of Witwatersrand.
- Yuksel, I. 2012. Developing a multi-criteria decision making model for PESTEL analysis. *International journal of business and management*, 7(24):52-66.
- Zarenda, H. 2013. South Africa's national development plan and its implications for regional development. Stellenbosch: Tralac.
- Zaaijer, M. & Sara, L.M. 1998. Local economic development as an instrument for urban poverty alleviation. *Planning review journal*, 15(2):127-142.

ANNEXURES

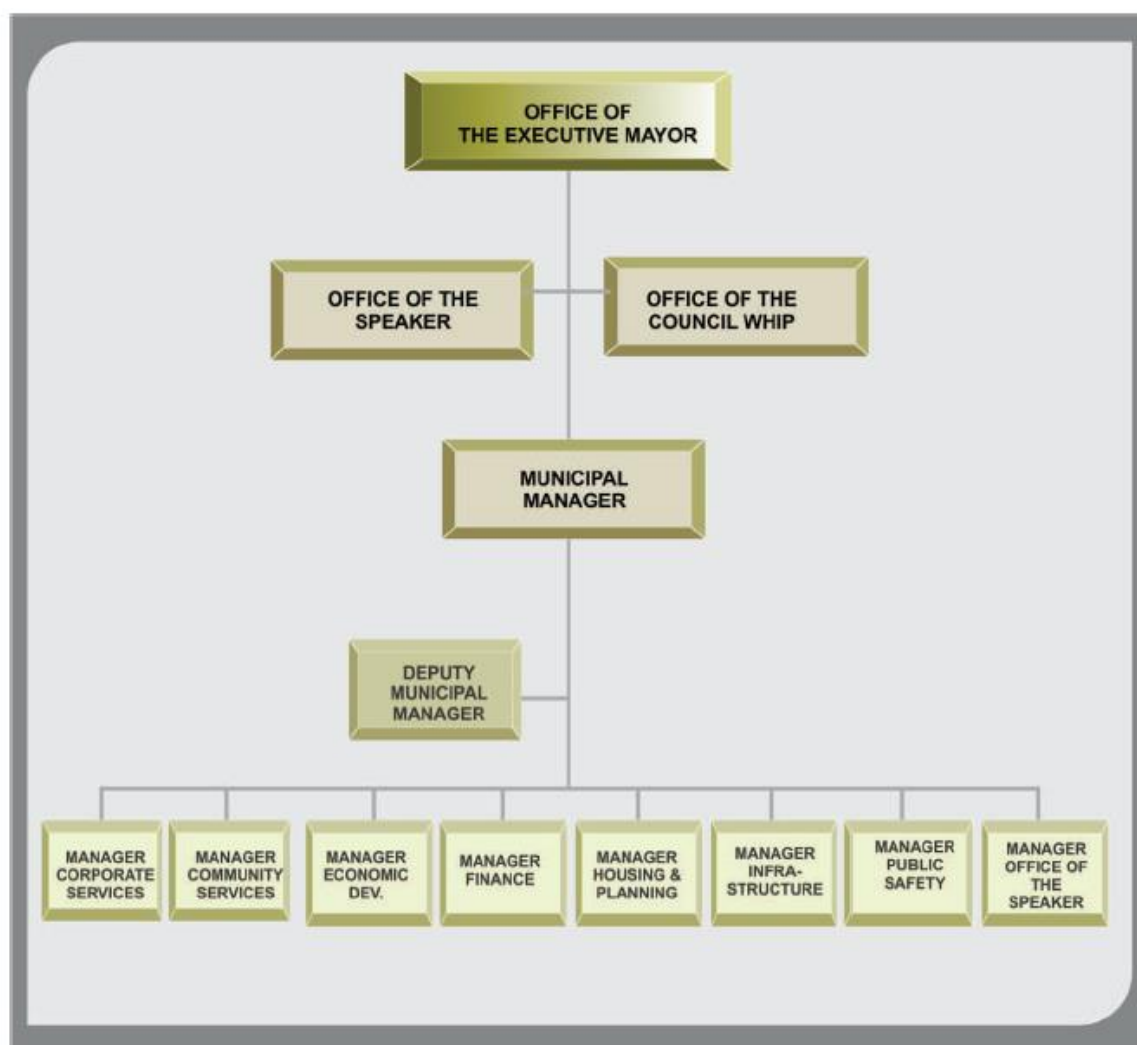
ANNEXURE 1

INTERVIEW QUESTIONS

1. What is the role of local government?
2. How do you define public policy?
3. What is the purpose of the Local Economic Development policy?
4. What are the priorities of the current Local Economic Development policy?
5. Who are the stakeholders involved in the Local Economic Development policy?
6. How have they been consulted?
7. How do you determine which Local Economic Development projects to implement?
8. How do you prioritise the Local Economic Development Projects?
9. What is your role as Local Economic Development during implementation in relation to funding, monitoring and evaluation?
10. Which specific social challenges does Local Economic Development address?
11. Which specific economic challenges does Local Economic Development address?
12. What are some political challenges that Local Economic Development address?
13. What are some institutional challenges that Local Economic Development addresses?
14. What are challenges experienced in the internal environment in relation to the Strengths, Weaknesses, Opportunities and Threats analysis?
15. What is the nature of the relationship between Integrated Development and Local Economic Development policy?
16. What challenges are experienced by the Local Economic Development policy in fulfilling its development mandate?
17. What support do you get from provincial and national government with regard to Local Economic Development policy?

18. In what ways does Local Economic Development policy address job creation and the reduction of unemployment?
19. In your own opinion, has Local Economic Development policy been successfully developed?
20. In your own opinion, has Local Economic Development policy been successfully implemented?

ANNEXURE 2



Source: Tlokwe Local Municipality (2015)

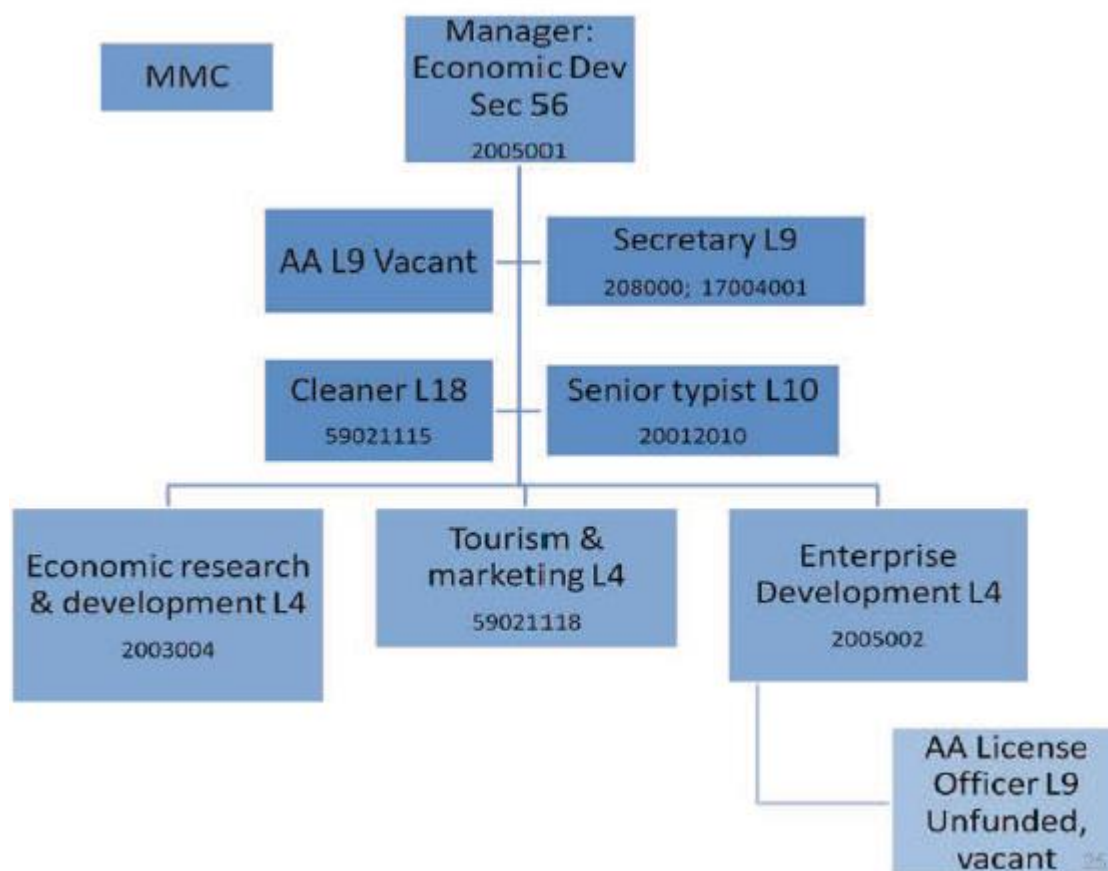
ANNEXURE 3

POSITION	NAME	GENDER
1. Municipal Manager	Dr N.E Blaai-Mokgethi	Black Female
2. Chief Financial Officer (Acting)	PNR Wilgenbus	White Female
3. Manager Corporate Services (Acting)	N Klaas	Black Female
4. Manager Community Services	P C. Labuschagne	White Male
5. Acting Executive, Manager Sports, Arts and Culture (Acting)	T Seleke	Black Male
6. Manager Public Safety	JL Nkhumane	Black Male
7. Manager Housing and Planning	LMK Mohlomi	Black Male
8. Manager Local Economic Development	ST Masitenyane	Black Male
9. Manager Office of the Speaker	EPM Modiakgotla	White Male
10. Manager Infrastructure	B Zungu	White Male

POSITION	NAME	GENDER
1. Manager: Internal Audit	G. Van der Berg	White Female
2. Manager: Communications	W. Maphosa	Black Male
3. Manager: Performance Management System	J. Legoete	Black Male
4. Assistant Manager: Compliance	J.K. Luka	Black Male

Source: Tlokwe Local Municipality (2015)

ANNEXURE 4



Source: Tlokwe Local Municipality (2015)

ANNEXURE 5



School of Social and Government Studies
Tel: 0182991627
E-pos: gerda.vandijk@nwu.ac.za

Informed consent for participation in an academic research study

Title of the study

Job creation and employment sustainability within the Tlokwe Local Municipality: A policy analysis

Research supervised by:

Prof HG van Dijk
North-West University
0182991627

Dear Respondent

You are invited to participate in an academic research study conducted by Natasha Mumba of the North-West University. The main objective of the study is to describe job creation and employment sustainability in the context of the Local Economic Development policy. The purpose of the study is to:

- analyse the Tlokwe Local Municipality's Local Economic Development policy in terms of its impact on job creation and reduction of unemployment;
- examine the environmental factors of the Local Economic Development policy in relation to policy/laws, economic and social environments
- identify the challenges in facilitating job creation and employment sustainability through Local Economic Development policy in Tlokwe Local Municipality; and
- propose policy recommendations to address job creation and employment sustainability in the Tlokwe Local Municipality.

Please note the following:

- This study involves your participation in an in-depth interview.
- Your participation in this study is very important to the North West University. You may, however, choose not to participate and you may also stop participating at any time without any negative consequences to yourself.
- The results of the study may be made available to all stakeholders in this research project and may be published in an academic journal and/or presented at an academic conference.

Please sign the form to indicate that:

- You have read and understand the information provided above.
- You agree to participate in the study on a voluntary basis.
- You will not be anonymous in the study

Respondent's signature

Date