

CHAPTER 3

AN OVERVIEW OF POLICIES AND CASE STUDIES IN LED

3.1 INTRODUCTION

In this chapter, the role of government and specifically local, will be analysed in relation to local economic development (LED). The chapter will also analyse the policy and legislative framework for LED in South Africa, using various international and local case studies. The focus will thus be on successes and challenges of the implementation of LED best practice in the Free State municipalities. South Africa, as a developing democratic middle-income country, is no different from other countries with similar social, political and economic profiles. Generally, there are two main sets of approaches to development, that is, growth centered development, and people centered development. The growth-centered approach usually reflects mainstream economics, favouring a liberal market economy, globalisation, removal of trade barriers, reduction of state power and influence, concentrating mainly on GDP as indicator of progress. This approach assumes that economic growth leads to reduction of poverty and inequality. This has proven not to be the case in South Africa and in Free State in particular (known as the hub of maize production). People-centered development is more inclined towards human development in communities, thus improving quality of life more directly (Meyer, 2007:71).

Key challenges impacting on the ability of local governments to implement LED in South Africa include:

- Most cities do not have adequate economic growth strategies in place, and therefore are unable to tackle poverty;
- Cities cannot develop local economic strategies in isolation from national economic policy;

- Manufacturing is in long term decline;
- There is a decline in levels of professional employment;
- Unemployment and low skills levels are major barriers;
- Cities make a key contribution to social and economic life in the country, but they are also the greatest concentrations of poverty (DPLG. 2006:18).

The growth-centered development and people-centered development are good because they open people to compete and limit the power of the state. This will play a big role in reducing poverty. A good example in South Africa is the Free State Province which is more of human development and quality of life improved.

3.2 POLICY AND LEGISLATIVE FRAMEWORK FOR LED

Local administration, at the heart of the development procedure, has been described by Nel and Humphreys by way is the hands and feet of reconstruction and development in South Africa (Nel & Humphreys, 1999:155). Therefore, the South African government is putting increasing emphasis on LED, reflecting a paradigm shift away from local governments being viewed simply as delivery agents, to the concept of developmental local government. Sustainable LED objectives are all consistent with South Africa's guiding policy mandates. Its policy and legislative initiatives clearly make provision for LED. Some of the more important documents in this regard include the following Reconstruction and Development Programme (RDP), the Development Facilitation Act of 1995, the Local Economic Development Policy Draft of 2002 and the National Framework for Sustainable Development of 2006.

3.2.1 The Reconstruction and Development Programme

The Reconstruction and Development (RDP) is the first key post-*apartheid* policy document which was launched as the main aim of the ANC policy prior to the April 1994 elections. In September of the same year, the RDP was formalised as the new government's 'White Paper on Reconstruction and Development', designed to provide a broad framework for South Africa's new development vision, priorities and operational procedures, and aimed at laying down a basis for subsequent laws and actions to address the extreme social and spatial inequalities engendered by years of *apartheid*, and also to promote overall development (ANC 1994:5).

The RDP placed emphasis on grassroots empowerment, suggesting that development is not just about the delivery of goods to a passive citizenry, but about active involvement and growing empowerment which integrates all levels of the state together with non-governmental organisations and community-based organisations (Mpengu, 2010:16). The RDP emphasises the fundamental links between participation and pro-poor economic development. It was designed to tackle inequality and poverty through the need for 'an integrated and sustainable programme' motivated by the recognition that the legacy of *apartheid* cannot be overcome with piecemeal and uncoordinated policies. The RDP brings together strategies to harness all resources in a coherent and purposeful and sustainable effort. RDP is an integrated, coherent socio-economic policy framework which seeks to mobilise all our people and our country's resources toward a final eradication of the *apartheid* and building democratic, non-racial and non-sexist future (Corder, 1997:184).

The ANC (1994:5) argues that the broad goals of the RDP can be achieved by giving much more responsibility for development to local government, viewed as the primary level of democratic representation. These strategies will be implemented at national, provincial and local levels by government, parastatals and organisations within civil society working within the RDP framework. There are many proposals, strategies and policy programmes contained in the RDP. These can be grouped into five major policy programmes that are linked to one another:

- Meeting basic needs;
- Developing human resources;

- Building the economy;
- Democratising the state and society, and;
- Implementing the RDP (ANC, 1994:6)

The people should be involve in these programmes by being made part of the decision- making on where infrastructure is located, by being employed in its construction, and by being empowered to manage and administer those programmes (ANC 1994:8), to achieve five key programmes which are envisaged such as meeting basic needs, developing human resources, building the economy, democratising the state and society and implementing the RDP (Corder, 1997:187). The RDP was envisaged to assist local government with development and its strategies were aimed to be implemented in the three spheres of governments, namely; national, provincial and local.

3.2.2 The Development Facilitation Act (1995)

A key local government planning and development instrument is the Development Facilitation Act, 1995. The Act lays down the general principles governing land development countrywide. Local governments were empowered to develop what were known as Land Development Objectives' (LDOs). The objectives are meant for the sub- division and development of land in the urban and rural areas to promote the accelerated provision and development of land for residential, small-scale farming, economic uses or other needs, and to improve security of tenure. This Act was deemed necessary in the light of the complex *apartheid* geography of the country, and the need to address development imbalances and accelerate development through efficient utilisation of land (Development facilitation Act, 1995).

3.2.3 Local Government Transition Act, 1993 (Act 209 of 1993)

Although most lawful provisions relating to the developmental role of local government have been based on the 1998 White Paper on Local Government, pre-1998 Acts have also helped to lay a key basis for this new role. The Local Government Transition Act (1996) assigned various powers

and duties to local government in relation to service provision. It is mandatory for metropolitan councils specifically to promote integrated economic development, and equitable distribution of municipal resources and delivery services, with a developmental focus in mind. Metropolitan councils are also required to formulate and implement a metropolitan Integrated Development Plan, a provision subsequently extended to all local authorities incorporating land use, transport and infrastructure planning, as well as promotion of integrated economic development.

3.2.4 The Constitution of the Republic of South Africa (1996)

In South Africa, the supreme law is the national Constitution of the Republic of South Africa, 1996 (hereinafter referred to as the Constitution). The Constitution recognises local government as a distinctive sphere of government. Section 153 of the Constitution commands municipalities to give priority to the basic needs of the community, to promote the social and economic development of the community, and to participate in national and provincial development programmes. The Constitution makes provision for the establishment of municipalities. More specifically, section 155 provides for the following categories of municipalities:

- Category A: a municipality that has exclusive municipal executive and legislative authority in its area;
- Category B: a municipality that shares municipal executive and legislative authority in its area with a category C municipality within whose area it falls; and
- Category C: a municipality that has municipal executive and legislative authority in an area that includes more than one municipality.

Section 152(1) (e) of the Constitution forces local government to encourage the involvement of communities and community organisations in local government matters and associated participatory rights of citizens. This is a clear reflection of just how far policy and authority is devolving. Schedules 4 and 5 of the Constitution also specify the competences allocated to the three spheres of government.

All the objectives listed above can be associated with LED. It is argued that authorities have a legal mandate to promote social and economic upliftment within their areas of jurisdiction. In terms of Section 153 of the Constitution, a municipality is required to structure and manage its administration and budget and planning processes to prioritise the basic needs of the community, and to promote the community's social and economic development. These objectives are an integral set of principles from which LED strategies are formulated and implemented.

3.2.5 The Municipal Demarcation Act (1998)

The Local Government Municipal Demarcation Act (1998) is concerned with determining new municipal boundaries throughout South Africa, a process undertaken between 1998 and 2000 that saw over 1,000 local councils amalgamated into 284 municipalities, and also ensured wall-to-wall local government countrywide. The Act sought to eliminate small and ineffective councils by combining certain neighbouring local authority areas under a single jurisdiction, and also by integrating rural areas surrounding urban centers to control of the city municipality.

This was undertaken to ensure economic and service efficiency, such that within municipal boundaries the municipality would be capable of fulfilling its constitutional obligations, including promotion of social and economic development, integrated development, effective local governance and incorporation of poorer communities under the jurisdiction of wealthier local authorities. This Act forms a basis for LED by safeguarding fairer spatial distribution of resources, and by creating more resourced, and also reachable, local government structures.

3.2.6 The Municipal Structures Act (1998)

The Municipal Structures Act (1998) extends and develops provision of the Local Government Transition Act of 1996. The Act provides for the three categories of municipality noted above, to operate within the newly demarcated areas, and assigns them specific powers and duties. These are based on the Constitution and are generally of a service type nature, focusing on LED associated

activities such as tourism planning, public works, infrastructure development and markets. In undertaking such duties municipalities are expected to promote economic and social development in the area under their jurisdiction.

The Act recognises and allows for participation of traditional leaders within local government administration in the areas in which they reside. It also mandates district councils to assist local municipalities falling under their jurisdiction via integrated development planning, bulk infrastructural development, capacity development and equitable distribution of resources.

3.2.7 White Paper on Local Government (1998)

Four years after the publication of the RDP document, the new development role of local government was further articulated in the White Paper on Local Government, which stipulates that central responsibility of municipalities is to work together with local communities to find sustainable ways of meeting their needs, and improving their quality of life. In order to achieve developmental local government, local authorities are now expected to maximise both social development and economic growth, and to help ensure that local economic and social conditions are favourable to creation of employment opportunities (Nel & Binns, 2001:10). In addition, local management is required to take a leadership role, to build social capital and to generate a sense of common purpose in finding local solutions for sustainability.

Local municipalities have a critical role to play as policy-makers and as institutions of local democracy. As such, they are urged to become more strategic, visionary and ultimately influential in the way they operate. Building on RDP strategies, developmental local government is charged with promoting empowerment and redistribution, and delivering four significant and essentially pro-poor outcomes, namely:

- provision of household infrastructure and services (electricity, water and sewerage) prioritising delivery and subsidisation of at least a basic level of services to those who currently have little or no access;

- creation of liveable, integrated cities, towns and rural areas, in which the spatial legacy of *apartheid* separation is being addressed;
- achievement of local economic development, in which local government can play an important role in job creation and boosting the local economy through provision of business-friendly services, local procurement, investment promotion, support for small businesses and growth sectors; and
- Community empowerment and redistribution (Binza, 2009:23).

The White Paper on Local Government marked a key break from past conceptualisations of local government in South Africa. The policy calls for municipalities to become more strategic, visionary and ultimately influential in the way they operate. Explicit elements in the Act promoting empowerment and redistribution include provision of below-cost services to the poor, supporting community organisations linking profitability, and investment with redistribution and development.

3.2.8 The Municipal Systems Act (2000)

The Act specifies in more detail how local government is to work, including the principle of popular participation in local governance and local-level development. The Act (Section 2.7.2) provides the processes necessary to enable municipalities to move progressively towards the social and economic upliftment of communities, and to ensure universal access to essential services that are affordable to all. The Act further states the fundamental processes or elements essential to realising a truly developmental local government system. These include participatory governance, integrated development planning, performance management and reporting, resource allocation and organisational change.

The Act has defined implications for LED in terms of operational procedures, powers and management systems - mechanisms to promote pro-poor development. Municipalities are specifically required to involve communities in the affairs of the municipality, to provide services in a financially and sustainable manner, and to promote development in the municipality.

In terms of service provision, municipalities are required to prioritise the basic needs of the community, and to ensure that all residents have access to a minimum level of basic services. Section (2.7.2) states that local economic development (LED) may be promoted through provision of special tariffs for commercial and industrial users. A further related provision is that municipalities may establish service utilities or acquired ownership of a company that render a municipal-type service.

The parallel White Paper on Municipal Service Partnerships details how municipalities can enter into partnership arrangements with the private, community and NGO sectors to improve service delivery in a specific area. According to Binza (2007:249), it is the municipality's responsibility to ensure that such partnerships are structured so as to flourish through continuous training and development, underpinned by a coaching and mentoring system. He further states that the aim is to improve the human capacity of the local spheres of government to manage LED initiatives and programmes effectively and efficiently, and to redistribute economic resources equitably.

A key facet of the Act is the detail provided on the Government's commitment to encouraging participation (section 2.7.2). The Act, defining the same power and duties as detailed in the Structures Act, obligates municipalities to undertake developmentally orientated planning, requiring them to develop Integrated Development Plans. It states that such plans should involve widespread consultation with the communities and other stakeholders, and should link and coordinate all municipal development plans, municipal resources, capacity and budgets, and be compatible with national and provincial planning requirements. In terms of service provision, municipalities are required to prioritise the basic needs of the community, and to ensure that all residents have access to a minimum level of basic services. The Act provides the mandate for participatory governance in local government affairs and development matters, serving pro-poor objectives.

3.2.9 Local Economic Development Draft Policy 2002

The draft paper adopts a defined pro-poor stance, while not differing more conventional business-focused activities. It argues that in the light of the country's economic and social situation, 'pro-poor' developmental interventions must be the priority for local governments (DPLG known as COGTA, 2002:9). The LED identifies local government objectives, such as formation of a job-creating economic growth path that brings the poor and disadvantaged to the center of development.

The new investment should be directed at maximising integrated development to generate high quality jobs, and to assure clean production processes. Promoting developmental LED depends on the following broad interventions:

- Foster community-based development;
- Promote links between wealthy and poor redistribution areas;
- Human capital investment;
- Delivery of infrastructure and services to those who need it most;
- Plug leaks in the economy, for example, by buying locally and trying to stop money from leaving the area;
- Retain and expand local economic activity; and
- Identify a 'lead' LED strategy for an area (DPLG known as COGTA, 2002:9).

It has been suggested that local government needs to focus on Capacity Improvement Instruments, Markets Expansion Instruments, and Cost Reduction Instruments, and that municipalities should establish an LED Unit with defined roles that local government can play in terms of LED. The core functions of an LED Unit are to co-ordinate municipal activities, to manage LED strategy, to monitor projects, to coordinate all stakeholders, to manage LED budget and to create an LED data base. The identified roles for such a unit are to co-ordinate, facilitate and stimulate LED, and to act as an entrepreneur/developer (DPLG, 2002:9).

3.2.10 National Framework for Sustainable Development (2006)

The purpose of the framework to make known South Africa's (including government, business and civil society) national vision for sustainable development and indicate its intended interventions to re-orient South Africa's development path towards sustainability (DEAT, 2006:10).

The framework proposes 5 policy areas for strategic implementation, like enhancing systems for integrated planning and implementation, sustaining our eco-systems and using our resources sustainably. Investing in sustainable economic development and infrastructure and creating sustainable human settlements. Responding appropriately to emerging human development, economic and environmental challenges (DEAT, 2006:16).

3.2.11 National Industrial Policy Framework (2007)

The National Industrial Policy Framework (NIPF) is designed to address our binding constraints, particularly regarding sector development strategies including the development of new industries and new business (DTI, 2007:4). The NIPF aimed at providing greater clarity and certainty to the private sector and social partners with respect to investment decisions leading up to 2014 and beyond. Secondly, it is intended to provide a reference point for substantial improvements in intra-governmental coordination of the numerous and complex set of policies and projects that will form part of the NIPF (DTI, 2007:7).

The vision for the industrial policy includes specific, to facilitate diversification beyond our current on traditional commodities and non-tradable services. The long-term intensification of South Africa's industrialisation process and movement towards a knowledge economy. The promotion of a more labour-absorbing industrialisation path with particular emphasis on tradable labour-absorbing goods and services and economic linkages that catalyse employment creation. The promotion of a broader-based industrialisation path characterised by greater levels of participation of historically disadvantaged people and marginalised regions in the mainstream of the industrial economy.

Contributing to industrial development on the African continent with strong emphasis on building its productive capabilities (DTI, 2007:6).

Ngandu (2011:203) argues that the NIPF main purpose was to address the question of the gender imbalances issues and see that woman play their part in local economic development. The policy should stress on the relevance of the gender equality that will contribute to higher rates of economic growth and greater macroeconomic stability. This women lack of opportunities in developing countries slower economic growth while, the economic growth leads to reduction in their disadvantaged condition. Increased economic participation of women is of importance to enable women to take full advantage of improved macroeconomic conditions. The women empowerment is a good thing which is in line with the gender equality and it will free women economically.

3.2.12 National Framework for Local Economic Development (2007)

The main aim is to support the development of sustainable local economies through integrated government action (DPLG, 2007:3). Its main objectives, outcomes and focus on NFLED. Improve good governance, service delivery, and public and market confidence in municipalities through an alignment of national, provincial and local programmes. The spatial development analysis and planning exploiting the comparative advantage and competitiveness of the 52 municipal regions. Introduce sustainable developmental community investment programming (DPLG, 2007:3).

To shift towards a more strategic approach to the development of local economies and overcome challenges and failures in respect of instances where municipalities themselves try to manage litany the projects or start –ups. To support local economies in realising their optimal potentials and making local economies active participants in the

economy of the country. To elevate the importance and centrality of effectively function local economies in growing the national economy. To wage the national fight against poverty more effectively through local level debates, strategies and actions.to improve community access to economic initiatives, support programmes and information. To improve the coordination of economic

development planning and implementation across government and between government and non-governmental actors (DPLG, 2007:7).

3.3 INTERNATIONAL LED CASE STUDIES

The international LED case studies of countries such as China, Brazil, Nigeria, Botswana and Ghana will be discussed in detailed. The best practices will form the part of the discussion and job creation will be looked into. The economic development of these countries is similar to that of South Africa because they too have rural areas municipalities.

3.3.1 Miracle China

China, world's most populous nation, has enjoyed an average economic growth rate of 9% a year, with income per capita five times the 1978 level, compared with a rate of three times which would be considered respectable for most low-income countries. Agriculture accounts for 19% of GDP. Exports are 21% of GDP. China has experienced the world's most dramatic reductions in poverty, with child malnutrition (underweight) down to 16%, illiteracy rate (age 15+) down to 10% for males, and 27% for females. Women now account for 45% of the labour force (Todaro & Smith, 2009:193).

By the late 1980s the investors began to pour investment into China, largely because of its potential market of more than 1 billion consumers. Investors discovered that China offered very cheap labour with relatively high skills and work ethic. In addition, following the role model of South Korea and other South East Asian countries, the Chinese government's negotiation of licenses and other business agreements helped ensure that the country got more favourable deals than many other developing countries (Todaro & Smith, 2009:194).

By the early 1990s, productivity had overtaken investment as the largest source of growth. China's rapid growth began in the late 1970s in the areas close to Hong Kong, and it was clear that large volumes of investment funds were flowing from capital- abundant Hong Kong to capital scarce China. There was widespread concern that China had entered an investment

bubble stage, in which many investments were of doubtful quality. Regional influences included the open-door policies and special economic zones that successfully attracted investment from overseas to particular locations. Existing regional strengths, especially high quality human capital and infrastructure, also contributed to growth. The government played off potential investors who wanted access to China's billion-plus consumers, demanding and getting extensive technology transfer, public and private Chinese business partnerships, local content, and other concessions in exchange for the right to sell to Chinese citizens (Todaro & Smith, 2009:195). In China the role and contribution of agriculture has been reduced from 50% of the GDP in 1952 to only 14% in 2004. The role of town-village enterprises (TVE) has increased from a 0% contribution to 30% of GDP IN 2004. Rural industrialization and business development is a way for locals to increase their income. Rural opportunities for business development include family restaurants such as at the Fu Zhou village, infrastructure and construction development such as the Gaoxi village. The TVE experience has absorbed a large number of excess rural workers (Kumar, 2006:12).

In other transition and developing countries, state-owned enterprises (SOEs) were sold off to private investors fairly quickly. In China, these remained in government hands for an extended period. Eventually, as employment opportunities continue to expand, more of the SOEs are privatised or closed. Then at local level, township and villager enterprises (TVEs) were encouraged. The TVEs played a unique role in spurring growth and spreading the benefits of development to rural areas. China's transitional institutions served a dual purpose: to improve efficiency while compensating the losers.

Local government provided protection for investors who feared the possible hostility of the government to private property and were worried about expropriation. Lastly China has an impressive combination of low wages, high skills and know-how, and an agglomeration of economic activity. The commodity boom of recent years is significantly attributable to China's economic growth (Todaro & Smith, 2009:198).

South Africa can learn few things on LED such as protecting foreign investors and private properties in South Africa like in China is too worried with expropriation of land without compensation. The South African government needs to invest in skills development that will boost its economic development.

3.3.2 Brazil

According to Todaro (2000:22), Brazil has a population of 162.1million, growing at 1.4% per year. Agriculture accounts for 8% of GDP. Exports make up 7% of the GDP. Child malnutrition (underweight) is at 6%. Its illiteracy rate (age 15+) is 17% for males, and 17.5% for females. Women now account for 35% of the labour force. Brazil is of special interest in part because its growth performance from the 1960s was the best in Latin America. It has a larger role for state-owned enterprises, much lower education and other social expenditures, and much higher inflation. Brazil, traditionally considered a leader of the developing world, is a key member of the Group of 20 developing countries pushing for fairer trade rules. It is one of the four newly influential countries known as 'BRCs' (Brazil, Russia, India, and China), recently extended to BRICS following the addition of South Africa. Brazil has a large and increasingly sophisticated industrial base, ranging from basic industries such as steel, chemicals and petrochemicals to finished consumer goods. The former Brazilian President, Luiz Lula da Silva replaced President Dilma Rousseff in 2011. The president had achieved major economic and rural development success. A total number of more than 28 million were lifted out of poverty and 15 million new jobs were created. Brazil's GDP has increased fivefold and the per capita income increased fourfold. Unemployment rates fell from 12% to 6 % (Freemantle, 2012:2).

Brazil is one of the world's largest producers of hydroelectric power and has begun working with nuclear reactors. The agricultural sector employs 42% of Brazil's population, accounts for 8% of its GDP and 40% of its exports. The country is fortunate to be endowed with mineral resources such as iron ore, manganese, nickel, tin, chromites and bauxite. It remains the world's largest exporter of coffee and second largest exporter of cocoa and soybeans. Brazil also faces major economic problems such as poverty, inflation, declining real incomes, foreign debt, declining exports, a dominant state-owned sector, stringent import barriers and environmental damage. But it has the potential to be one of the world's largest markets. To attract foreign investment, Brazil has lowered tariffs on imports. The government introduced a new programme known as Real Plan, designed to attack the basic cause of inflation, the large budget deficit, by increasing tax revenues, cutting back on government spending and maintaining a stable currency. The plan was successful in reducing inflation from 600% to 10%, but at a later stage it resulted in 2.2 million workers losing

their jobs (Todaro, 2000:25). Martinelli *et al.*, (2011) support this statement by stating that agriculture plays a major role in Brazil's economy as it accounts up for the quarter of the country's GDP and over a third of total exports. The growth in agri-business which includes agri-transport, processing, logistics, retail and production, led to increased investment in rural infrastructure and employment. Brazil has various agricultural support policies including subsidization, export support, financial assistance in the form of loans, infrastructure development and tax breaks. The case study discussed below investigated the benefits of government support for sugar industry in Sao Paulo area. This case study highlights the importance of agro-processing in the expansion of employment in rural development activities, public services, and infrastructure development. The main purpose of "agri-business" in Brazil leads to multipliers effects in industry and services and brings benefits to rural poor than just generating foreign exchange and concentration of wealth. The end results are positive impact on economic and social development (Martinelli, 2012:426).

3.3.3 Nigeria

Nigeria combines modernisation alongside many of the characteristics of developing countries, such as high population growth. It is primarily rural and depends on export of primary products. Several contextual factors hamper the growth of the economy, such as its large variety of customers, languages and traditions (it has 250 ethnic groups), declining oil prices and overly ambitious industrialisation programmes; neglect of the agricultural sector; excessive foreign borrowing; and widespread economic corruption and mismanagement (Todaro, 2000:63).

The oil boom in the 1970s and early 1980s resulted in the movement of people from rural to urban areas. If Nigeria is to turn the tide of its economic misfortunes and mismanagement it needs to raise domestic food production and labour productivity, and use oil revenues more rationally to diversify its economic activity. In addition, it will have to reduce the burden of foreign debt, lower population growth through effective family planning programmes, improve rural health and education, reduce poverty, and seek foreign aid for investment and debt relief (Todaro, 2000:64). The current economic policy of job creation through rural development focuses on women. Nigeria has a long way to achieve development and improvement in the quality of poor people. However, the country lacks innovative programmes worth of international emulation or best practice. Nigeria is no means the worst case in lost opportunities for the poor; with oil resource it had great opportunity to steps for the alleviation of poverty and sustainable rural development (Todaro, 2003:507).

3.3.4 Botswana

The case of Botswana indicates that, if used appropriately, mineral wealth can benefit political development. It has the highest rate of growth in sub-Saharan Africa, 8.4% per year over the 1965-1990 period, and still relatively high at 6.0% in 1990-2005. Botswana's success reflects the theory of the modern neoclassical school, the benefits of direct foreign investment, and effective protection of private property, rule of law, and good incentives for its multi-party democratic government to play a constructive role. Botswana's wealth is due largely to its huge diamond deposits. However, its geographic disadvantages act as a barrier to growth and development. For example, it has no access to seaports. Conditions are generally poor for agriculture. Only 4% of the land can be used for cultivation. Most parts of the country are in the Kalahari Desert land suitable only for summer grazing (the rainfall takes place during the summer months). The climate is tropical, and tropical countries tend to have poorer income levels and growth than temperate-zone countries. It also has high population growth (Todaro & Smith, 2009:740). The country is a small, with a population of 1.8 million people and 90% of its people live in abject poverty. The picture is different today because Botswana has achieved a lot in 4 decades and the poverty levels have dropped from 60% to 30% in 2005. The unemployment rate has fallen to 17.6% the lowest ever. The literacy rate increased from 25% to 90% and the life expectancy increased to 65 % in 1991 up from 48% at independence though it has been reduced to 56 owing the scourge of HIV/AIDS. The country GDP per capita (PPP) stands at US\$13,604 and the Human Development Index (HDI) increased between the years 1980 and 2007 by 0.94% annually from 0.539 to 0.694 (Sebudubudu, 2010:250).

The government has played a constructive role in the economy by providing infrastructure, extension (information and training) services, and subsidised veterinary services and other support for development of the cattle industry. The government has also managed relationships with mining interests, encouraging exploration by foreign companies and demanding and getting a share of profits without driving investors away. The good example that could be cited is the De Beers diamond cartel that resulted in fully half of diamond profits going into tax revenue. It has achieved universal primary education; a rare achievement in Africa. Botswana introduced social security systems, and provided relief to the natural poor through a three-pronged system of maintaining food availability.

This includes a guarantee of public employment for cash wages that could be spent on available food, direct food distribution to selected groups, and programmes to increase agricultural productivity and restore food availability. With clear natural-resource based comparative advantage, and the requisite supporting institutions, Botswana successfully struck a deal with foreign investors that was good for the national interest and avoided corruption. The neoclassical approach, updated with emphasis on required human capital, the need for good institutions, support for exports and shared growth, appears to go a long way in explaining the country's success (Todaro & Smith, 2009:741).

3.3.5 Ghana

Ghana has a population of 19 million, growing at 2.9%/year. As a share of GDP, agriculture accounts for 44%, and exports 27%. Child malnutrition (underweight) is 27%, illiteracy rate (age 15+) is 51%, and the Human development index, 0.47. In Ghana 70% of the population lives and works in rural areas, and the economy depends mainly on agriculture, engaged mainly in subsistence farming. Ghana has a diverse and valuable resource base. Its industrial base was relatively advanced in the 1970s compared with that of many African countries. In 1957 it had a substantial physical and social infrastructure and \$481 million in foreign reserves (Todaro, 2000:401).

The new civilian government faced economic problems such as a declining real per capita income, stagnant industrial and production, shortages of imported and locally produced goods, and a sizeable budget deficit. Inflation is still high at levels, and the currency is increasingly overvalued. Economic development is undermined by smuggling and other malpractice, youth unemployment and underemployment, deterioration in the transportation network, and foreign exchange constraints. Ghana's economic recovery program succeeded in reversing the decline in real per capita incomes during the 1970s and early 1980s, when GDP declined at average of 0.9%, half the population lived in absolute poverty, there were very high ranks of unemployment, and long-term public debt was the highest in the world as a percentage of GDP (Todaro, 2000:402).

In 1985, the local economy began to show signs of slow recovery and government announced a social development and education programme. The economic recovery was hampered due to

high inflation rates in mid-1990. The new however increased fuel, water and electricity prices up to 100% and the people were not happy. There was improvement since 1991 to current times a positive economic rate of 1, 7% per annum has been achieved and the country is growing in its economic development history (Todaro, 2003:616).

3.4 LOCAL LED Case Studies in South Africa

In South Africa, the new municipal boundaries drawn under the Local Government: Municipal Demarcation Act, Act 27 of 1998, cut across the old *apartheid* divisions of municipalities and cities. The Department of Provincial and Local government LED programmes provide support in several areas: development and review of national policy, and strategy guidelines for LED; provision of direct hands-on-support to provincial and local government; management of a local economic development fund; management and technical support for nodal economic development planning; facilitation, coordination and monitoring of donor progress; and assistance with LED capacity-building programmes. These interventions and resources mobilise local role players and interest groups to achieve economic growth and create jobs, thereby reducing poverty (DPLG, 2004:20). The interventions of various cities in South Africa highlight three essential aspects of LED: global competitiveness, job creation and poverty alleviation.

3.4.1 Maluti-A-Phofung Local Municipality

The municipality's LED Strategies comprised adding value to the products of Map, increasing the number of emerging farmers, stimulating SMME promotion and development, and increasing/exploring tourism potential. The strategies were aimed at reducing the unemployment level and poverty in the area. With such strategies, the municipality wanted to create an investor friendly environment conducive to economic development, and to expand and retain existing businesses to draw new investment into the area, as well as expand the agriculture, tourism, manufacturing, mining and mineral sectors, and strengthen the institutional capacity of SMME's to increase the number of viable emerging businesses (Maluti a Phofung LEDS, 2012:61). The LED projects that will be looked into

include the new and sustain projects as means for job creation.

LED Projects

- Wetsie Cave;
- Upgrading of Maluti Resort;
- Upgrading of Lefika Tourism Destination;
- Diyatalawa Apple Project;
- Production of Biodiesel;
- Dairy Farming Project;
- Clay Bricklaying;
- Manufacturing of Cement;
- Steel Furniture Manufacturing;
- Wood Furniture Manufacturing;
- Toilet Paper Making Project (Tshiame);
- Soap and Bath Foam Manufacturing;
- Truck Port/Logistics Hub;
- Still Water Bottling Project;
- Arts and Craft Centres;
- Market Stalls;
- Quarrying Project;
- Small Scale Mining-Granite;

- National Chain Stores (e.g., Pick 'n Pay) (Maluti-a-Phofung LEDS, 2012:76).

3.4.2 Masilonyana Local Municipality

The objectives of Masilonyana Local Municipality's LED Strategies were to develop a capable and sound municipal administration in a financially viable and sustainable municipality within which sustainable jobs could be created, and service delivery improved and accelerated. They also aimed to promote good government and effective public participation (Masilonyana IDP, 2011/2012:28). The brick, EPWP potholes project; business development center and bakery will be discussed.

LED Projects

- Brick (paving) plant ZR Mahabane Project;
- EPWP Potholes project;
- Business Development Centre;
- Two bakery projects in Tshepong/Verkeerdevlei and Makeleketla/Winburg (Masilonyana IDP, 2011/2012).

3.4.3 Metsimaholo local municipality

This municipality's LED Strategies aimed to create more employment, and sustainable livelihoods. This was to be achieved alongside broader access to, and improved quality of, municipal services, united, non-racial, integrated and safer communities through promotion of active community participation. An important outcome was to ensure more effective, accountable local government that works together with national and provincial government (Metsimaholo IDP, 2012/2013:147). The brick, poultry and farming projects will be discussed.

LED Projects

- Brick and paving manufacturing plan.
- Poultry and pig farming (Metsimaholo IDP.2012/2013:201).

3.4.4 Lejweleputswa District Municipality

- LED Strategies in this case concentrated on marketing the district through tourism activities, facilitating and supporting establishment of cooperatives, as well as revival of Lejweleputswa Development Agency, via internal funding.

Other objectives were to capacitate youth and women-led/owned entities, provide temporary jobs to indigent families in the district, and prioritise local labour in the implantation of capital projects in the district (Lejweleputswa IDP, 2011/2012:55).

LED Projects

- Sport Tourism;
- Tourism branding materials;
- September Tourism Month;
- Accommodation and hospitality;
- Heritage sites and museums (Lejweleputswa IDP, 2011/2012:68).

3.4.5 Naledi Local Municipality

LED Strategies: to co-ordinate all local economic development efforts directed towards relevant marks; to co-ordinate efforts and stimulate communication between consumers and business; and to encourage existing successful SMMEs to expand (marketing of local business center) (Naledi IDP, 2011/2012:54).

LED Projects

- Support and Establishment of Cooperatives;
- Goat dairy farm in Van Stadensrus;
- Development of 8 farms in Naledi;
- Paving of access roads & construction of Culvert Bridge in Wepener;
- Re-sealing of roads at Van Stadensrus;
- Establish Naledi local Economic Development Forum (Naledi IDP, 2011/2012:56).

3.4.6 Nala Local Municipality

LED Strategies: to build and enhance governance that is founded on democratic values in order to improve service delivery; to enhance institutional capacity to instil a culture of high performance through proper facilitation on transformation; to strengthen financial management systems, and to sustain viability and developmental local government function.

Other strategies aimed to ensure adequate and equitable access to quality and affordable services across the municipality in order to achieve a better life for all, and to improve municipal economic development in order to stimulate and facilitate economic growth and social cohesion (Nala IDP, 2010/2011:28).

LED Projects

- Monyakeng waste water treatment plant;
- Construction of road pavement; and
- Installation of solar geysers in 250 households (Nala IDP, 2010/2011:58).

3.4.7 Dihlabeng Local Municipality

LED Strategies of this municipality are to provide democratic and accountable government for local communities; promote social and economic development, and a safe and healthy environment, and encourage involvement of communities and community organisations in local government matters. Others include facilitation of the culture of public service and accountability among staff; and assignment of clear responsibilities for management and co-ordination of administrative units and mechanisms (Dihlabeng IDP, 2012:70).

LED Projects

- Bohlokong: new paved roads;
- Fresh produce market;
- Rural and commonage development of a dairy;
- Nkoko Chicken House;
- Breeding for grass Crap project;
- Poultry & piggery project;
- Hydroponics project;
- Air show /tourism expo development & support of SMME;
- Sol Plaatjie Dam-Development of Adventure Tourism complex;
- Bethlehem Classic Motor Veteran Show;
- Dikgeleke Cultural Festival;
- Clarens Crafters and Artist Flea Market;
- Vulamehlo Food Garden;

- EPWP Recycling Project;
- Mbhele Welding Building;
- Re Tentsha Bana;
- Cleaning of cemeteries;
- Ncedisano Car Wash;
- Development of hawkers stalls;
- Aqua culture (Eco Tiliapia);
- Nampo Agriculture;
- Glen Potato Week; and
- Improvement of wheat productivity on LRAD Farms and rural farms (Dihlabeng IDP, 144-146: 2012).

3.4.8 Mohokare Local Municipality

The LED Strategies are to create opportunities for youth to be involved in sports activities; comprehensive marketing strategies; assistance to potential entrepreneurs in product development and marketing; facilitate capacity building programmes for SMME's; spatial development (Mohokare IDP, 2007:26).

LED Projects

- Link opportunities with metered water connections through MIG projects;
- Maintenance of streets;
- Wards greening;
- Cultural tourism;
- Training and mentorship programme;

- Commonage development; and
- Housing projects (Mohokare IDP, 2012:28).

3.4.9 Mantsopa Local Municipality

Mantsopa's LED Strategies consist of providing sustainable infrastructure and basic services to underpin stimulation of sustainable economic development and tourism. This would involve sustaining financial and human resource management excellence, as well as improving good governance through effective leadership (Mantsopa IDP, 2010/2011:36). Its LED Projects include Karabo Diapers, Mantsopa Birds, Mautse Pops, MTN Support Centre, Mantsopa Hydroponics, Mahlatswetsa Charcoal, Lesedi

Woodwork, Gatelopele Beef feedlot, Seda Outreach, Basadi Poultry (Tweespruit), Lekgalong La Mantsopa (Mantsopa IDP, 2010/2011:106-107).

3.4.10 Ngwathe Local Municipality

LED Strategies in Ngwathe aim to enhance the tourism potential of the Vredefort Dome World Heritage Site. In addition they aim to train and capacitate local contractors through identified needs; to initiate and implement Extended Public Works Programmes; and to make the entire Ngwathe more attractive for investors by providing adequate infrastructure and facilities.

Preference will be given to local contractors, and local businesses encouraged being more competitive with the bigger centers. Businesses will be attracted through active campaigning and promotions. The municipality will support the De Beers Voerspoed Diamond and SASOL Sigma Coal Mines initiatives for job creation, as well as development and marketing of the clay extraction quarry in Koppies (Ngwathe IDP, 2010:86).

LED Projects

- Provide incentives for industrial business development;

- Mayoral LED- Fund;
- Marketing and promotion of local business;
- September Tourism Month project;
- Provision of car washes;
- Bricking making plant;
- LED tourist forums: zero baselines;
- Upgrading Koppies dam resort;
- Upgrading of Vredefort information centre (Ngwathe IDP, 2010:109).

3.5 CONCLUSION

Local administrations in South Africa have the legal developmental mandate to encourage municipalities to plan and implement LED strategies in their different localities. Collective strategies include reconstruction and development programmes, Key 5 programmes of RDP the Development Facilitation Act, the Local Government Transitional Act, the SA Constitution, the Municipal Structures Act, the White Paper on Local Government, and the Municipal Systems Act.

International case studies were discussed, and their LED implementation and strategies studied. The effective implementation of LED strategies in South African municipalities was also viewed as important in order to achieve the objectives of local government. This has included the study of LED case studies in various towns in Free State Province. There is improvement now in the number of success stories of LED in South Africa. These imply or indicate that municipalities are starting to grip the essence of LED. The partnerships between the local communities and other stakeholders in the community, such as the private sector, are critical to the success of LED. In the next chapter, the broader methodology for this study is presented.

CHAPTER 4

RESEARCH METHODOLOGY

4.1 Introduction

The research of this study consists of research design, and survey based empirical research. The survey based deemed to be the best for this study as it covered large geographical area. The focus of the research is on the Mafube local municipality.

4.2 The study area

The geographical focus area for the study is the Mafube municipality residentially communities within South African municipal setting located in eastern part of the Fezile Dabi District. The Qalabotjha area is located approximately 120km from Johannesburg central business district, 80km from Sasolburg and 30km from Frankfort. Villiers, located along Vaal River and adjacent to the N3 freeway, is strategically located between Gauteng and Durban. The Namahadi townships are located 80km from Sasolburg and 130km from Kroonstad, indicating its isolation from two main centers. The Mafube consists of 60980 populations.

4.3 Research design

Both qualitative and quantitative research approaches were used in this study. Primary data were collected by means of a questionnaire during a random socio-economic household survey, business survey and LED officials in the Mafube LM in the study area in June 2013.

4.3.1 Participants

A sample of 400 households in the study area was selected randomly to a 10 percent sample size. Trained fieldworkers conducted the survey, who administered a survey questionnaire to all participants. All interviews were conducted with the head of household, spouse or child, extended family member and boarder. A cover letter explains the purpose and emphasising the aim and confidentiality of the research project accommodated the questionnaire. Participation in the project was voluntary and respondents had option to withdraw at any stage.

4.3.2 Measuring instruments

The questionnaire contains many aspects that will be used in future articles. The measuring instrument that was used as part of the questionnaire relating to this article is SWLS (Diener *et al.*, 1985). The scale was used to measure the cognitive component of well-being. The SWLS consists of five items, which measure the individual's evaluation of satisfaction with life in general. Responses range from strongly disagrees to strongly agree for each of the five questions.

4.3.3 Data capturing and analysis

After the questionnaires were returned, they were edited and coded for the input into the Statistical Packages for the Social Sciences (SPSS). The main aim was to test the reliability of the measuring scales. According to Schurink (2004:20) analysis generally it can have different meaning to different people. It includes data reduction, data display, conclusion drawing and verification of data. Closer viewed, analysis involves working with data, organising them, breaking them into manageable units, synthesising them, searching for patterns, Discovering what is important and what to be learned and decides what to tell other people. It is about interpreting data obtained using various statistical methods of analysis.

4.3.4 Statistical Analysis

The survey data was captured and analysed using "Statistical Package for the Social Sciences" (SPSS) software version 21.0 for windows. (SPSS, 2012).

4.3.3 Significance of the study

The study main aim is to contribute to science body of knowledge of local economic development in the local government and improved the lives of the people in that respective area.

- The content of the research will support and add value to government's key priorities of local economic development in the developmental state;
- The research result will be available in open and transparent manner;

- It is only through on-going research that local government developmental challenges can be identified and given priority and addressed;
- The insights derived from the study will positively contribute to bridge the gap between research and practice.

4.3.4 Ethical Consideration

In terms of the guidelines provided by Mouton (2011:238), the research has strived to adhere to the following ethical principles and guidelines:

- Objectivity and integrity;
- Maintaining high technical standards, especially regarding referencing and the use of sources;
- Maintaining high levels of values, norms and standards;
- When conducting field surveys and personal interviews, the researcher to clearly explain the purpose and the importance of research to the participants and to obtain their consent. Ensuring confidentiality of respondent's information. The researcher to assure all the participants that their participation in the research is voluntary;
- Permission to be obtained from the relevant authorities such as the applicable local authority;
- The research results to be disseminated in an open and transparent manner;
- The study to not require the identification of individuals for follow-up evaluation; and
- The study to not involve discussion of or questions about sensitive topic, e.g. crime.

Furthermore, this study has complied with the relevant ethical guidelines and procedures of the North-West University.

4.4 Conclusion

The study will helped us with the correct research methodology as the correct method and procedures was used when conducting survey and data analysis and participants where well informed beforehand

of what is expected of them. The ethical consideration was applied in the study.

CHAPTER 5

PRESENTATION OF RESULTS: SOCIO ECONOMIC ANALYSIS

5.1 INTRODUCTION

The household survey will be analyzed and discussed in detail and where necessary comparison will be showed. The analysis will also compared the Mafube Local Municipality (MLM) with provincial and other local municipalities. Chapter deals with the presentation of results of Mafube LM by means of tables and diagrams to explain and analyze the data collected from the interviews. The presentation is organized into sets of analyses, that is, households and business.

5.2 PRESENTATION OF RESPONSES FROM THE COMMUNITY SURVEY

5.2.1 Analysis of the respondents' positions

Different stake holders such as the households, LED officials, and local business people were interviewed. The responses were expected to help in sustaining the local economic development of the local area and create jobs to alleviate the poverty. The first question of the interview was on the biographical information; in other words, the position of the respondents as presented in Table 3 below.

Table 3: Position of the respondent.

2013	Percentage
Head of household	52.0 %
Spouse or child	37.3 %
Extended family	8.5%
Boarder, people who renting the place	2.3%
Total	100.0 %

SOURCE: Field Survey, 2013

Table 3 suggests that 52% of the respondents comprise of the heads of households, while 37, 3% are spouse or children. Extended family is 8, 5% and 2, 3 % boarder (people who are renting the place). The head of household is higher as compared to other position of respondent and the information is more accurate.

5.2.2 Results on the housing units

Having considered the biographical composition of the respondents, Table 4 below documents the number of housing units in the MLM area, as per question 2 of the interview schedule.

Table 4: Number of housing units

House units	Percentage
Households with 2 units	54,3%
Households with 1 unit	36,5%

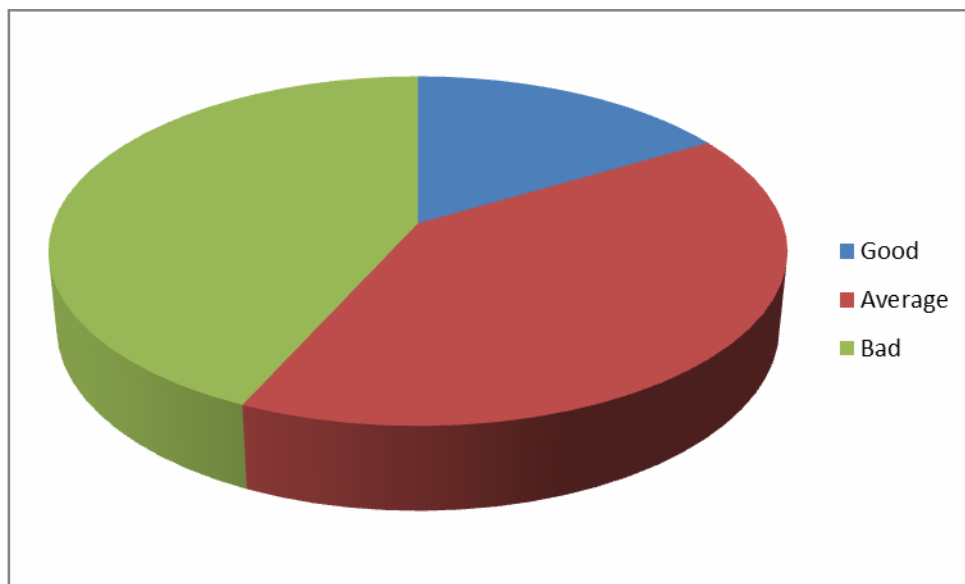
SOURCE: Field Survey, 2013

Table 4: indicates that 36, 5% of the households had 2 housing units while 54, 3% had 1 housing unit. On average, most households had either 1 or 2 housing units, which are more expected. The number of the housing units in the area is normal and not more than 2 units. The responses to the question of how do the participants feel about their environment is discussed presented by means of Figure 5.1 below.

5.3 Environmental impression

The environment in Mafube was also included in the analysis and local resident's perception of the environment was determined. Figure 9 below shows the local residents perceptions on the environment

Figure 9: HOW PARTICIPANTS FEEL ABOUT THEIR ENVIRONMENT



Source: Field Survey, 2013

The local residents' perceptions of the environment were determined. Figure 4.1 reveals that out of a total of 40 participants, 3% of the respondents indicated that the local environment status was average while 43, 3% stated that the environment was bad. Only 16, 5% indicated that the state of the environment was good. Perceptions of the environment are closely linked to issues of pollution as presented in Table 5 below.

Table 5: TYPES OF POLLUTION EXPERIENCED IN THE MLM

Types of pollution	Percentage
Air	11,8%
Dust	39,5%
Litter	48,3%

SOURCE: Field Survey, 2013

In Table 5 litter is considered to be the main problem (48, 3%) in the area due to lack of sustainable waste removal. In this instance, an opportunity of waste collection and recycling can be created. Dust (with 39, 5%) is placed second to pollution with the

reason being that dusty roads are the main contributor to this problem. A question that may assist in responding to pollution problems is who should be responsible to clean up the area? This question has yielded a mixture of responses as presented in Table 6 below.

Table 6: VIEWS ON WHO MUST TAKE RESPONSIBILITY TO CLEAN THE AREAS OF LITTER

Reponses	Percentage
The Municipality	66,3%
Residents	21,5%
Other	8%
Campaign	6,8%
A street Committee	4,8%
Total	100%

SOURCE, Field Survey, 2013

Table 6 reveals that a majority of the people (66, 3%) is of the view that the municipality should clean up the area and improve waste removal services in Mafube. Furthermore, 21, 3% of the respondents strongly believe that residents should take responsibility of keeping their area clean. Related to cleanliness is the area of safety and security. As is the case in most municipalities' crime is one of the major problems in Mafube as indicated in Table 7 below.

5.5 Safety and Security Issues

As in most cases, crime is not the major problem in Mafube.

Table 7: HOUSEHOLDS THAT WERE AFFECTED BY CRIME

Crime	Percentage
Yes	18,5%
No	81,5%

SOURCE: Field Survey, 2013

An analysis of Table 7 reveal that the findings show that only 18, 5% of the household members were affected by crime, while 81, 5% of household members were not affected in the last 12 months in the area. It can be deduced that Mafube area has a low crime rate when compared to Metsimaholo which has 87, 5 % of households affected by crime in the same period. Therefore, table 8 below is concerned with whether crime has worsened after the 12 months period of observation.

Table 8: HAS CRIME WORSEN AFTER LAST 12 MONTHS

Crime	Percentage
Worsen	22,8%
The same	38,5%
Less	38,5%

SOURCE: Field Survey, 2013

Table 8 indicates that crime is less in the Mafube and this result is positive for job creation opportunities. The percentage below verified that the place might be strategic for the future growth of the Free State Province. The household's expenditure was also looked into as it forms part of the important aspects of this study. It is from this view that the responses to the household expenditure question are captured in table 5.7 below.

5.4 Household Expenditure

Household expenditure was analysed and the e main sectors of spending are listed below.

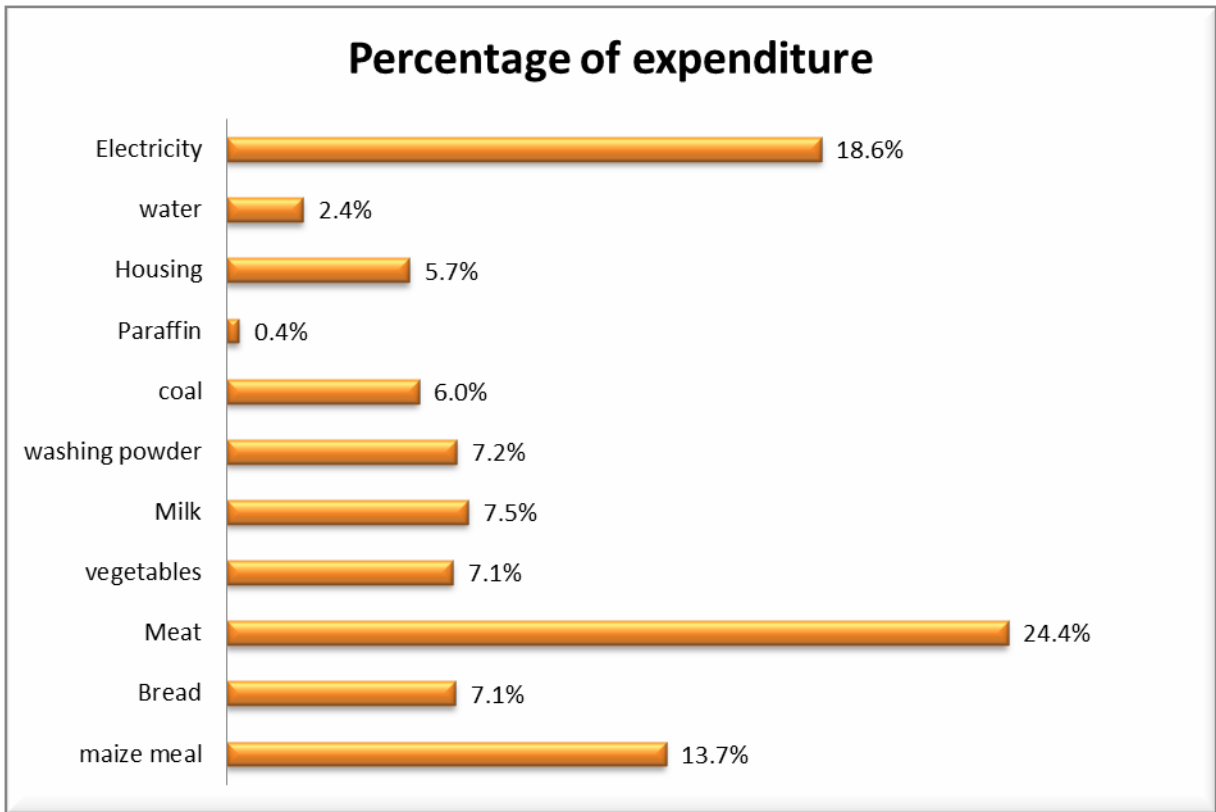
Table 9: HOUSEHOLDS EXPENDITURE

Item	Total Expenditure	Percentage of total expenditure	Average Household Expenditure per month
maize meal	45442.00	3.3	113.61
Bread	23621.00	1.7	59.05
Meat	80833.00	5.9	202.08
vegetables	23356.00	1.7	58.39
Milk	24936.00	1.8	62.34
washing powder	23745.00	1.7	59.36
Coal	19859.00	1.5	49.65
Paraffin	1225.00	0.1	3.06
Housing	18835.00	1.4	47.09
Water	7859.00	0.6	19.65
Electricity	61542.00	4.5	153.86
other energy	24944.00	1.8	62.36
Food	316163.00	23.2	790.41
cleaning material	24057.00	1.8	60.14
cigarettes/tobacco	12090.00	0.9	30.23
beer/wine/spirits	16948.00	1.2	42.37
Transport	49606.00	3.6	124.02
Clothing	123530.00	9.1	308.83
School	44016.00	3.2	110.04
entertainment	13852.00	1.0	34.63
Medical	36641.00	2.7	91.60
Insurance	49433.00	3.6	123.58
Gambling	8790.50	0.6	21.98
Q12.16	1460.00	0.1	3.65
Q12.17	1152.00	0.1	2.88
Savings	79155.00	5.8	197.89
licenses (TV, vehicle)	23887.00	1.8	59.72
Rates	12684.90	0.9	31.71
house keeping	4025.00	0.3	10.06
	32542.00	2.4	81.36
car payment	13720.00	1.0	34.30
Furniture/Loan /payment	67447.00	5.0	168.62
Furniture	14182.00	1.0	35.46
	59128.00	4.3	147.82
Other	9.00	0.0	0.02
TOTAL	1360715.4	100	3401.82

SOURCE: Field Survey, 2013

Table 9 reveals that the highest amounts per household are spent on general items which consist of food (23.2%), clothing (9.1%), meat (5.9%), furniture/loan payment (5.0%), electricity (4.5%), and savings (5.8%) Other items include insurance (4.3%) and transport (3.6%). on average, a total amount of R1 360715.4 is spent on a monthly basis by households in Mafube. An average total annual buying power of R 16 328584.8 is available in Mafube. Market opportunities exist in terms of food outlets, and clothing stores outlets. Thus the expenditure is further outlined in figure 10 below.

Figure 10: Average percentage expenditure per household



SOURCE: Field Survey, 2013

Figure 5.2 depicts the average expenditure per item of households in Mafube. About 24,

4% of all households income is spent on meat 18,5% on electricity, 13,7% on maize meal, 7,5% on milk, 7,2% on washing powder, 7,1% on vegetables, 7,1% on bread, 6,0% on coal, 5,7% on housing (rent/bond), 2,4% on water, and 0,4% on paraffin. This means there is a brighter future for the abattoirs, farming and chicken industries. . The question of the households with vegetable gardens has reveals various perceptions.

5.5 Business Interest

The following table is a summary of the survey regarding business interest in Mafube.

Table 10: DOES SOMONE IN YOUR HOUSEHOLD HAVE A VEGETABLE GARDEN

ISSUE	YES	NO
Do you have vegetable garden?	34,0%	65,3%
Would you be interested in starting a vegetable garden?	64,0%	35,8%
Do you want to be part of a community garden?	59,8%	40,3%
Does someone in your household own a sewing machine?	22,3%	77,8%
Do you know any clothing manufacturing business in your township?	28,5%	71,5%
Does someone in household own a welding machine?	16,5%	83,5%
Do you know any small scale welding/metal work firm in township?	25,0%	75,0%
Has any member of your household operated a SMME/ still operating one?	13,8%	86,3%
Would you like to start your own business?	49,3%	50,8%

SOURCE: Field Survey, 2013

Table 10 depicts presents a number of people that have existing vegetable garden. More than 64, 0 % of the people are interested in being involved in vegetable garden projects. Very few people owned sewing machines (22, 3%) do have those machines. There is potential for job creation in the clothing industry in the area if people can be supplied with sewing machines and trained in the sewing business. More than 90 % of

the respondents wanted to get involved in business by starting small or cooperative business. The perception is that the higher the skills level, the better chances are for one to get a formal job. The type of crafting skills in the area includes sewing, hairdressing, painting, bricklaying, baking, beading, catering, welding and pottery. Whether the government is doing enough to create jobs or not is addressed by table 11 that follows.

Table 11: IS THE GOVERNMENT DOING ENOUGH TO CREATE JOBS?

Questions	Yes	No
Do you think government is doing enough to create jobs?	26,0%	74,0%
Do you know any employment generating programs initiated by Local municipality?	31,0%	69,0%

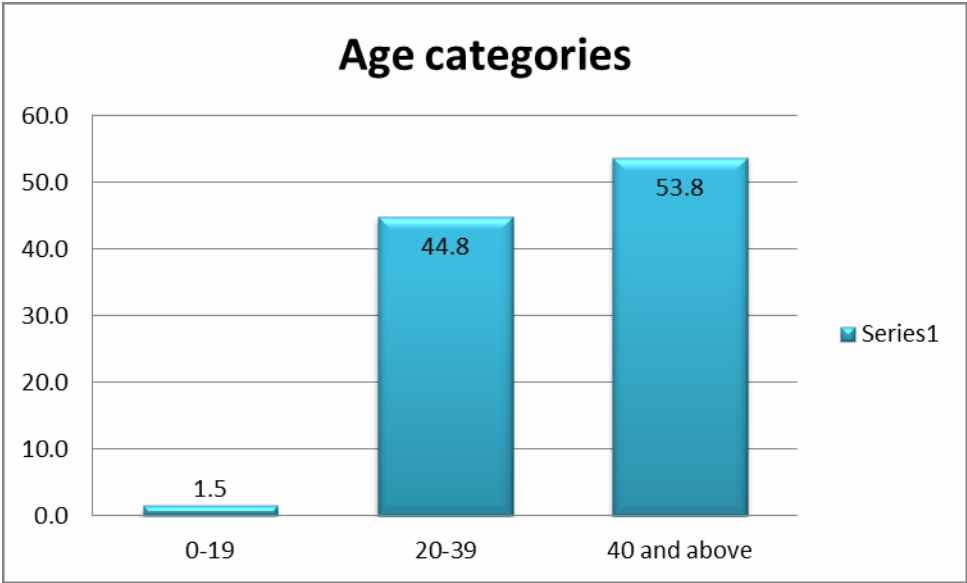
SOURCE: Field Survey, 2013

Table 11 shows that people have different opinions on whether the government is doing enough to create jobs or not. For instance of the view 74, 0% of that the government is not doing enough to create jobs. This findings is backed-up by point SA Stats report of 2012 which stated that Mafube Local Municipality has 44, 3% of unemployed youth. People indicated that they know very little of the local municipality job creation programmes in the area. Youth unemployment is also high in Mafube and needs to be addressed. The question of age composition and gender distribution is explained in details by means of the figure 11 below.

5.6 Age Composition and Gender Distribution

The current dependency ratio, an indicator of the number of persons who depend on the income of the earner is presented below.

Figure 11: Age categories in Mafube Local Municipality



SOURCE: Field Survey, 2013

Figure 5. 3 above reveals the composition of members who are 40 year and above are the majority 53, 8% of the population while 44, 8% are between 20-39 years and those in the category of 0-19 years are 1, 5%. The Mafube population has a high number of adult as compared to other age categories. The age composition is followed by gender distribution as presented in table below.

Table 12: Gender Distribution

GENDER	2001	2013	SA
MALE	46.8	37,8%	48.7%
FEMALE	53.2	62,0%	51.3%

SOURCE: Field Survey, 2013

Table 12 on gender distribution indicates a drop from 46.8 % in 2001 to 37.8% in 2013 in the male population. On the contrary, the female population recorded an increase from 53.2% in 2001 to 62% in 2013, which is a little higher compared to national female population of 51%. The question that deals with qualifications of the labour force thus presented in table 5.11 below.

5.7 Education Levels

Education levels for post school members of the Mafube have been analysed

Table 13: QUALIFICATION OF LABOUR FORCE

SECTOR	UP TO GRADE3	GRADE4-11	GRADE 12 AND MORE	TOTAL
Formal Employment	54.8%	35.0%	10.2%	100%
Informal Employment	56.0%	32.0%	12.0%	100%
Unemployed	61.5%	23.1%	15.4%	100%

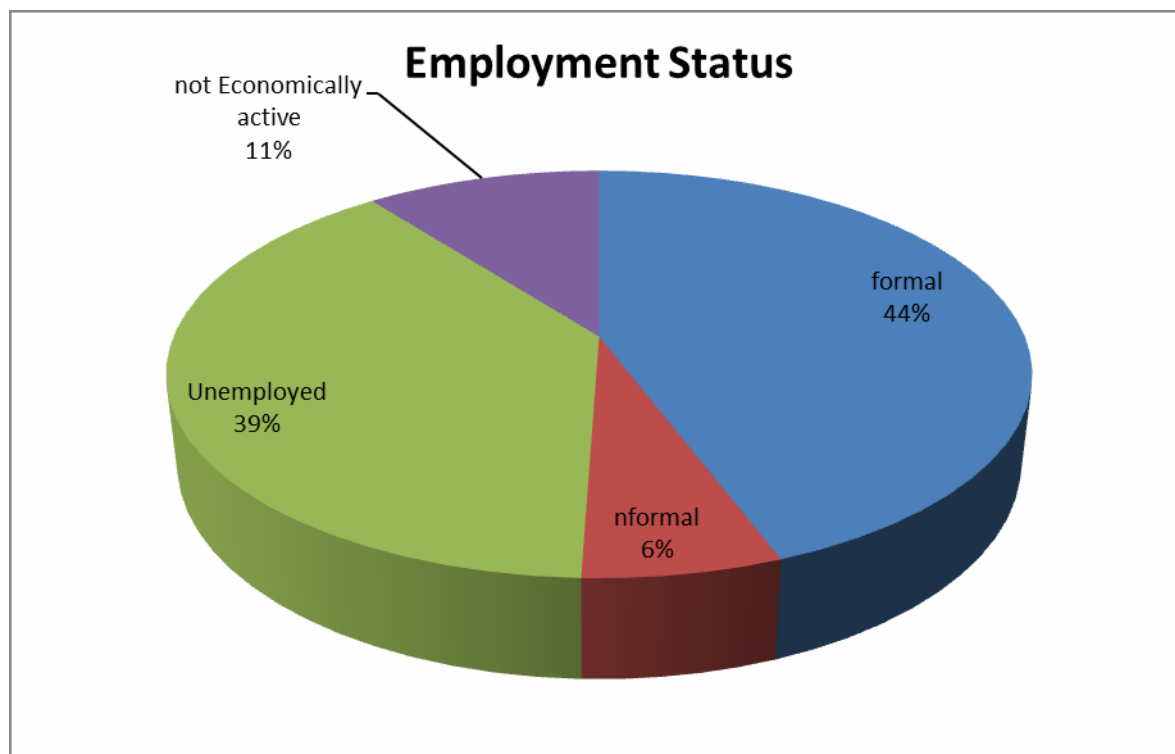
SOURCE: Field Survey, 2013

Table 13 indicates the percentage of a distribution of the qualification of the labour force. The findings of this table suggest that 15.4% of the unemployed having Grade12 or higher qualifications. The level of education is positive for those looking for employment opportunities. The levels of education for the unemployed have improved since 2010. The economic distribution of the total labour force is presented in the Figure 12 below.

5.8 Employment levels.

Below is a summary of employment per category

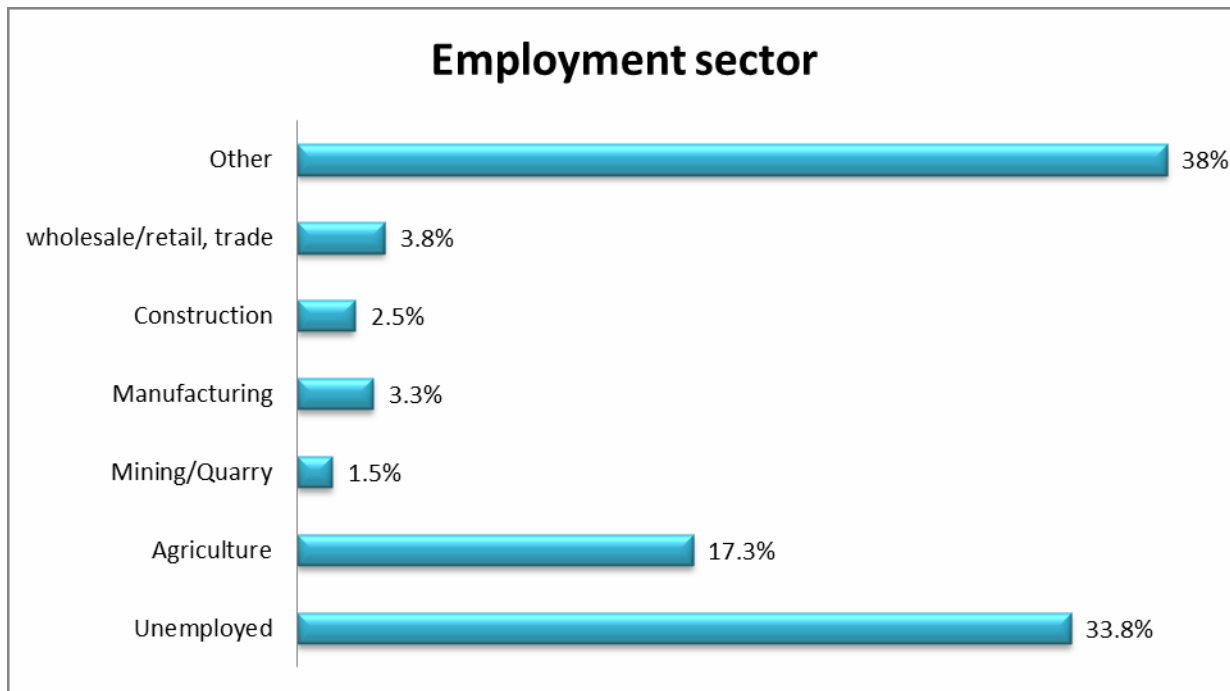
Figure 12: ECONOMIC ACTIVE DISTRIBUTION (Total labour force)



SOURCE: Field Survey, 2013

The above figure provides us with the different percentages of the employment status as follows; the formal sector provides for 44.3% of the total population while informal sector provides for 6.3% of the population. Of the total of 39.0% are unemployed and 10.5% of the total population is not economically active. This scenario can create a serious challenge of limiting people in the area to find the employment. The employment sector has different views regarding the number of people who work in different sectors as presented in the below

Figure 13: Sector of employment



SOURCE: Field Survey, 2013

In terms of Figure 5. 5, the main sector in the area is agriculture because of the rural nature of the area, followed by wholesale/ retail and manufacturing and construction. The other sectors are very high (38%) and still the question of unemployed people continue to surface. The local government must take issue of job creation into consideration and try to curb it. The business survey can be the solution to address the sector of employment.

5.9 BUSINESS SURVEY ANALYSIS

In this section, the business survey is analysed from the Questionnaires that were administered in the area in June 2013. The starting point is to present the types and sizes of business entities operating in the Mafube Local Municipality as outlined in table 14 below.

Table 14: Percentage of business type and size

Business	Percentage size
Small informal business	10 %
Small business	40%
Medium business	32,5%
Large business	17,5%

SOURCE: Field Survey, 2013

Table 14 presents the size of businesses in Mafube. The results indicate that 40% of the businesses in the area comprises of small business, while 32, 5% is made up of medium business while large business is 17, 5%. The remaining 10% consists of small informal business. The national chain question is next to being discussed in the table.

Table 15: National chain stores operating in Mafube

National chain business	Percentage
Yes	25%
No	75%

SOURCE: Field Survey, 2013

Table 15 indicates that 75% of Mafube businesses are not part of the national chain of business members while only 25% are members. The business people should be encouraged to be part of national chain of business for the benefit on financial part and growth of their business as they play significant in job creation. The question next describes the number of years owners has been in business.

5.9.1 How long has the business been in operation?

The total average of business in Mafube has been in operation longer for more than 10 years, while the rest is below 10 years in operation. This shows sustainability and stability in business in that area. The table gave the details of the number of fulltime workers in the area.

Table 16: Number of fulltime workers

Number of fulltime	Percentage	
Business employed not more than 6 people	45%	
6 to 100	15%	
The rest is below 6	40%	

Source: Field Survey, 2013

Table 16 indicates that most businesses employed not more than 6 people (45%) and the rest (15%) employed from 6 to 100. This shows the higher number of people are unemployed and many jobs are created by small businesses.

5.9.2 Number of part-time workers

The number of workers who works part time is very high with 40%, and shows that jobs are very scared in the Mafube area. The area is facing serious economic stability as part time workers are more than full time workers and LED official must looked into that issue.

The export question is discussed in table 17 below.

Table 17: Export products

Export of products	Percentage
Yes	47,5%
No	52,2%

SOURCE: Field Survey, 2013.

Table 17 indicates that a considerable number of businesses (47, 5%) is involved in the export business while 52, 2% business is not. The question of localities will be explained in details.

5.9.3 Localities

Many businesses export their product outside the municipal area to Africa and elsewhere in South Africa. This will boost the growth of the economy in Mafube in return the jobs will be created.

Table 18: Raw products

Raw products	Percentage
Yes	35%
No	65%

SOURCE: Field Survey, 2013

Table 18 indicates that 65% of businesses do not transform raw products in value added products. Only 35% did receive raw products.

5.9.3.1 Percentage contributed by the production of value added products in the individual businesses

The response to this question shows that 30% of businesses uses between 0-20% productions of value added contribute to business while the other 30% were reluctant to give out the percentage of production of value added products. The remaining ones are below 30% downwards.

The response indicates the general outlook for local business will be discussed in the table 19

Table 19: outlook for local business and general economy

	Percentage
Optimistic	82,5%
Pessimistic	17,5%

SOURCE: Field Survey, 2013

Table 19 indicates the outlook for local business and general economy. Responses to this question are positive with 82, 5% business people being optimistic with the future. Only 17, 5% is pessimistic about the future economic growth of the municipality.

Table 20: business plan for 5 years

	Percentage
Expand activities	67,5%
Remain the same	25%
Uncertain	7,5%

SOURCE: Field Survey, 2013

The table 20 indicates businesses response with positive answer 67, 5% says they will expand their business, while 25% says they will keep the status quo and only 7, 5% were uncertain of what will happen to their business. The result will benefit the people of Mafube as job creation will happens with expansion of business. Perception of the stumbling block are closely link to the issue of economic development presented in the below table or diagrams.

Table 21: stumbling block for economic development

Lack of infrastructure	25%
Other problems	15%
Lack of service delivery by municipality	10%
Small market	7.5%
lack of industrial/business stands	7.5%

Production cost	5%
Labour legislation	2.5
No responds to question	10%
Total	100%

SOURCE: Field Survey, 2013

Table 21 indicates that 25% of the area lacks infrastructure, 15% other business problems, 10% lack of service delivery, small market constitute 7.5%, lack of industrial business/business stand 7.5%, production cost 5%, labour legislation 2.5% and 10% of no response from the business people.. The question of perceiving the future of the local area for next 5 years will be discussed in table below.

5.9.3.2 Perception of the future of the local economy in the area in next 5 years

The business people responded positively that 40% are rapid growth cycles in the local economy, while 17, 5 % says the economy is stagnant, 15% says there is modest growth, other 10% says economy is declining, and 7, 5% says economy is slow growth and 5% where not prepared to answer the question and 2, 5% says there is significant decline in the economy in the area. The response is positive for the people of the area as many business people are positively when coming to the local economic development in the next 5 years. The table indicates the suitable qualified and skilled workers in the area.

Table 22: do you find difficult suitable qualified and skilled workers in your area?

Qualified and skilled workers	Percentage
Yes	67,5%
No	32,5%

SOURCE: Field Survey, 2013

The response to this question indicates that 67, 5% says it is difficult to find suitable qualified and skilled workers in the area while 32, 5% says it not. It means there is hope if local people can be trained and reskilled they will find work.

5.9.3.3 Type of skills in your business

On the question of what type of skills does your business have, 27, 5% need technical skills, while 22, 5% do not need skills in their business 10% need other type of skills ,7,5 need unskilled hard labour and the rest 10% include all other skills. The technical skills are in demand in the municipal area. The plan to expand the labour force will be discussed in detail below table or diagrams.

Table 23: Planning to expand your business labour force in next 1-5 years?

	Percentage
No	42,5%
1 to 5 additional people	40%
6 to 10 additional people	2,5%
11 to 20 additional people	7,5%
21 to 50 additional people	2,5%
101 or more additional people	5%
Total	100%

SOURCE: Field Survey, 2013

Table 23 indicates that 42, 5% of business owners are not planning to expand their business in next 1-5 years, while 40% their planning to expand their business with 1 to 5 people,7,5% will expand with 11 to 20,5% with expand with 101 upwards,2,5% with 6 to 10 and 21 to 50 people. The table indicates local municipality creates enabling economic environment below the table.

Table 24: does local municipality creates enabling economic environment for business to prosper?

Enabling environment	Percentage
Yes	40%
No	60%

SOURCE: Field Survey, 2013

Table 24 indicates that 60% of business people are of the opinion that government was not doing creating enabling local economic environment for business to prosper while 40% is positive.

Table 25: general perception of service delivery by municipality

Service delivery	Percentage
Poor	37,5%
Below acceptable	27,5%
Acceptable	25%
Uncertain	7,5%

SOURCE: Field Survey, 2013

Table 25 indicates general perception in which 37, 5% of business owners are of the opinion that the service delivery by the local municipality is poor. While 27, 5% is of the view that level of service delivery is acceptable. A total of 25% are of the opinion that service delivery by local municipality is acceptable and 7, 5% are uncertain of the service delivery. A total of 52, 5% is of the pinion that they are willing to enter into partnerships with the local government to assist and develop while 47, 5% business are not willing to enter into partnerships with the municipality. The table indicates the willingness to train local unemployed people in technical skills below the table or diagrams.

Table 26: willingness to train local unemployed people in technical skills

	Percentage
Yes	52,5%
No	47,5%

SOURCE: Field Survey, 2013

Table 26 indicates that of all the business owners interviewed, 52, 5% indicated that they are willing and 47, 5% is negative. It shows that the majority is willing to help and make the government to work.

Table 27: would your business be willing and interested with identification and implementation of local development and community projects?

	Percentage
Yes	52,5%
No	47,5%

SOURCE: Field Survey, 2013

Table 27 indicates that a total of 52, 5% business owners are of the opinion that they are willing and interested with the identification and implementation of local economic development and community projects, while 47, 5% are not supporting and willing to give helping hands. This will afford the local people the opportunity to be trained in the projects that had being identified and implemented by various companies in reaching out the local government job creation process. The question of the LED or community projects how could be implemented will be discussed in table below.

Table 28: opinion of what types of LED or community projects could be implemented?

	Percentage
Roads provision and road maintenance	55%
Clean up projects	45%

SOURCE: Field Survey, 2013

Table 28 indicates that 55% of business owners are of view that skills and training projects should be the main priority projects to be implemented in this area. The remaining 45% are in support of cleanup projects. The road provision and road maintenance is the favorite projects that should be implemented and community will be trained.

The question of service delivery problems experienced will be discussed in table below.

Table 29: main service delivery problems experienced in local area?

	Percentage
Roads provision and road maintenance	65%
Water/sewer services provision/capacity	35%

SOURCE: Field Survey, 2013

Table 29 indicates that 65% is of the view that roads provision and maintenance is the huge serious problem affecting their business negatively. 35% says water, sewer services provision/capacity need also be taken care off. The local roads need serious maintenance. The water, sewer problem need attention to maybe the Rand Water can assist in training people who operate water plantations. Table below discuss practices and procedures that have negative impact on local and business development.

Table 30: practices and procedures that have largest negative impact on local economic and business development

	Percentage
Corruption and irregular practices	50%
Red tape/regulations/slow processes	40%
Other	10

SOURCE: Field Survey, 2013

Table 30 indicates that 50% of business people are of the opinion that corruption and irregular practices is higher in Mafube LM while 40% have opinion that red tape/regulations/slow processes also have negative impacts on local economic and business activities. The other 10% people indicate that other municipal practices and procedures too have impact. The Mafube LM needs to revise their buy laws and try to curb corruption to create positive impact on local economy and business activities.

Table below will be answering measures which will assist the local economic business activities creating enabling economic environment.

Table 31: measures which will assist in improving the local economic business activities most by municipality to create enabling economic environment.

	Percentage
Procurement and tenders to benefit local business	72,5%
Financing and funding	27,5%

SOURCE: Field Survey, 2013

Table 31 indicates that majority of business people (72,5%) are of the opinion that in order for assisting in improving the local economic business activities most by municipality to create enabling environment, the following measures should be taken care off, procurement and tenders to benefit local business while 27,5% are of opinion that they municipality should provide financing and funding.

5.10 Responses obtained from Municipal Officials on Local Economic Development

Interviews that were carried out between the researcher and LED managers in the Mafube Municipality together with the identified local produced, inter alia the following revelations:

- Officials responsible for LED in the identified municipalities understand and are well knowledgeable with the concept “Local Economic Development”;
- Yes, there is a positive relationship between LED and community participation;
- Municipalities understand the need to develop LED strategies aimed at addressing the development challenges in their jurisdiction. The municipality is the process of drafting LED strategy and wait for appointment letter;

- The Mafube Local Municipality has a unit or section responsible for LED, with 3 officials to be precise. The LED officials have relevant qualification and skills required. The municipality does not have sufficient budget for LED, as there is quite a number of unfunded LED projects in the 2012/2013 financial year;
- The municipality is encountering funding problem for implementation of LED programme. The Fezile Dabi and Provincial government need to intervene to help with funding LED.

5.11 CONCLUSION

The study will help to ensure the quality of life for Mafube people regarding environment, education and economic opportunities and the access to the serviced will be improved. The unemployment and poverty will be eradicated by means LED strategies which concerned infrastructure, access to information regarding investment opportunities, capacity building, finance, increased finance and youth development. The area is good for investment in food and meat industries.

CHAPTER 6

SUMMMARY, LIMITATTIONS OF THE STUDY AND RECOMMENDATIONS

6.1 INTRODUCTION

This study purpose is to provide a basis to reflect on challenges facing the Mafube Local Municipality. It attempted to outline the background towards local government process and make a plan for changes and highlighted how local municipality seek to have vision of developmental local government. This chapter also focuses on drawing up conclusions based on the research findings for Mafube Local Municipality. It provides limitations of the study as well as recommendations based on the findings.

6.2 SUMMARY OF THE STUDY

This section analysis the realization of the research objectives as set out in Chapter 1 of the study. Chapter 2 and 3 contain a comprehensive analysis of the aspects relating to job creation and LED, including other issues such history and approached to LED. A large number of local municipal case studies were analyzed and best practice principles were identified. The local area known as Mafube LM located in Fezile Dabi District Municipality was analyzed in Chapter 4 in terms of the current socio-economic situation and extent of job creation in the area. The constraints and limitations existing in the local area were listed in Chapter3.All research objectives were comprehensively addressed. The theoretical statement as contained in section 1.4 of Chapter 1 stated that “The implementation of the best-fit LED strategies will result in the creation of job opportunities and reduction of poverty in the Mafube Local Municipality”. The theoretical statement was tested throughout the study. The state of the study area was comprehensively analyzed as rural region and the high levels of poverty, unemployment, lack strong leadership and good governance were confirmed. National, provincial and local policies were analyzed and a job creation; rural development strategy was compiled for the study area. The theoretical analyses in Chapter 2 and the best practices analysis in Chapter 3. The study has proven that the focused implementation of “best fit” LED projects can accelerate development and job creation; alleviate poverty. Chapter 5 presentation of results: socio economic analysis of the community survey, LED officials survey, and business people survey. The various responses from the people have been analyzed.

Chapter 6 is the summary, limitations and recommendations of the study and attempt to provide the solutions towards job creation and poverty alleviation in the Mafube LM by means of LED.

6.3A SYNOPSIS OF THE FINDINGS OF THE STUDY

The findings of this study were to provide a snapshot view on the local economic development as tool for job creation within Mafube Local Municipality areas. The objectives of the study had been achieved. The survey results have confirmed the relative high levels of poverty and unemployment in Mafube area. There are opportunities within the area if the local government can correct some of the problems identified by the survey and maintain the other good work done by same local government. The following was found:

- Nearly 74, 0% of all households indicated that they don't receive good quality municipal services.
- The major problem in areas is unemployment, waste removal and litter. Communities in the area of the opinion that government can create jobs by providing skills training, public works projects, funding and provision of facilities for small business.
- A need exists to assist people to open their own businesses. More people 50% of all households indicated that they wanted to open a business.
- The types of businesses people want to start include sewing, hairdresser, panting, bricklayers, welding, pottery, catering/cooking, gardening and construction.
- The business people have challenges such as lack of infrastructure, lack of service delivery, lack of industrial area/business stands, small market and labour cost.
- There is positive enabling environment for business growth in the area. In generally unemployment will be decrease by means LED implementation projects and strategies in the municipal area.

6.4 LIMITATIONS OF THE STUDY

There were few limitations in this study that had to be overcome:

- LED is very important in addressing the socio-economic challenges facing municipalities and it is important in realizing the goals of a better life for all. The researcher has been unable to conduct the LED study to all municipalities in Fezile Dabi District due to time and financial constraints hence it's done in Mafube Local Municipality.
- Inadequate funding also contributed to limitation to this study and for example the inability of the researcher to acquire relevant software for data analysis delayed the time for completion of this M.A degree mini-dissertation.

6.5 RECOMMENDATIONS

In this section, recommendations are listed based on the gaps identified in the research as listed in Chapter 1.

- In LED strategy planning, the best practice process needs to be followed. Institutional structures need to be established. The institutional arrangement must include three structures namely, the local LED municipal department, a CDT and a legal body such as a Section 21 Company. In addition to the above, partnership creation, training of staff and the identification of local LED leaders and drivers are of key importance. It must also ensure that LED strategies and projects be linked to the IDP process. The provision of base line data is of key importance in order to be able to track progress of the impact of LED strategies. Ongoing socio-economic research will ensure up to date information for a local area. Such research will ensure that an “early warning system” is in place. Such a system will give ongoing feedback regarding the success and feasibility of project implementation.
- A system approach is needed with regard to strategy planning. A clear vision must be defined, backed by development principles for a specific area. Strategies must then be formulated in order to achieve and support the local vision. The LED process is a long term process and implementation must be sustainable. Projects must be identified which will have the widest

impact with limited resources. Funding and access to finance need to be set up as part of the institutional framework. Continuous review by means of research is required.

- In the study the issues regarding growth, LED and job creation were investigated. It could be stated that economic growth will only impact positively if the poor section of a local be directed to the poor area is part of the economic growth. Projects should be actively being directed to the poor regarding skills training and provision of income opportunities. Comprehensive strategies will also lead to poverty alleviation with all sectors of the poor community addressed. Social and economic needs of the poor must be addressed.
- For a local area to achieve above average levels of economic development and growth, it must be ensured that linkages area created on the micro and macro levels. No local economy could grow if it is inward focused only. Spending should be local and leakages need to be identified but export opportunities need to be identified and entrepreneurs need to be assisted with relevant information on how to enter the markets.
- LED projects must be based and focused on demand, local and external demand. No LED project based on manufacturing could be successful if it is not based on the demand side of the economy. A good example is the agricultural sector where production should be based on local use first and then export.
- Local demand and use must exist for products to be produced.
- Innovation and new ideas linked to a high level of entrepreneurship in an area will ensure economic development, which will reduce poverty, increase income and reduce unemployment. In order to achieve new innovation, research and business advice centers need to be established.
- Lastly LED projects must result in a community which is proud of their specific area. Projects such as “buy local” will be a result of such a community feeling. Success stories regarding LED need to be made know to the community. Local clean-up projects will also create a positive vibe in a local area. Transfer of ownership to the local people will also contribute to the success of LED projects and a proud community.

- Municipality should involve community in their projects in future.
- . Many youths in Mafube area need to take education very serious

6.6 AREAS FOR FURTHER STUDY

Based on the findings of this mini-dissertation, the recommendations for further study in terms of job creation by means of LED. There are other aspects that need to be studied into enhancing the role of local governments in local economic development promotion of local economic development itself in the Mafube LM and the entire country. A number of areas therefore remain open for further study. These include the following:

- The researcher recommends that a further study focusing on LED should stretch out to other municipalities in the Free State Province and it must target local communities as there are main beneficiaries of LED outcomes.
- A further study is required on the attraction of private partnerships and challenges that frustrate the relationship between the Mafube LM and the private sector.
- Research should also be undertaken on how the IDP related projects can assist in attracting private investment as a means to create sustainable jobs in the Mafube LM.

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ANNEXURE A
(Permission to conduct study)

41 Vrede Street

Villiers

9840

12 April 2013

Mr P.I Radebe
Municipal Manager
Mafube Local Municipality
Frankfort
9830

12 April 2013

Dear Mr Radebe

RE: REQUEST FOR PERMISSION TO CONDUCT RESEARCH IN YOUR MUNICIPALITY

I am Tshokolo Jerry Makhubo, a student at the North- West University (NWU), doing Masters in Development and Management degree. I am currently working on my Research Project (Mini-thesis) as partial fulfilment requirement for the degree. My area of focus is on **LOCAL ECONOMIC DEVELOPMENT AS A TOOL FOR JOB CREATION: THE CASE OF MAFUBE LOCAL MUNICIPALITY.**

In the light of the above, I write to request a permission to conduct a research in your Municipality. Kindly be advised that the information from this research will be treated as strict and confidential as possible, and under no circumstances will it be used for any reason other than academic purpose. Please be advised that participants may withdraw from the study at anytime without any adverse consequences.

I look forward to hearing from you.

Thanking you in anticipation.

MAKHUBO T.J (Mr)

Cell: 072 0690 194

Email: dfg734fs@yahoo.co.uk



Mafube Municipality

64 J J Hadebe Sreet
P O Box 2
FRANKFORT, 9830

Phone : 058 813 1051
Fax : 058 813 3072
E-Mail : info@mafubemun.co.za

Enquiries : Mr P I Radebe
Office no: 058 8139702
Fax : 058 8133072

OFFICE OF THE MUNICIPAL MANAGER

TO: Mr Makhubo T J
41 Vrede street
Villiers

Sir

REQUEST TO CONDUCT RESEARCH ON LOCAL GOVERNMENT

I refer to your letter dated 12 April 2013 and subsequent my discussion with you.
I hereby give you permission to conduct your research on the following condition:

- That all research will be used only for your study purposes nothing else.
- That if interviews should be conducted to Mafube LM , I must be informed in advance so that i can make necessary arrangement with the HOD and the employee concern.
- That if interviews should be conducted to councilors or any councilor a written request should be forwarded to my office a week before to can arrange with a speaker and councilor concern.
- All questions that are asked or to be asked during my interviews be send to my office in advanced.

Hope you find everything in order

Kind Regards


P I RADEBE
MUNICIPAL MANAGER

ANNEXURE B
(SAMPLE OF FIELD SURVEY QUESTIONNAIRE)

MAFUBE LED & JOB CREATION PROJECT

ANNEXURE B: HOUSEHOLDS QUESTION QUESTIONNIARE APRIL 2013 HOUSEHOLD QUESTIONNAIRE

N.B The information in this questionnaire will be treated in strict confidence (April 2013)

MAFUBE	Extension:	Date:	Questionnaire no:
Street:	House number:	Interviewer:	

A.BACKGROUND INFORMATION

1. What is the position of the respondent in the Household? (Cross)

Head of household	Spouse or child	Extended family	Boarder
--------------------------	------------------------	------------------------	----------------

2. How many housing units are on the site?

3. How many people stay permanently on the site?

4. Where did you stay before you moved to Mafube?

B. ENVIRONMENTAL

5. How do you feel about the environment in which you stay?

GOOD	AVERAGE	BAD
-------------	----------------	------------

6. What type of pollution is worst in your area?

AIR	DUST	LITTER
------------	-------------	---------------

7. If you feel it should be cleaned up, who should take the initiative and responsibility?

1. The municipality	2. A street committee	3. Every person should be made	4. A campaign should be	5. Other(explain)
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C. SAFETY & SECURITY

8. Has any person in your household been a victim of crime in the last 12 months?

9. What kind of crime? (Can mark* more than one option)

1.Assault	2. Robbery	3.Rape	4.Murder	5.Abduction	6. Other
------------------	-------------------	---------------	-----------------	--------------------	-----------------

10. Has crime worsened after the last 12 months or not?

D. CONSUPTION

11. How much of the following items do your household buy per week/per month & about how much does your household spend on these items per week/per month?

Product	Kilograms/liters Per week	Kilogram s/ Liters per	Rand per week	Rand per month	Town	Township
----------------	--------------------------------------	-----------------------------------	----------------------	-----------------------	-------------	-----------------

1.Maiz e Meal						Mafube/ Namaha di
2. Bread						
3. Meat/chic k en						
4. Vegetables						
5.Milk						
6.Washin g						
7.Coal						
8.Parrafin						

12. How does your household spend their income monthly?

Item	Rand pe	Name of shop	Town	Township	
Housing(Rent/Bon d)				Qalabotjh a/	1
Water					2
Electricity					3
Other e n e r g y (coal, paraffin					4
Food					5
Cleaning materials					6
					7
Cigarettes &					
Beer, wine & spirits					8

Transport: Taxi Car Other		Total:			9
Clothing					10
School					11
Entertainment					12
Medical Expenses					13
Insurance					14
Gambling: Lotto Horseracing Other (casin o etc.)					15
					16
					17
Saving					18
Licenses(e.g. TV,					19

Vehicle					
Rates and Taxes					20

Housekeeping Services(e.g					21
Telephone..... Cell Phone.....					22
					23
Car repayment					24
Loan repayments					25
Furniture					26
Other Specify					27

E. EMPLOYMENT & EDUCATION STATUS

13. Complete in respect of all members of the households (refer to Code List)

	1	2	3	4	5	6	7	8
Number of people in the household								
Composition of members (code2)								
Age of each member in years								
Sex(Male=1;female=2)								
Marital Status(code list5)								
Qualification(still a								
Qualification(not a								

Employment Status (Code list 8)								
------------------------------------	--	--	--	--	--	--	--	--

Sector of employment								
(10-17 for unemployed only) Skills of the unemployed								
Duration of unemployment in years								
Dismissed because employer could not								
Willingness & type of skills Training required (Code list 13)								
What is the Unemployed doing presently								
Do you have matric exemption?								
If p persons would like to study further: preferences								
Preferences to start self-sustaining activities								
Minimum wage required to take a job								
Income: Wages/Salaries per month (Take								
Pension/Remittance								
Child Grant from								

Help (family, relatives/etc.)								

Informal activities (e.g. SMME)								
Subsidies(e.g. Housing)								
Interest/dividends								
Other(Specify)								
Are you employed within Mafube/Villiers/Frankfor								

14. Does someone in your household have a vegetable garden? No

15. Would someone in your household be interested in receiving assistance to start a food garden in your yard?

16. Would someone in your household like to be involved in community food garden project?

17. Does someone in your household own a sewing machine?

18. Do you know a clothing manufacturing business in your township?...if so.give the address:

19. Does someone in household own a welding machine?

20. Do you know any small scale welding/metal work firm in the township?

21. Has any member of your household operated a SMME/still operating one? If so, what kind of SMME?

22. Taking into account your skills (or that of your household members), would you or someone in your household (unemployed persons) be interested in starting your own business or rather work together with others in a cooperative?

23. What kind of business would like to start?

24. If you would like to start your own business, what kind of support do you think you will need?

25. Do you think government is doing enough to create jobs?

26. Do you know of any employment generating programme initiated by the local municipality in your area? If yes, what kind of programme?

THANK YOU FOR YOUR COOPERATION

ANNEXURE C
(LOCAL BUSSINESS PEOPLE INFORMATION SHEEET)

ANNEXURE C.

QUESTIONNAIRE FOR BUSINESS SURVEY AROUND MAFUBE LOCAL MUNICIPALITY

All information will be used in total confidentiality and all questions are voluntary answered by respondents.

1. What is the locality of your Business (Please indicate your business name, contact tel no, specific area and municipal area)

Business name: Contact

no :

Address : Municipal

area:

2. What type of business do you operate (provide more detail if need be)

1. Tourism
2. Services Sector
3. Agro-Processing (Agriculture)
4. Mining
5. Manufacturing
6. Retail/Trade
7. Construction
8. Other

3. What is the size of the Business?

1. Small informal business
2. Small business
3. Medium business
4. Large business

4. Is your business part of national chain of Business?

1. Yes
2. No

5. How long has the business been in operation at the current site/locality?

1. 0-6 months
 2. 6-12 months
 3. 1-2 years
 4. 2-3 years
 5. 3-5 years
 6. 5-10 years
 7. longer than 10 years
6. The number of full time workers/staff employed at the business. 1. 1-5
2. 6-10

3. 11-20
 4. 21-50
 5. 51-100
 6. 101-200
 7. 201 or more
7. The number of part time workers/staff employed at the business. 1. 1-5
2. 6-10
 3. 11-20
 4. 21-50
 5. 51-100
 6. 101-200
 7. 201 or more
8. Is your business involved in the export of products and services outside the Municipal area?
1. Yes
 2. No
9. If answered yes at question 8, to which localities are products and services exported (if you export to more than one locality, mark those localities, with approximate percentage of export in brackets indicated)
1. To surrounding Municipal areas
 2. To Gauteng Province
 3. To the rest of Free State Province
 4. To elsewhere in SA
 5. To Africa
 6. To Europe
 7. To any other areas
10. Do you receive raw products and transform such products in value added products?
1. Yes
 2. No
11. What percentage (%) does the production of value added products contribute to your business?
1. 0-20%
 2. 21-50%
 3. 51-75%

4. 76-100%

12. What is your outlook for local business and the local economy in general for the next year?

1. Optimistic
2. Pessimistic

13. In the next 1 to 5 years (short term), do you plan the following actions for your business:

1. Expand activities
2. Reduce activities
3. Remain the same
4. Leave the area and settle in another area
5. Uncertain

14. In terms of your local area, what are the main stumbling block for economic and business development (select the most important issue and provide more detail if needed)?

1. Lack of infrastructure capacity
2. Production cost
3. Labour legislation and cost
- Crime
5. Small local market
6. Lack of industrial/business serviced stands
7. Lack of service delivery by municipality
8. Other

15. future of the local economy in your area in the next 1 to 5 years?

1. Rapid growth cycles
2. Modest growth
3. Slow growth
4. Stagnating economy
5. Modest decline
6. Significant decline
7. Uncertain

16. Do you find it difficult suitably qualified and skilled workers in your area?

1. Yes

2. No

17. What type of skills does your business? (you can select more than one option)

1. None

2. Agricultural workers

3. Unskilled hard labour

4. Technical skills

5. IT

6. Financial

7. Quality control

8. Management

9. Other

18. Are you planning to expand your business labour force in the next 1 to 5 years?

1. No

2. 1 to 5 additional people

3. 6 to 10 additional people

4. 11 to 20 additional people

5. 21 to 50 additional people 6. 51 to

100

7. 101 or more additional people

19. In your opinion, does Local Municipality create an enabling local economic environment for your business to prosper?

1. Yes

2. No

20. What is general perception of the service delivery by your municipality?

1. Poor

2. Below acceptable standard

3. Acceptable

4. Excellent

5. Uncertain

21. Would your business be willing and interested in partnerships with the Municipality/government to assist and develop?

1. Yes

2. No

22. Would your business be willing and interested to training of local unemployed people in business and technical skills?

1. Yes

2. No

23. Would your business be willing and interested with identification and Implementation of local economic development and community development projects?

1. Yes

2. No

24. In your opinion what types of LED or community projects could be implemented (please add more if possible)

1. Skills and training projects

2. Agricultural projects such as agri-vilages and food gardens

3. Infrastructure projects such as road maintenance

4. Clean-up projects

5. Recycling projects

25. What are main service delivery problems experienced in your local area, impacting negatively on your business activities? (You can select more than one key issue if need be, but then prioritize them in order of importance)

1. Increasing municipal rates and taxes

2. Incorrect municipal accounts

3. Water/Sewer Services provision/capacity

4. Electricity services provision/ capacity

5. Roads provision and maintenance

6. Zoning regulations

7. Other

26. Which of the following municipal practices and procedures have the largest negative impact on local economic and business activities (you can select more than one issue if need be, but then prioritize them in order of importance)

1. Red Tape/Regulations/Slow processes

2. Unavailable and unstable management

3. Vague and uncertain policies
4. Municipal services costs
5. Corruption and irregular practices
6. Poor public participation/communication
7. Other

27. Which of the following measures will assist in improving the local economic business activities most by the Municipality to create an enabling economic environment? (You can select more than one issue if need be, but prioritize them in order of importance)

1. Information support and training for local business
2. Streamline “Red Tape” procedures
3. Procurement and tenders to benefit local business
4. Supporting infrastructure
5. Re-aligned budgeting priorities
6. Financing and funding
7. Developmental incentives and policies
8. Other

THANK YOU.

ANNEXURE D
(QUESTIONNAIRE FOR LED OFFICIALS)

ANNEXURE D.QUESTIONNARE FOR LED OFFICIALS

You are kindly requested to participate in this interview. All information given will be treated with confidentiality and anonymity and will be only be used for the purposes of this study. You need not answer question that you are not comfortable with it.

1. What is your understanding of Local Economic Development (LED)

2. In your opinion, is there any relationship between LED & community participation? Please explain.

3. Does your municipality have an LED strategy in place; if not, why not, if yes what are the relevant details?

4. What programmes or mechanisms do you have in place to promote and ensure the development of local economies in your municipality (especially in rural areas)?

5. In your municipality, do you have a unit/section responsible for LED?

If no, why not

If yes, how many officials are employed in this unit/section?

6. Do these officials have the required skills/expert to promote and implement LED programme? Please explain

7. How do you ensure accountability of these officials?

8. Do you have Community Development Workers (CDWs) in your municipality? If yes, Please explain the role they play in promoting LED.

9. Does your municipality have any capacity building programme(s) for officials responsible for the implementation of LED programme?

If yes, what programmes?

10. How do you involve local communities in the municipality affairs (budget and IDP processes)

11. . Do you have a system of assessing communities' satisfaction with municipal services?

12. In the 2012/2013, how much has been budgeted for and allocated to LED?

13. In your opinion, do you think this budget is enough? Please explain.

14. Is there any role played by the Provincial Government and other institutions in promoting LED?

15. What challenges do you encounter in implementing LED programme?

16. What measures do you think need be to be taken in ensure optimal implementation of LED?

THANK YOU FOR YOUR COOPERATION!!!