

**IMPACT OF SERVICE DELIVERY ON SUSTAINABLE LOCAL ECONOMIC
DEVELOPMENT (LED) PROJECTS IN GREATER TUBATSE MUNICIPALITY,
LIMPOPO PROVINCE**

by

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DECLARATION

I declare that the mini-dissertation hereby submitted to the University of Limpopo, for the degree of Master of Development has not previously been submitted by me for a degree at this or any other university; that it is my work in design and in execution, and that all materials contained herein has been duly acknowledged.

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Date

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I am grateful to arrive at the end of this thoroughly studied research project. This is a huge achievement in my academic history. This is the reward of the hard work I have done in completing this study. When this research study was registered, I told myself then that an insurmountable task that laid before me had started, and to complete it will be a journey I never travelled in my life. However, because of the grace of God, nothing was an obstacle before me. My ambition and dream to have a Masters Degree, particularly in the field of Development Studies, has been finally realized.

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Abstract

The poverty and unemployment that face the Greater Tubatse Municipality (GTM) despite being endowed with mineral resources prompted me to undertake a study to unearth possible challenges. This sub-region of the Greater Sekhukhune District Municipality, which is one of the five municipalities, looks better off as compared to other local municipalities within the district. Suffice it to say that it is one of the most poverty stricken, even worse than the Fetakgomo Local Municipality in the west. This local municipality is rich in mineral deposits and is a booming industrial hub of the Limpopo Province. Given the potential the municipality has, it is regrettable to realise that the residents of the municipality are the most poorest and unemployed. Like each and every municipality, GTM has a fully-fledged economic (LED) and land development department under which Local Economic Development falls. This brings confusion as to whether the municipality is facing human or financial constraints in terms of fulfilling its LED role.

That brings us to the aim of the study, namely, the intention to investigate the impact service delivery, coupled with infrastructure development, could produce on sustainable LED. Thus, the present researcher decided to consider a qualitative approach/methodology towards this problem as a way to investigate the underlying circumstances that could hinder the realization and flourishing of LED within the municipality. The reason being to collect first-hand information in terms of what is transpiring in the municipality.

On one hand there is a lack of the above-mentioned resources, on the other hand, leadership within the municipality should be reviewed. As a recommendation, the GTM should focus on areas that could bring incentives and confidence to the investors by providing sustainable infrastructure, a crime free environment and thus position the municipality as a tourism destination, these are some of the aspects that could grow an LED. The aspect of skills within the municipality, particularly in the area of LED, should be beefed up as part of the recruitment strategy. LED is

concerned with the creation of an environment that will engage stakeholders in implementing strategies and programmes.

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CHAPTER 1

BACKGROUND OF THE STUDY

1.1 Introduction

The background and introduction of this study area is based on the newly-formed sphere of government in South Africa after the dawn of democracy in 1994: viz. that is local government in South Africa, as a sphere of government in its own right. This shows the role and responsibility of national and provincial government with respect to local government. Accordingly, Chapter 7, in particular Section 153 of the *Constitution of the Republic of South African Constitution (1996)*, states that a municipality must structure and manage its administration, budget and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of community, and also to participate in national and provincial development programme.

This brings in the new aspect of Local Economic Development (LED) as part of the new system of local governance. Both the Local Economic Development and Integrated Development Plan are clearly spelled out in the Municipal Systems Act (2000). The same is reinforced by the White Paper on Local Government (1998). The White Paper provides the concept of developmental local government that is defined 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.

Section 154 of *the Constitution of the Republic of South African (1996)* the South African Constitution (1996) states that co-operative government in municipalities promotes the national and provincial governments, by law and other applicable legislation and measures, to support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions. As such, the legislation referred to in subsection (3) of *the Constitution of the Republic of South African (1996)* the South African Constitution must take into account the need to provide

municipalities with necessary capacity to render municipal services in an equitable and sustainable manner. It is in the same vein, that the South African Constitution (1996) gives the provision and categories of municipalities and their types to be established. Section 154 of *the Constitution of the Republic of South African (1996)* the South African Constitution (1996) defines different types of municipalities that may be established within each category. The establishment of municipalities in the Republic of South Africa is also in line with the statutory requirement of Section 155 of the South African Constitution (1996) read with Local Government Municipal Demarcation Act (1998).

The mandate (objective) of the Local Government Municipal Demarcation Act (1998) is the determination or re-determination of a municipal boundary that must be consistent with this Act and other appropriate legislation enacted in terms of Chapter 7 of *the Constitution of the Republic of South African Constitution (1996)*, as well as to provide for criteria and procedures for the determination of municipal boundaries by an independent authority. The Local Government Municipal Demarcation Act (1998) determines a municipal boundary and its objective must be to establish the municipality for that area to fulfill its constitutional obligations, including the following:—

- The provision of democratic and accountable local government for the communities;
- The provision of services to the communities in an equitable and sustainable manner;
- The promotion of social and economic development; and
- The promotion of a safe and healthy environment.

The intention behind that is to ensure that local government functions as a sphere of government that:

- enables effective local governance;
- enables integrity for development; and
- have a tax base.

The Local Government Municipal Demarcation Act, (1998) provides for criteria and procedures for the determination of municipal boundaries by an independent authority. This Act states that they are the following categories of municipality:

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

The White Paper on Local Government (1998) identifies twin challenges facing South African Municipalities. The White Paper states that municipalities are faced with extreme concentration of taxable income resources in formerly white areas, thus demanding redistribution of resources between and within local areas. It further states that municipalities are challenged to create viable municipal institutions for dense rural settlements that which have large populations with minimal access to services and little or no economic base. Local government in South Africa is a sphere of government positioned to meet the daily challenges of the communities and it is the only level of government closest to the people.

The Local Government Municipal Systems Act, 32 of (2000) provides for the core principles and mechanisms that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities, and ensures universal access to essential services that are affordable to all. The same Municipal Systems Act promotes a partnership with the municipality's political and administrative structures and provides for the manner in which municipal powers and functions are exercised and performed. Municipal financial task teams were established to play a critical role in continuously engaging and working towards an environment conducive to community growth and development.

It is against this background that the legislative mandate given to local government in South Africa is not an easy task that could be executed overnight given the spatial development inherited and which is characterized by outdated and dilapidated infrastructure which emanated from the legacy of apartheid coupled with the scarce resources to enhance service delivery in particular Local Economic Development (LED) activities.

Portfolio Municipalities in South Africa (2008) states that every municipality in South Africa is faced with the challenge of service deliver that promotes the development of communities. Today, there is a need for accelerated service delivery and impeccable financial management according to standards than in the past. The main objectives of the Municipal Finance Management Act (2003) is to secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government to establish treasury norms and standards for the local sphere of government.

It is against this background that the Local Economic Development focuses on enhancing competitiveness, increasing sustainable growth and ensuring that growth is inclusive. LED encompasses a range of disciplines including physical planning, economics and marketing. It also incorporates many local government and private sector functions including environmental planning, business development, infrastructure provision, real estate development and finance. The practice of Local Economic Development can be undertaken at different geographic scales.

A local government pursues LED strategies for the benefit of its jurisdiction, and individual communities and areas within a local government's jurisdiction can also pursue LED strategies to improve their economic competitiveness. Such approaches are most successful if pursued in partnership with local government strategies (Department of Provincial and Local Government, 2006).

1.2 Problem Statement

The reason why the present researcher wanted to undertake this study or conduct a research is because of the poverty and unemployment that faces the Greater Tubatse Municipality. The Greater Tubatse Municipality is one of the municipalities of the Greater Sekhukhune District in Limpopo. This local municipality is rich in mineral deposits and it is a booming industrial hub of Limpopo Province. Given the potential the municipality has, it is regrettable to realise that the residence of the municipality are the most poorest and unemployed. Looking at the landscape of the municipality, even a stranger could see the LED potential in the municipality.

Over and above, looking at Economic and Land Development Department in which LED falls, one sees a group of people who look undedicated to the promotion as well as creation of an enabling environment for LED to take place. There is a potential in terms of revenue collection but the growth of LED is a challenge. A study has been undertaken by the University of Free State, University of Limpopo and University of Cape Town in 2005-6 on poverty and unemployment in the municipality but such studies did not yield considerable results in terms of improving the conditions for LED. Final studies have been undertaken by global organizations such as United Nations Development Programme and International Labour Organization in 2006-7 on the same issues but nothing good came after that.

The mining companies, in terms of their Social and Labour Plans, are funding and channelling lots of funds for LED, including provincial and national government departments interested in the LED. The situation is leading to drastically declining in Local Economic Development in the municipality. This situation is exacerbated by slow service delivery that which compromises sustainable development in totality. To this end, until something is done, these protests will be common across the municipality. (not easy to trace the source)

A Problem Statement refers to a general subject or area to be researched. The researcher therefore needs to narrow down or focus the topic in a specific question that can be addressed. In this study, an observation is that poor service delivery undermines sustainable LED projects and economic growth in totality. Lack of skills, institutional capacity and technical know-how also contribute to the decline of LED while a lot of municipal programmes and projects are implemented but do not yield positive impact on LED.

The current infrastructure is not sustainable enough to carry the burden the municipalities are confronted with. LED strategies were mounted in South Africa from the late 1980s by local business, civil society actors and role-players in responding to the economic decline as stated in the Greater Tlhatse Municipality IDP (2006). Economic development was also pursued through market-oriented strategies that emphasized enterprise development, small business development and investment promotion.

The White Paper on Local Government (1997) provides the context and the direction for the role of municipalities in economic development. The policy document makes it categorically clear that local government is not responsible for creating jobs. Instead, it will be responsible for ensuring that overall economic and social conditions of the locality are conducive to the creation of employment opportunities. Therefore, local government is charged with the responsibility for creating an enabling environment. Although credence is given to other stakeholders such as the private sector, NGOs, communities and other spheres of government, local government is at the core (centre) of the LED development planning debates in contemporary South Africa.

The Local Government: Municipal Planning and Performance Management Regulations, (2001) regulation 2 (1) (d) states that the municipal Integrated Development Plan must, at least, identify all known projects, plans and programmes to be implemented within the municipality by any organ of state. This section of the Integrated Development Plan (IDP) seeks to show projects/programmes to be implemented by provincial and national governments departments. The information was provided by the relevant departments. The list is, however, not conclusive as other departments did

not respond. However, attempts will continuously be made as part of co-operative governance to seek to understand planned investments in the municipality by sector departments.

The Ekurhuleni Metropolitan Municipality (2005) states that although LED is a new function, based on the reform to local government promulgated in December 2000 Municipal Systems Act, (2000), wherein a system of local government, which is centrally concerned with working with local citizens and communities to find sustainable ways to meet their needs and improve the quality of the life, is highlighted, a few steps have been taken to consult and involve local citizens and communities.

- According to Service Delivery Review (2006), “Development in the White Paper on Local Government is measured not against how many homes are built or sites are serviced but against the degree to which citizens are able to sustain themselves and their households.” Indeed, the efficient and cost-effective provision in terms of how service delivery could be best managed is vested on the shoulders of the municipal administrators. It is important to distinguish between service delivery and developmental local government. There are key principles that municipalities must adhere to, viz.:
- Provide and maintain the basic municipal infrastructure and service
- Enable or facilitate development;
- Regulate and build relationships between individuals, groups and institutions;
- Lead social and economic transformation;
- Lead communities and to administer resources; and
- Be a player not a spectator at national and international arena.

The Department of Provincial and Local Government (2005) laid a framework for a holistic approach by local government to LED with strong emphasize on community driven economic development focused on the Greater Tubatse

Municipality. The infrastructure that was inherited from the old government is not enough to answer the current challenges in terms of retention and expansion of existing businesses for the sustainable LED. An integrated approach to this has been a goal of rural and urban development for many decades. The Integrated Sustainable Rural Development Strategy (2000) has realized a vision that will attain socially cohesive stable rural communities where there is a need to have viable institutions, sustainable economies and universal access to social amenities, that are able to attract and retain skilled and knowledgeable people, who are equipped to grow and develop our economy.

1.3 Motivation

The reason to study this subject is because of a need by the Greater Tubatse Municipality to highlight few things the municipality should consider to improve the lives of the ordinary people. This municipality must create an enabling environment for investors to invest so that more jobs would be created and poverty would be called a history.

Of critical importance is to highlight some of the issues the GTM does not take into consideration: the issue of employing staff based on deployment where such doest warrant (comradeship) and poor recruitment strategy for municipality. This strategy should be reviewed, which is based on employing local people (teachers) for the sake of being active in the politics of a particular party. Under no circumstance shall a municipality be in a position to further political and party interest at the expense instead of compromising service delivery. Both the political and administrative leadership of the GTM is questionable. No one is better than the other but rather more or less the same.

Unless something is done now, the municipality will always be grappling with challenges and strikes on service delivery, both of which affects the growth of LED and compromise the municipality's Integrated Development Plan. Why do we need public participation if the views of the communities are not going

to be implemented? This, in the essence, defeats the concept of developmental local government

Local Government in South Africa is a sphere of government in its own right, notwithstanding the fact that it is distinctive, interrelated and interdependent with to other spheres, namely, national and provincial levels, as envisaged in the *Constitution of the Republic of South African (1996)* South African Constitution (1996). It is, however, important to note that the local government in South Africa is in its second decade of democracy.

The last decade (1990s) was critical for local government as it was focusing on minimizing and rationalising 1200 municipalities to 283; establishing additional municipalities where none existed before; improving local government systems; and maximizing autonomy of municipalities and their financing mechanisms (Portfolio Municipalities in South Africa, 2008).

Currently, municipalities are still faced with the challenges of extending service delivery to all people, especially the basic needs. For this reason, the Department of Provincial and Local Government (2005) upholds its vision of creating “a well coordinated system of government consisting of national, provincial and local spheres working together to achieve sustainable development and service delivery”. Both the national and provincial sectoral departments have to play a crucial role in ensuring that the overall performance of the local government (municipalities) is up to a satisfactory level.

Portfolio Municipalities in South Africa (2008) states that the government is reassuring, through its main delivery arm, local government, that this sphere would be able to deliver infrastructure and services that are needed in varying degrees of success in almost every mandated area.

In terms of the Greater Sekhukhune District Municipality Integrated Development Planning (2005), the transformation process of local government has brought major changes in local government. Local government is accorded a status of a distinct sphere of government that which

is required to be developmental. It is required to promote social and economic development, promote a safe healthy environment for its inhabitants and it is required to be participatory in nature. These challenges place local government in the coal face of the developmental challenges. Local government is, however, not alone in this process but a number of agents/players, such provincial and national government, private sector, communities and other stakeholders, are part thereof.

As such, it becomes increasingly imperative that the efforts of all these stakeholders are coordinated and aligned to ensure synergy and maximum returns. The legislative framework places local government in the centre stage of the co-ordination and alignment process at local level. The Municipal Structures Act (1998) requires a municipality to achieve the integrated, sustainable and equitable social and economic development of its area as a whole by, amongst other mechanisms, to ensuring the Integrated Development Planning for the district as a whole.

The Municipal Systems Act (2000) requires the development of an Integrated Development Plan for a five-year period. The Integrated Development Plans are meant to guide the activities of any agency from the other spheres of government, corporate service providers, NGOs and the private sector within the municipal area. The five-year Integrated Development Plan should run parallel to with the term of office of the elected leadership in local government. To this end, this sphere of government's duties and responsibilities are derived from policy imperatives and legislative mandate.

Municipalities are, by law, urged to provide at least the minimum basic services in an efficient, affordable and sustainable manner. Basic services such as water;, electricity;, sanitation;, waste removal and management; and infrastructure are the core business of the municipalities. The provision of these services is well articulated in the Municipality's Integrated Development Plan that which gives effect to the Local Economic Development (LED).

LED is not just a function, it is not merely a mandate, and therefore it cannot be performed in the rule- based hierarchical manner that government is

fashioned on. It should be strategically located within the context of developmental periphery and should permeate all aspects of the municipal programme. LED has been promoted for almost two decades in South Africa. The thinking that accompanies this approach is that bottom-up strategies are to be encouraged rather than a centralised, top-down approach. These are integral to development thinking. LED can be defined as: a process in which local governments and/or community based groups manage their existing resources and enter into partnership arrangements with the private sector, or with each other, to create new jobs and stimulate economic activity in an economic area Development Bank of Southern Africa, (2000).

LED is also facilitating national and provincial programmes on transformation and democracy Ekurhuleni Metropolitan Municipality, (2005). Taking the key Performance Area (KPA) of the municipality-Social and Economic Development, the role of the LED department in a municipality is to facilitate and coordinate the economic development process and to monitor and evaluate the economic inputs and outputs with the intention to assess the impact. This is a formative and summative approach to assess the impact the LED has in an individual municipality, taking into account the availability of resources, essential services and sustainable/quality infrastructure as enablers. To facilitate and bring about economic development, it is critical to ensure that people are consulted and taken on board realistically and reasonably for their own deliberation and empowerment.

According to the National LED strategy (2006), the intention is to bring more robust local economies in several parts of the country, partially through enhanced and more decisive municipal action guided by a number of key principles, namely:

- That the developmental state has a decisive and unapologetic role to play in shaping the economic destiny of the country;
- That the private companies of all sizes and origins have a crucial role to play in LED;
- That local people are the single greatest beneficiaries and resources;

- That local initiative, energy and creativity will ultimately unlock the latent potential in local economies;
- That confident, active local communities and citizens in general are best placed to shape their own destinies;
- That local resources – local assets, leadership, skills and so forth – are as important as external inputs in shaping local spaces;
- That locally appropriate solutions and strategies are needed to support the national strategy;
- That both urban and rural local spaces play important roles in the South African economy and society;
- That promoting resilient and vibrant local economies requires the concerted and coordinated action of all spheres and sectors of government;
- That partnerships and networks amongst all role-players – public, private and community – are what will ultimately stimulate resilient and vibrant local economies;
- That in a globalised world, threats must be minimised and opportunities exploited;
- That LED should occur in a way that promotes sustainable development; and
- That LED should occur in a way that it promotes as well as the upliftment of historically marginalized people in the communities, such as women, youth and people with disabilities.

The functions of Local Economic Development in a municipality are to undertake economic research and analysis to identify opportunities and priorities within the municipality by developing and implementing strategies for LED in line with the Provincial Growth and Development Strategies (2007). Research on international experiences suggests that opportunities that which emanate from economic globalisation have been more restricted and the threats are more severe from low and middle-income countries, and especially in marginalised areas. South Africa is considered to be a middle-income country, and certainly has marginalised sectors within it.

It has been said that globalisation is not only about the logic of integration, but it is also about the logic of marginalisation and exclusion. Therefore, some parts of a nation become linked into the world economy, and others remain irrelevant, or invisible to global flows, unless there is a war or disaster which brings them into the national or international public radar. There are municipalities that which are able to attract more investment because of their size, in contrast to others which are small in comparison, and virtually unknown.

LED is all about facilitating networks and partnerships with other stakeholders to support economic development in line with those strategic directions guided by municipal IDP. A municipality must develop and maintain an LED data base (on existing business and projects, socio-economic statistics and so forth) to assist in making more informed decisions. For that matter, managing LED programmes and projects in accordance with the strategy and IDP, as well as identifying financial and technical resources to support project implementation, must be exploited in all spheres.

According to the National Local Economic Development Strategy (2006), the intention is to support new and existing enterprises to grow by facilitating access to financial training, information and other assistance that may be available from the Department of Trade and Industry's Regional Industrial Development Strategy (2006) or other bodies. Of critical importance is the facilitation of LED activities across municipal departments (for example, planning and development, community services, housing, infrastructure, finance, and so forth) and spheres of government departments to coordinate LED with the purpose of roping in monitoring and evaluation of LED projects and strategies.

1.4 Aim of the study

The aim of the study is to investigate the impact of service delivery and infrastructure development on sustainable Local Economic Development projects.

1.5 Objective of the study

The objectives of this study are:

- To investigate the relationship between service delivery and sustainable Local Economic Development projects and their impact on the community;
- To investigate how infrastructure development impacts on Local Economic Development;
- To assess the projects implemented, and how they impact on job creation, poverty alleviation and skills transfer.

1.6 Research questions

With research question, one tries to get to the essence of the problem by asking: “Is it essential that I know the answer to this question to be able to resolve the problem?”

The research questions of this study are the following:

1. Is there any relationship between service delivery and sustainable Local Economic Development?
2. How does infrastructure development impact on Local Economic Development?
3. What has been the impact of projects on job creation, poverty alleviation and skills transfer?

1.7 Significance of the study

The study is significant in generating new knowledge in the LED for local government fraternity. Among other things, this research project intends to address as well as develop a supplementary framework on best practices for Local Economic Development in order to assist municipalities to better understand, implement and share programmes and knowledge. This would assist municipalities in the area of planning, in particular for aligning municipal

LED within the Greater Tubatse Municipality's broader Integrated Development Plan to avoid problems of duplication in the future.

This study should serve as reference for other scholars of Social Science who intend to take forward a research in the field of Local Economic Development. Given the challenges of service delivery, it must form part of the solution to understanding why local authorities are unable to deliver on their legislative imperatives and constitutional mandate, and also why there are country-wide service delivery protests.

1.8 Definition of key concepts

In this research, the key concepts identified are the following:

- *Local Economic Development refers to as a process whereby local initiatives combine skills, resources and ideas in stimulating local economies to respond innovatively and competitively to changes in the national and global economies, towards the goals of job creation, poverty alleviation and redistribution. It is also refers to as the process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation. It is, therefore, a partnership among local government, business and community interests offering local government, the private and not-for-profit sectors, and local communities the opportunity, to work together to improve the local economy.*

1.9 Summary

Municipalities are still grappling with learning to facilitate enabling environments supportive of Local Economic Development. Hence a great number of LED projects are unsustainable and do not yield anticipated and considerable results. The need for intervention and partnership is crucial. While some municipalities were receiving Vuna Awards for their Local Economic Development initiatives from the Department of Cooperative Governance and Traditional Affairs (the former Department of Provincial and

Local Government), it is questionable as to what is happening to some municipalities, in particular, the Greater Tubatse Municipality.

It is clear that the system of local government during the apartheid era had failed dismally to meet the basic needs of the majority of South Africans. The new democratic local government, as envisaged in the South African Constitution (1996), does not only focus on the provision of the essential services but is being fundamentally developmental in orientation. In terms of the law, the municipalities are compelled to establish a framework for supporting and monitoring of the standards set by other spheres of government (national and provincial) to rigorously and progressively build local government into an efficient, effective and frontline vehicle of development capable of integrating the activities of all spheres of government for the overall social and economic upliftment of communities, in harmony with their local natural environment.

Unless the municipalities develop strong systems of administration that are capable of exercising the functions and powers assigned to them, which that promote service delivery and sustainable infrastructure and are LED oriented, then the local government in South Africa will remain in a state of crisis.

CHAPTER 2 LITERATURE REVIEW

2.1 Introduction

The Constitution of the Republic of South Africa (1996) gives municipalities across the country the legislative and executive powers to govern and run their own affairs without interference by any other spheres.

The Municipal Demarcation Act (1998) states that the demarcation of the municipalities is in every corner of the Republic to render an effective and efficient service delivery, and this is in line with the statutory requirements of the South African Constitution (1996). The Municipal Structures Act (1998) provides the types of the municipalities to be established and reflects on their interface with the traditional leaders and democratically elected representatives (councilors within this new dispensation. Municipal Demarcation Act (1998) delivers the categories the municipalities must be classified into and the areas that are not allowed or legible to be demarcated. The areas include both the St Lucia Bay and the Kruger National Park. The Municipal Systems Act, (2000) brings the new system of government and how it interfaces with *the Constitution of the Republic of South African (1996)* the South African Constitution (1996), and other legislation in terms of promotion of, *inter alia*, public participation of the communities in their affairs of the municipality as the major stakeholder.

There is participatory local government in South Africa after the dawn of democracy in 1994 driven by Integrated Development Plan (IDP). The development of IDP is the legislative requirement of all municipalities. Local Economic Development (LED) and Spatial Development Framework (SDF) are the integral part of the whole system of developmental and participatory platform that characterizes the new system of local government. If this is the case, what are the responsibilities of the Provincial Departments of Local Government and Housing/Traditional Affairs and the National Department of

Provincial and Local Government as well as other sector departments in respect to local government?

According to the National Treasury Regulation (2005), this sphere is entitled to, among other things, Equitable Share as required by the Division of Revenue Act (2008) to facilitate developmental local governance and participatory democracy. The Division of Revenue Act seeks to provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the financial years and regulate the responsibilities and expenditures of all the three spheres.

2.2 Local Government

Since the dawn of a new era local government in South Africa is going through a transformation process. The White Paper on Local Government (1998) states that local government will, until the late 1990s, remains subject to the commands of the transition process as regulated by the Local Government Transitional Act, (1993) and subsequently Municipal Structures Act, (1998). To this end, local government has been given a new role to building democracy through promotion of socio-economic development. Chapter 7 of *the Constitution of the Republic of South African (1996)* the South African Constitution (1996) provides the status of the municipalities in South Africa. Municipalities in South Africa are classified into three categories, namely, Category A which consists of 6 metropolitan and they are 6, Category B which is local municipalities and, finally, Category C which is constituted by all district municipalities.

The legislative and executive authority of a municipality is vested in each and every individual Municipal Council. According to the White Paper on Local Government, (1998), apartheid has left its imprint on South Africa's human settlements and municipal institutions. Transformation requires an understanding of the historical role of local government in creating and perpetuating local separation and inequity, and the impact of apartheid on municipal institutions).

- Various attempts were made under apartheid to introduce “own management” structures for black residents at the local level. This was in part, on one hand, to compensate for restricted rights, and on the other hand to bolster the political and economic privileges of racial exclusion. In Bantustans, limited local government was established. Traditional leaders were given powers over land allocation and development matters in areas with communally owned land. Some small rural townships (the so-called “R293 towns”) were given their own administrations, but these lacked real powers.
- In the 1960s, “Coloured” and “Indian” management committees were established as advisory bodies to White municipalities. The Bantu Affairs Administration Act of 1971 established and appointed Administration Boards, which removed responsibility for townships from white municipalities.
- In 1977, Community Councils were introduced. Community Councils were elected bodies, but had no meaningful powers and few resources. They never gained political credibility.
- In 1982 Black Local Authorities replaced Community Councils. Black Local Authorities had no significant revenue base, and were seen as politically illegitimate from the start. They were rejected by popular (and sometimes violent) community mobilisation in the mid-1980s.

All these were attempt by the apartheid government to justify separate development and “buffer zones”. The dawn of a new era ushered the new constitution. The new South African Constitution (1996) urges local government to focus on realising developmental outcomes, such as the provision of household infrastructure and services; the creation of livable, integrated cities, towns and rural areas; and the promotion of Local Economic Development and community empowerment and redistribution.

It also provides three approaches which can assist municipalities to become more developmental, namely Integrated Development Planning and

budgeting; performance management; and working together with local citizens and partners. It emphasises the potential of Integrated Development Planning as a mechanism to enable prioritisation and integration in municipal planning processes, and strengthen links between the development and institutional planning processes. It proposes a process for the development of a performance management system for local government; and suggests ways in which municipalities can engage citizens and community groups in the affairs of the municipality in their capacities as voters, citizens affected by municipal policy, consumers and end-users of municipal services, and partners in resource mobilisation for the development of the municipal area (White Paper on Local Government, 1998). Having been given this historical background, the *Constitution of the Republic of South Africa (1996)* further gives the right to the municipality to govern using its own initiative and run the local government affairs of its community without any interference, subject to national and provincial legislation. This suggests that these two spheres of government cannot impede the municipality to run its show as the legislative and executive powers have been enshrined/envisaged in *the Constitution of the Republic of South African (1996)*the South African Constitution (1996).

According to United Nations Development Programme (2005), local government and communities face major challenges in dealing with decentralization and participatory governance, especially in rural areas where local government structures and systems are still evolving. The views of the United Nations Development Programme are supported by the Reconstruction and Development Programme (1994) in its key programme, proposals, strategies and policy programme. These can be grouped into five major policy programmes that are linked to one another. The five key programmes are, namely:

- Meeting basic needs;
- Developing human resources;
- Building the economy;
- Democratizing the state and society;, and
- Implementing the RDP.

The Constitution of the Republic of South African (1996) The South African Constitution, (1996), requires an Act of Parliament to provide for the following:—

- (a) the equitable division of revenue raised nationally among the three spheres of government; and
- (b) the determination of each province's equitable share of the provincial share of that revenue.; and

The Division of Revenue Act (2008) addresses the issue of how revenue raised nationally in respect of the financial year must be divided among the other spheres of government for their equitable share allocations. A municipality cannot operate in isolation and outside the parameters of the national and provincial legislation. Other important pieces of legislation governing municipalities include Municipal Finance Management Act (MFMA), (2003) and Municipal Property Rates Act, (2004), Rationalization of Local Government Affairs Act (1998).

LED is thus about community continually improving their investment climate and business enabling environment to enhance their competitiveness, retain jobs and improve incomes. Local communities respond to their LED needs in many ways, and a variety of approaches can be taken that include the following:

- Ensuring that the local investment climate is functional for local businesses;
- Supporting small and medium sized enterprises (SMMEs);
- Encouraging the formation of new enterprises;
- Attracting external investment (nationally and internationally);
- Investing in physical (hard) infrastructure;
- Investing in soft infrastructure (educational and workforce development, institutional support systems and regulatory issues);
- Supporting the growth of particular clusters of businesses;
- Targeting particular parts of the city for regeneration or growth (area based initiatives);
- Supporting informal and newly emerging businesses; and

- Targeting certain disadvantaged groups and improving the grey areas.

The municipalities unlike the national departments which operate within the ambit of Public Finance Management Act and provinces within the Provincial Proclamation, they operate within its Municipal By-Laws developed and approved by the council. In this respect, council is the Municipal Legislature or/and/or the highest decision making body responsible for approval of any policy and budget that is in the best interest of the mandate given to the municipalities in *the Constitution of the Republic of South African (1996)* the South African Constitution (1996). The municipality is responsible for approving its budget that is consistent with the needs of its communities identified in the Municipal's Integrated Development Plan. The municipal Council, in terms of Municipal Systems Act (2000), must adopt/approve the IDP as the basis for the operationalisation of the concept of a developmental local government and the provision of the basic services. In terms of Municipal Systems Act (2000), the following were identified as key strategic priorities for the municipality. They are meant to inform the operations of the whole organization.

- Development of institutional capacity geared towards efficient delivery of services;
- Development of an effective and efficient financial management system that ensures financial sustainability;
- Facilitation of access to land to ensure development;
- Development of a framework for sustainable land use management for the entire municipality;
- Maximisation of economic growth and development through developing local economic opportunities and facilitating community empowerment;
- Development of integrated infrastructure that support social and economic development;
- Development of effective communications framework to inform internal and external clients;
- Fostering of community participation and ownership of municipal programmes; and

- Development of a framework of co-coordinating governance structures and facilitation of sound intergovernmental relations.

2.3 Local Economic Development

The Transitional Local Government Act (1993) and the White Paper on Local Government of (1998) redefined the objectives of local government as the ones focusing on development, including its social and economic dimensions. These policy frameworks were consolidated and systematized within the Municipal Structures Act (1998) and Municipal Systems Act (2000) and both laid the foundation for the system of local government implemented in 2000 (Framework and Strategy for Greater Kokstad Municipality, 2003). Local Economic Development is mandatory for any municipality and this implies that the primary role of municipalities is to create an economically vibrant and conducive environment to attract investment. The main aim of this mandate is to involve local government in economic development to address poverty, unemployment and redistribution in their areas.

According to the South African Yearbook, (2001/2002), the recognition of local government in the South African Constitution as a sphere of government has enhanced the status of local government as a whole and of municipalities in particular, and has given them a new dynamic role as instrument of service delivery. It is against this background that LED is about building up the economic capacity of local authorities to improve their economic future and the quality of life for all.

Local authorities in Namibia started LED efforts, but have only recently become proactive on strategic planning and in identifying economic development at local level as priority, laying the foundation for proactive planning to influence the local economy positively. However, major challenges exist, especially in terms of capacity. Four categories of LED initiatives are benchmarked, which are *Small Medium Enterprises parks*, *Open Markets*, *LED strategy development*, and *Public Private Partnerships*.

The benchmark on LED initiatives in local authorities in Namibia, which includes the collection and comparison of these LED initiatives, followed by identifying and disseminating best practices, will lead to increased insight of local authorities in existing informed LED approaches in other local authorities and encourage the establishment of partnerships with local authorities. The project is part of a programme *Partnership for Economic Growth in Namibia* implemented by GTZ (Deutsche Gesellschaft für Technische Zusammenarbeit) <http://www.cmra.org.za/>).

2.3.2 LED and the local environment

According to the Development Bank of Southern Africa on LED (2000), Local Economic Development is concerned with the creation of an environment, which will engage stakeholders in implementing strategies and programmes. This perspective had to be aligned with the country's macro-economic strategy which focused on re-entering the global market, providing a climate which is amenable to international investments, enhancing the role of the private sector, and reducing the role of the state.

The increasing status of locality in the global economy and the rising emphasis of local and community decision-making in democratic states have paved the way for the development of Local Economic Development. Local government was also required to participate in various economic development programmes of the provincial and national government. This is achievable with LED initiatives whose main focus is to build robust, viable and sustainable economic programmes that will in turn not only be responsible to fight unemployment and poverty in municipality's area of jurisdiction but seeks to make local municipality to be a good place to live and work.

According to the Department of Provincial and Local Government (2007), "we are also mindful of the fact that the creation of conditions which are conducive to sustainable Local Economic Development is critical to the project of improving the quality and extending service provision." A system is required to bring together leading national and where appropriate international scholars in the field of Local Economic Development to assess the empirical evidence

that can be used to illuminate solutions to the identified problems, especially those that will lead to the alleviation of poverty.

- LED and IDPs Agriculture was identified as one important key aspect in poverty alleviation by promoting LED through interfacing it with promising scientific and technological strategies for improving agricultural and productivity and food security, specifically for small-scale farmers. According to the United Cities Local Government Association (2008), responsible for some of the issues on the local level important for LED are the Local Government Councils. Their responsibilities are as follows: The consideration and the making of recommendations to a government on economic planning; or
- The consideration and the making of recommendations to any similar body on the economic development of the government (such as the newly formed Department of Economic Development), particularly in so far as the areas of authority/powers of the council and government where they are affected.

National policy, as set out in the White Paper on Local Government (1998), requires local government to pursue economic development mainly through the re-alignment of its core functions, namely, land- use planning, service delivery, development and regulation. Its main economic role is to provide an enabling environment, rather than to take direct responsibility for economic growth and job creation. Local authorities were to pursue LED within the framework of Integrated Development Plans formed through participatory processes that would determine municipal budgets. It should be noted that the Integrated Development Plan informs municipal budget not vice-versa.

In addition, national policy gives local government some specific areas of LED competence. These are marketing for investment promotion, support services for small business, assistance to targeted growth sectors and the tailoring of

training and labour placement activities to local labour market conditions. According to Rogerson, (2002), pro-market LED tends towards businesses capacities to cope with markets, through creating individual self-reliance, entrepreneurship, expansion of the market, competitiveness, reduction of unemployment and sustainable growth.

GTM as part of Greater Sekhukhune District Greater Tubatse Municipality which forms part of the Greater Sekhukhune District Municipality is one of the fifth local municipalities. The other municipalities are, namely, the Fetakgomo Local Municipality, the Makhuduthamaga Local Municipality, the Elias Motswaledi Local Municipality and the Ephraim Mogale (formerly Marble Hall) Local Municipality. The municipality is characterized by few job opportunities as there are more people in the region than present job opportunities. This situation is worsening owing to the low levels of literacy, which contributes to a high percentage of unskilled labour force (Greater Tubaste Municipality's Integrated Development Plan, 2006). The northern part of the municipality is economically the most marginal region of the Limpopo Province contributing minimally to the economic status of the municipality. There is little economic activities as if is essentially rural with service delivery taking place at a very slow pace. The municipality is committed to promote Local Economic Development to fight poverty and unemployment through integrated development approach.

- It is critical for the Greater Tubatse Municipality, (2005) to consider the following specific objectives if it were to address the current challenges, among others: Investigate the dynamics underlying the informal economic activities and the labour market in the Greater Tubatse Municipality.
- Conduct a sectoral analysis in the segments of the informal economy that contributes to economic growth, especially where there is greater concentration of people working.
- Investigate linkages that exist between the formal economy and the informal sector.

Determine the factors underpinning the continuing growth of the informal economy.

According to Portfolio Municipalities in South Africa, (2008), there is an urgent need to relieve urban areas of the insurmountable pressure of migration, where people from poor and under-developed infrastructure typically from rural areas flood urban areas in search for a better life. Because of poor purchasing power in rural areas, services declined dramatically and people continue to migrate from these areas, thus leaving the rest of the population in those areas almost destitute. To this end, the government recognizes that co-operatives play an important role in the growth of the local economies.

The local government has an important role to play in supporting co-operative development and providing an environment at the grass-roots in which co-operative enterprises can flourish through existing programmes such as Integrated Sustainable Rural Development Strategy (ISRDS), Urban Renewal Programme (URP) and LED Strategy. In turn, co-operative enterprises enable local people to be directly involved in producing and delivering goods and services that their members and the community require in terms of the Department of Trade and Industry, (2004).

A key challenge is to establish how pro-poor approaches are incorporated into LED. Most LED planning is dominated by activities geared to achieving high growth rates. There is, however, an increasing focus upon issues of pro-poor LED, and in South Africa where there is now a debate initiated by the President about supporting the first (formal) and the second (informal) economy.

Bond, (2003) argues that LED activities should be rooted in the *developmental* and pro-poor responsibilities that have been given to South African municipalities. His work potentially represents a call for a 'new era' of LED planning which would allow "municipalities finally to embrace their own capacities, nurture and sustain a more genuinely developmental approach to their local economies, and reverse worsening patterns of uneven development that have followed from decades of pursuing non-developmental approaches." It might be argued that generally LED appears to be pro-poor to pro-market (Helmsing, 2001).

The other key challenge is how to measure both the economic growth and the pro-poor and poverty reduction elements. LED is integrated and interweaved with a wide range of other aspects of development – economic development both needs these in order to happen, and they are dependent on economic growth.

It also reflects the complex range of aspects which need to be managed for pro-poor growth to happen. This reflects the need for a pro-poor growth agenda to underlie all aspects of planning. The “local” in LED also implies the need for liberation of local energy (governance) and coordination of local actors building on local strengths and opportunities (competitiveness), and the creation of an attractive area to live, work and invest (livability). This demonstrates how economic development is embedded in all aspects of development – it is not just the “what is needed” but “how things need to be done”. This is even more important where a pro-poor approach is taken, which reinforces a broader understanding of poverty and social inclusion, rather than a narrow view of growth and income poverty.

LED outcomes are essentially determined by actions in the private sector, rather than government, although there are key roles that governments can play. For example, national and provincial government support plays a key role at the local level in areas such as small business support. Therefore, partnerships are critical to effective LED. Many different actors have to be involved, including local government, private sector, community and NGOs.

In practice, LED initiatives often operate independently, and are insufficiently coordinated with other role players. Fiszbein and Lowden (1999) point to the importance of a learning/knowledge element in scaling-up partnerships, and the importance of information, communication and Monitoring and Evaluation (M&E). An M&E process must account for this diversity of actors and be realistic in terms of the complexity of dealing with this.

2.3.5 The role of National Departments in LED

According to the Department of Provincial and Local Government, (2006) 'A credible approach to LED must invest in the capacity of the municipalities to manage in a way that inspires confidence in constituents and the private sector'. Economic growth and job creation are most important disciplines that should not entirely be the responsibility of a municipality per se. At the core/centre of its activities, a municipality must play a critical role in stimulating and promoting economic development and growth, which in turn create jobs and reduce poverty.

- It is the responsibility of both the national and provincial governments to lobby for funds from Foreign Agencies to promote and support LED initiatives. The government must increase job creation and local income creation opportunities through absolute investments in public infrastructure and the operation of services. The Department of Provincial and Local Government (2005) states that effective implementation of LED in the second decade will be a critical contributor to government success in growing the national economy and building a "single and integrated economy that benefits all". In terms of Chapter 6 of the Municipal Systems Act (2000), every municipality is required to develop and implement a Performance Management System (PMS). This must contain the following:
- Key Performance Indicators "as a yardstick for measuring performance, including outcomes and impact, with regard to the Municipality's development priorities and objectives set out in the IDP";
- Measurable performance targets for each of the development priorities and objectives; and
- Under the Municipal Finance Management Act (MFMA) three-monthly targets have to be set, and this came into effect from July 2005.

World Bank-Netherlands Partnership Programme, (2005) claims there still appears still to be a disjuncture in the minds of many local authorities between economic development and LED, which many saw as purely linked to

community-based poverty relief interventions, because of the nature and focus of previous government LED support. Thus, for example, is the Cape Town Metropolitan Municipality where the question of scale, with economic development, is being seen as a city-wide strategy, while LED is seen to be dealings with local communities?

The Department of Provincial and Local Government, (1999) states that municipalities must seek a partnership with Non-Governmental Organizations (NGOs) in the areas of planning and LED in support of institutional structures in the rural areas that stimulate growth the institutional-capacity building activities include establishing commonage committees and building their capacity through training and other programmes that enhance the community's ability to engage meaningfully with local authorities.

On the one hand, the service providers appointed by the municipalities must supplement the capacity through the provision and transfer of skills in local government. Municipalities must provide financial assistance or resources to enable Small, Medium and Macro Enterprises (SMMEs) to the fullest growth and sustainability. Yet it is the responsibility of the municipalities, on one hand, to improve existing business practices in the form of SMMEs and encouraging the new ones, on the other hand.

The balanced Local Economic Development has its legs in the following:

- Retail and grow existing businesses;
- Create new enterprises;
- Attract investment from outside; and
- A firm foundation by investing in LED:

The development of a LED strategy will be an integral part of a broader strategic planning process for a sub-national region, city, town or rural areas. Effective strategic planning ensures that priority issues are addressed and limited resources are well targeted. The five-step planning process detailed should be tailored to complement, and correspond with, other local planning

processes. The process is not prescriptive and should be adapted to meet the needs of the individual community. To this end, the LED strategy should follow the following steps:

2.3.6 LED Stages

Stage One: Organizing the Effort: A community begins the LED strategy planning process by identifying the people, public institutions, businesses, community organizations and other groups with interests in the local economy. This is often led by the local government, usually the mayor or chief executive. The skills and resources that each of these stakeholders bring to the strategy process provide a critical foundation for success. The identification of these individuals and organizations assumes some basic knowledge of the workings of the city economy.

A resource audit is a necessary input to the strategy, and should include the identification of financial, human and other capital resources that can contribute to the LED strategy. Working groups and steering committees can be established to ensure that both formal and informal structures are in place to support strategy development and implementation. Other issues that need to be tackled in the early stages include establishing LED staff teams and appropriate political processes.

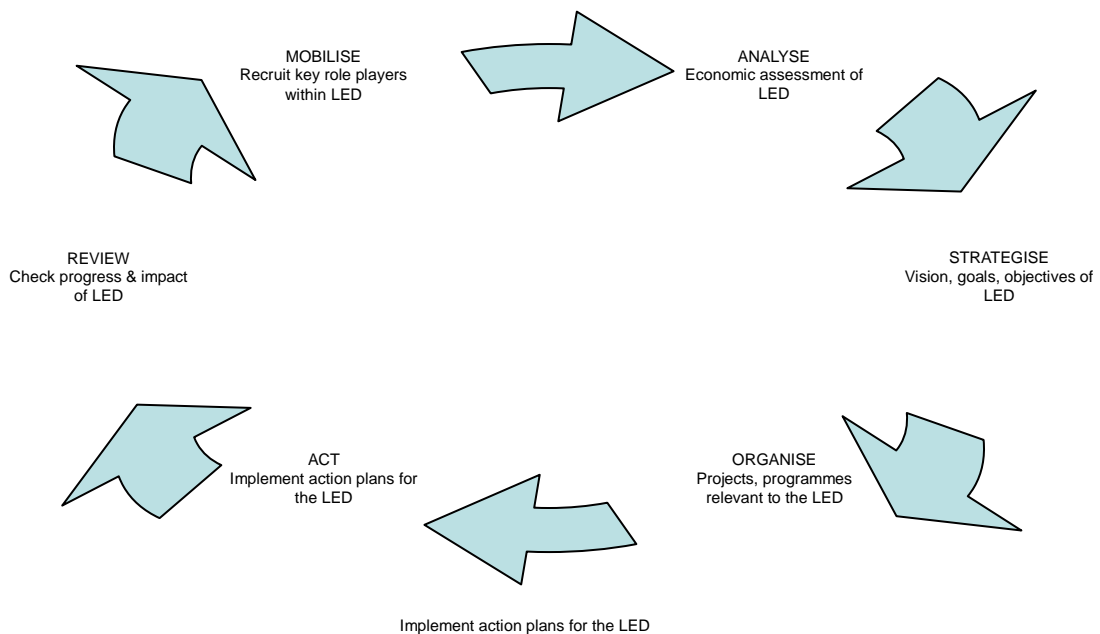
Stage Two: Conducting the Local Economic Development: Each community has a unique set of local attributes that can advance or hinder Local Economic Development. These include its economic structure, its human resource capacity to carry out economic development, and how conducive the local government investment climate is to economic and business activity. The aim of the local economy assessment is to identify the community's strengths and weaknesses including its human resource capacity, local government's 'friendliness' to all types of business activities from corporate to informal, and the opportunities and threats facing the local economy. The goal of the assessment is to create an economic profile of the community that highlights the basis of its comparative and competitive advantage in relation to

neighbouring communities and other regional, national or international competitors.

Stage Three: Developing the LED Strategy: As part of the LED strategy, a shared economic vision for the community and LED goals, objectives, programs, projects and action plans will be developed. This process ensures that all major stakeholder groups are given the opportunity to define what is to be achieved, how it is to be achieved, which organization will be responsible and the timeframes associated with the implementation of the LED strategy. Most importantly, the LED strategy and action plans must be finely assessed against the staff resource capacity to carry them out, as well as the budgetary constraints. Ultimately, the strategy's action plans should be incorporated into the work and budgetary program of the local authority, and appropriate elements taken on by other stakeholders (business associations, utilities, educational institutions, etc.). The aim is to leverage strengths, overcome weaknesses, exploit opportunities and deal with threats.

Stage Four: Implementing the LED Strategy: Strategy implementation is driven by the LED action plans. Ongoing monitoring is provided through the formal structures identified and created in step one, and evaluation of specific project outcomes ensures that the strategy continues to lead to the achievement of the LED vision, goals and objectives. In undertaking strategy implementation, it is important to identify and establish the appropriate institutions to carry out the plans.

Stage Five: Reviewing the LED Strategy: Good monitoring and evaluation techniques help to quantify outcomes, justify expenditures, determine enhancements and adjustments, and develop good practices. This information also feeds into the review of the complete LED strategy. The LED strategy should be reviewed at least annually to ensure that it remains relevant. It may be that conditions have changed or that the initial assessment was incorrect to the local conditions. The LED strategy should evolve continuously to respond to the ever changing competitive environment.



Source: Developing a Township LED Strategy: Overview of Concepts & Approaches

The Department of Provincial and Local Government, (2006) introduced a Sustainable Development and Co-operative Investment Programme (SDCIP) as a vehicle that could move beyond project-based community economic development. It is more of an empowering approach, utilizing innovative instruments to systematically build community competence and capacity. This SDCIP programme suggests community building utilizing a powerful cultural and dynamic resources as the main vehicle and partner for LED together with the mobilization of resources organized by the communities to carry out key local functions.

A need has arisen to forge a partnership to examine the option to set up a hive facility providing emerging entrepreneurs with support service centre to improve the profitability and viability of SMMEs. Key market failures for SMMEs financing as part of LED are due to the reasons identified below, firstly, limited availability of risk capital for start up and early stages businesses. Secondly, insufficient lending activity in poorer province and township areas aggravates the situation. Finally, market preferences for high loan sizes as well as high cost of finance facilities (Department of Provincial and Local Government, 2006). A partnership between the local government, the NGOs and various ratepayers (role players) and business associations

(formal and informal traders) aims at promoting and supporting LED and renewing a neglected areas in a holistic manner through implementation-driven planning (Department of Provincial and Local Government, 1999).

On one hand, LED should foster and promote business linkages between large and small operations in the private sector and on the other hand, building developmental linkages between small enterprises and the public sector. Local Government is not directly responsible for job creation. Rather, it is responsible for taking active steps to ensure that the overall economic and social conditions of the locality are conducive to the creation of employment opportunities. This is true in the sense that LED is not about municipalities or other public bodies financing small local business projects from the public purse. Nor is it about mayor, councilors or municipal officials trying to run or manage these or even larger projects.

2.3.6 LED and economic sectors

The key drivers for LED are based on the role of national and provincial government in supporting municipalities in the LED in particular on areas that drive economic development and growth. These areas, among others, include tourism, agriculture, mining, manufacturing and enterprises in totality. The purpose of Local Economic Development is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and nongovernmental sector partners work collectively to create better conditions for economic growth and employment generation (opportunities). There should be a move away from an isolated project- based approach to intervention based on real needs of the communities, focused on supporting productive initiatives networks of enterprises. According to the Limpopo Provincial Department of Local Government and Housing, (2007), the department has so far attracted 34 million Euro from European Union. The main objective of this huge funding is to support pro – poor economic growth and job creation through integrated approach which will promote sustainable LED initiatives and community economic development by strengthening local competitiveness of Small Medium and Macro Enterprises (SMMEs) initiatives in the municipalities.

According to the Department of Provincial and Local Government, (2006), a need to build LED framework around the following five components is very critical:

(a) *Supporting Sustainable Community Economic Development:* In an attempt to integrate the second economy closer to the first and create sustainable jobs for the poorer, more disadvantaged segments of society, this activity focuses on small scale economic development initiatives in poor, rural communities. The strategy around this is to make rural communities good productive as well as the areas to live.

(b) *Strengthen Local Competitiveness of SMMEs:* In line with Limpopo Provincial Growth and Development Strategy (PGDS), this will primarily be focused on business development and retention and expansion of Small Medium and Macro Enterprises, particularly through clusters in sectors of competitive advantage: mining, agriculture and agribusiness, tourism construction and manufacturing. The aim is to focus on key or core areas of development by enhancing what is already in these municipalities – marketable, benefiting local communities in the process.

(c) *Enhancing the Local Economic Development Environment:* The focus in this area is primarily aimed at supporting local government to create, as well as to improve, the business environment, remove investment barriers and bottlenecks in order to facilitate investment to realize the full potential of the municipalities.

(d) *Strengthening Local Economic Development capacity:* The rationale behind this component is to assist a number of stakeholders and interested parties to facilitate Local Economic Development, create awareness of LED and undertake research and develop LED strategies and policies and implement Local Economic Development. Stakeholders include Local Government, quasi governmental bodies, local service providers, associations and Non – Governmental Organizations (NGOs).

(e) *Management, Monitoring and Co-ordination:* This involves as well as focuses on inter alia an overall management of the programme, including procurement of service, stimulation and awareness, mobilization of stakeholders, generation of a pipeline of projects and monitoring the programme.

According to the Department of Provincial and Local Government (2005), LED is an important instrument for putting the “people’s contract” into action:

- It is a territorial concept and an approach, which is based on the principles of synergy and partnership between local stakeholders, operating within localities;
- Through LED, local people work together within the support and facilitation of the local state and within other external stakeholders to achieve sustainable economic growth and development that brings an improved quality of life for all in a defined area; and
- LED has the potential to serve as a critical implementation component of a range of key recent government policies and programmes, including the Micro Economic Reform Strategy, National Spatial Development Perspective and the Expanded Public Works Programme.

According to Umtshezi, LED Strategy and Plan, (2006) project process has included a review of the status quo, including a statistical analysis that will provide a common baseline understanding of the municipality’s economy and context for LED. It is against this background that there are real challenges facing local government in particular in sustaining LED projects.

The challenges include, firstly, the shortage of skills across the municipalities to support economic development and ensure effective co-ordination as well as realizing economic development as a cross cutting function. Secondly, supporting and monitoring alternative means to service delivery as a vehicle for sustainable LED projects. Thirdly, finding sustainable and everlasting solutions as well as realizing programmes to eradicate poverty. Finally, it needs to ensuring a more diverse economy, not solely dependent on traditional forms of manufacturing and production, as well as finding solutions to absorb labour and re-skill the unemployed, while enabling sustainable development.

The White Paper on Local Government (1998) states that there is a need to review the existing legislation which impedes LED such as planning and rating ordinances that need to be undertaken by both national and provincial

government. It is important to change local government's tendency to focus on small grant projects or small scale job creation and rather encourage the creation of an economically enabling environment. The South African Local Government Association, (2005) claims the best way forward is to translate the Extended Public Works Programme (EPWP) into a key driver for Local Economic Development at a local level. It calls on the participation of all stakeholders in the development of Policy Guidelines for implementation of LED as a way of assisting municipalities to implement uniform approaches to LED and be aligned with National Policies and Priorities.

To achieve this, the South African Local Government Association, (2005) believes that a Provincial LED Road-Shows be held to firstly, share an integrated approach on LED, secondly, integrate community based participation in the LED and finally, review the key areas of LED in line with Integrated Development Planning hearings. According to the Ekurhuleni Metropolitan Municipality, (2005), LED policy was not seen as a municipal policy, as economic development is a issue that affects or affected by the whole municipality and the society, the LED policy and strategy needs to be implemented by all departments.

A review of the policy based on national and provincial policies and strategies, the charter and Broad Based Black Economic Empowerment (BBBEE) implementation as well as the local conditions and capability needs to be undertaken regularly. The focus is be based on key LED performance areas that are stated below as to:

- *Provide economic friendly municipal procedures and regulations:* This is possible through the facilitation of the review and development of economic activity by-law. It is the responsibility of the municipality to provide municipal procedures that promote economic activities.

- *Promote and identify economic sectors:* Monitor the growth of tourism and the linkages to the sector. The regeneration of the manufacturing, tourism and agriculture sectors to grow. Facilitate the development and growth of the information technology sector is another contributory factor for

LED. Monitor the performance of the various sectors of LED and the re-skilling of the labour force, as well as the regeneration of industrial areas and Central Business Districts and upgrade of residential areas.

- *Mainstream economic activity into the formal economy:* Facilitate and coordinate the utilization of co-operatives in the municipalities' procurement systems in support of Small, Medium and Macro Enterprises. Facilitate access to finance. Link council property to people entering the economy. According to the Department of Trade and Industry, (2004), the government will place more emphasis on the development of a co-operative movement to combine the financial, labour and other resources among the masses of the people, rebuild our communities and engage the people in their own development through sustainable economic activity.

- *Align procurement process for economic development:* Monitor the implementation of a Supply Chain Management Policy to support economic development including the targets set on procurement. Promote local buying from local producers. Encourage municipalities based companies to set targets for buying from SMMEs and cooperatives.

- *Facilitate an enabling environment for investment:* In making a municipality a safe and a friendly investment destination, there must be a co-ordination and interaction with internal and external stakeholders on LED related investments.

- *Facilitate the growth of co-operatives:* "The United Nations recognizes the contribution cooperatives can make to achieving the Millennium Development Goals (MDGs) of full and productive employment, eradicating poverty, enhancing social integration and promoting the advancement of women. For the co-operative movement to fulfill this potential, governments need to develop and sustain a supportive environment that allows autonomous co-operatives to grow. The values of co-operation – equity, solidarity, self-help and mutual responsibility – are cornerstones of our shared endeavour to build a fairer world". Promote credit and savings unions and encourage the community to form co-operatives. Support the Co-operative

Industrial Hives that have been established. Through partnerships convert Non-Profit Organizations (NPOs) and food gardens into co-operatives.

Advice on council owned Utilities and Entities: Facilitate and monitor the review of utilities and entities' efficiencies. The South African Constitution (1996) places great responsibility on municipalities to facilitate LED. However, the schedule in the Constitution that identifies the functions of municipalities does not include LED. Therefore, it can be interpreted that LED is an unfunded mandate for municipalities (Department of Provincial and Local Government, 2006). Given the Constitutional imperatives of municipalities in facilitating LED, it can be argued that municipalities have a facilitating role in providing an enabling environment for investment through the provision of infrastructure and quality services, rather than programmes for job creation. The vision that forms the core of Department of Provincial and Local Government's Policy „is “about creating robust and inclusive local economies that exploit local opportunities, address local needs and contribute to national development objectives such as economic growth and poverty eradication” (Department of Provincial and Local Government, 2005).

The Local Economic Development is about local people working together to achieve sustainable economic growth that brings economic benefits and quality of life improvements for all in the community. The approach to LED is advocated by the World Bank and supported by United Nations Habitat, the International Labour Organization (ILO) and is aligned with the National Framework for LED in South Africa.

According to the Limpopo Provincial Growth and Development Strategy (2007), represents both development opportunities and provincial challenges. These are parameters for formulation of detailed operational plans and the identification of specific instruments for delivery and transformation.

The Local Economic Development is of critical importance but has been erratic in practice due to the skills required to shape and direct economic growth in local spaces. Part of a new approach will be to make clear the balance between a competitive and welfare focus for LED and thereby clarify

thinking on the meaning of LED and its desired impact in local spaces. This will serve to better guide activities and planning in especially small towns and less well-resourced municipalities, and reinforce the policy direction of the LED (Framework Department of Cooperative Governance and Traditional Affairs, 2009).

Related to this will be the need to update and review the Provincial Growth and Development Strategy (PGDS) Guidelines so that the PGDS should be an iterative process with, on the one hand, credible PGDSs providing inspiration to local and district municipalities and on the other hand, that PGDSs be informed by more credible local and district LED plans. In line with emerging thinking regarding differentiated approaches to governance and planning responsibilities, a more geographically differentiated approach to LED will to delineate more clearly the gap between the systemic competitiveness approach driven in large cities, and LED activities in small towns or poorer municipalities.

According to the United Cities Local Government Association (2008), recognising that there is insufficient access to Local Economic Development knowledge, good practices and lessons learned, especially in the municipalities, an initiative has started, with the support of donors and other partners.

In order to collect as much information as possible on existing LED projects, and to identify as many LED practitioners and partners, the Greater Tubatse Municipality must consistently engage stakeholders on LED projects and share information with the relevant stakeholders in the respective areas. After a short introduction on the national and local enabling perspectives for LED in South Africa, the projects analysis will show various aspects of LED in the country and will illustrate in which fields the major international donors are active.

- The National Local Economic Development Strategy, (2006) must, among other things, reflect on critical areas that need more attention in order to meet the following objectives: Make financial

services accessible to a large segment of the potentially productive South African population which otherwise would have little or no access to financial services;

- Promote synergy and mainstreaming of the informal sub-sector into the national financial system;
- Enhance service delivery by micro-finance institutions to Small, Medium Enterprises;
- Contribute to rural transformation; and
- Promote linkage programmes between universal/development banks, specialized institutions and micro-finance banks.

To achieve these objectives, a number of strategies have to be elaborated. Such as the following:

- To license and regulate the establishment of Micro-finance Banks (MFBs);
- To promote the establishment of NGO-based micro-finance institutions or institutions that support the development and growth of micro-finance service providers and clients;
- To promote the participation of Government in micro-finance industry by encouraging States and Local Governments to devote at least one percent of their annual budgets to micro credit initiatives administered through MFBs;
- Or to clearly define stakeholders' role in the development of the micro-finance sub-sector.

2.3.7 LED as a key to poverty alleviation and job creation

According to Goldman, (2005), Local Economic Development (LED) is a “cornerstone” for rural development on condition that the following factors are taken into consideration when planning for it:

- An **enabling environment** that provides for an attractive investment climate and fosters dynamic entrepreneurship (competitiveness);
- Adequate mechanism processes and structures that **address local needs** (governance);

- Active **private sector institutions** and linkages (competitiveness);
- Functioning and effective **infrastructure** (hard and soft) (competitiveness);
- Access to integrated and open **markets** (competitiveness);
- Access to effective and efficient **support services and resources** (governance);
- Adaptive **management capacity** and entrepreneurial competence with business and enterprises(competitiveness);
- **Local organisations**, groups and associations (representing the poor) as building blocks (governance);
- Active **participation** in and ownership of development processes by well-linked stakeholders (governance); and
- Ongoing **learning** from success and failure by all stakeholders (governance)

2.3.8 Pro-Poor LED within the context of communities

LED does not just happen, a local community needs have to be researched in terms of its own economic strengths, agree upon a common strategy, and organise itself to implement the strategy. Regional Industrial Development Strategy will become a catalyst for promoting LED as a key ingredient to achieving broad-based and equitable economic growth Department of Trade and Industry, (2006). LED is a process of strategic planning through partnerships between local government, the business community and NGOs. Its objectives must be to stimulate investments that will promote sustained high growth in a local community.

The Department of Trade and Industry's (2006)'s approach to LED focuses (on the region's potential, and identify specifically what local stakeholders can and need to do to ensure that their local community reaches its potential. In this context, the Department of Trade and Industry's, (2006)'s LED strategy assesses a community's comparative advantage; identifies new or existing market opportunities for businesses, and reduces obstacles to business expansion and creation. LED activities will have an impact on the economic viability of the entire city and surrounding region, and not just a particular

sector of the local economy. To create new jobs, help communities to retain existing jobs, and help businesses to access capital so that they can take advantage of new market opportunities.

The approach to Local Economic Development will be to contribute to a broader, geographically balanced national framework to increase each region's global competitiveness. Department of Trade and Industry, (2007) states that the formation of regional growth coalitions that must formulate their regional industrial road maps and business plans, will be fully supported given that it will encourage partnership of various stakeholders (public, private, community, civic and business leaders) within a regional economy designed to create a strategic vision and feasible action plans that, when implemented, result in job creation/retention. Regional Growth coalitions will be private-public partnerships aimed at fostering cooperation between, and the coordination of, different development activities, and deterring actors from ineffective go-it-alone approaches, while supporting the legitimacy and sustainability of the development process. This will be a means to achieve the effective mobilisation of local resources by encouraging investments with the highest rate of socio-economic return.

2.3.9 Impact of Service Delivery on LED

The more investment takes place, the more jobs are created and the more LED is flourishing. Through sustainable service delivery, municipalities are in a better position to attract investors while at the same time retaining the existing ones. According to the Portfolio Municipalities in South Africa, (2008), the provision of low quality water may lead to unnecessary health problem, while erratic refuse collection may have similar effects. Sewage disposal need to be of highest quality to ensure that community health and environmental remains unaffected by hazardous material. But all these put Local Economic Development under threat because the condition is unbearable to trade.

The type of services required in the urban areas may be slightly different from those needed in the rural communities. In urban areas low level of service

delivery may deter investment in business, thereby limiting employment chances for local community. In rural areas the scenario is different altogether. In rural areas the residents may be more interested in the development of roads to provide access to markets for LED products than electricity immediately although electricity is another component for the LED to perform.

Partnership should not be overlooked and Limpopo Province in particular Department of Local Government and Housing has forged partnership with the Development Bank of Southern Africa (DBSA), Amalgamated Banks of Southern Africa (ABSA), Standard Bank of South Africa, First National Bank (FNB) and other funding institutions to access co-funding for LED projects. The main focus of the ASGISA is to foster infrastructure development through job creation, capacity building and skills transfer that would be of beneficiary to the economic development and self-reliant. In addition, to that, the LED Sekhukhune Capacity Building Programme has been completed, as part of supporting the development of the Sekhukhune Economic node, according to the Portfolio Municipalities in South Africa, (2008).

It is apparent that these various approaches have the potential to provide development alternatives for South Africa's urban centres and rural areas, particularly those that have experienced economic decline due to industrial migration. This indigenous economic development, where communities are active shapers of their own economic destinies, could serve to regenerate the economy of an area. The Department of Trade and Industry's Regional Industrial Development Strategy, (2006) acknowledges that LED initiatives are not new. For many decades, city governments around the world have tried to attract business activities from outside to locate in their city – the so called 'traditional approach' to LED.

More recently, however, a range of new LED strategies has emerged. Instead of relying on attracting business from outside, the new strategies emphasise indigenous economic growth from within the city. Both approaches – attracting industry from outside and building the economy from within - are important for LED.

- It is against this background that the role of the Department of Trade and Industry, (2006) in the promotion of LED (to be undertaken within the Inter-Governmental Relations Framework) will focus on making sure that LED consists of a package of local interventions,
- Economic development which is a catalyst impacting on broader development,
- Consultation with the affected communities,
- participatory management and empowerment, and
- the integration of policy and poverty interventions.

The table below illustrates the support measures for LED activities.

Table 1: Support measures for LED activities

Appropriate enabling environment by:	<p>Development of economic strategy</p> <p>Improving the local business climate e.g. improving processes and procedures for business registration, taxation</p> <p>Privatisation to improve services</p> <p>Grants/rebates to attract inward investment</p> <p>Grants/rebates to attract local investment/ expansion/ retention</p>
Improved infrastructure	Investment in Hard Strategic Infrastructure.
Strengthen SMMEs	<p>Investment in Industrial /Commercial Sites/ Premises</p> <p>Support for procurement by SMMEs from large organizations</p> <p>SMME support centres</p> <p>Subsidising general business advice for SMMEs</p> <p>Support for creation of new businesses</p> <p>Support for growth of existing businesses</p> <p>Development of specific sectors/ business</p>
Improvement for specific targeted groups/areas	<p>Development of specific sectors/ business clusters</p> <p>Schemes to support the informal sector</p> <p>Schemes to support urban agriculture</p>

	Schemes to support particular groups e.g. women, youth
	Special employment schemes e.g. EPWP
	Special development zones (IDZs, inner city, BIDs...)
others	Research and information on economic development
	Support for export/ marketing/ quality
	Marketing of the area
	Non-financial support in promoting inward investment

2.4 Integrated Development Plan (IDP)

The Local government (municipalities) in South Africa is the main implementation agencies for government policies and programmes in the country, and their developmental obligations have been clearly spelt out in various policy documents (Department of Provincial and Local Government, 2001). The South African Public Service Commission also explicitly supports a cluster-based approach to articulating a comprehensive national development strategy. Of particular importance would be the recognition of the leading role that local authorities need to play. If undertaken in a participatory and inclusive fashion, “the process of developing the strategy could help with the identification of imaginative and innovative approaches that may escape the sterility of many current debates on the issue” South African Public Service Commission, (2002).

Municipalities are required by the Municipal Systems Act, (2000), to implement Integrated Development Plans. These initiatives have only started to be implemented over the last 2 years, and are therefore still mostly in the design stages. The Department of Provincial and Local Government has provided municipalities with extensive prescriptions and guidelines to implement performance assessments as part of their statutory obligations regarding Integrated Development Planning, at local government level. It also published a series of general key performance indicators for local government that is based on international comparative experience.

2.4.1 White Paper on Spatial and Land-Use Management

According to the National Spatial Development Perspective, (2003) the White Paper on Spatial Planning and Land-Use Management identifies one set of planning procedures for the whole country. In order to achieve sustainable and equitable spatial planning around national priorities, the White Paper lays the foundation for the development of a national spatial framework. At a local level, the Municipal Systems Act, (2000) establishes a basis for Integrated Development Plans based local spatial planning by requiring that each municipality must develop a Spatial Development Framework (SDF) as part of the municipal Integrated Development Planning. The SDF is intended to be an indicative spatial plan that shows desired patterns of land-use, directions of growth, urban edges, special development areas and conservation worthy areas within the municipal area.

According to the National Spatial Development Perspective, (2003), implication of this is that development priorities in these areas should be:

- Maximise Local Economic Development opportunities;
- Promote integration and link ages with the surrounding economy; and
- Provide appropriate levels of services.

According to the Department of Trade and Industry, (2006), LED signifies a new area of planning and cooperation, and the search for appropriate solutions to local development problems. LED, coupled with the socially responsive programmes of the government-led Reconstruction and Development Programme (RDP), appeared to have had the potential to offer moral and material support for the endeavours of individual communities. Local initiatives, often referred to as self-reliance strategies, are gaining momentum and are promoted through the presidential nodes (Integrated Sustainable Rural Development and Urban Renewal Programme). The strategy, through the nodes, seeks to improve the quality of lives for rural and urban communities through implementation of sustainable infrastructure and programmes.

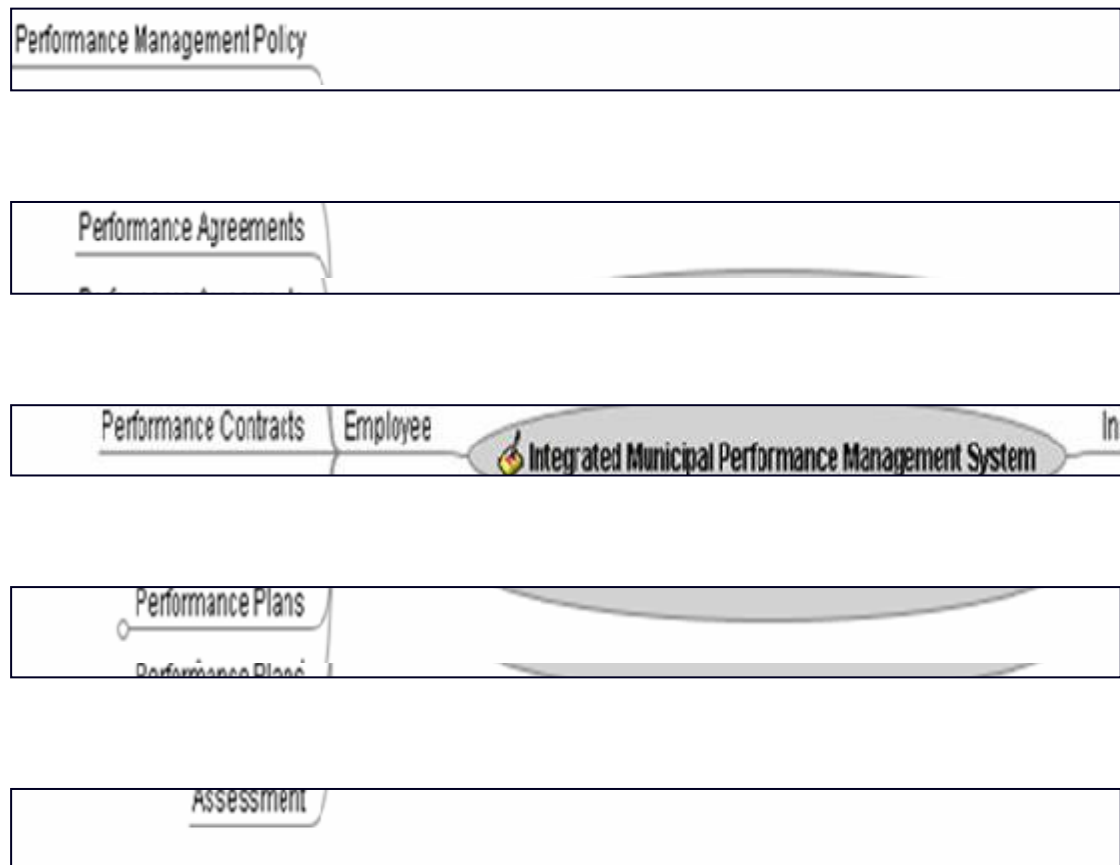
The Department of Trade and Industry, (2003) tries to enhance the capacities and potentials identified in the Urban Spatial Competitive Framework and the proposed Local Economic Development (LED) framework that seeks to address spatial constraints and opportunities related to industrial development in municipalities.

According to the Greater Sekhukhune District Municipality Integrated Development Planning, (2005), IDP is the process through which a municipality prepares a strategic development plan. Integrated planning helps a local government transcend its traditional service delivery functions to cope with the contemporary demands of playing an active developmental role. Integrated Development Planning requires municipalities to play a role in ensuring integration and co-ordination between the various sectors and cross-sectoral dimensions of development, so as to achieve social, economic and ecological sustainability. In order to address this issue, it is required of municipalities to develop various sectoral plans as part of the Integrated Development Planning process. It is the principal strategic instrument guiding all planning, management, investment, development and implementation decisions in the medium-term, taking into account input from all stakeholders, including the community and elected public representatives.

The Municipal Finance Management Act (MFMA) requires municipalities to prepare a Service Delivery Budget Implementation Plan (SDBIP). Circular No. 13, Municipal Finance Management Act, (2003), stipulates the following regarding the development of the Service Delivery and Budget Implementation Plan:

“The SDBIP gives effect to the Integrated Development Plan (IDP) and budget of the municipality and will be possible if the IDP and budget are fully aligned with each other. The budget gives effect to the strategic priorities of the municipality and is not a management or implementation plan. The SDBIP therefore serves as a “contract” between the administration, council and community expressing the goals and objectives set by the council as quantifiable outcomes that can be implemented by the administration over the twelve months. This provides

the basis for measuring performance in service delivery against end-of-year targets and implementing the budget.”



Source: Greater Tubatse Municipality: Service Delivery Budget Implementation Plan (2007/2008: 1)

The SDBIP should determine (and be consistent with) the performance agreements between the Mayor and the Municipal Manager and the Municipal Manager and Senior Managers. The SDBIP should be determined at the start of every financial year and approved by the Mayor. It must also be consistent with outsourced service delivery agreements such as municipal entities, public-private partnerships, service contracts and the like.

It is in the light of complying with legislation that the Greater Tubatse Municipality decided on a system whereby full integration and alignment among the Strategy, IDP, SDBIP and Employee Performance contracts of the Municipality is achieved. The integrated system, therefore, seamlessly and coherently integrates all the municipal planning, budgeting, monitoring,

measuring, reviewing and reporting processes into a continuous business improvement cycle. It is only through true alignment and integration of the different processes that successful management of performance and service delivery can take place through Service Delivery Budget Implementation Plan.

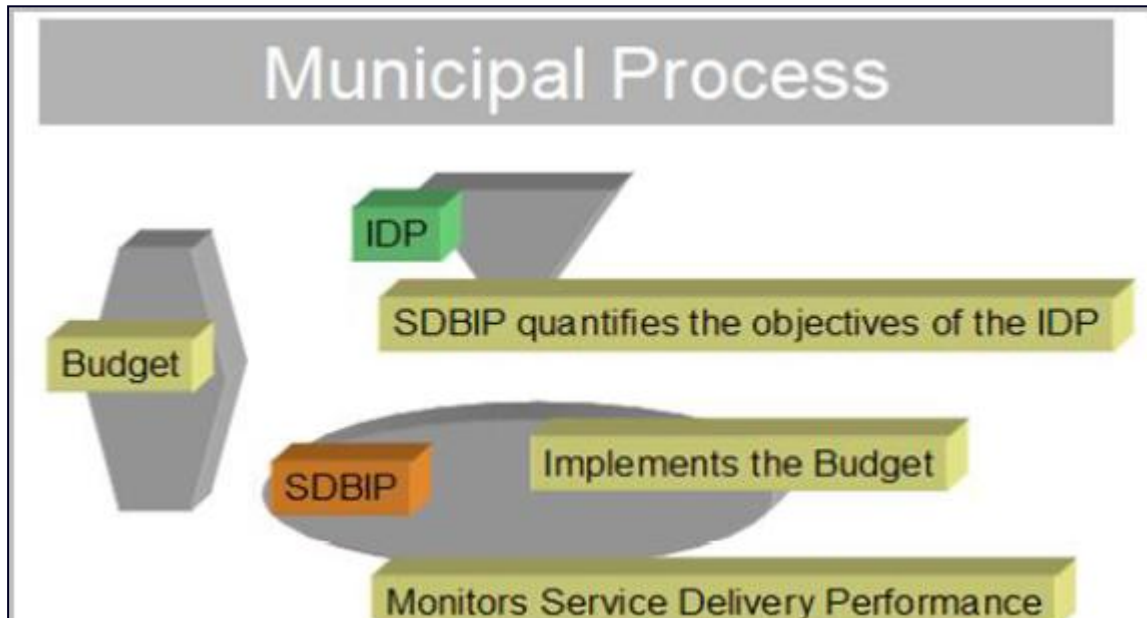
According to the Municipal Finance Act, (2003), the definition of a SDBIP as “is: 'service delivery and budget implementation plan’” means a detailed plan approved by the mayor of a municipality in terms of Section 53 (1) (c) (ii) for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate the following:

- (a) Projections for each month of-
 - (i) Revenue to be collected, by source; and
 - (ii) Operational and capital expenditure, by vote;
- (b) Service delivery targets and performance indicators for each quarter;

Section 34 of the Municipal Systems Act, (2000) requires the municipalities to review their Integrated Development Plans annually. It is through this provision that commits the Greater Tubatse Municipality to improve the economic situation and the welfare of the people. Due to the processes involved in the sustainability of this municipality and expected deliverables in terms of Integrated Development Plan, it was found necessary that a research study on the informal economy be conducted in order to cater for the improvements of the strategic destination to represent developmental aspirations and solution of the community of the Greater Tubatse Municipality. This study intends to enhance commitments to the improvements of the socio-economic situation of the Greater Tubatse Municipality's communities in combating the poverty levels and stimulates growth through sound plans.

- According to the Portfolio Municipalities in South Africa, (2008), an Integrated Development Plan is a crucial tool for effective local government. It is a strategic plan for development and management of municipalities. An IDP in a municipality performs three key functions. Link, integrates and co-ordinates plans, schemes and proposals for future development;

- Aligns resources and capacity of the municipality for the implementation of plans; and
- Forms the policy framework and general basis on which future budgets are based.



Source: Greater Tugatse Municipality: Service Delivery Budget Implementation Plan (2007/2008: 3)

The Integrated Development plan should also be seen in the context of the most important National Policy Frameworks, viz., the Reconstruction and Development Programme (RDP) and the Growth, Employment and Redistribution Strategy (GEAR).

Municipalities in South Africa face immense challenges in developing sustainable settlements that meet the daily needs and improve the quality of local communities. In order to meet these insurmountable challenges, municipalities will need to understand the various dynamics operating within their areas, develop a concrete vision for the areas, and strategies for realizing and financing that vision in partnership with all stakeholders White Paper in Local Government, (1998).

2.4.2 The Municipal Systems Act

The statutory principles for developmental local government are contained in the legislation of the Municipal Systems Act, (2000). A key component of the Act is the issue of Integrated Development Planning of which LED is regarded as a core aspect. The Integrated Development Plan (IDP) is conceptualised as a tool to assist municipalities to achieve their development mandates Department of Provincial and Local Government, (2000).

In South Africa, Integrated Development Planning is a participatory approach to integrate economic, sectoral, spatial, social, institutional, environmental and fiscal strategies in order to support the optimal allocation of scarce resources between sectors and geographical areas and across the population in a manner that provides sustainable growth, equity and the empowerment of the poor and the marginalized Department of Provincial and Local Government, (2000).

In order to ensure that available resources are optimally utilized towards the promotion of sustainable economic and social development, with focus on viable service delivery, municipalities are encouraged to implement the IDP process. Chapter 5 of the Municipal Systems Act, (2000) Section 25 (1) states that each municipal council must, within a prescribed period after the start of its elected term, adopt a single, but inclusive strategic plan for the development of the municipality. An IDP must be made a sector departmental participation platform and tool whereby inter-sphere planning and resources are equitably allocated. IDP is a process through which a municipality can establish a development plan for the short, medium and long terms.

It is against this background that an IDP must become an instrument to guide all planning, decision-making and investments in a municipality. The value of IDP for municipalities is embedded in the form of focused plans that are based on development priorities. According to the White Paper on Local Government, (1998), the idea behind the IDPs is to build up a comprehensive integrated plan whereby municipalities can plan in detail. IDPs should empower municipalities to prioritize and strategically focus their activities and resources.

An attempt to plan too comprehensively may result in unrealistic plans that lack the human and financial resources for implementation. To ensure that all citizens have access to at least a minimum level of basic services, municipalities must now take a leading role in addressing poverty and inherited inequalities, and in promoting Local Economic Development and social development and democracy. Integrated Development Plan is a normal and required municipal function – IDPs are not “adding on” and should be “formed out” to consultants.

The development of IDPs should be managed within municipalities, and provide a way of enhancing the strategic planning capacity of administration, building organizational partnerships between management and labour by enhancing synergy between line functions. The municipality wishes to engage in a contract with its communities in addressing the challenges of poverty, unemployment and service delivery. In this case, the municipality will ensure that proper structures are put in where government will plan with the communities and monitor implementation.

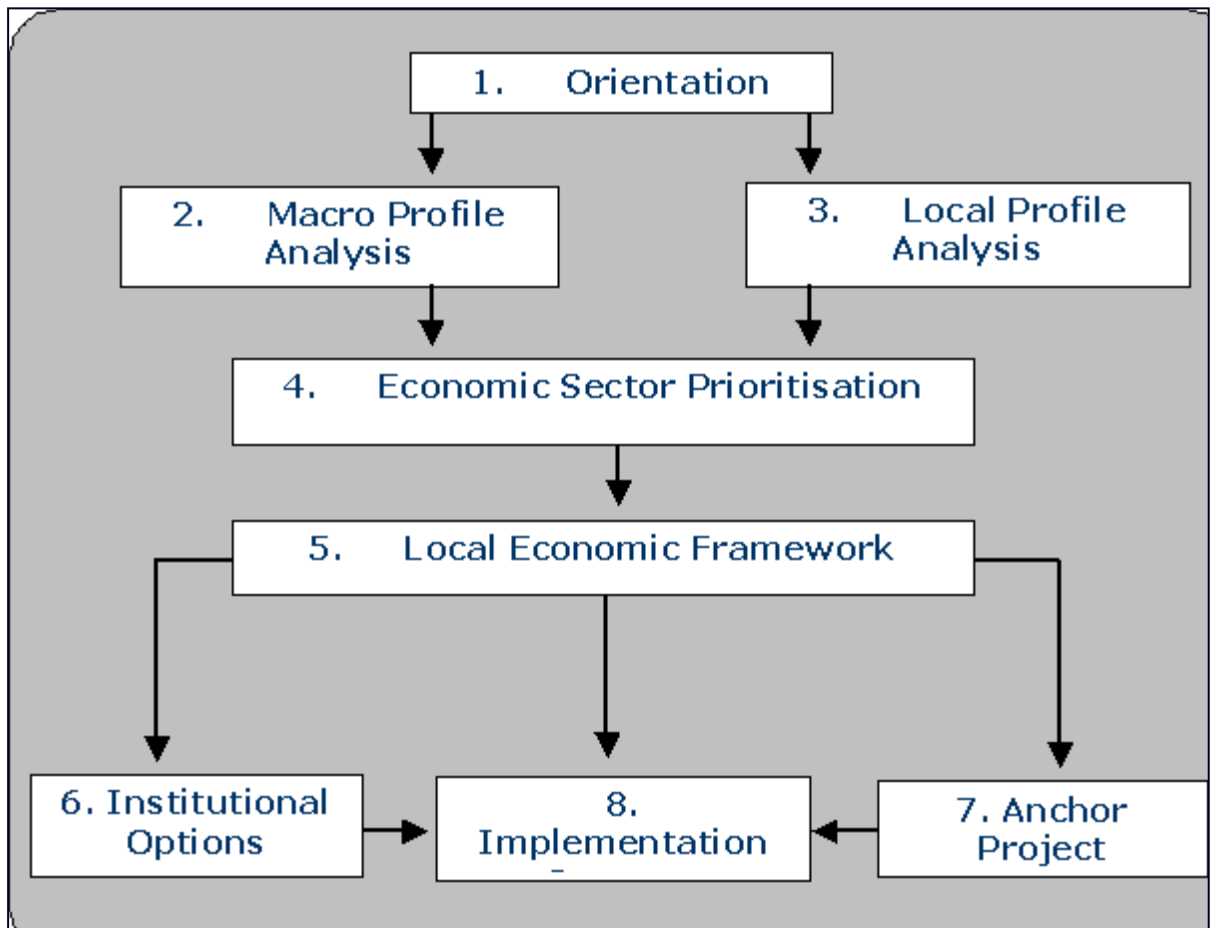
It is important and required for the municipalities to align the IDP with both the national and provincial spheres of government in the delivery of national and provincial developmental programmes that would be impacting at the local level. Beyond that, municipal development programmes and complies with the requirements of a variety of national legislation aimed at facilitating development.

In terms of Municipal Systems Act, (2000), in particular Section 26; an Integrated Development Plan must reflect the municipal council’s vision for the long term development of the municipality’s most critical development internal priorities and objectives, including its Local Economic Development aims and its internal transformation needs. The IDP is regarded as a holistic plan which is the final product of the development and planning process. It contains a range of projects, all designed to achieve specific development objectives. In synopsis, the IDP process encompasses an assessment of the existing level of development and identification of key development priorities.

2.4.2 South African Local Government Association

According to the South African Local Government Association, (2001), all municipalities are required by law to adopt an Integrated Development Plan. South African Local Government Association, (2001) states that a very critical stage/phase of the IDP process is to link development planning to the municipal budget (i.e., allocation of internal or external funding to the identified projects), because this will ensure that the IDP directs the development and implementation of projects. To this end, it should be noted that IDP informs municipal budget not budget informs IDP because community needs are diverse.

It is only through the IDP that the municipality wishes to engage in a contract with its communities in addressing the challenges of poverty, unemployment and service delivery to mention but few. In this case, the municipality will ensure that proper structures are put where government will plan with the communities and monitor implementation.



Source: Greater Sekhukhune District Municipality LED

According to the Department of Provincial and Local Government, (2007), the South African government has given effect to the principles of co-operative government and intergovernmental relations, by way of:

- introducing core systems, frameworks and processes governing priority-setting, strategic planning, budgeting and implementation;
- establishing intergovernmental forums through which they routinely coordinate the execution of their functions; and
- implementing programs and projects, often through joint effort and collaboration where programmes cut through jurisdictional boundaries.

However, the question of how the spheres of government can go about planning and working better so as to provide for a more seamless and expanding delivery of public services throughout the country remains a challenge. Part of the challenge, are the spheres of government's ongoing

quest to find innovative ways to report key planning, programme and project-based information in a meaningful way to one another. Lack in content standards contributes to a current situation where officials in government spend an enormous amount of time trying to report on, manage, interpret and consolidate information to and from multiple government organisations.

The policy framework was found to be a prominent guiding factor in assisting the municipality to establish its institutional arrangements so as to respond to its developmental challenges by providing clarity on what is mandatory and what is operationally required.) It requires environmental analysis (legal framework, developmental challenges assessment, community needs) impacting on the organization. Upon this it required that an organizational direction is established (vision and strategy), formulation of organizational strategy (sectoral plans), implementing the strategy (departmental and exerting strategic control (performance management). As such, this IDP was formulated using the strategic planning methods as explained. It needs to be stated that this is a strategic plan of the municipality as such the level and quantity of information was maintained at a strategic level.

According to the Department of Provincial and Local Government, (2008), the IDP Nerve Centre provides a single, web-based information system that allows multiple stakeholders, involved in municipal service delivery, to access, capture, revise and report a core set of planning, funding, programme and project based information over a multi-year period in a consistent manner, thereby enhancing ease of use and interpretation across government. The IDP also reflects on key legal frameworks that impact on the process and content of the IDP.

It makes it very clear that the municipality is a developmental entity enshrined on a notion that the people shall govern. As a result, the process of formulating the IDP and its content bearing testimony to the fact that people shall govern. There is chapter in the IDP which points the institutional arrangements of the municipality and it begins to reflect that the municipality is collective of the political leadership and structures, the administration and the communities. Informed by the broader government policy direction and the

material conditions existing in the district the IDP reflects on departmental operations which build on the municipal manager's commitment for delivery.

Lastly, the IDP reflects on capital projects to be implemented by the municipality which forms part of its capital investment framework. The Development Facilitation Act, (1995) intends to facilitate and fast-track the formulation and implementation of land development objectives by reference to which the performance of local government bodies in achieving such objectives may be measured; and to provide for nationally uniform procedures for the subdivision and development of land in urban and rural areas so as to promote the speedy provision and development of land for residential, small-scale farming or other needs and uses.

- The Development Facilitation Act, (1995) provides the basis to change the planning framework. The Act: promotes the integration of the social, economic, institutional and physical aspects of land development in both rural and urban areas;
- encourages the development of new employment close to where people live;
- optimizes the use of existing resources in agriculture, land, minerals, bulk infrastructure, roads, transportation and social facilities;
- promotes a diverse combination of land uses;
- discourages urban sprawl and promotes the development of more compact towns and cities;
- contributes to the correction of historically distorted settlement patterns;
- optimises the use of existing infrastructure; and
- encourages environmentally sustainable land development practices.

The Municipal Systems Act, (2000) requires municipalities to move progressively in addressing the developmental needs of communities. It should be aligned with the municipality's resources and capacity, while forming the policy framework on which annual budgets are based. The Integrated Development Plan must be compatible with national and provincial

development plans and planning requirements. Integrated Development Planning crosses departmental divisions by linking the physical, social, institutional and economic components of planning and development with a management and implementation structure. The Integrated Development Plan also integrates planning in the different spheres of government.

- Lastly, it integrates the municipality with other service providers and residents. It is, therefore, a powerful tool for realizing the vision of developmental local government. The Municipal Systems Act, (2000) sets out the following minimum requirements for an Integrated Development Plan: the municipal council's vision for the long term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs;
- an assessment of the existing level of development in the municipality which must include an identification of communities which do not have access to basic municipal services;
- the council's development priorities and objectives for its elected term, including its Local Economic Development aims and its internal transformation needs;
- the council's development strategies which must be aligned with any national or provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;
- a spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;
- the council's operational strategies; applicable disaster management plans;
- a financial plan, which must include a budget projection for at least the next three years; and the key performance indicators and performance targets determined in terms of performance management system.

Metropolitan regions like Cape Town, Durban and Johannesburg are also in the process of implementing systematic performance assessment systems to comply with the requirements of the Municipal Systems Act, (2000). Both the Department of Provincial and Local Government's, (2001)'s Municipal Planning and Performance Management Regulations, (2001) requires that a "...municipality must set key performance indicators, including input indicators, output indicators and outcome indicators, in respect of each of the development priorities and objectives...." That must be specified in terms of the Municipal Systems Act, (2000) Department of Provincial and Local Government, (2001).

The current implementation of GIS-based corporate enterprise management systems in the main metropolitan regions will facilitate the implementation of these policy evaluation objectives. In smaller municipalities, the design of such systems has also started, but implementation is still problematical. The main constraints in this regard are a lack of the required levels of technological infrastructures, a lack of appreciation by politicians and managers of the need for such systems, and also as result of a general lack of resources allocated for this purpose.

The Department of Provincial and Local Government has, unfortunately, so far given only a cursory glance at policy evaluation activities at the provincial level in South Africa, although this is an explicit part of this national department's responsibility. It has commissioned an *ad hoc* report from independent consultants on the state of anti-poverty programmes managed by national and provincial state departments but has not yet taken its statutory obligation regarding the coordination of a systematic programme of policy evaluation at provincial level any further. The consultants' report suggested the establishment of a national monitoring framework that is in line with the ideas of the Public Service Commission, but this idea has apparently not yet been taken further in concrete terms.

2.5 Infrastructure

The Greater Tubatse Municipality has a potential in terms of its mineral deposits underneath. For that matter, a need to expand an infrastructure is on top of the list on the agenda. A municipality's move to implement a Multi-Modal Public Transport System (MMPTS) as part of infrastructure development is a correct step in the right direction since it would better the lives of the passengers, and operators. The Greater Tubatse Local municipality with specific reference to Burgersfort would become the centre of attraction to investors. According to the Greater Tubatse Municipality's Integrated Development Plan, (2006), during construction of the facility, more than 30 jobs will be created since construction will be the combination of both conventional and labour intensive. There will be permanent jobs created for the management of the facility and there will be formalized hawkers facilities built for economic activities.

2.5.1 The role of State Agency in Infrastructure Provision

According to the Limpopo Provincial Growth and Development Strategy (2007), infrastructure plays a meaningful role in both accelerating the developmental opportunities and addressing the future challenges. The South African National Road Agency Limited (SANRAL) actively participates in communities across South Africa. The agency has committed an amount of R10million to the Greater Tubatse Municipality as part of road infrastructure development. The national road network makes a vital contribution to security, safety, economic growth and social development. It influences both the cost and flexibility of our economy, and both the business and recreational opportunities of South Africa's citizens.

In meeting the objectives of government, SANRAL leverages its procurement process to empower people. Empowerment is the process of strengthening the capacity of individuals and communities to enable them to better the course of their lives. Economic empowerment is critical to meeting the Millennium Development Goals. According to the Greater Tubatse Municipality's Integrated Development Plan, (2006), SANRAL is committed to eradicating poverty in the Greater Tubatse Municipality through the

creation of opportunities for the engagement in productive activities by poor people, especially those residing in rural areas. This takes the form of targeted procurement of works and services, training people to become economically active and the promotion of Small, Medium and Macro Enterprises (SMMEs).

This strategy enhances the provision of basic services, builds capacity, advances gender equity, acts as a catalyst for development in other growth areas, creates employment and develops small and medium enterprises which alleviates poverty and improves the status of women. This brings women into the mainstream of the economy, which is particularly important in respect to unemployed rural women who are the most disadvantaged sector of our society.

2.5.2 Infrastructure Development as a global challenge

An integrated, safe, reliable, efficient, sustainable and affordable multi-modal transport system is needed to enable the optimum utilization of time and place through mobility. A need for a system that would contribute to the sustainability of infrastructure by enhancement in the Greater Tubatse Municipality area as a municipality to invest on it has arrived. In the past municipalities were often not in control of infrastructure projects within their areas of jurisdiction. To this end, this defeated the objective of effective planning and integrated service delivery. The government has set national targets to eradicate backlog in infrastructure delivery.

However, the current rate of delivery is low compared to the rate required to meet the national target deadlines as contemplated in the Millennium Development Goals of the United Nations, (2005). For example, a basic water supply facility has been defined as the infrastructure necessary to supply 25 litres of potable water per person per day supplied within 200 metres of a household and within a minimum flow of 10 litres per minutes or 6000 litres of potable water supplied per formal connection per month.

It is against this background that the Department of Provincial Government and Local Government today the (Department of Corporative Governance and Traditional Affairs, 2009) established a Municipal Infrastructure Grant as a vehicle to address infrastructure backlog in local government as a way to meet the Millennium Development Goals (MDGs) Department of Corporative Governance and Traditional Affairs (2009). According to the (Department of Provincial Government and Local Government (2004), where the infrastructure is used by both poor and non-poor households, the municipality must find other capital funds to recover the cost of providing the service to the non-poor households.

2.5.3 South African Government's response to infrastructure backlog

South Africa is facing many challenges to improve infrastructure for economic development and municipal service delivery. To ensure an increase of access to services for South Africans, public infrastructure programmes are being implemented. Despite the efforts from government, there is still a backlog of municipal infrastructure development in certain communities, because of the apartheid legacy and the communities growing need for basic services Portfolio Municipalities in South Africa, (2008). They are faced with a number of challenges such as skills shortage which hampers the fast tracking of service delivery. It has been noted that the involvement of different stakeholders in the infrastructure delivery life cycle is viewed as key in ensuring the effective and sustainable delivery of these services.

- There is a need for comprehensive and integrated approach to development at the local level – the only spaces where all stakeholders live in are to have their daily needs met. Municipal Infrastructure Grant may be used to upgrade and build new infrastructure up to a basic level of service as well as to rehabilitate existing infrastructure, so long as the infrastructure is for the benefit for the poor. Usually, municipal infrastructure is not installed on private property/land unless servitude is established. This Grant's approach is to simplify the system of transfers to municipalities to support the capital budgets of municipalities;

- Facilitate Integrated Development Planning; and
- Allow flexibility in budget programming.

As a result, government over the last ten years has put in place policies to meet the backlogs in infrastructure in many different areas. Infrastructure delivery is aimed at providing all South Africans with the necessary access to municipal services by a municipality in a sustainable manner to the communities. An integrated part of municipal infrastructure delivery is government's drive to provide basic services through labour intensive methods to maximize job creation to alleviate poverty and assist in creating the base for economic growth. Infrastructure delivery is an activity underlying and linking onto a broad spectrum of government objectives. Therefore delivery of infrastructure has a major impact on economic spin-offs and social development and can be regarded as a main catalyst towards mainstreaming delivery at local level. Municipalities should consider and apply different principles when implementing sustainable infrastructure services. In the true sense of the word, infrastructure is the core basic municipal service because every delivery of all related municipal services will require infrastructure.

2.5.4 Impact of Infrastructure Development on municipal services

The state of affairs calls for municipalities to prioritize access to the basic infrastructure services within the context of regular reviewing framework of these services with the aim of upgrading, extension and improvement. There are still millions of people who do not have access to clean running water, sanitation, telephones and electricity. Infrastructure programmes for the next decade must ensure that we get rid of these backlogs so that every citizen can enjoy these services South African Local Government Association, (2005).

The provision of municipal infrastructure and service delivery in totality must happen within financially, administratively and environmentally sustainable framework. Infrastructure delivery requires intergovernmental relations that recognize the unique roles and responsibilities of each role player. This type

of delivery must be premised on the rational plans, the implementation mechanisms for measuring performance that gives due recognition to the local resources based. Poverty and unemployment means that some people have received basic services such as access to electricity, phones, water, but are unable to pay for these services.

To address this problem, government has introduced an indigent policy for the poorest sections of the population. Since 2001, government started a programme to provide a basket of free basic services (electricity, water, sanitation) to every citizen Department of Provincial and Local Government, (2005). It should be noted that the involvement of private sector in this regard will not be left unnoticed in the form of partnership arrangement as it has a meaningful role to play. Municipal infrastructure and service delivery must contribute to the Local Economic Development whilst taking due cognizance of indigence challenges. The country is faced with eradication of backlogs but the eradication should be in a sustainable manner that is consistent with the prescribed policies and legislation. The key stakeholders should be involved as they know what infrastructure needs are in their local areas and they could play a critical role when it comes to the acceleration of service delivery in their communities.

There is a clear implication given the juxtaposition of the South African Constitution and its schedule that municipalities have a key role in creating environment for investment through provision of infrastructure and sustainable quality services, instead of developing programmes and attempting to create jobs directly Greater Sekhukhune District Municipality, (2008), the policy framework was found to be a prominent guiding factor in assisting the municipality to establish its institutional arrangements so as to respond to its developmental challenges by providing clarity on what is mandatory and what is operationally required.

Infrastructure plays an important role in the social and economic development of communities. Areas without access to infrastructure are characterized by high levels of poverty whilst those with access are better off. The municipality

is, therefore, faced with two challenges in this area. First is the issue of extending access to basic municipal services (water, sanitation, electricity and solid waste removal) to communities without access. The second issue relates to the general provisioning and maintenance of infrastructure and services over the municipal area.

All infrastructure grants are integrated into one planning done by the municipalities themselves. In this regard, municipalities must play a central role in co-coordinating development activity and the delivery of municipal infrastructure in their areas of jurisdiction. The funding allocation of Municipal Infrastructure Grant should be linked with the Integrated Development Plan as well as Spatial Development Framework (SDF). The Municipal Infrastructure Grant is an integral part of providing municipal services. The provision of municipal services depends on availability of infrastructure. Therefore, it is difficult to divorce any municipal services from infrastructure as the basis for provision of basic services.

The Department of Provincial Government and Local Government, (2007) part of planning municipal services is, therefore, planning for infrastructure. To this end, the Municipal Infrastructure Grant should be viewed from a holistic perspective where it supports all municipal services. The Municipal Infrastructure Grant is about planning and delivery of municipal infrastructure in general and is an integral part of infrastructure development function of each and every municipality. Infrastructure development is one municipal key function amongst many other municipal functions. It should not be addressed as a separate function. For example, it should be integrated into Integrated Development Planning process as well as municipal monitoring and performance management systems.

- The aim of supporting infrastructure development is to promote Local Economic Development and poverty alleviation because of the following reasons. Without infrastructure there can be no service provision at all and will not be able to promote Local Economic Development in its area of jurisdiction;

- Without institutional capacity and systems, municipalities will not be able to plan and implement infrastructure projects, and they will not be able to provide services; and.
- Without the equitable share grant, the municipalities may not be able to provide free basic services to poor households that might promote economic activities.

According to the National Treasury, (2007) the establishment of Infrastructure Delivery Improvement Programme (IDIP) is to realize and address the objectives of the infrastructure backlog. The objectives of the IDIP are as follows:

- To support improved efficiency and effectiveness of public sector infrastructure delivery by institutionalising best practices tools and building capacity using the IDIP Toolkit and the Infrastructure Delivery and Budget Cycle Alignment Model as a benchmark;
- To increase levels of infrastructure investment at provincial government level as a foundation for service delivery and social development;
- To support the delivery of quality infrastructure in a manner that promotes socio-economic objectives of government;
- To enhance and develop skills and systems capacity for infrastructure planning, management, budgeting, monitoring and reporting;
- To explore innovative approaches to address system deficiencies and capacity constraints;
- To contribute to the strengthening of co-operative governance by clarifying and formalising roles and responsibilities, promoting communication between key role players and by facilitating co-operation between the role players throughout the infrastructure delivery management process;
- To improve monitoring and reporting on infrastructure delivery;
- To contribute to the body of knowledge regarding best practice in capacity-building interventions in government; and
- To promote the sustained increase and efficient spending of infrastructure budgets.

The principle behind this IDIP is to support and enable government departments to work together in the improvement of the efficiency and effectiveness of infrastructure delivery by advocating institutionalising best practice. This could be achievable by ensuring that there is a stakeholder buy-in and ownership of the intervention. It creates an enabling environment, which is conducive for government officials to operate effectively and efficiently and for skills to be transferred, to ensure the long term sustainability of IDIP initiatives. With its focus on the improved capacity of government to plan and implement infrastructure delivery, IDIP is a well established vehicle for promoting sustainable socio-economic development and growth according to National Treasury, (2007).

2.6 Service Delivery

Municipalities have the mandate to provide their communities with access to municipal services in a sustainable manner, accelerate the reduction of poverty, enabling environment that would facilitate create jobs and ensure a better life for all. Well- maintained infrastructure and cost – effective municipal services add to the investors' confidence. Therefore, service delivery should not merely be aimed at present demands, but municipalities are also required to make informed projections about and anticipate future demands in order to ensure effective, efficient and sustainable service delivery over the short, medium and long term.

It has been said that Limpopo Province is a step ahead when it comes to the provision of Free Basic Service (FBS), in particularly in the remote rural areas (Portfolio Municipalities in South Africa, (2008). It has successfully analyzed the Indigent Policies of all its municipalities paying special attention to municipalities that are under Project Consolidate to develop their localized Indigent Policies that would best suit their needs.

- The Greater Tubatse Municipality is one of those 15 municipalities covered under Project Consolidate Portfolio Municipalities in South Africa (2008). To this end, government intends to rollout infrastructure related service delivery and support their programme in order to

promote development in Local Government in general and municipalities particular;

- Increase the participation of stakeholders and interested parties in service delivery;
- Create opportunities for infrastructure delivery;
- Create awareness amongst stakeholders in order to harness required skills related to infrastructure delivery environment;
- Mobilize civil society and private sector to create opportunities for infrastructure rollout.
- Promote Public Private Partnerships to share and exchange expertise to speed up service delivery.

2.6.1 Municipalities and basic service delivery mandate

According to the Greater Sekhukhune District Municipality Integrated Development Planning, (2005), the citizens of South Africa expect that the policy and regulatory changes introduced by government will be translated into tangible service delivery. Elected representatives, in particular, must demonstrate that national, provincial and local government are capable of managing public resources in a way that delivers benefits to its citizens. This often refers to performance driven public sector and to this end, the critical role of local government is to play a meaningful role in the process.

Municipalities which are at the centre stage of service delivery are being challenged to demonstrate their ability to execute both basic as well as enabling services crucial for social and economic growth and development. This challenge finds expression in the requirement that municipalities are expected to report on their performance, from both a civic and policy perspective. The years 2009-2010 were characterized by rioting and service delivery protests across the country for some reasons.

According to the *Mail and Guardian* (Friday March, 2010), the Greater Tubatse Municipality was also affected by the same fate in mid February 2010 whereby communities mobilized to challenge poor and unsustainable service delivery in the municipality. To this end, the Greater Tubatse Municipality was not exempted from the upheaval facing the rest of the country.

According to the Department of Provincial and Local Government, (2006), today, more than ever before, an urgent need for us to develop and nurture an environment of collective responsibility and accountability for the performance of municipalities – particularly as it pertains to the execution of their service delivery responsibilities. It is, however, critical to understand what exactly do we mean when talking about infrastructure service delivery. Infrastructure is the core of service delivery. No services can be delivered in the absence of infrastructure. The basic municipal services (infrastructure) in this regard refer to the following:

- *Municipal Roads:* The municipalities will need a quality road infrastructure to enable the local people to access the markets for their local products and also to attract the external investors to invest within the municipality. This would also promote the retention and expansion of private sector investment within the ambit of Local Economic Development.
- *Electricity:* Electricity is an enabler for Local Economic Development as it plays a critical role in making communities to utilize it for their projects such as chicken brawlers, piggery, to mention but few.
- *Water Supply:* Water is the basic element of life and as such there would not be an LED if there is no water provision from the municipalities. To this end, any LED project will need and depend on water for sustainability.
- *Sanitation:* Sanitation is a dignity while water is life. Sanitation within the context of LED plays a leading role in ensuring that the environment within which projects are implemented is environmentally healthy for some reasons such as risk free.
- *Refuse Removal:* The refuse removal is another core municipal service in which the community should enjoy the benefits of it. A municipality

which does not prioritize refuse removal chases the investors and tourists.

- *Street Lights*: Like in the case of electricity, street lights also contribute to the Local Economic Development in the areas of changing the lives of the citizens. Other municipal services such as abattoirs, cemeteries, etc., are the secondary services to the municipalities.



Source: Greater Tubatse Municipality: Service Delivery Budget Implementation Plan (2007/2008: 6)

Effective service delivery is a joint venture between the council and the community, and community feedback is essential if service delivery is to be continuously improved and, in return, the community pays these services to sustain municipality. In terms of the Government Digest, (2004), the issue of service delivery in a municipality must be our goal and we must meet it if the local government is to become the service provider as stipulated in the South African Constitution, (1996). For municipalities to meet the future challenges

on service delivery, there is a need to involve careful planning, prioritizing of community needs and financial discipline.

2.6.2 Capacity building within municipalities

According to Service Delivery Review, (2006) as above), municipalities are continuing to receive training on the Batho Pele (*Putting People First*) Principles to ensure effective, efficient and economic service delivery and uphold customer care. In addition, 580 senior managers in local government have also received training, of which 290 were exposed to service delivery points.

In ensuring that municipalities are delivering on the constitutional mandate, 218 experts were deployed in municipalities across the country. *Siyenza Manje* is a programme driven by the Development Bank of Southern Africa to assist municipalities in the areas of engineering, financial, planning and project management. It is argued that municipalities who are the recipients of the deployed experts have displayed technical capacity improvements. Government Communication and Information Systems (GCIS), the Department of Provincial and Local Government and Department of Public Service and Administration (DPSA) are planning to engage municipalities to participate in the Service Delivery Watch initiative. “In agreement with the GCIS, the Multi-Purpose Community Centres will be a major focus for the implementation of the Service Delivery Watch” (Service Delivery Review, (2006).

The Service Delivery Watch seeks to maximize effective delivery of basic and other government services. The Municipal Finance Management Act, (2003) describes the SDBIP as a layered plan. The top layer deals with consolidated service delivery targets and time frames. It should also contain ward information on key expenditure items on capital projects. This will enable Ward Councilors and committees to monitor service delivery. Top Management is held accountable for the implementation of the consolidated projects and Key Performance Indicators. From the consolidated information, top management is expected to develop the next level of detail by breaking up

outputs into smaller outputs and then linking and assigning responsibility to middle-level and junior managers (Greater Tubatse Municipality Service Delivery Budget Implementation Plan, (2007).

Municipalities need to consider that their service delivery affects quality of life in the communities. Inadequate or faulty street lighting may contribute to crime in an area and/or restriction on lifestyle and times of travel of residents and scare investors. For investors to invest they will look at many factors, among others, service delivery standard, infrastructure and crime-free community.

The Department of Trade and Industry, (2006) supports local municipalities in activities that involve the mobilisation and development of local resources to tackle local economic and social problems, varying in their organisational forms to include small firms, cooperatives, community business ventures, self-help networks and support agencies.

Through Regional Growth Coalitions, the initiatives that involve public-private partnerships which can draw in local and regional governments, business, unions, community-based organisations and non-governmental organisations are supported. Given the wide diversity of strategies employed, ranging from formal business support and place-marketing to community economic development and self-reliance, Regional Industrial Development Strategy provides a policy framework for such localised economic activity initiated by a local community, local authority, external agency or non-governmental organisation in a rural or urban area.

The partnership between private, public and non-profit organisations becomes crucial for a sustainable development process, allowing the convergence in investment programming between the different local actors. The Department of Trade and Industry in conjunction with the Department of Provincial and Local Government and the Presidency, envisaged assisting district municipalities to formulate their industrial road maps, form their local growth coalitions, and finalise local growth business plans, (Department of Trade and

Industry, 2006). The involvement of local stakeholders in the process of developing their own territory is a prerequisite for sustainable growth.

According to the Department of Trade and Industry, (2006), bringing local stakeholders around one table through growth coalitions helps to build trust, encourages innovation and promotes the creation of social networks and activities. Most importantly, perhaps, the involvement of stakeholders fosters social cohesion, thereby decreasing the risk of further conflict. It is important for a government to propose and implement interventions to better anticipate and manage service delivery protests in various parts of the country. These interventions are part of the local government turn-around strategy that seeks to address the challenges confronting local government. These interventions include the establishment of rapid response teams at all levels of government; the utilisation of disaster management centres and the joint operations centres to act as early warning mechanisms; strengthening of Ward Committees and Community Development Workers (CDW's) Government Communication and Information System, (2010).

2.7 Summary

Infrastructure development, service delivery, municipal financial viability and Local Economic Development are not mutually exclusive concepts. They are interdependent and government (municipalities in particular) should develop strategies and management practices that take on a holistic and integrated approach. It is important for the municipality to align its objectives with strategic goals, including increasing economic opportunities through, among others, economic empowerment and ensuring integrated development for economic growth.

In terms of Integrated Sustainable Rural Development Strategy, rural South Africa should be transformed into an economic viable sector that can make a meaningful contribution to the Gross National Product (GNP). A multi-dimensional development approach is therefore required that will enhance service delivery, income generating activities and infrastructural developments. This implies that rural areas should be capacitated to develop

an internal capacity for integrated and sustainable development. Development should be people centred and not driven by governed with people as passive recipients of government services. Building increased prosperity of all residents, sustainable job and income generation and better distribution of wealth is central to the municipality's challenges. In order to ensure this objective, it is thus critical that people participate in the main stream economy of the municipal and the social development of communities. This will ensure that communities of the Greater Tubatse Municipality are part of service delivery as active agents. Among programmes to be engaged in this exercise are, namely: SMME Development, Agricultural Development, Tourism Development, Mining Development, Arts and Culture, Marketing, Investment Attraction, Skills Development, LED Institutional Capacity, Expanded Public Works Programmes and People's Skills Development.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

The departure point is that in social science research, only logical prediction cannot be made before a description has been given and an explanation of the observed phenomena has been found. According to (Bless and Higson-Smith, (1995), the scientific method in the social science research methodology can be considered as the synthesis of the rationalistic and the empirical methods.

On the one hand, qualitative methods are concerned with attempts to quantify social phenomena and collect and analyse numerical data, and focus on the links among a smaller number of attributes across many cases. Qualitative methods, on the other hand, emphasise personal experiences and interpretation over quantification, are more concerned with understanding the meaning of social phenomena and focus on links among a larger number of attributes across relatively few cases. The fact that in research, methodology is required, it is because the framework or planning must be made known as the direction in terms of how the systematic process has to be unpacked.

This chapter will cover the research design, study area, population, sampling methods, choice of instruments, pilot survey, data collection methods and data collection procedure. Research should be reductive in the sense that the complexity of reality has to be reduced. All details that are not essential or have no bearing/influence on the systematic process under investigation are to be eliminated. The Methods of Social Science can be used to assess the design, implementation and the usefulness of social interventions. This research project will take the form of an evaluation research. Evaluation research aims to test interventions to see how effective they are and therefore represents an important means of linking action and research in a constructive manner.

3.2 Research Design

According to Babbie and Mouton, (2006), research design is a plan or structured framework of how researcher intends conducting the research process in order to solve the research problem. Research design can be classified according to whether they are empirical or non-empirical studies. Research designs that involve empirical data can also be further classified according to the type of data: numerical or textual data. Research design is, in principle, is a clear programme guiding the researcher in collecting, analyzing and interpreting the observed results.

A research design is not just a work plan, but rather a plan that details what has to be done to complete the project. The work plan will flow from the project's research design. The function of a research design is to ensure that the evidence obtained enables us to answer the main research question as unambiguously as possible. For this study, the research design should address and, among other things, answers the following research questions: Is there any relationship between service delivery and sustainable Local Economic Development?

- How does infrastructure development impact on Local Economic Development?
- What has been the impact of projects on job creation, poverty alleviation and skills transfer?

Obtaining relevant evidence entails specifying the type of evidence needed to answer the research question, to test a theory, to evaluate a programme or to accurately describe some phenomenon. In other words, when designing research we need to ask: given this research question (or theory), what type of evidence is needed to answer the question (or test the theory) in a convincing way? Research design deals with a logical problem and not a logistical problem. Before a builder or architect can develop a work plan or order materials they must first establish the type of building required, its uses and the needs of the occupants. The work plan flows from this. Similarly, in social research, the issues of sampling, method of data collection (e.g.,

questionnaire, observation, document analysis), and design of questions are all subsidiary to the matter of 'What evidence do I need to collect?' Too often researchers design questionnaires or begin interviewing far too early before thinking through what information they require to answer their research questions. Without attending to these research design matters at the beginning, the conclusions drawn will normally be weak and unconvincing and fail to answer the research question.

This research takes a qualitative approach. Qualitative research is a generic term for investigative methodologies described as ethnographic, naturalistic, anthropological, field, or participant observer research. It emphasizes the importance of looking at variables in the natural setting in which they are found. Interaction between variables is important. Detailed data are gathered through open ended questions that provide direct quotations Key, (1997). The interviewer is an integral part of the investigation. This differs from quantitative research which attempts to gather data by objective methods to provide information about relations, comparisons, and predictions and attempts to remove the investigator from the investigation.

Research design provides the glue that holds the research project together. A design is used to structure the research, to show how all of the major parts of the research project: the samples or groups, measures, treatments or programs, and methods of assignment work together to try to address the central research questions. Research design can be thought of as the *structure* of research.

Triangulation is a powerful technique that facilitates validation of data through cross verification from more than two sources. In particular, it refers to the application and combination of several research methodologies in the study of the same phenomenon:

- It can be employed in both quantitative (validation) and qualitative (inquiry) studies;
- It is an appropriate strategy of establishing the credibility of qualitative analyses;

- It becomes an alternative to traditional criteria like reliability and validity; and
- It is the preferred line in the Social Sciences.

By combining multiple observers, theories, methods, and empirical materials, researchers can hope to overcome the weakness or intrinsic biases and the problems that come from a single method, single-observer and single-theory studies. This research did not take any form of triangulation.

When conducting qualitative research, the investigator seeks to gain a total or complete picture. A holistic description of events, procedures, and philosophies occurring in natural settings is often needed to make accurate situational decisions. This differs from quantitative research in which selected, pre-defined variables are studied. One process involved in corroboration is triangulation. Denzin, (1978) identifies several types of triangulation. One type involves the convergence of multiple data sources. Another type is methodological triangulation, which involves the convergence of data from multiple data collection sources. A third triangulation procedure is investigator triangulation, in which multiple researchers are involved in an investigation. Related to investigator triangulation is researcher-participant corroboration, which has also been referred to as cross-examination.

This study is an exploratory research placed within the context of Greater Tubatse Municipality. The research is an empirical study which involved conducting a survey in the municipality. This process of (research design) is however, described as a research management and planning process as well as the testing of hypotheses. In supporting this statement, Blanche and Durrheim (ed), (2002) state that it is a strategic framework for action that serves as a bridge between research questions and the execution or implementation of research.

3.3 Study Area

This research project focused on the Greater Tubatse Municipality in the Greater Sekhukhune District Municipality, Limpopo Province. The Greater Tubatse Municipality, like other municipalities, was established after the Local Government Elections of 2000 as an output of the municipal demarcation process. It is important to note that the municipality was one of the cross-border municipalities between the Mpumalanga and Limpopo Provinces.

It is bordered by the two National Highways, namely, N1 and N4, respectively. In the north, the municipality shares the borders with the Lepelle-Nkumpi Local Municipality in the Capricorn District, in the east is the Maruleng Local Municipality in the Mopani District, in the west is the Elias Motswaledi Local Municipality of the Greater Sekhukhune District Municipality and in the south is the Mbombela and the Elias Motsoaledi (Greater Sekhukhune District) Local Municipalities in the Ehlanzeni District Municipality Mpumalanga Province.

It comprises of 29 wards with the population growing as follows: in terms of years 2005 (290 319), 2006 (293 803), 2007 (297 035), 2008 (300 005), 2009 (303 005) people and is skewed towards the youth, according to Stats SA Census. The numbers of households in 2001 were 56 229 and 60 435 in 2005 respectively. The population of the Greater Tubatse Municipality is growing at an alarming state given the booming mining industries in the area of the Greater Sekhukhune District Municipality in particular.

It is rich in the mineral deposits and also contributes to the overall the growth of the Limpopo Province although is one of the poorest regions of the province. It was along these lines that it was declared by the former President of the Republic of South Africa, Mr T Mbeki, as one of his Presidential Node.

3.4 Population

Babbie and Mouton, (2006) refer to the population as the theoretically specified aggregation of study elements. Although researchers must begin with careful specification of their population, it usually permits them to phrase their reports in terms of the hypothetical universe.

The population of this project is politicians and officials of the Greater Tubatse Municipality (departments: Technical, Economic and Land Development, Strategic Planning, Finance, Community Services, Offices of the Municipal Manager, Portfolio Chairpersons of Technical, Economic and Land Development, Strategic Planning, Finance, Community Services and Mayor) in the Greater Sekhukhune District Municipality, Limpopo Province.

Suffice to say that the municipality is made up of 156 villages and suburbs, of which the vast majority of the villages are scattered throughout the northern part of the municipality. The southern part of the municipality that forms part of the Capital City/Headquarters in Burgersfort is predominantly urban. The majority of the villages is far apart from each other and thus presenting a huge challenge and high cost to provide and maintain service delivery. They are too small to attain economic thresholds required to provide social amenities in a cost effective manner Greater Tubatse Municipality Draft IDP, (2006).

According to Greater Tubatse Municipality Draft IDP, (2006), the municipality comprises of 175 farmers. O of these, 61 are under the control of traditional leaders. Unemployment rate in the municipality stands at 62% of the labour force. Much economic activity is derived from adjacent regions within the Limpopo and Mpumalanga Provinces wherein the major business centres of the region are located.

3.5 Sampling methods

Research design is different from the method by which data are collected. In this project, a total of 30 officials 6 politicians from the municipality were interviewed. Each department chosen had a meaningful role to play in, for example, Infrastructure Department; it had triangulated a critical role in providing quality infrastructure to enable the Local Economic Development to take place. The same applied from Strategic Planning Department into which IDP falls had a meaningful role in ensuring that the municipal budget takes into account the needs of LED. The Finance Department must ensure that LED is allocated enough funding to enable to roll-out LED related projects.

So, each municipal department was involved in the process of data collection. The political offices for financial and political oversight were interviewed for the same purpose.

A sampling method is the scientific foundation of every research exercise. Babbie and Mouton, (2006) say that sampling frame is a list or quasi-list of units composing a population from which a sample is selected. If the sample is to be representative of the population, it is essential that the sampling frame include all.

This research project collected information about a group of employees of the Greater Tubatse Municipality who are responsible or entrusted in the areas of service delivery and Local Economic Development. Reaching only portion of these employees was possible and acceptable in both Natural Sciences and Social Sciences. Sampling method/theory is the study of the relationship between a population and the samples drawn from it. One of the main objectives of sampling is to draw inferences about the unknown population parameters from the known sample statistics which are obtained by collecting data from a sample since the aim of research is to determine some characteristics of a certain population. In principle, sampling refers to abandoning certainty in favour of probability.

3.6 Choice of instruments

A questionnaire, as a scientific instrument for data collection, was used in the Greater Tubatse Municipality. According to Babbie and Mouton, (2006), a questionnaire is a document containing questions and other types of items designed to solicit information appropriate to analysis. Questionnaires are used primarily in a survey.

For this study, open- ended and closed-ended questions were deployed in which the respondents were asked to provide his or her own answer or apply his or her to the question. The same is in the case where a respondent is required to choose the answers provided on the questionnaire. This means that a questionnaire could be structured in such a way that it gives a

respondent a chance to apply his or her mind in answering and is provided some possible answers to choose from.

3.7 Data collection methods

The method to be used for gathering information is by directly asking respondents to express their views. Although a seemingly straightforward technique, observation must be pursued in a systematic way, following empirical rules, if usable and quantifiable data are to be obtained. There are many ways of data collection that could be used from participants if such information is difficult to obtain. For this research, a researcher will obtain information through direct involvement with the respondents in the form of interviews. This is a direct personal contact with the participant who is asked to answer all questions Bless & Higson-Smith, (1995). A qualitative data collection technique was used for this research. What is important is to use skills, practice and creativity to match a research question to an appropriate data collection technique Neuman, (2006).

3.8 Data collection procedure

The primary data, which is generated through the above methods, may be qualitative in nature (usually in the form of words) or quantitative (usually in the form of numbers or where you can make counts of words used). In primary data collection, you collect the data yourself using methods such as interviews and questionnaires. The key point here is that the data you collect is unique to you and your research and, until you publish, no one else has access to it. (<http://www.worldbank.org/poverty/impact/methods/datacoll.htm>). Data collection is an important aspect of any type of research study. Inaccurate data collection can impact the results of a study and ultimately lead to invalid results. Data collection methods for impact evaluation vary along a continuum. At the one end of this continuum are quantitative methods and at the other end of the continuum are qualitative methods for data collection commonly used in social realities ([http://www.worldbank.org/poverty/impact/methods/ datacoll.htm](http://www.worldbank.org/poverty/impact/methods/datacoll.htm)).

Data collection is a term used to describe a process of preparing and collecting data - for example, as part of a process improvement or similar project. The purpose of data collection is to obtain information to keep on record, to make decisions about important issues, to pass information on to others. Primarily, data are collected to provide information regarding a specific topic. Data collection usually takes place early on in an improvement project, and is often formalised through a data collection plan, which often contains the following activity.

1. Pre collection activity – Agree goals, target data, definitions, methods
2. Collection – data collection
3. Present Findings – usually involves some form of sorting analysis and/or presentation.

Officials and councillors were interviewed to find out from them on those things that a researcher could not directly observe using questionnaires. That is where a researcher had learned the behaviour of some participants at the particular point in time. According to (White (, 2004), the purpose of interviewing is to allow a researcher to enter into other person's perspective. As a data collection technique/method, the interview may vary from those that are completely unstructured, on the one hand, to those that are completely standardized and structured, on the other hand. Because there are three ways to administer questionnaires although none of them is the best out of the rest, but depending on the data collected, namely. There are as follows:

- Self-administered;
- Telephone interview; and
- Face-to-face interview.

This did not include all officials of the municipal departments and councilors across all portfolios, but only the relevant departments/officials and councilors that their day-to-day activities impact on LED. These departments include the following: Technical since it is responsible for infrastructure development and basic services delivery such as water and sanitation; the Strategic Planning

Department, which is critical because it heads the component of IDP which is the backbone of a municipality; the Department of Finance, as all projects on service delivery, infrastructure development and the others are funded and receive a vote number as per the Municipal Finance Management Act; as well as Treasury Regulation and other applicable legislation.

This study used semi-structured interviews whereby the interviewer (researcher) sits with the interviewee (respondent) asking questions as they appear on the questionnaire. The same interviewer writes down what comes from the interviewee as the answers for the questions asked. In this case, the researcher uses the questionnaire to gather data from respondent. This method is called semi-structured interviews.

3.9 Summary

Social Science research is a collection of methods and methodologies that researchers apply systematically to produce scientifically based knowledge about the social world. This chapter delivers a systematic approach to the scientific methodology relevant for social science research. It takes all key elements of the research process and the process of research design to which provides the plan or framework, study area, population, sampling methods, choice of an instruments data collection methods and procedure. Since research is supported by a society, the nature and the results of this research should in return benefit it.

It becomes increasingly clear that unlike the quantitative data collection (statistical) in the social science, the qualitative research is descriptive in nature and it requires a researcher to develop a questionnaire that would be able to address the research aims objectives. Research is a way of acquiring knowledge in order to develop an understanding of the world. Science is a building of knowledge obtained by use of a particular methodology, the scientific research.

CHAPTER 4

FINDINGS, PRESENTATION AND ANALYSIS

4.1 Introduction

South Africa is a constitutional democracy with a three-tier system of government and an independent judiciary. The national, provincial and local levels of government all have legislative and executive authority in their own spheres, and is defined in the Constitution as "distinctive, interdependent and interrelated". Operating at both national and provincial levels are advisory bodies drawn from South Africa's traditional leaders.

The South African Local Government Association (SALGA) is an organization mandated by the new South African Constitution, (1996) to assist in the wholesale transformation of local government in South Africa from the pre-1994 regime to the new dispensation under the country's first democratically elected government. The South African Constitution, (1996) envisages an important role for organized local government in the new South Africa, with a unique focus on developmental service delivery. As such, SALGA plays a core role in a variety of areas related to local government transformation and as a national representative of the local government sector and its employees. The new SALGA strategy responds to the challenges facing organised local government, addresses past weaknesses and drives forward the process of consolidating the transformation process of local government.

The local government in South Africa has contributed to the immense achievements of a number of significant social and economic development advances, since the ushering in of the new democratic municipal dispensation in December 2000 as the date for first democratic local government elections (Municipal Systems Act, 2000). The majority of our people have increased access to a wide range of basic services and more opportunities have been created for their participation in the economy as envisaged in the Integrated Development Plan Municipal Systems Act, (2000).

Notwithstanding the valuable role that municipalities have played in our new democracy, key elements of the local government system were showing signs of distress in 2009.

This background provides an analysis of the performance and state of local government and begins to point to key matters that must be attended to in the Turn-around Strategy for Local Government (Department of Provincial and Local Government, 2006). Urgency, prioritisation, speed and timing will be important in addressing the critical issues identified (Department of Cooperative Governance and Traditional Affairs, 2009). The Government Programme of Action is committed to build a developmental state, improve public services and strengthen democratic institutions. This is the point of departure for the priority of intervening, stabilising and supporting local government in order for it to fulfill its constitutional mandates.

Part One: Findings of the study

This chapter presents the field work done on this study. At the same time, it outlines the finding and analysis based on local government in South Africa as a sphere of government with specific reference to municipalities. The findings of this study are be presented in a systematic way in this chapter's part one. Part Two will deals with the analysis of the data collected. The manner, in which the questionnaire was designed, was to send an early warning to the Local Economic Development in relation to the mandate given to Local Government is South Africa after the dawn of democracy. It goes without any say that the study was mainly focused on the following:

- The relationship between service delivery and sustainable LED in GTM;
- Impact of infrastructure development on Local Economic Development; and
- Impact of projects on job creation, poverty alleviation and skills transfer.

The departure point was looking at the bottlenecks that impede the growth and sustainability of LED in the Greater Tubatse Municipality. Of critical

importance is the measures the municipality has put in place to remove such barriers. The Greater Tubatse Municipality has best Local Economic Development strategy that could do far much better in terms of addressing these challenges. Every year the municipality consults stakeholders in other municipal basic services in terms of their priorities in which LED is included.

In the Greater Tubatse Municipality, there is an office for Limpopo Business Support Agency (LIBSA) whose mandate is to support SMMEs and business incubators. It is questionable as whether there is a coordination and alignment of LED and IDP process after public participation. Or the municipality is focusing only on the provision of basic municipal services such as water, electricity and waste removal? The relationship among the LED, IDP and infrastructure development cannot be left unnoticed.

This part addresses the challenges and tries to unpack the reality behind why there is a LED backlog in the Greater Tubatse Municipality. The staff's commitment to development of LED is hanging in the balance. In a nutshell, this part brings an eye-bird's view on the officials interviewed in the municipality in terms of their respective departments and their political leaders.

The following officials from the Greater Tubatse Municipality were accorded an opportunity to go through the questionnaire and answer it. These are, in terms of gender and race, as follows: six municipal female officials and 15 male officials. Out of the said officials, two are the white male at management level. All these officials and politicians interviewed are as follows:

- Office of Municipal Manager
- Department: Technical Services
- Department: Strategic Support
- Department: Finance
- Department: Economic & Land Development
- Department: Corporate Services
- Office of the Mayor
- Portfolio Head: Economic & Land Development

- Portfolio Head: Technical Services
- Portfolio Head: Strategic Support
- Portfolio Head: Finance
- Portfolio Head: Corporate Services

Some officials were interviewed in their offices while others shared the offices as the municipality was preparing to relocate to in the new offices/premises adjacent to the currently used one. The Greater Tubatse Municipality offices are decentralized and scattered all over the Burgersfort town. For example, the Land and Economic Development and Community Services Departments share the same Morone Complex. The interim municipal head office houses the Office of the Municipal Manager, Office of the Mayor, Finance and Strategic Support Department. The Lepelle Offices houses Technical and Corporate Departments, respectively. All Portfolio Heads are located within their respective departments. Only the Offices of the Speaker, Chief Whip and Mayor occupied the interim offices with the Municipal Manager at Corner Eddy Sedibe and Kort Streets. The nature of the questionnaire was qualitative and, as such, it required interaction with both the officials and politicians.

Part Two: Analysis of the data

This part builds on the Part One that deals with findings of the study with the intention to relate with literature review. The aim is to check whether there is any relationship between Part Two and the objective of the study as stated in Chapter One. At the end, this chapter this will be divided into three parts: it looks into the conclusion of the study, highlights policy recommendations and area of future research (studies).

4.2 Local Government

In the final analysis of this study, according to the respondents, one would finds that for local government, in particular for municipalities, to stick to their mandate, they need the support of the other spheres of government for support. The respondents felt that the role of the province is to provide

capacity building, which does not impact positively as anticipated on the municipalities. While other respondents believe that capacity building plays an instrumental role, to others were of the view that capacity building without resources, such as financial and infrastructural support, defeats the realization by local government to achieve its political mandate.

On the same note, another respondent indicated that the role of the provincial government is to frustrate municipalities to fulfill their obligations. Huge municipal grants are channeled to the provinces with the intention to support local government (municipalities), however, the funds are released towards the end of fiscal year in which the municipalities are already ahead in terms of rolling-out their IDPs for their year-end in June. Thus, the proposal is, that if local government is to function properly, the provincial sphere should be phased out as a compromised sphere during CODESA Negotiations.

It is argued that some of the provincial officials even do not even understand the relationship between LED and IDP within a municipality. While other officials within the Department of Local Government and Housing know that the Greater Tubatse Municipality is within the Greater Sekhukhune District Municipality but cannot tell where in the district it is located. Another respondent did not know that the Greater Tubatse Municipality is within the Greater Sekhukhune District Municipality.

Although the national government's role is to make laws and provide policy direction, according to one respondent, other stakeholders, including Non-Government Organizations, Community Based Organizations, Faith- Based Organizations traditional leaders and the private sector, have a meaningful role to play in supporting the Greater Tubatse Municipality.

4.3 Local Economic Development

The slow delivery of services impacts negatively on LED. This is the views of the majority of the respondents. Other factors have been highlighted, among others, the organizational restructuring, resources allocated to the LED Unit of the Greater Tubatse Municipality. According to the respondents, both

infrastructure and service delivery impede the growth of LED within the municipality. For that matter, it discourages private sector investment into the Greater Tubatse Municipality. Ironically, Greater Tubatse Municipality is attracting a lot of business sector investment. The municipality is rich with mineral deposits from platinum, chrome, gold, to diamonds. Gas has been discovered in the Greater Tubatse Municipality in the recent explorations. However, the analysis shows that there is a lack of staff complements to perform this function.

The respondents felt that the Economic and Land Development Department in which LED falls is one of the smallest departments in the municipality. Categorically speaking, appraisal of LED projects within the municipality is minimal. If the appraisal is insignificant, then what has been achieved? Nevertheless, the municipal Service Delivery Implementation Plan plays a critical role to save the municipality's LED and other services from decline, but it is not enough to cope if no other measures are put in place to supplement it.

Respondents were of the view that the other instruments that could assist in promoting LED in Greater Tubatse Municipality are the IDP. According to the analysis of the responses, LED is given top priority within the municipality and it aligned within the municipal's IDP. However, respondents felt that there is no LED project appraisal. Yet LED within the Greater Tubatse Municipality gives focus on the needs and priority when finalizing the IDP. The respondents felt that the municipality's preparedness to address the challenges facing LED within it is high unless LED is taken seriously, LED does not go anywhere in the municipalities across the country. Almost all the respondents agreed that public participation through IDP is done properly. This shows that the municipality is promoting transparency and accountability.

However, according to the study, the municipality still lags behind in communicating with its stakeholders in the media except through mayoral imbizo, community development workers (CDWs), Ward Committee (WC) meetings, council meetings, as well as IDP participatory process. Furthermore, the study found out that the municipality lags behind in the area of communicating with the community in the municipal newsletter, local

newspapers and local and provincial radios. Thus, this brings to the fore the argument of the respondents that say LED in the municipality is unsustainable because it has failed drastically to produce more jobs.

According to the Department of Provincial and Local Government, (2005), the municipality should not be seen as an agent for job creation but create an enabling environment for investors to invest so that more jobs are created. The issue of LED within the Greater Tubatse Municipality requires further research in order to establish why it does not flourish whereas the municipality has demonstrable potential.

4.4 Service Delivery

In the course of the analysis, poor service was singled out as the stumbling block in taking LED forward. LED depends on municipal provision of quality infrastructure and other basic services as envisaged in the South African Constitution, (1996) for LED to be viable.

According to this study, among other services, water is one of the enablers for LED. Other services include waste management, electricity, roads, sanitation, storm water, and so forth, in which the Greater Tubatse Municipality is experiencing backlogs. At the centre of analysis, the respondents agreed that the backlog within the municipality is huge. Municipalities, including the Greater Tubatse, are, in terms of the Millennium Development Goals (MDGs), given tasks to improve their service delivery capacity in order to meet the target by 2014/15. The MDGs have targeted the provision of these services for a country to qualify and graduate to be in the first world.

More so, municipalities are entrusted, in terms of the South African Constitution (1996), to render such essential services. The respondents also echoed the fact that some municipalities are struggling to collect revenues, particularly the rural ones as a result of poor infrastructure which is dilapidated. Some of these municipalities include, among others, for example, the Fetakgomo Local Municipality in the Greater Sekhukhune District and the

Aganang Local Municipality in the Capricorn District Municipality in Limpopo Province.

4.5 Challenges facing Local Economic Development

So far, the municipality is facing a mammoth task in identifying clearly what are the challenges facing LED to grow and sustainable. According to this study, the other challenge the Economic and Land Development Department identified is resource constraints. The constraints emanate from provincial and private sectors support to the LED initiatives that have been found to be wanting. The respondents also mentioned the lack of skills transfer to the youth as also aggravating the situation. Although this shows that a lot has to be done, but on the other hand, the municipality, through IDP, should encourage private sector investment and ensure that private sector's corporate social responsibility is also aligned with the Greater Tubatse Municipality's Integrated Development Plan.

The Respondents also mentioned that an insignificant contribution by the traditional leaders to release the land for development also suffocates LED to develop. Suffice to say that donor funding is really minimal towards this challenge. The Greater Tubatse Municipality has faced immense challenges that impeded the sustainability of LED in terms of this analysis. The Greater Tubatse Municipality is not doing well in the area of attracting investors to invest in their area of jurisdiction. Yet the respondents mentioned that a need has arisen that this municipality requires undergoing a restructuring of the whole organization whereby Economic and Land Department is made an integral part of the whole conglomerations. This argument is supported by the fact that the municipality should consider recruiting staff that is capable of their area of LED in order to move progressively towards the advancement of LED that will resonate and bring about the desired results.

Respondents also mentioned the issue of planning for the municipality. Although it does surface, it does not carry much weight because ... This shows that in the planning the municipality is doing exceptionally well.

However, the issue of attracting funding for LED is imperative and yet the Economic and Land Development Department is not doing well in this area.

4.6 Nation Policy and Strategy Direction on LED

Since the national departments' role is to develop national policy and strategies, however the implementation rests with both provinces and municipalities which also depends on what type of a policy is being executed. For example, the department of education is not local government but has provincial competency. The same is true with regards to basic services, which are the local government (municipalities)'s competencies.

In terms of the analysis as per the questionnaire, respondents felt that the role of national government is to provide resources to the municipalities. This means that the national government, through the National Treasury, should be pumping funds to the municipalities to enable them to execute their service delivery mandate. Although it has been argued that LED is one of the programmes funded mandates equally to the IDP, for the municipalities and to this end, they are urged to develop and implement robust LED strategies.

Other government departments that have a role to play in supporting local government according to the respondents are doing fairly well. For now, it is questionable as to why national government departments are working hand in glove with the Department of Cooperative Government and Traditional Affairs but the Greater Tubatse Municipality, till to date, does not realise its dream.

The analysis goes further to indicate that the Greater Tubatse Municipality's LED seems to be ignored whereas it has a role to play in poverty alleviation, job creation, skills transfer, youth and women empowerment, and so forth. The Greater Tubatse Municipality was expecting the national government to maximise its support in the areas such as land donation to enable the LED projects to flourish. This comes at a time when the municipality is complaining about owning less land whilst the vast tracts of it belong to private individuals thus limiting expansion.

4.6 Funding for Local Economic Development

Funding LED within the context of supporting municipality becomes a long journey that would be traveled by all stakeholders. According to the views of the respondents, LED should be funded from the national department not at provincial any more. For instance, some respondents felt that the role of provincial parastatals, such as Limpopo Economic Development Enterprise (Limdev), Trade Investment Limpopo (TIL) and Limpopo Business Support Agency (LIBSA) in contributing to the municipality is meaningless. Although the national department has satellite offices across the Greater Sekhukhune District Municipality, but the contribution in supporting youth in the entrepreneurship and LED is considered by the respondents to be minimal. Respondents felt that one of the key roles of traditional leaders in this regard would be releasing land in support of LED. On one hand, the Municipality could alternatively utilise land effectively to sustain Local Economic Development by attracting investors to invest for the benefit of the same purpose. The Private sector, on the other hand, should find a way of promoting LED. Funding LED should be clearly spelt-out in the National Policy. The fact that LED is an unfunded mandate for local government is misleading to municipalities. This suggests that LED is an option but not obligation as compared to IDP.

4.7 Recommendations

It has been argued that while the municipality is doing well in collecting revenue unlike other municipalities in the rural area, but it does not take the issue of engaging other donor funding as an alternative way of enhancing LED. More so, it is important for the administrative wing to consider reviewing the municipal employment and recruitment strategy. For LED to be sustainable, it does not require only bottom-up approaches but top-down approaches as well, which encapsulate all role players. The core challenges facing the Greater Tubatse Municipality include the following:

- Implementation of the LED Policy and Strategy requires a mind-set shift within the Greater Tubatse Municipality and other municipalities

across the country to work both vertically and horizontally in cross-cutting manner.

- The centrality and strategic nature of LED in municipal work, in the regulatory processes, the implementation mechanisms and vehicles, needs to be acknowledged.
- In order to achieve LED the global view of the region, a focused approach to strategy and support for a completely new functional entity that attempts to bring together a small team of professionals with business analysis and business process transformation skills will be required to ensure that the responsibility of delivery of a core or basic services enable economic empowerment in society.
- Implementation of the LED Policy and Strategy requires bold political decisions to restructure the economy to ensure economic empowerment and transformation and to have government leading the process.
- Implementation of the LED Policy and Strategy is dependent on strong organization in society, within business, labour and the community, as implementation can only be achieved through a partnership where all contribute according to ability and to benefit according to need.
- Implementation of the LED Policy and Strategy can only be realized through effective inter-governmental relations, both at the technical and political levels.

4.8 Area of Further Research

The areas that require further investigation in the field of LED include the governance model of the Greater Tubatse Municipality. This goes the same way with the institutional arrangement and capacity. Lack of knowledge from the municipal officials in terms of the current debate on LED at regional and global levels impedes the municipality to move parallel with the global trend. Lack of transparency and accountability is another area that requires further investigations. In contrast, full understanding of LED by officials, without parallel understanding by the beneficiaries, defeats the main objectives. As long as those on whom the sustainability of LED makes an impact do not have

the necessary knowledge and understanding, such an LED is not pro-poor in nature and content. The Local Economic Development should be seen as a vehicle to relieve the disadvantaged and marginalised from the string and chains of poverty. LED is more than just human survival in any given population.

A need for policy coordination to support the municipality is a must. The government departments involved, such as Department of Trade and Industry, Department of Environmental Affairs, Department of Cooperative Governance, Department of Tourism, Traditional Affairs, Provincial Departments, National and Provincial Agencies, should work together in terms of policy direction for LED. So far, there is no level of engagement on LED processes. There is no way in which LED could deliver meaningfully without stakeholders' engagement. The understanding of local resources for LED is critical for the success. This goes the same direction with the understanding of the demographic needs within the municipality. The understanding of the municipality's riches in tangible and non-tangible resources could assist in uplifting LED within the municipal area. From a research perspective, the relevance of Integrated Development Planning should also be investigated. If the IDP does not cover a huge area of LED during the participatory process, then the IDP defeats the objectives of forward planning.

4.9 Summary

Chapter Four provides the findings and analysis of the study. The analysis has pointed out that poor service delivery and lack of infrastructure development are the binding/limiting constraints in the delivery of sustainable LED. Local Economic Development is the neglected area within the Greater Tubatse Municipality. This negligence has a huge impact and contributes to poverty within the Sekhukhune Region.

The former President, Mr Mbeki, declared the Greater Sekhukhune District Municipality as one of his Presidential Nodes. Government strategies such as Integrated Sustainable Rural Development Strategy and Urban Renewal Programme have been tried to improve the conditions of both poverty and

marginalisation but yet yielded poor results. If the state of affairs continues to look as it does they do, the Greater Tubatse Municipality must pull its socks to move progressively towards the advancement of Local Economic Development. The fact of the matter is, LED is not a stand-alone type of exercise; it requires a concerted effort of other stakeholders within the municipality. In the final analysis of Chapter Four, it is argued that the working together of different institutions could enhance the sustainability of LED. More so, LED would always be like a song that is in fashion where everyone sings it.

4.10 Conclusion

In conclusion, LED has been promoted for almost two decades in South Africa, and is seen as one of the modern concepts across the world hence some municipalities still struggling to find it very clear. According to the Development Bank of Southern Africa, (2000), LED is a process in which local governments and/or community-based groups manage their existing resources and enter into partnership arrangements with the private sector, or with each other, to create new jobs and stimulate economic activity in an economic area.

The Greater Tubatse Municipality is one of the fifth local municipalities in the Greater Sekhukhune District Municipality that is better-off as compared to the other four municipalities. For example, the population of the Greater Tubatse Municipality has grown from 280 000 in population to almost 500 000. Having said this, the municipality's main challenges in terms of the analysis is that, there is a challenge number one in the area of resource utilization. This goes the same way with the backlog in terms of infrastructure development that could assist in terms of uplifting LED. Over and above, the slow pace of service delivery impedes the Local Economic Development to be sustainable.

However, an immediate intervention is needed to save the municipality from the brink of economic decline. The private sector's contribution towards infrastructure development as well as job creation does not yield considerable results given the fact that such development does not cascade down to the

rural areas where LED plays a critical role. It requires the Grater Tubatse Municipality to intensify the battle against the total decline of LED in the sub-region by ensuring that the mining investments contribute meaningfully to the sustainability of LED. This is also a legislative requirement, in particular the (Mineral and Petroleum Resources Development Act No. 28 of 2002), that requires the mining companies to comply with Social and Labour Plan in which LED features mostly. The same law requires the Social and Labour Plan to be aligned with the municipal's IDP.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

Municipalities, which govern on a five-year term basis, run local affairs subject to national and provincial legislation, but the latter may not compromise or impede a municipality's right to exercise its powers or perform its functions. In line with the principles of co-operative government, Section 154 (1) of the South African Constitution, (1996), requires both the national and provincial government to support and strengthen municipalities' capacity to manage their own affairs. Furthermore, strengthening local government is the statutory provision/requirement of the South African Constitution, (1996) that legislation passed by the higher bodies (National Assembly) must be published before being introduced so as to allow local interests the opportunity to make representations.

The South African Local Government Association has a mandate to transform local government and to represent its interests at provincial and national level. Members of municipal councils are elected every five years on the basis of the relevant portion of the national common voters' roll.

Currently, South Africa has 284 municipalities, divided into three categories. Metropolitan municipalities, also known as Unicitys, have exclusive municipal executive and legislative authority in their areas. There are six of these, namely: Cape Town (Cape Town Uni-City), Durban (eThekweni Metropolitan), East Rand (Ekurhuleni Metropolitan), Johannesburg (City of Jo'burg), Pretoria (City of Tshwane Metropolitan) and Port Elizabeth (Nelson Mandela Metropole). They have a choice of two types of executive systems, namely: the mayoral executive system, and the collective executive committee. District and local councils are interdependent and involve a division of powers. A district council has a municipal executive and legislative authority over a large area, its primary responsibility being district-wide planning and capacity-building. Within a district council's area are individual local councils which share their municipal authority with the district council under which they fall.

5.2 Limitation of the study

All studies have limitations, therefore, it is far better for a researcher to identify and acknowledge the study's limitations than to have them pointed out by a supervisor or promoter. Acknowledgement of a study's limitations is an opportunity to make suggestions for further research. A study's limitations also provides some suggestions for further research, if possible, to explain the ways in which these unanswered questions may become more focused in the study.

While the acknowledgement of a study's limitations also provides a researcher with an opportunity to demonstrate to the supervisor/promoter that the researcher has thought critically about the research problem, understood the relevant literature published about it, and correctly assessed the methods chosen for studying the problem.

For this study, the limitation of the study includes represents the nature a first description and the size of the sampled population within the Greater Tubatse Municipality. The objective was to draw the attention of employees of the municipality that are working closely with the Local Economic Development Unit to provide recommendations towards the solution of this study. However, the latter objectives require a much detailed and task force-based study, which could only be done with the direct coordination of senior municipal employees.

This study is limited to the Greater Tubatse Municipality, which is a local municipality within the Greater Sekhukhune District Municipality in Limpopo Province. The sample size for the study (*“Impact of Service Delivery on Sustainable Local Economic Development (LED) Projects in Greater Tubatse Municipality, Limpopo Province”*) is particularly small. A small sample size has a greater probability that the observation just happened to be particularly good or bad. Therefore, it is harder to find significant relationships from the data, as

statistical tests normally require a larger sample size to justify that the effect did not just happen by chance alone.

It is noteworthy that any LED policy must acknowledge national realities and the globalised context. Some of the district municipalities and smaller (local) municipalities in South Africa have weak or declining economic bases with increasing numbers of unemployed and under-employed people, while many of the metropolitan areas have relatively prosperous economies that are connected to the global system (Hindson & Vicente-Hindson, (2005). Even though metropolitan areas are prosperous, there are sectors within the cities that are poor, such as townships and informal settlements, which are integral to the sprawling metropolis. Many municipalities still remain unclear about the meaning of Local Economic Development and how to implement it (Meyer-Stamer, (2002), in Rogerson, (2006).

Unemployment was acknowledged as the number one priority issue of local concern in most of the South African municipalities in an International Labour Organization investigation (International Labour Organization, 2002). Therefore, municipal actions facilitating creation of employment represent important options for poverty alleviation strategies. Nattrass, (2003) has noted that, in South Africa, LED cannot be attained without addressing HIV/AIDS and that HIV/AIDS cannot be addressed without poverty alleviation and employment creation. Over the past decade, retrenchments in the mining, manufacturing, and textile industries had dire consequences for its workers. Historically, mining sector was a dominant industry in the country. For example, the level of employment in the mining industry declined from 19% of total employment in the Free State in 1990, to 9.5% in 2002 (Davis, (2006). More than 50 000 workers lost their jobs in the Free State Goldfields (Nel, et al., (2004), in Davis, (2006).

The manufacturing industry declined in the Free State because of its proximity to Gauteng, low levels of skill, and the decline of the agricultural and mining sectors. All these all have impact on out-migration of the population. In the Northern Cape, De Beers has decided to close the only two diamond mines that provide employment for many people in Kimberley. The textile industry

has lost many workers because of increasing global competition. Johannesburg was considered to be the third largest geographical area for formal clothing manufacturing often preceded by the Western Cape and Durban. The reasons advanced for the decline in formal employment and closure of formal clothing factories in Johannesburg are low productivity, a concentration of Johannesburg producers on the lower-income end of the clothing market, which is particularly sensitive to competition from imports, and a reluctance by clothing enterprises to undertake dynamic adjustments that might contribute to enhanced competition Rogerson, (2003).

The above- mentioned statistics in the mining sector affected the growth of Local Economic Development in which the impact is felt at local level (municipalities). Thus, the Greater Tlhatse Municipality is not exempted from these national and international catastrophes. Large numbers of workers have been retrenched, casualised and/or forced into the informal economy, thus leading to a further expansion of the marginalized sectors (Ballard, et al., 2005). Three hundred thousand (300 000) clothing workers were employed in 1996, and by 2005, they had decreased to 185 000 workers Brown & Mde, (2005).

The share of formal sector employment is decreasing. In 1995, 50% of GDP comprised the wage economy; the wage share declined relative to the profit share to 45% in 2005 Adelzadeh, (2006). Improving the delivery of infrastructural services to poor communities is an important LED role in support of poverty alleviation. Rogerson, (2003) observes that a major step towards expanding the asset base of the poor is to enhance their limited access to the range of municipal services, which would generally include water supply, sanitation, refuse removal, drainage, flood protection, local roads, public transport, street lighting and traffic management.

There are many people leaving the rural areas for the urban centres within the hope of obtaining employment. Many of them do not have the skills for the jobs in the urban areas. At the same time, many migrants, both skilled and unskilled, from Sub-Saharan countries are moving into South Africa within the hope of securing employment. Improving the delivery of infrastructural

services to poor communities is an important LED role in support of poverty alleviation. Many projects focus on economic governance and enterprise development, whereas none of them primarily works on workforce development, such as employment opportunities, information sharing and youth vocational training. This is a field in which a thematic study can be done on one of the focus areas that might be interesting.

5.3 Summary

International experience has demonstrated that local authorities can play a pivotal role in LED initiatives for poverty alleviation. Municipalities are strategically placed to undertake local long-term planning in the arena of poverty alleviation, particularly as it relates to relationships with Non-Governmental Organizations, Community-Based Organizations, and the private sector Pieterse, (2000). Through their Integrated Development Programmes (IDPs), the municipalities could use that platform to communicate with the communities effectively so as to advance their needs.

- The South Africa's acceptance of South Africa into the international arena as a key player in the global economy, strategically encouraging investments into the country, promoting the role of the private sector and reducing the role of the state, which are all significant strategies to ensure macro-economic stability, and facilitate LED initiatives. In this regard, the state must play a facilitating and coordinating role. Along this, the national government has provided a range of programmes that will facilitate LED endeavours with a more pro-poor focus. These include the following (Rogerson, (2006): Local Economic Development Fund (European Funds), was established in 1999 to provide support for poverty relief schemes.
- The Expanded Public Works Programme (EPWP), which is a nation wide programme aimed at utilising labour intensive methods to upgrade rural infrastructure and absorb significant numbers of unemployed into productive employment, even if for a temporary period. The national government's Urban Renewal Programme, which

focuses mainly on issues of urban regeneration and targeted support for township areas, e.g., Alexandra and Mdantsane.

- The Integrated Sustainable Rural Development Strategy (ISRDS) that which aims to build on existing support programmes through a well-coordinated bottom-up approach rather than top-down approach to rural Local Economic Development.

According to the Development Bank of Southern Africa (, 2005), the EPWP was created with the purpose of job creation, infrastructure development and service delivery, training and skills transfer. Therefore, in the IDP, LED interventions there should make mention of the EPWP programme in passing and the other programmes identified above. Since the inception of the programme, 300 000 jobs have been created, mostly for women and in the rural areas (Budget Speech, 2007). The idea of EPWP is to improve unemployed people's prospects by creating learnerships, life skills and on-the-job training. All these, among other infrastructure developments, are the enablers for LED to take place. The development of social capital requires investments in programmes that mobilise local people around a variety of local development initiatives.

External investments in new enterprises should be made with the cooperation and support of local people. Micro-enterprises should be supported, and local people should be encouraged to be patrons to local businesses. Development must be accompanied by redistribution through social investments in key social sectors that can make a significant contribution to human and social capital formation, and improve the human development status of the majority of the population (Patel, 2005). In order to strengthen the asset base of poor communities through LED measures, a number of broad intervention areas are identified (Rogerson, (1999) in Rogerson, (2003).

5.4 Conclusion

This research study explores the Local Economic Development within the Greater Tubatse Municipality and the contribution it can bring to the

community of the municipality. The challenges facing LED in this municipality is that this aspect is not taken seriously for economic development as well as social upliftment of the poor and marginalised. Given the potential the Greater Tubatse Municipality has in terms of huge business investments, this could make lives of the municipal community to be off-the-hook from the chains of poverty. For the Greater Tubatse Municipality, this could be the easy way of growing the LED as. The municipality starts by aligning LED strategies with those that of the provincial and national in order to harmonize them. For example, the Department of Trade and Industry and the Department of Cooperative Governance have a dedicated units on LED. (The Department of Trade and Industry has Regional Industrial Development Strategy in which LED is outlined in details as well as the Department of Cooperative Governance's robust LED in which policy thresholds for municipalities are clearly spelled out).

Important also is the implementation of the Mining Charter's Social and Labour Plan since the plan recognizes the role of LED and its impact on job creation, poverty alleviation and sustainable development. This Mining Charter is a legislative requirement and is clearly spelled-out on the Mineral and Petroleum Resources Development Act 28 of 1998. It calls for the mining companies to align their IDP with the Social and Labour Plan.

The mines could use the same opportunity to exchange their skills in terms of implementing LED with that of the mines' LED specialists. The GTM and other municipalities should find a way of moving away from their recruitment strategy (deployment) of comrades, friends that finally compromise the whole issue of service delivery. The role of provincial sphere in terms of supporting municipalities is minimal but does yield considerable results. The role of the provinces is clearly stipulated, namely: that is, to provide capacity building to the municipalities. However, today the support is insignificant.

GTM should also, at their own strategic retreat, think about reviewing their organo-gram. The analysis shows that the organo-gram is limping in such a way that this LED is looked at within the context of gardening projects and thus divorcing it from the context of business development. Hence, there are

no LED activities that are taking place at the GTM despite such a huge mining investments. Overall, the municipality must create an environment for investors to invest in the areas of LED.

These could be in the areas that could bring incentives and confidence to the investors by providing a sustainable infrastructure, crime- free environment and position the municipality as a tourism destination, which are some of the aspects that could grow an LED. The question of skills within the municipality, in particular in the area of LED, is going the same direction with that of the recruitment strategy. Unless proper measures are put in place, the challenges would be the same and stay forever.

LED is concerned with the creation of an environment that will engage stakeholders in implementing strategies and programmes. This perspective has to be aligned with the country's macro-economic strategy that focused on re-entering the global market, providing a climate which is amenable to international investments, enhancing the role of the private sector, and reducing the role of the state participation and limiting it to that of a facilitator (Development Bank of Southern Africa, 2000).

Therefore, larger and particularly smaller municipalities do require support in terms of knowledge, skills and being able to integrate their resources to create the enabling environment for entrepreneurs, micro-enterprises and livelihood support. Beverley and Sherraden, (1997) have argued that investments in basic needs and human capital will yield positive social returns in the form of increased participation, connectedness and social stability, whilst economic returns yield increased productivity, economic growth, and reduced income and asset inequality. These social programmes focus on material needs; invest in what Amartya Sen, (1999) refers to as human capabilities; and promote participation and social inclusion in the economy and society within the municipalities.

The ultimate goal of social welfare is to improve the well-being and quality of life of a society, particularly of poor and marginalised people in South Africa. When social goals are combined with economic objectives whereby there is

investment in human capital, the well-being of all individuals in society can be achieved. As Ife, (2000) comments, “[n]o longer can we think globally, act locally, but rather it has become necessary to think and act at both local and global levels, and to link the two”.

APPENDICES

APPENDIX A: QUESTIONNAIRE

IMPACT OF SERVICE DELIVERY ON SUSTAINABLE LOCAL ECONOMIC DEVELOPMENT (LED) PROJECTS IN GREATER TUBATSE MUNICIPALITY, LIMPOPO PROVINCE

This is a fact – finding study with the aim of establishing and uncovers the challenges facing service delivery that impact on sustainable Local Economic Development (LED). The information to be collected is required to design strategies which will unlock the underlying constrains in order to promote sustainable Local Economic Development.

Any information provided in this questionnaire will be treated as confidential.

1. DEMOGRAPHIC PROFILE

Administration Section

Name of respondent-----

Date of interview-----

Questionnaire number-----

Interviewer's name-----

1 How old are you?

- (a) 14-21 years
- (b) 22-45 years
- (c) 46-55 years
- (d) 56-60 years
- (e) 60 and more

2

3 What is your gender status? Male Female

4

5 Any physical disability? Yes No

6

7 What is your highest level of education/training?

- (a) No schooling
- (b) Primary level
- (c) Secondary level

- (d) Vocational training
- (e) College level
- (f) University level

8 What is your marital status?

- (a) Married
- (b) Single
- (c)Widow/widower
- (d) Divorced

9 How many children do you have? _____

10

11 How many of your relatives apart from your children do you support? _____

2. LOCAL ECONOMIC DEVELOPMENT

1 What are the possible constraints facing the growth of the Local Economic Development (LED) in the municipality?

- (a) Financial resource constraints
- (b) Human resource constraints
- (c) Legislative constraints
- (d) Organizational capacity constraints
- (e) Sectoral support constraints
- (f) Any other constraints

2 Which measures have you been put in place to deal with this LED challenges?

3 What is the role of the following institutions in supporting your municipality in the area of LED?

Institution	Funding	Skills	Capacity	Land	Any other resources
National Departments					
Provincial Departments					
Civil Society, NGOs, CBOs & FBOs					
Traditional Leaders					
Business Sector					
Foreign Agencies					

- 4 Read the following and indicate your response as well as stating whether **you, agree, disagree, not quite sure or don't know.**

Statement (s)	Agree	Disagree	Not quite sure	Don't know
Is slow service delivery impact on the sustainable LED in the municipality?	1	2	3	4
Is the budget allocated for LED enough to bring some changes or improvement?	1	2	3	
Do you think lack of infrastructure could hamper the sustainability of LED?	1	2	3	4
Do you agree that the quality of service delivery and infrastructure could attract the business sector investment in the municipality?	1	2	3	4
Is the staff complement in the LED Unit enough to deliver on sustainable LED?	1	2	3	4
How often do you appraise the achievement brought about by the LED?	1	2	3	4
Is your Service Delivery Budget Implementation Plan (SDBIP) deliver on its mandate?	1	2	3	4
Is there any alignment of activities between LED and IDP?	1	2	3	4
Is your LED focusing on the needs of the residents of GTM?	1	2	3	4
Is an LED address the challenges facing economic growth within Burgersfort?	1	2	3	4

How do you communicate with the municipal stakeholders on the LED related issues in the municipality?

Communication	Agree	Disagree	Not quite sure	I don't know	Others
Municipal News Letter	1	2	3	4	5
Local News Paper	1	2	3	4	5
The Mayoral Imbizo	1	2	3	4	5
Ward Community Meetings	1	2	3	4	5
Community	1	2	3	4	5

Development Workers					
In the form of a council meetings	1	2	3	4	5
Through IDP preparation process	1	2	3	4	5
Stakeholder consultation meetings	1	2	3	4	5
Local Economic Development forums	1	2	3	4	5
Local Radio Stations	1	2	3	4	5

5 Which LED Projects do you have in the Greater Tubatse Municipality and what impact and support do they have on the community?

LED Projects in GTM	Capacity Building Y/N	Training Provided Y/N	Financial Support Y/N	Skills Transfer Y/N
Gardening Projects				
Brick Making				
Poultry Projects				
Sewing Projects				
Piggery Projects				
Dairy Projects				
Fishery Projects				
Tourism Projects				
Bakery Projects				
Car Wash Projects				
Nursery Projects				
Carpentry Projects				
Recycling Projects				
Chemical Projects				

6 How does the Greater Tubatse Municipality LED Unit support the projects within the municipality?

LED Unit	Yes	No	Partly	Not at all
Monitoring & Evaluation				
Provide financial Report				
Skills and capacity				
Training stakeholders & Beneficiaries				

7 What is the LED status sustainable or unsustainable in your municipality?

9 If sustainable how many businesses invested in the municipalities?

30. How many jobs created as well as skills transfer for sustainable?

31. What are the current challenges facing the sustainability of the LED in totality?

3. SERVICE DELIVERY

1 In which area of service delivery lags behind that could impact on the sustainable LED? Please use an **X** to tick on the block where service delivery lacks.

Service	Lags	Doesn't
Storm Water		
Water		
Sanitation		
Electricity		
Roads		
Waste Management		
Financial Constraints		

2 Do you have projects that need the above mentioned services to be sustainable?

Y	N
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3 Which services are you specifically referring to? List them.

4 What is the municipality doing to provide these services and infrastructure for sustainability?

5

6 Do you have necessary resources to deliver on these services for the sustainability of LED?

Y	N
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7

8 What do you do to unblock the bottlenecks as your major constraints?

9 Do you have necessary capacity to address the current challenges?

Resources:

Resources	Yes	No	Not sure
Human resources			
Financial resources			
Technological resources			
Infrastructure capacity			
Any other reason			

3.8 Do you have necessary skills to address the current challenges?

Resources	Yes	No	Don't know
Human resources Skills			
Financial resources Skills			

Technological Skills			
Infrastructure delivery Skills			
Any other reason			

If the answer above is no, which plans do you have in place to deliver on that?

10

11 Is your current Integrate Development Plan intended to focus on these services?

Y	N
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12 Which measures do you have in place to address these challenges?

Thank you very much. It's highly appreciated

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