

**LOCAL ECONOMIC DEVELOPMENT AND POVERTY ALLEVIATION IN RURAL
AREAS OF SOUTH AFRICA: A CASE OF MAKHUDUTHAMAGA LOCAL
MUNICIPALITY, LIMPOPO PROVINCE**

by

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Dissertation Submitted in Fulfilment of the Requirements for the Degree of

Master of Development

in

Planning and Management

in the

**FACULTY OF MANAGEMENT AND LAW
(School of Economics and Management)**

at the

UNIVERSITY OF LIMPOPO

Supervisor: Dr. MN Khwela

2021

Declaration

I, Lenda Nthuteng Mamogobo, hereby declare that the dissertation titled “Local Economic Development and Poverty Alleviation in Rural Areas of South Africa: A case of Makhuduthamaga Local Municipality, Limpopo Province” is my own original work, submitted for the degree of Master of Development in Planning and Management in the University of Limpopo; and has not been submitted before by me for fulfilment of any degree at any university, and all sources that I have used have been accordingly acknowledged.

Mamogobo LN (Ms)

22 September 2021

Acknowledgments

Firstly, I want to thank my Lord God for the mercy he has shown me when I was about to give up on my dissertation, he gave me strength and good health.

To my supervisor, Dr. MN Khwela, I would like to sincerely thank him for his patience and exceptional supervision. This study is a success because of him.

I thank my parents, Mr. Maudi Piet and Mrs. Mamatjie Flower Mamogobo, for having taken care of my daughter throughout the course of my study. I would always be thankful for that.

Special thanks to my elder sisters (Sharon Makgahlele, Mapule Delpha, and Quilina Malebane Mamogobo) and my two younger brothers (Cassius Morobadi and Matric Mapholwane Mamogobo), for being caring, loving and supportive siblings.

To my aunt and her husband (Mr and Mrs Mogadime) from the bottom of my heart I would like to thank you very much, for some reasons I look back and notice that if it was not for you, I would not be where I am today.

I want to thank all the people who reside in communities of Makhuduthamaga Local Municipality, particularly those who took part in the study. This study would not have been possible without their participation.

I want to thank Motsitlana Maryjane Mamogobo who became accessible as an assistant field work researcher in collecting data for the study.

Dedication

I dedicate this dissertation to my grandmother *Mantakoma Julia Mahlase* and my devoted mother, *Mamatjie Flower Mamogobo*. “Mama” it is your wisdom that encouraged me to further my studies. I also dedicate this dissertation to my beautiful daughter *Shaniqua Mamagobo*.

Abstract

Local Economic Development (LED) has been practised in different countries to deal with poverty and unemployment at the local level. The success that the LED brought upon towards addressing these economic problems, led to the South African government to also undertake the LED initiatives to address poverty and unemployment that exist at the municipal level. Therefore, municipalities which are strategically closest to communities are responsible for poverty alleviation and employment creation in their local areas. The study sought to investigate the effectiveness of LED on poverty alleviation in rural areas of South Africa. The research objectives were as follows: to explore the concept of Local Economic Development, determine the types of poverty alleviation models and to assess the effectiveness of Local Economic Development to alleviate poverty in rural areas of South Africa. The study applied a semi-structured questionnaire and further considered literature review to achieve the research objectives focusing on Makhuduthamaga Local Municipality. A simple random sampling method was employed to select appropriately 100 participants in the study. Statistical Package for Social Sciences (SPSS) was used to process data, whilst, the content analysis method was also used for descriptive statistics. The study discovered that lack of resources including staff, skills and budget affect the undertakings of the LED activities in the communities negatively. Moreover, it was revealed that there is a need for community participation particularly towards successful implementation of the LED.

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List of Acronyms

| | | |
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| CDI | : | Cooperative Development Institute |
| DTI | : | Department of Trade and Industry |
| DSM | : | Development Support Monitor |
| EPWP | : | Expanded Public Works Programme |
| HSRC | : | Human Sciences Research Council |
| IDP | : | Integrated Development Plan |
| IFAD | : | International Fund for Agricultural Development |
| ILO | : | International Labour Organization |
| IMIESA | : | Institute of Municipal Engineering of Southern Africa |
| LED | : | Local Economic Development |
| MLM | : | Makhuduthamaga Local Municipality |
| OECD | : | Organisation for Economic Co-operation and Development |
| PWP | : | Public Works Programme |
| SPII | : | Studies in Poverty and Inequality Institute |
| Stats SA | : | Statistics South Africa |
| UNDP | : | United Nations Development Program |
| UNWTO | : | United Nations World Tourism Organization |

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Chapter 1: Introduction and Background of the Study

1.1. Introduction and Background

The Local Economic Development (LED) is seen as an instrument to alleviate poverty faced by rural areas (Mokate, 1999; Koma, 2012). Nel and Rogerson (2016), note that LED is a significant intervention at the local level, which can possibly be used to address the local economy and social challenges such as poverty in local municipalities that are predominantly rural. In developed countries including those in Europe and North America, the LED is well established (Nel, 2001). Supported by Simon (2003), most of the western countries view LED as an important tool to deal with poverty alleviation.

According to Nel (2001), the LED in developing countries is gradually emerging as a result of similar reasons to those in developed countries. Reddy and Wallis (2012), state that since the 1990s LED in South Africa has gained much interest and prominence. Moyo (2007), indicates that the government introduced the LED in order to deal with poverty, unemployment and inequality that still persist in the country, despite the years of achieved democracy. The LED is one of the Key Performance Areas (KPA) of a local municipality through which sustainable development can be achieved in terms of section 26 of the Local Government Municipal Systems Act, 32 of 2000 (Makhuduthamaga Local Municipality/Integrated Development Plan (MLM/IDP), 2015/2016).

The LED depends and interrelates to other KPAs of a municipality which include: basic service delivery; good governance and public participation; municipal financial viability and management; municipal transformation and organisational development (Van der Heijden, 2008; Cohen, 2010). Therefore, the South African Local Government Association (SALGA) (2013); Turok (2010), argue that all local municipalities should draw up a five-year IDP and an annual performance plan among other things, of which an LED approach must be contained in a plan in terms of section 26 of the Local Government Municipal Systems Act, 32 of 2000 to ensure that LED is prioritised in local municipalities. The LED at the local sphere in terms of section 153 of the Constitution of the Republic of South Africa (1996), strives to promote the community's

social and economic development, budgeting and planning processes to give basic needs of the community priority and to structure and manage its administration.

The LED takes place at different levels, namely: city level, ward or neighbourhood level (Nel and Rogerson, 2005). The LED has a strong poverty alleviation focus, especially at neighbourhood or ward level since job creation for the poor within specific areas is emphasised at this level (Abrahams, 2003). Over the past years in South Africa, the LED has been encouraged, however, numerous studies have shown that even though it is encouraged, its implementation is faced with some serious challenges. Rogerson (2010), supported by Rogerson and Rogerson (2012), state that the challenges facing municipalities in pursuing LED strategies that are successful reflect issues that have been highlighted at the national level. For example, the issues reflected include the lack of LED planning and scarcity of implementation capacity in several areas (Nel and Rogerson, 2016). Furthermore, Koma (2012), elaborates that there are significant challenges such as shortage of skills required to propel growth and development, ineffective implementation of policies and lack of administrative capacity that are facing the local government in South Africa.

The White Paper on Local Government (1998), indicates that local government is the sphere of government that is closest and interacts with communities. Koma (2013), emphasises that local governments ought to promote and coordinate local economic development. The municipalities have the responsibility to ensure that the government developmental mandate of coordinating and promoting LED is fulfilled regardless of the challenges that they encounter in their localities. The study intended to investigate the extent of the LED's effectiveness towards poverty alleviation in rural areas of South Africa, with special reference to Makhuduthamaga Local Municipality.

1.2. Statement of the Research Problem

The International Fund for Agricultural Development's (IFAD) Rural Poverty Report (RPR), states that women, men and children who dwell in rural areas form part of the world's largest poor segment (IFAD, 2011). The World Bank (2013), indicates that 70 percent of the poor around the world inhabit rural areas. About 1.4 billion people living in these rural areas are extremely poor and this is despite improvements that more

than 350 million rural people over the past 10 years have been lifted out of extreme poverty (IFAD, 2011). Human, Marais and Botes (2008), state that the LED was introduced to alleviate poverty in local communities. In support, Koma (2012), indicate that the LED is internationally seen as a tool to respond to the challenges of poverty, especially in rural areas.

The LED's primary aim includes poverty alleviation, the creation of job opportunities, improvement of people's quality of life, capacity building and skills improvement within rural areas (Kanyane, 2008; Phago and Tsoabisi, 2010). However, Phago (2004); Malefane (2009), emphasise that even though LED is seen as an intervention to poverty alleviation, it is not efficiently being implemented in most South African municipalities. Lawrence (2013), points that the LED in most municipalities is not clearly understood. Meyer-Stamer (2003); Koma (2012); Zulu and Mubangizi (2014), concurs that many municipalities are unclear with the meaning of LED, what they are supposed to do about it and how they are supposed to implement it. However, the study undertaken by Moyo (2007), indicates that in Limpopo Province, the implementation of LED in local municipalities within Vhembe and Waterberg Districts has been successful, and such LED initiatives in most cases has taken the form of projects, especially of poverty alleviation in nature including vegetable gardens that generate income. In Makhuduthamaga Local Municipality, the LED has been implemented to alleviate poverty (MLM/IDP, 2012/2013). Contrary to the above submissions, high levels of poverty are still being experienced within the municipality, despite the persuasion of LED (MLM/IDP, 2015/2016). The MLM is faced with 32 780 unemployed people (MLM/IDP, 2019/2020). Majority of these individuals who are not working are most likely to live in poverty. Therefore, the study aimed to explore the effectiveness that LED has on alleviating poverty, especially in rural areas.

1.3. Research Questions

The general research question of the study is, how effective is the LED towards poverty alleviation in rural areas of South Africa? To this extent, specific research questions were formulated as follows:

- What is the concept of Local Economic Development?
- Which are the types of poverty alleviation models?

- What is the effectiveness of Local Economic Development towards poverty alleviation in rural areas of South Africa?

1.4. Research Aim and Objectives

The aim of the study is to investigate the effectiveness of LED on poverty alleviation in rural areas of South Africa. The following specific objectives have been drawn from the aim:

- To explore the concept of Local Economic Development;
- To determine the types of poverty alleviation models;
- To assess the effectiveness of Local Economic Development to alleviate poverty in rural areas of South Africa; and
- To recommend possible measures which can be considered to improve the effectiveness of Local Economic Development towards poverty alleviation in rural areas of South Africa.

1.5. Definition of Terms

People understand and interpret terms differently. Therefore, there may be different meanings attached to one term. As such, to avoid the ambiguity of terms in the study, certain definitions for key terms including local economic development, poverty and poverty alleviation were adopted for the purpose of the study and to provide common understanding throughout.

Local Economic Development (LED): The White Paper on Local Government (1998:17), describe LED as “local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives”. According to Ariatti and Chasomeris (2015), local economic development is a process of mobilising resources for competitive advantage by locally-owned courses of action. The LED refers to the establishment of a partnership between local government, the community-based groups and the private sectors to manage the resources that exist locally, that can be used for economic stimulation and creation of new job opportunities within a particular area (Meyer-Stammer and Hindson, 2007). The LED definition by the White Paper on Local Government (1998:17); Meyer-Stammer and Hindson (2007); Ariatti and

Chasomeris (2015), as provided above were all employed due to their relevancy in the study.

Poverty: it is an inability of households or individuals to attain a minimal living standard, measured in terms of basic needs consumption or income required to satisfy them (Budlender, May, Mokate, Rogerson and Stavrou, 2001). According to the World Bank (2006), poverty is characterised by homelessness, shacks, unemployment, poor infrastructure, casualised labour and lack of/or low access to basic services. The study adopted both the definitions by Budlender *et al.*, (2001), and the World Bank (2006), for the purpose of the study.

Poverty alleviation: refers to an inclusion of steps or measures that are taken to make sure that poverty that results in lack of shelter, food, medical care and employment is eliminated (Wilson and Letšosa, 2010). United Nations Development Program (UNDP) (2002), Human Development Report (HDR), defines poverty alleviation as any process which aims at alleviating poverty levels in a community, or amongst a group of people or countries. The UNDP (2002), definition was adopted based on its relevance to the content of the study.

1.6. Research Design and Methodology

The rationality behind the techniques and research methods adopted for the study are explained in the research methodology. According to Bryman (2001), research methodology refers to instruments and techniques used for data collection. This section focuses on the research design and methodology that instruct and guide the study to address the research problem. It involves qualitative and quantitative research approaches. The research design, kinds of data required and unit of analysis, a description of the study area and target population were discussed in this section. Furthermore, data collection methods, data analysis methods and the validity and reliability of the study were also discussed in this section.

1.6.1. Research design

The study employed the mixed methods research (qualitative and quantitative research approaches) for the collection and analysis of data. Mixed methods refer to

a type of research in which qualitative and quantitative data are combined in a sole study (Harrison and Reilly, 2011). The qualitative approach was employed to describe the participant's opinions, experiences and understanding of the effectiveness of LED towards poverty alleviation in rural areas. Fink (2007), indicates that qualitative research is used when investigating the opinions, experiences, attitudes and knowledge of participants in the study. Quantitative research, in contrast, provides answers to how much, how often, how many, when and who (Cooper and Schindler, 2006). Meaning the study, in this case, focused on numbers.

According to Decrop (1999), qualitative and quantitative research differ in many ways, however, they as well complement each other in various ways. Venkatesh, Brown and Bala (2013), show that the combination of qualitative and quantitative approaches has the capacity to provide inferences that are stronger than a method that is single and can help solve problems that are associated with each type of approach carried out separately (Ellis, 2003). Thus, the researcher chose to employ both qualitative and quantitative research designs to overcome the bias and problems in the study that may result from the use of either qualitative or quantitative design (Fraenkel and Wallen, 2011). For the purpose of this study, the quantitative approach was adopted to analyse and interpret collected data to record information numerically, while the qualitative approach was used to record information in the form of descriptive textual reports.

1.6.2. Description of the study area

The Makhuduthamaga Local Municipality is classified as category B4 municipality situated at Sekhukhune District Municipality (SDM) of Limpopo Province in South Africa. Category B4 municipalities are defined as municipalities that are predominantly rural with tenures that are communal and do not have more than two towns in their area (Department of Cooperative Governance and Traditional Affairs (COGTA), 2009). The municipality was established in 2000 and is within the borders of Fetakgomo, Ephraim Mogale, Greater Tubatse and Elias Motsoaledi Municipality (MLM/IDP, 2015/2016). The MLM is a rural municipality which comprises of the land that is owned by traditional chiefs. It has thirty-one (31) wards with approximately 65 217 households and a population of 274 358 (MLM/IDP, 2015/2016).

Figure 1.1: Map location of Makhuduthamaga Local Municipality



Source: www.ida.gov.za

1.6.3. Kinds of data required

The study required both factual and opinion data. Factual data, unlike opinions, involve information that can be verified or proven. Bless, Higson-Smith and Sithole (2013), indicate that facts are empirical observations that can be verified. The participants' opinions about the LED and poverty alleviation in rural areas of South Africa were provided. The researcher acquired the primary data through the use of questionnaires and semi-structured interviews to allow the participants to answer the research questions according to their perspectives, experiences and knowledge. The literature on LED and its effectiveness towards poverty alleviation was reviewed. The collection of these data included a literature survey of journal articles, books and Makhuduthamaga Local Municipality documents.

1.6.4. Target population

A target population is a group of people in the study area whom the researcher is about to draw conclusions from (Babbie, 1998; Punch, 2000; Mouton, 2001; Babbie, 2010). The target population for the study comprised of the LED officials at

Makhuduthamaga Local Municipality, who provided their perceptions and experiences on LED and poverty alleviation in rural areas of South Africa with reference to their municipal territory. Also, the target population included the households within the Makhuduthamaga Local Municipality as stakeholders.

1.6.5. Sampling design

According to Bobbie (2007), sampling is a process of selecting a representative population from the target population and making use of the collected data as research information. Therefore, in order to represent the population, the researcher selects a group of individuals as a representative of the research. The study applied both purposive sampling design and simple random sampling. Babbie (2005), describes purposive sampling as a type of non-probability sampling, where the researcher makes a judgment about which participants will be the most representative of selected units that are to be observed. The purposive sampling technique is also referred to as judgemental sampling (De Vos, Strydom, Fouche and Delport, 2008). Simple random sampling, on the contrary, is a probability sampling procedure where the opportunity of selection provided is equal for each element in a population (Bless *et al.*, 2013). For the purpose of this study, a representative of 102 participants was selected, consisting of 100 households within Makhuduthamaga local municipality which were sampled using simple random sampling and 02 municipal officials as key informants who were purposively sampled. The researcher found the given participants' sample appropriate to be representative of the target population due to time constraints and costs limitations, since the number of the population of the Makhuduthamaga local municipality is too large to be studied entirely.

1.6.6. Data collection procedures

To answer the research questions, both secondary and primary data was collected in this study. The secondary data was conducted based on desk-top consultation from books, journal articles, IDP and LED strategic documents from the Makhuduthamaga local municipality, while primary data, on the other hand, was collected through the use of questionnaires and semi-structured interviews. Creswell (2012), explains that a questionnaire is a form that is used to survey in a study that is completed by participants and returned to the researcher. The advantage of a questionnaire in a

study is that responses are obtained easily from a large number of individuals, and thus, the gathered data may be seen to generate more generalisable findings (Rowley, 2014). As such, in this study, the questionnaire consisted of both closed-ended and open-ended questions which were divided into four (4) sections, namely: the participants' demographic profile, the participants' perception on LED, the participants' views on poverty alleviation in rural areas and also the participants' opinion on the effectiveness of LED towards poverty alleviation in rural areas. The closed-ended questions allowed participants to choose from alternative options provided to the question for data collection so that the results could be easily analysed. Whereas, open-ended questions were used to collect in-depth information on how participants relate to LED and poverty alleviation in rural areas of South Africa. The participants were assisted to complete their questionnaires where needed. The researcher used observations as a tool to collect fieldwork data from participants' perspectives on the effectiveness of LED towards poverty alleviation in rural areas.

The study also used interviews to get information regarding the LED and poverty alleviation in rural areas from at least fifth-teen (15) participants. Rosenthal (2016), states that interviews allow the researcher to gain more in-depth detailed data on participant's perception, opinions, experiences and knowledge. These interviews were guided by the designed interview schedule focusing on specific themes. Therefore, the interviews were based on semi-structured questions to allow flexibility and open process of probing (Qu and Dumay, 2011). The semi-structured interviews encouraged participants to provide their own experiences, knowledge and opinions about the LED's effectiveness in alleviating poverty in rural areas.

1.6.7. Data analysis techniques

The study employed qualitative data analysis which was supplemented by quantitative analysis, in order to analyse and interpret the collected data. The qualitative analysis focuses on the quality and in-depth of information of the phenomena being studied and not on the information scope or breadth provided as in research that is quantitative (Maree, 2007; Boddy, 2016). Park and Park (2016), posit that qualitative methods focus on interpretation and observation, whereas, the quantitative research is characterised by the use of mathematical and statistical models (Fink, 2007).

Therefore, the researcher used the coding method to analyse the qualitative data. Moreover, for the purpose of this study, the analysis of quantitative data was numerically recorded through the use of the Statistical Package for Social Sciences (SPSS). According to Mwanje and Gotu (2001), SPSS is a software which is good for importing data that was collected through the use of a questionnaire technique. The researcher used the SPSS software to analyse and capture data and descriptive statistics which included frequency tables, calculating frequencies, generating tables and statistical charts such as pie charts. The SPSS software was used to assist the researcher to write a valid and detailed report on collected data to contribute to in-depth understanding about the LED and poverty alleviation in rural areas of South Africa.

1.6.8. Validity and reliability

Babbie (2010), states that in a study, data validity and reliability is a concern when collecting data from either existing instruments or one source. According to Sekaran (2003), validity is the extent to which an instrument measures what it is anticipated to measure and is evidently justified. Leedy and Ormrod (2013), support Sekaran (2003), by describing validity as an instrument that ensures that the procedure carried out measures what it is intended to measure. Therefore, the researcher ensured that the research objectives were clearly explained, the literature was reviewed and results obtained in this study were compared to other studies to ensure validity of the study. Creswell (2012), indicates that reliability means that results over time from an instrument are consistent and stable. Reliability refers to a situation where the consistent results are achieved whenever the same entity is being measured. A pilot testing of the study was undertaken at Makhuduthamaga local municipality to capture the opinions and experiences of the participants regarding the study before a complete scale survey for the study was employed. Furthermore, the data collection techniques such as interviews and questionnaires were used to ensure the reliability of the study.

1.7. Structure of the Dissertation

Chapter 1 presents an introductory of the research, including the background of the study, statement of the problem and definition of terms. It also outlines the research methods employed in this study. Chapter 2 provides a literature review on Local

Economic Development and poverty alleviation both at the global and South African context. Chapter 3 discusses the literature review on the effectiveness of LED towards the alleviation of poverty in South Africa. Chapter 4 focuses on the interpretation and analysis of the research data. The data was collected through survey questionnaires. Chapter 5 provides recommendations and conclusions based on the study findings.

1.8. Significance of the Study

The study would contribute to the current debate on local economic development and poverty alleviation in rural areas of South Africa. It would inform action on local economic development about what needs to be done or changed so that poverty in rural areas can be alleviated. This study also contributes to better understanding of LED within local municipalities and how to effectively implement LED in order to address the socio-economic problems such as poverty in rural areas. The study would assist private and public institutions in formulating the LED policies and practise that will be directed towards alleviating poverty in rural areas. The study sought to bring different insight through its recommendations. Thus, Makhuduthamaga local municipality and other local municipalities that could apply the recommendations derived from the results of this study would be able to tackle the issue of alleviating poverty in rural areas through the implementation of LED. Moreover, the study serves as a guide helping and benefiting future researchers with regard to effective implementation of LED.

1.9. Ethical Considerations

The researcher abided by the ethical code of conduct pertaining to the University of Limpopo (UL) postgraduate research protocol. The participants in this study were well informed about the study purpose. The researcher ensured that the questionnaires were conveyed with the consent forms. Therefore, necessary steps such as taking extra time to explain in detail any information that may be confusing were taken into consideration, to ensure that what is being stated in the consent forms is entirely understood by participants. The participants were not forced to provide information on questions that they cannot or rather choose not to answer. Furthermore, the participant's information was not in anyhow discussed with other people. The researcher ensured that data provided by participants were not connected to

participants in any form of dissemination either through presentations or reports. This assured the participants that their rights to confidentiality, anonymity and privacy are at all times protected. The participants were guaranteed that the study would not cause emotional harm, given that verbal communication was also used in the study. The researcher did not coerce participants into participating, thus the participation in this study was on a voluntary basis. Moreover, the use of other's work was cited appropriately, and sources were properly acknowledged.

1.10. Limitations of the Study

The study was conducted in rural communities of Makhuduthamaga Local Municipality, however, the findings of this study cannot be generalised to other local municipalities in Limpopo Province or any other provinces in South Africa regardless of the fact that most local municipalities particularly those in rural areas are found to be facing similar challenges that includes poverty and unemployment to mention but a few. Some of the MLM documents that could have helped the study with more in-depth information could not be found on the municipal website and when asked from the municipal officials, some were reluctant in providing the required information. The study is limited in terms of its participants, given that only 100 households were sampled. Although the sample serve as the representative of the entire households in the MLM, some households may feel that they are not well represented in the study. Moreover, like many other conducted studies that experienced time and financial constraints, this study is no exceptional.

Chapter 2: Local Economic Development as Poverty Alleviation Tool: Literature Review

2.1. Introduction

The LED is seen as a panacea to poverty alleviation especially in rural areas where poverty is rooted. For years now, both the developed and developing countries practise LED. Thus, the success and failure of the LED initiatives have been experienced regarding reduction in poverty. This chapter reviews the relevant literature on the LED and poverty alleviation in rural areas looking at both the international and national experiences. The chapter starts by focusing on the concept of LED, followed by the types of poverty alleviation models and lastly focus on the link between LED and poverty alleviation in rural areas.

2.2. The Concept of Local Economic Development (LED)

The local economic development is “the process in which local governments or community-based organizations engage to stimulate or maintain business activity and or employment opportunities in sectors that improve the community, using existing human, natural and institutional resources” (Blakely, 1994:129). The LED is described by the World Bank (2001), as a practise in which partnership is established between governments, the private sector and community in order to manage existing resources for job creation as well as the stimulation of economies at the local level. According to Swinburn, Goga and Murphy (2006), the LED is a process whereby the public, businesses, and Non-Governmental Organisations (NGOs) together as partners work to create a better local residents’ quality of life through economic development. In support, Kanyane (2008), states that the LED focuses on encouraging joint development between different stakeholders such as local government, private sectors, community and NGOs to work collectively for better economic growth conditions.

Patterson (2008); Reddy and Wallis (2012), indicate that the LED is an ongoing process and it is driven by local actors from various sectors of the society, indicating cooperation between the private and public sector in developing a location. Therefore, Rogerson (2000), instructs that it is necessary to understand that the business of LED

is not an activity merely for local spheres alone, rather it is an involvement of all local stakeholders which include private sectors, NGOs and community. On the other hand, Studies in Poverty and Inequality Institute (SPII) (2013), demonstrate that the LED does not only require a high level of cooperation between public and private sectors, however, it also requires the same level of cooperation with local communities.

Local economic development is a concept to do with local territory development aiming to enhance the growth of local economy and creating job opportunities through the better use of resources available at the community (Trah, 2004; Sibanda, 2013). Nel, Hill and Goodenough (2007), emphasises that LED is widely associated with issues of control, utilisation of available resources and intervention which are designed at the local level to enhance development and to create better employment opportunities. Thus, the LED is based on the use of unique assets available at the local level (Nel and Rogerson, 2005). Reddy and Wallis (2012), argue that each local sphere has its own distinct natural availability of resources and resultant opportunities, and thus, should ascertain that maximum benefits are derived from economic development opportunities that arise in this regard.

The LED focuses on social dialogue and participation; territory; utilisation and mobilisation of local resources; competitive advantages; management and ownership at the local level and involvement of stakeholders (Namara, Karyeijja and Mubangizi, 2015). The LED is a process which should help with the local institution improvement and partnerships at the local level through actions and dialogue (Meyer and Meyer, 2016). The Ugandan Minister of Local Government (MoLG) (2014), argues that the LED is the process of stimulating the growth of the local economy, creating more job opportunities and alternatively using resources that are locally available wisely. According to Meyer (2016), the LED is an ongoing process where unique location advantages are created through the partnership between all local stakeholders. Meyer (2016), further states that the LED refers to all initiatives and actions regarding economy that local community members come up with and implement in order for improved quality of life to be achieved and to create opportunities that are economically sustainable for everyone, especially the poor.

The LED is vital for a sustainable economy that is inclusive and as a result improve resident's quality of life and address inequalities (Habitat III Issue Papers, 2015). Leigh and Blakely (2013), explain that the LED objectives include the increased living standards, local inequality reduction, economic stability achievements with a diverse economy and use of the resource in a sustainable manner and capacity extension. The LED is a triangle of partners. Swinburn *et al.*, (2006), clarify that the triangle of the LED partners is the local government, business and community organisations.

2.2.1. Local Economic Development international perspective

The municipalities which are sometimes referred to as local governments are also in other countries such as the Republic of Macedonia responsible for the LED. In June 2005, when decentralization process was implemented after the law on local self-government adoption, one of the transferred responsibilities to the local based level was the LED of which became the responsibility of local governments (Trpeski and Cvetanoska, 2015). Rogerson (2010), posits that the LED is perceived as the local government's responsibility within the governance framework that is decentralised. Namara *et al.*, (2015), agree by adding that the local governments are in charge, capable and autonomous in growth promotion and development within their localities in a decentralized process. The LED is recognised by municipalities as a competence that can mostly affect the municipalities overall development, while on the other hand as a measure that can advance the population's weak economic situation through the implementation of local projects (Trpeski and Cvetanoska, 2015). Therefore, Meyer and Meyer (2016), argue that the municipalities' governance can be improved through the undertaking of the LED.

In the United Kingdom, the LED has been practised for years. Mensah, Domfeh, Ahenkan and Bawole (2013), indicate that the LED in the 1980s became popular in the United Kingdom due to unemployment that seemed to be rising as a result of a decrease in industrial activities and restructuring of the economy. Similarly, in Africa, the unemployment, slow growth of the economy and poverty as economic problems led to the emergence of the LED (Ramafamba and Mears, 2012). Thus, the LED is significant to make local areas resilient and capable to deal with crises that are either economic, social and environmental that the municipalities may come across (Habitat

III Issue Paper, 2015). Nel and Rogerson (2005), assert that LED has been promoted as a critical panacea to unemployment, poverty alleviation and economic development. The Ugandan government defines the LED as a process where the local government, private sector and community as the tripartite partnership at the local level are jointly and collectively engaged in identifying, mobilising, managing and initiating of resources (MoLG, 2013).

The LED has passed through three waves or stages, namely, the business attraction, business retention and quality of life sustainability. This is supported by World Bank (2004), which states that the LED since the 1960s had gone through three developmental stages. Koven and Lyons (2010), made it clear that the LED aspects encapsulated in each wave can be seen currently in the United States of America cities. The first wave took place between 1960-1980. Opp and Osgood (2013), emphasise that this first wave focused on business attraction through providing infrastructure and making use of incentives. However, this first wave of local economic development led to the evolvment of the second wave because “it became apparent to many scholars and practitioners that some of the commonly used incentives-based strategies were not actually attracting new businesses or jobs, rather, they were simply transferring them between different location and cities” (Opp and Osgood, 2013:9). The second wave was during 1980-1990s which focused on only existing businesses where incentives were provided as assistance for growth and expansion (Swinburn and Yatta, 2007). Since the 1990s, the focus was on communities’ quality of life (Koven and Lyons, 2010).

2.3. Types of Poverty Alleviation Models

According to Ayadi, Morgan-Chase and Jones (2012), poverty alleviation models should be concentrated in the rural areas given that the majority number of poor people reside in these areas. Internationally, poverty alleviation models generally focus on interventions like projects and or programmes, which are specifically based on the efforts of generating income and creating employment with an emphasis on service delivery and economic development. Therefore, there is a number of models around the world in rural communities that have been initiated to alleviate poverty regardless of challenges encountered. These models transform lives of poor people and

alternatively provide the chance to break the cycle of poverty (Sayvaya and Kyophilavong, 2015). This asserts that the poverty alleviation models such as entrepreneurship, agricultural cooperatives, tourism development, public works programme and infrastructural development which are discussed in this chapter can create job opportunities, generate income and improve the people's living standards.

2.3.1. Entrepreneurship

Entrepreneurship is perceived as an instrument that could be used to enhance the communities, families and people's quality of life and to maintain the environment and economy that is solid (Isibor, 2014). Employment made through entrepreneurship thus prompt fair conveyance of income that result in population's higher standards of living. The entrepreneurship is practised for particular reasons by different people. However, in most cases the more people suffer from destitution, the greater need of business there is, resulting in high rates of entrepreneurial actions. For instance, developed countries are more likely to offer better job opportunities and social welfare access, thus the individuals in these countries are unlikely to start an entrepreneurship for survival or rather they partake in growth oriented entrepreneurship. In contrast, due to low income, the developing countries display a high rate of entrepreneurship that is of necessity or survival (Kuada, 2015). The reason is that negative financial conditions that result within the households and communities push individuals to contribute towards self-employment through necessity based entrepreneurial activities (Dawson and Henley, 2012).

Nguyen, Frederick and Nguyen (2014), posit that entrepreneurship is practised as a result of three influential factors namely: pulled, chance and forced. Pulled entrepreneurs want to end up independent, self-realisation, provide employment for others and improve the quality of working conditions (Islam, 2012). The chance entrepreneur's business is usually started as a hobby and then it grows slowly into business operation that is completely fledged as their products are being purchased (Nguyen *et al.*, 2014). While the forced entrepreneurs are in need of money, as such, they are pushed into entrepreneurial activity. Some scholars have contended that people are pushed into entrepreneurship due to lack of employment or any other source of income and the fact that they fear to get to be plainly jobless sooner rather

than later (Mulira, Namatovu and Dawa, 2011). Therefore, entrepreneurship is viewed as an answer to their financial difficulties and could furnish them with empowerment individually.

Rural areas are socially and economically depressed comprising of the lack of necessities including inadequate infrastructure, low skilled labourers, low wage payments, low education levels and they are unable to secure gainful employment (Guta, Vhudzi and Chazovachii, 2017). In this regard, the entrepreneurial activity would provide a minimal source of livelihood if they could engage actively. This is evident as Oghojafor, Akpoyomare, Olabode, Sunday and Olayiwola (2011), conducted the study about the entrepreneurship as an intervention strategy to poverty alleviation in the developing economy and the outcomes demonstrate that when and if entrepreneurial capacity is enhanced there is an improvement in the standard of living. The understanding is that individuals from the poorest developing nations are driven by destitution, survival and lack of decision in work to begin business undertakings. There is a considerable number of scholarly examinations set that poor individuals can be enabled to move out of destitution through entrepreneurial undertakings, regardless of whether they begin their own business or whether they are enlisted by a business person. The studies by Abimbola (2004); Lanrewaju and Adeyemi (2014); Kareem (2015); Usman and Adam (2017), with different study methodologies, study areas and study periods, indicate that there exists a positive and significant connection amongst entrepreneurship and poverty reduction. Moreover, there is a rise in the standard of living and households' quality of life.

The significance of entrepreneurship in rural areas has been well recognized globally. Lanrewaju and Adeyemi (2014:1604), concur that "the position that entrepreneurship is a bulwark (protection) against poor economic growth, poverty, frustration and social exclusion appears to be getting widely accepted in most countries across the world". According to Ali and Ali (2013), it is sensible to express in any given country that poverty will decrease if the quantity of entrepreneurs increases and vice versa. Si, Yu, Wu, Chen, Chen and Su (2015), emphasise that a lot of such decrease in destitution can be recognised in China. It is showed that of the most recent years South Asia, which comprises of India, Pakistan, Bangladesh, Nepal, and Sri Lanka has encountered far less alleviation of poverty than in China (Bruton, Ahlstrom and Si,

2015). Since, from the year 1990 until 2010, poverty levels in China was got to be reduced by half, resulting in more than 550 million individuals raised out of outrageous destitution (Clark, 2011).

Nigeria's inhabitants in rural areas constitute 53 percent of the nation's aggregate populace (Mundy and Verger, 2015). The country is in critical need of more employment opportunities to better the lives of its needy citizens, and these employments cannot be provided by the government on its own. Nonetheless, governments around the world including Nigerian have now come to the acknowledgment that no development will be important with the exception of when the rural societies are likewise conveyed along (Nwankwo and Okeke, 2017). As such, in these impoverished regions, alleviation of poverty must rely upon the poor at the local level and their capacity to plan and operate on their own and not depend on the government at national or provincial level (Easterly, 2014). Usman and Adam (2017), stress that it cannot be concluded that entrepreneurship is a solution to poverty that exists in Nigeria, be that as it may, entrepreneurship perceives a measurement of intercession that still seems to need to be investigated in the nation's battle against the challenge of poverty. This is because of the accompanying issues which include, transport inadequacy and accessibility, remoteness, low expertise base and the absence of adequate funding are the key limitations in the development of entrepreneurship in rural areas (Apata, Alani and Bioku, 2015). However, Nguyen *et al.*, (2014), posits that irrespective of the fact that in rural areas there are distressed regions and low-income societies that are faced with deep-rooted economic problems, the entrepreneurship is vital for addressing poverty as it is found to be evident in the United States of America.

Individuals including those in remote areas go to universities to acquire relevant qualifications and then seek formal employment. However, due to unemployment in rural areas, they migrate to urban areas with the least information that is needed to develop rural areas. While on the other hand, some individuals engage in criminal activities owing to unemployment. Therefore, Dei-Tumi (2011), opined that entrepreneurship could assist in the reduction of criminal activities and underemployment pressure among individuals. This is because these individuals would be equipped with skills when they are involved in the entrepreneurship which

would help them to partake in income generating activities when they cannot secure gainful employment (Oyebola, Irefin and Olaposi, 2014), thereby increasing their living standards. Some of the major reasons on why the majority of the people practise entrepreneurship is the lack of job opportunities that are well paying, unemployment and unstable or unsatisfactory job conditions (Islam, 2012). This suggests that in order for people to avoid being jobless, then entrepreneurship is an effective strategy to be applied. However, that is, if the general public considers entrepreneurial drive as an incentive all alone, people who engage in entrepreneurship will increase in that society. Moreover, rural young individuals must be encouraged to consider entrepreneurship given that they are an economically active age group and due to the high unemployment rate as opportunities for formal employment are very limited (Youth Business International (YBI), (2016).

Theoretically, people usually depend on government for job provision, Sharma and Madan (2014), indicate that entrepreneurship could end the dependence as people start their own businesses to generate income that would fulfill their basic needs, ultimately leading to improvement of the standard of living. Consequently, entrepreneurship provides people with the income they may require and independency towards poverty reduction. Therefore, entrepreneurship adds to decrease in destitution when employment is created through the start-up of a new enterprise or the development of existing ones. Poor access to adequate infrastructure in rural areas affects the majority of individuals (Okeke and Eme, 2014). The study that was undertaken by Kareem (2015), found that a maximum number of the people preferred salaried jobs than being entrepreneurs because of the unfavourable business environment at the local level. Correspondingly, Lanero, Vázquez and Aza (2015), propose that individuals' choice to take part in entrepreneurial exercises rely upon the degree to which society sees these exercises to be attractive and expectation of outcomes. In rural areas, inadequate infrastructural development has impacted entrepreneurial practise negatively. Therefore, unless the favourable environment is created for enabling entrepreneurship in the rural areas, Nwankwo and Okeke (2017), the occurrence of entrepreneurship is probably going to diminish given an absence of access to credit, poor infrastructure and an absence of supporting foundations as elements of what destitution accompanies.

Entrepreneurship is perceived as a solution to the alleviation of poverty, through its contribution to the creation of jobs, poor people's income and economic growth. With the goal for people to act entrepreneurially or prevail as entrepreneurs, they should have the entrepreneurial knowledge as essential entrepreneurial competencies (Mitchelmore and Rowley, 2013). Giving the poor access to entrepreneurial exercises can help them make the wealth that they require, as well as enable them to contribute decidedly to the general advancement of the country (Mbaku, 2007; De Goey, 2012). Entrepreneurship builds social wealth by making new markets, new businesses, new innovation, new institutional structures, new occupations and net increments in genuine profitability, expands wage, which results in higher living standards for the populace (Ali and Ali, 2013). However, not every single entrepreneurial action adds to financial development and that creation of wealth does a bit much include considerable alleviation of poverty (Minniti, 2013). Looking at rural areas that are impoverished, entrepreneurship encouragement result as an essential factor in empowering the rural economy, since entrepreneurship creates employment and wealth and profoundly affects the nature of employment of rural populace.

In spite of the fact that entrepreneurship was exhibited to have expanded the productivity and competitiveness of poor people in the job market, not all individuals can progress towards becoming entrepreneurs. But if ventures are entrepreneurial, they would not all be fruitful since there are menaces counted in. Entrepreneurs are mostly associated with low productivity exercises because of social capital, low levels of education and assets (Amorós and Cristi, 2011). The availability of capital for entrepreneurship is important as it sets the foundation for the business, yet, financial capital acquisitions have frequently been alluded to as entrepreneur's critical issue. Be that as it may, households like to spread their limited capital over numerous little exercises due to income-generating activities' portfolio that is diversified (Kuada, 2015). This could lead to all livelihoods practised not getting consideration and assets they merit and alternatively increasing the risks of failure. Up to now, Ahlstrom (2010), highlight that poverty alleviation has made enormous progress in the developing world through the methods including entrepreneurship that has been put in place to deal with it.

2.3.2. Agricultural cooperatives

Cooperatives have been known to emerge as a collective response to the crisis, such as the economic crisis, agricultural depression and the unemployment crisis (International Labour Organization (ILO), 2015). Cooperatives are characterised as a self-sufficient relationship of people joined deliberately through a mutually possessed endeavour to meet their consistent economic, social and cultural needs (Lerman, 2013). There are different cooperatives that are very much perceived for their poverty reduction efforts that have been practised in various countries. However, this study focuses on agricultural cooperatives as a form of primary cooperative. The primary cooperative is formed by at least five people whose objective is to give work or services to its individuals and to encourage development within the community. The agricultural cooperatives are considered as one of the important economic and social organisations in rural societies. Sumelius, Tenaw, Bäckman, Bee, Chambo, Machimu and Kumburu (2013), support this argument by highlighting that cooperatives emerged as self-help entities to combat economic and social inadequacies.

Globally, governments, non-governmental organisations and other stakeholders are attempting to advance cooperatives as a poverty alleviation instrument (Bharadwaj, 2012). For instance, in the case of the United Nations, poverty reduction is highlighted as one of the proposed Sustainable Development Goals (SDGs) that are set to be achieved by the year 2030. As such, it can be concluded that cooperatives are highly relevant and important in the realisation of the proposed SDGs. Poverty is perceived as a rural phenomenon and where the greater part of the general population in the developing countries lives (Hussain, 2014). Therefore, in these rural areas, agriculture is seen as the suitable tool to deal with poverty. In line with this perspective, the ILO (2007), agrees that cooperatives are huge in giving employment to rural communities, since agriculture remains the greater wellspring of wage and employment as the larger part of cooperatives are found in the agricultural sector. This acknowledges that recently, cooperative organisations are very crucial in social development, poverty reduction, employment creation and participatory development.

Regardless of the steps made by developing nations over the most recent two decades, the persistence of poverty still remains one of their greatest difficulties and

individuals residing in rural areas are by far the poorest. Numerous people do not have the resources to invest in raw materials as they are costly, for example, acquiring seeds and fertilizers with high quality. Additionally, they do not have the funds to maintain their items after harvest in order to get higher prices for their items (Marku and Balili, 2016). As such, cooperatives give approaches by which disadvantaged groups can collaborate, share the risks faced with and deal with their common problems (Clegg, 2006). Moreover, Schwettmann (2014), indicates that cooperatives help reduce poverty in an important manner namely: they identify economic opportunities for their members; empower the disadvantaged to defend their interests; provide security to the poor by allowing them to convert individual risks into collective risks; and mediate member access to assets that they utilize to earn a living. These cooperatives depend on the idea that more can be achieved through team than individualistic. Chauvin, Porto and Mulangu (2017), state that individuals come together in cooperative societies to pool their assets together to meet individual needs that could not be settled by individual limited financial capacity.

Prior, financial requirements did not enable the poor to purchase basic contributions for cultivating, which brought about less yield or low profitability. However, by currently sorting out themselves and pooling their assets, farmers can have better access to resources more than they would individually. Therefore, it is well recognised that access to finance plays a critical part through the arrangement of the capital vital for starting and expanding organisations. Wanyama, Develtere and Pollet (2008); Maoto (2017), note that it is evidenced that cooperatives at rural areas have altogether added to the assembly and dissemination of money related capital by creating jobs and salary generating opportunities. In order for poverty to be alleviated; the element protection, empowerment and opportunity need to be addressed. Along these lines, cooperatives can empower individuals through concerted activities, create opportunities through initiatives and improve social protection through shared offer assistance. The effectiveness of cooperatives was generally credited to the fact that they are member-owned business enterprises, which encourage the self-empowerment of the poor and other marginalised groups (Zaalouk, 2014).

Challenges faced by small agricultural producers include remoteness and lack of access to information about food prices on national and international markets; access

to high-quality inputs and variable costs of buying seeds and fertilizer; access to loans to buy these inputs; and lack of transport and other infrastructure in rural areas (Schwettmann, 2014). Cooperatives play a significant role in the provision of services that upgrade agricultural advancement. They enable farmers to get to the sources required to yield crops and keep livestock and enable them to process, transport and market their harvest. According to Allahdadi (2011), agricultural cooperatives have assumed an essential part in strengthening market access and competitive returns for independent farm operators amid the twentieth century. The cooperatives hold control symposiums for farmers to obtain vital information and skills about new agricultural methods that expand the agricultural production and in this way, they boost the rural societies (Aref, 2011). Farmers may also realise economies of scale in acquiring farm inputs, improve their standards of production and marketing and jointly organise credit, transport, professional services and processing, creating off-farm employment as well as funds to help improve rural social services (Clegg, 2006). Cooperatives have played an important role in the development of agriculture in many countries as suppliers of farming requisites, marketers of agricultural commodities and providing services to rural farmers (Sifa, 2014).

Agricultural cooperatives are seen to assume a critical part in encouraging access to education since households get to maintain higher levels of income, which translates into the ability to meet educational costs (Birchall, 2013). In Tanzania, improved cooperative marketing of agricultural products like milk and coffee has meant that cooperative members can afford fees for the education of their children (ILO, 2015). The small farmers in rural areas can construct decent houses. This change can be outlined in housing conditions like moving from a house made of mud to one made of wood or even better move to the house made of bricks (Noreen, 2010). Moreover, cooperatives contribute to food security by helping small farmers, fisherfolk, livestock keepers, forest holders and other producers to solve numerous challenges that confront them in their endeavours to produce food. Thus, the reason for making cooperatives is to make a protected environment in terms of food safety contributing to rural food security and to enhance the living standards among other individuals of the society (Ortmann and King, 2007).

Cooperative societies are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination. Yet, poverty affects mostly women and marginalised groups in rural areas. Gender inequalities in literacy levels, skills, land ownership and access to credit and information are contributing factors limiting women engagements in cooperatives. However, cooperatives work towards gender equality by expanding women's opportunities to participate in local economies and societies in many parts of the world. The women participation may be in the form of decision making as Smith and Rohbaum (2013), point that another area where cooperatives may have a role to play is in fomenting the inclusion of women in the decision-making process of the organisations.

It is broadly comprehended that cooperatives have been fruitful in fighting poverty, specifically in rural areas (Bharadwaj, 2012). The historical backdrop of cooperatives in developed nations demonstrates incredible accomplishments in poverty alleviation. In spite of capability, the cooperatives have a few boundaries. Jamieson and Nadkarni (2009); Aref (2011), opine that the cooperatives lack critical information about the agricultural market to enable societies to create agricultural cooperatives. As such, although farm sources and market farm items that are both imperative for agricultural improvement could be possibly supplied by cooperatives, endeavours to sort out farmers into cooperatives in developing nations have regularly did not succeed (Ortmann and King, 2007). There have been disappointments in cooperatives in countries that are still developing, however, that does not show shortcomings in the cooperative model. Prasad and Satsangi (2013), insist that socio-economic issues have been successfully addressed through cooperative approaches as they have built capacity, enabled effective supervision, and fostered sustainable livelihoods. Therefore, this shows that cooperatives have been a powerful route for individuals to apply control over their economic livelihood. The same line of thought is shared by Birchall (2004: 45), who indicates that "their track record over 150 years in lifting whole groups of people out of poverty in the now developed world is substantial". Cooperatives work particularly like other organisations that exist in the world. They should serve a market efficiently and effectively, be all around overseen and they should survive monetarily (Riva and Garavaglia, 2016). Therefore, with caution, it is

important to note that if started for the right reasons and managed properly, cooperatives can and still do work.

A cooperative is a business that is owned and controlled by the general population who utilise it where the goods and services provided are to its individuals for their common advantage as their main role (Thompson, 2007). Cooperatives are client driven organisations that have contributed significantly to the improvement of one of the world's most productive agricultural systems. Meaning that the individuals who possess, the individuals who control, and the individuals who use are one as they have come together to form a unity. Cooperatives have a long history of providing individuals with a business structure so they can acquire the advantages expected to enhance their lives. These organisational structures accompany certain difficulties, since they are joined by a typical bond they might be too much presented to a methodical hazard because of the homogeneity of the individuals (Marwa and Aziakpono, 2015). Like different organisations, cooperatives begin with the acknowledgment of a need or opportunity, however, more specifically, during financial and economic crises, the cooperatives have been found to be more resilient and perform better.

Agricultural cooperatives are self-help projects that stand as the main source of employment to unemployed people in rural areas. Mostly, cooperatives provide employment to its members, thus makes them more crucial to people in rural areas since that is where unemployment is high. The study by Mago, Mazise and Hofisi (2013), found that cooperatives were done to provide employment to its members. However, cooperatives could also provide employment to people who are non-members. Kenya Cooperatives Union provide its 60 000 members with employment and 200 000 more jobs is created through the cooperative, benefiting people who are not members (Cooperative and Policy Alternative Centre (COPAC), 2008). When people with skills join cooperatives, the possibility is that through their participation as members there is a chance of skills transfer from one individual to others and this could result in successful cooperatives that leads to reduction in poverty (COPAC, 2005). The establishment of agricultural cooperatives do not on their own reduce poverty, they depend on its members' skills, education and participation which would allow profit to be made, with that lowering poverty levels. As such, it is important that

members bear in mind that without skills and participation among other things, it would be difficult to generate profit for their cooperatives, even when their working together as a group.

Agricultural cooperatives could contribute to food security in both developed and developing countries (Yamusa and Adefila, 2014). Food and Agriculture Organisation (FAO) (2012), indicate that globally, cooperatives have successfully contributed to households' food security by helping people who practise agriculture to obtain the required information, tools and services. Households in rural areas need information on appropriate use of technology to increase their productivity and such information could be easily accessed through agricultural cooperatives. Increased productivity would enable members to provide their households with enough food and income, leading to poverty alleviation. This means that cooperatives benefits are not limited to their members only, but rather spread through members' entire families, making cooperatives a suitable tool to deal with poverty. Based on Verhofstadt and Maertens of (2014), conclusions were made that there is a difference in terms of income and poverty levels between households that are members to cooperatives since their income is higher than those who are non-members.

2.3.3. Tourism development

Tourism development has both positive and negative impacts at the local level. These impacts include the aspects of economic, social, cultural and environment (Yang, Ha and Li, 2017). Giampiccoli, Jugmohan and Mtapuri (2015), perceive tourism as a developmental tool in many countries including less developed countries for poverty alleviation especially in rural areas where poverty is rooted. The poor people in these remote areas lack income, business opportunities and they are unskilled of which this contributes to them not being employed. As such, Yang *et al.*, (2017), indicate that, positively, tourism provides economic benefits for local people since they are able to gain employment, start businesses and invest in arising opportunities. Additionally, tourism improves infrastructure and facilities in the community and living standards (Nunkoo and Smith, 2013; García, Vázquez and Macías, 2015). Therefore, Croes (2014), highlights that the development of tourism in rural areas could assist in

breaking the poverty cycle through the creation of jobs, enhancing the household's income and unleashing opportunities for business.

Tourism activities are usually labour-intensive and by this means it provides poor people with employment opportunities, particularly the low-skilled people (Muganda, Sahli and Smith, 2010). Furthermore, in terms of working conditions, tourism can offer jobs that are better in quality in that its employment is healthier, safer and pleasant than other sectors of employment with a high proportion of women, ultimately, contributing to gender equity (Croes, 2014). In line with this perspective, Jugmohan, Mtapuri and Giampiccoli (2017), acknowledge that new jobs and opportunities are created by tourism especially for women, youth and unskilled labours. However, even though tourism is well perceived for its labour-intensive that comprise both the skilled and unskilled persons that can work part-time and full-time it has its drawbacks.

According to Muganda *et al.*, (2010), the household's income and quality of life have worsened due to development of tourism because tourism seems to provide employment to immigrants who are assumed to be having a better education level than local people who are in most need of the jobs. Notwithstanding, the United Nation (UN) (2010), emphasise that it is very vital to take note that education and employment play a key role in the alleviation of poverty. In the Republic of Costa Rica for instance, the poor Costa Ricans are excluded from job opportunities that are created by tourism and they are evacuated from the job market in the industry of hospitality, hence, the well-educated people and immigrants occupy the employment since they might have attended training schools or they are just as well informed about tourism (Honey, Vargas and Durham, 2010). The educated people are knowledgeable and entitled to more jobs opening as they can realise the opportunity, unlike the uneducated poor people. This is because they suffer from disempowerment as the consequence of the lack of networks, knowledge and skills (Adiyia, Vanneste and Van Rompaey, 2017; Nunkoo and So, 2016). Meanwhile, rural people can be able to benefit and take advantages of tourism development opportunities through empowerment (Saufi, O'Brien and Wilkins, 2014). According to Rappaport (1987:122), empowerment refers to "a process, a mechanism by which people, organizations, and communities gain mastery over their affairs".

Development of tourism has contributed to an increased people partaking in entrepreneurial exercises and projects aimed at generating income for households (Muganda *et al.*, 2010), contributing positively towards a reduction in poverty levels (United Nations World Tourism Organization (UNWTO), 2010; Shaaban, Ramzy and Sharabassy, 2013). People display their different skills and knowledge such as arts and crafts promoting local entrepreneurship with increased sales. Similarly, some sell goods and services due to their demand through self-employment where they operate as street vendors since visitors would support local business. The earnings and price effects induced through the development of the tourism benefit the households living on low-income, in so doing, contribute to income inequality reduction within people (Croes and Rivera, 2017). However, on the contrary, the cost of living of the people is increasing as goods and services prices increase due to their demand affecting mostly the poor as their little income value goes down. Spencer and Rurangwa (2012), observes that the local business perceives tourists as people with purchasing power and that tempts them to charge higher prices on products.

The farmers practising agricultural activities can generate additional income by marketing their products through tourism development and alternatively strengthen their supply chain locally (Mao, 2015). For instance, these farmers could supply their products for restaurants' services. However, the lack of training and education are factors that perpetuate poverty among rural areas. Thus, Bridges (2016), asserts that basic business skills including accounting and bookkeeping are lacking from farmers at the local level and this results in failure to making business arrangements with potential hotels or restaurants that cater tourists in which they could sell their farming products such as dairy, vegetables and fruits.

Tourism in rural societies allows poor people to practise livelihoods that are not limited to one occupation, but from multiple activities. For instance, rural tourism involves enterprises that feature local ownership which includes home visits and farm stays that could offer few guests accommodation. Visitors are, therefore, permitted to experience the living ways of local people through their on-farm stays with the host's family unit, consequently resulting in rural farmers gaining extra income (Ramukumba and Ferreira, 2016). And again, individuals that practised fishing as their main livelihood could convert the boats that they use for fishing activities into tour boats,

making additional income to meet their daily basic needs (Mao, 2015). Hugo and Nyaupane (2010), however, caution that the country should not depend mainly on tourism for destitute people's revenue and employment, nevertheless, tourism should be utilised to assist in developing the rural individual's opportunities for employment. This basically means that tourism should be considered as part and parcel of job diversification and not a substitution. Since it is agreed that rural tourism contribute to employment of local people, not all the employment offered is permanent. This is because some of job opportunities created depends on seasons, where during peak seasons as many tourists would be visiting the host community there is possibility for more job creation, while during down seasons there is no or less employment opportunities. Additionally, Lemma (2014), indicate that during high season, individuals may experience a decrease in income inequality due to different goods and services offered to customers, and an increase in income inequality, resulting from limited goods and services sold in the sector during the down season. Therefore, should rural tourism experience down seasons more often, people would not get out of poverty.

Most people in rural areas only study until secondary schools. Bridges (2016), observes that they lack or have low critical subjects such as mathematics and English language aptitude and that is one of the main reasons why owners of the hotels are unlikely to invest in training provision to local people in administration and hospitality tourism services. People with lower levels of education may experience the misunderstandings through their communication with foreign guests because they may have challenges with foreign language skills (Ivlevs, 2017). However, Hugo and Nyaupane (2010), posit that there are many jobs in the industry of tourism that do not require higher education or particular skills rather they require physical labour. In support, Shaaban *et al.*, (2013), articulate that looking at various jobs that are provided by tourism, the poor are able to access them because they only need little skills and investments. While Honey *et al.*, (2010), believes the local citizens are encouraged to learn the language of the foreigners and also skills training and education are generally provided to them, so they can meet requirements for jobs that are well paying. As a result, the developed skills gained from tourism can be transferable to other sectors advantaging people to other employment outside tourism industry in case the tourism is unsuccessful (Spenceley, Ashley and De Kock, 2009).

The rural infrastructure in most cases is poor including their roads and unaffordable transport limit access to small visitors houses within the village and this constrains households in providing the tourists with numerous services that would advance their income earning (Spencer and Matela, 2014). Therefore, Magigi and Ramadhani (2013), note that the poor in turn depend on employment available in hotels belonging to investors to enter the market, even that means accepting low wage job opportunities comprising of cleaning, gardening and security. On the other hand, one can conclude that looking at positive social impacts, local people can gain access to improved infrastructure and facilities. Afthanorhan, Awang and Fazella (2017), indicate that in terms of national income generation, tourism is perceived as a pre-requisite industry in Malaysia given the number of tourists that is seen to be increasing each year. This increasing number of tourists is as a result of infrastructural development. Thus, Abdullah, Razak and Jaafar (2014), observes that the provision of infrastructure like water and sanitation, electricity and roads in Malaysia are funded by the government. The infrastructure needed for tourism also works in favour of the poor people in rural areas since they can also benefit from their provision. According to Rogerson (2006), infrastructure is necessary for tourism to be successful in the community. In Rwanda, farmers and traders at local areas benefit from the constructed and expanded tar road that leads up to Parc Nacional des Volcans (Spenceley *et al.*, 2009). The citizens inhabiting along this road benefit from other local facilities such as improved access to school and health centres (Spenceley and Keyser, 2008). Thus, it is very important to take note that, if tourism is to be attractive, then infrastructure must be taken into consideration together with the natural resources. As such, the infrastructure needs to be sustained to maintain its functionality. Abdullah *et al.*, (2014), state that improper maintenance consequently leads to damage in an infrastructural functionality since the infrastructure deteriorates prematurely.

Tourism depends on but not limited to natural resources such as forests, wildlife, domesticated animals and landscape including caves, mountains, lakes and sea, hence, these are the assets that the poor possess (Spencer and Matela, 2014). The utilisation of these natural resources for tourism purposes has a dual benefit for households at the local level through their job creation and profits making for better and sustainable quality of life (Spencer and Rurangwa, 2012). But, problems are likely to occur due to the growth of the tourists' arrivals within the host communities (Ivlevs,

2017). It can increase competition for water, land and other natural resources (Spenceley *et al.*, 2009). And again, tourism can lead to pollution of the environment, traffic congestion and problems of littering (Nunkoo and So, 2016). This would contribute to decreasing the resident's standard quality of life (Woo, Kim and Uysal, 2015).

In terms of poverty alleviation, it is very important for communities as the hosts to be involved in the development of tourism that take place today and in the future. The perception is that the involvement of communities is a pre-requisite for sustainable tourism in the long term (Sharpley, 2014; Vargas-Sánchez, Porrás-Bueno and De Los Ángeles, 2011). However, tourism is accompanied by negative impacts such as exclusion where people are not involved in tourism, hence this results in community residents having an expectation of how tourism would potentially benefit them. When the expected benefits to the community are not met, the difference in the wealth of tourists and locals could lead to increased crime thereby threatening the safety and security of individuals. Nonetheless, the development of tourism is vital for rural areas' transformation (Adeola and Ayinla, 2016).

Tourism development in rural areas is crucial towards poverty alleviation, however, like other poverty alleviation methods that have been practised around the world, it has its own challenges. Tourism could impact negatively on the environment through the depletion of natural resources (Lemma, 2014). For instance, water is one of scarce natural resource, hence, tourism requires a lot of water for hotels and tourists personal use, taking into consideration that tourists use more water when visiting than they do in their homes. According to Mangion (2013), tourists are likely to use more water than local people, because during their visitation they would do things that are unlikely to do at home such as frequent washing and spas. Forests which could be used for attractions are also affected by tourism development due to deforestation that occurs when land is cleared for the construction of hotels, lodges and recreational facilities (Kolawole, Mbaiwa and Mmopelwa, 2014).

Although rural tourism is believed to benefit people, especially the poor at local level, this may not be the case (Ridzuan, Ibrahim, Razali, Semengon and Rusli, 2018). The research findings by Mohamed (2015), indicate that people do not perceive tourism

development as a tool to alleviate poverty, but a tool to exploit their local resources. According to Okello and Yerian (2009:605), "(t)ourism has the potential to become destructive if it over-exploits or degrades the resources on which it depends; tourism in Tanzania is particularly vulnerable due to this problem, since it depends directly on the land's delicate natural resources". Tourism development could be benefiting to only few people that already have skills and capital to take advantage of opportunities created by tourism. Poor households do not have money to start tourism related businesses such as guesthouses and restaurants that would enable them to generate more income (Sonne, 2010). Moreover, low income households cannot secure loans from the banks of which it would be helpful towards inclusion of poor people in tourism development. Nonetheless, Yang, Liu and Li (2015), state that the success of businesses established within tourism industry depends on their location and facilities standards. Tourists get to visit an area based on goods and services offered to them and if their quality is poor, they may be reluctant to come back and explore the host community. In support of the statement, Spencer and Rurangwa (2012), indicate that repeat visits by tourists in an area is determined by their satisfaction.

The poor could also start new small enterprises that they could run by themselves or involve their families, especially during seasons where tourists visiting is at peak. Muganda (2010), asserts that tourism development, could lead to increased entrepreneurial training, of which rural people get to be involved in improved income generating activities. This would enable the poor to earn income through selling their locally produced products including non-farm products to tourists. This way, tourism reduces households' vulnerability by unlocking opportunities for them to diversify income through non-farm activities. Tourism is consumed at the point of production, making it easy for the poor people to participate in the sector due to less costs that could be involved, since the product is directly sold to consumers (Spenceley *et al.*, 2009). For example, traditional handicrafts are produced and sold in local communities with no transportation costs incurred. Lack of entrepreneurship skills in local communities makes it difficult for people to utilise tourism to deal with the issue of poverty.

Poverty is associated with criminal activities (Sharkey, Besbris and Friedson, 2018). Tourism development could contribute to the reduction of socio-economic problems such as crime, only if the poor realises and tackle the opportunities arising in the sector to escape the poverty cycle. People who are likely to see positive socio-economic impacts of tourism are those playing a role in tourism related activities. One of the reasons for such people to perceive positive tourism impacts unlike those not involved is because local people could generate income from participating in tourism related activities in the communities (Butler and Hinch, 2007). On the other hand, the failure of local people to utilise tourism opportunities could lead to increased crime activities in the host community. Tourists could be the target and mostly affected by crime such as theft and robberies (Jaafar, Ismail and Rasoolimanesh, 2015). For instance, tourists are not familiar with the environments they visit, yet they are willing to explore such environments during their stay. Tourists are likely to carry their possession including cell phones, cameras and cash on their vacations, while they pay less or no attention to security issues that could be warning them about kind of crimes that are mostly to occur in the host community. Thus, tourists are mostly victims of property crimes. Brás (2015), is of the view that most crime activities are probably to increase in peak seasons than in low season. This pose a challenge and threatens tourism development because when tourists decide to travel, are looking for a place to rest and enjoy themselves only to find out that the area is crime manifested and this leads to a decrease in tourism activities. Therefore, there is a need for increased understanding about tourism development by the host population to influence their behaviours towards building better relations with tourists and this that could be achieved through workshops. Especially, because tourism involves different people from different locations and lifestyles.

For local people to generate more income that would enable them to afford their households expenses, there is a need for more tourists that would support the local businesses in that area. However, more tourists in the host community could either be positive or negative. Positively, increased number of tourists means that goods and services would be in demand, leading to more business creation and money injection in local areas. The positive impacts of tourism in the community are more likely to lure local people to participate in the sector (Yang, Ha and Li, 2017). Therefore, in terms of goods and services produced locally, there is a need for proper tourism planning to

ensure that money circulates within the host community, benefiting the local people, hence, avoiding tourism leakage. While, on the negative side, more tourists could lead to an area being in deficit of goods and services resulting from the supply side being suppressed by the demand side. As Hugo and Nyaupane (2010), explain that increased number of tourists does not necessarily lead to increased economic benefits of an area, meaning it would depend on what role do tourists play in the host community. Cooper, Fletcher, Fyall, Gilbert and Wanhill (2008), is of the view that some people travel for business and professional reasons such as attending meetings and conferences away from their place of stay or work. These people may need to sleep a night or more in hotels and guest houses, meaning more money for accommodation and food would be spent during their vacations.

2.3.4. Public works programme

Public Works Programme (PWP) are social protection instruments that are prominent in poverty reduction. They uplift the unemployed and poor individual's status economically and provide the community with social benefits (Subbarao, del Ninno, Andrews and Rodriguez-Alas, 2013). Beazley, Morris and Vitali (2016), emphasise that both the developed and developing countries have been practising the PWP in order to provide the poor working age with social protection. Accordingly, "The most productive way to assist the working poor appears to be through creating opportunities for them to earn a living wage. It has been shown how the labour-based public works programme tends to employ the poorest workers" (United Nations Centre for Human Settlement/International Labour Organization (UNCHS/ILO), 1995:180). The PWP focus on addressing the persisting challenge of poverty and unemployment. The reasoning is that the creation of job opportunities and employment are progressively perceived as being key to the alleviation of poverty (Lal, Miller, Lieuw-Kie-Song and Kostzer, 2010).

In the United States of America, the PWP in the early 1930s has been implemented as a provincial measure to address the high unemployment and poverty challenges as a result of great depression (Crafts and Fearon, 2010). Therefore, Zimmermann (2014), indicates that the PWP can in the long term alleviate poverty, while on the other hand in the short term can enable workers with low skills to deal with economic

shocks. However, Khembo and Chapman (2017), are of the view that the PWP cannot be perceived as a poverty solution that is meant for a long-term, yet allude that the PWP evaluations have shown to offer participants short-term benefits as safety-nets. The PWP has the potential to contribute to poverty alleviation in rural areas since households can avoid instabilities of income and consumption when they participate in public works jobs. These rural household's stabilisation benefits could be provided by either the PWP operating throughout and/or during times when the unemployment rate is very high. The benefits of the PWP could be income-stabilising when public works are introduced as a safety net during drought or "hungry seasons" to provide support for consumption to the poor. Productive Safety Net Program (PSNP) is one of the PWP in Ethiopia that started to function in 2005 to support households deal with droughts and food crises (Debela, Shively and Holden, 2015). The program aims to relieve chronic food insecurity and to improve households' wellbeing where communities identify the beneficiaries. The involvement of the communities has shown a great success since the program benefited about 7.6 million households (Dicks, 2012).

The study that was undertaken by Del Ninno, Subbarao and Milazzo (2009); Berhane Gilligan, Hoddinott, Kumar and Taffesse (2014), shown that the beneficiaries who participate for more than one year in the PWP's food security and livelihoods are meaningfully improving throughout the year. This is evident as Azam, Ferré and Ajwad (2012), emphasise that unlike non-beneficiaries, the PWP' beneficiaries are 7.3 percent more improbable to cut down staple foods consumption. This means that the PWP anticipate making households that are trapped by poverty to be self-reliant economically and be food secured, consequently alleviating poverty. The PWP can be income-enhancing when the programme contributes to employment that is sustainable where workers earn sufficient income to invest in assets and ability to meet their basic needs daily in the short or long term (Devereux, 2000; Beng and Lee, 2010). Gehrke and Hartwig (2015), indicates that the PWP could lead to sustainable employment through skills development, however, for effectiveness on-the-job or formal training must be included. Therefore, participants could use their skills and experience after the projects end to find better alternative employment or upgrade from being self-employed to well-paid waged work.

The individuals who partake in the works offered by the PWP get paid in kind like given food or cash transfer (Beegle, Galasso and Goldberg, 2017). The cash transfer program in Mexico displayed that participants that partake in the programme turn to increase their investment in farms (Gertler, Martines and Rubio-codira, 2012), by way of saving part of their income and consequently using the savings for productive purpose. Khembo and Chapman (2017), share the same sentiment by stating that beneficiaries are offered wages through the PWP where they get more pay to meet fundamental family unit nourishment needs, purchase inputs for farming and invest their wages. Haushofer and Shapiro (2013), indicate that 58 percent of participants have an increased holding of assets. The PWP can contribute to other employment opportunities such as participants utilizing their earned wages to hire others, for example, hiring labourers to help with farming in the agricultural sectors that would lead to high crop production and eventually contribute to household's food security. Moreover, the cash transfer through the PWP also encourages beneficiaries to invest in enterprises as De Mel, McKenzie and Woodruff (2012), points that the enterprise rates of survival in the communities have increased by 10 percent.

The PWP have indeed potential impact on consumption and food security of rural households. However, Blattman and Ralston (2015), articulate that the impact of PWP depends on the budget available to undertake the projects, a number of person-days of employment offered and relies upon the assessed populace of family units influenced or powerless of the disaster. The PWP offers employment on demand for the individuals who are faced with impoverishment and unemployment, hence, advancing rural infrastructural construction by using their labour as resources that can be used for production mobilisation (Fotheringham and Saunders, 2014). Since the mid-1990's the government of Malawi has been implementing the PWP, providing, especially the poor rural dwellers with labour intensive employment opportunities in short-term for improving their household's food security. Like other countries, the public works that are mostly done include road construction and maintenance. Therefore, the PWP in Malawi covers approximately 500 000 households every year throughout the country (Beegle *et al.*, 2017).

Public works should target areas that experienced the disasters and address societies' necessities. Damien, Lamanna and Oviedo (2015), asserts that the PWP have been

introduced generally after the occurrence of natural disasters such as earthquakes and floods or aftermath conflicts, especially the major ones that leave households vulnerable. In Haiti, for example, after the earthquake that was experienced, the Cash and Food-for-Work (C/FFW) programs were introduced after the disaster to provide unemployed individuals with immediate cash or food, where 240 000 people benefited from the program by the year 2010 (Office for the Coordination of Humanitarian Affairs (OCHA), 2011). The earthquake caused a lot of damage to infrastructure and the surrounding zones where people practise their livelihoods. As such, the PWP can create an infrastructure that is needed in rural areas. Poverty is relative, that is, the PWP contribute to local development through infrastructural development in the communities, for instance, public works implemented include construction and maintenance of roads, water and electricity systems and sanitation schemes (Organisation for Economic Co-operation and Development (OECD), 2012). Similarly, in Sri Lanka, the aftermath of a long civil conflict, the PWP were put in place to operate as part of Emergency Northern Recovery Project (ENRP) where households that were affected by the conflict were provided with short-term employment and houses, people's farms and rural infrastructure were reconstructed to upgrade individual's status (Zimmermann, 2014).

The PWP target the poor people in the communities since they are at a disadvantage in the job market, as they tend to be less employed due to low educational level than non-participants, of which lack of education is associated with poverty. Therefore, the public works transform remote areas as people earn income and wages enabling some beneficiaries to further their studies where in the future they get to be more advanced in the job market. Accordingly, limiting the same individuals to repeatedly participate in the programme, hence giving others an opportunity. The PWP is useful for rural infrastructural development investment that ultimately leads to a reduction in rural-urban migration (Muralidharan, Niehaus and Sukhtankar, 2017). According to Akram, Chowdhury and Mobarak (2017), migration may deprive source regions of critically needed human capital or increase rural poverty and income inequality. European Report on Development (ERD) (2010), elaborates that the PWP in rural areas offer unskilled jobs that reduce migration to urban labour centre and help rural communities to create public assets.

In India, the PWP known as National Rural Employment Guarantee Scheme (NREGS) was put into action by the year 2006. Bhupal and Sam (2014), emphasise that the NREGS, started operating from 2006 to 2009 in India where first beneficiaries was the 200 most impoverished districts, followed by 130 and 296 districts in 2007 and 2008 respectively. The main objective of the program was to reduce the level of poverty in rural areas (Afridia, Mukhopadhyay and Sahoo, 2012). The program provides rural households that are willing and able to supply manual labour on public works at local level with 100 days of employment annually. Although both men and women are affected by poverty, women seem to be more vulnerable than men. Thus, given the extreme vulnerability experienced by women in rural areas, the NREGS prioritise women in its employment selection. These women are get paid for their participation in the work provided, hence, being empowered. Implementation of public works through employment creation reduces “dependency syndrome” (Osei-Akoto, Bawakyillenuo, Owusu and Offei, n.d), but most importantly provide people with income and skills. Bhupal and Sam (2014), are of the view that income earned by women from the NREGS is consumed on education and health of household members.

The cash earned by individuals through their participation in the PWP could contribute to households’ consumption and investments, however, it would depend on how the cash is transferred to the poor (Beazley, Morris and Vitali, 2016). For example, the participants should be paid as soon as possible or on agreed terms after the work is done, so that the poor could utilise the income without it losing its value. On time payment is crucial because without the timely delivery of transfers, the poor would only remain vulnerable, limiting the impact of the PWP on poverty. Moreover, these poor households could continue adopting harmful strategies to meet their daily consumption needs. On the contrary, even if the PWP participants would be paid regularly for the work performed, they would still face the challenge because the cash received would only sustain their households for a particular period when the program is still running. Gehrke and Hartwig (2015), shows that in Rwanda, households where positively affected by the Vision 2020 Umurenge Programme (VUP) during the short-term of participation, since they were able to accumulate livestock. Therefore, the PWP need to be considered to run on continuous basis in order to sustain the effects that it could

have on the poor households. This could also enable the PWP be linked with the formal training, particularly because more time is required for people to be trained.

2.3.5. Infrastructural development

Over the period in the vicinity, there is potential growth advancement and wage dispersing outcomes through increased infrastructural development. Infrastructure helps to promote growth, and this will assist in poverty alleviation due to the impact that the growth might have. Thus, the national governments lately are increasingly using the investment in infrastructure, for example, education, roads and irrigation in rural areas to achieve a reduction in poverty. This was suggested by the commission for Africa by the year 2005, maintaining that infrastructure spending should be increased (Hanjra, Ferede and Gutta, 2009).

Every country individuals' quality of life has a relation with the state of infrastructure of that nation. In high-income economies, there is a greater rate of infrastructural investment unlike in economies where they experience low income (Banerjee, Duflo and Qian, 2012). For example, rural infrastructure has not been prioritised looking at the African continental infrastructure initiatives (Development Support Monitor (DSM), 2012). In Africa, it appears that the peoples' quality of life has either not enhanced or only done so marginally. While in developed countries such as the USA for example, there is the practical positive effect of infrastructure on productivity growth and thus their living standard is improved. The determinant of well-being is based on the variety of basic infrastructure such as clean water (Toyobo, Muili and Adetunji, 2014), and in Africa, most rural households do not have access to water, electricity and transportation. Therefore, infrastructural development is likely to alleviate poverty if it improves the poor peoples' quality of life.

The rural infrastructure comprises factors such as irrigation, electricity, roads, water and sanitation as adopted in the study. Infrastructure plays a significant yet roundabout part in the improvement procedure through its contribution to the efficiency of elements increment. Rural communities could be able to generate income through the potential contribution that the irrigation has. The reasoning is that due to increased purchasing power, stable food supply and lower prices, the higher income and high production enable the poor to afford and access food (Zhu, Li, Li, Pan and Shi, 2013). High and

more demand for labour that is stable is generated through irrigation since the initial construction and irrigation infatuation maintenance needs the additional labour requirement that technically leads to higher employment in rural areas (Bacha, Namara, Bogale and Tesfaye, 2011). However, it is very important to note that poverty could be alleviated if these jobs become available to the unemployed and the poor. Irrigation boosts output through higher yields, cropping intensity, larger cropped areas and enhanced complementary inputs use allowing farmers to switch subsistence to market-oriented production or to practise both as a result of high production (Hanjra *et al.*, 2009). Therefore, one could conclude that households are unlikely to be poor when they have access to complementary inputs and irrigation thereby leading to households' food security.

According to Raihan (2011), development of basic infrastructure enables rural farmers to market their yields, strengthen the improvement of non-farm salary open doors for poor people, accordingly going about as a basic contribution to moving out of destitution. The improved intra-household food allocation, greater availability and larger amounts of supplies of food that is stable, water that is clean, intake of adequate nutrients and balanced diets of the poor indicate the positive contribution that irrigation has on nutrition and health outcome through consumption (Kuwornu and Owusu, 2012). Irrigation infrastructure serves multiple uses such as drinking, home gardens, washing and livestock, enhancing the value for the poor by conveying scarce water among the biggest portion of the community. Thus, the areas that are irrigated in rural areas experience a reduction in poverty (Hussain, Wijerathna, Arif, Murtiningrum and Suparmi, 2006).

In developing countries, the majority of rural families depend on agriculture as their main source of living. In most cases, through their agricultural practices they make use of traditional tools that are less productive and requires more labour. Thus, children are also forced to help as additional labourers, hence this affects their education given that they would bunk school to help their families with the agricultural activities (Carter and Roelen, 2017). This could be seen as child labour, especially when children are always expected to participate daily in agricultural activities while their right to education is disregarded. Hussein and Filho (2012), indicate that children whose households have electricity connection are most likely to be found attending school

than those without an electric connection. United Nations Department of Economic and Social Affairs (UNDESA) (2014), point that due to the provision of electricity in rural schools of Nepal the enrolment of students has increased. Electric infrastructure in rural areas could contribute to quality education by using improved learning equipment such as computers. This means that access to electricity would enable the introduction of ICT technologies, leading to the easy exchange of information between teachers and learners (Ghavifekr and Rosdy, 2015). Therefore, access to electricity in rural communities of developing countries could contribute to improved production with the use of modern technologies that requires electricity, consequently reducing the need for more labours including child labour. Moreover, electricity in agriculture could contribute to improved yields leading to food security. As such, given the food crisis experienced in developing countries, it is necessary that electricity is provided in these countries to improve their agricultural production and consequently alleviate poverty. Rural communities are located in remote areas and as such, farmers in these areas suffer the loss of their produce due to lack of markets and people experiencing difficulties in reaching them. This in turn results in some of the food produced going to waste as they get perished before being sold to customers (Puri, 2016). Privilege is when they could sell days after harvesting at less price than they would when the produce was still fresh. Therefore, the provision of electric infrastructure would expand the live of perishable food like vegetables through refrigerating storages, enabling rural farmers to generate more income.

Electrical infrastructure has an effect on rural growth and destitution diminishment. Bertheau, Oyewo, Cader, Breyer and Blechinger (2017), relate by uttering that economic and social development is enabled through electricity in rural areas. It is important for the poor individuals at rural areas to access energy in its modern forms since it empowers them to make sure that they focus on productivity improvement, improvement of living standards, earnings, consumption and educational outcomes. Households in rural areas mostly make use of electricity for lighting and watching television. The lighting helps the learners to study throughout the nights, leading to reduced illiteracy among people (Amadi, 2015). Additionally, people are able to continue with their productive activities after daylight. For example, rural women who make a living through sewing can continue with their activities at night, of which this will improve their profit (Kariuki, Kimuyu and Nyangena, 2016). Through the increased

income, women will invest more in their household electrification like lighting, encouraging these women to read as a form of empowerment (Modi, 2005).

Since electrification will lead to households owning electrical appliances, this might include buying sewing machines which will result in effective and efficient productivity. However, on the other hand, alternatively, due to the introduction of machines as labour- saving technology, rural people may experience job losses. At the same time constraining the reduction of poverty in rural areas. The rural households obtain entertainment and information on health awareness issues through watching television and listening to radios. For instance, Mrs Chisamba Show programme on television in Zimbabwe has improved the HIV/AIDS awareness contributing to protected sexual activities (Bowora and Chazovachii, 2010). The businesses such as salons and tuck shops can continue running in the evenings through extended hours allowing the circulation of money. On the contrary, these businesses may suffer huge loss due to a power cut that is caused by load shedding that usually occurs in rural areas of developing countries (Mudenda, Johnson, Parks and Van Stam, 2014). Nevertheless, in developing countries the enterprise in rural areas is comparatively cheap, however, the low educated people who dwell in these remote areas are ignorant on how entrepreneurship could add to their advantage towards poverty alleviation. The poverty that can be identified by diseases and lack of health care can be alleviated through electric infrastructure. Since the electricity supplied can improve health care, in that, health facilities especially clinics can safely store medications and vaccines. This means that power supply needs to be considered in order to access advanced medical technologies based on the fact that involvements to save a life like performing surgical services depend on energy.

The supply of electricity leads to improvement of living conditions of rural communities. For example, people get to purchase electrical appliances such as stoves, televisions and washing machines that provide comfort in their lives and enables them to easily perform households' chores at the same time. Rural electrification leads to creation of new enterprises (Yadoo and Cruickshank, 2012). These enterprises include electrical appliances repairing shops and internet cafes, which would not have been developed if there was no electric connection. This means that electricity in rural areas could enable non-farm activities with improved income earnings. However, as connected

households adopt to appliances that use electricity, people would need skills to make use and maintain these appliances to improve their living standards. The electric physical connection to rural households is not enough on its own. Thus, it is important to note that the contribution of electric infrastructure on poverty alleviation in rural areas depend on whether households could afford the cost of using it. For instance, majority of rural households use electricity for lighting because it is the least they could afford. As such, poverty in rural areas still persists due to the limited use of electricity that results in limited income generating activities. Hence, poverty could be alleviated through the productive use of rural electrification. The study conducted by Lenz, Munyehirwe, Peters and Sievert (2017), indicate that in Rwanda, television and mobile phone are the most productive used appliances for both communication and entertainment.

Reduction in poverty depends vigorously on the road transport sector that is effective. Therefore, Shimokawa (2007), concurs that the government needs to prioritise poverty alleviation by developing rural areas where investors should focus on low-grade roads because unlike high-grade roads they may be more cost-effective. Secondly, because roads in rural areas have superior effects on the development of agriculture and reduction in poverty. The understanding is that the road infrastructure would lead to increased transportation of goods and service delivery, ultimately benefiting the poor people. The poor are able to be self-reliant and well equipped to meet their essential needs out of their own assets through infrastructure investment. The DSM (2012), elucidates that since the poor practise agricultural activities, the road infrastructure in rural areas creates and link the markets to the production centres for countless economic sectors including agriculture. In line with this perspective, Llanto (2012), relates that agriculture which plays the key role towards poverty alleviation, its increase in productivity depends on rural infrastructural development such as better roads. Moreover, the opening of the road to rural areas helps the poor people in driving to work and venturing out to livelihoods where the wages are generally higher through infrastructural development that improves induced labour mobility, possibly reducing costs of transport (Sewell and Desai, 2016).

There is an undisputable fact that there is a linkage between the infrastructure development, creation of employment and poverty alleviation. The infrastructure

development can add to more job creation that is needed particularly in rural areas. The employment for basically low skilled workers can be created by means of labour-based methods throughout the road infrastructure construction and ongoing maintenance, thereby empowering disadvantaged people and women. For instance, in Lebanon, the construction sector of roads has been the main employer, especially for the low skilled workers (Ghanem, Belhaj, Irigoyen, Le Ber and EL Nakat, 2017). The road construction leads to improved transport availability, augmented markets and advance the rural economy's growth, of which at the same time, the rural poor get to benefit.

The significance of alleviation in poverty looking at roads impact in rural Bangladesh is the achievement through expanded farming creation, higher income, transportation lower costs, and higher yield costs (Shimokawa, 2007). It can, therefore, be concluded that a critical component of social rejection which pushes the destitute people because of their powerlessness to get to services and jobs is unchanged or costly road and street network. Gwilliam (2011), explains that the reason on why the quality of roads in rural areas is poor is the consequence of lack of assets at the local level to subsidize roads and serious negligence by the responsible party. Also, the inadequate investments and poor maintenance of the road. Improving the road's connection in rural areas of the nation can likewise encourage advanced improvement of the areas and association of new regions into the dynamic environment of the economy (Popova, 2017). The understanding is that rural roads through infrastructural development would over specific time add to enhancing the rural areas' economic capacity.

The role that elderly and people living with disabilities towards the growth of local economy should not be ignored, particularly because elderly people in rural areas are the ones who mostly participate in agricultural activities as the main source of income. However, poor rural infrastructure including roads that results in less transportation holds back their potential to contribute to poverty alleviation due to lack of mobility. Masarova and Ivanova (2013), emphasise that flexibility and mobility of people are determined by the state of their road infrastructure. Road connectivity in rural areas is critical to agriculture which is mostly practised for subsistence and income generation by rural households, since it would make transportation of agricultural inputs and

produced are easily distributed to urban areas and other villages (Tunde and Adeniyi, 2014). However, it should be realised that roads would not only benefit people with improved agricultural practises, but it would also unleash other opportunities such as tourism industries in rural communities. The development of new industries would lead to the creation of more jobs and rural people being employed, ultimately reducing poverty. This means that road infrastructure has the potential to make use of under-utilised resources including labour that exists in rural areas.

Rural communities are isolated by distance, making it difficult for rural poor people to easily access health facilities at a convenient time. Starkey and Hine (2014), cites that that rural area experiences unnecessary deaths that could have been avoided due to lack of proper roads infrastructure. Poor rural roads are associated with poor health services in rural areas. Therefore, improved roads infrastructure in rural communities would lead to patients being transferred to better health facilities to receive required medical attention on time and consequently reducing mortality rates. The construction of roads leads to improved health of rural people and this has been the case in India (Sieber and Allen, 2016). However, it is necessary that provided roads be maintained to ensure that the benefits it brings for the rural poor continues. Without maintenance of road infrastructure, the social and economic opportunities for rural communities could slowly deteriorate, making it difficult for households to escape poverty. Kgamanyane (2015), asserts that developing countries are faced with the challenge of deteriorating roads connectivity due to lack of maintenance and that is one of the reason poverty rates are high in these countries.

Physically closer facilities, less waiting time and safer disposal of human waste characterise improved sanitation (Minh and Hung, 2011). Almost every person in developed countries are enjoying the use of improved sanitation and common diseases like diarrhoea which is associated with poor sanitation is less of their worries. This is evident as Minh and Hung (2011), indicate that in developed countries 99 percent of people including those in rural areas have access to improved sanitation. Thus, developed countries experience economic growth and their life expectancy is high. Proper infrastructure provides critical support to economic growth and development of any country. Provision of different infrastructure contribute to improved quality of life of people and leads to poverty alleviation. While in developing countries

people still make use of inadequate sanitation infrastructure in their homes, schools and work places, and this badly affects their economy. For instance, poor sanitation is associated with diseases (e.g. typhoid, cholera and diarrhea) and when people practise unsafe sanitation they could easily get sick. The sickness resulting from poor sanitation leads to high level of absenteeism at work and this affects the productivity and income gains. US\$1.6 million in Tanzania is lost every year due to productivity losses as a consequence of people getting sick and others spending time trying to access healthcare services, with more additional time lost while caring for children under 5 years suffering from diarrhoea and other diseases associated with poor sanitation (Water and Sanitation Program (WSP), 2012). Through adequate sanitation, the economy of developing countries would improve, since the money that would be needed for medication to treat illnesses would be saved and if possible be directed to providing other infrastructure, particularly in rural areas that would benefit and improve the lives of the people.

Poverty can be alleviated through improvements in health where infrastructure development improves water and sanitation which could reduce the illness occurrence among the rural poor and persistence lack of productivity. Therefore, to maintain good health of people, the water must be accessible in quality and quantity to the rural poor (Kamba, Sangija and Wei, 2016). Good health leads to more productivity of livelihoods where households can generate more income, and in that way, the households get to save as they utilise some of the profit. As a result, the resources that would be spent on diseases treatment would be spared, leading to that spared resources such as money to improve or implement other infrastructure that would benefit the poor individuals. Mortality could be reduced from diseases related directly to the prevalence of water-borne through improved water and sanitation (Raihan, 2011). Thus, in order to reduce mortality, it is therefore, very important to improve the rural communities access to clean water. Rural women in most cases spend time fetching water, but through the improved water supply, women's chore in fetching water of which is time-consuming is reduced (Cook, 2013). The time that is saved could be used to create other activities that are income earning, potentially boosting their own life and status and the lives of their children and families.

2.4. The Effectiveness of Local Economic Development on Poverty Alleviation in Rural Areas

The SPII (2013), is of the view that the LED is an important instrument to deal with poverty, through job creation and local economic growth stimulation. The LED is a multi-dimensional and multi-sectoral process through which the local stakeholder's skills, resources and ideas are combined to enhance economies at local sphere to respond to changes innovatively in both the national and international economic environment, to attain as an outcome, poverty alleviation and job creation (Kanyane, 2008). According to World Bank (2001), the LED is the process of establishment of partnerships between all relevant stakeholders including local governments, private sectors and community-based groups for job creation and stimulation of local economies through the management of existing resources. Thus, poverty can be alleviated through LED when stakeholders are committed in the communities at the local level. Ariatti and Chasomeris (2015), indicates that the LED is based on making use of the unique resources that are available at local spheres. As such, Nel and Rogerson (2005), indicate that to a significant degree, the ability to impact on poverty is dependent on the scale of resources allocated to LED.

The World Bank (2003:5), states that "LED is the process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation". This means that the Public Private Partnership (PPP) is useful in addressing the alleviation of poverty, since they might have resources that they can offer where the government alone is lacking or because they are good at playing a certain role towards the economic development of an area. However, it is important to note that all the role players' responsibilities are equally important in the LED initiatives. According to Srinivas (2015), the partnerships between government and local business are to enhance the flow and exchange of relevant information needed to create an enabling environment. Therefore, in this way, the LED contributes to improved governance by local government (Meyer and Meyer, 2016). The LED depends on economic, environmental and social renewal aspects for poverty alleviation. To support the statement, the World Bank (2001:138), indicates that "the success of LED requires economic, environmental and social renewal, and it

is for this reason that LED plans need to interlink with poverty alleviation strategies and should, to a large extent, include disadvantaged and excluded groups”.

Municipalities are obliged to deliver services and construct infrastructure within their territory. The provision of infrastructural services is significant for the LED promotion that is to succeed and poverty reduction (Mensah *et al.*, 2013). This is because the construction of infrastructure requires labour-intensive, as such, it offers the poor the chance to reduce their level of poverty since they would be employed and gain income to meet their basic needs and improve their household’s standard of living. Nonetheless, in most cases they create temporary jobs through construction and or maintenance of infrastructure, albeit it adds to the advantage of the poor because of the available high volume of work it offers, requiring more labour. This means that when the government provides services to promote the LED, the labour based should be considered than equipment-based technologies for the purpose of job creation to the poor working age.

Prioritising labour based on developmental infrastructure for employment creation opportunities, especially for the poor in rural areas is effective and appropriate as supported by ILO, although looking at assets that are created in the process seem to be given less attention in terms of quality. Therefore, the local government needs to invest more in the constructive and maintenance of infrastructure in the communities that they serve for sustainable employment and improvement of services. The improved services will ultimately lead to improved health of the poor and this will enable them to be productive to increase their household food security, alleviate poverty and economic growth will be stimulated.

Cooperatives are perceived to play a key role in enhancing the LED (Adugna, 2013). As such, the LED within local communities creates opportunities which are meant to uplift the destitute out of poverty. The decent jobs are created and resources for income generation are mobilised to improve the standard of living. Poverty is manifested and this includes the lack of participation by rural poor. Therefore, the LED promotes the participation of all people thereby contributing to the sustainable economy and human development in local areas (Manap and Tehrani, 2014). The LED provides the means by which disadvantaged people, women and youth are

empowered, enabling them to create their own prosperity, including them in the decision-making process, hence this will combat social exclusion and impact positively on areas of development.

2.5. Conclusion

The reviewed literature indicates that the LED has been successfully practised in developed countries. In these countries, the establishment of partnership regarding the LED undertakings is emphasised, thus result in low level of poverty. This chapter looked into the concept of LED with an aim of trying to understand what the LED implies and how it is perceived in the international level. The types of poverty alleviation models which are mostly to be practised through the LED projects were also discussed. Lastly, this chapter discussed the effectiveness of LED on poverty alleviation, hence, is evident that the LED implementation could contribute to poverty reduction particularly in rural areas.

Chapter 3: Local Economic Development and Poverty Alleviation in Rural Areas of South Africa

3.1. Introduction

The previous chapter discussed the LED and poverty alleviation at the international level. However, this chapter focuses on how effective is the LED undertakings in South Africa towards poverty alleviation in rural communities. The LED in South Africa is practised as one of the strategies to achieve poverty alleviation and economic growth at the local level. It consists of a partnership between government, private sector and communities. The practise of the LED in South Africa is still in its early stages and is interpreted and understood differently by people even the LED officials who deal with it in their municipalities. The effectiveness of the LED to improve the communities' standard of living, create job opportunities and alleviate poverty is dependent on the understanding of the LED processes.

3.2. Local Economic Development in South African context

The extreme social and economic inequalities in South Africa still persist, and since the demise of apartheid era they have grown in many cases as reported (Nel, 2015). Marais (2011); Johnson (2015); Nel (2015), explain that South Africa is a developmental state, but still, after years of the democratic transition, the challenges of unemployment and development of the country remains unresolved, regardless of a range persuasion of interventions including the LED. However, Moyo (2007), shows that the government introduced the LED in order to deal with poverty, unemployment and inequality that still persist in the country, despite the years of achieved democracy. Nel (2015), states that since the LED has a close association with community development and socio-economic redress principles, which in the first post-apartheid national development strategy were recognised, the LED has been the post-apartheid government distinctive feature. Currently, the government acknowledges the achievements of limited LED success and the need to strive for the LED that is more comprehensive and effectively implemented at the local level (Nel, 2015).

The LED in South Africa is a national government policy towards the development of a sustainable economy that focuses on encouraging people to work together to

achieve economic growth and development that is sustainable (Phago and Tsoabisi, 2010; Sibanda, 2013). Sibanda (2013), further states that the policy aims to bring benefits that are more economic and improve all citizens' quality of life within a municipality. Kroukamp (2006), indicates that when the local governments in the post-apartheid era were given the responsibilities by the Constitution of South Africa, the importance of the LED was emphasised. Abrahams (2003), emphasises that in South Africa, the LED is practised by local governments because they are closest to the people. Ramafamba and Mears (2012), state that of recent, it is important for each municipality to ensure that the LED undertaken contributes to economic growth in their areas. As such, most local governments have made an effort with regard to pursuing the LED over twenty years, with varying success and commitment degrees (Nel, 2015).

According to Nel (2001), several local governments have established comprehensive LED programmes including the establishment of LED units and the pursuit of other developmental strategies. In almost all cases, however, the results are still of a rather limited nature. Supporting the statement made by Nel (2001); Ndlovu and Makoni (2014); Nel (2015), when looking at all local communities, it would be difficult to argue that the results on-ground have a significant difference that the LED had made. Moyo (2007), explains that the poor funds' management and budget allocations that are limited in nature at local governments are a drawback to implementing successful LED. Rogerson and Rogerson (2012); Nel (2015), add that the contributor to the lacklustre outcome of LED is the results of limited finance, skilled staff shortages, failure to engage with the private sector and the pursuit of social than economic projects. In South Africa, there are small local municipalities and large municipalities (Institute of Municipal Engineering of Southern Africa (IMIESA), 2008).

The large municipalities are sustainable since they are resourceful as they have broader income access, whereas small municipalities lack resources availability because of their remote physical location making them dependent on income base that is fragile (IMIESA, 2008). However, even within these small municipalities or rather local governments, the availability of resources varies. In support of this argument, Nel and Rogerson (2005); Ariatti and Chasomeris (2015), indicate that LED is based on making use of available unique resources at local spheres. In essence,

each local government has its own unique assets and physical characteristics and as a result, there is no LED success blueprint in every locality (Reddy and Wallis, 2012). Moyo (2007), shows that the differences in availability of resources within local governments have contributed to LED outcomes that differ from municipality to municipality. For example, Moyo (2007), articulates that several studies have shown that in the larger local spheres that have better availability of resources, the LED initiatives have been successful.

Bogopane (2012), points out that the adequate involvement of stakeholders at the local level on the LED planning and implementation process could lead to successful LED. Reddy and Wallis (2012), agrees that the LED success is indicated by these factors: participation by all key stakeholders; maximising resources available at local and creation of opportunities; future opportunities identification and development; and harnessing critical external resources and skills. However, LED is seen less as a strategy grounded in engagement and partnership principles with the private sectors and more as a function of local government (Rogerson, 2008; Nel, 2015). Thus, in caution, Maloka, Mashamaite and Ledwaba (2014), enlightens that the LED without an active involvement of local key stakeholder's participation in the processes of LED planning and implementation would not thrive.

It is believed that for developing country like South Africa to develop need to familiarise their situations, which includes poverty and unemployment that are experiencing with developed countries and to imitate what they have done so that they could also improve the standard of living for their citizens. It is relevant to do what others have done and worked for them, however, no matter how situations may look the same, the solutions for that may differ depending on where the problem is occurring. The LED in South Africa was adopted to address the issue of poverty simply because it was used in other developed countries and their poverty level has decreased. Now the challenge is that instead of the LED in South Africa to be undertaken based on certain challenges at hand, that is not happening. Instead, the LED projects that have been used in developed countries are forced to be used in the country and expected to yield same results which indicates the success of LED on poverty alleviation. This is a challenge because even worse the LED projects in South African urban areas that managed to succeed are channelled to rural areas, hence, they are not significant to

challenges experienced in local communities. Therefore, in order for LED to be effective, particularly in rural communities where most people live in poverty, the LED projects that should be implemented need to accordingly focus on specific issues in those areas. Rural municipalities in South Africa concentrate on pro-poor LED and urban municipalities concentrate on pro-growth.

Municipalities have developmental mandate that should fulfil and as such, there is a need for LED unit in every of the municipalities in South Africa. However, there are still many municipalities in rural areas without the LED units to be responsible for implementation of the LED. As such, this led to most rural municipalities in South Africa not prioritising the LED. This is a challenge regardless of that the LED unit may differ in terms of size looking at the municipality. For example, the larger municipalities which are in most cases located in urban areas may have bigger LED unit because of responsibilities that they need to carry, while small municipalities in rural areas could have smaller LED unit. Meyer (2013), is of the view that the LED manager and LED officials in local municipalities of rural areas could make up the LED unit. Some of responsibilities of the LED unit includes coordinating the implementation of the municipal LED projects. It is necessary that, the LED unit work with other units that exists within the municipality so that work undertaken to improve communities is not duplicated. The government, particularly, in rural areas, do not own land, but traditional authorities. Mostly, rural municipalities are within the traditional authority jurisdiction, where much of the land is owned by chiefs and thus, these municipalities need to involve them when developing LED projects (GOGTA, 2008). Additionally, communities should also be involved. The involvement of traditional authorities and communities would indicate the LED as a bottom-up approach, of which it should be. However, many municipalities continue not involving communities in developing the LED project. Swinburn *et al.*, (2006), emphasise that for effectiveness and efficiency of the LED, it is important that private sector and local communities be involved in the planning process of the LED.

The democratic South Africa saw a need to decentralise power from the national government to local sphere of government. Although this seemed relevant, it placed a lot of responsibilities including the LED to local municipalities that one could say they were not yet ready to perform particularly because they have limited resources. Rural

municipalities in most cases are constrained with funds. Their lack of funds leads to them not to prioritise LED, since in order to undertake LED projects budget need to be available. Adequate funds need to be allocated for LED, particularly in rural municipalities where households do not afford to pay basic services that are provided to boost municipalities' revenues. Nel and Rogerson (2005), emphasise that it is very important that LED be accolated with resources within municipalities, because the resources allocated would determine how meaningful would the LED contribute to poverty alleviation. Literature shows that the LED projects at local municipalities are implemented, however, their limited capabilities to undertake these projects, lead to limited success on poverty alleviation.

Although municipalities are constitutionally mandated to undertake the LED activities, local communities within the municipal jurisdiction could also initiate their own LED projects to improve their standard of living. Particularly because the LED is not a sole responsibility of municipality. Thus, participation by all LED stakeholders including private sectors is important for successful LED implementation. However, the LED initiatives should be relevant to deal with socio-economic conditions of that area. The LED is a component of every municipalities' IDP in South Africa. However, municipalities treat the LED separate from the IDP. The LED is unfunded mandate from central government, meaning municipalities must use the limited resources already allocated to them to undertake the LED activities. The LED have its own projects. Thus, municipalities mostly focus on other IDP components than the LED. Nonetheless, local municipalities should not view implementation of the LED as voluntary and when planning for the LED, other aspects of such municipalities should also be considered. Hence, the implemented plans should be monitored by the local municipalities.

3.3. Types of Poverty Alleviation Models in South African rural areas

The models that South Africa is using to alleviate poverty are not endemic, meaning they have and are still currently being practised internationally as discussed in the previous chapter. The poverty alleviation refers to measures that are taken to reduce the poverty level in communities to improve their lives. Poverty is manifested and as such, different approaches may be applicable to tackle the impoverishment.

Therefore, this section focuses on poverty alleviation models in the South African context.

3.3.1. Entrepreneurship in rural areas of South Africa

To any country such as South Africa, poverty can be alleviated through entrepreneurship development and as such, the government encourages entrepreneurship through business activities. When persons participate in entrepreneurship they become income empowered. The empowerment is not only for the person as an entrepreneur, but also to the labourers that are hired as they become independent and are able to minimise challenges that they may encounter. Secondly, the disparities in income between people living in urban and rural areas can be addressed through entrepreneurship. Therefore, poverty in South Africa can be alleviated when the practise of entrepreneurship could increase leading to increased income and purchasing power. However, poverty can be alleviated when the entrepreneurship creates employment. One can ask how many employment opportunities can entrepreneurship create and if the created ones are enough to tackle the issue of poverty. According to Skosana (2011), most entrepreneurs tend to employ other people when their business is making money, nonetheless, most specifically they employ the people they know, such as family members, relatives and friends. Therefore, people who have a relationship with the entrepreneur are the ones with the high chance to escape poverty, indicating the limitation of entrepreneurship on poverty alleviation particularly in rural areas.

In South Africa, given the least number of employment opportunities that entrepreneurship can create, the failure and success of the entrepreneur would have a direct impact on the society and to the rest of the country. For instance, if it succeeds, the countries' poverty and the unemployment rate will decrease precisely in the community in which it operates contributing to improved quality of lives. Contrary, if it fails, people would lose employment opportunities leading to an increased poverty rate. One of the reasons why entrepreneurship in rural South Africa might fail is due to lack of proper infrastructures such as roads, electricity, water and sanitation (Ngorora and Mago, 2013). Rural areas present a lot of opportunities for entrepreneurship development. For instance, since rural areas are far from towns, there are business opportunities to sell beverages and food that need to be

refrigerated, especially because the poorest people cannot afford much of the electrical appliances such as fridges. However, due to lack of electricity and/or load shedding, this holds back the potential of entrepreneurship on alleviating poverty in rural areas. Therefore, given the constraints, the government needs to provide basic services to the rural communities to enable an environment for productive entrepreneurial activities to take place. On the other hand, entrepreneurs are limited to exploiting opportunities arising because the majority of people are poor, so as such, the entrepreneurs find themselves pricing goods and services to accommodate the poor that would result in low income. The low income means that entrepreneurs will struggle in terms of consumption expenditure. In rural areas, the poor of the poorest are customers, hence with limited purchasing power. Therefore, it is very important that the entrepreneurship is pursued by the poorest people so that products are purchased from them instead of them buying from the others.

The same poor people who are pushed to participate in the entrepreneurial activities are faced with the challenges including lack of access to finance. Access to credit for business start-ups either from micro lenders or banks is difficult to obtain because they do not have assets that are worth the value to secure the loan. Therefore, looking at this constraint, the probability of entrepreneurship activities to occur in remote areas is reduced. Minniti and Le'vesque (2008), emphasise that capital limitations affect the overall development of entrepreneurship in rural areas. Access to finance is necessary for entrepreneurship since it will enable free flow of the business, especially the new businesses that have just been launched. Nonetheless, there are financial institutions to fund businesses, however, these institutions are not seen to be interested in lending money to businesses that are still in their early starting point due to risk that might be encountered. However, it is argued that the municipalities and financial institutions should offer their assistance to potential entrepreneurs in terms of loan access needed for their businesses (Thorne, 2011).

It is crucial for the democratic government to provide rural people with necessary entrepreneurial training (Chinomona and Maziriri, 2015), in order to limit the movement of people (which could be used as labour) to urban areas in search of employment and improved living conditions leaving rural areas undeveloped. It is important to note that even though people migrate to cities for job opportunities some they do not get

employed, hence they prefer to live in the cities and by so doing adding to poverty and unemployment in that area. The entrepreneurship in South Africa can lead to a reduction in rural-urban migration as poor people in rural areas will start to make good use of resources available to do businesses and generate income, leading to rural economic growth. Therefore, the entrepreneurship can contribute to a reduction in social problems including slums and pollution in South African cities.

According to Maringe and Osman (2016), during the apartheid era, the majority of people, which are black Africans were denied an opportunity to be educated. Without education peoples' choices to improve their life is limited. As such, most people, especially the poor who are characterised of having less or poor education turn to see themselves as other people's employees, because they would rather look for work than to create one for themselves. This might be due to that they do not recognise opportunities to a start-up business, as a result of their educational level. Maringe and Osman (2016), further alluded that the performance of entrepreneurship could depend on the educational level and skills that the entrepreneur possesses. However, necessity entrepreneurs in most cases are found to be lacking required business skills to run sustainable businesses that could contribute to employment creation and poverty alleviation. Nonetheless, it is important to note that people do not choose to pursue necessity entrepreneurship, but the situation they find themselves facing force them to be as such.

The entrepreneurial activities do not occur in the vacuum, but in communities including those in rural areas. Hence, people who establish businesses either for survival or profit orientated need the support of their communities to succeed. In some cases, rural people find it difficult to start-up business ventures as they fear how communities would react to these businesses, mainly because the communities could choose to support or rather not support the business (Lekhanya, 2016). Agbenyegah (2013), suggested that, it is important that rural people show support to entrepreneurial activities that take place in their communities for sustainability and growth, which could lead to some people being employed. Support from family members is also necessary for rural entrepreneurship since they could provide entrepreneurs with labour while the business still tries to be stable to recruit employees. This is an advantage to the business as family members sometimes may not require to be paid, and as such, the

profit gained would be concentrated on growing the business. However, on the other hand if the communities decide not to support entrepreneurs it would have a negative impact in that community, because the business failure would mean no jobs created. Rural entrepreneurs have limited access to information that could be very helpful to their business ventures due to weak social networks.

Kerr, Kerr and Xu (2018), highlight that entrepreneurs are found to be doing their businesses independently without having to share any kind of information that could be helpful to each. Some entrepreneurs think that since they are involved with different business ventures there is nothing to share with other entrepreneurs through networking with them, while they could learn about their experiences and challenges with being an entrepreneur. Thus, those who are doing well continue as such, while those who are not performing remain just as they are. Hence, it is a challenge in South Africa because currently most foreigners are taking over small business in rural areas as they hire or buy businesses that are operating at loss or that are closed. Therefore, since communities know about the location where these businesses used to operate, this serves as an advantage to foreigners. Once these foreigners start to operate they create a huge competition with local entrepreneurs, especially with prices, because their prices are usually lower given that in most cases they partner when buying stock, which reduces costs. The poor do not have purchasing power, as such, they would prefer lower prices and it seems as if the black South African businesses at local levels are not supported (Games, 2011).

De Lannoy, Leibbrandt and Frame (2015), asserts that the youth, particularly, those who have never been employed before and have no skills are faced with the challenge of unemployment due to scarce job opportunities in South Africa. As such, there is a need to encourage youth in the country to pursue entrepreneurship in order to reduce the unemployment rate that mostly affects them. On the other hand, this means that youth could be the future employers in South Africa, helping the government to fight poverty and unemployment. In most cases, young people in rural areas would be without skills, and most settle for semi-skilled or unskilled employment of which the salaries and wages paid is low, hence, this does not necessarily alleviate poverty faced with. Therefore, through entrepreneurship, youth have an opportunity to gain higher income that would lead to a reduction in poverty and be able to invest. In rural

schools, some learners would practise entrepreneurial activities like selling snacks and sweets to their fellow learners and teachers. Unfortunately, they are not advised by anyone to save the money to expand their business or start-up new ones after completing school. One could look back and notice that most people who would practice entrepreneurial activities at school, only a few, if any, are now entrepreneurs. The reason is because mostly these people consume all the profit they make with no investments made and later they lack capital for business establishment.

Women in rural areas are known to be active in undertaking both the domestic and agricultural activities in their households. They are also vulnerable to poverty than their counterparts. Therefore, there is a need for these women to identify some of their livelihoods that could be entrepreneurial such as selling their gardening produce to tackle poverty. The participation of women in entrepreneurship would lead to their independency enabling them to take care of their children and families as expected. However, the entrepreneurship that is likely to be engaged with is necessity-driven as individuals would not have a variety of options but to adopt to least available solutions that could provide them with daily necessities to survive.

Individuals who grew up in families that practise entrepreneurship are also encouraged to start their own businesses. Most entrepreneurial activities in rural areas are practised in the yards where the entire household lives. This means that entrepreneurs are multitasking, where they would be busy with domestic work and at the same time overseeing things with their business. Having to do this every day does not give entrepreneurs enough time to focus on developing the business. However, it should not be a problem especially if entrepreneurs could attend entrepreneurial training because they would acquire skills including time management skills and would enable them to successfully run their business. Unfortunately, rural entrepreneurs do not get to attend training before or after starting their business and they do not see a need for that. This could be due to that people do not think that the businesses engaged with requires any kind of training. Individuals have an opportunity to grow businesses and improve their lives through entrepreneurship training.

Entrepreneurship through business establishment has the potential to alleviate poverty by creating job opportunities for poor people. It is therefore, important that the

poor people make use of their abilities and little assets they have to start-up businesses. In addition, for this to be possible, there needs to be an enabling environment, particularly in rural areas. However, in rural areas of South Africa the kind of environment that exists is not business friendly as there is no proper infrastructure available, hence, this makes it difficult for businesses to be sustainable throughout the years after their establishment. This is evident as Rambe and Mosweunyane (2017), state that small businesses have at least a maximum life span of at least four years. It should be noted that, even though poverty could be reduced through entrepreneurial activities, not everyone who is involved would be successful because of risks and challenges faced with. It is necessary for government, especially at the local level to focus on creating a favourable environment, since this could encourage people who at first practised necessity entrepreneurship turning into opportunity-based entrepreneurs.

Entrepreneurs operating in impoverished communities have a challenge of not improving to become sustainable businesses because in some cases are run on customers' debts. For instance, poor people would negotiate to be given products they need in return to settle the debt month end or whenever they agree upon. However, when time to settle the debts come, some customers would do that, but still request something else on credit again, while, some customers never get to settle their debts, because entrepreneurs do not keep records to track customers who are owing to the business. This result in entrepreneurs not making enough profit to cover up the same stock every month, let alone to introduce new products to grow the business. The shortage of stock may lead to customers reluctant to support the business since what they want to purchase may not be there every time they need it. Hence, the inability of customers to pay their debts lead to the collapse of many small businesses in rural areas.

Most entrepreneurs in rural areas are a sole proprietorship and are not registered. This is also the case in the MLM, where businesses operating includes spaza shops. The entrepreneurial activities practised, like in many other rural areas in South Africa are almost similar and is due to that most individuals engage in same business ideas as others after they notice how well customers react to the business. Meaning that entrepreneurs are likely to engage in businesses that they know customers are already

familiar with. This is understandable because mostly entrepreneurship practised is necessity based, so in order to survive, individuals go for methods that have been proven by other to be effective. Mensah and Benedict (2010), indicate that individuals with tertiary qualification have a better chance to create employment, given the relationship that exists between entrepreneurship and educational level. The MLM has only 0.18 percent of individuals with higher education. This few percentages of individuals with tertiary qualification show that the municipality has a low level of entrepreneurial activities and so would the employment rate. Nonetheless, most of the people in the country have little interest in being entrepreneurs and as such even those with higher levels of education prefer to look for employment than to create jobs themselves. Looking at how entrepreneurship is practised in the MLM, one could say that it does not offer significant improvement of peoples' lives since their limited to grow.

The MLM is a rural municipality with a high rate of poverty. Most people who reside in the municipality have a primary and secondary education with no skills or work experiences. According to the MLM/IDP (2015/2016), the municipality has 6.12 percentage of primary education, about 6.90 percentages with some secondary education and only 0.87 percent of people who completed the secondary level. This makes it difficult for them to be employed and if they are employed it is a challenge to secure well-paying employment. Therefore, people turn to entrepreneurship because it offers a minimal source of livelihood. These individuals start their own businesses for financial security to look after themselves and their families. Their businesses are found to be operating at street corners, taxi ranks and homes. Entrepreneurship contributes towards independence particularly to women and young people, leading to less dependence on social support grants and handouts. Entrepreneurship has an impact on the quality of living standards of the rural poor for the reason that it creates employment and wealth. However, in most cases, the entrepreneurs in the municipality practise the necessity entrepreneurship and as such, it is for subsistence and its impact on poverty alleviation may be limited. Necessity entrepreneurs do not concentrate much on income or revenue generation, but on survival activities (Mandipaka, 2014). The understanding is that these entrepreneurs run their businesses in the informal sector and their prices are sometimes negotiated by the customer where they buy at the amount they have. Therefore, it can be agreed that

an entrepreneur is self-employed and individuals that are self-employed are exposed to low income than those who are employed.

3.3.2. An overview of agricultural cooperatives in South Africa

Cooperatives are characterised by being democratically controlled associations that are independently owned by men and women voluntarily working together to meet their common economic and social needs. As such, given that South Africa is faced with a challenge of high unemployment (Statistics South Africa (Stats SA), 2014), the government emphasises the importance of cooperatives to ensure social and economic development. One can agree that it is necessary for the government to consider cooperatives because they have the capacity to deal with more people, especially the poor. For example, the primary agricultural cooperatives which are the focus of the study require at least a minimum of 5 people with an unlimited number. Agricultural cooperatives in South Africa are mostly found in the rural areas because the poor reside in these areas with lack of job opportunities. Therefore, the operative technique to reduce poverty in rural areas is to ensure that the poor get employed to afford the necessities required for healthy living, as such, they participate in the cooperatives to gain employment. Approximately 7 percent of the formal employment like bookkeeping is contributed by the agricultural cooperatives (Dube, 2016), hence, the availability of employment would reduce rural-urban migration enabling individuals to focus on rural development.

Cooperatives in South Africa are not a new intervention, since they have been used before by the apartheid government. However, during the apartheid government, the cooperatives operating under the Cooperative Act of 1981 only favoured the white farmers, where they focused on developing and building their communities (Department of Trade and Industry (DTI), 2010). This Act did not include the majority of people (Black Africans) in the country and as such, for the better development of the cooperatives, the Act was repealed as was unsuitable to the general development of cooperatives, since it focused basically on commercial cooperatives (Nganwa, Lyn and Ferrer, 2010). The democratic South African government came up with the new Act that focuses on the international cooperatives' principles and values known as the Cooperatives Act No 14 of 2005 to include everyone that was excluded in order to

initiate cooperatives enterprises that would address the issue of poverty and unemployment (Thaba and Mbohwa, 2015).

All cooperatives in South Africa are required to be registered. The registered cooperatives meeting all the requirements are awarded a certificate and a registration number. Thaba and Mbohwa (2015), indicate that about 22 030 cooperatives in the country have registered. However, regardless of the growing number of registered cooperatives, most cooperatives are faced with the challenge of failure. This is because agricultural cooperatives are conceived in the realisation of the individual needs, however, they are like any other organisation and thus, require a certain skill to ensure their sustainability (Dube, 2016). The skills such as business skills are needed on a daily basis for the proper operation of the cooperatives. The South African government encourages the previously disadvantaged groups including women, youth and disabled persons to participate through the formulation of cooperatives including the agricultural cooperatives, but, the unfortunate part is that these people do not have necessary skills or knowledge required to operate cooperatives. The reason behind this might be that they are still emerging cooperatives. Regardless, cooperatives can provide members with the necessary skills to enable the success in running cooperatives through courses and workshops.

The agricultural cooperative should have a membership of which the benefits of members depend on the efforts they bring in the organisation (Cooperative Development Institute (CDI), 2010). The more the membership, the more people are able to distribute what they accomplished amongst themselves limiting the chances of being vulnerable. This clearly shows that the cooperatives contribute to equality among all its members where everyone benefits equally towards everything that was accumulated, while simultaneously addressing the issue of inequality in South Africa. Cooperatives are characterised of being self-help organisations where people come together to meet their common needs. These people in most cases are members of their communities, hence, they are affected by the same issues such as poverty where households find it hard to break from the cycle of poverty. Therefore, individuals who stand a chance to form cooperatives are those less skilled and have no experience in business related issues. Furthermore, these individuals are not employed meaning they do not have money to purchase necessities including food, thus, making

households vulnerable to food insecurity. Even though cooperatives are not driven by profit, they should be run like businesses to be successful and meet their goals and objectives. Therefore, particular skills would be required with regard to production. The challenge with these agricultural cooperatives is that they require advanced skills of which members tend to lack, and this leads to failure. Since cooperatives are mostly established by poor people with the little they have, as time goes on are faced with the challenge of lack of finance. Thus, the cooperatives need to be helped with finance in order to grow and contribute to alleviate poverty.

Cooperatives operate differently from other organisation, for example, all the members are equal and the profit they make is shared among themselves. It is for these reasons, that some financial institutions hesitant to assist the cooperatives, because they do not value how they function. Managerial skills are important for the better functioning of cooperatives. Hence, because members in most cases they do not have such a skill, they can still hire someone from the outside. On the contrary, agricultural cooperatives, especially in rural areas do not make a lot of money meaning that members are limited to their salaries and also be hard recruit a good manager. Moreover, it is well acknowledged that most cooperatives, particularly the ones that are established by the poor people in rural areas lack finance for the start-ups to effectively operate. Nonetheless members need to work hard with the less they have to show their interests in the cooperative. Therefore, in case the government decides to financially assist these cooperatives, it must be they have on their own contributed meaningfully to the cooperative.

The post-apartheid South Africa emphasised the importance of cooperatives in rural areas, particularly because of the higher number of people who are without employment. As such, communities were encouraged to establish cooperatives so that they can benefit from funds that are provided by the government and other financial agencies. However, it is quite disappointing to realise that most of these cooperatives that were funded are not successful. The financial support is necessary for cooperatives start-up, most especially, because without this kind of support, the cooperatives which are established by the poor people are borne to remain unsuccessful. In South Africa, it is noted that many cooperatives were able to be registered, hence, recently only a few are operating. Amongst other reasons could be

that some cooperatives were formed to receive funding without having an interest in agriculture. In support, Kanyane and Koma (2014), allude that most people see cooperatives as a way of getting rich and when they do not get the funding they separate. On the contrary, those who get the funds, some decide to divide the received funding and abandon the cooperatives. Therefore, this poses a question as to whether agricultural cooperatives could indeed alleviate poverty and contribute to rural employment.

The establishment of cooperatives act 2005 led to numerous cooperatives operating in South African previously disadvantaged areas. Thus, there is a rising number of agricultural cooperatives that are registering in the country. The reason being that most people are found to be practising agricultural activities for their daily survival, so these individuals see an opportunity to form agricultural cooperatives to help them deal with risks and challenges in a collective manner. It is important to bear in mind that after the registration of agricultural cooperatives, this does not mean that poverty would be automatically alleviated. Therefore, to ensure that those who were disadvantaged by the apartheid regime could participate in the economy, one can conclude that a conducive environment for cooperatives was created based on the cooperatives act that the South African government adopted since 2005. The income made by cooperatives are in most cases low, however, it is important to note that these low incomes made by the poor contribute to their minimum living standards.

Rural communities are located in remote areas where their road infrastructure is poor. Due to this, they have to spend more money travelling to the nearest town to purchase food leading to high expenses. As such, agricultural cooperatives established in rural areas would help with food distribution at lower prices since food would be produced locally with no extra cost aside, like travel costs. Furthermore, it would contribute to food security within rural households since people would be able to produce their own food. Poor road conditions in rural areas make it difficult for cooperatives members to easily transport their produce to markets. Moreover, it is hard for customers to come directly to these cooperatives to buy from them. This shows that cooperatives are also hampered by their locations.

The participation of members contributes to the success of their cooperatives. Therefore, it is necessary that all members involved participate in the meetings that are held within the cooperative. The high level of participation in cooperatives is an indication that members have an interest in what they are doing, or they understand what should be done. This would also ensure that all members find themselves responsible for making the cooperative succeed. Irrespective of the importance of agricultural cooperatives in rural areas, sometimes out of desperation to graduate from poverty and to be employed, people just establish cooperatives without checking who their target population would be. This leads to what is being produced not bought leading to less profits and eventually failure of cooperatives. On the other hand, it may be due to limited market places available in rural areas given their location. Thus, in the future, poor rural people may remain vulnerable, because without accessible markets, the agricultural cooperatives would be forced to limited production. However, agricultural cooperatives can gain better profits through marketing their products at local, nearest villages and towns.

In most cases, the government support that is offered to cooperatives is through funds. This is because poor people are the ones who are found to be participating in these cooperatives, particularly in rural areas, hence, faced with many constraints including lack of funds. However, as much as funds are needed to run the cooperative, they may lead to cooperative members being dependent on the government for money to keep their cooperatives operating. Although funds are necessary, they should not be seen as the only support that could be provided to the cooperative, especially, because some agricultural cooperatives in South African that have received funds from the government only survived until the funds were stopped. Therefore, there is a need to also provide people with training programmes regarding cooperatives, so that by the time they receive funds, they know exactly what should be done in order to develop their cooperatives so that they can be sustainable. In rural areas, agricultural cooperatives in most cases are started by the influential persons or anyone who saw a need to establish them. These individuals are then joined by other members to work together towards achieving the common goals. Since, some of the members come to join the cooperative, due to poverty and unemployment they may not have the best interest of the cooperatives at heart and this could lead to few productions, meaning members would also have little to distribute amongst themselves. However, less

production could be avoided if every member in a cooperative performs as its expected of them for more profit that would enable them to take care for their families. It is therefore, important that people who are selected as members be those who are willing to put their efforts on the cooperatives.

Agricultural cooperatives allow rural people to compete in the market places, because when people practise agricultural activities individually, find it difficult to sell their products in the markets due to costs incurred. Hence, when they form cooperatives, it enables them to share the market costs. Cooperatives focus on providing employment to its members even if it means getting paid low wages. However, the same cooperatives may lose valuable members due to low wages earned. The sustainability of agricultural cooperatives in rural areas could be questioned, particularly because they are usually established by people who are not working to create employment for themselves. Yet, when these people are offered jobs elsewhere they resign from the cooperative. Although agricultural cooperatives are formed by at least five members without a maximum number, people who are engaged in these kinds of cooperatives turn to limit themselves to only a few members with the believe that when they are not too many they would be able to pay themselves reasonable amount.

Before the democratic government in South Africa, the agricultural cooperatives have been practised. However, the cooperatives were regarded as informal entities because they were not registered and unlike those which belonged to white farmers, they did not receive any kind of support from the government. After 1994, the government encouraged previously disadvantaged people who are mostly residing in rural areas to establish cooperatives and emphasised that they register the cooperatives that are involved with. Currently, all the registered agricultural cooperatives in the country are referred to as a formal organisation, while those are not registered remain as informal. These cooperatives should run through making use of their own resources and not depend on outside organisations for assistance.

Cooperatives are seen as a great employer in rural communities since they are capable of absorbing many people including youth to work, and this has an impact on reducing crime within rural areas. In most cases, the poor people are the ones who establish cooperatives to address common problems that are faced with in their

communities, hence, their cooperatives would require external institutions' support to develop. Cooperatives are not controlled by external person or organisations. However, given that in most cases the government would provide support to cooperatives through funding, this could challenge cooperatives autonomy and independency. Macaskill (2011), is of the view that funds provided have terms and conditions which could temper with the cooperatives values and principles. Therefore, it is important that the support received from outside the cooperative does not affect the operation of their cooperatives.

The MLM is not an exception when it comes to the benefits that the agricultural cooperatives can do towards poverty reduction and job creation within its territory. The municipality has several numbers of registered cooperatives across the wards that help in promoting social and economic development. Individually, when people practise their agricultural activities they experience low productivity due to limited resources they have. Therefore, regardless of the contribution of agriculture towards poverty alleviation, poverty in rural areas still persist. However, through agricultural cooperatives, there is a high chance to reduce poverty because individuals come together and pool resources that are available to be more productive. The poor in most cases are excluded, and one can also say the same with the poor residents of the MLM. However, through participation in cooperatives, these poor individuals might feel to matter, since they would be included in activities to occur. For example, they would be involved in the decision-making processes where their voice is heard and taken into consideration (one member is equalled to one vote).

The cooperatives are not without challenges in this municipality. Most individuals formed cooperative simply because they wanted to be funded by the government. In most cases, people would prefer to work individually, hence the local government encouraged these individuals who know nothing or little about cooperatives to work together and run a cooperative enterprise in order to help them with funding and policies. This is a problem because some of the cooperatives cannot run when they are funded showing lack of autonomous and independence to ensure their sustainability. Another challenge is that a lot of cooperatives within the municipality are borne to fail because they have been copied from one cooperative to another with no proper plans, mission and vision. Forming a cooperative is a good idea but should

also the reasons for starting it, so that each member can be on board to engage and ensure its success and continuity.

3.3.3. Tourism development in rural areas

Tourism is one of the growing sectors in South Africa. It contributes to the Gross Domestic Products (GDP) of the country by 9 percent (South Africa Yearbook (SAY), 2015/16). Thus, tourism development is one of the appropriate tools that can be used for the alleviation of poverty in rural South Africa. The reason is that the sector is labour intensive, meaning more people are needed. The ILO (2011), indicates that tourism offers employment opportunities to both unskilled and semi-skilled individuals that make up the most rural population. These individuals are hired to work in hotels and restaurants in local communities. When people are employed, they can redistribute their income to the rest of their families contributing to the improved food security and standard of living. In this way, tourism reduces the level of vulnerability of poor people. However, since tourism jobs are not paying well in most of the cases, their impact on poverty alleviation might be limited. This is due to the fact that people in rural areas have extended families, and as such, the income earned in the tourism is not good enough to look after the whole family, especially when the household does not have other income supplements. Therefore, it is important for the rural South Africans not to depend on tourism only as their poverty alleviation tool, since one of the tourism disadvantages is that it might attract crime which is a common problem in the country due to overcrowding of local people and tourists. Given this disadvantage above, the flow of tourists may decline, consequently affecting the local economy.

Some people think that tourism takes place in urban areas, however, it can also take place in rural areas. This is the reason that rural areas are attractive places. According to Nedelea and Okech (2008), most tourism destinations are rural based including national parks such as Kruger National Park in Limpopo Province, wildlife, mountains, lakes and cultural sites. However, Mthembu (2011:122), indicates that “it is ironical that the tourists regard the countryside as quality destinations whilst the standards of living of most rural dwellers are very low”. Therefore, tourism should contribute to other developments such as infrastructure to better the living standards of rural people. Tourism contributes to infrastructural development that would have been ignored. For

example, in South Africa, the roads, stadiums and hotels were built in preparation of the 2010 FIFA World Cup in order to attract visitors, and up to date the local individuals continue to benefit from these improved infrastructures.

Most poor communities practise agricultural farming as their livelihood, however, this agriculture cannot create enough jobs for everyone on its own. Therefore, households need to realise that their farming lifestyle can be of attraction to others including tourist. As such, some people may work as tour guides in the agricultural farms. Therefore, tourism will improve the visibility of rural areas to visitors presenting a great opportunity for rural development. Rural communities have indigenous knowledge that needs to be utilised, yet is ignored or only been used to the minimum where the poor people do not benefit to an extent. This is due to the lack of tourism knowledge (Nzama, 2010), where people do handicrafts as their livelihood but are not aware of their demand for tourists. Hence, tourism can contribute to economic growth by boosting agricultural products and handicrafts sales in local areas.

South Africa is experiencing high rate of youth unemployment. Most of these youth individuals do not have skills to enable them to enter in the labour market and some are drop outs, meaning they did not complete at least their secondary education. the development of tourism, particularly, in rural areas is therefore seen as a suitable tool to contribute to poverty alleviation through job creation. This is because most of the work to be performed in the tourism sector does not require certain qualification, as such, the poor individuals have an advantage to be employed in the sector enabling them to earn income to look after their families. Nonetheless, tourism is associated with low wages and long working hours. This may stipulate that the reason why the poor people are employed in this sector is because they do not have much choices than to desperately get out of poverty.

Mthembu, Embankment and Mutambara (2018), state that rural tourism in South Africa could lead to reduction in poverty, because is dependent on assets that the poor possess and could consequently make use of them to generate income. For instance, tourism is dependent on culture and natural resources including wildlife. On the other hand, tourism development in the country could address the challenge of inequality, in that both the rich and poor individuals could participate in the sector and enjoy the

benefits. Secondly, it promotes gender equity given that many women who were previously disadvantaged are found being employed in the sector. It is important for tourism that is to occur in rural areas be maintained so that when tourists visit have pleasant experience with the host community, so that they could come visit more often, hence, bringing money to local areas to spent on goods and services offered.

Meyer (2004); Murphy (2012), indicate that tourism in rural areas is isolated, meaning their guests houses, restaurants and attractions are far from being easily reached by other people who are not from the host communities. And as such, there is a need for proper roads to be constructed for easy and safe public transport access to reach tourism destination (Mthembu, 2011). On the contrary, animals in rural areas which form part of tourist's attraction are being killed on the roads built for tourism support. Through tourism development, people in communities could establish markets to sell their products to visitors either on part-time or full-time basis. However, as a result due to most of community members opening markets could lead to environmental pollution, especially when the markets are not monitored. Although tourism sector is known to absorb unskilled and semi-skilled labour, the individuals who are recruited, for example, to work in restaurants and hotels, their employers get to offer them on-job-training where some are trained as administrative.

It is acknowledged that tourism in rural areas has the potential to reduce poverty, given that it depends on the natural resources such as forests, which is what the poor people have (Mbaiwa and Kolawole, 2013). Traditionally, African rural people would hunt animals in the forests which they would kill to eat with their households as a means of survival. This means that people could freely access forests anytime they want to. However, the introduction of rural tourism could lead to forests being fenced and people restricted to practice any activities within the fenced territory, or they do that on permit, leading to poor people having limited access to their forests. The fencing of the forests could have both positive and negative impact in rural communities. Positively, it would contribute to reduction in extinction of plants and animals that could be used to attracts tourists. Currently in South Africa, there are endangered animals including rhinos and elephants and could be extinct in the near future, hence, their extinction could mean less tourists to visit. While, on the negative side, peoples' livelihood such as collecting and selling of firewood and hunting may be hindered and consequently

causing the level of poverty in rural areas to increase. The elderly people in rural communities have always produced handicrafts, which could be used to lure tourists. Therefore, it is important that young people in these communities be trained on how to produce them towards the future maintenance of tourism in rural areas. Moreover, young people may take into consideration the design and styles of crafts, for more tourists' attractions.

In terms of employment, women in rural areas, particularly the black African women have historically been disadvantaged by apartheid and culture (Westaway, 2010). During the apartheid era black people were not given the opportunity to be economically active and women who resides in rural areas were the most affected. Even today the impact the apartheid had in these areas can still be seen as women are less privileged to be employed than men. Culturally, women were/are not preferred to participate in any kind of employment available, especially the married women, of which are dominant in these areas. Since women were not working, this made them to be financially dependent. However, through tourism in rural areas, women have the opportunity to be financially independent to take care of themselves and their families. In South Africa, rural women have always been known for their beautiful tribal dances which could be used to attract or entertain tourists. Therefore, there is a need for awareness in these rural areas in terms of tourism knowledge, so that people could make use of what they already possess (i.e. traditional dances) to generate income.

Zwane, Du Plessis and Slabbert (2014), emphasise that tourism development depends on resourcefulness of the area, but the resources available should be those that interest visitors. The kind of resources includes human resource, where people who are good at narrating their traditional stories entertain tourists. This means that local skills could be preserved through the development of rural tourism. Thus, tourism have the potential to succeed in rural areas and improve the quality of life of local communities. Mostly, rural people are likely to practice the same business ideas focusing on ordinary customers, however, through rural tourism, these people have the chance to diversify their businesses and target different persons who would be visiting the area. Rural business diversification would lead to individuals gaining various business-related skills that could contribute to more local job opportunities created and people earning salaries.

Rural areas are characterised of depopulation as individuals within households migrate to cities in search of work, meaning that majority of rural households depend on remittances and social grants (Hall, Ebrahim, De Lannoy and Makiwane, 2015). Furthermore, most of the people, particularly the working age group, move to cities leaving the young individuals who are still schooling behind, with some of them in the meantime fostered to be household-heads and take care of their siblings. Rural tourism could lead to reduction of rural people migrating to cities, since job opportunities would be created in the sector and local people would be able to work from their homes and look after their children and families at the same time. Lekaota (2015), is of the same view that the source of income provided through tourism in rural areas would help people to remain in their communities and focus on exploring opportunities that exist within the local area. This enables individuals to establish strong bond with their families and also to help one another with different income-generating activities such as vegetable gardening, meant to alleviate poverty they experience.

Brasier, Filteau, McLaughlin, Jacquet, Stedman, Kelsey and Goetz (2011), highlighted that tourism could contribute to population stability in rural communities, enabling local municipalities to plan and provide the capacity of infrastructure and services looking at the entire population. Rural areas have always not been given an attention because they are isolated and undeveloped places with less economic activities. People who resides in these areas also never realised how their local asserts including their traditional cultures could provide them with employment opportunities. As such, tourists would prefer to spend their holidays and free time in urban areas. However, through rural tourism based on indigenous assets, tourists are now interested in rural areas given the environment it takes place and the poor could take advantage of such to alleviate poverty. Tourists currently focus on quality and specialisation of the destination. The reason could be that urban areas are in most cases overcrowded, polluted and have high rate of criminal activities, while rural areas are made of natural resources and peacefulness (Simms, 2008).

Newsome, Moore and Dowling (2012), indicate that tourism and the environment are intimately linked and interdependent. Tourism depends on an attractive environment to succeed and, the environment, built and natural, depends on the income generated by visitors for maintenance. The countryside has an environmental advantage in that it provides natural and cultural entertainments which are the most rewarding entertainment forms for tourists. In most countries the expressions of culture in music, dance, drama, ceremonies and festivals are stronger in the countryside than urban centres. This advantage gives rural communities a benefit, as urban dwellers visit to enjoy leisure activities and learning by experience, staying and resting in the countryside. Rural dwellers, on the other hand, can create employment opportunities and increase sales of products, thus reducing the impact of poverty. Rural areas in South Africa can use tourism development for poverty alleviation. Sebele (2010), maintain that tourism is one of the best opportunities available for South Africa because it creates employment and livelihood for the rural poor.

Whilst rural tourism offers an impressive list of benefits, they must not ignore the fact that it is not an automatic solution for struggling rural economies. It has many constraints which must be overcome for it to benefit the rural poor. Pleumarom (2012), argues that the tourism industry is not yielding a meaningful benefit to the poor and perpetuates imbalances where the few continue to benefit from the booming tourism industry. Removal of barriers can change tourism in rural areas from being an ordinary economic system to a job creation and poverty alleviation mechanism. Lack of political will on the part of local authorities in many rural areas makes it difficult for the rural poor to initiate tourism development projects. The tourism business relies heavily on the support, cooperation and participation of other sectors through services, access to private land, and natural and cultural heritage. Cooperation between stakeholders is important for ensuring faster economic development of a tourist destination. Governments have a crucial role in creating and accomplishing strategies, policies, regulations and coordination between structures. The private sector is an essential player as a partner, facilitator, customer, marketing channel and advisor to tourism development (Saxena and Ilbery, 2008).

Malihah, Puspito and Diyah (2014), alluded that employment of the poor in the tourism enterprises and the establishment and running of tourism enterprises by the poor are some of the mechanisms which will enable tourism to contribute to poverty alleviation. Unfortunately, regardless of its size and location, tourism is a complex and highly professional enterprise. A major issue in the development of rural tourism is the need for education and training. Tourism as an industry requires business management, marketing and customer-care know-how (Malihah *et al.*, 2014). Many poor people in rural areas are insufficiently trained to be able to respond to the challenges of tourism or to occupy the qualified jobs. Tourism development should contribute to the skills development in order to prepare the rural communities to seize entrepreneurial and job opportunities that come with it (Lehloenya, 2017). Qongo (2013), state that for rural tourism to succeed and to be of beneficial, the poor must be willing to invest their effort in building local structures such as user groups to facilitate coordination, cooperation and troubleshooting for mutual benefit. The incompatibility of rural tourism with the existing livelihoods is a constraint. There is always a possibility that the seasonal rural subsistence activities coincide with the peak tourism periods thus causing cooperation and coordination to weaken. Limited finances can be a significant constraint for the rural poor as most of them are likely to have insufficient budgetary resources to enable them to prepare their communities for tourism ventures. Typically, access to financial resources for small tourism businesses is much more limited than for larger mass tourism firms which are able to access public debt markets (Rogerson, 2009).

Rural tourism is important for increasing participation of the poor in the development process and in bringing wider benefits to rural areas may remain a true, it is important that rural communities do not lose sight of the fact that there may factors which can militate against the potential of rural tourism to benefit the local communities (Sebele, 2010). Coria and Calfucura (2012), indicate that poor rural communities in South Africa face numerous obstacles to their effective participation in tourism, and most tourism development programmes fail to address them. Rural tourism is potentially an important contributor to value addition in a whole range of activities, economic, cultural or social, in a rural area where it is developed sustainably (McAreevey and McDonagh, 2011).

Tourism is also recognised as the growing sector in the MLM (MLM/IDP, 2015/2016). It is believed that the jobs that tourism can offer would result in people within the municipality being less vulnerable and independent financially. The MLM portrays the great natural beauty (sacred mountains and caves), the heritage sites (The God's Foot Print and musical stones) and the events such as Mampuru day, Manche Masemola day and Thetiane Heritage Day that are hosted annually of which this may attract lots of tourists coming to enjoy their money within these host communities (MLM/IDP, 2015/2016). On the other hand, tourism may impact negatively on the municipality given its capacity, because lots of tourism would require food, water supply and electricity. The demand for these resources especially food, would lead to price rises and this would also affect the local people badly as their buying power in most cases is limited. Tourism development is associated with different activities including transportation, accommodation, food service and agriculture. The MLM transport system is poor (MLM/IDP, 2015/2016), as a result of untarred roads that lead to different destinations in the local area. This shows that rural areas mostly are not taken into consideration in terms of public facilities. People can participate in tourism as tourists when they move from one rural area to another exploring different things such as cultures by using common transport. However, because of transport, their role in tourism is limited.

The MLM consists of rural communities and as such, these communities have potential natural resources that could attract tourists. Currently the MLM has approximately 6 accommodation facilities of which employs about 36 people (MLM/IDP, 2015/2016). Given the natural resources that exist within the municipality, the number of facilities and people employed is not enough to contribute to poverty alleviation in the communities. Therefore, there is a need for tourism development to attract more visitors who would need accommodation when visiting these rural communities. More accommodation built would mean more people would be employed and generate income to improve their lives. Sport activities including netball and soccer are some of activities that the MLM could use to attract visitors. Despite that, there are limited recreational facilities in the municipality (MLM/IDP, 2015/2016). This urge the need for the municipality to construct more recreational facilities. The construction of these facilities would contribute to employment opportunities at current and in the future, for instance, people would be hired to build and maintain the facilities

respectively. However, this could only contribute to poverty alleviation in the area if local people would be the ones hired to do the work. On the other hand, other persons could establish fitness training on the constructed facilities where they would charge people for services they provide enabling them to earn income.

Since, the MLM is determined to ensure that every household is provided with access to piped water that is up to Reconstruction and Development Programme (RDP) standard, communities that already have water connections in their yards have neglected the rivers, lakes and dams of which they do not mind dumping their waste like plastic bags in them. One of the reasons for such practise could be that the municipality does not collect waste in every community. In this case, tourism development would encourage people to value and protect their environment and make use of the resources including rivers to lure tourists. The ability of people to protect the environment would lead to rural tourism that is sustainable and continuously contribute to poverty alleviation in the local areas (Calfucoy, Cibulka, Davison, Hinds and Park, 2009).

3.3.4. Expanded Public Works Programme (EPWP) in South Africa

Rural communities in South Africa continue to suffer from unemployment and poverty. Natrass and Seekings (2017), allude that South Africa is faced with the high unemployment rate. Therefore, this called a need for the country to improve the living standards of the rural people through job creation. The lives of the people (poor, unskilled and semi-skilled) can be improved through different projects and programmes undertaken in their communities. As such, in 2004, the South African government launched the EPWP to alleviate poverty through the employment opportunities and training that it offers (Ghiassi-Razavi, 2012). The EPWP in South Africa targets 60 percent of women, 20 percent of youth between the age of 18-25 and 2 percent of disabled people (Chakwizira, 2010). The EPWP projects are very relevant to focus more on women because of the role that they play towards poverty alleviation in rural areas. From an African perspective, women have always taken care of their families and even today they continue to do that. Thus, when women participate in the EPWP, their household's standards of living have the potential to improve.

In South Africa, the EPWP employment opportunities are created in infrastructure, environment, social and economic sectors (Biyase and Bromberger, 2015). The EPWP offer employment for a certain duration, meaning the income is merely transferred for that short period. In every five-year cycle, the individuals are only allowed to be employed in the EPWP for the period of 24 months. Therefore, it might be logical for one to conclude by stating that the EPWP is not effective enough to move households out of poverty because people would only be relieved from poverty for that short-term while they are still participants. Meaning, the EPWP contribute to the reduction in the severity of poverty. "The EPWP is not a solution to the unemployment problem..... The employment creation which will result from the EPWP is small in comparison to the scale of the unemployment problem" (Phillips, 2004:13). The likelihood of the EPWP to alleviate poverty is on terms. For instance, the programmes that are big are able to absorb a large number of poor individuals maximising their benefits, while the small projects can only select few poor people minimising the widespread of EPWP benefits (Satumba, 2016).

Meth (2011), indicates that in South Africa, the EPWP is the largest labour market intervention. Therefore, since poverty affects most of the households in the country, to make the EPWP benefits reach out to all vulnerable people, only one individual per household can be employed in the EPWP. These include households that practise subsistence farming as their main source of living and households that only one person is employed on a part-time basis. The EPWP income earned enables households to supplement other incomes (social grants and remittances) that they used to depend on them alone. It is noted that at some point, the EPWP in South Africa, reached out to people that are not the beneficiaries that the programme intends to address. This points out the loophole in the programmes, especially because the income earned is low, with the perception that it will self-target the poor and discourage the people who are less vulnerable from participating in the programme.

The EPWP is well known to provide jobs where individuals also receive training and skills (Moyo, 2013). However, the concern is what kind of skills do they receive which would help them in the future, because, firstly, they would not only be expected to work in the EPWP projects. Secondly, because the time given to partake in the EPWP is limited, meaning individuals will not get a chance to acquire extensive training and

skills. According to Mubangizi (2008), the EPWP jobs are offered for a short term, making the training that is provided limited to the lifespan of the project and as such, the future employability chance is also limited. Therefore, one can agree that EPWP provides skills, but the skills provided are not significant enough to help them gain other employment and graduate them from the poverty trap. As such, particular skills including managerial and financial skills need to be offered to help them to sustain better jobs, thereafter, in other sectors. Nonetheless, the formal sectors' demand for labour is low and may require more experience in specialisation than they have.

The EPWP under the Department of Public Works was designed to target its beneficiaries in a period of five years between 2004/5 until 2008/9. This period of 2004/5 to 2008/9 EPWP implementation is also known as the first phase of EPWP, of which the objectives were to create 1 million job opportunities. Throughout this phase, the EPWP could be seen as a success especially because the targeted job opportunities were exceeded and achieved before the year 2008/9. Approximately 1, 6 million work opportunities were created by the programme. However, even though the first EPWP phase was able to reach its target ahead of given time, the country was still faced with the persistence of high unemployment rate. As such, to deal with this challenge, phase 2 of the EPWP was introduced. The phase dealt with the creation of 4.5 million job opportunities between 2009/10 to 2013/14. In November 2013, the EPWP phase 3 was approved by the cabinet. This phase is also expected to run for the period of 5 years, of which it started in 2014/2015 and is to end by the year 2018/2019. In all these three phases, for the EPWP projects to be implemented, funds should be available and such funds are budgeted by departments. This is tricky since these departments could only create job opportunities based on budget rather than on demand looking at the number of unemployed and poor people. In this regard, if the EPWP is to focus on demand of employment and come up with the means to achieve it, then as many as possible unemployed people were going to be absorbed by the programme.

The existence of the EPWP project may require certain skills for it to be successfully undertaken. Nonetheless, should it be that the targeted group of individuals do not possess such skills to implement the project, then a maximum of 20 percent of persons with the required skills should be allowed to work in the project even if they are not

from that local area (Department of Labour (DoL), 2002). The beneficiaries are trained for tasks that would be responsible for in the EPWP project. In support, Moeti (2013), emphasises that the EPWP beneficiaries acquire skills in projects that are trained to implement. For instance, in an infrastructure sector where a road is constructed or maintained, the beneficiaries would gain skills such as using jackhammers. Dessler, Barkhuizen, Bezuidenhout, De Braine, Du Plessis, Nel, Stanz, Schultz and van der Walt (2011), asserts that when people are provided with training, they gain the necessary skills that would enable them to do their work as agreed upon.

Communities should be told about the EPWP projects that would be undertaken in their local areas. Therefore, the unemployed community members should be given a chance to participate in the projects. Although the EPWP target poor and unemployed individuals, it is a voluntary programme, meaning no one should be forced to participate. However, most importantly, people who form part of the target group that would like to participate in the EPWP should be given an opportunity without having to provide any kind of favours to secure the work. The study by Hlatshwayo (2017), shows that some community members were given an opportunity to work in the EPWP project simply because they belong to the African National Party (ANC) party. This is a challenge in most communities because ward committees who should focus on fairly distributing the information regarding the EPWP projects to everyone are biased to community members that affiliate in the same political party despite the low wages paid. In cases like this, the EPWP projects may end up benefiting people who do not form part of the target group, hence, those who should be benefiting remain vulnerable. Therefore, there is a need to scrutinize the selection of participants in the EPWP to ensure that even if is low income earned, it goes to those who need it most.

In most cases, people who are faced with poverty and unemployment are residing in rural areas, and as such, the EPWP projects should be focused in these areas to effectively address the challenges faced with. McCord (2002), argues that the projects undertaken in rural areas are small scale and so would their impact on poverty and unemployment. When EPWP projects are implemented in a community, it focuses on people of that community, however, only one individual is allowed to participate in the project from households that form part of the target group. This means that the entire household which could be at least six and more members, given that rural household

have large families, they would all depend on low income earned by their one family member and this makes it difficult for the whole household to survive on the income. The cost of living in the country is high since there is a rise in food prices and other necessities required to sustain the living standard of people. Thus, the EPWP beneficiaries are not all satisfied with the low income earned because it is difficult to afford household expenses, especially, when the whole household depend on that income alone. However, not all beneficiaries are unsatisfied with the wages paid, particularly those who have access to social grants or other wages, since they are able to supplement household income which contributes to meeting their daily requirements. This could mean that the EPWP wages make a significant impact on poverty when household have other sources of income.

The study by Nyoka (2016), highlight that the EPWP beneficiaries are faced with the challenge of overdue payments after the implementation of projects. This is not in line with the EPWP Code of Good Practise, which specifies that individuals that participate in the EPWP projects should be paid within 35 days of undertaking the work. There is a high demand of employment in South Africa and this also put pressure on other individuals that are from households which are not poverty stricken to participate in the EPWP projects in their communities. The reason for these individuals to show an interest in these EPWPs is not based on the low wage payments since they are from better-off families, but on skills that are provided during the EPWP projects implementation, as one of the EPWP's objectives. Obtaining skills leads to individuals being independent and able to gain a living. When EPWP projects are to be implemented in rural areas, any person including those who are not poor apply to be recruited in the projects. Thus, if people who are not responsible to selecting targeted community members in accordance with the EPWP guidelines are not careful enough, the EPWP job created may end up allocated to wrong individuals' other than the poor. In support, McCord (2004), indicates that if the EPWP is to reduce poverty, then the poorest individuals should be targeted.

The poor people struggle to come up with means to generate income or rather to be employed. The EPWP aims to ensure that these people are brought into a productive work that would enable them to generate income. Besides lack of employment opportunities in the country, some individuals are not employed because they do not

have knowledge and skills, hence the EPWP is perceived to be capable of providing people with skills. Moreover, the EPWP objectives are not only about people gaining income for a short period of time and skills, but to also ensure that the EPWP beneficiaries after they exit the programme become self-reliant and not wait for the government to create employment for them. Larsson and Nybom (2006), is of the view that when the poor people participate in the public works programme their probability of being employed is increased than individuals that had never participated in the programme. On the other hand, the EPWP does not guarantee the poor individuals continual income generation due to its lifecycle. Satumba (2016), asserts that the duration of participation in the EPWP projects would determine the sustainability of income the individuals can receive. Therefore, this means that for the EPWP projects to significantly contribute to the alleviation of poverty, participants should work more days. Yet, the EPWP was designed for short-term.

The poor and marginalised in most cases are without work experience and this makes it very difficult for them to be exposed to opportunities in the labour market. Therefore, the EPWP is seen as a measure to address this challenge, particularly in rural areas. The stipends or wages paid to EPWP beneficiaries are said to be self-targeting for the poor. This is because the amount paid is below minimum wages, hence, it could mean that what the poor are getting does not allow them to escape from poverty, because low wages would only have limited impact on the extreme level of poverty experienced. The wage paid to EPWP beneficiaries is to ensure that households daily needs are met. Thus, one could conclude that income received from the EPWP is used for consumption and no savings could be made for investments. On the contrary, the study conducted by Mashiri, Chakwizira and Nhemachena (2009), indicates that households participating in the EPWP projects are able to invest their money. For example, the study found that some participants used their savings to establish poultry farming. Most people perceive, unemployment as the responsibility of the government, but given that some people could start-up businesses contributing to employment creation after exiting the EPWP, shows that poverty could be reduced.

The EPWP participants have the rights to work in a safe environment, especially because the programme does not offer people with employment benefits such as medical aids. However, should it be that an individual gets injured while performing

their duties and cannot do them anymore due to incurred injuries, that individual should be paid as the contract stipulates. As such, it is important that the EPWP coordinators inform the beneficiaries about risks that the projects are exposed to and how they could protect themselves in the workplace (DoL, 2011). Thus, the provision of protective clothes such as overalls and boots need to be prioritised for safety and health reasons.

Given the extreme poverty in the MLM, most families are found to be receiving child support grants which in most cases the entire household depend on. Thus, the income earned from the EPWP helps families to stabilise income, since households are able to better their lives, of which this is indicated by the household being able to build houses and buying food. Some people, especially the youth who have passed their matric are not able to further their studies due to financial crisis within their families. However, those who participate in the EPWP are able to save some of their earnings to equip themselves, for example, they do computer and/or driving training. The challenge with the EPWP in the MLM is that people would perform the amount of work given to them, however, they would go for a certain period without being paid. This makes it difficult for these individuals as breadwinners to put food on their table and cover the educational cost of their children. At the same time, when the workers wait for their payments, they loan money from their friends and families to sustain a living. As such, due to EPWP low income, by the time they receive the money even if is double the times they were not receiving it, they get to use it to pay the debts.

3.3.5. Infrastructural development in South Africa

Development of infrastructure can contribute to enhanced economic and development growth of the local area, ultimately, leading to poverty alleviation (Gnade, 2013). Therefore, for poverty to be reduced, the provision of infrastructure for residents must be increased. In South Africa, access to basic infrastructures such as roads, electricity, health facilities, water and sanitation is considered a human right, and as such, every citizen in the country is entitled to basic services regardless of their remoteness locations. The access to services is not only for their constitutional right but because it would enhance the poor peoples' productivity.

Most rural South Africans are characterised by poor roads and a less working population who earn a low income. The poor roads lead to the dysfunctional transportation system. Given the challenge, the poor people end up spending more money on transportation even when their destination is not for long distances (Stats SA, 2011). Therefore, the increased availability and accessibility of road infrastructure will impact positively on the poor transport. According to Lombard, Behrens and Viruly (2017), the improved access to transportation contributes to lower transport costs of people moving from one rural area to another and goods such as agricultural products produced by rural farmers. Improved roads will enable people to run their livelihoods on minimal costs enabling households to save some of their money for other expenses.

Road infrastructure is of immense importance in rural areas. One needs to realise that without adequate roads networks, the public transport such as taxis to operate in these rural communities would cost the poor a great fortune. In South Africa, some communities located in remote areas still have to walk a distance to access other nearest roads which are also gravels to access public transport. The kinds of roads that are used are not safe and this put the lives of rural dwellers at risk. For instance, the conditions of the roads could contribute to roads accidents that claim the lives of poor people, of which in some cases may be the sole bread-winners whose life is lost and remaining household members becomes trapped by poverty. South Africa have national, provincial and municipal roads. As such, each sphere of government is responsible for specific roads and thus, each sphere should fund the construction and maintenance of that road infrastructure. The maintenance of roads is vital at the local level, because through maintenance most the poor people would be hired due to personnel that would be required to carry out the work. Road infrastructure in rural areas contributes to access to service delivery like mobile clinics, since some communities are without clinic and hospitals buildings, which would lead to improved health of rural people. Therefore, the government should invest more in rural road infrastructure to fight poverty in the country.

Most rural people make use of gravel roads that are accessible to them. However, when it rains the conditions of the roads becomes very bad that it's difficult for motorists to use such roads, because sometimes they get stuck in the mud. On the

other hand, it results in school children absenteeism since the roads they use would be flooded and bridges collapse, meaning learners cannot cross their way to school. Bad road conditions lead to most of the rural households not being able to access markets or if they do it would be at high cost. Roads that are in bad conditions are twice expensive than those in good conditions. Transport mobility is very limited in rural areas and as such, people allow themselves to be overloaded in the available transport by then. Buses can tolerate operating on gravel roads, however, taxis that transport people operate at a loss since the gravel roads cause damages to their motors and thus, they spend more money on repairing and servicing their taxis.

Rural dwellers are known of being unproductive and this may be due to the fact that their household activities depend on day light only. For example, if an individual is running a tuckshop, after sunset he/she would be forced to close, and it may be around 5 o'clock in the afternoon. This means no customers would be allowed to buy after that time, hence, this would lead to no money circulation in rural areas during the night. However, through electric infrastructure, this could change as rural households would be able to continue with their activities even after daylight hours and this would contribute to poverty alleviation since more production would be made.

Access to energy for households who live on low-income could contribute to poverty reduction, improved livelihoods and a better standard of living. In South Africa, the government has come to the realisation that lack of access to electricity, particularly in rural areas increases poverty that already exists in these communities. The access to electricity contributes to improved health, education and small business development that could contribute to the alleviation of poverty. Thus, the country currently is addressing the problem of energy as one of its policies (Republic of South Africa, 1998). Nonetheless, there are still more than half of the rural households that are not connected to electricity, while others are connected but struggle to purchase electricity (Ismail and Khembo, 2015). This is evident since 60 percent of these households have no electricity access (Jamal, 2015). Looking at climate change that is caused by pollution that South Africa is currently faced with, access to electricity can contribute to a reduction in exposure to hazardous pollutants by poor people and minimise their vulnerability to catch diseases such as acute respiratory infections. Secondly, rural clinics are able to refrigerate vaccination and store medicine enabling

people to access health facilities that are well equipped. Through households' electrification, the level of education could improve since people will be able to study or have extra classes at night leading to illiteracy levels to drop. Electricity in rural areas can contribute to the start of new businesses or enable the small businesses that already exist to run from day to night allowing households to make more profit to afford all their expenses.

Health infrastructure in South Africa also needs to be taken into consideration. Due to the high poverty rate, people in the country are unable to pay for private health facilities which are known to be of quality care. As such, the National Department of Health in South Africa is responsible for providing free health care to people regardless of their employment status. In the post-1994 democratic elections, clinics and hospitals have been built to improve the health of the citizens. However, Jobson (2015), indicates that approximately 2.5 million people walk more than 5 kilometres to access clinics. Moreover, these clinics provide health to about 13,718 persons, of which this does not resemble 10,000 people per clinic according to the World Health Organisation (WHO) guidelines (Jobson, 2015). As such, Lehohla (2011), asserts that health facilities are faced with variable challenges including shortage of needed drugs. Therefore, it is very important for rural South Africans to have access to improved health facilities with needed medications in order to contribute to reduced death rate, while adding to increased life expectancy where rural people especially the economically active have a positive impact on their rural economy and that of the country. Furthermore, health infrastructure contributes to productivity as people can continue to practise their livelihoods without being burdened by health problems. Therefore, to ensure the reduction of poverty in South Africa, the government should provide rural people with well-serviced health facilities.

South African municipalities are responsible to ensure that people have access to free water that is safe, particularly the poor people in rural areas that cannot afford to pay for water provision in their households, hence, they are entitled to such service. Mothetha, Nkuna and Mema (2013), highlight that every individual within household should have 25 litres of water daily without any payment. Thus, access to safe water should not be far distanced from the household. However, looking at rural areas in the country, people still do not have access to basic water. These people are fetching

water in the rivers that are found within their communities, which are located extra kilometres from their households. Unfortunately, like other rural areas around the world, women and girl children are the ones responsible for fetching the water in their households. The water used is unsafe, but communities desperately make use of the water for domestic purpose. Improved access to drinkable water from well-maintained taps in rural communities would contribute to the improved living standard of people. The livelihood that is more practised in the rural areas is agriculture, hence its productivity depends on access to water. Since South Africa consist of these many poor rural communities that depend on agriculture, the water infrastructure in the country needs to be improved (Ruiters, 2013). The access to water would enable people to irrigate their yields leading to higher production and food security, since a lot of waterborne diseases that people may endure would be reduced, resulting in less number of sick days.

On the other hand, every individual in South Africa is entitled to basic sanitation. However, currently looking at the country, pit toilets are used as primary sanitation by over a million of people, especially in rural areas. Lack of sanitation is associated with poverty and even worse there are reported incidences in the country of children drowning in the pit toilets. The provision of standardised proper sanitation in current South African rural areas is still a problem even after the apartheid government. This is regardless of the emphasise that basic sanitation is everyone's individual constitutional right in the country. Households in rural areas use pit latrines, which are within a yard located in a distance from the houses, in order to avoid smell that comes from it. Sometimes two or more households are found sharing the one pit latrine because the other households do not have their own pit latrine or the one they were using is full. As such, in cases like this, is either they would have to empty the pit latrine or they to dig another one. This is a challenge as households may end up having more than one full pit latrine in a yard should they not be assisted with emptying them, hence, this indicates the poor sanitation that is experienced in rural areas. Bhagwan (2015), contends that the citizens of South Africa who use pit latrines were promised by the government that the latrines would be maintained by emptying them in a period of every five years. The concern is that, this type of latrines that are used in rural areas could lead to unhygienic lifestyle of households. For instance, the pit latrines do not have piped water, meaning that the likelihood of individuals to wash their hands after

the use of the latrine is low. Moreover, most pit latrines are not being cleaned and this could lead to diseases as hygiene is not practised.

Children, women and people living with disabilities are mostly affected by poor sanitation. For example, the structure of pit latrines that are built in rural areas do not cater the needs of disabled people. The provision of proper sanitation is not prioritised, especially in rural municipalities. However, this does not mean that municipalities are not provided with funds to address the issue of sanitation. South African Human Rights Commission (SAHRC) (2014), is of the view that all municipalities in South Africa are provided with water and sanitation budget for their area of jurisdiction, the problem is that some municipalities focus on water provision and forget about sanitation. Unlike to defecate in the bush where some poor people still do, it is important to note that when people could be advised to construct proper pit latrines and further provide the latrines with maintenance it would lead to reduction in spread of diseases. Thus, the local governments in the country, particularly those in rural areas, are found providing households with pit latrines with specific standards which contribute to improved environment. However, it cannot be ignored that some households still complain about the pit latrine that the municipalities are providing to communities citing that they are improper and unsafe to use. The water and sanitation infrastructure in South Africa is a problem that affects mostly the poorest people and as such need to be prioritised towards the alleviation of poverty.

People in rural areas lack access to Information and Communications Technology (ICT). Only few people in these remote areas are able to access important information that they need. The poorest do not have access to ICT and as such, they cannot access relevant information that they need in order to improve their lives. This information can be in regard to health, education and business opportunities (Mbuyisa and Leonard, 2015). Important information that greatly impact the lives of the people particularly those who resides in rural areas can be distributed through ICT. For instance, people in rural areas practise small businesses and as such, the ICT can enable businesses to access market information that will help to improve their productivity and income, thus will contribute to their improved living standards. The provision of ICT infrastructure can contribute to effectiveness of household farmers' productivity. The farmers will obtain information about food prices, weather conditions

and how they can look after their crops. The information dissemination through ICT is timely provided and people get to take well informed decisions especially in terms of producing and pricing their agricultural products. The ICT in rural areas enable the farmers to exchange information with other farmers in the rural areas and those who are in urban areas to exchange information including challenges that they come across, the problems that they are faced with and opportunities that arise in the agricultural sector. Therefore, the demand and supply of products is taken into consideration. The ICT in rural areas is not without challenges, because most of the people do not have skills on how to make use of ICT and as such, they are not comfortable in recommending the use of it.

The MLM is responsible to provide services such as electricity to the communities of its jurisdiction, however, the municipality does not have the licence for electricity supply. As such, the municipality works hand in hand with the Electricity Supply Commission (ESKOM) to supply its households with electricity, of which 46 266 households are electrified (MLM, 2012/2016). Due to lack of employment and low-income rates, some households that are electrified cannot afford adequate energy for improved well-being. Therefore, people are found using traditional resources such as wood and cow dungs as energy for cooking and other activities. This burdens women and children since they are the ones that do many chores including cooking. The access to electricity enables people to study at night leading to improved education. For example, some people within the MLM did not have the education or only had a lower level of education, but through electricity they managed to get their Adult Basic Education and Training (ABET) education. The 1.27 percent of the educational profile in the MLM include the ABET education (MLM/IDP, 2011/2016).

There is about 64% of water supply backlogs in the MLM municipality and this is due to limited budget amongst other constraints (MLM/IDP, 2015/2016). The MLM communities are faced with the challenge of accessing water from rivers/streams with approximately 15 894 households. The municipality on the other hand is also trying to ensure that the households have access to safe water by providing at least 11 760 with piped water outside their yard. However, not all households are able to access communal tapes at recommended metres. Esterhuizen (2016), points that households should be able to access water points at least 200 metres from their yards. Other

sources of water in the MLM include the boreholes of which 4 006 households make use of them. The challenge is that the water is contaminated in some boreholes putting the lives of the people at risk and this may be due to poor maintenance. It is therefore, important that the MLM maintain the water infrastructure within communities to ensure effective water supply.

The MLM is responsible for all the local roads within the municipality, however, the municipality also consists of Provincial and District roads. In terms of maintenance, the municipality maintains the roads that were identified during the community consultation and ward councillors (MLM/IDP, 2015/2016). Hence, this method is not effective, because based on communities' participation some roads could be maintained twice and more, while others have never been maintained or others still not tarred. The kind of maintenance provided should therefore be sufficient to avoid having to do major repairs within a limited time. The MLM is facing a challenge with providing road infrastructure and the poor people suffer the most. For example, most roads in the municipality are untarred and due to this the households that reside in the remoteness communities are affected mostly because of the lack of continuous access to transportation. The common transport that is used is buses of the Great North Transport and Sekhukhune Express (MLM/IDP, 2015/2016), the buses are usually used by people who reside in areas that use gravel road since the taxis which are the convenient transport do not want to use the untarred roads. This hinders individuals from working in the fellow villages where the less the money they will get if they work they will be forced to spend a lot of it on transport. The poor roads also lead to inaccessibility of clinics and hospitals.

3.4. Local Economic Development on poverty alleviation in rural South Africa

Previously, during the apartheid government, the black African people were discriminated in all aspects including political, social and economic. Thus, to date, most poor people are the blacks who dwell in underdeveloped rural areas affected by the high unemployment rate and poverty. Since the LED focus on both social and economic issues, it is in the South African context seen as a suitable tool to effectively deal with poverty alleviation. Therefore, a democratic government that was elected in 1994, adopted the LED that has been practised for years in developed countries in

order to empower rural South Africans that are most vulnerable, marginalised and poor located in local communities to generate income to meet their basic needs. The LED can be made possible through the implementation of projects or programmes in rural areas (Xuza and Swilling, 2008).

The LED is related to basic services provision, Small Medium and Micro Enterprises (SMMEs), cooperatives (Koma, 2014), and tourism. It focuses on income generation and creation of job opportunities at the local level through entrepreneurship. In South Africa, cooperatives and small businesses in rural areas are supported through the implementation of the LED as a way of encouraging more people to engage in entrepreneurship and most importantly to create jobs so that people can generate income (Rogerson, 2014). Most rural communities consist of unfavourable conditions which hamper their economic development, as such, most businesses that are running in these areas are owned by outside entrepreneurs who can successfully run their businesses against all odds. Therefore, to promote entrepreneurship within rural South African communities, the LED needs to focus on creating an enabling environment for such activities to take place. “The LED determines the importance of the public sector in creating enabling conditions for economic development, particularly the development of entrepreneurship where local people were encouraged to formulate social and economic projects based on the utilization of local resources to meet their basic needs” (Masuku, Jili and Selepe, 2016:07). However, rural people lack entrepreneurial skills, leading to failure in developing their own businesses. Reddy and Wallis (2011), is of the view that since the SMMEs can contribute to job creation in remote areas, there is a need for skills development provision by municipalities and other institutions.

To effectively reduce poverty and create job opportunities, the South African local governments through the decentralization process that took place in the country have the power to design the LED policies and programmes. However, Musakwa (2008), asserts that in Limpopo Province where most municipalities are located in rural areas, most of them so far have not formulated the LED programme that is aimed at targeting the local communities’ that are poorer. Thus, most people who dwell in rural areas are still affected by poverty and their living conditions are poor. Nel and Rogerson (2005), opined that it is problematic in terms of monitoring and evaluating the LED impact on

poverty alleviation without the identified poverty alleviation targets. Some individuals are involved in the LED not for the interest of the whole community but for their own interest.

The municipalities can either develop the LED projects for communities or most importantly the communities can come up with their own projects and propose them to their municipalities for support. From where the local residents are standing, Dhlohdlo (2010), indicates that they can identify and realise opportunities for the LED initiatives. In support, Kingsbury, Remenyi, McKay and Hunt (2004), concurs that development should be initiated by the people, because it is for the people by the people. Thus, communities need to be in charge of their LED. People remain poor and vulnerable due to lack of participation in the LED projects taking place in their areas because they are politicised by some public institutions. According to Swinburn *et al.*, (2006), the participation of all people at the local level will legitimise the process and de-politicise LED projects and ensure long-term sustainability.

Local citizens are knowledgeable about their areas and as such, they should be taken into consideration in terms of local economic development. The study that was conducted by Masuku *et al.*, (2016), indicates that the LED project such as crop and poultry farming were imposed on the communities by their LED officials, hence these communities did not see how the project will benefit them in terms of their economic needs and this is owing to the ineffective link of the project to realise the poorest communities' real needs. Chambers (1995), cites that the elites, educated and least poor are the ones that are more advantaged to participate. Abrahams (2005), cautions that since communities also form part of role players in the LED, they should at all times be involved irrespective of their size (big or small), economic status (rich or poor) or location (urban or rural area). If communities are not involved in the implementation of the LED projects in their areas, the project may not alleviate poverty or improve their standard of living because people will not participate. The failure of participation means that people will remain poor and no economic growth will occur in that local area. Therefore, people at the local level should be part of the planning, implementation, monitoring and evaluation processes of the project. According to the Municipal Systems Act, 32 of 2000, local communities should at all times be involved

in each and every decision-making process in their municipalities particularly, because they are affected as such (Republic of South Africa, 1998).

Not all the LED projects are found to be successful, because among other reasons, the LED projects are grand-dependent (Human Sciences Research Council (HSRC), 2003). The projects run for the periods that are funded and after that when they are no longer being funded they collapse, showing lack of sustainability to deal with poverty and unemployment problems in rural areas. The LED projects that are borne to succeed are those undertaken by private sectors. Reddy and Wallis (2011), shows that private sectors are more resourceful and knowledgeable about the LED and it is advisable that they assist the local areas with their LED initiatives.

Rural municipalities are faced with challenges, especially when it comes to providing basic services like roads and electricity to the people. Therefore, it's not logical to assume that these municipalities bring about the LED projects that focus on the economy (Ingle, 2003). These municipalities have a challenge of promoting economic development in rural areas because of the limited resources that they experience. However, this does not mean that rural municipalities should neglect the LED that deals with economic development. The reason is that the LED which focuses on economic development together with the LED that focuses on poverty alleviation are important, although their approach may differ (Musakwa, 2008). However, Nel and Rogerson (2005), argue that it is not clear as to whether poverty can or cannot be dealt with through economic development.

In most cases, rural municipalities provide basic services for free, meaning that no revenue is generated or if any is generated it is low. This results in municipalities dependent on the national government for funds in order to assume their responsibilities including the LED initiatives. The national government has adequate funds to undertake the LED initiatives, yet they cannot reach every community, given that some communities are located in far rural areas. As such, this is the responsibility of municipalities since they are closest to the people in the local area. The HSRC (2003), emphasises that the LED in the country is the municipalities' mandate. Therefore, the decision on whether or not to undertake the LED projects depends on the approval funds from the national government. This creates a challenge towards

poverty alleviation in local municipalities because if the funds cannot be approved it means that no LED projects will be implemented.

In South Africa, most of the rural municipalities that do not have galore minerals encourage people to group themselves and form agricultural cooperatives for income generation. Same in relation to the MLM, the municipality is not rich in minerals and as such, they focus more on agriculture and tourism (MLM/IDP, 2015/2016). However, even when they focus on these sectors, it seems that they do not have the strategy for success. Moreover, some of these projects without the funds remain just an idea. The reasons behind is due to but not limited to insufficient skills, lack of infrastructure and lack of financial support. Therefore, the implementation of the LED projects is jeopardized by the lack of resources needed for its effectiveness. Phago (2005), emphasises that for effective and efficient undertaking of the LED project, the municipal LED officials should be trained to acquire the necessary skills that are needed in achieving the successful LED. Dhlodhlo (2010), highlights that some municipalities in rural areas do not have the LED units and this leads to a challenge of them not being able to implement the LED projects to uplift the lives of the rural people. The MLM municipality has only two officials dealing with the LED. This shows that there is a shortage of staff and as such, it impacts negatively on the LED implementation. Hence, the available staff has limited knowledge on the LED.

3.5. Conclusion

The LED had yielded fruitful results in some countries, especially in developed countries. Thus, in South Africa, the experience of poverty and unemployment called for municipalities including Makhuduthamaga Local Municipality to undertake the LED initiatives with the hope of addressing these challenges. However, given that the LED is still in its early stages, the results attained from implementing the LED projects are quite disappointing due to lack of skills in local municipalities. Furthermore, communities see municipalities as the role player towards poverty alleviation through the LED implementation.

Poverty reduction in rural areas depends on the LED projects implemented and involvement of people in that community. To successfully implement the LED, the collaboration between government, private sector and communities are important. The LED aims to empower the disadvantaged and marginalised communities socially and economically. However, it is not without challenges such as funds, therefore, national government should help the rural municipalities with funding given the limitations that are faced with. Moreover, for the needs of people to be realised, the communities should be part of the decision-making.

Chapter 4: Data Presentation, Analysis and Interpretation of the study

4.1. Introduction

The study investigated the effectiveness of local economic development towards poverty alleviation in rural areas, with reference to Makhuduthamaga local municipality. Consequently, this chapter presented the research data that was obtained from the targeted population of 100 households, analysed and interpreted the results. The data was collected using semi-structured questionnaires that were administered to participants. Tables, graphs and charts were employed to present the research findings enabling the researcher to draw meanings about the problem examined. The analysis was not limited to the findings alone, however, it would also consider the literature review which can either be in support or not, of the research findings.

4.2. The demographic profile of participants

The study presents the participant's demographic profile in this section of chapter 4. The demographical information includes features such as gender, age, race and educational status, together with others as mentioned below.

Table 4.1: Gender

| Gender | Percentage (%) |
|--------|----------------|
| Male | 42 |
| Female | 58 |
| Total | 100 |

The targeted population of the study was achieved due to the availability of participants. These participants were required to specify their gender. Table 4.1 above depicts that 58 percent of the participants in the study are female, while 42 percent of the participants are male. It is evident that females formed majority part of the study, particularly because in most cases in terms of traditional matters, females remain in rural areas to look after children and families, whilst their counterparts migrate to cities

in search of employment. The possibility is that these females are more affected by poverty and as such, they are engaged in the LED activities including agricultural cooperatives and the EPWP taking place in the area.

Figure 4.1. Age category

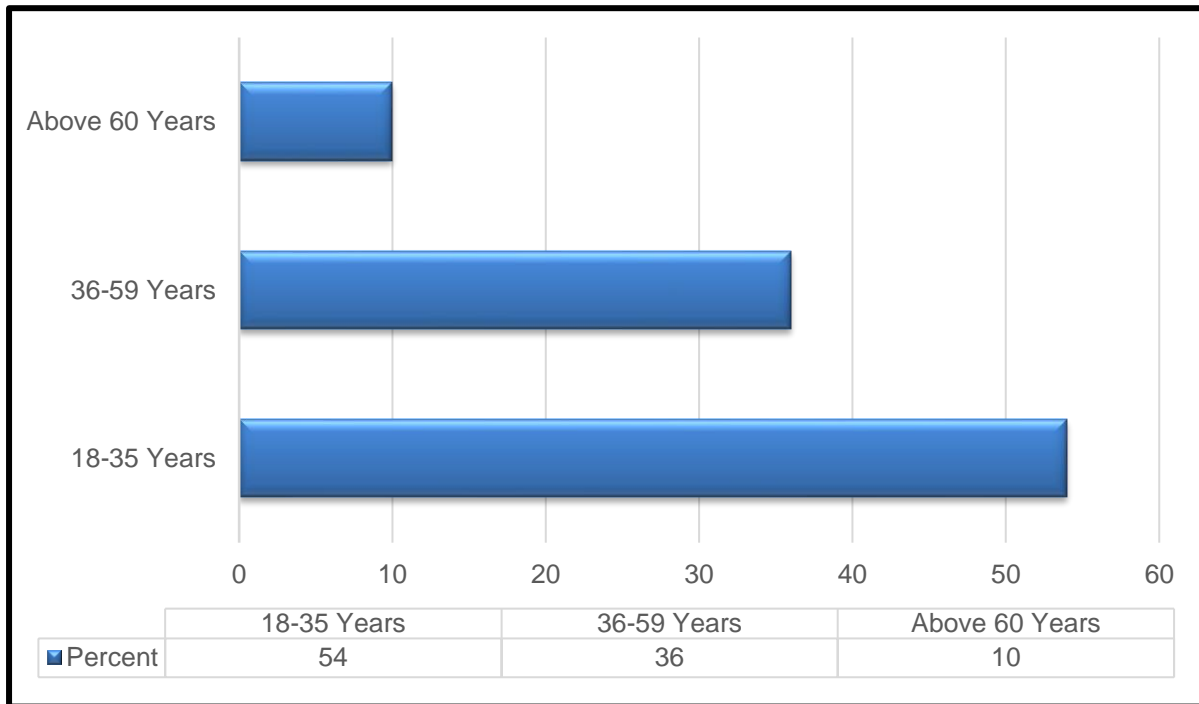


Figure 4.1 graphically presents the distribution of participants based on their age category. It is evident that the majority of participants that constitute 54 percent are between the age of 18 and 35 years. This age category (18-35 years) dominates the study and might imply that there is a high youth population that has the potential to economically and socially improve the local areas. Participants between 36 and 59 years constitute 36 percent. Figure 4.1 above shows that life expectancy is low in this area, the minority of participants are above 60 years, of which accounts for only 10 percent. The findings indicate that due to high levels of poverty experienced in the area, the individuals' quality of life turns to be low and therefore, as a result only a few people get to live until the age of 60 or above.

Figure 4.2: Race of the participants

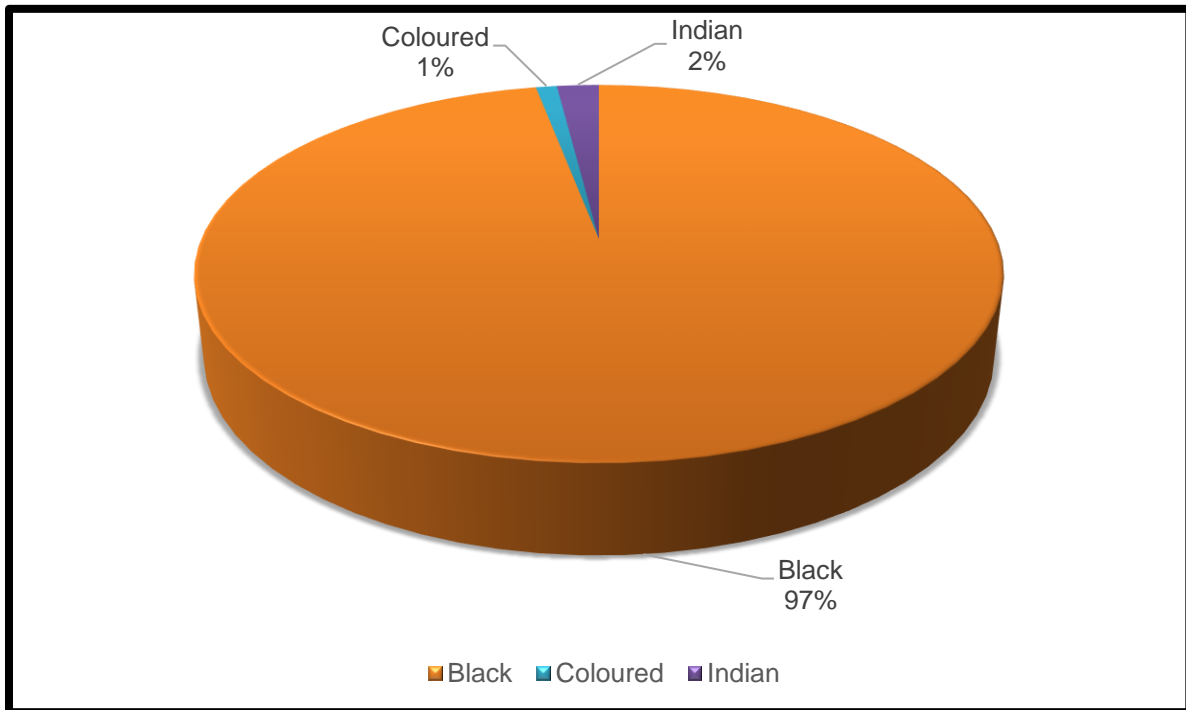
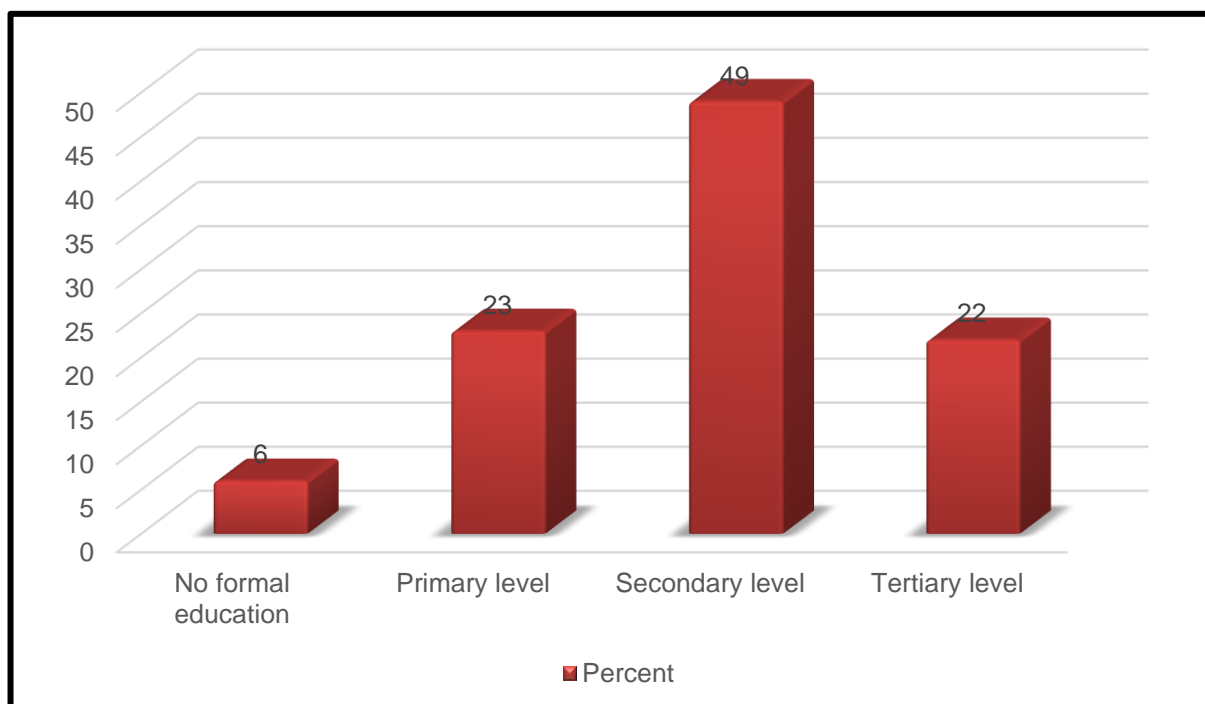


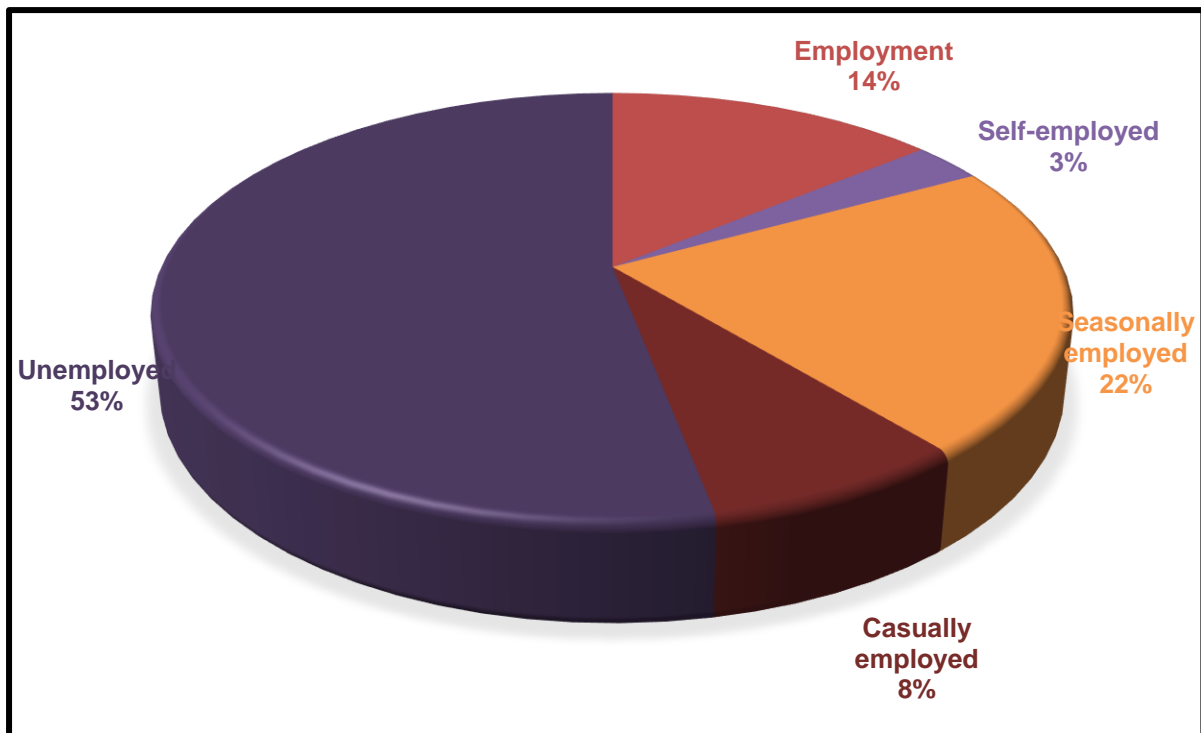
Figure 4.2. indicates that most participants in the study were black with 97 percent, 2 percent were Indians whilst 1 percent represented coloureds. It is likely for black individuals to be numerous than other racial groups, only in the light of the fact that the study was conducted in a rural area, henceforth, this homeland is one of those generally known to be residential locations for black individuals. Nonetheless, it is emphasised in the literature that the LED should put more focus on those who were previously disadvantaged including the poor, disabled and marginalised individuals. Therefore, this means that most of the LED activities are undertaken by the black individuals in the area.

Figure 4.3: Educational status



The educational level of participants can contribute to economic growth of an area, whereas on the other hand, the lack of education can be an explanation of the high level of socio-economic problems that exist in the area. Figure 4.3 shows the distribution of participants in terms of their educational status. The study revealed that 6 percent have no formal education while 23 percent have primary education. The 49 percent cited that they have attended secondary schooling and about 22 percent of participants have tertiary education. This figure demonstrates that most people in this study area were exposed to formal education, however, the majority still have to improve their level of education to a tertiary level to accumulate knowledge and skills. This is necessary because the educational status of individuals could influence the types of LED projects undertaken towards the alleviation of poverty.

Figure 4.4: Employment status of participants



South African rural communities are faced with the challenge of high unemployment level. The MLM too is a rural municipality and its communities have a high unemployment rate with 53 percent unemployed participants. About 14 percent indicated that they are currently employed either permanently or temporarily. Given that rural areas are characterised by agricultural activities, approximately 22 percent are seasonally employed while 8 percent are casually employed.

People who are seasonally and casually employed are in most cases limited to low paying jobs and this might be due to their educational level as figure 4.3 shows that most people have studied until secondary level and as such the possibility is that they do not have necessary skills required for them to be most likely recruited in highly paying jobs. On the other hand, as a consequent of lack of job opportunities in the area, these participants have no other choices, but to settle for seasonal or casual employment. Therefore, people find it hard to make ends meet to break the cycle of poverty. Only 3 percent of participants are self-employed, signifying that people in this area prefer to be employed by others, unlike creating employment for themselves.

Figure 4.5: Monthly income



The educational level and local economic development can determine the income levels of people. As required, participants in the study stated their monthly income. Figure 4.5 indicates that over 69 percent of participants specified that their monthly income is R2500 and less than, with some not receiving income at all, while others reported that the little amount they earn comes from social grants that they receive every month and remittances from family members. Earning low income could prompt low living standards as individuals would not have the capacity to manage all the costs required for a healthy lifestyle. About 17 percent earned between R2501 and R5000, while 14 percent earned above R5001 monthly. Given that only a few participants receive above R5001 income, there is a need for job creation through sustainable LED implementation that would contribute to increased income generation.

Table 4.2: Size of the household

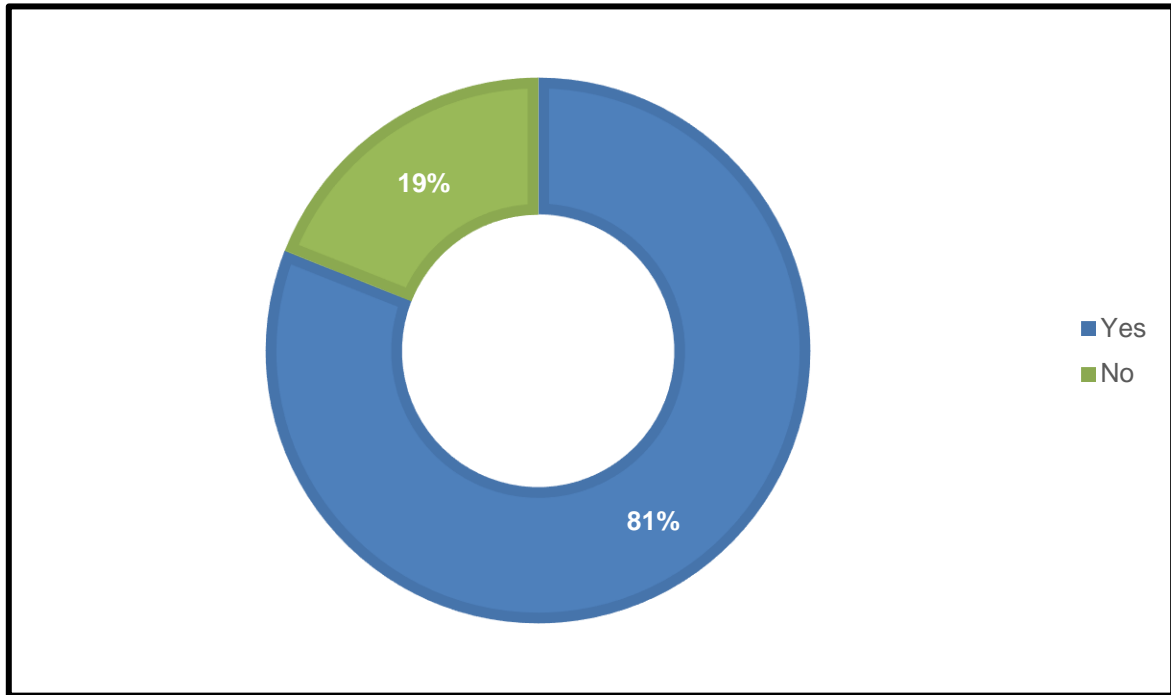
| | |
|-------------------------|-----|
| | |
| 1- 3 members | 4 |
| 4-6 members | 56 |
| 7-9 members | 23 |
| 10-12 members | 9 |
| Above 13 members | 8 |
| Total | 100 |

In most of the cases, the size of the household, especially, in rural areas can have an influence on poverty level within the household. Table 4.2 shows that 4 percent have a small household size living with not more than three members in a family, whereas, 56 percent of the households comprises of between 4 to 6 members. The 23 percent have between 7 to 9 members, 9 percent have between 10 to 12 members and households with above 13 members were 8 percent. Given the household size of participants, there is a need for people, at least one in each household to partake in LED projects to gain income, which would contribute to the reduction of poverty in the area, especially because currently most people are unemployed (see figure 4.4).

4.3. The concept of local economic development

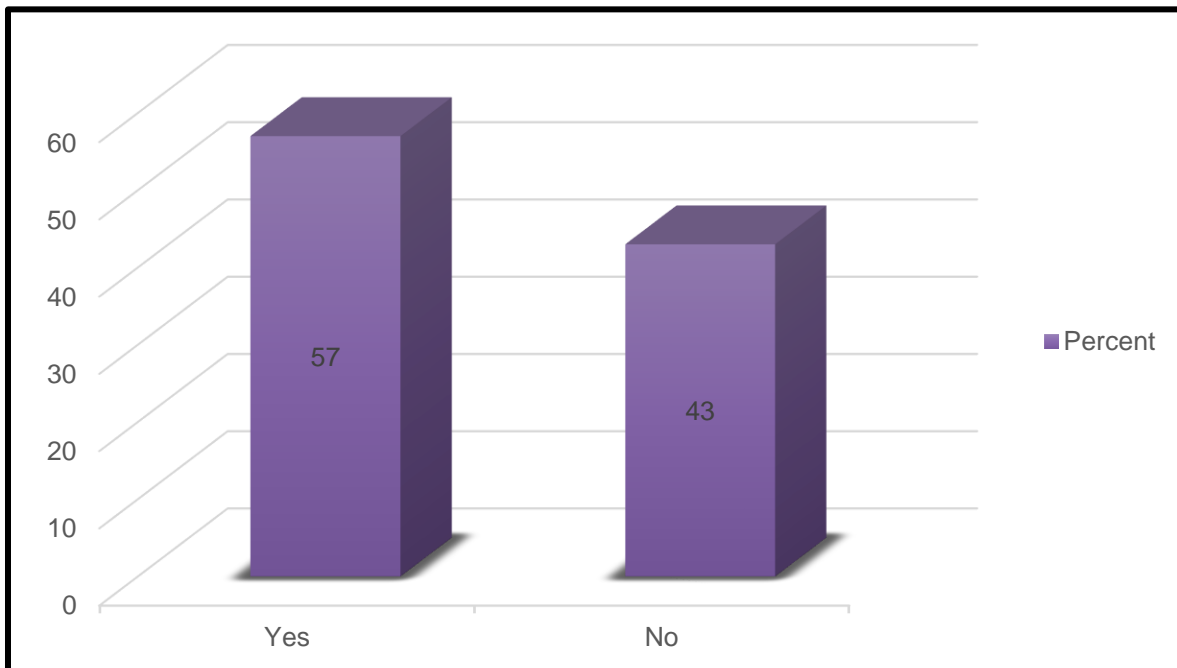
The collected data on research participants' perception about the LED is presented in this section.

Figure 4.6: Understanding of LED by participants



How people understand the LED could contribute to their ability to improve the local economy, increase employment and reduce poverty. Participants in the study were asked as to whether they understand what the LED is. Figure 4.6 illustrates that 81 percent of participants acknowledges to understanding what the LED is. While, few constituting 19 percent presented that they do not understand what the LED means. The participants who indicated to having knowledge of what the LED is, were of the view that the LED refers to local stakeholders working together towards poverty alleviation. Some highlighted that the LED is about government creating employment opportunities at the local level. While, others articulated that the LED refers to the improvement of the local economy. Therefore, the findings indicate that participants understand the LED differently.

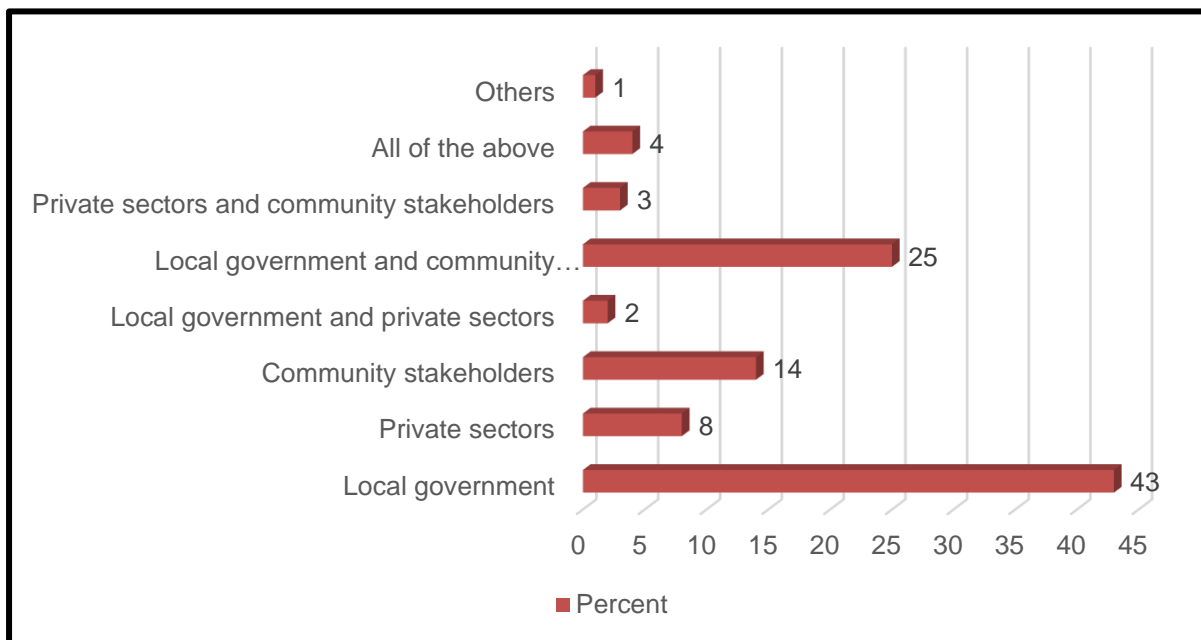
Figure 4.7: Participation in LED activities



The LED is about local people being responsible for their economic growth and job creation, which will contribute to the reduction of poverty. Therefore, participants were required to indicate if they partake in the LED activities in their area. The information displayed in figure 4.7 indicates that most of the participants accounting to 57 percent are involved in the LED activities, supporting the Constitution of South Africa which specify that communities should be involved in the daily activities of their municipalities, especially those concerning the LED. Whereas the remaining 43 percent stated that they do not take part in the LED activities.

The participants that were involved in the LED cited that they were engaged in activities such as agricultural cooperatives and EPWP. Some of the participants who were not participating in the LED activities indicated that it is not their choice not to participate especially because they are also faced with the challenge of poverty. They further highlighted that they were not aware of the LED activities and that this is due to among other reasons that their ward committees only distributed information to individuals who are in the same political party as them. The community participation in the LED initiatives would ensure that the challenge of unemployment and poverty is accordingly dealt with.

Figure 4.8: Responsible stakeholder for the LED implementation



Participants in the study were questioned as to who of the stakeholders is responsible for the LED implementation in their area. Options were provided as follows: local government, private sectors and community stakeholders. The participants were allowed to specify other option if there is any, hence they could choose more than one answer. Therefore, in addressing the question as figure 4.8 demonstrates, over 43 percent of participants were of the believe that local government is responsible for the LED implementation. These findings concur with literature which indicates that every local municipality is obliged to undertake the LED activities. The LED focus on improving the poor lives of the people, thus, about 14 percent indicated that community stakeholders play a leading role in the LED particularly because they are of the knowledge of their problems and their involvement can lead to successful LED implementation. About 8 percent view private sectors as responsible, indicating that the funds that they provide for the implementation of the LED activities should not be overlooked. The 4 percent outlined that all the stakeholders play a significant role towards implementation of the LED. In support, Koma (2014), asserts that local municipalities must coordinate and monitor the LED activities through their partnership with private sectors and communities.

The 2 percent indicate that local government and private sectors should work together, of which this is known to be a private-public partnership. While 3 percent says that, private sectors and communities, emphasising that the implementation of LED has a high chance of succeeding through their partnership. About 25 percent believe that local government and communities are responsible stating that local government is closest to their communities and as such working together can help with tackling poverty in the area. The research findings show that some participants are aware of the importance of the establishment of partnership towards the LED undertakings. Only 1 percent indicate that other stakeholders such as the NGO's and local businesses should be responsible for the LED implementation.

Table 4.3: The contribution of LED

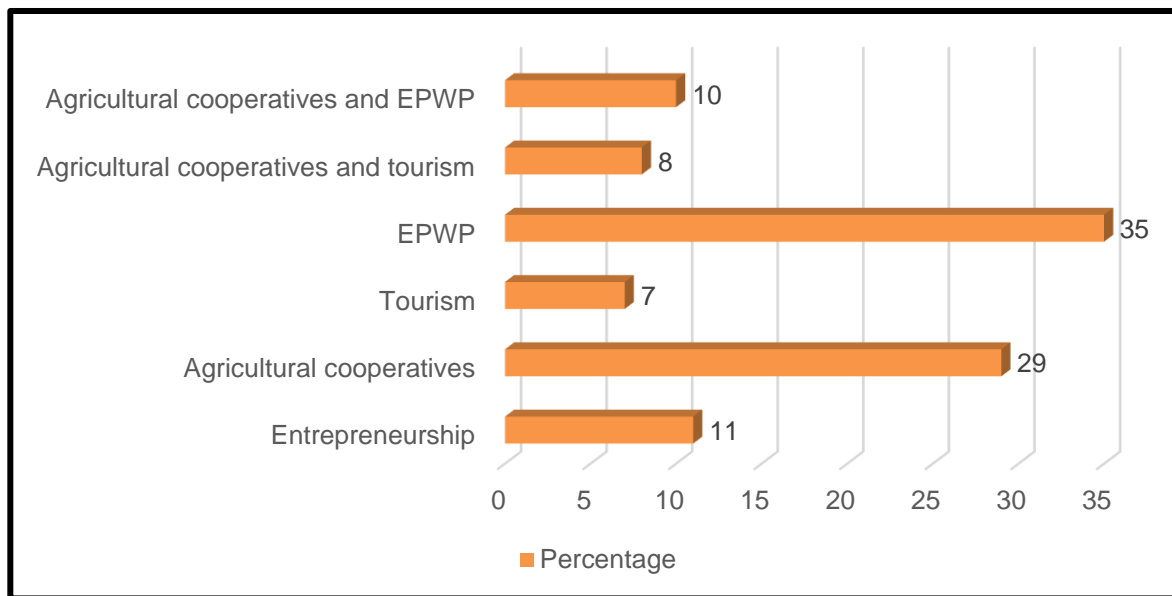
| | Percentage (%) |
|--------------------------|----------------|
| Strongly agree | 14 |
| Agree | 50 |
| Unsure | 18 |
| Disagree | 15 |
| Strongly disagree | 3 |
| Total | 100 |

Participants were asked to furnish the study as to whether LED implementation results in economic growth in their areas. As such, participants were to indicate if they strongly agree, agree, unsure, disagree or strongly disagree. Table 4.3 shows that 50 percent agree whereas 14 percent strongly agree. The percentage of participants who were unsure make up 18 percent. Moreover, 15 percent indicate to disagree and only 3 percent strongly disagreed. According to the table 4.3 above the majority of participants are of the perception that the LED contribute to the growth of the local economy. With some participants indicating that through the LED projects, they can make income. The income earned might circulate around the local area and this would lead to economic growth in the MLM. Whereas others believed that LED creates opportunities for people to mobilise resources such as land that exist locally, which enables them to engage in productive activities including agricultural cooperatives.

4.4. Types of poverty alleviation models

Participants in the study area practise different models to alleviate poverty that they experience in their lives. This chapter analyses the following variable, namely, the practised poverty alleviation models in the area, benefits of the models, the challenges encountered and lastly the sustainability of the models.

Figure 4.9: Poverty alleviation models practised



Participants were asked which type of poverty alleviation model they practise. Therefore, in answering the question, participants were not limited to choosing one answer. Figure 4.8 above illustrates that 11 percent of participant's practise entrepreneurship and 29 percent are involved in agricultural cooperatives. Participants who are involved in tourism make 7 percent while the majority (35 percent) indicated to be involved with the EPWP that are known as Expanded Public Works Programmes. These poverty alleviation methods that participants indicated to practise are in line with those discussed in chapter 2 and 3 of this study that people turn to engage with, in order to fight poverty, they are faced with in their daily lives.

Some participants practise more than one model to tackle poverty. About 8 percent indicate that they practise both the agricultural cooperatives and tourism, with some participants citing that they can sell their products to tourists. On the other hand, those

who practise agricultural cooperatives and the EPWP are 10 percent. The finding of the study particularly with those who indicated to be engaged with more than one model is in line with literature which emphasises that people are found to be engaged in different activities as a strategy to deal with poverty.

Figure 4.10: Benefits of poverty alleviation models

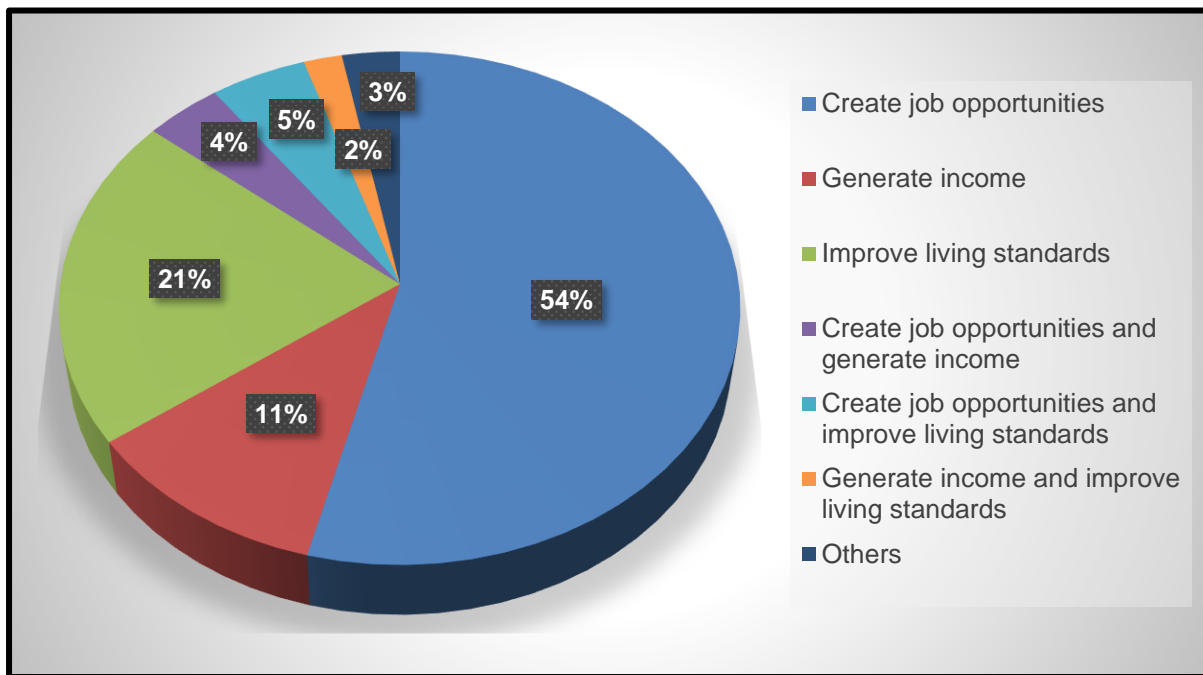
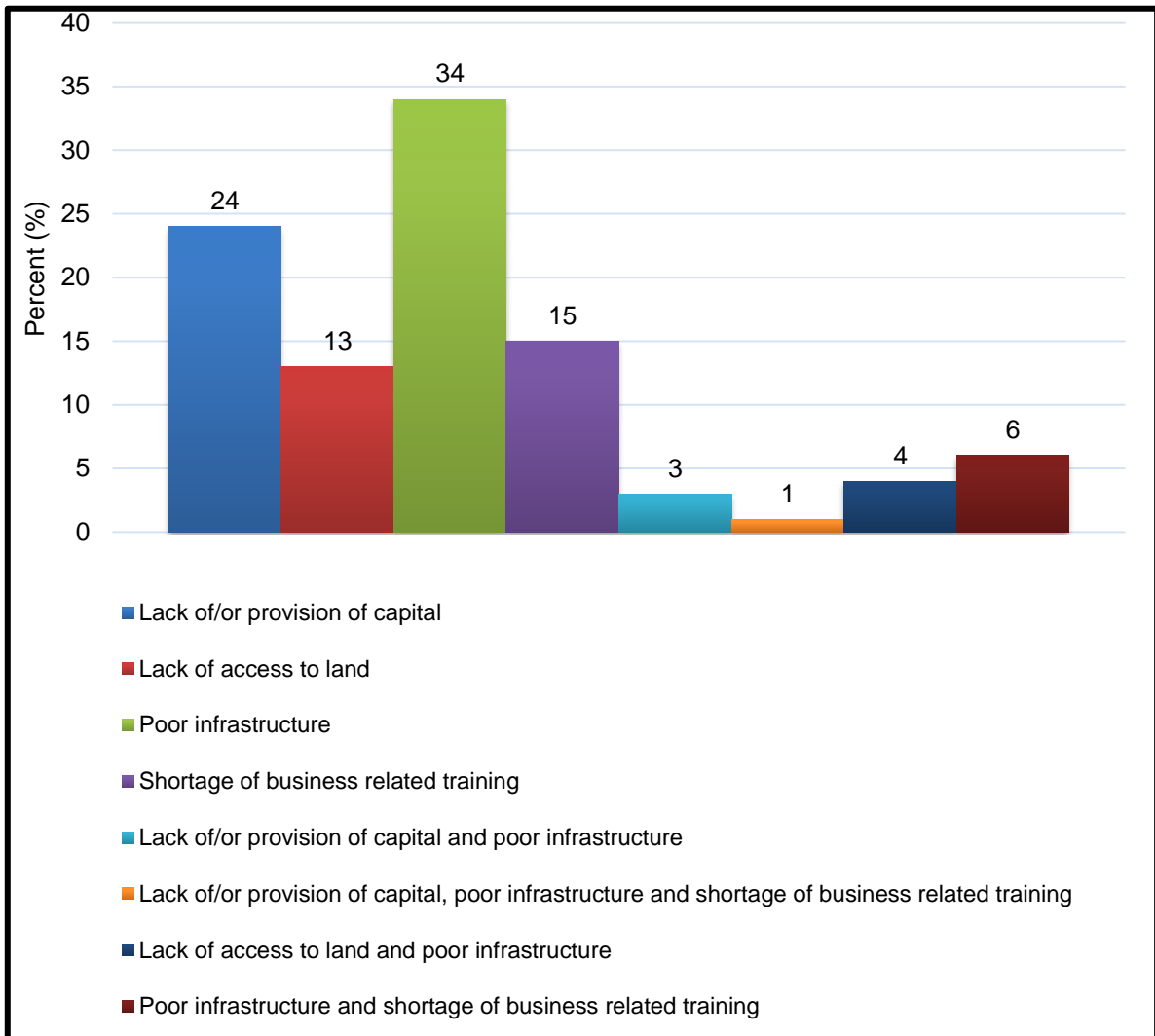


Figure 4.10 illustrates that 54 percent of participants confirmed that they benefit through job opportunities created. The 11 percent was of the view that they generate income from poverty alleviation models they practice. With some participants indicating that even though the income is low it is better than having nothing at all. About 21 percent indicated that it results in their standards of living being improved, for example, some mentioned that they could build or renovate their houses. While on the other hand, participants appeared to have a variety of benefits that make a positive influence in their lives, with 4 percent (create job opportunities and generate income), 5 percent (create job opportunities and improve living standards) and 2 percent (generate income and improve living standards). Moreover, it is necessary to acquire skills that will provide individuals with options in finding well-paying employment at current or in the future. Thus, other participants (3 percent), stated that they benefit by

gaining skills such as bookkeeping and managerial skills, whereas some highlighted that their households are experiencing a reduction in poverty.

Figure 4.11: Challenges encountered



The poverty alleviation models (cited in figure 4.9) that people are engaged with on daily basis are faced with numerous challenges. Information on figure 4.11 indicate that regardless of the significance of proper public infrastructure (roads, water and electricity) provided by local municipalities that offer support to different activities that people in the study are practising towards the alleviation of poverty, the majority (34 percent) of the participants cites poor infrastructure as the bigger challenge. The 24 percent stated lack of or provision of capital is a problem towards achieving their goals. About 15 percent reported a shortage of business related training, whereas 13 percent

indicated lack of access to land. Furthermore, the findings reveal that some participants cited to encounter more than one challenge, of which this is a case in most rural areas where some of this challenge lead to failure of models involved with, persisting the issue of poverty.

Table 4.4: Sustainability of poverty alleviation models

| | Percentage (%) |
|--------------------------|----------------|
| Strongly agree | 7 |
| Agree | 65 |
| Unsure | 19 |
| Disagree | 1 |
| Strongly disagree | 8 |
| Total | 100 |

The information presented in table 4.4 above indicate that most participants, approximately 65 percent, agrees that the poverty alleviation models that they are engaged with are sustainable and 7 percent reported to strongly agree. About 19 percent of participants are unsure if the models are sustainable. This might suggest that these participants have not been in practise with the models that they are currently engaging and as such, they do not know if over time they will be able to keep up with them. Only 1 percent disagree, while the remaining 8 percent strongly disagree, with other participants stressing that through the years they have moved from practising one poverty alleviation model to another.

4.5. The effectiveness of local economic development on poverty alleviation

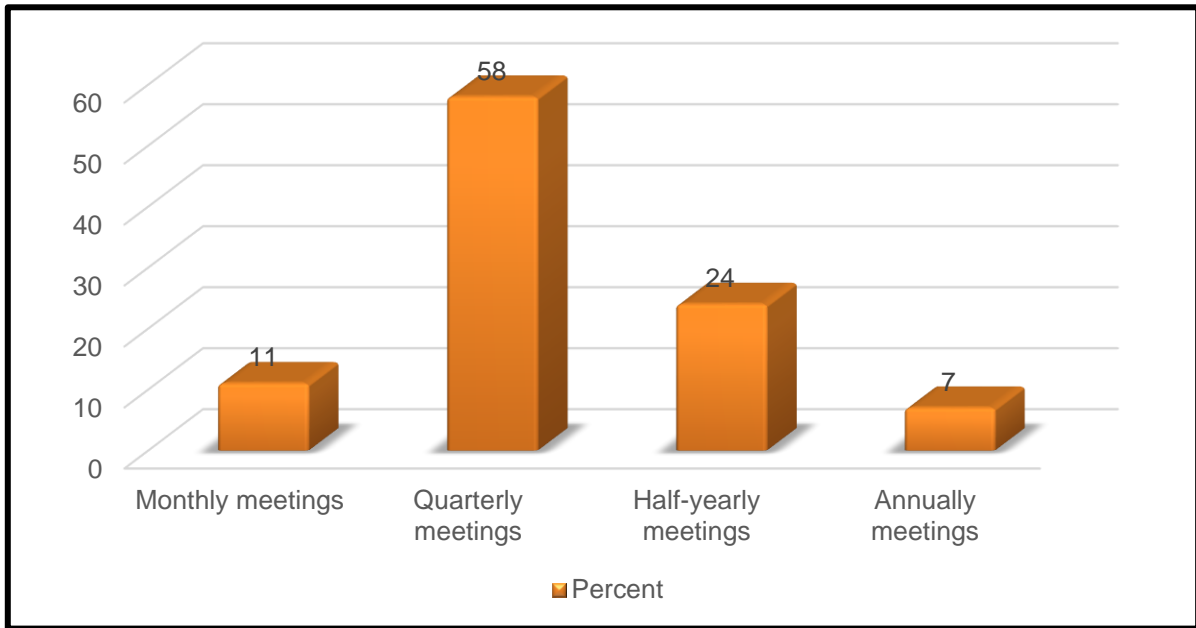
Like any other local municipality, regardless of their geographical location, Makhuduthamaga Local Municipality is mandated to implement the LED activities to develop its communities. This section focusses on the effectiveness of LED towards the alleviation of poverty in the MLM. The researcher asked participants to provide their insight with regard to the LED effectiveness on poverty alleviation in their area, hence the analysis is based on that.

Table 4.5: Local stakeholders' partnership

| | Percentage (%) |
|--------------------------|----------------|
| Strongly agree | 21 |
| Agree | 50 |
| Unsure | 21 |
| Disagree | 6 |
| Strongly disagree | 2 |
| Total | 100 |

Literature suggests that for the LED to be able to effectively achieve its objectives including poverty alleviation, the collaboration among local stakeholders is required. All these LED stakeholders have something on the table to offer, either resources, skills or experiences and thus, their partnership would need to be maintained to ensure that the intended objectives of the LED are met. However, on the contrary, the poor partnerships relation would lead to limited LED activities success that could contribute to poverty alleviation in the local area. Therefore, participants were addressed as to whether a partnership between LED stakeholders successfully contributes to the reduction of poverty. According to table 4.5, the 21 percent strongly agree and 50 percent agree. Another 21 percent of participants indicated that they were unsure. About 6 percent of participants disagree whereas 2 percent strongly disagree.

Figure 4.12: The LED meetings



The convening of meetings enables individuals to overview the LED implementation progress and encourage people to participate in decision-making. Participants were asked to indicate how often were the LED meetings conducted. Figure 4.12 above shows that an overwhelming 58 percent indicates that meetings are held quarterly, while 24 percent says they conduct their meetings half-yearly. The 11 percent states that meetings are conducted monthly whereas 7 percent says they only know of annual meetings. The figure 4.12 clearly presents that majority of participants in the study emphasise that meetings be held quarterly because by then the project would have gone through some critical phases including initiation and planning phase. It is, therefore, vital for individuals not to underestimate the value of having meetings particularly because it will provide clarification through conversation in terms of facilitation and challenges arising in implementing the LED project. Moreover, people will have knowledge of what is needed to sustain the project.

Figure 4.13: The LED implementation constraints

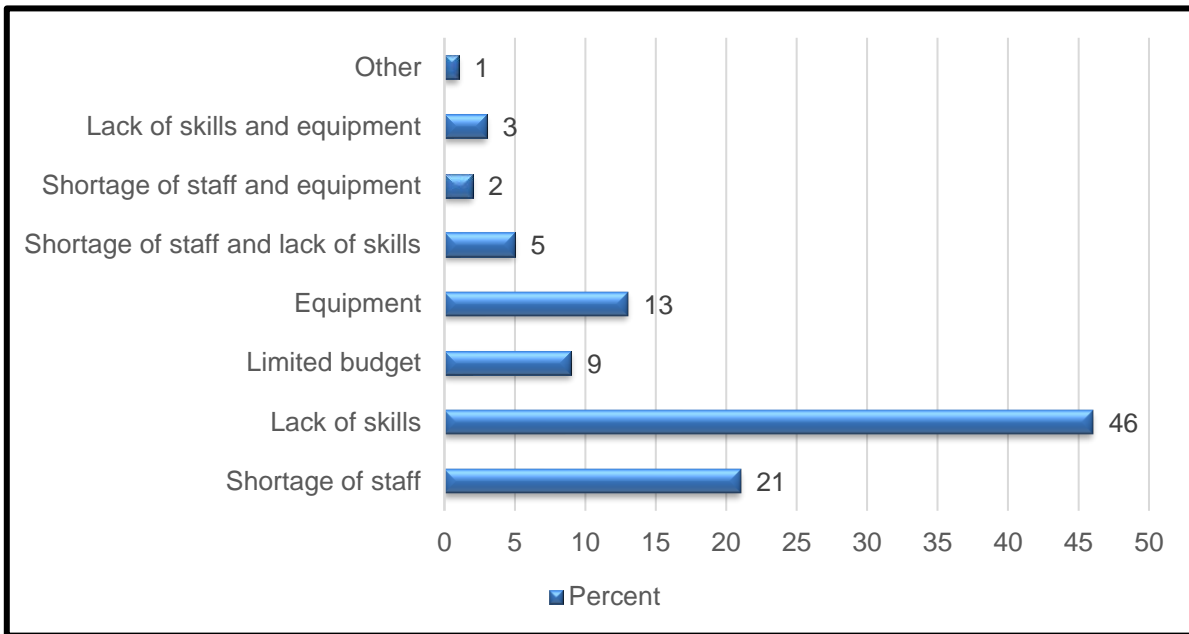
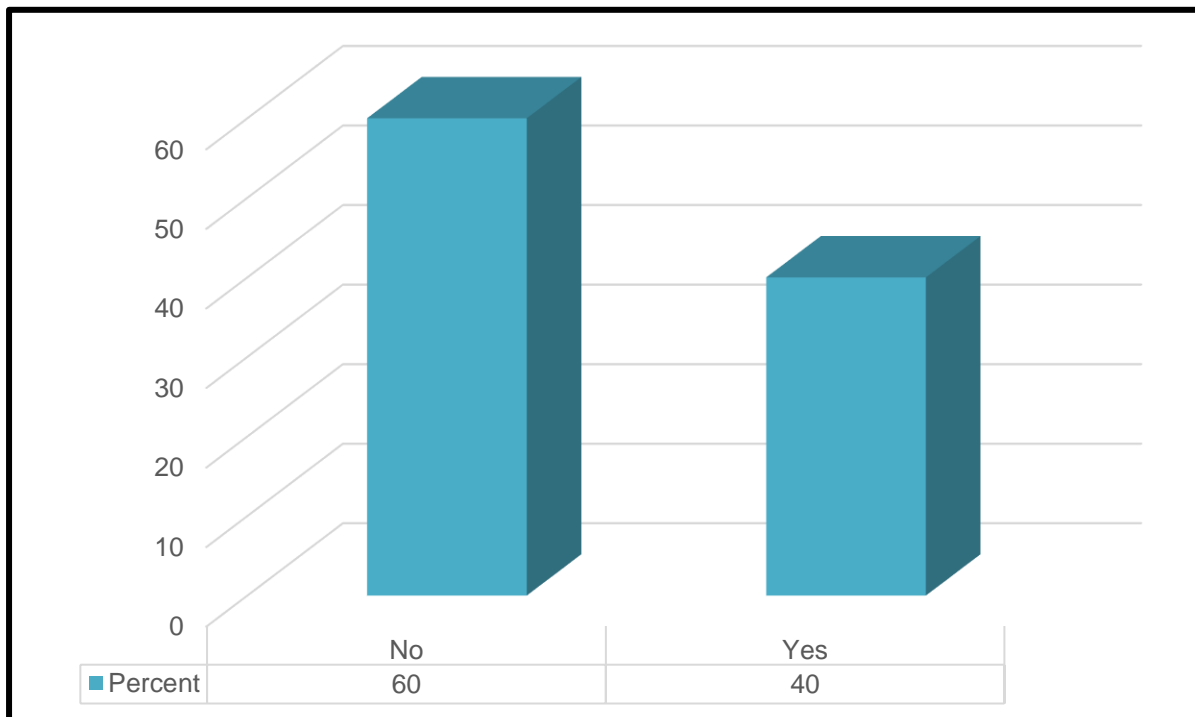


Figure 4.13 demonstrates that 21 percent of participants reveal that staff shortage within their municipality is a constraint to effective LED implementation towards poverty alleviation. Citing that there are only two LED officials who are responsible for implementation of the LED in the municipality. There is a perception that most LED officials do not have skills (communication skills, planning and implementation skills) to execute LED activities, especially those in rural municipalities. This is evident as lack of skills was rated as the major challenge on the LED implementation with 46 percent of participants. The 9 percent indicate that limited budget is a constraint by emphasizing that some of the projects are not able to be implemented due to lack of finance, while those running are faced with financial struggle. Nonetheless, the LED projects that end up not being implemented have the potential to develop these rural areas.

The 13 percent of participants believe that lack of equipment such as transport facilities to visit sites where the LED activities are taking place hinders the effectiveness of LED. Combination of constraints including a shortage of staff and lack of skills (5 percent), shortage of skills and lack of equipment (2 percent), together with lack of skills and lack equipment (3 percent) were also highlighted to hamper the overall process of implementing the LED projects. Only 1 percent indicate that there

are other constraints such as political matters that influence the LED implementation. Research findings stating challenges such as staff shortages, lack of skills and others with regard to LED implementation concurs with the literature which indicates that local municipalities have limited resources to implement LED initiatives in order to alleviate poverty.

Figure 4.14: Help from the municipal LED unit



Literature indicates that most of local municipalities have insufficient resources such as funds, staff and skills to effectively undertake LED activities that are either initiated by the local communities or municipalities including MLM municipality. The participants in the study were asked if they receive any kind of help from the MLM's LED unit. Majority of the participants in the study making 60 percent cited that they do not receive help from the LED unit. The LED unit could assist local people amongst others with funds, advise, monitoring and evaluation of initiated projects. The 40 percent indicate to have received help, with some participants highlighting to have received help in the form of funds, although emphasised that the funds provided were not adequate. Hence, this is one of the reasons why the impact of the LED on poverty alleviation is limited.

4.6. Conclusion

This chapter focused on the data analysis and interpretation of households in Makhuduthamaga Local Municipality. The obtained data were presented in percentages that represent the entire area of the study. The variables displayed in the tables and figures were in line with the objectives of the study. The LED in rural areas contribute to improved living standards of the poor, particularly because these poor individuals are found to be engaged in different activities to make a living. Hence, the activities practised could be linked to the LED initiatives that could be implemented in order to improve the MLM and create employment that would ultimately lead to poverty reduction in the communities.

Chapter 5: Summary, Research Findings, Recommendations and Conclusions

5.1. Introduction

This chapter brings to light the conclusions and recommendations with respect to the research objectives and the findings of chapter 4. The chapter presents the conclusions drawn from the research findings and gives recommendations on the effectiveness of Local Economic Development on poverty alleviation in rural areas of South Africa.

5.2. Summary of the Research

This chapter 5 is outlined as follows:

Chapter 1 focused on the introduction and background of the study, the research objectives that were used to guide the study were identified in the chapter. Moreover, both the secondary and primary sources were used to collect data. To collect the primary data the researcher went to the field of study and distributed the questionnaires. The significance of the study was also included in chapter 1.

Chapter 2 provided a literature review with regard to local economic development and poverty alleviation in rural areas at an international and national level. It was revealed that countries either developed or developing are practising the LED in order to improve local economic growth and reduce poverty, however, the results yielded by the LED in these countries differ due to challenges that some of the countries like developing countries are still facing such as lack of resources to implement successful LED activities.

Chapter 3 focused on South African contexts in relation to LED and poverty alleviation. This chapter highlights how South Africa implement the LED in rural areas to create job opportunities and alleviate poverty.

Chapter 4 presented the analysis and interpretation of data. The chapter made use of tables and figures in addressing the research objectives. The research findings were also linked to the reviewed literature.

Chapter 5 recommends measures that could be considered to improve the LED to effectively alleviate poverty in Makhuduthamaga Local Municipality. An overview of previous chapters of the study are also included in this chapter.

5.3. Research Findings

The study examined the effectiveness of local economic development on poverty alleviation in rural areas, focusing on Makhuduthamaga Local Municipality. The study findings are as follows:

- ❖ Demographically, female presented to be majority of individuals who participated in the study, while, youth presented majority in terms of age category. Black African individuals overruled other races forming the majority participants of the study, living mostly with at least 4 to 6 members in the household as the study findings show. Moreover, Participants where asked about their educational status, and the findings indicate majority of them pointed to have attended until secondary school (either completed matric or not). The study findings revealed that more than half of the participants are unemployed, complemented by majority of participants living below R2500 on monthly basis. Thus, when people are not working, it would lead to households not being able to meet their daily necessities.

5.3.1. The concept of local economic development

- ❖ When it comes to LED, it is important that everyone in the community understand what it is all about. The study findings show that majority of participants in the area of study are of the view that they understand what LED is about.
- ❖ It is important that poor people be included in the LED activities undertaken in their areas. The study findings indicate that some participants were not participating in the LED projects because they did not know about them.

- ❖ Despite that the LED requires cooperation between all local stakeholders, the report shows that most participants still view local government as the only stakeholder to implement the LED.
- ❖ The study found that when participants were asked if the implementation of LED in their local communities results in economic growth, not everyone shared the same sentiment, since other participants, although making small percentage of the study in combination chose unsure, strongly disagree and disagree respectively, as options that were provided.

5.3.2. Types of poverty alleviation models

- ❖ The study reveals that most people are engaged with the EPWP which is temporary in nature as a model to deal with poverty. However, there are other models such as entrepreneurship and tourism with the potential to sustainably help fight poverty, hence, the study found that only few people are engaged with those models.
- ❖ The findings revealed that most participants in the study area benefit in the form of job opportunities created through the poverty alleviation models that are been practised. Creation of job opportunities is the good thing that could happen to any rural communities, particularly in South Africa.
- ❖ Poor infrastructure was noted as one of the major challenges towards poverty alleviation. The lack of infrastructure such as roads and water is common in rural areas and it delays development.
- ❖ The study findings indicate that majority of participants are of the view that the poverty alleviation models they engaged with are sustainable.

5.3.3. The effectiveness of local economic development on poverty alleviation

- ❖ The LED is both locally and internationally known as local stakeholders including local communities, NGOs, local government and private sectors working in collaborative partnership towards the alleviation of poverty and

improving living standards of people. In support, the findings of the study indicate that majority of participants agree, complemented by participants who strongly agree that partnership between LED stakeholders contributes to poverty reduction within local communities.

- ❖ The findings of the study indicate that majority of participants are likely to hold meetings quarterly and minority of participants making the smallest percentage of the study hold them annually.
- ❖ Local municipalities do not have resources that are required for successful implementation of LED, and the MLM is not an exemption. The study discovered that lack of resources including staff, skills and budget affect the undertakings of the LED activities in the communities negatively.
- ❖ Participants were asked if they received any kind of help from LED unit of MLM, and the findings indicate that majority of them did not receive assistance from the unit.

5.4. Recommendations

Based on the research findings, the following measures were recommended to contribute to local economic development that is effective to reduce poverty in the study area:

- ❖ Recommendations on demographic profile is that regardless of women empowerment being noteworthy as majority are female in the study, youth mostly hit by unemployment and most black Africans affected by poverty, especially, those residing in rural areas, there is a need to always emphasise that LED in South Africa is for every citizen (including men, women, youth and old people of any race) and their participation towards its implementation is important. When individuals go to tertiary level to further their studies, mostly hope to be employed by public or private sectors, hence, it should not be seen that way. As such, people should be encouraged to further their studies and undertake trainings to acquire knowledge and skills to empower themselves.

These might instil confidence into initiating projects and businesses that could stand test of time, benefiting their own rural communities. Thus, if poverty is to be alleviated, then people should not await to be employed but take action on improving their own lives. Hence, the MLM must implement more LED projects that are sustainable to create more job opportunities for its local people, maximizing their ability of earning improved incomes. Job opportunities would in due course lead to poverty alleviation and economic growth in the local area.

5.4.1. The concept of local economic development

- ❖ The understanding of LED on its own is not enough. It is therefore crucial that people not just understand what LED is, but to also participate in the LED initiatives that are undertaken in their local communities. Participation in the LED activities would empower them, and they would also have a sense of ownership.
- ❖ There is a need for community representatives to efficiently carry out their responsibilities and effectively disseminate relevant information about the LED activities to people so that they can also be involved. The LED is encapsulated in the municipal IDP which emphasise community participation, as such, people at the local level should be encouraged to voluntarily participate in the LED undertakings either initiated by the municipality or communities.
- ❖ It is necessary to ensure that people realise the role that each stakeholder should play, including their role as a community. Especially, because if the LED objectives are to be met, the local stakeholders must actively be part of the LED undertakings.
- ❖ There is a need for effective dissemination of relevant information to everyone in rural communities about how the LED implementation could or contributes to local economic growth. This can be done through paying of visits to LED projects that already exists in communities by LED officials of the MLM, community meetings and workshops.

5.4.2. Types of poverty alleviation models

- ❖ It is important to improve and support all types of poverty alleviation models practised, particularly because this would make poor people have a sense of ownership and source of income.
- ❖ The benefits of poverty alleviation models should not be seen as a silver bullet to creation of job opportunities only as the majority of participants in the study findings shows, as such, there is a need to also put much effort to all models to maximize their potential benefits including income generation and improved standard of living in order to alleviate poverty.
- ❖ Infrastructure in rural areas needs to be improved and most importantly be maintained given the fact that it enables the environment.
- ❖ It is necessary that participants not just focus on poverty alleviation models that seems sustainable to them as they enable them to maintain their minimum standard of living, but to invest in improving these models to contribute to more job creation and security for them, their families and local communities.

5.4.3. The effectiveness of local economic development on poverty alleviation

- ❖ The acknowledgement of LED stakeholder's partnership towards poverty alleviation, particularly in rural areas as highlighted by majority of participants in the study is not enough on its own. The review of literature in the study showed that most developed countries experienced the successful LED implementation that led to poverty reduction, hence, in South Africa the results are limited. Therefore, the existence of LED stakeholder's partnership should not just reflect on documents but focus more on practical level so that improved results could be realised in local communities if there is any. Secondly, there is a need to go through step by step the developed countries went towards achieving successful LED results, not for copycat sake, but to understand the processes involved.

- ❖ The most important thing about the LED meetings is that it be well conducted, and individuals involved in the project informed of important information such as new developments if there is any, successes and failures on time. It is therefore not a matter of how many times these meetings are conducted but what is been discussed when held. However, it is advisable that individuals form part of every meeting so that they can be on the same level with everyone in the project.
- ❖ There is a need for personnel injection that would deal with the LED in the municipality. Secondly, staff must be trained so that they could gain skills and knowledge about the LED matters within their local areas, for effective LED implementation. Lastly, the LED unit must be funded, because through funding projects that are currently not being implemented due to budget, would be able to be implemented, ultimately, leading to poverty alleviation.
- ❖ The MLM, including other local municipalities in South Africa should be assisted with adequate resources such as finance and well-trained LED staff. The kind of help people require in their LED projects differ, thus, the help provided should be what is needed for the project that time and not the other way around. The more the people receive any kind of help from local municipality, the more they will be encouraged to participate in LED activities knowing that they will not be vulnerable as they would before. However, it is important to also caution people not to develop a dependency syndrome towards the LED units for assistance.

5.5. Conclusion

LED has a significant role to play towards poverty alleviation, economic growth and employment creation. However, there are blockages that are hindering the widespread and fruitful execution of LED, especially at the local level. Thus, not all LED activities have the probability to succeed. While on the other hand, the success of the LED initiatives can be achieved only if the collaboration between the role players are effective. The MLM could focus on the LED projects that provide infrastructure in the communities. Infrastructural provision would offer support to models such as agricultural cooperatives that people practise to alleviate poverty in their areas. This

study aimed to investigate the effectiveness of LED on poverty alleviation, with special focus in Makhuduthamaga Local Municipality. In order to achieve the aim, the research objectives were formulated to conduct the study. As such, the study concludes that indeed poverty can be alleviated through LED implementation, however, relevant people (poor, disabled and marginalised) must at all times be included in the process.

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Appendix A: Survey Questionnaire for households at Makhuduthamaga Local Municipality



This questionnaire is designed to survey individuals for the research project on “LOCAL ECONOMIC DEVELOPMENT AND POVERTY ALLEVIATION IN RURAL AREAS OF SOUTH AFRICA: A CASE OF MAKHUDUTHAMAGA LOCAL MUNICIPALITY, LIMPOPO PROVINCE”. Your experience on local economic development and poverty alleviation should only be reflected as answers. The researcher guarantees to treat the obtained information with confidentiality and your name does not have to be written on this questionnaire. Moreover, the information you provide will not be used against you in any way.

Please tick the appropriate box of chosen options provided to every question being answered

SECTION A: Demographic profile

1. What is your gender?

| | |
|-----------|--|
| 1. Male | |
| 2. Female | |

2. State your age category.

| | |
|-------------------|--|
| 1. 18-35 years | |
| 2. 36-59 years | |
| 3. Above 60 years | |

3. What is your racial group?

| | |
|------------------------|--|
| 1. Black | |
| 2. White | |
| 3. Coloured | |
| 4. Indian | |
| 5. Other, specify..... | |

4. State your educational status category.

| | |
|------------------------|--|
| 1. No formal education | |
| 2. Primary level | |
| 3. Secondary level | |
| 4. Tertiary level | |
| 5. Other, specify..... | |

5. What is your employment status?

| | |
|------------------------|--|
| 1. Employed | |
| 2. Self-employed | |
| 3. Seasonally employed | |
| 4. Casually employed | |
| 5. Unemployed | |

6. What is your monthly income?

| | |
|--------------------|--|
| 1. Less than R2500 | |
| 2. R2501-R5000 | |
| 3. R5001 and above | |

7. What is the size of your household?

| | |
|---------------------|--|
| 1. 1-3 members | |
| 2. 4-6 members | |
| 3. 7-9 members | |
| 4. 10-12 members | |
| 5. Above 13 members | |

NB: The participants in section B, C and D can choose more than one answer where possible

SECTION B: The concept of Local Economic Development (LED)

8. Do you understand what the LED means?

| | |
|--------|--|
| 1. Yes | |
| 2. No | |

If YES, please explain.....

9. Do you participate in the LED activities that are undertaken in your residential area?

| | |
|--------|--|
| 1. Yes | |
| 2. No | |

If NO, please explain why.....

10. Who is responsible stakeholder for implementing the LED?

| | |
|------------------------|--|
| 1. Local government | |
| 2. Private sectors | |
| 3. Local communities | |
| 4. Other, specify..... | |

11. The implementation of LED activities contributes to growth of the local economy.

| | |
|----------------------|--|
| 1. Strongly agree | |
| 2. Agree | |
| 3. Unsure | |
| 4. Disagree | |
| 5. Strongly disagree | |

SECTION C: Types of poverty alleviation models

12. What type of poverty alleviation model do you practise?

| | |
|------------------------------|--|
| 1. Entrepreneurship | |
| 2. Agricultural cooperatives | |
| 3. Tourism | |
| 4. Public Works Programmes | |
| 5. Other, specify..... | |

13. How do you benefit from the model being practised?

| | |
|--|--|
| 1. Create job opportunities | |
| 2. Generate income | |
| 3. Improve standards of living of the people | |
| 4. Other, specify..... | |

14. What challenges do you encounter?

| | |
|--|--|
| 1. Lack of/or provision of capital | |
| 2. Lack of access to land | |
| 3. Poor infrastructure | |
| 4. Shortage of business related training | |
| 5. Other, specify..... | |

15. The poverty alleviation models practised are sustainable.

| | |
|----------------------|--|
| 1. Strongly agree | |
| 2. Agree | |
| 3. Unsure | |
| 4. Disagree | |
| 5. Strongly disagree | |

SECTION D: The effectiveness of local economic development on poverty alleviation in rural areas.

16. The LED partnership between local stakeholders is efficiently and effectively towards poverty alleviation.

| | |
|----------------------|--|
| 1. Strongly agree | |
| 2. Agree | |
| 3. Unsure | |
| 4. Disagree | |
| 5. Strongly disagree | |

17. How often are meetings conducted with the LED officials to assess the effectiveness of LED in achieving its objectives?

| | |
|----------------|--|
| 1. Monthly | |
| 2. Quarterly | |
| 3. Half-yearly | |
| 4. Annually | |

18. Which of the constraints do you experience at hand towards the effective LED implementation on the alleviation of poverty?

| | |
|------------------------|--|
| 1. Shortage of staff | |
| 2. Lack of skills | |
| 3. Limited budget | |
| 4. Equipment | |
| 5. Other, specify..... | |

19. Do you receive any kind of help from the municipal LED unit?

| | |
|--------|--|
| 1. Yes | |
| 2. No | |

If YES, please explain.....

SECTION E: Recommendations

20. In your opinion, what do you think can be done to improve the effectiveness of LED?

.....

.....

.....

21. What do you suggest need to be done to address the challenges that the LED encounter?

.....

.....

.....

22. In order of importance, which three things do you think can be done to improve the poverty alleviation models?

.....
.....
.....

23. Do you think the LED can positively alleviate poverty?

.....
.....
.....

Thank You

Appendix B: Interview schedule for Makhuduthamaga Local Municipality officials



This interview schedule is designed to survey individuals for the research project on “LOCAL ECONOMIC DEVELOPMENT AND POVERTY ALLEVIATION IN RURAL AREAS OF SOUTH AFRICA: A CASE OF MAKHUDUTHAMAGA LOCAL MUNICIPALITY, LIMPOPO PROVINCE”. Your experience on local economic development and poverty alleviation should only be reflected as answers. The researcher guarantees to treat the obtained information with confidentiality and your name does not have to be written on this questionnaire. Moreover, the information you will provide will not be used against you in any way.

1. Are there any clear plans that guide the LED towards poverty alleviation? If yes, what are those plans? If no, why not?

.....
.....
.....

2. Is the budget allocated sufficiently to ensure the effectiveness of the LED on alleviating poverty?

.....
.....
.....

3. What is the role of local officials elected in LED towards poverty alleviation?

.....
.....
.....

4. How is the LED monitored by the municipality?

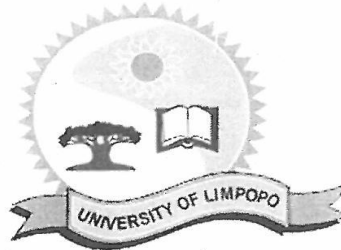
.....
.....
.....

5. What are the challenges faced when undertaking the LED?

.....
.....
.....

Thank You

Appendix C: Faculty approval of proposal



University of Limpopo
Faculty of Management and Law
OFFICE OF THE EXECUTIVE DEAN
Private Bag X1106, Sovenga, 0727, South Africa
Tel: (015) 268 2558, Fax: (015) 268 2873, Email: johannes.tsheola@ul.ac.za

13 June 2017

L.N Mamogobo (201217294)
SCHOOL OF ECONOMICS AND MANAGEMENT
MASTERS OF DEVELOPMENT STUDIES (Planning and Management)

Dear Ms Mamogobo LN

FACULTY APPROVAL OF PROPOSAL

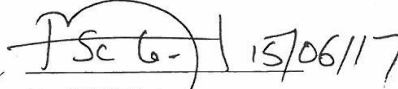
I have pleasure in informing you that your Masters proposal served at the Faculty Higher Degrees Committee meeting on **13 June 2017** and your title was approved as follows:

“Local Economic Development and Poverty Alleviation in Rural Areas of South Africa: A Case of Makhuduthamaga Local Municipality, Limpopo Province”

Note the following: The study

| Ethical Clearance | Tick One |
|--|----------|
| Requires no ethical clearance Proceed with the study | |
| Requires ethical clearance (Human) (TREC) (apply online) Proceed with the study only after receipt of ethical clearance certificate | ✓ |
| Requires ethical clearance (Animal) (AREC) Proceed with the study only after receipt of ethical clearance certificate | |

Yours faithfully


Prof MP Sebola

Chairperson: Faculty Higher Degrees Committee

CC: Supervisor, Dr MN Khwela, Mrs MD Mathebula, HOD and Prof MP Sebola Acting Director,
School of Economics and Management

Finding solutions for Africa