



## A CASE STUDY OF LOCAL GOVERNMENT IMPLEMENTATION OF THE WARD BASED LOCAL ECONOMIC DEVELOPMENT (LED) PROGRAM

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### ABSTRACT

#### Article History

Received: 9 January 2018

Revised: 16 April 2018

Accepted: 20 April 2018

Published: 25 April 2018

#### Keywords

Local government  
Economic development  
Local government systems  
Ward based programs  
Democracy  
Rural settlements

#### JEL Classification:

Urban, Rural, Regional, Real  
estate, Transportation economics.

The local economic development (LED) had been in existence prior to the advent of democracy in 1994 government. At that time there was a strong focus on the agricultural sector. The apartheid government at that time fully supported the LED initiatives but not all citizens of South Africa benefited from that support. The Acts and policies of the apartheid government such as the Group Areas Act forced black people to move out of places with resources and placed them into areas with poor resources. After 1994 the South African government adopted LED as a strategy to deal with the disparities of the past such as poverty, unemployment, and poor standards of living. Several strategies were put into place to overcome the challenges that was as a result of the apartheid past. The Zululand district with similar intention of the post-apartheid government embarked on initiating the ward based LED program to deal with the consequences of the past. The status quo report of the Zululand district still identified high levels of poverty and unemployment and a slow growth in the local economy as a major concern. This study aimed to investigate the ward based LED program in order to establish if the program has made the achievement towards its objectives and also to establish what challenges are encountered by the local government in the implementation of the program. The study used a qualitative research method which was conducted with the adoption of one on -one interview as a tool for data collection. The researcher prepared an interview schedule of open ended questions to allow the liberty and a flexible expression of perceptions, experiences and understanding of participants on the phenomenon under investigation.

**Contribution/Originality:** This study contributes to the existing literature of Local Economic Development (LED) in South Africa which uses ward base as a starting point. This study uses, an exploratory research approach which adopted a phenomenological (qualitative) paradigm. The study found that while the LED ward based program is a great initiative with very good intentions, the municipalities have to do some improvements in order to achieve the objectives of the program.

## 1. INTRODUCTION

In South Africa Local Economic Development (LED) was characterized by the local government systems that were not similar as a result of social and institutional separations under the Group Areas Act before 1994. The post 1994 government had to transform local government systems and shape LED to advantage the underprivileged people. This gave rise to the development of LED as a strategy that has to be implemented by local

government. In a similar vein the Zululand district ward based LED program was implemented as an initiative that deals with social and economic issues within the community.

Zululand district is one of the regions that were affected by the apartheid era which gave rise to the district being deprived of investment and services by the then government and this caused the district to remain poor with limited or no development. This district is mostly characterized by small rural settlements. Zululand can be said to have joint ownership with 50 % of the district under the leadership of traditional authorities while the remaining half is owned privately by commercial farmers (South African Local Government Association, n.d).

The Zululand District Municipality (ZDM) is made up of five local municipalities. The local municipalities are as follows: Pongola, Nongoma, Ulundi, Abaqulusi and Dumbe. This study will investigate the implementation of the ward based LED program as the program that aims to improve the LED in Zululand district. It will identify the successes and the challenges in the implementation of the program that could impact on the effective development of the local economy within the district.

## 2. LITERATURE REVIEW

The LED strategies are realized by implementation of projects/programs by organisations (Ataaji, 2007). Heizer and Render (2011) asserts that the strategy for the organization begins with the development of the mission. The mission defines why the organization exists, and also what is the contribution that it is going to make to the society.

### 2.1. LED Background in South Africa

The apartheid era created poverty trends among the under-privileged group in South Africa. As a result the democratic government had to focus its attention on poverty reduction strategies and attempt to narrow inequalities (May, 2010).

The democratic government introduced programs in dealing with poverty reduction. The initial program was the Reconstruction and Development Program (RDP) developed in 1994. This program attended to the issues of shelter, sanitation and education. Subsequent to that in 1996, the Growth Employment and Redistribution (GEAR) was introduced. This program aimed at improving investor confidence, economic adjustment and improved revenue collection. Furthermore, an Accelerated and Shared Growth Initiative -South Africa (ASGISA) was introduced (May, 2010). The Presidency RSA (2008) illustrates that this program aimed to achieve shared synergies of economic growth by eliminating poverty, improving the environment, creating job opportunities and promoting sustainable business expansion.

### 2.2. Decentralization

The Constitution of the Republic of South Africa (RSA) of 1996 emphasized the collaborative governance systems between the three spheres of the government as well as interrelations. The Constitution mandated the decentralization of responsibility and delegated administrative powers to the local government (May, 2010). Patterson (2008) describes the White Paper on Local Government (1998) which introduced a model for Local Government to be adopted in LED. That model was perceived as a “developmental local government”, whereby the local government was expected to work in partnership with the local community in order to establish initiatives that may exist for a longer period in order to fulfil economic, social, and material necessities. However, the White Paper emphasized that the local government does not have to take a direct role in the creation of jobs but it should be actively involved in ensuring that the local condition (social and economic) is conducive and attractive for local investment and promotion of job creation (Patterson, 2008).

Decentralization envisages the link between poverty and the local government (Labao and Kraybill, 2009). As a result, the policies and strategies designed to deal with poverty reduction are all embedded in decentralization

(May, 2010). The issues of democracy, public administration and good governance are enclosed in the philosophy of decentralization (Pradeep, 2011).

Pradeep (2011) mentions that there is a variety of advantages associated with decentralization. Some of the advantages include the following;

- Breaking down of compound “administrative procedures” and fast-tracking of decision making processes that were locked by the central government.
- The community needs and the situations at a local level are easily identified by the local government officials.
- It permits a major diversified political representation in the process of decision making.

Labao and Kraybill (2009) also identify the positive aspects of decentralization. They point out that decentralization allows;

- The provision of a mixture of services to the public.
- When goods and services are provided to the public at a local level, the administration costs are minimized.

The local government is able to apply its creativity and innovation in the process of service delivery. As a result, the local government may compete with each other in this regard and that promotes a good competition.

### 2.3. LED as a Strategy

The slight growth of the economy and unemployment in South Africa has envisaged LED as a strategy (Rogerson, 2010). When defining LED other authors view it as an approach and some defines it as a process or a concept however, there is a consensus on how they perceive LED. Ende and Kruger (2006) defines LED as an “approach by which local people continuously work together and with external stakeholders to achieve sustainable economic growth and development that brings an improved quality of life for all in a defined area.”

According to Haller (2012) economic growth is the “process of increasing the sizes of national economies, the macro-economic indications especially the GDP per capita, in an ascendant but not necessarily linear direction, with positive effects on the economic-social sector”.

In South Africa LED has developed as a strategy due to high rates of poverty and slow economic growth. It was adopted as a shift from central development policies which were unable to intervene at a local level and implement initiatives (Rodrigueze-Pose and Tijnstra, 2009). LED enables the local government to maintain and control its resources. It establishes partnerships with potential stakeholders and strives towards job creation and stimulation of economic actions at a local area (Triegaardt, 2007). LED is a strategy that has a merging effect of the two aspects namely, economic and social aspects that are hardly recognized by previous strategies (Rodrigueze-Pose and Tijnstra, 2009).

The local government has to plan its LED initiatives that are in line with the national objectives and it should be guided by national policies. Rodrigueze-Pose and Tijnstra (2009) acknowledges the role of national policies in LED, however they argue that the policies may not cater for issues of certain regions and that may have limitations in the implementation of LED in those regions.

### 2.4. The View on LED Practice by the Local Government

The National Framework for LED was developed in 2003. The framework further diverted its advocacy in 2006. The aim of the amendment of the LED National Framework was to redirect and lead the local government on the LED policy (Mahlawe, 2010). The framework discouraged government reliance and realized that municipalities should not take a lead in direct job creation but rather facilitate and strive to create a conducive environment for job creation (Patterson, 2008). Rogerson (2010) is of the view that the “LED National Framework of 2006, provides a vision for creating a robust and inclusive local economies, exploiting local opportunities, real

potential and competitive advantages, addressing local needs and contributing to national development opportunities”.

Crane and Swilling (2007) argues that the local government has failed to maintain sustainability in LED, they suggest that LED should be geared towards Sustainable Local Economic Development (SLED). Rogerson (2010) also observes a gap in LED practice between the large and small towns. But they argue that this gap is a result of the apartheid era which brought disparities in local areas in terms of infrastructure, taxes, capacity and resources. This has driven smaller municipalities to pay attention to urgent basic needs and channel the project based approach.

A shift towards the LED approach as per 2006 LED National Framework required local government to develop Integrated Development Plan (IDP) that encompasses LED strategy (The Knysna Weekly, 2015). The shift to the LED model was deemed a necessity because several interventions were applied but never reached the ultimatum goal. Patterson (2008) identified the Local Economic Development Fund (LEDF) that was launched in 1999 by the Department of Provincial and Local Government (DPLG) as a strategy for dealing with poverty. He explained that the funding was channeled through municipalities to support high impact projects with higher level of sustainability such as “business facilities, promotion of Agri-industry, tourism initiatives and human resource development programs”. The results of the funding support did not meet the anticipated goal of LED but it leads to the development of minor projects with low level of sustainability.

Mahlawe (2010) argues that even though the shift recommended the IDP framework towards LED, most LED plans within the 2008 IDPs for smaller local governments were mainly project based. He makes a point that there is “no real central and effective oversight of the content of IDPs. It is not always clear to many local authorities exactly what their planning priorities should be”. According to Local Government Budgets and Expenditure Review (2011) IDP is a devise for planning that should be utilized by the local government. Municipalities are expected to develop a five year plan that spells out “the priorities, the budgets, capital investments and the actual delivery of services. The IDP should be approved by the municipal council in the first year following the election and then be updated annually”.

Rogerson (2010) establishes that the lack of integration and connections between the local government and the private sector sets limitation to the understanding of what the responsibility of the local government entails. This misunderstanding resulted in the misinterpretation of its role, the local government ends up “adopting ad-hoc project based approach” instead of facilitating the LED. CAGE (2007) illustrate that the Guidelines for implementing Local Economic Development well presents the concept of the LED but it does not specify clearly for municipalities of what LED should be, as a result the LED is prone to be pronounced as “everything and anything”.

Patterson (2008) is of the view that poor capacity within the municipalities also contributed to the failures of the model of LED, for example with the LEDF municipalities supported businesses with poor potential of sustainability and also businesses that were not well researched for establishment of viability. Municipalities overlooked the importance of consultation with the recipients of the service therefore, this resulted in a low sense of ownership and commitment to the recipients.

Mahlawe (2010) acknowledge the issues discussed above as the factors that cripple the attainment of LED. The LED framework illustrates that LED is an important strategy for poverty alleviation and disparities in South Africa. LED cannot prosper if its current challenges and major concerns are not being addressed.

## 2.5. The Major Challenges to LED in South Africa

The key challenges to LED are identified by Mahlawe (2010) as follows;

- There are different opinions about “LED roles and practices”
- There is an inclining difference in “LED practice and processes” between “urban and rural” municipalities.
- The lack of integration or relations “between provinces, districts and local municipalities”.

- The limitations in the practice of “spatial planning by local municipalities”.
- Failure to establish and maintain LED connections in most municipalities.
- The lack of a clear definition of “LED strategy within the IDP wider process by the rest of local municipalities”.
- Insufficient “planning resources and capacity”.

Mahlawe (2010) emphasize that the challenges to LED have to be overcome in order to improve the LED status. SALGA identifies itself as the one that has to play a role in dealing with these issues.

The LGBER (2011) states that the allocation of the responsibility to the municipalities to execute the function bear the costs directly to “the local government fiscal framework”. This framework is set to provide funding support to all the units within the municipality and it should give adequate resources to the municipalities to execute their functions. Triegaardt (2007) argues that although the Constitution of the Republic of South Africa (1996) emphasizes a greater facilitation role of LED by the municipalities, the functions of the municipalities identified on the constitutional schedule excludes LED. Thus, LED remains an unfunded mandate for the municipalities.

## 2.6. Sources of the Municipal Funding

Patterson (2008) mentions that municipalities do not have a stable source of funding to implement LED functions but it depends on the funding support from the upper level of the government. It should also facilitate the collection of levies and taxes from the community who benefits from the municipal services.

The LGBER (2011) made reference to the Constitution of the RSA 227 (2) where it clarified how the “provincial and local government sources its funding”.

1(a) It states that “Local government and each province is entitled to equitable share of revenue raised nationally to enable it to provide basic services and perform the functions allocated to it”.

1(b) The “local government and each province may receive other allocations from national government revenue, either conditionally or unconditionally”.

2 “Additional revenue raised by provinces or municipalities may not be deducted from their share of revenue raised nationally or from other allocations made to them out of national government revenue. Equally, there is no obligation on the national government to compensate provinces or municipalities that do not raise revenue commensurate with their fiscal capacity and tax base”.

Patterson (2008) points out that the smaller municipalities does not have significant funds that exist at a local level and they often lack capabilities to spearhead the LED practices without depending to other stakeholders for funding. Environmental Affairs and Development Planning- Western Cape Government (2013) spells out that there are different funding institutions mandated to provide grants, loans to support the functions of the municipalities including “infrastructure and services”. The problem may be that municipalities are not knowledgeable about these institutions or they don’t have competencies to draw these funds to cater for their needs. Due to these reasons they identified different funding institutions and prepared a document that provides the funding criteria and the type of funding. This was done to capacitate and empower municipalities to be able to access available funds that they require to put their functions into action.

## 2.7. LED Phases

Trah (2006) establishes that LED has revolved over three phases. The first phase of LED was based on external investment, reduced costs of service and tax based. These were LED initiatives of the traditional government which created complications of poverty and inequalities.

The second phase was more focused on encouraging competitiveness of existing firms, promotion of entrepreneurship and business start-ups (Trah, 2006).

The LED Guidelines to Institutional Arrangements (2000) and the Draft LED Policy (2002) promoted an LED approach which was said to be more community based. It emphasized a focus on pro-poor and it aimed at underprivileged people, small towns and regions. This resulted to the born of LEDF in 1999 by the DPLG. The municipalities had to support local based projects through this fund.

The third phase is focused on the creation of a conducive environment by the local government, collaboration, provision of competitive local business environment, skills development within employees, encouraging internal investment and improved livelihoods (Patterson, 2008). CAGE (2007) emphasize that municipalities should pay attention on establishing and strengthening relations with other relevant stakeholders but they don't have to essentially implement programs.

### 2.8. The Ward Based LED Program

This program is implemented by most of the local municipalities as well as the district municipality in Zululand. The municipalities try to close the gaps that developed from the former government through this program. As pointed out by Pretorius and Schurink (2007) disparities in socio- economic environment that was developed by the former government demanded the post government to set the priorities of the local government responsibility. The local government had to turn its resources to a meaningful tool for dealing with poverty and poor development. Rodrigueze-Pose and Tijmstra (2009) illustrates that the main objective of LED strategies are based on the promotion of economic growth but it also have ultimate goals of poverty alleviation and consideration of the previously disadvantaged communities both economically and socially.

The ward based LED program aimed at promoting local economic development using ward base as a starting point. The municipalities in Zululand targeted Coops as beneficiaries of this program. Majee and Hoyt (2011) states that the International Cooperative Alliance (ICA) defines Coops as "autonomous associations of persons united voluntarily to meet their common economic, social and cultural, needs and cultural needs and aspirations through jointly-owned and democratically controlled enterprise". They further point out that Coops have a potential to create wealth in local areas and that wealth revolves around the local economy and toughens the businesses that are already in existence. As a result the entire community seems to get advantage.

The municipalities in Zululand district decided to support Coops at a local level with the powers vested in them to drive LED. As discussed earlier, Coops are regarded as a vehicle towards LED, they have a potential to make a major contribution to the country's GDP. However, it is argued that Coops may not be able to achieve optimum results without the support from its own government (Department of Trade and Industry, 2011).

Municipalities in Zululand initiated a program that will be channeled through Coops. Rogerson and Rogerson (2010) illustrates that the LED Framework (2006) stresses that LED initiatives should promote the

- "Inward investment, the SMME's development,
- Investment facilitation, encouraging local business,
- Improving local business investment climate,
- Institutional development, improving skills and training,
- Investment in business sites and premises and cluster upgrading".

Pretorius and Schurink (2007) believe that the developmental initiatives taken by the local government should create an optimistic impact to the community. It is important to monitor the service delivered to the community. To monitor service delivery and to manage the program requires good leadership and effective administration. All citizens in South Africa are entitled to receive an efficient service that can also be easy to be accessed.

While it is noted that Coops have been adopted as a model for dealing with poverty and enhancement of local economic development in South Africa, certain drawbacks have been acknowledged.

## 2.9. The Challenges of Cooperatives

The DTI (2011) identifies the lack of knowledge from members on how Coops should be governed, massive untrustworthy and lower interconnections, and failure to work hand in hand with other Coops, as well as the lack of skills in practicing the majority rule and decision making. The research conducted by the DTI (2009) identifies a variation of the approach towards the establishment of Coops in countries. In the developed countries Coops developed from the lowermost by communities and community organizations driven by poverty and insufficient job situations.

Coops business has a potential to improve local economic development as alluded in the literature. The Zululand district also trusts that their LED initiatives should involve Coops as a model that is determined by the South African government. In this regard the question is, does the ward based LED program make successes on achieving its objectives if not what are the challenges and how can it be improved.

## 2.10. Program Monitoring and Evaluation

To establish whether the program has a positive impact or not, evaluation and monitoring is crucial. The American Psychological Association (2011) stresses that it is important to evaluate the program in order to establish its success. Evaluation determines if the program responds to a problematic situation, and identifies strengths and weaknesses involved in a program so that improvements to the program can be made.

Otieno (n.d) defines evaluation as “ a process which determines as systematically and as objectively as possible the relevance, effectiveness, efficiency, sustainability and impact of activities in the light of a project/program performance focusing on the analysis of the progress made towards the achievement of the stated objectives”. This definition connotes similarity with that of International Federation on Red Cross and Red Crescent Societies (2011) where it defines it “as systematic and objective as possible, of an on-going or completed project, program, policy, its design, implementation and results”.

The United Nation Developmental Program (2009) emphasizes that to improve the value of the program, it is important to have a decent “planning, monitoring and evaluation”.

The first step in the establishment of the project or program measurement. The project/program is measured in order to determine the results that the initiative had to the people, the institution or any given environment (Big Lottery Fund, n.d). Projects/programs are implemented in order to attend a problem or to improve a particular condition diagnosed. Therefore measuring the impact considers the actions taken in order to “evaluate and report on the social changes generated” (So and Staskevicius, 2015). The BLF (n.d) defines impact measurement as “the process of trying to find out what effect an intervention is having” as per set objectives of the program/project.

The South African instability in economic growth has an adverse challenge to the life of the citizens. Numerous programs were implemented by the democratic government in dealing with poverty however, the problem seems to persist. An economic growth was achieved in some years but a decline has been noted and this worsens the cases of poverty, unemployment in South Africa.

The background of LED explains that in South Africa LED has been challenged through the apartheid government which based its approach on disadvantaging other racial groups (blacks). As a result the democratic government had to turn around the LED approach to close those gaps therefore, it evolved over phases.

The latest phase of LED seemed prominent but still the local government in small towns is channeling it's LED to be project based. This is done to respond to the disparities created during the apartheid era. The Zululand District developed the ward based LED program in dealing with social and economic challenges.

Over and above, any developmental initiatives including programs or projects implemented in order to deal with the identified situation have to be monitored, evaluated in order to establish if they are making the impact that is set to be achieved through those initiatives.

## **2.11. Research Methodology**

### **2.11.1. The Research Design**

In this study, an exploratory research approach was used because the purpose of the study was to explore the research area and look at how ward based LED program is implemented and establishes its successes and challenges.

### **2.12. The Research Philosophy**

In this research study, a phenomenological (qualitative) paradigm was adopted. The phenomenological paradigm was preferred because the researcher aimed to gain qualitative information with in-depth perspectives and experiences. The researcher aimed to allow open ended views and not to confine the participants into one answer. Henning *et al.* (2013) explains that qualitative research does not bound the information from the participants through a designed instrument but it allows the participant the freedom of expressing their understanding and a detailed explanation of the information to be captured.

### **2.13. The Phenomenological Strategies**

In this research, interviews were used as a phenomenological strategy. The interviews were conducted on one-on-one basis. The researcher aimed to gain in-depth knowledge and explored the phenomena under investigation from the participants. One-on-one interviews assisted the researcher to create an environment that was conducive to conducting the interviews (Quinlan *et al.*, 2015).

### **2.14. Target population**

The target population for this study included municipal officials and Coops who have benefitted from the ward based LED program. The target population for officials was 10 including Planning and Development directors, LED managers and LED officials. The sample size for study was made up of 9 participants as follows: LED officers- 3, LED managers-3 and entrepreneurs- 3.

### **2.15. Sampling**

In this study, a non- probability sampling was used because there was a pre-determined knowledge of the participants of the target population which is the LED unit within the municipalities. The purposive/judgmental sampling was adopted because the sample was selected on the bases of the researcher's knowledge of the population driven by the aims and nature of the study (Latham, 2007).

### **2.16. The Research Instrument**

In this study, a researcher adopted interview as a tool for data collection. The interview was orientated on semi- unstructured interview adopting the open-ended questions. The researcher wanted to allow the participants to give information openly and obtain a freedom to express themselves of their thoughts, knowledge and experiences.

### **2.17. Pilot Study**

The pilot study was conducted through identification of two participants. One participant was from the municipality and one from a Coop. The researcher interviewed the participants, during the interview the researcher assessed and evaluated the process and found it to be effective.

### **2.18. Administration of Questionnaires**

The questions were delivered to participants personally during the face to face interview process.

### 2.19. Data Analysis

In this research, the thematic analysis approach was adopted. Ellison (2010) describes thematic analyses as the process of segmentation,

The collected information was transcribed; the data was subdivided and classified into themes. The key concepts that seemed to provide insight towards the interview questions were identified from each transcribed interview. Thereafter the data was displayed graphically for full understanding and drawing of conclusions.

Thematic analysis enabled the researcher to sort the data, discard unwanted information and then organize relevant information. This process assisted the researcher to be able to reduce the data, develop the inter-links between the varied parts of the data and to arrange the opinions and concepts for better understanding of the data and interpretation (Ibrahim, 2012).

## 3. RESULTS AND DISCUSSION AND INTERPRETATION

### 3.1. Data Presentation

The interview was categorized into two parts. The first part was directed to LED officials and that includes LED officers and LED managers within the municipalities. The second part was directed to the beneficiaries (entrepreneurs) of the LED ward based program.

(A) Part one of the interview- LED officials

The target population for the study was 10 officials. The sample size was made up of 6 officials and they all responded, therefore the response rate was 100%.

The table hereunder presents the target population within the LED unit indicating the number of officials within municipalities that participated to the study.

Table-1. Illustration of the target population for officials

Name of Municipality	Number of officials
Pongola	2
Nongoma	3
Ulundi	2
Zululand District	3
<b>Total</b>	<b>10</b>

Source: Self Constructed

The graph hereunder presents the demographic information for participants in the first part of the interview.

### 3.2. Demographic Information

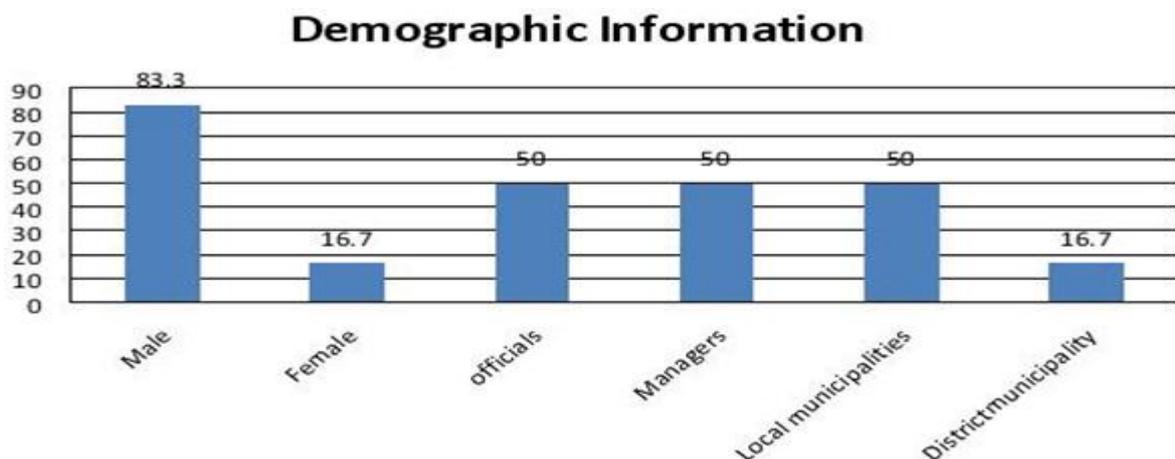


Figure-1. The Demographic Information

Source: Self Constructed

### 3.3. Description of LED Ward Based Program

The figure hereunder indicate the responses by the respondents on how they described the LED ward based program

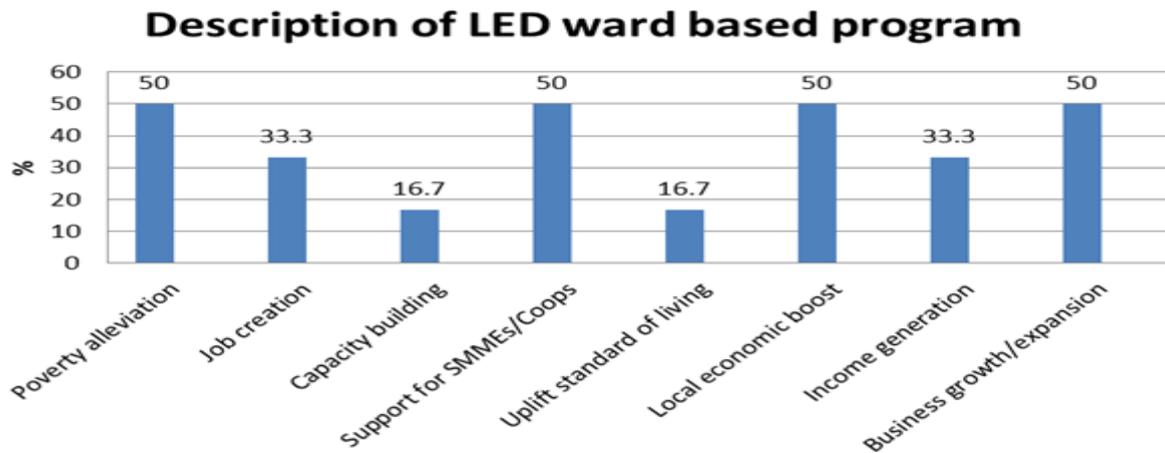


Figure-2. Presentation of the description of the ward based LED program

Source: Self Constructed

### 3.4. The Purpose of the LED Ward Based Program

The figure hereunder indicate the responses by the respondents of their perception on the purpose of the LED ward based program

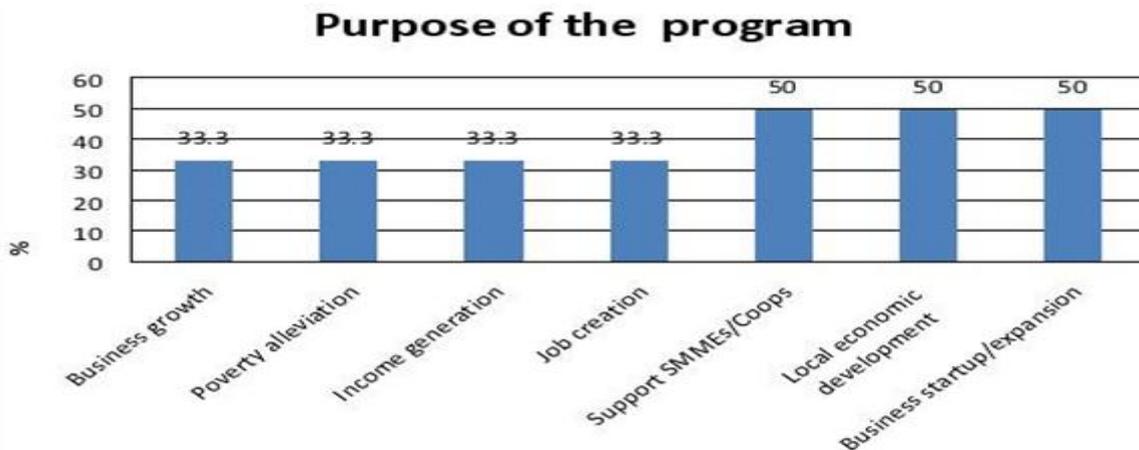


Figure-3. Presentation of the purpose of the program

Source: Self Constructed

### 3.5. The Target Beneficiaries of the LED Ward Based Program

The figure hereunder indicate the responses by respondents on who they identified as the beneficiaries of the program

### Targeted beneficiaries of the program

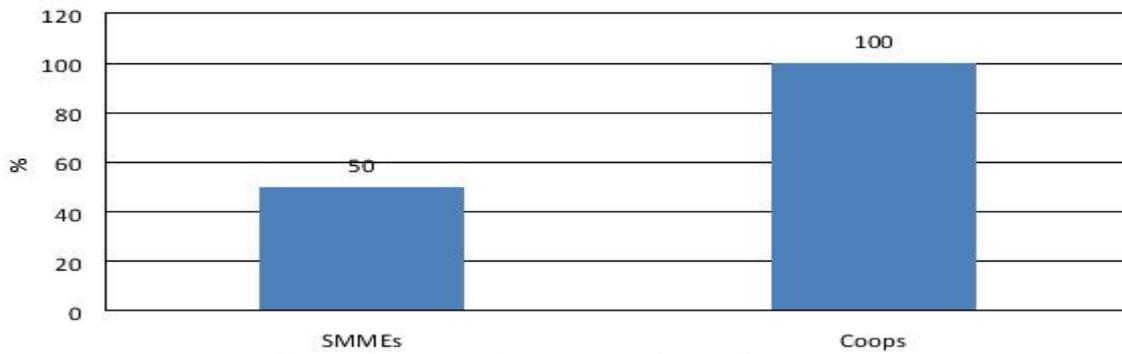


Figure-4. Presentation of the targeted beneficiaries of the program

Source: Self Constructed

### 3.6. The Type of Service Rendered to Beneficiaries of the Program

The figure hereunder indicates the responses by the participants on what was offered as a service to the beneficiaries within the program.

### Services rendered to beneficiaries of the program

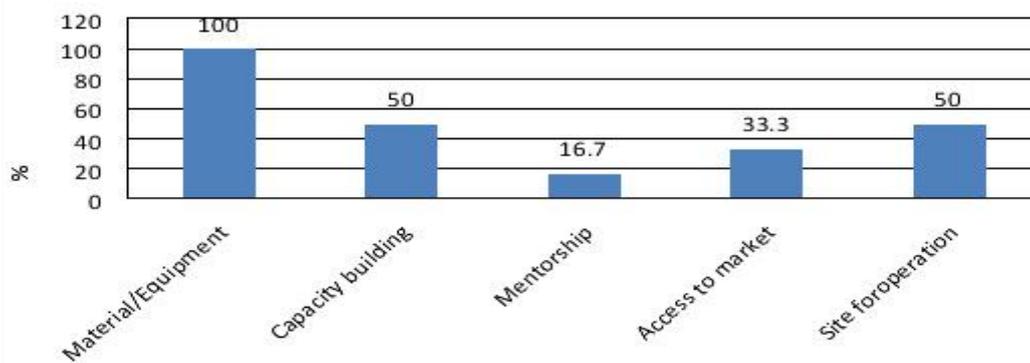


Figure-5. Presentation of services rendered within the program

Source: Self Constructed

### 3.7. Identification of Targeted Beneficiaries of the Program

The figure hereunder indicates the responses by participants on how the targeted beneficiaries of the program were identified.

### Identification of target beneficiaries of the program

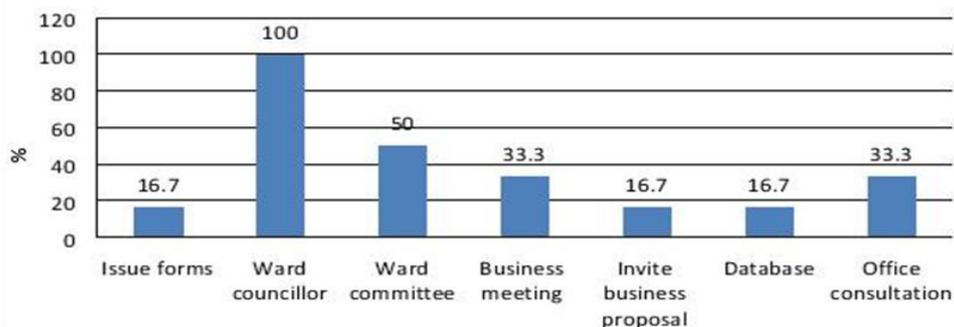


Figure-6. Presentation of the identification of targeted beneficiaries for the program

Source: Self Constructed

The municipalities developed a platform on how they should identify their targeted beneficiaries of the program. All respondents mentioned that municipalities are working together with local councilors to spearhead the identification process of the beneficiaries. Three participants mentioned that they also include ward committees to channel the process of beneficiary identification.

*“We... as the LED unit we communicate with communities through the community leaders such as councilors, ward committees” said the respondent.*

Two participants mentioned that they also consider the Coops that directly consult their office to ask for assistance, they also identify them through business meetings. One participant indicated that they invite business proposals, issue specific forms to be completed by applicants and they also use their database to identify beneficiaries. They indicated that the co-ordination of business meetings and the invitation of business proposal are done through the local councilors and ward committees.

*The respondent said... normally... we draft forms and hand it over to all 42 ward councilors. We engage local councilors because they are working very closely with the local community”.*

The municipalities in Zululand established the LED ward based program as one of the LED initiatives. The respondents are of the opinion that it is important to conduct the identification process with the involvement of stakeholders such as councilors and ward committees. This action is supported by decentralized development policies because it allows the municipalities to intervene at a local level and implement their own initiatives (Rodriguez-Pose and Tijnstra, 2009). As alluded to by Triegaardt (2007) the LED enables the local government to maintain and control its resources. It establishes partnerships with potential stakeholders and strives towards job creation and stimulation of local economic actions.

The involvement of local councilors and ward committees to the program is also aligned with the concept of political decentralization. Political decentralization permits political representation through selection that is done locally by the community. This mechanism provides a better understanding and identification of the local community needs and services (Pradeep, 2011). In South Africa, it is within the municipal mandate to involve communities to actively participate in decision-making process particularly on the issues that pertains to the delivery of service and developmental issues. The South African law emphasizes the representation of the community through ward committees (Visser, 2009).

Over and above, the respondents clarified that communicating through local councilors and ward committees does not deprive the beneficiaries from contacting the LED offices directly. To allow direct communication is viewed as a platform that increases access to services to the community.

Figure 7 provides a summary of what the LED ward based program offer to its beneficiaries, to whom does it offer and also what purpose does it aim to achieve. The LED ward based program provides non-financial support in a form of material, equipment and capacity building.

The program targeted Coops/SMMEs as beneficiaries. The municipalities assist Coops to develop or expand their businesses. The main aim of the LED ward based program is to promote job creation, poverty alleviation, income generation, capacity building and community upliftment.

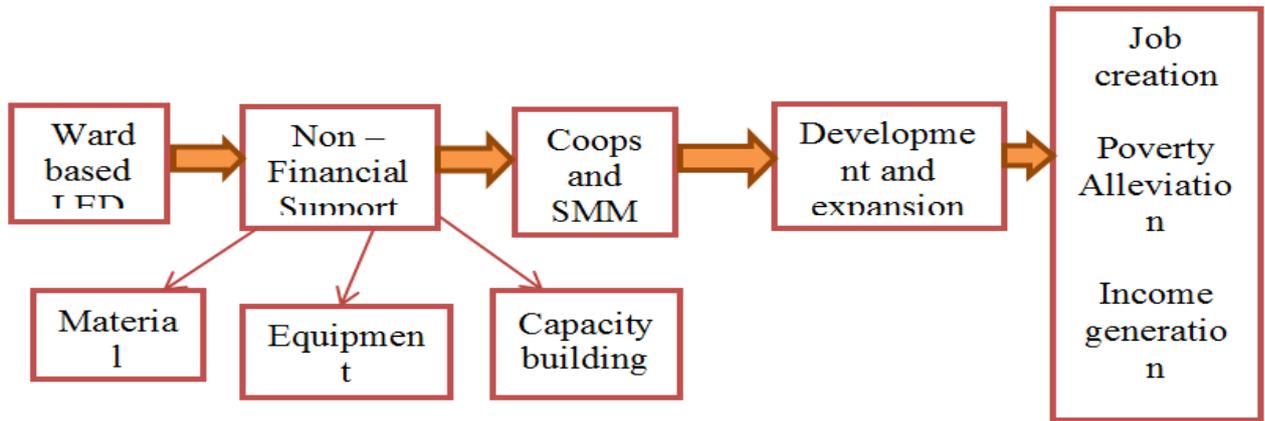


Figure-7. The overall illustration of the purpose of the LED program ward based, services and targeted beneficiaries  
Source: Self Constructed

### 3.8. The Requirements to be met by the Beneficiaries of the Program

The graph hereunder indicates the responses by the respondents on what were the requirements to be met by the beneficiaries.

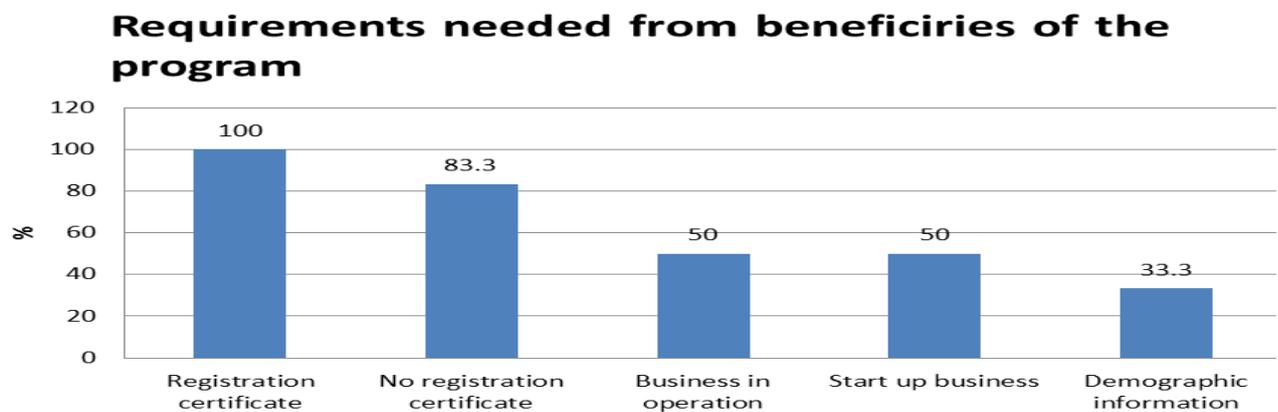


Figure-8. The requirements to be met by beneficiaries of the program

Source: Self Constructed

### 3.9. The Impact of the Program

The figure hereunder presents the responses by respondents on their perception of what is expected as an impact to be met through the program.

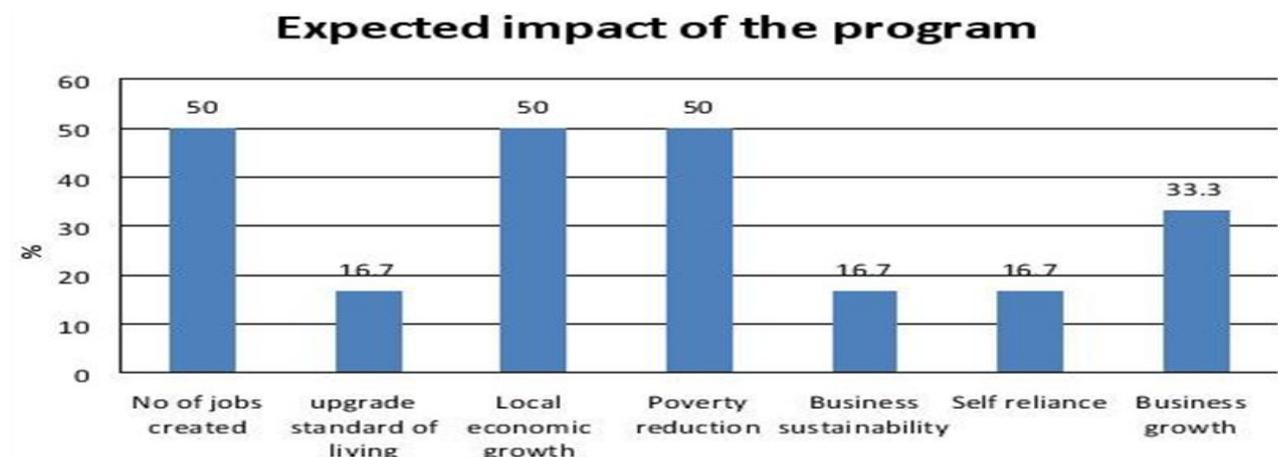


Figure-9. Presentation on the impact of the program

Source: Self Constructed

### 3.10. Measuring the Impact of the Program

The figure hereunder presents the responses by respondents on how the program was measured.

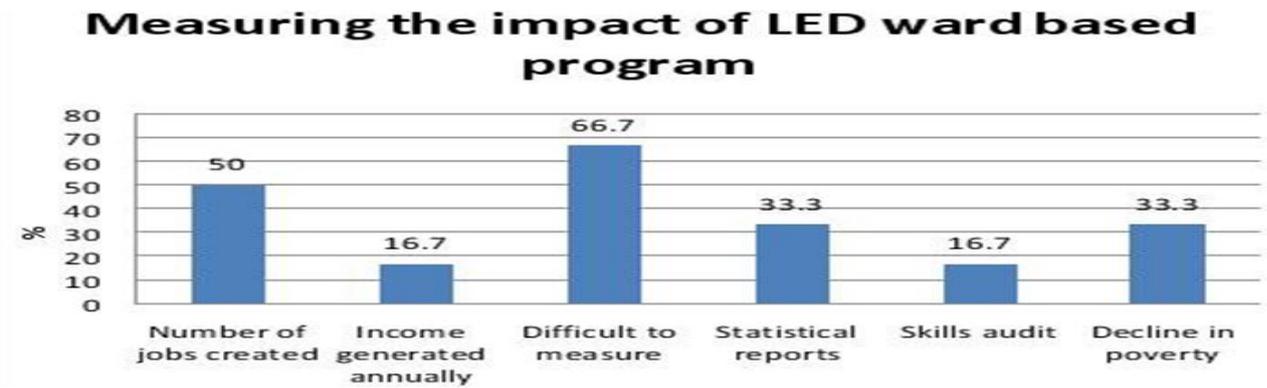


Figure-10. Presentation on the impact measurement of the program

Source: Self Constructed

### 3.11. Monitoring of the Program

The figure hereunder indicates the responses by the respondents on how the program was monitored.

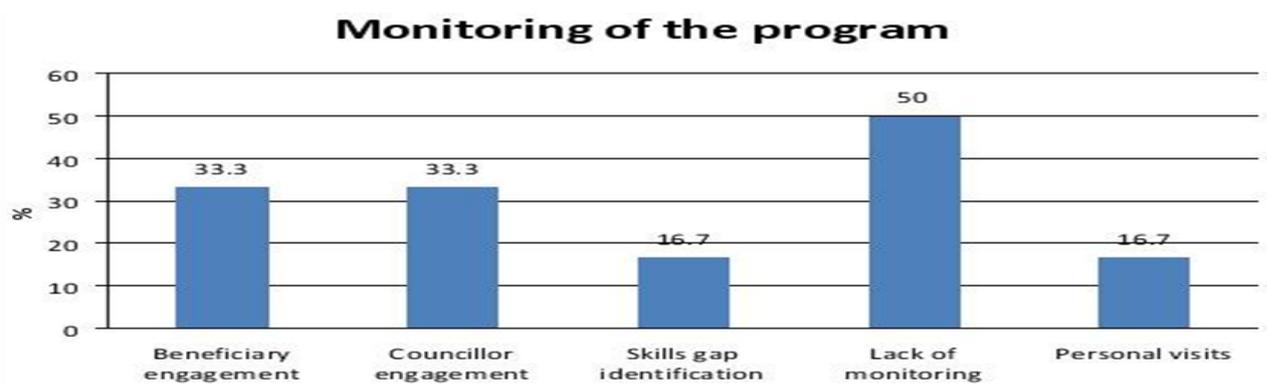


Figure-11. Presentation of the monitoring of the program

Source: Self Constructed

### 3.12. Achievements of the Program

The figure hereunder indicates the responses by the respondents of their perception on the achievements made through the program

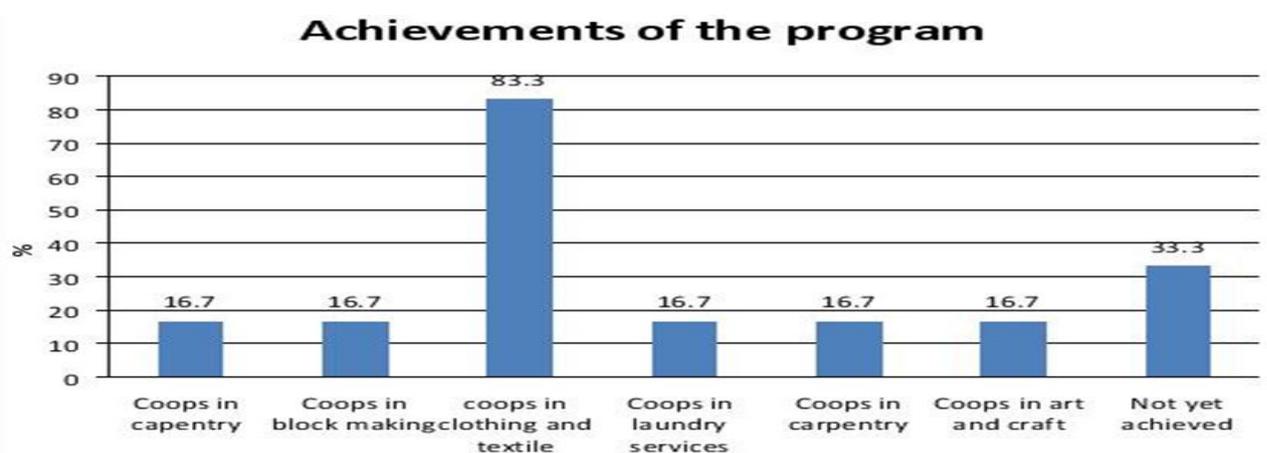


Figure-12. Presentation on the achievements of the program

Source: Self Constructed

### 3.13. Challenges Met Within the Implementation of the Program

The figure hereunder indicates the responses by the respondents on what was identified as the challenges encountered in the implementation of the program.

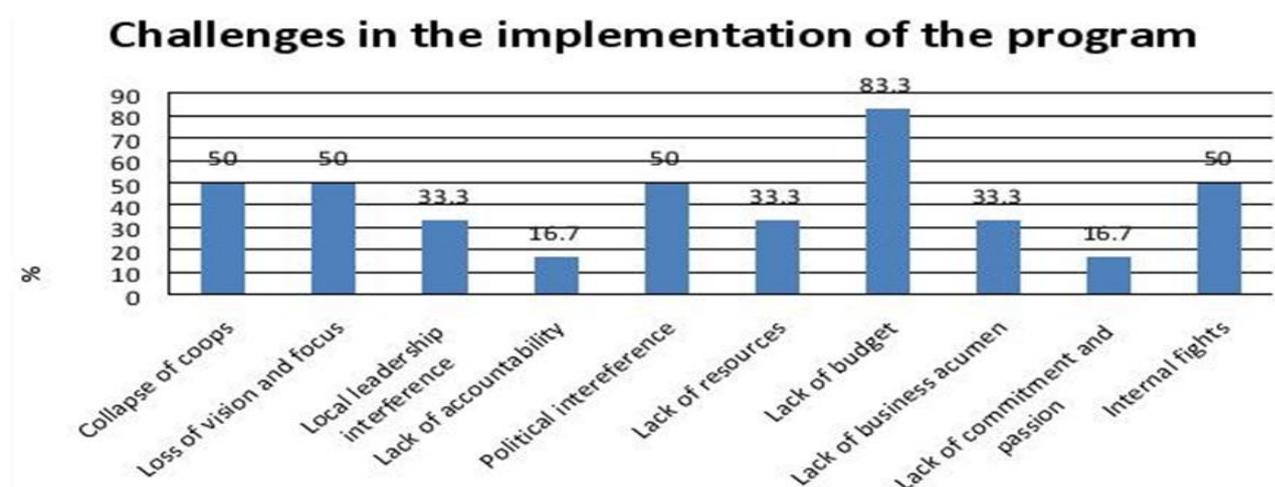


Figure-13. Presentation of the challenges in the implementation of the program

Source: Self Constructed

### 3.14. Budget for the Program by Different Municipalities

Figure 14 indicates the budget that is allocated by each municipality to the program without specifying the name of the municipality.

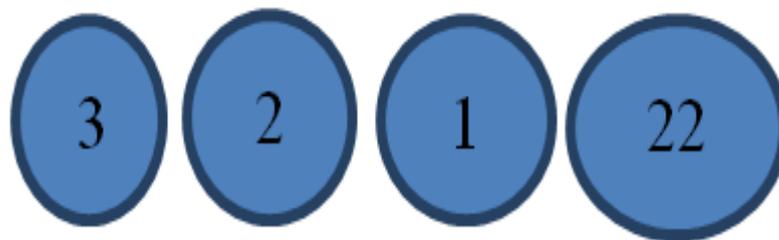


Figure-14. Illustration of budget for the program by different municipalities

Source: Self Constructed

As indicated above there is no standard budget for all municipalities, but each municipality allocates different budget for the program.

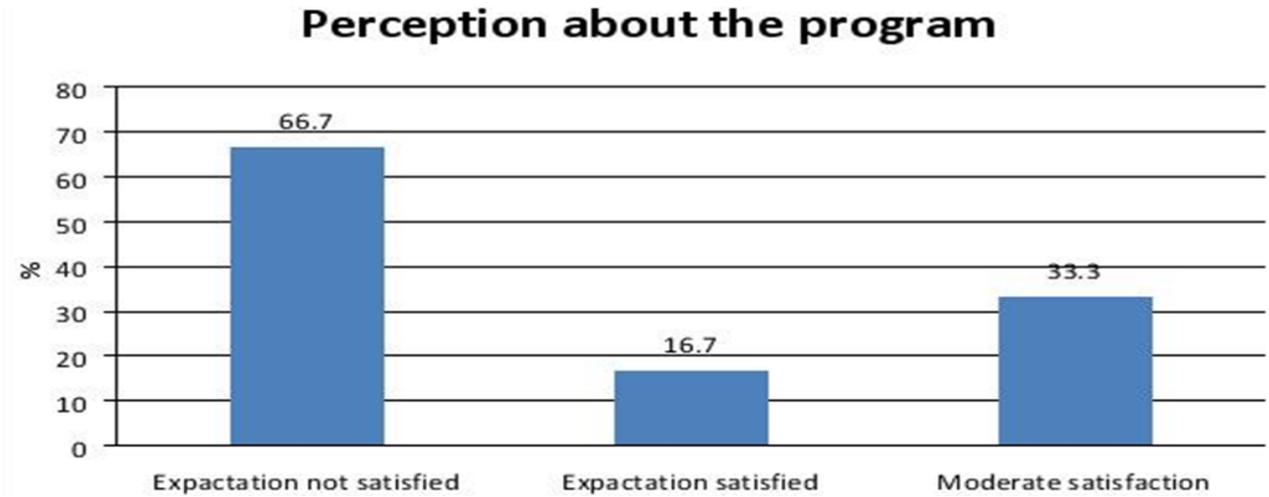
The municipalities applied the same model towards the program. This include the type of support, identification process of targeted beneficiaries, the impact of the program etc. but the variation was noted on budget allocations for the program.

It was also recognized that there is a huge gap that exists in the budget difference. Some municipalities have better budget as compared to others but the lack of budget still prevailed as a challenge from all respondents.

The lack of budget as per results may connote that municipalities allocate any budget to the program with less considerations. Patterson (2008) claims that municipalities have not yet well included LED function as a priority and this is noted through the limited funds that are allocated to LED initiatives. Most municipalities have developed a set of policies but those policies are not aligned to LED budget.

### 3.15. Perception about the Program

The figure hereunder presents the responses by the respondents of their perception about the program.

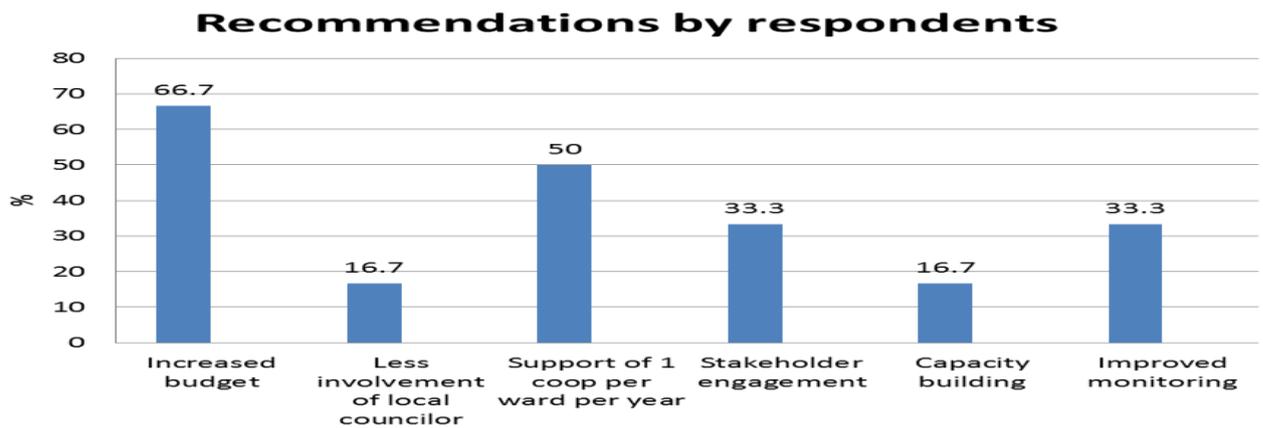


Source: Self Constructed

Figure-15. Presentation of the perception about the program

### 3.16. Recommendations by Respondents

The table here under presents the responses by the respondents on what was identified as recommendations for improving the program



Source: Self Constructed

Figure-16. Presentation on the recommendations by respondent

The researcher was unable to determine the target population of the entrepreneurs. The researcher was unable to get an exhaustive list of the entrepreneurs benefitted from the program within the municipalities than the researcher used available information. The sample size was 3 Coops and they all responded and the response rate was 100%. The demographic information of respondents is indicated on figure 17 below.

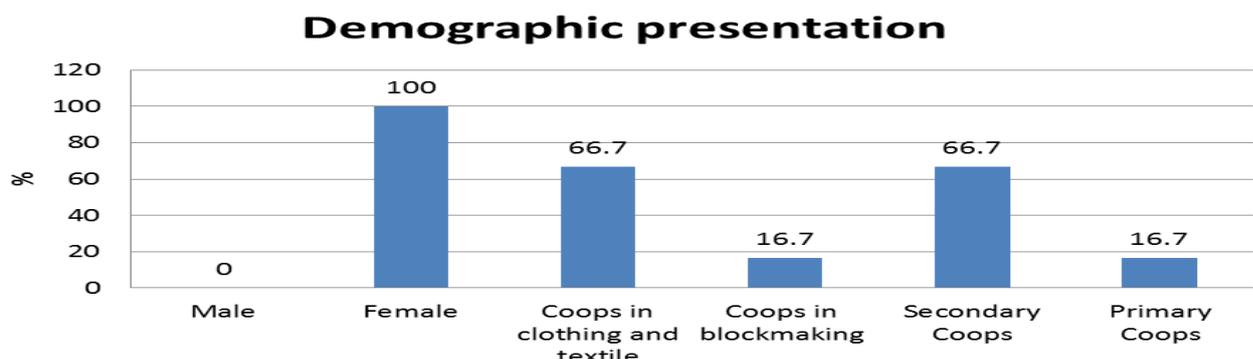


Figure-17. Illustration of the demographic information of entrepreneurs

Source: Self Constructed

### 3.17. Access to Information about the Program

The figure hereunder presents how the beneficiaries accessed the information about the program.

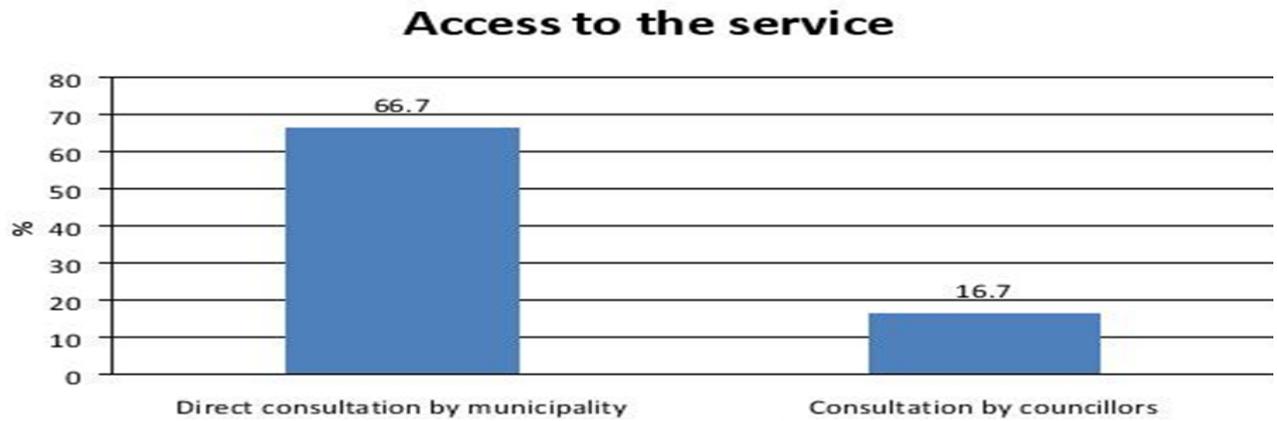


Figure-18. Presentation on the access of the service

Source: Self Constructed

### 3.18. Type of the Service

The figure hereunder indicates the responses by respondents on the type of services received from the program.

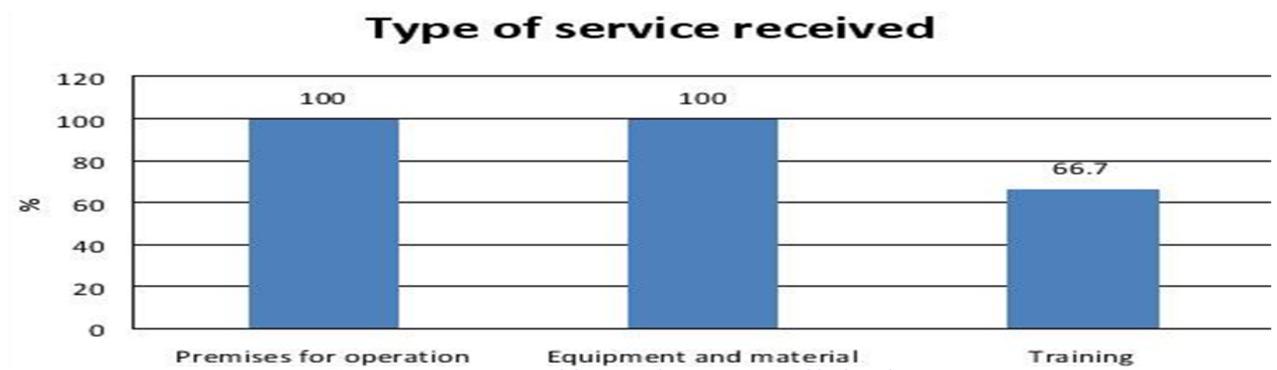


Figure-19. Presentation of the type of services received by beneficiaries

Source: Self Constructed

### 3.19. Requirements for the Service

The figure hereunder indicates the responses by respondents on what was required from them in order to qualify for the service.



Figure-20. Presentation on the requirements of service

Source: Self Constructed

### 3.20. Improvements after Service

The table hereunder indicates whether there was an improvement noted by beneficiaries after the service.

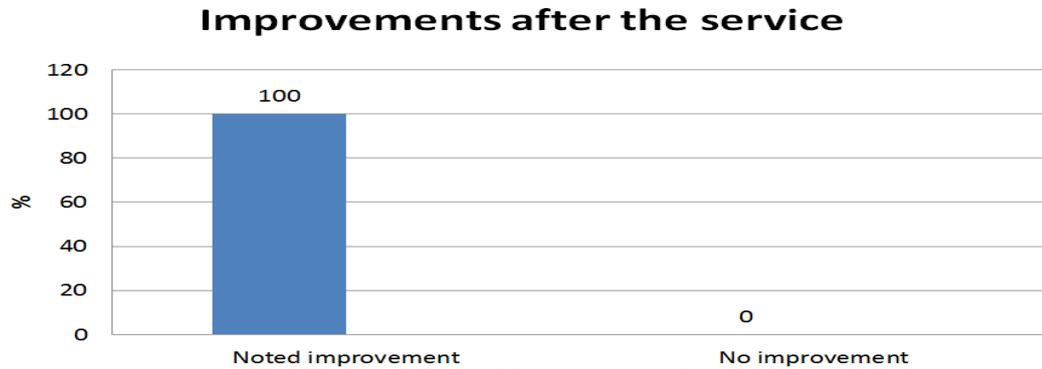


Figure-21. Presentation of the improvements after service.

Source: Self Constructed

### 3.21. Challenges Encountered

The table hereunder indicates the responses by respondents if there were challenges encountered by the beneficiaries

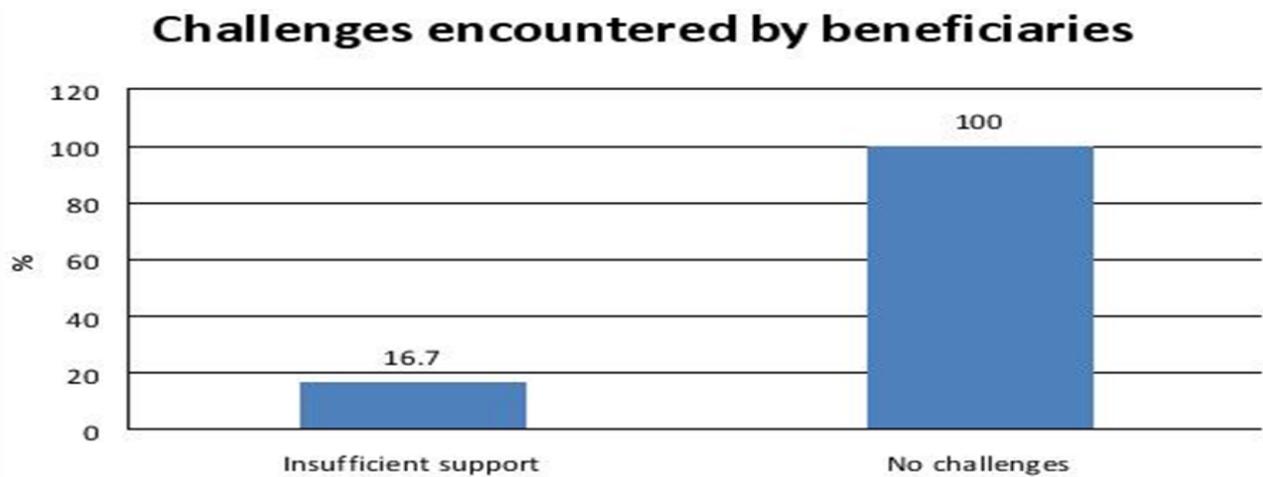


Figure-22. Challenges encountered

Source: Self Constructed

### 3.22. Perceptions of the Beneficiaries

The table hereunder presents the perception of the respondents about the program.

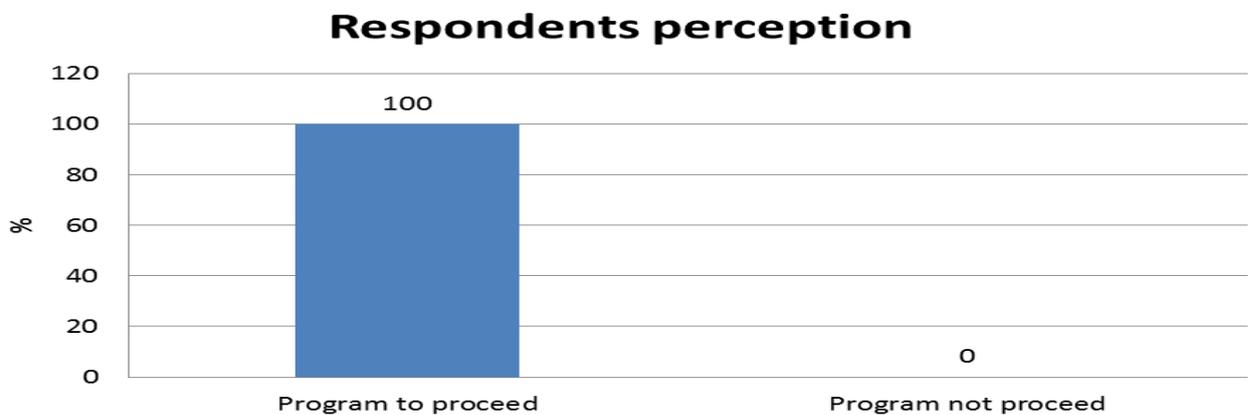


Figure-23. Presentation of the perception of respondents

Source: Self Constructed

### 3.23. The areas of Improvement of the Program

The table hereunder indicates the responses by respondents on their recommendation about the program.

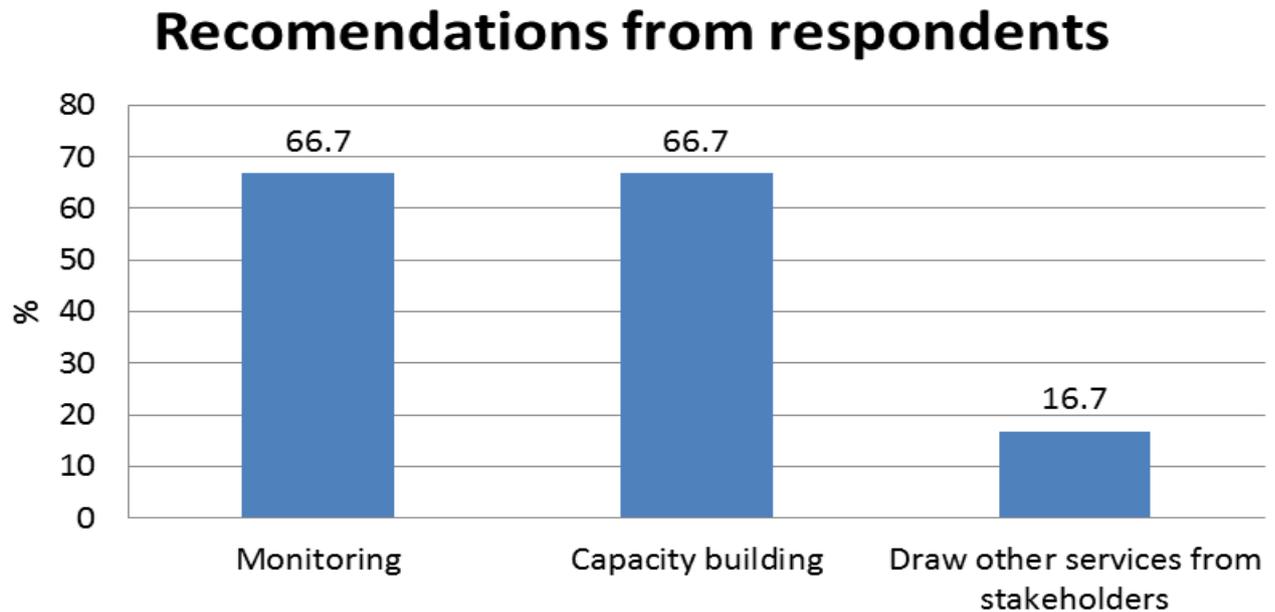


Figure-24. Presentation on the areas of improvement

Source: Self Constructed

### 3.24. Conclusions and Recommendations

This section will presents the findings of the study and the conclusions.

## 4. FINDINGS

- The findings from this study indicated that the local government in Zululand district developed the ward based LED program and aligned it with the goals of LED.  
The ward based LED program is more focused on poverty alleviation and improvement of local economic development. The program was also described as the strategy for job creation, income generation and uplifting of the standard of living etc.  
The program supports both the Coops and SMME's but the strong focus is on Coops. The program offers non- financial support mainly material or equipment.
- The support rendered to Coops intends to assist them to initiate the Coop business for those that are not currently involved but for those already in business it aims to help them to expand their businesses.
- The study indicated that the beneficiaries were not expected to meet so much of the requirements but they were expected to have registration certificates for Coops. The service was not limited to those that did not hold any registration certificates.
- The impact that is expected by the municipalities is highly focused on increased level of employment and poverty reduction. The municipalities are expecting to see improvement in local economic development and economic growth. The self-reliance and business sustainability was also expected.
- Municipalities are struggling to measure the impact of the ward based LED program. The study showed that there is no measurement tool developed by the municipalities to quantify the outcomes of the program.
- The ward based LED program and the achievements identified by the municipalities does not match. The municipalities mainly identified their achievements based on the sectors that the Coops are involved in.

The study showed that the municipalities do not have tangible achievements in relation to the purpose of the program.

- The municipalities have challenges that they encounter in the implementation of the ward based LED program. As per study, the challenges encountered by the municipalities involve lack of budget to support Coops. The political interference is also a challenge that impedes their decision making in supporting Coops and makes the program to lose its direction. Over and above, the municipalities are also challenged by Coops themselves through lack of commitment and passion, loss of vision, internal fights and collapse.
- The municipalities perceive that the ward based LED program has not yet reached their level of satisfaction thus far. The study confirms that dismantling of Coops contributes to low achievement of ward based LED program.
- The municipalities are of the view that their budget needs to be increased in order to intensify the level of support of the program. They feel that they should shy away from supporting a lot of small projects to the wards but they should focus on one bigger project with intensive capacity to create jobs.
- It was also discovered that the beneficiaries themselves also note that the program does not have enough budget to support them. Some beneficiaries felt that inadequate budget from the municipalities prevented them from getting all the equipment they required in order to make their business fully operational.
- The research also indicated that the beneficiaries also acknowledged that they are challenged by the internal dynamics within themselves. The dynamics identified through the research were the conflicts within members of the Coops, lack of full participation to the Coop activities and lack of knowledge in financial management.
- The ward based LED program offered a quick service to the beneficiaries. There were no delays or difficulties that were encountered by the beneficiaries in accessing the service.
- The study revealed that the beneficiaries are happy about the program. They claim that if it wasn't for the municipalities, their Coops would have been not able to kick start. They perceives that the program is a requirement to almost all of the communities that are involved or willing to be in business therefore they would like the program to continue.
- The beneficiaries also acknowledged the lack of monitoring from the municipalities. They strongly recommended that the municipalities should provide a close monitoring and strengthen capacity building in all aspects especially business management and Coops management.

## 5. CONCLUSIONS AND RECOMMENDATIONS

The study focused on the investigation of the ward based LED program within Zululand which involves Coops. The LED ward based program is a great initiative with very good intentions to the community of the Zululand district. However, the municipalities have to do some improvements in order to achieve the objectives of the program. The following need to be addressed

- As indicated by the study that the municipalities are struggling to trace the impact of the program, it is recommended that the municipalities should develop the tool for measurement of the impact of the program. They should clearly identify the indicators that will enable them to measure the program.
- A strong monitoring and evaluation of the program should be applied. The municipalities should develop an effective tool for monitoring and evaluation. Capacity building of LED officials is recommended. Effective monitoring will enable the municipalities to identify the current problems and assist in making decisions that will attend to the problems.
- While capacity building for Coops is a necessity municipalities may in addition develop long term mentorship programs that will assist in holding hands of Coops especially in business management and Coop governance.

- As much as the requirements by the municipalities are lenient, the municipalities should develop a tool for assessment of the business potential. This will assist the municipalities to support high potential businesses and establish the relevant kind of support that will make a positive contribution to the Coop business. This may also assist to identify the areas where mentorship needs to focus on in each Coop business.
- The municipalities should also assess each ward and identify business opportunities and take competitive and comparative advantage. If the project is well facilitated and all avenues are employed, the Coop business can be able to generate more income, achieve its sustainability and also contribute to local economic growth.
- It is a mandate of the municipalities to involve local councilors to the ward LED program, but councilors should not interfere with the work of the officials especially in the business assessment.
- The literature has acknowledged the lack of knowledge towards Coops, it is therefore suggested that the officials from the municipality and the councilors should undergo as extensive training on Coops concept because their LED initiatives involves Coops.

Finally it is recommended that further studies should be conducted in order to establish the performance of Coops in the Zululand. Further studies may explore on the issues that pertains the sustainability of Coops and establish how Coops model can be improved in order to serve the desired outcomes.

**Funding:** This study received no specific financial support.

**Competing Interests:** The authors declare that they have no competing interests.

**Contributors/Acknowledgement:** Both authors contributed equally to the conception and design of the study.

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