

**GOVERNANCE AND ETHICAL PRINCIPLES IN LOCAL
ECONOMIC DEVELOPMENTS: A CASE STUDY OF THE
GREATER THOHOYANDOU MUNICIPALITY**

BY

MUDAU HUMBULANI ALFRED: [REDACTED]

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DR M.D.J. MATSHABAPHALA

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DECLARATION

I declare that the dissertation hereby submitted to the University of the North for the degree of Master of Development has not previously been submitted by me for degree at this or any other University, that it is my own work in design and in execution, and that all material contained therein has been duly acknowledged.

SIGNED: *Shirley*

DATE: *10/12/2002*

ABSTRACT

Local economic development (LED) programmes in the Greater Thohoyandou Municipality (GTM) are not effective in poverty alleviation, employment provision and building up of infrastructures. To investigate this problem it was necessary to identify problem area. It became evident that ethical governance, local government structures (LGS), local economic development (LED) project workers and beneficiaries are contributory factors.

The study outlines that governance and ethical principles which are the corner stone of effective are being violated. Bad governance and unethical practices are being perpetrated by members of local government structures (LGS), local economic development (LED) workers and beneficiaries.

The study also attempts to suggest feasible means in which governance and ethical principles are to be applied to improve the effectiveness of local economic development (LED) in providing a better life for all. Good governance and ethical practices will enable members of the various local government structures (LGS) project workers and beneficiaries to promote local economic development (LED) effectively redressing the apartheid imbalances and rectifying the current disgraceful unethical practices in order to meet demands of the new constitution of the Republic of South Africa.

The researcher used instruments which include interviews, observation checklist and questionnaires. In each method the principles of random stratified sampling were employed. In this study the respondents included the Chief Executive Officer of the Greater Thohoyandou Municipality (GTM), members of the Municipal Council's Standing Committee on local economic development (LED), Ward Municipal Councillors, Civic Leaders, Traditional Leaders, local economic development (LED) project workers and beneficiaries.

The research yielded the following results:

- Governance and ethical principles are key factors on effective local economic development (LED).
- Some members of local government structures (LGS) such as Municipal Council (MC), Civic Associations (CA) and Traditional Authorities (TA) are violating ethical governance on local economic development (LED) initiatives and projects.
- Local economic development (LED) project workers, beneficiaries, consultants and contractors also appears to be violating ethical governance which are a necessity and obligation for effective local economic development (LED) programmes.
- About 50,3 per cent of the respondents indicated that members of the civic association (CA), Municipal Council (MC) and Traditional Authorities (TA) do

not demonstrate good ethical governance on local economic development (LED) initiatives and projects.

- Bad governance and unethical practices such as abuse of power, bribery, corruption, kickbacks, nepotism and stealing are taking place in most of local economic development (LED) projects within the Greater Thohoyandou Municipality (GTM).
- Local economic development (LED) programmes are not achieving their main objectives.
- There is a need to transform and redirect the approach attitude and behaviour of members of various local government structures (LGS) on local economic development (LED).
- This should be done by all members of the local government structures (LGS) complementing one another and instilling a culture of transparency, accountability and openness in the management of local economic development (LED).
- Local economic development (LED) project workers and beneficiaries need to be conceited and wary towards the role of consultants, contractors, civics, traditional authorities and Municipal Councillors and officials on local economic development (LED) initiatives and projects.
- Cultural and traditional activities should be made part and parcel of local economic development (LED) managed by various local government structures (LGS) for the provision of a better life for all.

LIST OF ABBREVIATIONS

CA	:	(Civic Associations)
GTM	:	(Greater Thohoyandou Municipality)
LED	:	(Local Economic Developments)
LGS	:	(Local Government Structures)
LP	:	(Limpopo Province)
MC	:	(Municipal Council)
RSA	:	(Republic of South Africa)
TA	:	(Traditional Authorities)

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CHAPTER 1

1. INTRODUCTORY PERSPECTIVE

1.1 GENERAL ORIENTATION.

This study discloses the problems, undermining social and economic development in South Africa generally and the Limpopo Province in particular, where governance and ethical principles are violated by members of LGS. LGS in charge of local areas are composed of CA, MC and TA. In terms of Section 152 of the South African Constitution (Act 108 of 1996) one of the main objects of LGS is to promote social and economic developments. Members of the CA, MC and TA, are to develop local areas and people, making use of the LED programmes. It would appear as if LED initiatives and projects as applied and controlled by LGS are failing on their objectives due to bad governance and unethical practices.

The point of departure can be re-inforced by a sound comprehension of the following presumption: ethics is a key factor in the quality of governance. In this regard Van Niekerk, Van der Waldt and Jonker (2001:116) point out that ethical standards are a key check and balance against arbitrary use of public power. Without some ethical barometer, it is difficult, if not impossible, to measure changes in levels of corruption and misconduct in public service. Unethical governance costs society much more than money, as it leads to a lack of trust and confidence in the government and ultimately resulting in a lack of participation or involvement in government and development affairs.

Developmental and representative LGS in South Africa are as new as democracy. The Constitution of the Republic of South Africa spells out the developmental aims and duties of local government. Section 153 of the Constitution of RSA (Act 108 of 1996) states that: local government must structure and manage local administration,

budgeting and planning processes to give priority to the basic needs of the local community, and to promote the social and economic development of the community.

According to Nel (2000:3), the creation of democratic governance and the introduction of ethical governance in South Africa are a far more recent occurrence. This implies that they were unknown in the LP and particularly within the GTM area, which was the heartland of the former undemocratic Republic of Venda, which had a long history of conservatism in leadership and communal activity.

The LGS of the GTM area, the core of this study, have since 1995 been composed of LGS whose duty is to enhance LED. Members of LGS are composed of conservatives and democratically elected leaders whose aims were and still are to create employment opportunities for local residents, alleviate poverty, and redistribute resources and opportunities to the benefit of all local residents. LED was used to deal with high levels of poverty caused by the impact of drought on subsistence farming, a decline in job opportunities in the agricultural sector and the collapse of the homeland system.

LGS are to work together to promote economic development. Members of the various LGS had to provide effective, transparent and accountable governance. They had to support one another, co-ordinate each other's actions, and keep to agreed procedures and inform one another on matters of common interest. The Department of Provincial and Local Government (2001:01) suggests that LGS have a particularly important role to play in harnessing national and regional resources to promote local areas and in bringing about strategic local partnership to enhance and sustain local economic growth.

It is, however, regrettable to note that the LGS are not realizing the main objective of LED. Some members of various LGS seem to be violating the ethical governance codes: by engaging themselves in bad governance and unethical practices such as

abuse of power, bribery, corruption, kickbacks, nepotism and stealing on LED projects.

This study will examine governance and ethical principles in the promotion of the process of LED in the jurisdiction of the GTM area of the LP. It will analyse the role of various LGS. It will also investigate the impact of ethical standards and unethical governance as practiced by role players within LGS in LED.

1.2 STATEMENT OF THE PROBLEM.

Rural areas and communities in the LP in general, and the GTM area in particular, have been experiencing political and economic problems long before 1995. Within the jurisdiction of the Greater Thohoyandou Municipality area the communities are faced with massive unemployment and poverty.

The problem under investigation concerns the violation of governance and ethical principles by members of the LGS in the process of LED in the Greater Thohoyandou Municipality area. Some of the members of the LGS do not value human life equally. Some people are viewed as more equal and privileged than others. Some of the members of the LGS are not honest and they are engaged in unethical, unfair and unjust practices. Some go to an extent of personalizing and monopolizing LED projects and abuse the gained revenue for personal enrichment instead of community development. Unethical practices such as abuse of power, bribery, corruption, kickbacks, nepotism and stealing seems to be perpetrated by some members of LGS.

Within the GTM area many LED projects and initiatives are functional but the poverty level keeps on increasing. It is also assumed that some members of the LGS are violating ethical governance for personal gains. This observation suggests that many LGS in South Africa at large might be experiencing ethical problems in LED issues. The problem warrants an investigation in view of the important role of LED and the activities of members of the LGS in building rural livelihoods.

1.3 AIMS OF THE STUDY.

The aims of the study are:

- 3.1. to document the types of LGS found in the jurisdiction of the GTM area.
- 3.2. to examine the role of ethics on LGS in the promotion of LED.
- 3.3. to analyse the principles of ethics violated by members of LGS in the promotion of the process of LED.
- 3.4. to determine the impact of bad and good ethical behaviour by members of LGS in LED initiatives and projects.
- 3.5. to investigate the levels of corruption, maladministration and misconduct by members of LGS when dealing LED issues.

1.4 RESEARCH QUESTIONS.

This study will endeavour to answer the following research questions:

- 1.4.1. What is the role of LGS in LED projects and initiatives?
- 1.4.2. What is the role of ethics on members of the LGS?
- 1.4.3. How can ethical governance enhance delivery and development in local areas?
- 1.4.4. How can LGS be made accountable and transparent in their dealings with LED issues?

1.4.5. Which structure should the local government use to ensure efficient and effective LED?

1.5 AREA OF STUDY.

This study is going to be conducted in South Africa, at the LP, within the jurisdiction of the GTM area. The study will cover ±100 villages, 4 urban areas forming part of 14 wards having 4 regions between the period 1994 and 2002. See Figure I, which is the map of GTM.

1.6 SIGNIFICANCE OF THE STUDY.

This study aims at:

1.6.1 Identifying the key LGS responsible for LED.

1.6.2 Promotion of ethical governance in the process of LED.

1.6.3 Investigating possible strategies by means of which members of LGS can co-operatively develop local communities.

1.6.4 Suggesting strategies and approaches to supplement or to replace unethical traditional structures with the accountable, ethical and democratic LGS.

This is in line with Steytler, De Visser and Mettler's (2000:23-25) suggestion about local government which include amongst others an ethical, democratic and participatory approach.

1.6.5 Providing reliable information for LED to the authorities.

1.7 RESEARCH METHODOLOGY

The researcher used the following data collection techniques in this study:

- 1.7.1 A study of related literature was done. Data was collected from relevant published and unpublished materials, books, newspapers, extracts from discussion documents and speeches with LED content.
- 1.7.2 Interview schedules were prepared for the chief executive officer of the GTM, members of the MC standing committee on LED, ward councillors, members of the forum of civic structures within the Greater Thohoyandou municipality and members of the House of Traditional Leaders. (See Appendixes A-H)
- 1.7.3. Observation checklist was employed. The researcher visited LED projects to observe the general features, human resources and financial matters (See list of visited projects). Field notes were prepared.
- 1.7.4. The researcher used the questionnaires for completion by LED workers and beneficiaries. (See Appendix I)
- 1.7.5. Random sampling was employed where possible. The researcher stratified respondents according to their level of responsibility and their experience. (Refer to Chapter Three under the sub-heading sampling.

1.8 DEFINITION OF CONCEPTS.

1.8.1 ETHICS.

According to Solomon (1984:2), ethics is defined as part of human philosophy which is concerned with living well, being a good person, doing the right thing

and wanting the right thing in life. It is a system of values and principles which tie together a reasonable and coherent way in order to make our society and our lives as civilized and as happy as possible. Ethics in this study refers to the good and moral way in which things are done.

1.8.2 LOCAL GOVERNMENT.

According to Van Niekerk, Van der Waldt and Jonker (2001:77), local government is an institution that the central government has established by law for the residents of a particular area. In this study local government is important as it controls social and economic conditions of local people. It has the mandatory custody of all financial matters for developmental purpose.

1.8.3 LOCAL GOVERNMENT STRUCTURES.

Thakhathi, Mutshekwane and Khwashaba (1998:10) identify local government structures as civic associations, municipal councils and tribal authorities composed of civic leaders, municipal councillors, municipal officials, traditional leaders and tribal councillors. These structures are set up to address the most critical needs of the communities within a specified local area. For the purpose of this study local government structures such as the CA, MC and TA shall from time to time be referred as LGS.

1.8.4 ETHICAL GOVERNANCE.

Van Niekerk, et al. (2001:116) define ethical governance as a set of directives from the government to members of LGS to steer it in the right direction which society is to move. It is the basic principles and standards that members are expected to follow so that they do the right things at all the times. In this context ethical governance refers to good governance whereby people are involved and cared for. Ethical standards are maintained as stipulated by law.

1.8.5 LOCAL ECONOMIC DEVELOPMENT.

According to Rural Development Framework (1997:35), local economic development refers to locally inspired efforts to increase growth and employment and to develop markets. Local Economic Development Manual Series (2000:1), states that LED is an outcome based on local initiative and driven by local stakeholders. It is a process, which involves identifying and using primarily local resources, ideas and skills to stimulate economic growth and development as highlighted in this context.

1.8.6 COMMUNITY DEVELOPMENT.

According to Coetzee (1989:257-258), community development is defined to connote the process by which the effort of the people themselves are united with those of governmental authorities to improve the economic, social and cultural conditions of communities, to integrate these communities into the life of the nation, and to enable them to contribute fully to national progress. This complexity of processes is, therefore made up of two essential elements, namely: (1) the participation of the people themselves in efforts to improve their level of living with as much reliance as possible on their own initiative, and (2) the provision of technical and other services in ways which encourage initiative, self-help and mutual help and make these more effective. It is expressed in programmes designed to achieve a wide variety of specific improvements on local areas just like in the context of this study.

1.8.7 “NDUVHO”

Khuba (1993:61 – 62) points out that the word ‘nduvho’ is part of the Venda musanda (royal) language. The musanda language speaks of intralingual diglossia. At musanda (royal house) verbs to the vhamusanda (chiefs) and magota (headmen) when used in context can mean miscellaneous things. Nduvho comes

from u luvha. For instance the verb stem – luvha when used for the traditional leaders in various contexts will have the following meaning:

- The process of having sex with the chief.
- Bringing presents to the chief.
- Asking for favour from the chief.
- Respectful greeting for the chief.
- Receiving punishment from the chief.

In this context 'nduvho' can be used ethically or unethically. It can be used to benefit one person or many members of the community as Venda chiefs are bestowed the responsibility to care for all people.

1.8.8 RURAL AND URBAN LIFESTYLES.

Morris (1992:60), regards the lifestyles of urban and rural people as radically different. Rural folk are far more laid back and hung up on tribal customs, whereas the urbanites are money conscious and far more political. The two different life styles in this study are important as they fall under the sphere of influence of members of LGS who are governed by different ethical principles.

1.8.9 FINANCIAL STATEMENTS.

According to Venter (1998:210), financial statements consist of a balance sheet, an income statement and a cash-flow statement. These documents explain how a LGS performed in financial terms for a previous financial year. Once these statements have been audited, they become known as audited financial statements. Financial statements in this context implies the willingness to maintain accountability competence and responsibility for all local people

1.8.10 ACCOUNTABILITY.

According to Steytler, et.al. (2000:25), accountability means that community members can demand explanation from, and be given reasons by members of LGS for policies and decisions, or lack thereof. Accountability also refers to ability to answer for one's action and to be responsible as it is implied in the context of this study.

1.8.11 VENDA.

According to Khuba (1993:1) the term Venda is used to refer to the people, language, country and culture. In this study Venda refers to the area found in the RSA in the LP, to the south of Limpopo River, within which the GTM is located. The word Vhavenda will be used to refer to the people with great respect for hierarchy.

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION.

A considerable amount of literary work has been written and published on ethics and local government from local and international origin. The researcher in this study has done literature review looking at what some writers have written about the role of ethics on members of the organizations or structures and on the process of economic development. The researcher made an attempt at relating the researched subject to this study on the governance and ethical principles in the process of LED in the GTM area.

This chapter presents a review of literature with the focus on ethical governance by members of the LGS whose central responsibility was and still is to work together with local communities to find sustainable ways of meeting their needs and improving the quality of their lives through LED.

In this study, particular focus was on the presentation of the following aspects which require an analysis on ethical governance, LGS, and LED. The researcher investigated the promotion and violation of ethical governance principles by members LGS on the course of LED process in South Africa and in Venda focusing on the GTM.

2.2 ETHICAL GOVERNANCE.

In this study ethics and governance are key factors in the process of LED. Johns (1996:433) defines ethics as systematic thinking about the moral consequences of decisions. Moral consequences can be framed in terms of the potential for benefit or harm to any stakeholders in the decisions. Stakeholders are simple people

inside or outside of the structure or the organization who have a potential to be affected by the decisions. (See Figure II) In this regard Solomon (1984: 2-3), views ethics as part of human philosophy which is concerned with living well, being a good person, doing the right thing and wanting the right thing in life. Solomon regards ethics as the study of human values and their justification. He explains ethics as a system of values and principles which form a reasonable and coherent way for our lives to be as civilized and as happy as possible.

According to Rimmer (1993: 29-30), governance is associated with the following five characteristics:

- First, it is the quality of certainty. Here the local communities should be able to rely on constancy in the actions of members of local government structures.
- Second, policies should be administered objectively and disinterestedly. Here governance means government by law rather than by men.
- The third characteristic is transparency. Laws, administrative practices and the uses made of public resources should be known or accessible to all local people.
- Fourth is participation which improves the quality of policy decisions
- Fifth is accountability. Here freedom in accessing to official sources of information is one means of securing accountability. Another is having both the means and incentive to scrutinize actions of local government structures and to publicize those that are aberrant.

Van Niekerk, et.al (2001:116), regard ethics as a key factor in the quality of governance as without ethical standards it is difficult, if not impossible to measure

changes in levels of corruption and misconduct in the public service. In terms of Section 195 of the South African Constitution (Act 108 of 1996) basic ethical standards governing public administration and finance should be enforced and promoted.

According to Johns (1996: 434-435), ethical governance is associated with the following behaviour:

- Honest communication. Here the leader must evaluate subordinates candidly. The leader must advertise and label honestly by being open. The leader must not slant proposals to senior management.
- Fair treatment. In this regard the leader must pay his or her subordinates equitably. The leader must respect the sealed bid process. The leader must not give preference to beneficiaries or suppliers with political connections. Poor communities should not be used as scapegoats.
- Special considerations. In this aspect, Johns shows that the leader can modify ethical standards for special cases. For example, giving preference to, and hiring the disabled. The leader can help a long time employee, or give business to a loyal but troubled supplier.
- Fair competition. It is advised that the leader must avoid bribes and kickbacks to obtain business and favour. This includes avoiding activities like fixing prices with competitors.
- Responsibility to the organization. The leader is warned against acting for self interest. The advice in this regard is, for him or her to act for the good of the organisation or local government structure as a whole.

- Respect for law. The leader must follow the letter and spirit of the constitution, labour laws and court of laws.
- Social responsibility. The leader is urged to show concern for the community at large.

Johns (1996: 436-437), highlights the causes of unethical governance as temptation to gain more, bureaucratic role as a leader in the organization or structure, stiff competition for scarce resources and personality. Johns explains that people with high need for personal power (especially Machiavellians) might be prone to making unethical decisions, using this power to further self-interest rather than for the good of the local government structure or community as a whole. Van Niekerk, et.al. (2002: 116) confirm that unethical governance costs society or community much more than money as it also leads to a lack of trust and confidence in the organization or structure. They state that unethical governance results in a lack of participation or involvement in organizational or government affairs such as local economic development.

The researcher finds it important to highlight that ethical governance in LED initiatives and projects is of great importance as every exercise of power invites corruption. Van Niekerk, et.al (2001: 116), support this and states that no LGS can function efficiently and effectively without a set of ethical principles that will steer it in the direction which society expects it to move. They point out that although government has different cultural, political and administrative environments, they often confront similar ethical challenges and the responses in management of ethics show common characteristics.

2.2.1 ETHICAL GOVERNANCE AND THE INDEPENDENT VENDA KINGDOM.

Before proceeding with the ethical and unethical behaviour of leaders in LED programmes initiatives, the researcher finds it important to highlight the historical roots of ethical practices in South Africa and Venda in particular where the GTM is located. The researcher suggests that the retentive and secretive nature of the Vhavenda people, together with the conservative and undemocratic rule of their traditional leaders, during their long period of independence, apartheid domination, so-called independence and the new dispensation to shape their ethical behaviour before 1995. According to Wessmann (1908:11-12), from time immemorial the Vhavenda people in independent Venda Kingdom were monarchists. Wessmann stated that socialistic ideas and agitation against the democratic political order did not find any support amongst the Vhavenda people. Disturbers of the traditional political and social order were simply banished or eradicated. He explained the unethical governance of the Venda leaders in their Independent Kingdom and stated that the Vhavenda Chief owned large tracts of land and the community used to do “soakage-service” to him. The Venda Chiefs were used to receiving the lion’s share on payments of debts by members of their community. Wessmann further stated that if one of the chief’s subject had a windfall he did not keep the whole benefit to himself, but handed over a part fixed by customary law to the chief to whom also belonged all the skins of all game killed in his realm. The leaders of the Venda Kingdom received the largest revenues from the confiscation of entire family possessions, in the form of cattle, women, children and valuables on the occurrence of death and when somebody else was named as the cause of death.

The researcher wishes to highlight that ethical governance which emphasise social responsibility, fair treatment and fair competition was violated in the independent Venda Kingdom since all the wealth had to be owned by leaders.

2.2.2 ETHICAL GOVERNANCE AND THE APARTHEID VENDA HOMELAND.

Davenport (1991:549) points out that during the apartheid era the National Party Government set aside territories for occupation by members of particular dominated African tribes including the Vhavenda people. The National Party's government introduced the Bantu Authority System, which defined eight Bantu Homelands and Vendaland being one of them. According to Davies, Meara and Dlamini (1988: 197-198), the homelands form a central prop of apartheid form of capitalist exploitation in South Africa. They explain that the homelands system was unethical as it performed the crucial function of containing and dividing the South African Society. Homelands were central to the maintenance of capitalist exploitation through national oppression and they were not set up for LED.

Mallaby (1992:106), states that the homeland system saved the National Party Government on its ethical social responsibility of the cost of paying out welfare benefits to the poor African people. The jobless and homeless could be dispatched to their huts in the homelands. Vhavenda people were legally confined to Vendaland with its poor patches of countryside under the mercy of their chiefs and headmen.

According to Saunders (1992:519), homelands such as Vendaland were given a measure of self-government by apartheid theorists who were unethical and undemocratic and wanted to remove all African tribes from White South Africa. Davies, et.al (1988: 176) point out that it was to these homelands such as Vendaland that the political and economic demands of the majority of South Africans were supposed to be addressed.

The researcher wishes to point out that unethical governance was the order of the day during the apartheid era as there was stiff competition for scarce resources and that the traditional leaders wanted to gain more to consolidate their personal power. To support this Davies, et.al (1988:36) state that considerable investments

poured into some homelands exacerbated problems of poverty for the majority of their inhabitants. They point out that the investment of several hundreds of thousands of rands into local agri-business development projects has had disastrous effects on local population.

2.2.3 ETHICAL GOVERNANCE AND THE REPUBLIC OF VENDA.

Van Rensburg (1979:1) states that on 13 September 1979 a long cherished ideal of the Vhavenda traditional leaders and people who were autocrats, conservatives and monarchists was realized when the Venda Homeland became the Republic of Venda with Thohoyandou as its capital centre. He further states that Chief P.R. Mphephu, the descendant of the great King Thohoyandou of the ancient Independent Venda Kingdom became the life president of the undemocratic and unethical Republic. Mahosi (1988:80) supports this and points out that in the Republic of Venda, politics was tied up with the Venda traditional way of life. Traditional leaders played an important role in Venda economy and politics. For example the Vhavenda chiefs and headmen were entitled to earn huge salaries whereas their subjects were expected to give them the little that they have as “nduvho”. Mahosi (1988:80) confirms that for an outsider the mixture of western style democracy with traditional Chieftainship, culture and tradition remained to a large extent misunderstood.

According to Nengovhela (1990:5), since its formation, the government of the Republic of Venda was corrupt. Favouritism, nepotism and corruption were the order of the day. A lot of government funds for local development were used for individual benefits. Davies, et.al(1988:237), confirm this and state that local development projects undertaken by Venda leaders were a palace for President Mphephu at the cost of R588.000, houses of R88.000 for each cabinet minister and big salaries for chiefs and headmen. Nengovhela (1990:5), states, that in the Republic of Venda, all civil servants were at the mercy of unethical senior officers

and traditional leaders who had the right to employ, transfer and dismiss without the knowledge of the Public Service Commission.

2.2.4 ETHICAL GOVERNANCE AND THE NEW SOUTH AFRICA.

International Defence and Aid fund for Southern Africa (1991:110), highlights that the road to the new South Africa began in the mid 1980s. Various activities, measures and steps were undertaken to progressively transform an old dispensation into a new one emphasizing governance and ethical principles.

According to Van Niekerk, et. al (2001:116), politics and governance cannot be completely value free. As such no government can function efficiently and effectively without a set of ethical principles that will steer it in the direction which society expects it to move and this is also applicable to government structures in the new South Africa. They point out that as public employees and politicians in the new South Africa have contact with some range of incentives for personal gain as people in other walks of life, they need to know the basic ethical principles and standards they are expected to apply to their work and where the boundaries of acceptable ethical behaviour and practice lie.

According to Venter (1998: 193), the Local Government Transition Act Number 209 of 1993 was amended from time to time. The purpose of this legislation was to progressively transform the old unethical conservative dispensation into a new democratic and ethical one, which was to be compatible with the new South African Constitution.

Section 195 (1) of the Constitution of RSA (Act 108 of 1996) provides values and principles that governs public administration and initiatives, namely:

- High standards of professional ethics must be promoted and maintained.

- Efficient economic and effective use of resources must be promoted.
- Public administration must be development orientated.
- Services must be provided impartially, fairly, equitably and without bias.
- Public administration must be accountable.
- Providing the public with timely, accessible and accurate information must foster transparency.
- Good human resource management and career development practices to maximise human potential, must be cultivated.

Van Niekerk, et.al (2001: 60-61), regard the new Constitution of the RSA (Act 108 of 1996) as a democratic and ethical one, as it is spelling out the roles and functions of the different tiers of government. They view the Constitution of the Republic of South Africa as the Supreme Law of the land and according to them any piece of legislation can be deemed unconstitutional should it be in conflict with it. They point out that the obligations imposed by it must be fulfilled.

Venter (1998:206-201), reiterates the idea by stating that Section 152 of the Constitution deals with the obligation of the purposes of the local government structures on promoting social and economic development. Venter maintains that both these aspects are relatively new to local government and have not in the past been part of their traditional functions and therefore ethical governance is a must. Venter points out that in order to address problems such as poverty, unemployment and the affordability of levels of services, it follows that local government structures will in future be obliged to stimulating local economy and consequently also job creation.

Section G (1.3) of the White Paper on Local Government (1998: 112), adds on the idea of ethical governance in the new South Africa and states that members of the LGS should be held responsible and accountable to local development for the use of local resources. Members of LGS should be required to justify their expenditure decisions on public funds and why and how the revenue necessary to sustain that expenditure is raised. The fiscal system should be designed to encourage accountability. LED budgeting and financial affairs should be open to public scrutiny and communities should have a greater voice in ratifying decisions about how revenue is raised and spent. Section G (1.3) of the White Paper on Local Government (1998: 112) further states that community participation in budgeting should aim at incorporating those groups in the community such as women, who face particular constraints in participating. It further emphasizes that it should also include a capacity building component to ensure that people understand the process of prioritization on why resources are allocated to one set of things rather than to another. Accounting and financial reporting procedures should minimize opportunities for corruption and malpractice, which was the order of the day before the dawn of the current era.

Section 1 of the White Paper on Municipal Service Partnerships (Notice 1689 of 2000) points out that it is the new government's explicit expectation in South Africa that all stakeholders want all the people to have access to adequate local resources and to contribute actively towards the LED. The White paper on the Municipal Service Partnership (MSP) Policy has been derived from the ethical principles of Batho Pele (People First). It actively promotes an ethos of participation by beneficiaries and other stakeholders in the process of LED. The MSP Policy supports ethical governance and encourages better information flows, value for money, avenues for citizen's redress and fairness in LED initiatives and projects.

2.3 LOCAL ECONOMIC DEVELOPMENT AND LOCAL GOVERNMENT STRUCTURES.

In this study LED and the part played by members of LGS are of utmost significance. The researcher finds it important to highlight how members of LGS dealt with LED initiatives and projects in South Africa and Venda in particular which form part of the GTM area.

Rural Development Framework (1997: 35) states that the LED is a very old approach of the LGS to effect local delivery. It points out that the LED approach originated internationally on the failure of deconcentration strategies to relocate industries to the depressed areas. It further states that LED approach was initiated internationally by LGS as their own solutions to their economic problems.

Financial Management for Local Authorities: A handbook for Local Government Councillors (1997: 42), defines LED as a process empowering the people themselves and facilitating their individual and collective development at the local level. It views LED as a process designed to stimulate the economy in a local community and improve the lives of its citizens. It points out that by improving the local economy, a LGS will have more revenue, which warrants ethical governance.

Local Economic Development Manual Series, volume one (2000: 1), regards LED as an outcome based on local initiative and driven by local stakeholders and LGS. It shows that LED involves identifying and using primarily local resources, ideas and skills to stimulate economic growth and development. It emphasizes that the aim of LED is to create employment opportunities for local residents, alleviate poverty, redistribute resources and create opportunities to the benefit of all local residents.

Department of Provincial and Local Government Information leaflet (2001: 10), states that LED is 'bottom up' participation process in the local economy by different local stakeholders. It points out that local stakeholders combine their resources and skills in identifying and exploiting local opportunities and assets to generate and sustain economic activity.

The researcher wishes to highlight that there seems to be some form of differences on how members of the LGS such as TA, CA and MC dealt with LED issues before 1995. The manner in which members of the homeland tribal authorities, apartheid municipal councils and radical civic associations dealt with LED issues was quite complicated and confusing as ethical governance was not clearly spelt out. Department of Provincial and Local Government Information leaflet (2001: 10), supports the idea and points out that in the apartheid South Africa the local government structures had a very complicated role to play in promoting and extending White supremacy. It emphasizes racial domination and exploitation in economic affairs.

Department of Provincial and Local Government Information leaflet (2001: 10-11) shows that in South Africa the Government and members of the LGS had to ensure an enabling environment for economic activity. It points out that LGS had to ensure that the impact of its strategies was on the lives of the poor in economic activities. It states that members of the LGS worked for the development of local economy while focusing on skills training for the unemployed, the retrenched and the disadvantaged women. LGS required ethical governance from both the provincial and national spheres of government in South Africa and Venda to effectively implement LED strategies. Section A, sub-section 2.3 of the White Paper on Local Government (1998: 25), adds and points out that LGS played an important role in promoting job creation and boosting the local economy.

South African Local Government Association Annual Report (1999:31), shows that in the new democratic Republic of South Africa the Constitution and the

White Paper on Local Government charge local government with the responsibility of promoting economic development in their localities. It maintains that it is in line with broader national strategies to promote the LED of the new South Africa in coherent manners. It emphasizes that the LED is our important tool that we can use to develop local economy.

According to Thakhathi, et. al (1998:23), members of the LGS are entrusted with money for the public and it is up to the local government to decide how this money is spent. They state that members of the LGS need good ethical principles to control finance and to ensure that they do not abuse their responsibilities and projects. They point out that ethical governance is a must for members of LGS dealing with local economic development process not just as red tapes but rather a protective mechanism for the public. Thakhathi, et.al (1998: 36) further support the idea of ethical governance by stating that the people must participate effectively that is, have a say in the running of LED. They further emphasise that local people need to be involved in a project from the beginning until the end.

2.3.1 TRADITIONAL AUTHORITIES AND LOCAL ECONOMIC DEVELOPMENT.

A Discussion Document Towards a White Paper on Traditional Leadership and Institutions (2000: 4) argues that traditional authority is the oldest LGS in Africa and the rest of the world. A Discussion Document Towards a White Paper on Traditional Leadership and Institution (2000: 6-7) reveals that traditional authority predates colonialism and apartheid. It states that the structure of traditional authority was grossly abused during the period of colonialism and apartheid. It was assigned new uncustomary and unethical functions. This was done with a view to advancing colonial and apartheid interests. It points out that this was done by twisting certain ethical customary principles. It shows that, as traditional rural areas were under- resourced, under – developed and relegated to the

periphery of relatively affluent White South Africa, they became reservoirs of cheap labour for urban centres and mining conglomerates.

According to Van Rensburg (1979: 68), the Venda traditional authority was constituted in 1962 in terms of the provisions of the promotion of Bantu Self Government Act of 1959. He reveals that the Venda traditional authority was vested with very limited legislative powers on matters of immediate concern to the people of Venda. It had the power to levy taxes to finance its own administration and various community development services it provided. Its functions included control of the construction and maintenance of buildings, trade and commercial licences, the establishment of markets and pounds.

Chapter 1 of the Venda District and Territorial Councils Act (Act 15 of 1986) states that the Venda traditional authority set up territorial councils composed of a) "Khosi" (Chief) b) 'Magota' (Headmen) and c) one resident nominated by each 'gota' (Headman). It further points out that the TA through a territorial council was to exercise its powers and perform its functions and duties with due regard to laws and custom. Customary practices resulted in the violation of ethical governance.

The researcher wishes to highlight that LED was one of the main aims of the Republic of Venda since 1979. He (1979:1) confirms this and stated that traditional authority needed to expand and modernise agriculture so that they could feed their nation from their own resources and build up surpluses for export in order to earn foreign exchange needed for vital imports. Van Rensburg further reiterates the idea of LED in the Republic of Venda by stating that the Venda Traditional authority persuaded many foreign investors and entrepreneurs to join in the exploitation of its entire potential.

Nengovhela (1990:5-6) argues that as the political leadership was in the hands of chiefs and headmen, who had total authority over their subordinates and whose

words were taken as final and beyond question, the government of the Republic of Venda was corrupt and unethical on local economic development initiatives and projects. Nengovhela reveals that a lot of Government and development funds were used for individual benefits. Favouritism, nepotism and corruption were the order of the day in the Republic of Venda during the reign of traditional authority.

Thakhathi, et.al (1998:10), reveal that Chapter 12 of the Constitution of the Republic of South Africa recognizes the status and role of traditional leaders based on customary law. Section D, sub-section 4.1 of the White Paper on Local Government (1998:76), clearly states the role of traditional authority in the development of the local area and economy as follows:

- Making recommendations of land allocation and the settling of land disputes
- Lobbying government and other agencies for the development of their areas.
- Ensuring that the traditional community participates in decisions on development and contributes to development costs.
- Considering and making recommendations to authorities on trading licenses in their areas in accordance with law.

Ramahlodi (1997:12:10), states that traditional leaders also have a role on local development. A Discussion Document towards a White Paper on Traditional Leadership and Instructions (2000:4) disputes the idea and points out that the exact role that the traditional authority should play in the current democratic context remains unclear. It is not clear how the traditional authority is dealing with the LED in the new South Africa. This is partly because so far the new democratic and ethical government does not have a consistent policy on

traditional leadership. A Discussion Document towards a White Paper on Traditional Leadership and Instructions (2000:6) further adds and reveals that the LGS of traditional authority was therefore never accorded a pride of place in the LED systems of ethical governance, which were after-all imposed on the majority of the people of South Africa.

2.3.2 MUNICIPAL COUNCIL AND LOCAL ECONOMIC DEVELOPMENT.

The MC is the second oldest LGS in South Africa. According to Swilling, et.al. (1991:1-2), the LGS of MC originated from 1902 when the Lagden Commission which wanted the segregation of Africans was instituted. They state that the commission wanted separate residential locations occupied by Africans whose employment entitled them to be in town being under the control of MC. They indicate that the Native Reserve Locations Act in the Cape (1902), the Native Location Act in Natal (1904) and the Orange Free State Municipal Ordinance of 1903 resulted in a municipal authority which placed all locations in MC since 1905.

Local Economic Development Manual Series, volume one (2000:1), points out that MC in the old divided South Africa have always played a role in LED. It indicates that MC employed people from local areas, purchased goods and services, developed infrastructure and regulated the development of land. It asserts that all of these activities had impact on the local economy emphasising that the MC in South Africa and Venda in particular dealt with LED initiatives and projects.

The researcher wishes to highlight that apartheid and homeland systems were undemocratic and unethical and therefore members of the municipalities were viewed as extension of white domination in the African localities. Swilling, et.al (1991:191-192), are of the same view and state that the Vaal Uprising of 1994 which broke out as a protest against rent increase was a product of bad governance

and unethical practices by municipal councillors. They point out that municipal councillors were attacked by local people because they were deemed responsible for the rent increases and corruption which was the order of the day. They also indicate that protests against MC role on social and economic development escalated in the Western Cape and Natal in the second half of 1985, and in the northern and eastern Transvaal from late 1985.

According to Swilling, et.al (1991:299), protests against rent increases were central to township politics in the 1980s, but they were not simply or spasmodic response. They indicate that the importance of rent increases was bound up with the role of unethical municipal councillors and the more general issue of political representation. They show that the political system denied local people avenues through which their grievances could be taken to the central government. Governance and ethical principles were the main source of problems between local residents and municipal councillors. They are of the view that elected members of the MC had very limited powers and were unable to redress residents' principal grievances of social and economic development in local area. They point out that municipal councillors were tempted by the prospect of increased opportunities for corruption.

In the new democratic RSA, Section 152 of the Constitution (1996:81) spells out the guiding principles on members of the LGS indicating the following deliverables:

- To provide democratic and accountable government for local communities.
- To ensure ensure the provision of services to communities in a sustainable manner.
- To promote social and economic development.

- To promote a safe and health environment.
- To encourage the community organizations in matters of local government.

Guidelines for Private Sector Participation in Municipal Service Delivery (Anon. 2-5) reports that in the new South Africa, a Local Economic Development charter for MC having eight principles to guide municipal councillors on governance and ethical principles when dealing with local economic development is in place. LED Training Manual: A Resource Book for Municipal Councillors and Officials (2001:63), states that there are a number of ethical elements involved in successful LED programme at a municipal level. It prescribes on how councils could control finance within an LED project. It laid down ethical principles as a control mechanism for good governance in local economic development programme management.

Batho Pele – ‘People First’: White Paper on Transforming Public Service Delivery (1997:15), emphasizes the value and importance of ethical principles on public programmes. The Batho Pele – (People First) principles spells eight principles which could be the bases for promoting LED. The eight principles are based on the following standards;

- Consulting users of services.
- Setting service standards.
- Increasing access .
- Ensuring courtesy.
- Providing more and better information.
- Increasing openness and transparency.
- Remediating mistakes and failures.
- Getting the best possible value for money.

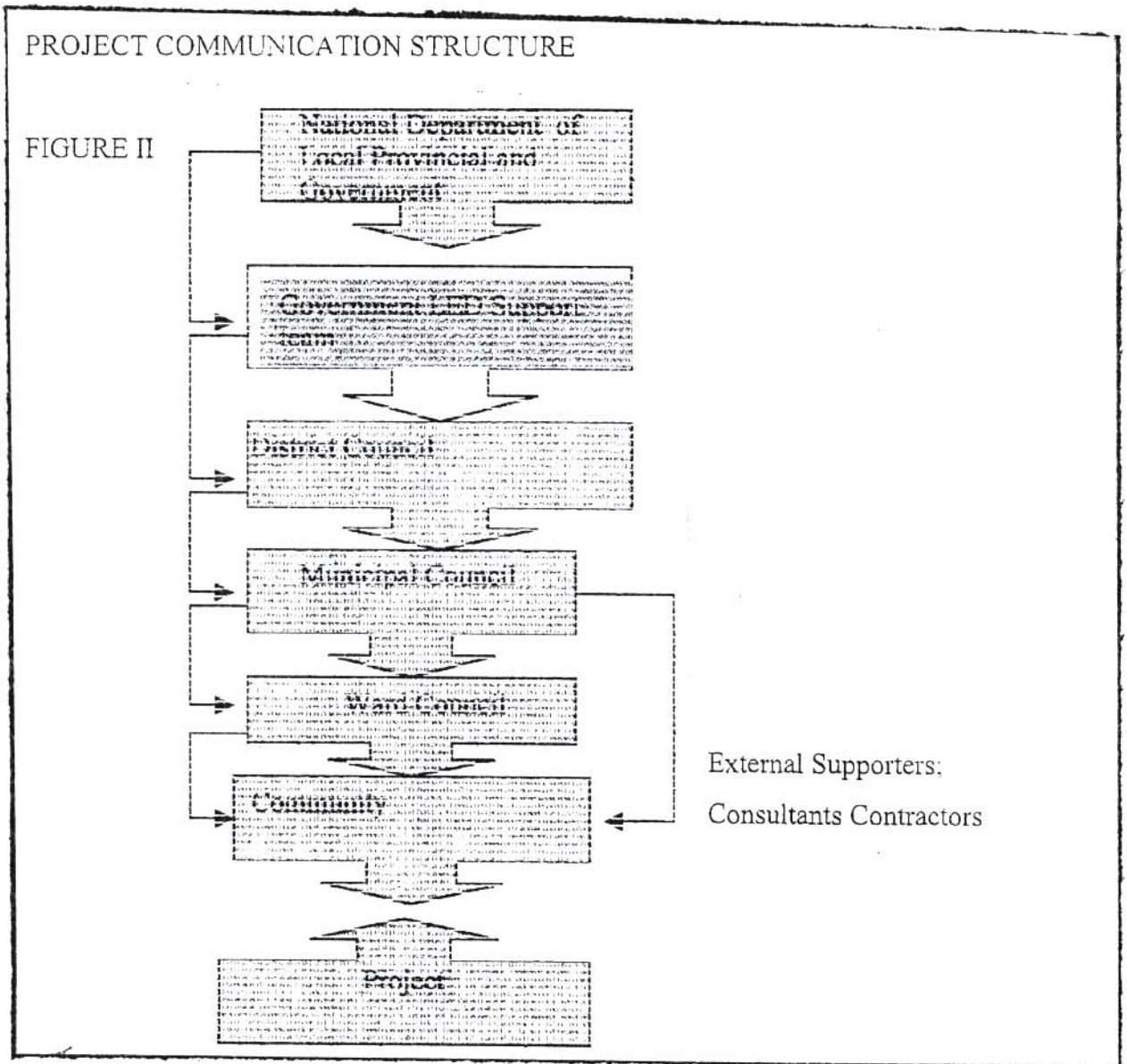
LED Manual Series, Volume Five (2000:3) shows that the Department of Provincial and Local Government has published a series of user-friendly handbooks aimed at providing municipalities with a clear understanding of LED and a set of guidelines on governance and ethical principles to assist municipal councillors in the planning and implementation of LED initiatives and projects.

Mamaila (1998:13), reports that a conference aimed at stimulating local economic development was held at the University of Venda. He states that the conference, organized by the Thohoyandou Local Council was focused on stimulating economic activity in the area and helping people to become economic players. He highlights that both traditional and modern leadership attended the conference. He shows the dawn of the new era and participatory democracy within the GTM.

The researcher wishes to point out that in the new South Africa all LED initiatives and projects are to adopt the following communication structure: see figure II. Development Focus of South Africa (2001:09), draws and tabulates the communication structure through which all LED programmes are to follow. The proposed communication structure makes the LED initiatives and projects to be vulnerable for bad governance and unethical practices. Because it allows many structures, institutions officials and persons to have access on the LED project. It provided an opportunity to corrupt and unethical members of LGS to determine the course of the LED project.

The Development Focus of South Africa (2000: 03), on the proposed business plan for Tshifudi – Dimani Project points out that the project command structure indicates that the municipality becomes the custody of the programme to ensure sustainability. The ward councillor co-ordinates both MC and the community in terms of the politics of the LED project. From within the community come local government structures such as civic associations and traditional authorities. Members of the project steering committees, project managers and working masses are all from within the community. Figure II shows that from outside the

community there are external forces such as the consultants and contractors who has great influence on LED.



Although there is a considerable amount of work written and done on ethical governance and LGS' role on LED, I think there is a need to focus on governance and ethical principles LED in the GTM area. That is because the area had experienced the influence of local authorities, civic associations and municipal council. I therefore find it necessary that I should be engaged in a study to

investigate on the impact of the violation of ethical governance by members of the TA, CA and MC within the GTM area. This was done by looking at what the new South African Legislations say about governance and ethical principles on legitimate LGS dealing with LED initiatives and projects. The researcher investigated the violation of ethical principles by members of LGS actually working on LED.

2.3.3 CIVIC ASSOCIATIONS AND LOCAL ECONOMIC DEVELOPMENT.

According to Swilling, Humphries and Shubane (1991:240-241), CA in South Africa and Venda in particular originated during the 1980s as a form of protest and confrontation. They point out that CA emerged in townships, factories and rural areas propelled by apartheid policy reforms. They highlight that CA' grievances included rent increases, bus fare increases, evictions, influx control, housing shortage and inadequate township infrastructure, corrupt or unaccountable local township councillors and conditions in the schools.

Moss and Obery (1992:203-204) reiterate the idea by pointing out that CA were established at local level to articulate socio-economic demands and link these to national political struggles. They maintain that CA were driven by constant pressures from grassroots constituencies to resolve the local problems. Case Studies on LED and Poverty (1997: 7) highlights that under these circumstances it takes strong local leadership to conjure up images of healthy, united community to eliminate poverty and achieve greater prosperity for all. It shows that developing and promoting local resources and economy did have a kind of impact on ethical governance on local people and areas led by some civic leaders.

According to Moss and Obery (1992:204), the central themes of the CA as a LGS were:

- Building united communities.

- Organisation is the key to power.
- The grassroots knows better than anyone else what its needs are.
- Accountable leadership.
- Mass action.
- Maximum participation and control.
- Education and information for empowerment.
- Expression of developmental needs by making demands.

Moss and Obery (1992:18), maintain that CA before 1995 provided a different channel for expressing discontent and mediation between residents. They served as a watchdog over councils and contested the councils claim to represent the local community. Swilling, et, al (1991: 337) also emphasize that CA had made demands for social and economic development which included:

- the right to organize and to report back.
- no cut-off of services.
- the writing of arrears.
- the resignation of councillors.
- the appointment of an administrator acceptable to all parties involved in the negotiations for a specific period.
- non-racial municipalities based on one tax base.
- the upgrading of services and conditions in the township.
- the provision of more land.
- the provision of houses for low-income groups.
- the transfer of rented houses to the people.
- the upgrading and conversion of hostels; and
- affordable service charges.

Moss and Obery (1992:204), point out that since 2 February 1990, the CA's role has changed fundamentally. They state that civics found themselves officially recognized as legitimate community representatives, and became chief negotiators

in the local government process dealing with LED issues. They further highlight that many civic members failed to respond to the new context and others made mistakes of taking the gaps offered without careful and informed preparation becoming ineffective and marginalized.

The researcher wishes to highlight that currently the CA as LGS are responsible for many LED initiatives and projects in the LP where the Greater GTM is located. The researcher wants governance and ethical principles of members of the CA in LED to be investigated, as there is no legislation spelling out their role in community development.

2.4 CONCLUSION.

This chapter discussed ethical governance and the role of LGS on LED initiatives and projects. It became quite clear that ethical governance is the key to LED. According to Van Niekerk, et.al (2001:116) ethical standards are a key factor in the quality of governance.

This literature review points out ethical problems associated with dealing with social and economic development in South Africa. From the above exposition one can deduce that governance and ethical principles should be viewed as a reliable means through which members of the LGS could make LED a success.

Literature review was conducted with a view to establishing a theoretical basis for data collection. The next chapter will present the empirical research of the study. Data collecting instruments and procedures will be described and a motivation of their use provided.

CHAPTER 3

3. RESEARCH DESIGN AND METHODS

3.1 INTRODUCTION.

In the light of the literature review relevant to ethical governance and the role of members of LGS in LED initiatives and projects, the researcher considered it important to investigate empirically the role of governance and ethical principles in the promotion of the process of LED in the jurisdiction of the GTM.

In this study the researcher used the exploration research design. An exploratory study was undertaken to explore the new politics of local government and the role of LGS in LED within the GTM. The researcher also used semi-structured interviews, observations and questionnaire methods for collecting data directly from the respondents. The researcher also resorted to the explanation of how each method has been employed empirically. Data collection techniques and the problems attached to each technique were explained and analysed.

3.2 RESEARCH DESIGN

The researcher was concerned with the attitudes, behaviours and beliefs of members of LGS regarding LED. Exploratory design was appropriate to check and investigate the violation of ethical principles governing LED.

The researcher used an exploratory design for the following reasons as suggested by Babbie and Mouton (2001:80) : (1) to satisfy the researcher's curiosity and desire for better understanding, (2) to test the feasibility of undertaking a more extensive study, (3) to develop the methods to be employed in any subsequent study, (4) to explicate the central and construct of a study, (5) to priorities for future research, and (6) to develop new hypothesis about an existing phenomenon.

3.2.1 LOCALISATION

This study on governance and ethical principles in LED is localized in the Greater Thohoyandou Municipality area. The Greater Thohoyandou Transitional Local council divided the area of this study into fourteen wards and four subregions (see figure 1). Great North composed of ward 1 and 2. Wards 1 consisting of Matangari, Tshiombo, Tshiawelo, Mianzwi, Mutshenzheni, Mbaela, Maraxwe, Muhuyu, Thenzheni, Tshiwani, Tshipako, Makwarani, Vhutalu, Mudzidzidzi, Tshidzivhe, Tshilungwi, Mutoti and Tshitangani. Ward 2 consisting of Khubvi, Damani, Makonde, Ha-Luvhimbi and Shadani. Great East made out of wards 3,4 and 14. Ward 3 consisting of Vondwe, Mukula, Tshivhilwi and Tshikambe. Ward 4 consisting of Makhuvha, Muraga, Vhudimbilu, Mukoma-asina-nndu, Mangondi, Malamangwa, Gondeni(Sterkstroom), Sidou, Matsika, Nweli, Malavuwe, Tshamutilikwa, Tshilivho and Jim Kone. Ward 14 consisting of Dumasi, Dzingahe, Lufule, Tshivhulani, Tshififi, Tshitani, Mavhunda and Tshabvuma. Great South composed of wards 5,6 and 7. Ward 5 consisting of Mphego, Lufule 11, Tshilungoma (Thukhutha), Tshikhudini, Maniini and Budeli. Ward 6 consisting of Tshitopeni, Baragisi, Mutshauda, Khakhanwa, Dovheni, Thetsheseleni, Vhulatatevhe, Dididi and Tshitomboni. Ward 7 consisting of Manamani, Mashawana, Shayandima, Muledane, Itsani and Tswana. Great West made out of wards 8, 9, 10, 11, 12 and 13. Ward 8 consisting of Duthuni, Mapate and Tshisaulu. Ward 9 consisting of Tshikunda, Matondoni, Vondo 1, Maranzhe, Gondeni (Mabilu), Lunungwi, Mukumbani, Tshilapfene, Tshivhungululu, Ha-Radali and Vondo11. Ward 10 consisting of Ngwenanani (Mapholi), Vhufuli, Tshitereke, Mavhola, Makhuvha, Tshidimbini and Ngudza. Ward 11 consisting of Ngovhela, Phiphidi, Sibasa and Ngwenani (Themeli). Ward 12 consisting of Thohoyandou and Maungani. Ward 13 consisting of Makwarela, Mbaleni, Unit-E, Unit O, Makanga and Mbilwi.

In this study nine municipal councillors and officials were interviewed in their offices. Two traditional leaders were interviewed in their kraal and offices. Seven

civic leaders were to be interviewed at their homes. The questionnaires were delivered and completed within LED projects by the researcher who gave them to subjects personally. The researcher visited the LED projects for observation purpose. The observation checklist was completed on the spot.

3.3.2 POPULATION.

Bless and Higson – Smith (195: 87) refer to a research population as a target which is the set of elements that the researcher focuses upon and to which the results obtained by testing the sample should be generalised.

The population of the GTM which is the area of this study is so large that from a practical point of view it is simply impossible to conduct research on all of them. As the GTM is made out of many villages and urban areas its population is large. There are many LGS such as the civic leaders, municipal councillors and officials, traditional leaders and territorial councillors. There are also many LED projects having many workers and beneficiaries.

The researcher's target population was thirty MC councillors and officials of the GTM, fifteen executive members of the Forum of the Greater Thohoyandou Civic Structures, five executive members of the Greater Thohoyandou House of Traditional Leaders, one thousand and five hundred LED project workers and beneficiaries.

3.2.3. SAMPLING

In this study, the researcher decided to use sampling as a procedure to select respondents. According to Schumacker and Macmillan (1993: 159), sampling refers to the process by which a sample (e.g. individuals selected from a large group) is selected from the population, with the purpose of generalizing results to a large group of individuals. The researcher strove to have the sample that has the

exact properties in the exact same proportions as the large population of the GTM area but in smaller numbers. Welman and Kruger (2000:49) reiterate the idea by stating that a representative sample is a miniature image, or likeness of the population.

The researcher developed a sampling strategy in order to collect information from the CEO, civic leaders, traditional leaders, municipal councillors and officials, LED project workers and beneficiaries. A stratified random sampling strategy was chosen because it requires less time and money, and this is confirmed by Welman and Kruger (2000:56). The researcher preferred the usage of stratified random sampling because it ensures that important strata are represented in the sample. Seeing with a stratified random sample we are ensured of this representativeness, irrespective of sample size because it has been built into the sampling strategy right from the very beginning.

In this study the researcher decided on purposive sampling strategy because he had to rely on the experience of members of the CA, MC, TA, LED project workers and beneficiaries. Welman and Kruger (2000:63) also emphasize that purposive sampling enable the researchers to deliberately obtain units of analysis in such a manner that the sample they obtain may be regarded as being representative of the relevant population.

3.2.3.1.STRATIFIED RANDOM AND PURPOSIVE SAMPLING

A stratified random sampling was preferred because respondents could be stratified according to their level of responsibility whereas a purposive sampling was desired because the experience of the respondents is of great importance in this study.

3.2.3.2 THE CHIEF EXECUTIVE OFFICER OF THE GREATER THOHOYANDOU MUNICIPALITY.

One CEO of the GTM (100 percent) was interviewed as the manager of the local council who heads LED initiatives and programmes. The CEO was interviewed to assess the success or failures of projects and to find out problems pertaining to governance and ethical principles on the promotion of LED.

3.2.3.3. MUNICIPAL COUNCILLORS AND OFFICIALS

Within the GTM Council there is a standing committee on LED consisting of nine municipal councillors and officials. Three members of the Standing Committee on LED (33 percent) in the GTM Office were interviewed to highlight on ethical governance and their violation by those dealing with LED initiatives and projects.

3.2.3.4. WARD MUNICIPAL COUNCILLORS.

As the GTM area is made out of 14 wards, it was also consisting of 14 municipal councillors. Five municipal councillors (36 percent) were interviewed because of their experience on LED projects and what they know is happening in and around their local areas.

3.2.3.5 CIVIC LEADERS.

The GTM area is composed of ±100 villages and four urban areas. Each village and urban area is having a civic structure. In this study the researcher interviewed seven civic leaders by securing an interview with representatives of a forum of civic structures. Seven leaders of the Forum of Civic Structures (47 percent) were interviewed in their home. Civic leaders were interviewed to identify LED projects and to find out their role on LED.

3.2.3.6. TRADITIONAL LEADERS.

The GTM area is composed of many tribal communities falling under the direct control of traditional leaders. Thirty-four traditional leaders belonged to the Greater Thohoyandou House of Traditional Authorities. Five traditional leaders are on the executive committee. Two traditional leaders (40 percent) were interviewed in their kraals. Traditional leaders were interviewed to identify their area and LED projects found in their community. They were interviewed to find out about unethical practices occurring and the structure responsible for violating ethical principles when dealing with LED.

3.2.3.7. LED PROJECT WORKERS AND BENEFICIARIES

The researcher randomly sampled LED projects from over one hundred existing within the GTM. Ten LED projects were randomly selected in fourteen wards. The researcher visited 10 LED projects. In the ten LED projects visited, one hundred and seventy seven workers and beneficiaries were provided with questionnaire to complete.

3.3 DATA COLLECTION METHODS.

3.3.1 INTERVIEWS.

The researcher used semi-structured interviews with members of LGS. The researcher interviewed civic leaders, municipal councillors and officials, and traditional leaders. Members of LGS were interviewed because they seem to know more about governance and ethical principles guiding those engaged in the process of LED. The semi-structured interviews afforded members of the LGS an opportunity to give reasons why certain things are happening the way they are.

The researcher has chosen the semi-structured interview method, which consists of asking respondents to comment on widely defined issues. The semi-structured interview is chosen because those interviewed are free to expand on the topic as they see fit. This view is supported by Bless and Higson-Smith (1995:107) who add that in semi-structured the interviewed are free to relate their own experience which is suitable for this study. This interview method is chosen because an interviewer can follow up ideas, probe responses and investigates motives and feelings, which the questionnaire can never do and Bell (1993:9) confirms that. This view is also supported by Welman and Kruger (1999:164) who state that this interview technique is flexible, adaptable and it can be used with different types of persons. They further emphasize that the responses obtained in this interview are of a high quality.

In this study, the researcher aimed at eliciting information from respondents in order to find out about the role of governance and ethical principles in different LED projects controlled by each of the following LGS. In this study, a semi structured interview was preferred for being specific in its intent and this is asserted by Schumacker and Macmillan (1993:251).

The researcher compiled five different semi-structured interview schedules. Interview Schedule A for the Chief Executive Officer (CEO) of the GTM area consists of four questions. Interview Schedule B for members of the standing committee of LED in the Thohoyandou Municipal Office comprises of six questions. The Interview Schedule C for municipal councillors has six questions. Interview Scheduled D being for leaders in the Forum of Civic Structures in the GTM area comprising of six questions while Schedule E for the representatives of the House of traditional leaders has five questions.

The identified five groups of respondents play a vital role in governance and ethical principles in LED initiatives and projects in the GTM area.

- One CEO of the GTM is included because he is the head of the Thohoyandou local council and being authorized by the Constitution to supervise LED processes.
- Three out of nine members of the standing committee for Local Economic Development in the Thohoyandou Municipal Office were included because they are in a better position to know all local economic development projects within the jurisdiction of the GTM area.
- Five out of fourteen municipal councillors are included because they are elected by people to represent them in local government and being familiar with local areas where LED projects are set up.
- Seven out of fifteen executive members of the Forum of Civic Structures are included because they are people's representatives and being the one that knows the grassroots needs in LED.
- Two out of five executive members of the House of Traditional Leaders are included because they are continually in contact with local people and own land where LED projects are set up.

The interview schedules are carefully structured to obtain relevant information. The following were things the interview schedules wanted to investigate (See Appendix A, B, C, D and E)

- a. LED project available in the GTM area where ethical standards are violated
- b. Whether LED projects were successful in their objectives.
- c. If the LED initiatives and projects were failing in their objectives, the possible reasons thereof.

- d. Whether members of the civic associations, municipal council and traditional authorities were violating ethical principles guiding LED.
- e. Whether bribery, corruption and nepotism are occurring in LED initiatives and projects.
- f. Whether LED funds were abused and misused.
- g. Whether disciplinary and legal measures were taken to those who violated governance and ethical principles in the process of LED.
- h. Whether the local community or individuals have benefited from the LED initiatives and projects.

The researcher conducted semi-structured interviews (See appendices A, B, C, D and E) with the CEO, members of the standing committee on LED, municipal councillors, civic leaders, and traditional leaders.

3.3.2 OBSERVATION.

The researcher used the observation technique of data collection. The researcher visited and observed LED initiatives and projects. The researcher checked the general features of the LED project, human resources and financial matters. The observation technique will afford the researcher to determine out the physical location, workers behaviour and culture, and the well being of the LED project in relation to governance and ethical principles.

The researcher has chosen a modified participant observation method because most of the LED project workers cannot read or write. As they cannot complete the structured interview and questionnaires, Welman and Kruger (1999:1300) suggest the usage of observation method. They state that the researcher will have to observe their work behaviour directly bearing in mind that there are certain behaviour which we can assess only by means of questionnaires and interviews.

The researcher through the observation method aimed at rating participants in terms of raters' collection of the participants behaviour. Welman and Kruger (1999:168) confirm the view and state that in the observation technique the researcher is the measuring instrument. In this study, the researcher will be analyzing and checking the violation of governance and ethical behaviour by those engaged on LED projects. The researcher will check the violation of ethical principles. The attitudes and behaviour of workers in the LED projects will be scrutinized.

The researcher compiled three different observation checklists. Observation checklist F for the general features of the LED projects comprising four items. Observation Checklist G being for checking human resources within the LED project consisting of four items. Observation Checklist H is for checking financial matters in the LED project having six items.

The researcher was intending to check the ethical attitudes and behaviour of the workers in the LED initiatives and projects within the GTM area. The researcher views that the general features of the LED project, human resources within the LED project and financial matters of the LED projects are of vital importance. In this study for investigating governance and ethical principles in LED. Thus the following were included:

- The general features of the LED project to be checked as it shows whether the project was doing well or experiencing problems.

- Human resources within a LED project included to enable the researcher to find out about the workers behaviour and working culture
- Financial matters of the LED project included because it could determine good or bad ethical practices. It could highlight sound management and mismanagement within an LED project.

The researcher observed managers, workers, beneficiaries and clients at different LED projects. Observation Checklists (See appendices F, G and H) that are relevant to the problems under investigation were made available for quick and systematic recording of data. Field notes were also to be prepared on the findings regarding the violation of ethical principles during the process of LED.

3.3.3 QUESTIONNAIRES.

The researcher wishes to highlight that some methodological problems in studying ethical governance may be obvious. Phaswana (2000:19) confirms the idea by stating that acts, attitudes, behaviour, customs and traditions that are considered deviant by the population, are difficult to measure with any degree of accuracy, especially considering the primary arena where they occur.

In this study, the researcher also used questionnaires as a data collection method. Leedy (1985: 135) contends that at times data lies buried deep within the minds or within attitudes, feelings, or reactions of men and women. He further argues that a common place technique for observing data beyond the physical reach of the observer is the questionnaire. The questionnaire has the added advantage that it can be sent to people in far lying areas with which the researcher may never see. It is also relatively easy to be administered by an unseasoned researcher.

The questionnaire method was chosen because it has some measure of objectivity, validity and reliability. According to Bless and Higson-Smith (1995:107), a questionnaire minimizes the role and influence of the interviewer and it enables a more objective comparison of the results. Neuman (1997:31) reiterates the view by stating that in a questionnaire the researcher manipulates no situation or condition as people simply answer questions. He adds that in a questionnaire the researcher asks many people numerous questions in a short period of time. The researcher preferred a questionnaire because it enables one to summarize answers to questions in percentages, tables or graphs. The researcher prepared questionnaires (See appendix I) consisting of eighteen questions.

In this study, workers at various LED projects are included because they are always in the situation and know what is happening at the LED projects. Beneficiaries are included, as they are people who are supposed to be assisted by the LED initiatives. They are included because of their association and interest in LED as their means of survival.

In this study, therefore, the response of members of LGS, LED project workers and beneficiaries of the programme of LED are of paramount importance. This questionnaire (see appendix I) sought to investigate the violation of ethical principles by members of the LGS in the process of LED. The questionnaire is divided into three sections as follows:

Section A is based on general information. It consists of six questions. Question one to question six. These were introductory questions intended to measure acculturation, allegiance, affiliation, association, loyalty, disability and gender of the respondents.

Section B is made out of question seven to question twelve. In this section questions were intended to measure attitudes and behaviour of respondents on ethical principles governing LED process.

Section C consists of questions thirteen to eighteen which looked at specific ethical practices at LED projects. It looked at the violation of governance and ethical principles by members of LGS in the process of LED. Focus is put on abuse of power, bribery, corruption, kickbacks, nepotism and theft. Financial abuse and embezzlement, mismanagement and misuse of LED project funds are also focused on.

3.4 PILOT STUDY

Leedy (1985:136) suggests that all data gathering instruments should be prototyped on a small population in what is often referred to as a pilot study. He recommends that every researcher should give questionnaire and interview questions to at least half a dozen friends, or neighbours, to test whether there are any items that they may have difficulty in understanding or in comprehending exactly what the researcher is seeking to determine.

For this study, the researcher tested the investigation of governance and ethical principles in the promotion of the process of LED at Gwamasenga local area. Gwamasenga area accommodates two villages Hamutsha and Tsianda. In this area various LGS are in existence. There are also LED projects. This area was chosen for pilot study because it falls under the jurisdiction of Makhado Municipality and not being part of the GTM.

The interview questions were tested on the former mayor of Vuwani-Levubu-Hlanganani, one traditional chief, one member of the territorial council, one member of the civic association and a former municipal councillor. The questionnaire was tested with a sample of two project workers and two beneficiaries.

Piloting the questionnaire and interview questions enables the researcher to verify the time needed for their completion. It enables the researcher to remove any

items, which do not yield valuable data. Serious faults, which were discovered in the interview questions and questionnaires, were changed. The changes that were made came as a result of this initial study.

3.5. PROBLEMS ENCOUNTERED DURING THE COLLECTION OF DATA.

The process of collecting data from all members of the LGS on governance and ethical principles in the GTM was problematic for the following resources.

It was difficult to arrange interview meetings with members of LGS such as civic associations, municipal council and traditional authorities. It was difficult and expensive to interview civic leaders who were to be visited in their homes. Some were not ready to answer the questions during the presence of the researcher and wanted the interview schedule to be given to them so that they could fill it on their own being very free.

According to Khuba (1993: 4) the Vhavenda chief is always kept away from commoners who may see him with his consent. Khuba (1993:58) adds that the Vhavenda chief's head is termed 'thavha' (mountain) and as the mountain refers to the highest point as compared to the sea level, it is always not easy to reach the mountain. It was problematic to meet TA. Time and money had to be spent in order to meet traditional authorities for interviews as arranged and scheduled. The researcher was at one stage suspected of being a secret agent with an ulterior motive for ending traditional leadership. During the course of the interview some would ask what the researcher thought should be done.

It was also difficult to set up interviews with municipal councillors and officials due to their job-related commitments. It was difficult to interview the chief executive officer, members of the municipal standing committee on LED and ward municipal councillors. It was not easy to interview councillors and officials who felt that their positions were being threatened by the questions.

The observation method was also having problems as LED project workers; beneficiaries and clients were always suspicious of visitors on their site. Some did not want to cooperate with someone who just came to see, check and inspect their LED project site.

The usage of the questionnaire as a data collection tool did result into the rise of unforeseen problems. Questionnaires had to be taken to various LED projects scattered within the jurisdiction of the GTM area. LED project workers and beneficiaries encountered problems with the questionnaire. LED project workers in some cases thought that filling in the questionnaire would subject them to victimization. Some of the beneficiaries of the LED initiatives and projects refused to fill in the questionnaire. Others were therefore not always willing to give the true information.

3.6 CONCLUSION

This chapter presented the various techniques employed in collecting data related to governance and ethical principles in LED. Data from respondents including the CEO, members of the LED standing committee, Ward Councillors, members of the civics, members of the House of Traditional Leaders, LED project workers and beneficiaries were found.

CHAPTER 4

DATA PRESENTATION, ANALYSIS AND INTERPRETATION.

4.1. INTRODUCTION.

In this study the researcher, has employed various methods of collecting data related to the promotion and violation of ethical governance in LED initiatives and projects. Data was collected from respondents through interviews, questionnaires and observation.

In this chapter the researcher will present and analyse data from respondents such as the CEO of the Greater Thohoyandou Municipal Council, members of the standing committee on LED, municipal councillors, civic leaders, traditional leaders, project managers and workers.

4.2. DATA OBTAINED THROUGH INTERVIEWS.

4.2.1. DATA OBTAINED THROUGH INTERVIEW WITH THE CHIEF EXECUTIVE OFFICER OF THE GREATER THOHOYANDOU MUNICIPALITY COUNCIL (SEE APPENDIX A).

Responses.

The one and only CEO was interviewed and indicated dissatisfaction with the involvement of the CA and TA in LED issues.

The CEO gave the following answers:

Question 1 (See Appendix A):

Are you in charge of all LED initiatives and projects within the GTM?

Response

The CEO indicated that since the inception of the transitional local council system he had been responsible for facilitating LED issues. He highlighted that his authority is limited to LED projects initiated by the Department of Local Governments and those whose funds were secured by the MC. He stated that he does not have authority on LED projects that originated before 1995 and those founded by the local communities and funded by other sectors.

Question 2 (See Appendix A):

Is there no corruption in LED projects under your authority?

Response

The CEO stated that corruption is a very complex process which cannot be unearthed easily. He pointed out that he never of any corrupt and unethical behaviour taking place with LED projects initiated by MC. He highlighted that the collapse of some LED projects symbolizes that unethical behaviours were taking place and this is not happening on those supervised by the MC.

Question 3 (See Appendix A):

Which LGS is violating governance and ethical principles on LED projects and how?

Response

The CEO disapproves the classification of the CA and TA as local government structures basing his argument on Section 83 of the Local Government: Municipal Structures (Act 117 of 1998). He emphasized that constitutionally it is only the MC authorized to deal with LED. According to him the CA and the TA have no room on LED initiatives and projects. They are not conversant with their role on LED as there is no legislation mandating them.

Question 4 (See Appendix A):

Suggest ways in which governance and ethical principles could be enforced on members of LGS towards the promotion of LED?

Response

The CEO highlighted that Municipal Councillors and officials know of acceptable ethical and guiding principles of LED. He wanted municipal councillors and officials to be empowered with managerial skills aimed at effective and corruption – free LED. He stated that strategies on the involvement of the CA and TA on LED are to be sought.

It seems as if the CEO agrees that good governance and ethical principles are a key to sustainable LED. He attributes this mainly to the rule of law. He blames the CA and TA for unethical behaviours on LED. The CEO suggested that only one LGS should be empowered to control LED initiatives and projects being governed by the passed legislation. He wanted the legally elected structure to be subjected to guiding ethical principles.

4.2.2 DATA OBTAINED THROUGH THE INTERVIEWS WITH MEMBERS OF THE GREATER THOHOYANDOU MUNICIPALITY COUNCIL'S STANDING COMMITTEE ON LED (SEE APPENDIX B)

Responses.

Three members (33 percent) of the Municipal Council's standing committee on LED were interviewed and indicated that bad governance and unethical behaviours are affecting LED initiatives and projects to achieve their main objectives.

The most significant responses is a clear indication that members of the MC's standing committee on LED are dissatisfied and powerless.

Question 1 (See Appendix B):

Are you satisfied with the manner in which LED projects are administered within your area?

Response

Members of the municipal council's standing committees on LED indicated that they are not quite happy with the manner in which LED. Projects are being administered. They highlighted that they lack authority over some of the projects funded by other sector departments and parastatals. According to them shortage of manpower to monitor and supervise all LED projects is promoting unethical practices.

Question 2 (See Appendix B):

Are LED projects achieving their objectives within your local area?

Response

Members of the Standing Committee on LED highlighted that LED projects are not achieving their objectives due to bad governance and unethical practices. They sighted the increase of unemployment and poverty levels as a sign of the failure of the LED to provide employment to the locals. They stated that the LED is not eliminating poverty as some projects are manned by distant relatives and political allies.

Question 3 (See Appendix B):

Give ethical governance problem(s) experienced in the promotion of LED in your area?

Response

Members of the MC Standing Committee on LED cited corruption, financial mismanagement, gender inequality and nepotism as some of the common problems experienced in the process of promoting LED initiatives and projects.

Question 4 (See Appendix B):

How did you deal with corruption and unethical practices in LED initiatives and projects within your area?

Response

Members of the MC Standing Committee on LED indicated that it is not easy to detect corrupt and unethical practices. They stated that they avoid one man show and let the finance department to deal with money issues. They opted for the

enforcement and promotion of accountability and transparency in all LED dealings.

Question 5 (See Appendix B)

Are you of the opinion that all members of the LGS understand their roles in LED?

Response

Members of the Standing Committee on LED stated that the civic and traditional leaders are not conversant with LED issues as prescribed by the Constitution of the Republic of South Africa. They highlighted that there is lack of co-operation amongst LGS to foster and enforce understanding.

Question 6 (See Appendix B):

Is there transparency and openness in all LED initiatives and projects within your area?

Response

Members of the Standing Committee on LED pointed out that transparency is only existing in LED projects funded by the Department of Local Government and administered by the MC. They highlighted that the Municipal Council's Standing Committee is not mandated to control all projects as some are under private ownership. They cited that project managers of private LED projects are not subjected to regular submission of financial statements like the ones under the control of the MC.

It would appear that members of the standing committee on LED are optimistic that LED projects could provide solution to unemployment and poverty if all of them are placed under their authority and supervision. They need to be authorized to be in charge of all LED initiatives and projects. They hope that with more staff, they can uproot unethical practices affecting the smooth running of LED projects. Members of the standing committee on LED believe that civic associations and traditional authorities cannot use LED for community development, as they are not legally authorized to do so. The reason seems that the civic and traditional leaders cannot be held responsible for violating governance and ethical principles on LED as they are not shouldered that responsibility by any legislation. They cannot be held accountable for LED issues.

4.2.3 DATA OBTAINED THROUGH INTERVIEWS WITH WARD MUNICIPAL COUNCILLORS OF THE GREATER THOHOYANDOU LOCAL AREA (SEE APPENDIX C):

Responses.

Five municipal councillors (36, percent) of the GTM were interviewed and they indicated that the LED initiatives and projects within their respective wards are achieving their objectives with good governance and ethical principles.

The most significant responses is a clear indication that LED initiatives and projects are effective on providing better life for all.

Question 1 (See Appendix C)

Name LED project(s) found within your ward?

Response

Municipal councillors named a variety of LED projects. They cited projects such as the following: household water supply, housing development, electrification of households, roads and transportation systems, sites demarcation, agricultural projects, youth development programme, home based health care, HIV/Aids Awareness, sports and recreation programmes, crime prevention programmes, education and training programme, and SMME.

Question 2 (See Appendix C):

Which LGS is responsible for the growth and development of LED projects within your ward?

Response

Municipal councillors named the Municipal Council's Standing Committee, ward committees. Civics and traditional leaders as LGS responsible for the growth and development of LED projects within their wards.

Question 3 (See appendix C):

Are you satisfied with the involvement of the CA and TA in LED initiatives and projects?

Response

Municipal Councillors expressed their satisfaction on the involvement of the CA and TA in LED initiatives and projects. They highlighted the necessity off local and public involvement. They regarded this as another way of promoting

openness and transparency. They stated that this promotes public ownership of the LED project.

Question 4 (See appendix C):

Between the CA and TA which structure is violating ethical principles in the promotion of LED and how?

Response

Municipal councillors stated that TA sometimes violate ethical principles in LED. They pointed out that conservative TA do not understand the division of power. According to them some of the traditional leaders compete with elected municipal councillors.

Questions 5 (See Appendix C):

How do you view the 'nduvho' system?

Response

Municipal Councillors stated that they are not opposed to the cultural and traditional way of doing things. They highlighted that good and caring cultural ethics like bringing presents to the chiefs to be maintained for the benefit of local community. Some of the Municipal councillors wanted the unethical and inhuman practices like the one of having sex with the chief to be done away with.

Question 6 (See Appendix C)

Are you suggesting that there should be change in the management of LED within your ward?

Response

Most of the Municipal Councillors thought it was not necessary to change the management of LED. They wanted all LGS to do as prescribed by the National Government. They are of the opinion that LED should be left under the control and supervision of the MC.

From the above information it is clear that the ward municipal councillors believe that LED is the correct solution to end unemployment and poverty. They want all LGS to complement each other. They want joint ventures and the rule of law to be enforced. The municipal councillors blame some of the TA for frustrating LED initiatives and projects. They also acknowledge traditional leadership as an important role player in LED.

4.2.4 DATA OBTAINED THROUGH INTERVIEWS WITH MEMBERS OF THE GREATER THOHOYANDOU FORUM OF CIVIC STRUCTURES (SEE APPENDIX D)

Responses.

Most of the civic leaders were not ready to be interviewed. Seven (47 percent) of those who co-operated indicated that bad governance and unethical practices on LED initiatives and projects are perpetuated by members of the municipality council and traditional authorities.

The following are the common views expressed by most of the civic leaders concerning governance and ethical principles in LED.

Question 1 (See Appendix D):

Name LED initiatives and projects found within your locality?

Response

Civic leaders named a variety of LED projects such as agricultural projects, piggery, poultry farming, bakeries, dressmaking, brickmaking, fence making, candle making and tuckshops found in their local areas.

Question 2 (See Appendix C):

Name LGS responsible for the growth and development of LED projects within your local area?

Response

Civic leaders stated that the CA, MC and TA are responsible for the growth and development of LED projects within their respective areas.

Question 3 (See Appendix D)

Do you think members of the MC and TA require more information concerning their responsibilities in LED?

Response

Most of the civic leaders agreed that members of all LGS need more information concerning their role and responsibilities in LED. They stated that members of all LGS need more information to do away with clash of interests and top-bottom approach. They pointed out that more information helps to stop imposed and facilitate the rise of negotiated projects.

Question 4 (See Appendix D)

State ethical governance problems that you think should be addressed to promote LED in your local area?

Response

Civic leaders pointed out that the promotion of LED in their respective locality is facing ethical governance problems. They wanted these ethical problems taking place in the form of power struggles involving various LGS, the tendency of demanding payments for services not rendered and the bad tendency of not consulting relevant structures and people to be addressed.

Question 5 (See Appendix D):

Explain whether bribery, corruption and nepotism are practiced in LED projects within your locality?

Response

Civic leaders pointed out that unethical practices occur in their local areas. They stated that tenders are granted to unsuitable people and thus violating laid principles. They cited examples where municipal officials were accused and arrested for bribery. They further gave examples of corruption occurring when consultants overcharge high fees and collude with municipal officials. They stated that members of the projects steering committee abuse their authority by employing their close associates. According to the civic leadership nepotism is in existence where close relatives and political comrades are employed in MC and LED projects.

Question 6 (See Appendix D):

Give suggestion on how members of the MC and TA could improve governance and ethical conduct towards an effective LED free of corruption?

Response

Civic leaders suggested the promotion of public participation in planning, implementation and sharing stages. They wanted members of the LGS to avoid 'top-bottom' approach based on constitutional and consanguinity rights. They emphasized that members of all LGS should adopt the principles of Batho Pele (People First)

It would appear that members of the civic associations regard themselves as watchdogs protecting ordinary people from unethically elected and congenial leaders. In the researcher's opinion the civic leaders blame the municipal officials and traditional leaders for corruption. Civic structures are dominated by political ideologies and therefore they are very suspicious to those on leadership position.

4.2.5. DATA OBTAINED THROUGH INTERVIEWS WITH CHIEFS WHO ARE MEMBERS OF THE HOUSE OF TRADITIONAL LEADERS (See APPENDIX E)

Responses.

Two (40 percent) traditional leaders were nominated representing royal families and tribal councillors found within the jurisdiction of the Greater Thohoyandou Municipality Council. They argued that one chief was representative enough to arrive at valid conclusion as he represent the House of traditional leaders. The two chiefs interviewed indicated that they are not quite satisfied with the

involvement of civic structures in LED. They also indicated that they need more information regarding their role and responsibility in LED.

Question 1 (See Appendix E):

Name LED projects(s) found within your community?

Response

The traditional leaders mentioned the existence of a variety of LED projects. They cited the community bakeries, piggeries, poultry farms community gardens, agricultural projects, housing projects and art and craft centres as examples of LED projects found in their community.

Question 2 (See Appendix E):

Are you of the opinion that the CA can use LED to improve the social and economic condition of your community?

Response

The traditional leaders stated that the CA does not have room in LED. The Constitution of the Republic of South Africa does not stipulate the legal implications of their functions. They pointed out that there is no clarity on their role in LED. They highlighted that civic leaders disrespect culture and tradition and work for self-enrichment. They pointed out that civic leaders are politically corrupt and that they are politically biased and therefore they cannot improve the social and economic conditions of their political foes.

Question 3 (See Appendix E):

Between the CA and MC which LGS is responsible for violating governance and ethical principles and how?

Response

The traditional leaders blamed CA for bad governance and unethical practices. They stated CA are deploying and employing their comrades in LED projects. They highlighted that CA are undermining TA.

Question 4 (See Appendix E):

How is the system of public participation and transparency in LED initiatives and projects within your community?

Response

The traditional leaders indicated that they system of public participation and transparency is a necessity for successful LED projects. They stated that the public should be represented by their good leaders in LED projects. They pointed out that civic leaders should not participate in LED projects, as they are full of corruption.

Question 5 (See Appendix E)

Give your suggestion on major changes to be implemented on LGS to promote ethical governance on LED in your community?

Response

The traditional leaders suggested that they want to co-operate with the municipal councillors and officials on LED initiatives and projects because the laws govern them. They stated that the LED initiatives and projects should be controlled by the MC and TA as they are legitimate LGS.

From the above information it is clear that the traditional leaders that civics cannot use LED effectively to provide employment and fight poverty. The reason seems to be that CA are not legally mandated to deal with LED. Civics do not represent the whole community but their political allies. CA are biased and therefore cannot be involved in LED. They lack guidance in the promotion of LED initiatives and projects.

4.3. DATA OBTAINED THROUGH OBSERVATION.

4.3.1. DATA OBTAINED THROUGH OBSERVATION CHECKLIST ON THE GENERAL FEATURES OF THE LED PROJECTS. (SEE APPENDIX F)

Question 1 (See Appendix F):

Where is your LED project located?

Response

Ten (100 percent) LED projects were visited by the researcher within the GTM area. The researcher observed that six (60 percent) of the visited LED projects were located in backward rural area, three (30 percent) in advance rural area and one (10 percent) in semi- urban area.

Question 2 (See Appendix F)

How is the structural condition of your LED project?

Response

The appearance of the structural condition was good in three (30 percent) LED projects Five (50 percent) of the projects visited were fair and in two (20 percent) of projects visited the condition were generally poor.

Question 3 (See appendix F):

How is the management structure of your LED project?

Response

The management structure in seven (70 percent) of the projects visited was not clear. Three (30 percent) of the projects visited had no existing management structure within the project.

Question 4 (See Appendix F):

How is the working environment in your LED project?

Response

In eight (80 percent) of the projects visited, workers demonstrated loyalty and respect for one another and they were all present at work. In two (20 percent) of the projects visited, workers behaviour left much to be desired. In one project the workers did not know where their supervisor was and many of them did not turn up for work.

From what had been observed regarding the general features of the LED projects it would seem that many of them are located in poor rural areas dominated by illiterate people who care less about management issues. As good management is not viewed as a necessity and an obligation for project performance bad governance and unethical principles usually crop up where workers had free reign. In some LED projects, workers were not serious and committed in work-business as they stayed at home and some were found basking in the sun. Corruption breeds easily in such environments.

4.3.2. DATA OBTAINED THROUGH OBSERVATION CHECKLIST TO THE HUMAN RESOURCES ON LED PROJECTS (SEE APPENDIX G)

Question 1 (See Appendix G):

How is the age group of your LED project workers?

Response

In eight (80 percent)) of the LED projects visited, the age group of workers vary between too young and the not-so-old.. In two (20 percent) of the projects visited the age group is very similar composed of young adults whose age range from 18 to 28.

Question 2 (See Appendix G):

How is the gender representation in your LED project?

Response

In eight (80 percent) of the LED projects visited the gender representation is for more women and few men. In two (20 percent) of the project visited the gender representation is worst as there are only female workers who could be easily exploited and harassed by corrupt and unethical members of the LGS.

Question 3 (See Appendix G):

How is the representation of the physical disable people in your LED project?

Response

The physically disabled representation was pathetic in nine (90 percent) of the LED projects visited as those who are crippled and handicapped were left out. In one (10 percent) of the projects there was only physically challenged workers, e.g. Thusanani Self-help project for the handicapped.

Question 4 (See appendix G):

How is the attitude of the LED project workers when it comes to time?

Response

Four (40 percent) of the LED projects visited had time-conscious workers who responded promptly to ringing of the bell or whistle. In six (60 percent) of the projects visited, workers were not time conscious. Most of the workers arrived very late and knock off very early. Some spent time busking in the sun during working hours.

With regard to the human resources in LED projects it would seem as if the workers were made to be vulnerable for corruption. The LED project were set up in backward rural areas and manned mainly by youth at the working ages faced with the unemployment problem rocking the whole of South Africa. As they are poor and from poverty-stricken areas they were to accept any kind of means to improve their conditions. Due to that they became easy prey for corruption. As many of the workers in LED projects were unmarried, divorced and frustrated females and those that are physically disabled, advantages were taken on them as they were in dire need any form of financial assistance. Lack of strict rules in most of the LED projects was an indication of bad governance, which promote unethical practices to develop without being challenged by the work force.

4.3.3. DATA OBTAINED THROUGH OBSERVATION CHECKLIST ON FINANCIAL MATTERS OF THE LED PROJECTS. (SEE APPENDIX H)

Question 1 (See Appendix H):

Who is controlling the finance of your LED project?

Response

In seven (70 percent) of the projects visited, it was clear that workers structures were controlling the finance. In two (20 percent) of the projects visited the financial matters were controlled by civic leaders. In one (10 percent) of the project the traditional leaders were in charge of the finance.

Question 2 (See Appendix H):

How is status of finance in your LED project?

Response

In eight (80 percent) of the LED projects the financial matter is less important but what is important is to sustain their initiative for present and future usage. They started with virtually nothing and spent many months without earning. In two (20 percent) of the projects the financial matter is very important. Finance is needed for the well being and function of the project as stock needs to be purchased just like in a tuckshop.

Question 3 (See Appendix H):

How is the financial management system of your LED project?

Response

In all ten (100 percent) LED projects the financial management system seemed to be very good. There are financial committees responsible for financial management within the projects. The projects steering committees oversee and co-ordinate the outflow and inflow of finance from external sources.

Question 4 (See Appendix H):

How do customers and buyers visit your LED project?

Response

Buyers and customers always visits four (40 percent) of the visited LED projects. In six (60 percent) of the visited projects buyers and customers sometimes call.

Question 5 (See Appendix H):

Do financial officers in your LED project comply to ethical principles?

Response

Financial officers in eight (80 percent) of the projects visited adhere to ethical principles very compliantly by sticking to all rules and regulations regarding the control of public finance. In two (20 percent) of the projects it was found that financial officers were not at all compliant to ethical principles. They care less of the future of their projects. They regard their project as the baby of members of project steering committee and local government structures.

Question 6 (See Appendix H):

How is bribery and corruption taking place in your LED project?

Response

In nine (90 percent) of the visited LED projects bribery and corruption was found to be not existing at all. In one (10 percent) of the projects it was discovered that bribery and corruption was existing on analyzing the amount paid to constructors who set and repair structures.

The researcher wishes to point out that checking corruption in projects where money is exchanged is a very complicated and difficult exercise. Operators of corrupt and unethical practices are very intelligent people who manipulate financial matters from the beginning to the end of the LED projects. As they are part of the planning, implementation and maturity level of the projects it is not easy to detect them. In all ten (100 percent) of the visited LED projects it became evident that those on the projects were sensing the existence corrupt behaviour

caused by members of the LGS and other stakeholders. Project management committees were overruled by the project steering committees. Corruption was placed on members of project steering committees who collude with consultants. Project steering committees were made out of people loyal to the civic associations, municipal council and traditional authority.

4.4. DATA OBTAINED THROUGH QUESTIONNAIRES.

4.4.1. DATA OBTAINED THROUGH QUESTIONNAIRES FROM PROJECT WORKERS AND BENEFICIARIES REGARDING THE GENERAL INFORMATION ON LED (SEE APPENDIX I, SECTION A).

After administering the questionnaires, the following was extracted:

Section A (See Appendix I):

Question 1 (See Appendix I):

Are you a male or female?

Response

Forty-two (23,7 percent) of the respondents were males whereas one hundred and thirty five (76,3 percent) were females. See Figure III on the respondents gender profile.



With reference to Figure III, it became very clear that the majority of LED project workers and beneficiaries were females who were vulnerable to exploitation on cultural bases of the Vhavenda people.

Question 2 (See Appendix I)

Are you physically challenged?

Response

Eight (4,5 percent) of the respondents indicated that they were physically and not mentally challenged whereas one hundred and sixty-nine (95,5 percent) were not physically disabled.

Question 3 (See Appendix I):

Are you political active?

Response

Seventy-two (41 percent) of the respondents indicated that they were political active and one hundred and five (59 percent) were not political active and did not belong to any political party.

Question 4 (See Appendix I):

Are you staying in the rural or urban area?

Response

One hundred and fifty (84,7 percent) respondents indicated that they were staying in rural areas whereas twenty-seven (15,3 percent) were urban dwellers.

Question 5 (See Appendix I):

Are you related to anybody on the management level of your LED project.

Response

Fifteen (8,5 percent) respondents indicated that they were having close associates within LED projects whereas one hundred and sixty two (91,5 percent) were not related to anybody serving on management or steering committee.

Question 6 (See Appendix I):

How is the position of your relationship with those on management level within your LED project?

Response

Five (33,3 percent) of the respondents indicated that were having close relatives whereas ten (66,7 percent) were having distant relatives.

With regard to the response given on general information of the LED projects it would seem as if most of the LED projects in rural areas are manned by ignorant women folk. CA and TA who supervise LED projects dominate the poor and ignorant women. As many are unmarried, divorced and frustrated they became victims of corrupt leaders who took advantage on them. Some of the women claim that they are being exploited sexually and compensated by being offered employment in LED projects. Again it seems as if the project workers and beneficiaries did not regard the CA, MC and TA as political structures. As most of them are on LED projects due to the influences of members of LGS ethical governance principles had been sacrificed.

4.4.2. DATA OBTAINED THROUGH QUESTIONNAIRES TO PROJECT WORKERS AND BENEFICIARIES CONCERNING THEIR ATTITUDES AND BEHAVIOURS ON LED INITIATIVES AND PROJECTS (SEE APPENDIX I, SECTION B)

Section B (See Appendix I):

Question 7 (See Appendix I):

Ethical principles guard against corruption and misconduct in public service.

Response

Strongly Agree		Agree		Disagree		Strongly Disagree	
90	50,8%	50	28,2%	30	16,9%	7	4,1%

Question 8 (See Appendix I)

Before 1995 there was no ethical principles guiding LED in the former Republic of Venda.

Response

Strongly Agree		Agree		Disagree		Strongly Disagree	
69	39%	40	22,6%	25	14,1%	43	24,3%

Question 9 (See appendix I):

The application of ethical governance on LED in the GTM area is the product of the new dispensation.

Response

Strongly Agree		Agree		Disagree		Strongly Disagree	
72	41%	40	23%	35	20%	30	4,1%

Question 10 (See Appendix I):

Civic associations are promoting LED initiatives and projects.

Response

Strongly Agree		Agree		Disagree		Strongly Disagree	
45	25,4%	64	36,2%	50	28,2%	18	10, 2%

Question 11 (See appendix I):

Municipal councillors and officials are eliminating poverty and unemployment through LED programmes.

Response

Strongly Agree		Agree		Disagree		Strongly Disagree	
32	18,1%	58	32,8%	52	29,4%	35	19,7%

Question 12 (See Appendix I):

Traditional leaders are frustrating LED initiatives and projects.

Response

Strongly Agree		Agree		Disagree		Strongly Disagree	
49	27,7%	67	37,9%	21	11,9%	40	22,5%

See Figure IV for Graphical Presentation of Questions 7 to 12.

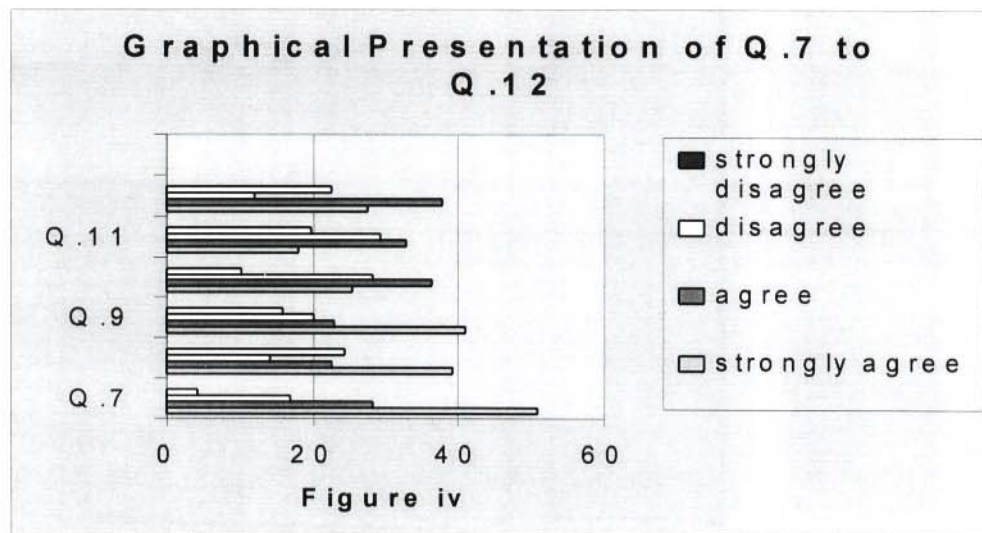


Figure IV indicates the attitudes and behaviours of project workers and beneficiaries on LED initiatives and projects. It is apparent from the graphical presentation that the project workers and beneficiaries view ethical governance as a cornerstone for successful and effective LED programmes. It is quite obvious that the project workers and beneficiaries' loyalty and support are divided. Their support is spread and divided amongst the civic, municipality and traditional authority. Workers who either support a certain LGS or oppose another form the LED projects. The existence of the cabal system allows bad governance and unethical practices to flourish with ease and unhindered. Project workers and beneficiaries either support the CA and MC or TA and MC. They support the structure, which initiated the LED project, and this promotes corruption.

4.4.3. DATA OBTAINED THROUGH QUESTIONNAIRES TO PROJECT WORKERS AND BENEFICIARIES WITH REGARD TO GOVERNANCE AND ETHICAL PRINCIPLES ON LED INITIATIVES AND PROJECTS (SEE APPENDIX I, SECTION C).

Question 13 (See Appendix I):

Section C (See Appendix I):

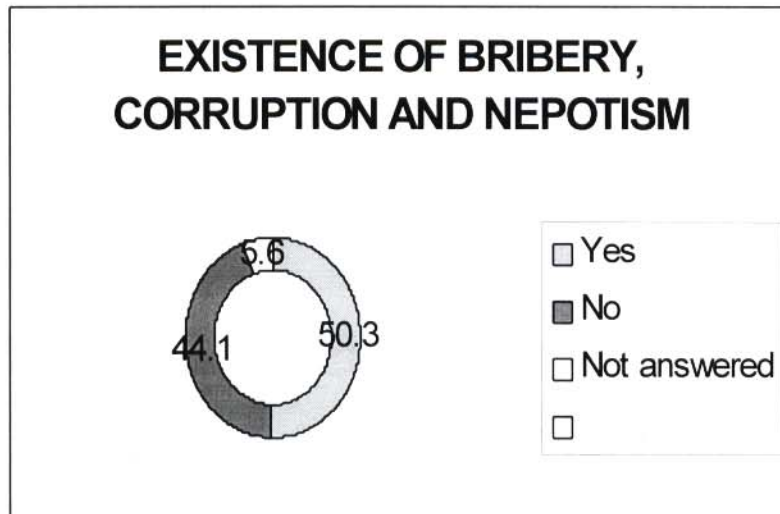
Are bribery, corruption and nepotism taking place in your LED project?

Response

Yes		No		Not Answered	
89	50,3%	78	44,1%	10	5,6%

See Figure V

Figure V shows that corrupt and unethical practices are taking place within LED projects.



The majority of the respondents acknowledge that bribery, corruption and nepotism are rife in LED projects. The presence of about 5,6% who did not answer shows that they were hiding something. This enables one to conclude that bribery, corruption and nepotism are the order of the day in LED project within the GTM.

Question 14 (See Appendix I):

Which local government structure is responsible for bribery, corruption and nepotism in your LED project?

Response

Civic Association		Municipal Council		Traditional Authority	
33	37%	20	22,5%	36	40,5%

See Figure VI

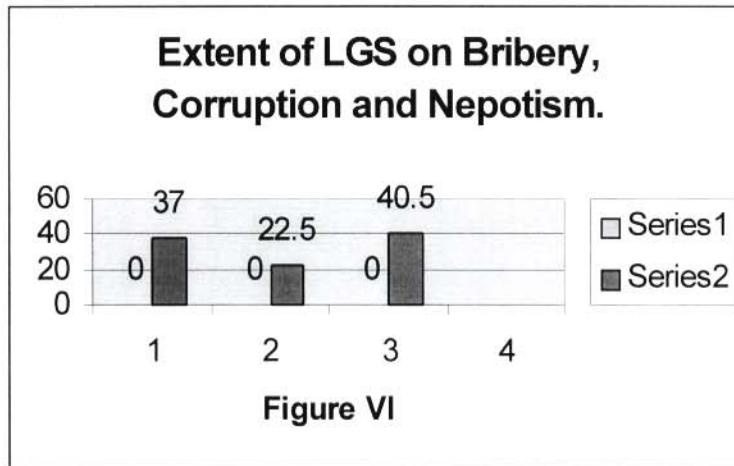


Figure VI deals with the extent of LGS on bribery, corruption and nepotism. According to Figure VI the TA are highly responsible for bad ethical governance. The second structure responsible for unethical practices is the CA. On the third place we have the MC violating ethical standards on LED projects.

Question 15 (See Appendix I):

How is corruption taking place?

Response

Abuse of Authority/ Mismanagement		Bribery/ Kickbacks		Nepotism/Favouritism		Stealing Theft	
35	39,3%	34	38,2%	15	16,9%	5	5.6 %

Question 16 (See appendix I):

Do you know where to report corruption committed by members of LGS dealing with LED?

Response

Yes		No	
27	15,3%	150	84,7%

Question 17 (See Appendix I):

Do you know of any member of any local government structure ever arrested for corruption when dealing with LED finance?

Response

Yes		No	
60	33,9%	117	66,1%

Question 18 (See Appendix I):

Recommendations from LED project workers and beneficiaries with regard to the promotion of governance and ethical principles in the projects within their respective areas.

- Project workers and beneficiaries should be empowered with ethical principles and managerial skills aimed at effective LED
- The reduction of the authority and influence of the traditional leaders on LED.
- Strategies on civic involvement are to be sought for the sake of broad representative of all local people on LED.

- To de-politicize project steering committees.
- To stop consultants and contractors from over changing and misusing the project funds.
- Regular inspection and monitoring of LED projects.
- Stakeholders should co-operate.

With regard to the information gathered from project workers and beneficiaries on governance and ethical principles, it appears as if bad governance and unethical principles are occurring within LED projects. That governance and ethical principles seem to be violated came to light when various LGS were cited as responsible for bribery, corruption and nepotism. It appears as if project workers and beneficiaries are in the know of the existence of bad governance and unethical principles taking place in LED initiatives and programmes. The recommendations from project workers and beneficiaries suggest that they want good governance and ethical principles to be adopted and maintained for effective LED for providing better life for all.

4.5. CONCLUSION.

In this chapter, the researcher presented, analysed and interpreted data obtained through the interviews, observations and questionnaires. Raw data from respondents (including the chief executive officer of the Greater Thohoyandou Municipal Council, members of the Municipal's standing committee on LED, ward Municipal Councillors, members of the Thohoyandou Forum of Civic Structures, members of the House of Traditional Leaders, LED project workers and beneficiaries) were given. The obtained data was analysed and also interpreted without bias.

CHAPTER 5

FINDINGS, CONCLUSION AND RECOMMENDATIONS.

5.1. INTRODUCTION.

In this study the researcher wanted to disclose the problems undermining LED. The role of good governance and ethical principles on LED initiatives and projects were highlighted. Data from respondents revealed that bad governance and unethical practices were taking place.

In this chapter the findings and conclusions of this investigation will be stated. Recommendations regarding the improvement of LED programmes will be made. The findings of this investigation are summarized here under.

5.2. FINDINGS.

5.2.1. GENERAL FINDINGS.

- Local communities desire to use LED initiatives and projects to improve their standard of living but are faced by bad governance and unethical practices incited by some members of LGS.

- The lack of constitutional mandate of the CA and TA to carry out the LED programmes in the new democratic RSA is a bone of contention. The result is a definite bad governance and unethical practices for self development instead of developing local people.

- Good governance and ethical principles enshrined in the Constitution of the RSA, (Act 108 of 1996), Public Finance Management Act (Act 1 of 1999) and Batho Pele – “People First” White Paper on Transformation Public Service Delivery (Notice 1459 of 1997) has so far not succeeded in changing the attitudes and behaviours of some corrupt members of LGS dealing with LED.
- The LED initiatives and projects have so far not succeeded in providing a better life for all local people due to the existence of bribery, corruption, kickbacks and nepotism.
- The violation of ethical governance on LED has so far placed many projects at stake.

5.2.2. FINDINGS PERTAINING TO THE CHIEF EXECUTIVE OFFICER, MEMBERS OF THE LED STANDING COMMITTEE AND WARD COUNCILLORS OF THE GREATER THOHOYANDOU MUNICIPAL COUNCIL.

- The CEO, members of the LED standing committee and ward councillors of the Greater Thohoyandou Municipal Council believe that their LGS is the sole custodian of all LED initiatives and projects.
- They believe that civic and traditional leaders are exploiting LED initiatives and projects.
- The CA and TA are not conversant with LED programmes and cannot use them effectively to alleviate poverty, provide employment and develop local infrastructure.

- Municipal councillors and officials are not having mandatory right over all LED projects within the GTM area.
- The Greater Thohoyandou Municipal Council is not capable of managing governance and ethical principles in LED initiatives and projects.
- Relationships between the MC and CA and TA leaves much to be desired.
- Political affiliation and alignment has a negative impact on governance and ethical practices on LED initiatives and projects in the sense that it leads to tension and misunderstand amongst workers and beneficiaries.
- The role of the MC on LED are clearly defined and the South African government enacted many legislations concerning their ethical governance.
- Members of the MC are very harsh and not friendly to the citizens for whom LED are meant.
- Some of the Municipal Councillors and officials are very much unethical and selfish, in that they do LED things on their own without any consultation whatsoever.
- Some abuse the powers they have to their own personal advantage that is family matters and or personal businesses.
- Some people living in urban areas feel that the MC is providing LED to rural areas and people who are enjoying the privilege of good economic growth and development are rural dwellers.

- There is a lot of nepotism and favouritism within the Greater Thohoyandou Municipality Council and 22,5 percent of the respondents confirmed it
- Some of the Municipal Councillors and officials were arrested for corruption.
- Some were arrested for theft and other unethical practices, as they are wholly interested in self-enrichment at the expense of the local people.

5.2.3. FINDINGS PERTAINING TO MEMBERS OF THE FORUM OF CIVIC STRUCTURES.

- Members of the CA believe that they have the right to participate in all LED initiatives and projects as they represent local people.
- Civic leaders regard themselves as the overseeing councillors and the chiefs.
- There is great enmity between the civics, the councillors and the chiefs.
- The CA is officially authorised to foster transparency in LED.
- The civic desire to use LED for providing better life for all but are held by a variety of good reasons, namely lack of knowledge and lack of resources.
- The role and objectives of the CA on LED are not clearly defined.
- Members of the CA are not conversant with their role on LED.
- Many of the civic leaders are political activists and they lack impartiality

- There is confusion involving the CA, the MC and TA and people can not even differentiate between their responsibilities and the activities each one of them has undertaken or is busy with on LED issues.
- Many members of the CA are not fit to represent local communities. Many of them are very arrogant and not ready to co-operate with people they do not know.
- Some members of the CA are so ignorant to such an extent that they know absolutely nothing about LED initiatives and projects happening within their community.
- The civic leaders are more concentrating on social and political matters. Some are aspiring for high political posts and use LED programmes to employ their supporters.
- Members of the CA and their lackeys dominate most of the LED steering committees.
- There is a lot of nepotism and favouritism within the LED project's steering committees dominated by the civic members and 37 percent of the respondents supported that.
- Kickbacks seemed to be exchanged by civic leaders, consultants and contractors in some LED projects during the planning and implementation stages.
- Despite the huge funding to LED projects, many of LED Projects start operating in good infrastructure but with virtually no money for day-to-day usage. This can be ascribed to the mismanagement of funds by project

steering committee members. They collude with consultants and contractors who overcharge the community for their services.

5.2.4. FINDINGS PERTAINING TO MEMBERS OF THE HOUSE OF TRADITIONAL AUTHORITY.

- All the traditional leaders who were interviewed believe it is necessary to use the LED to redress the rural area and people.
- Most of the traditional leaders are not able to use the LED effectively. The reason therefore is that the Chiefs are not being trained on such fields, as they are not constitutionally mandated to deal with LED initiatives and projects.
- TA cannot use the LED effectively because of lack of new knowledge. Many of the chiefs are clinging to the traditional past and are not conversant with the recent changes and create problems within LED programmes.
- TA are the main custodian of the land where LED projects are set up.
- Traditional leaders are conservatives who are not ready to accept changes. Chiefs must be flexible for LED to achieve its objectives.
- In some areas the chief is excluded from the LED activities by ward councillor and the civic structure.
- Some chiefs are promoting good governance and ethical principles by enforcing that all development structures account to both the chief and the civic.

- Some of the TA are not working closer with the MC and the CA.
- Some of the chiefs do not behave like “human beings” and they are not fair at all in LED initiatives and projects.
- Some of the chiefs abuse their cultural and traditional powers on LED programmes.
- TA are very selfish and in some instances they do things on their own without any consultation whatsoever as they still believe in absolutism.
- Some of the chiefs are concentrating on their own personal issues and they employ their family members, relatives and friends in LED initiatives and projects.
- There is no understanding between the chiefs, the civic and councillors over LED issues and it seems as if some of the chiefs have been deposed by the councillors and or civic leaders.
- There is a lot of nepotism and favouritism within some LED projects where the chiefs have the right to appoint workers and beneficiaries.
- Four (40,5 percent) of the respondents stated that the TA were responsible for bad governance and unethical practices.
- Due to corrupt TA LED benefits failed to reach intended beneficiaries.
- Some chiefs are just lining their pockets with the state monies whilst they are doing virtually nothing for LED but concentrating on law enforcement only.

5.2.5. FINDINGS PERTAINING TO LED PROJECTS, WORKERS AND BENEFICIARIES.

A. GENERAL FEATURES AND INFORMATION.

- Ten LED projects were visited and it was found that they were manned mainly by females who constituted 76,3 percent of the respondents.
See Figure III.
- The infrastructure of many LED projects are good but with very few physically and not mentally challenged workers constituting only 4,5 percent of the respondents.
- In 70 percent of the LED project visited it was found that workers were affiliates and supporters of various political structures and they lack impartiality.
- Many of the LED projects were established in rural areas and nepotism was rife due to the employment of friends, lovers and relatives.

B. HUMAN ATTITUDES AND BEHAVIOURS.

- About 78,2 percent of the respondents pointed out that ethical principles are important in LED projects.
- Workers were not segregated due to age and sex. Affirmative action was practised in LED projects where more women were employed but much is still to be done to address the issue of the physical disabled workers.
- All LGS are having a hand in the violation of ethical governance in LED initiatives and projects.

C. FINANCE AND ETHICAL GOVERNANCE.

- In 70 percent of the visited projects it was found that workers' committees control the day to day business of LED programme.
- Project financial committee members account to project steering committee members, municipal councillors, civics and traditional leaders.
- Project workers pointed out that bad governance and unethical practices are taking place in LED involving members of various LGS and on the other hand consultants and contractors.
- Bribery, corruption, favouritism, kickbacks, nepotism and stealing are the order of the day in many LED projects and is confirmed by 50,3 percent of the respondents. See Figure V.
- About 84,7 percent of the respondents pointed out that they don't know where to report the perpetrators of bad governance and unethical practices.
- Project workers and beneficiaries are not ready to spill the beans as they are reaping from bad governance and unethical principles in LED projects.
- About 66,1 percent of the respondents decided to turn a blind eye on those responsible for bad ethical governance in LED finance.
- Many recommendations from LED project workers and beneficiaries suggest that most of them have positive attitude towards the promotion of governance and ethical principles in LED initiatives and projects within the GTM area.

5.3 CONCLUSIONS.

5.3.1. GENERAL CONCLUSION

Governance and ethical principles are a key factor in social, economic and political development. Good governance and ethical practices are important in LED initiatives and projects as they lead to poverty alleviation, employment provision and infrastructure development. Unethical governance in LED programmes costs society much more than money, as it leads to non delivery of projects, lack of trust and confidence in the government and ultimately resulting in a lack of participation or involvement in government affairs.

Democracy in the new RSA calls for social, economic and political development of the former neglected areas including the GTM located in the LP. The Constitution of the Republic of South Africa set governance and ethical principles as key factors in LED. To redress the social and economic imbalances caused by Apartheid, LED together with ethical governance has a significant role to play within the GTM.

It is evident that members of LGS are responsible for bad governance and unethical practices. LED initiatives and projects within the GTM are not achieving their objectives due to bad governance and unethical practices.

The CEO of the GTM, members of the Municipal Standing Committee on LED, ward Municipal Councillors, members of the Greater Thohoyandou Forum of Civic Structures, members of the House of Traditional leaders, LED project workers and beneficiaries believe that LED programmes are necessary to develop their locality. Some members of various LGS are violating ethical governance by abuse of power, bribery, corruption, kickbacks, nepotism and stealing in LED initiatives and projects.

LED programmes should be the responsibility of a structure having constitutional mandate. The LGS responsible for LED initiatives and projects responsible for LED initiatives and projects responsible for LED initiatives and projects should adopt governance and ethical principles. If good governance and ethical practices are not receiving the attention it deserves, former disadvantaged area and people could continue to face a future full of suffering and misery.

5.3.2 CONCLUDING REMARKS.

This investigation into governance and ethical principles in the promotion of LED within the GTM is a contribution to effective LED programmes. The purpose of this research was to find out the role of ethical governance in LED initiatives and projects.

In this study it was found that some members of the LGS such as MC, CA and TA are violating ethical governance in LED initiatives and projects.

It is, however, important, to note that the study is confined to the GTM area only, but the problems and suggestions thereto might be peculiar to other areas.

It is the wish of the researcher that the study will promote LED programmes effectively and provide a base for further investigations into project performance in the RSA, where Government Policies on development, reconstruction and transformation are violated by traditional and modern structures in place. The effectiveness of these recommendations will depend much on the attitudes of members of LGS and LED project workers and beneficiaries on governance and ethical principles.

5.4 RECOMMENDATIONS.

5.4.1. RECOMMENDATIONS EMANATING FROM THE RESEARCH.

From the findings of the research, this study suggests the following major recommendations on the role of governance and ethical principles in the promotion of LED initiatives and projects:

- Members of various LGS, project workers and beneficiaries emphasized the importance of governance and ethical principles in LED programmes and this could be done by a constitutional mandated structure, namely the MC.
- The constitutional mandate over members of the MC such as councillors, officials and workers to be the custodian of LED finance should not be a passport to self enrichment but for community development.
- The people's choice and power on members of the CA should not be a ticket to the gravy train but to act on people's behalf in the supervision of governance and ethical principles on LED initiatives and projects.
- Culture and tradition as preached and practised by members of the TA should not be an excuse to breaking ethical governance in LED programmes.
- Items and presents acquired as 'nduvho' should be declared and registered as part of LED.
- All those who break and violate governance and ethical principles on LED should be subjected to arrest and imprisonment despite the status and support of their local government structure.

- All LGS should complement one another on supervision and monitoring governance and ethical practices on LED initiatives and projects on regular basis.
- Amicable relationship amongst the MC, TA and TA should be created by appointing inspectors and monitors from their ranks to guard against bad governance and unethical principles on LED.
- LED programmes should be extended to include cultural and traditional activities. Finance accumulated from cultural activities like initiation schools such as 'mirundu', 'misevetho', 'domba' and 'vhusha' together with those raised on traditional dances like 'malende', 'tshifasi', 'tshigombela' and tshikona should not be for personal but for the benefit of the people.
- Tribal offices should be transformed to be centres of LED accommodating members of the CA, MC and TA.
- The system of using private consultants and contractors should be done away with as it is draining the LED finance and being exploited by those who opt for bad governance and unethical practices.
- The MC should set up the office of LED Project Manager to oversee all projects, monitor governance and ethical principles and co-ordinating programmes by working closer with inspectors and monitors, serving in tribal offices from the LGS.
- The community should break the silence and blow the whistle on bad governance and unethical practices committed by any person or structure involved in LED initiatives and projects.

5.4.2. RECOMMENDATIONS FOR FURTHER STUDIES.

- Further research should investigate on how members of the MC violate ethical governance because it is mandated to control LED finance and people take what is examined seriously.
- The feasibility of excluding the CA and TA in LED programmes.
- The effect of corruption on local eco-tourism.
- The LED in the Thulamela Municipality.

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APPENDIX A

INTERVIEW SCHEDULE A: CEO: GREATER THOHOYANDOU

1. Constitutionally you are the head of all local economic development initiatives and projects within your municipality. Was that the case before the local government elections of 2000? Were you supervising all LED projects within your area? Explain.

.....
.....

2. Your office was hit by two major corruption scandals involving senior municipal officials. Can you say there were no corruption in LED projects during your first term of office?

.....
.....

3. Between the civic associations and the traditional authorities which local government structure is violating governance and ethical principles on LED projects and how?

.....
.....

4. Suggest ways in which governance and ethical principles could be enforced on civic leaders, municipal councillors and officials, traditional leaders and tribal councillors towards the promotion of LED.

.....
.....

APPENDIX B

INTERVIEW SCHEDULE B: STANDING COMMITTEE ON LED

1. Constitutionally you are mandated to control and supervise all local economic development initiatives and projects. Are you satisfied with the manner in which LED projects are administered within your municipality area? Give reasons.

.....
.....

2. Do you think LED projects did achieve their objectives of eliminating poverty and providing employment to local people within your municipality area? Explain.

.....
.....

3. Give ethical governance problem (s) experienced in the process of the promotion of LED initiatives and projects?

.....
.....

4. How did you deal with the issue of kickbacks and unethical practices in LED initiatives and projects?

.....
.....

5. Do you think civic leaders municipal councillors and traditional leaders understand their roles in LED?

.....
.....

6. Is there transparency and openness in all local economic development initiatives and projects within your area?

.....
.....

APPENDIX C

INTERVIEW SCHEDULE C: MUNICIPAL COUNCILLORS

1. Name local economic development projects (s) found within your ward?
.....
.....

2. Which local government structures(s) is or are responsible for the growth and development of LED project(s) within your ward.
.....
.....

3. Are you satisfied with the involvement of the civic associations and traditional authorities in LED initiatives and projects? Explain.
.....
.....

4. Between the civic associations and traditional authorities which structure is violating ethical principles in the promotion of LED and how?
.....
.....

5. How do you view the 'nduvho' system? Give reasons.
.....
.....

6. Do you suggest there should be change in the management of local economic development initiatives and projects within your ward? Give reasons.
.....
.....

APPENDIX D

INTERVIEW SCHEDULE D: FORUM OF CIVIC STRUCTURES

1. Name local economic development initiatives and projects found within your locality?

.....
.....

2. Which local government structure(s) is or are responsible for the growth and development of LED project(s) within your local area?

.....
.....

3. Do you think municipal councillors and officials, and traditional leaders and territorial councillors require more information concerning their responsibilities in LED? Give reasons.

.....
.....

4. Which ethical governance problem(s) do you think should be addressed to promote LED in your local area?

.....
.....

5. Is bribery, corruption and nepotism being practiced in LED projects within your locality? Explain.

.....
.....

6. Suggest how municipal councillors and officials, and traditional leaders and territorial councillors can improve governance and ethical conduct towards corruption-free LED.

.....
.....

APPENDIX E

INTERVIEW SCHEDULE E: HOUSE OF TRADITIONAL LEADERS

1. In which area are you the traditional leader? Is there any LED project(s) within your community? Provide names.

.....
.....

2. Do you think the civic associations can improve the social and economic conditions of your community through LED programmes? Give reasons.

.....
.....

3. Between the civic associations and municipal councils which structure is responsible for violating governance and ethical principles and now? Explain.

.....
.....

4. How do you view the system of public participation and transparency in local economic development initiatives and projects within your community? Explain.

.....
.....

5. Suggest the major change which you think should be implemented urgently on local government structures to promote ethical governance and LED in your community.

.....
.....

APPENDIX F

OBSERVATION CHECKLIST: GENERAL FEATURES OF THE LED PROJECT

1. The LED project is located in

Urban area	Semi-urban area	Advance rural area	Backward rural area

2. The structural condition of the LED project is

Good	Fair	Bad	Worst

3. The management structure of the LED project is

Well structured	Badly structured	Not clear	Not existing

4. The working environment in the LED project is

Good	Fair	Bad	Worst

APPENDIX G

OBSERVATION CHECKLIST: HUMAN RESOURCES

1. The age group of LED project workers is

Very similar	Not so similar	Different	Very different

2. The gender representation is

Good	Fair	Bad	Worst

3. The physical disable representation is

Good	Fair	Bad	Worst

4. The LED project workers are

Very punctual	Not so punctual	Very late	Not time conscious at all

APPENDIX H

OBSERVATION CHECKLIST: FINANCIAL MATTERS

1. The financial matters of the LED project is controlled by

Civic leaders	Municipal councillors	Traditional leaders	Workers structures

2. In this LED project the financial matter is

Very important	Fairly important	Less important	Not important at all

3. The financial management system of the LED project is

Good	Fair	Bad	Worst

4. Customers and buyers visit the LED project

Always	Frequently	Sometimes	Not at all

5. Financial officers adhere to ethical principles in the following manner:

Very Compliant	Only slightly compliant	Moderately compliant	Not at all compliant

6. Bribery and corruption is

Very rife	Not so rife	At a small scale	Not existing at all

APPENDIX I

QUESTIONNAIRE

GOVERNANCE AND ETHICAL PRINCIPLES IN LOCAL ECONOMIC DEVELOPMENT PROJECTS

1. This questionnaire is designed to investigate the impact of governance and ethical principles in the promotion of the process of local economic development. The aim of this questionnaire is primarily to determine your views on local economic development as a means of developing poor local areas.
2. Kindly assist in this assessment by answering all the questions objectively.
3. Your response will assist in giving viable recommendations on ethical governance.
4. Your response will be treated as confidential.

Thank you

SECTION A

GENERAL INFORMATION

Identify your personal details by placing a cross on the appropriate space below:

1. Indicate your sex

Male	Female

2. Are you physically challenged?

Yes	No

3. Are you political active?

Yes	No

4. Place where you stay

Rural	Urban

5. Are you related to anybody on the management level of the LED project?

Yes	No

6. If yes, how are you related?

Closely related	Distant relative	Comrade	Fellow congregant

SECTION B

ATTITUDES AND BEHAVIOURS

Assess by indicating the degree of your agreement or disagreement with each of the following statements by placing a cross on the appropriate response on the four point scale.

Keys		Measurements
A	=	Strongly agree
B	=	Agree
C	=	Disagree
D	=	Strongly disagree

7. Ethical principles guard against corruption and misconduct in public service.

A	B	C	D
---	---	---	---

8. Before 1995 there was no ethical principles guiding local economic development in the former Republic of Venda.

A	B	C	D
---	---	---	---

9. The application of ethical governance on local economic development initiatives and projects is the product of the new dispensation affecting the Greater Thohoyandou Municipality.

A	B	C	D
---	---	---	---

10. Civic associations are promoting local economic development initiatives and projects

A	B	C	D
---	---	---	---

11. Municipal councillors and officials are eliminating poverty and unemployment through local economic development programmes.

A	B	C	D
---	---	---	---

12. Traditional leaders are frustrating efforts of local communities to benefit from LED projects.

A	B	C	D
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