Evaluating the effectiveness of local economic development strategies within UMhlathuze Local Municipality

Mzwandile Refuge Xaba (a)*, Nokukhanya Noqinisel Jili (b), Mandisi Matyana (c)

(a) PhD Candidate, Public Administration, University of Zululand, Private Bag X1001, KwaDlangezwa 3886, South Africa
(b) Associate Professor, HoD, Public Administration, University of Zululand, Private Bag X1001, KwaDlangezwa 3886, South Africa
(c) Lecturer, Public Administration, University of Zululand, Private Bag X1001, KwaDlangezwa 3886, South Africa

ABSTRACT

Local Economic Development strategies were formulated in response to the stipulations made by the national government of South Africa. The national mandate placed the responsibility on the local sphere of government to promote economic progress from a grassroots level and to contribute to developmental activities within the state. The National Framework LED has been created as a basis for the effective practice of LED in terms of implementation. This paper focused mainly on evaluating the effectiveness of Local Economic Development strategies in UMhlathuze Local Municipality within Empangeni town. This paper and its problem were developed by the researcher due to the growing unemployment rate in South Africa which mostly affects young people, more especially at the municipal level. The researcher was convinced to evaluate how the economic development strategies or initiatives addressing the issue of unemployment and assisting economic development within the UMhlathuze Local Municipality, intending to come up with mechanisms that may be put at hand to ensure the effectiveness of these strategies provided to address economic issues with the municipality. This paper employed qualitative methods to collect and analyze data. Qualitative data were collected from community members and staff of the municipality within the Department of Economic Development through the use of questionnaires. The analysis of qualitative data was done through thematic analysis. The findings of the research revealed that there is a communication breakdown between the community and the municipality to enable the community to use the opportunities for economic development. This paper recommends that the municipality needs to develop/advance communication methods to ensure that the community is informed and aware of the development opportunities that are provided by the community.

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Introduction

UMhlathuze Local Municipality is located within the King Cetshwayo District Municipality, north-east of KwaZulu-Natal. UMhlathuze has the most developed economy and has the largest population within the district. However, the municipality is faced with several development challenges. Unemployment in the City of UMhlathuze is lower than in the district, with the rate of unemployment remaining unacceptably high. Other primary economic challenges within the city include low income, disinvestment, and business closure (UMhlathuze LED Strategy 2013-2017). The large and still growing population within the City of UMhlathuze is one of the other factors that contribute to the challenges of local economy of the municipality because the municipality has to provide more economic services whereas there are very limited resources to cater for those needs of the local community, these economic services includes job creation.

Local Economic Development (LED) within the context of economic governance, requires the development of holistic LED strategies addressing the socioeconomic, environmental, and political needs of local communities. LED strategies or interventions can take a combination of many forms, which range from market-led or pro-growth to those that are pro-poor. The approach of LED aims to

* Corresponding author. ORCID ID: 0000-0001-6584-1649
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enable local economies to adjust to macro-economic reforms and aims to achieve local self-reliance, empowerment, participation, and local co-operation (Rogerson 2002:3). Sibisi (2009:5) defines Local Economic Development as a process by which public, business, and non-governmental partners work collectively to create better conditions for economic growth, employment generation and sustainable development as a whole.

Akudugu and Laube (2013) emphasizes that Local Economic Development becomes more effective when local stakeholders and authorities form partnerships with national planning agencies and international donors, jointly designing and implementing initiatives aimed at improving the local economy. UMhlathuze Local Municipality is located within the King Cetshwayo District Municipality, north-east of KwaZulu-Natal. Located approximately 180 km north-east of Durban and 465 km’s south of Maputo in Mozambique on the eastern coastline, the City of uMhlathuze is the closest harbor culturally diverse community. The Black African community makes up the largest sector 87% of the community followed by the White community (8%). The Indian and Coloured community makes up 3% and 1% respectively.

**Literature Review**

Several studies which are more similar to this paper had been conducted in the context of Local Economic Development (LED). However, there is huge amount of data on this research topic, with other studies complementing each other while other giving varying views and arguments. Research articles, journal articles, studies, white papers, constitution of RSA, books and other informative sources which will add insight into this paper have been consulted.

As indicated by Rogerson (2002:3) Local Economic Development within the setting of economic development, demands the advancement of holistic LED methods tending to the financial, natural, and political needs of local citizens. Driven techniques or mediations that can take a blend of numerous structures, which range from professional economic development to those that are very poor.

Local Economic Development initiatives were defined considering the stipulations made by the national Constitution of the Republic of South Africa. The national order has set obligation on the local circle of government to advance economic movement from a grassroots level and to add to formative economic activities within the state. Local Economic Development initiatives were basically planned to expand economic development. Nonetheless, additionally share the objectives of alleviation and of a more-greater incorporation of previously excluded groups in social and economic life.

Rogerson (2008) in his investigation he affirmed that the greater challenge for LED in South Africa is to improve the standard of living for local citizens and to improve knowledge of local economy, distinguish local intensity and help LED basic leadership.

Local Government Support Program (2009) noticed that LED has turned into a worldwide concept that is commonly used to confront pro-poor and to advance employment opportunities in urban and local territories. In spite of that, the best potential for improvement support exists at the local government level, with an emphasis on drawing in the investments, making employments, it is further, noticed that in South Africa, since 1994, local government's job has extended from suppliers of public goods and fundamental social services to incorporate LED.

Pike, A, Rodriguez-Pose, A & Tomaney (2006), Rogerson (2015) on their investigation they uncovered that getting ready for LED is grounded on recognizing, assembling and abusing local potential, which is more upon the economic activities in which areas exceed expectations, their stock of human and physical capital, local resources and the institutional setting.

**Local Economic Development: Definition**

Before a local economic development (LED) plan can be charted, it is first necessary to gain a thorough understanding of the local context and dynamics of the local economy. An economic situation assessment provides you with the information you will need to make strategic decisions that will direct your LED efforts, and a baseline against which to compare progress.

For several years a battle of ideas has stormed over the meaning of Local Economic Development in South Africa. In the literature there are numerous meanings of LED. Blakely (1994) characterizes LED as the procedure with which the local government or community-based organization connect with to ensure or keep up business movement. The key job local government needs to play in LED can be found in the meaning of Scheepers and Monchusi (2002) who characterize LED as a procedure oversaw by municipalities as per their protected command to advance social and economic improvement.

As indicated by the International Labor Organization (ILO, 2006), local economies need to discover strategies and mechanisms to improve and reinforce local competitiveness and similar points of interest to contend on a global scale. It further, expressed that the challenge of LED is to discover approaches to maximize local resources and local information to profit all the population inside a particular local community.

Trousdale (2005) characterizes LED as taking an interest where local individuals, from all parts inside a particular municipality, cooperate to motivate and animate local economic activities, with the intent to ensure a flexible and maintainable local economy. As indicated by Bartik (2003) LED is characterized as the local economy’s ability to make economic stability for local community.
White Paper on Local Government (1998) stipulates that Local Economic Development is about nearby government focused on working with local community and organization within the local community to discover maintainable initiatives to meet their social and economic needs and improve the nature of their lives. It further, stipulate that the target of LED has considerably been to assume the liability of municipalities above and beyond to create and keep up dynamic Integrated Development Plans (IDPs) that look for private investments and improve municipal performance.

Local Economic Development: Conundrum

With respect to the difficulties of Local Economic Development, writing uncovered that there are numerous difficulties that are looked upon the government of South Africa all through the way toward building up the local economy. Nel (2001) opined that even though LED has been supported in South Africa for more than twenty years, obviously there are a few challenges, not all LED tasks are succeeding. There are central issues noted by the above researchers that take more lead in making difficulties for LED, grant reliance, critical staff and shortage of resources, and difficulties in structuring projects/programs as far as being economically effective, sound and reasonable.

Malefane (2009) articulated that there is an absence professionalism in LED in view of its poor profession possibilities, with the outcome that LED doesn't draw in the kind of officials who the option may have to join business skills with public sector skills. The status concurred to the capacity of LED shifts generally between different municipalities, with suggestions for access to resources for staffing.

An examination by (Meyer-Stamer, 2002) affirmed that during 2002, one investigation of the territory of LED indicated that municipalities were profoundly not certain with regards to the significance of LED, what they should do and how they should organise it.

Limited capabilities of LED staff have resulted that numerous small municipalities focusing on consistency with statutory necessities rather than to endeavoring to proactively economic opportunities that could have a far-reaching local impact (Lawrence and Hadingham, 2008).

The foundation of the Department of Provincial and Local Government (DPLG) support was an impetus for a task-based way to deal with the act of LED as municipalities were urged to apply to DPLG for help financing (Sibisi, 2009). Despite meaningful expectations, the results were an expansion of small programs, a large portion of which fallen after the end of program funding. Failed to deliver long-term supportable LED and its inheritance was to cultivate an act of LED that was increasingly likened to ‘social work’ than to building the impetus economic base of localities (Meyer-Stamer, 2002).

A study by Rogerson (2006, 2008) shows a significant finding that Local Economic Development is seen effective in metropolitan territories, where the legislature is not generally more concerned, on the grounds that the government fundamental objective with Local Economic Development is to review the issues of the past where individuals from rural communities were not presented to better economy, corrupted by poverty and poor way of life.

Without doubtfull message going down from national to local levels of government, the result is proceeded with perplexity at the ground level or coalface of LED arranging about which strategy or approach local authorities ought to underline. Until there is consensus among professionals in local authorities about what LED is, progress will definitely be moderate (Sibisi, 2009).

Sekhampu (2010) uncovers that the challenge of LED in South Africa is that most local municipalities don't have stable economic development systems set up that are implementable and consequently can't address poverty and unemployment. He further says, for LED to be successful there ought to be a rational arranging procedure including all partners within the local geographical setting. The procedure happens after some time, including all pieces of the community and covers all issues that influence quality of life within the local area, those that need generally support.

A report by Development Bank of South Africa ‘DBSA’ (2008:3) it is explained that smaller municipalities battle to get to access available resources of funding because of its internal capacity.

Local Economic Development: Surmount results.

As far as successful LED rehearses, the role of local government is seen as persuasive. Overseeing and coordinating LED is definitely not a traditional role of local government, it has turned into an undeniably significant capacity as a result of decentralized government (Hampwaye, 2008; Hampwaye, Rogerson, 2010, Wilkie, 2017; Rogerson, 2010).

Rodriguez-Pose and Tijmstra (2007:522) on their investigation they saw that moderate economic development and poverty, joined with the adjustments in the national and global economic condition, and the successful powerlessness of numerous states to intervene at the local level have given a fillip to privately based activities.

In South Africa, LED has turned out to be regularly related to self-reliance, survival, and poverty mitigation, instead of interest in the worldwide economy, aggressiveness, and discovering market specialties (Binns and Nel 1999:390).
Local Economic Development: Mechanisms to ensure efficacy.

The DBSA (2008:3) argues that government and LED practitioners are still battling with the challenge of understanding and developing appropriate techniques to address the casual economy and related employment strategies that often buck against national planning frameworks and models.

Van der Heijden (2008:16) declared that to develop effective economies, LED officials in South Africa need substantially more successful diagnostic apparatuses, and to concentrate on the most economic difficulties burdening the local community, for example, exact economic information and value chain examination.

The Provincial Growth and Development Strategy (PGDS) is a strategic document and keeping in mind that its planning is certainly not legislative necessity, possibly it can expect an essential role in making sure the effectiveness and delivery of the goals of the development state, not least in its role as an arrangement system for LED (The Presidency and DPLG, 2005).

Various number of the issues that hinders the achievement of local LED planning in South Africa could be solved either by re-scaling LED or by forging increasingly incorporated and spatial relationships between local, district and provincial authorities being developed in planning. By the by, this coherent solution is frequently undermined by the absence of communication on LED issues between interlinked municipalities, among districts and among districts and provinces. To beat this weakness, one helpful proposal is that it would be effectively compelling for LED experts to understand and analyse those value chains for their very own local areas, on that basis distinguish potential planning opportunities for LED (Van der Heijden, 2008).

The Global Entrepreneur Monitor Report (2014) traces that unemployment rate can be diminished through developing strategic Local Economic Development strategies, guaranteeing that they are well presented, presented to the community, and giving significant entrepreneurial, economic mind-set to young people of the local community.

The target of place-based strategy for economic development is to use and augment local potential and, in this way, to maximise economic activities that mirrors some specific areas with competitive advantage and is affected by the full scale of economic condition (Pike et al. 2006).

Figure 1 gives a delineation of the interaction triangle for LED.

![Interaction Triangle for LED](image)

**Figure 1:** interaction triangle regarding to LED; Source: Meyer (2013).

Research and Methodology

This section of this paper elaborates on the components or elements of the research methods employed in investigation. Mouton (2007:438) defines research methodology as the “how” dimension of research “how evidence is gathered, analyzed, and presented. It is further noted that data may be gathered either quantitatively or qualitatively, as mentioned above this study employed qualitative method.

In this study qualitative approach was employed to evaluate the effectiveness of Local Economic Development strategies in the uMhlathuze Local municipality. Leedy and Ormrod (2013:95) defines qualitative approach as the approach that focuses on gaining understanding of the manner in which things happen and the reasons why they occurred. Qualitative approach was used in this study because it was seen that it was going to allow the researcher to generalize the findings while also helping to reduce biasness which may results from the interpretation of qualitative data in the process of data analysis.

Targeted population

According to Grary, Grove & Sutherland (2017:687) population is a particular group of elements which can either be individuals, objects, and events, is the focus of the study. The focus of this study was the uMhlathuze Local Municipality populace that form part of a number of townships namely: Richards Bay, Empangeni, Ngwelezane, Esikhawini, and KwaDlangezwa and other, but this study has dwelt on Empangeni township. According to Statistics South Africa currently the population within the uMhlathuze Local Municipality is 334 459.
However, this study targeted ten (10) community members which resides within the uMhlathuze Local Municipality and five (5) staff members of the uMhlathuze Local Municipality under the department of Economic Development in the municipality but only (1) staff member of the municipality within the department of Local Economic Development was available to participate in the study, other four (4) staff members were not able to participate in the study. All the targeted community members participated in the project in peace, without any inconveniences.

Findings and Discussions

This section unfolds the interpretation and analysis of qualitative data collected from the community members and the staff-member of the uMhlathuze Local Municipality on their view about the efficacy of the Local Economic Development strategies within the respective municipality. The systematic data presented in this section relates to the self-developed questionnaires.

Most importantly, during the data collection process, one (1) official and ten (10) community members of the uMhlathuze local municipality completed questionnaires to assist the researcher in gathering information on the effectiveness of the local economic development (LED) strategies/initiatives. Therefore, due to confidentiality other staff members could not show availability to respond to the questions.

Economic challenges that are faced by the community within the uMhlathuze local municipality.

During the data collection process research participants noted several economic challenges that the municipality is facing, they are presented on the tabulation below and they will be further discussed below.

Table 1: Tabulation shows the economic challenges that are faced by the community within the uMhlathuze local municipality as they were noted by the research participants.

<table>
<thead>
<tr>
<th>Economic challenge</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment</td>
<td>11</td>
<td>100</td>
</tr>
<tr>
<td>Crime &amp; corruption</td>
<td>08</td>
<td>72.7</td>
</tr>
<tr>
<td>Poverty</td>
<td>03</td>
<td>27.3</td>
</tr>
<tr>
<td>Inadequate skills</td>
<td>05</td>
<td>45.5</td>
</tr>
</tbody>
</table>

High unemployment rate

Based on the findings of this research, unemployment within the municipality is one of the leading economic challenges as observed from the responses that were made by the research participants, (table-above) shows that 100% of participants that were targeted noted that the rate of unemployment is one of the greater challenges of the community within the city of uMhlathuze municipality. As the unemployment rate in South Africa is rapidly growing as it grew from 26.7% in 2017 to 29% in 2019 (StatsSA, 2019).

The government of South Africa really need to address the issue of unemployment because it is also one of the causes of the social issues that are conflicting the economy of the Republic of South Africa. The Global Entrepreneur Monitor Report (2014) outlines that unemployment rate can be reduced through advancing Local Economic Development strategies, ensuring that they are well presented, exposed to the community, and providing relevant entrepreneurial, economic skills to young people.

Crime and corruption

Amongst other economic challenges that affect the community within the uMhlathuze local municipality, crime and corruption were the other issues raised by the research participants that it is affecting the economy of the local community within the uMhlathuze local municipality in which from the above Table 1 it shows that 72.7% of participants have noted that it is also one of the factor that also contribute to the challenges that hinders economic progress within the city of uMhlathuze. Koma (2016), opined in his study that the rise in unemployment favors the rise in crime and corruption, since people need to food to put on table and standardize their lives and their families. However, the government has a very huge challenge to address all these matters in order to promote a developed state.

Inadequate skills

Inadequate skills are noted amongst the other issues that affect the local economy of the uMhlathuze Local Municipality as from the above Table 1 it is observed that 45.5% of participants have pointed-out the issue of poor skills. The government of South Africa should work very hard in improving the skills of local citizens to ensure that local people never depend upon the government for survival, but they use these skills to develop their own lives through the application of those skills.

“The community within uMhlathuze local municipality especially youth, are faced with a challenge of lack of skills” said the municipal official that the challenge regarding the inadequacy of skills is highly affecting the youth population of the uMhlathuze Local Municipality.
Section 2 of the Skills Development Act stipulates that the government should: (iii) promote self-employment; and (iv) to improve the delivery of social services (Skills Development Act, 1998). It is off duty of the local government to ensure the development of skills of local citizens as it is part of addressing the social issues that are daily affecting the Republic of South Africa in which in most cases results from the issue raised by the participants.

**Poverty**

From the information provided by the participant’s poverty is also noted as one of the other challenges that affects the community within the uMhlathuze local municipality. Based on their participation 27.3% of participants have mentioned that poverty is the other factor that contribute to the challenges hindering economic progress of the local municipality of uMhlathuze. The Indian Economic Development (2021) mentions there is a close link between unemployment and poverty; an unemployed young person will not have the resources that will help them to realize their potential.

**Local Economic Development strategies provided by the uMhlathuze Local Municipality**

The Local Economic development strategies listed below were both noted by the community members and the staff of the local municipality of uMhlathuze:

i. Skills Development, Skills Audit Plan  
ii. Small, Medium and Micro Enterprise (SMME’s)  
iii. Building of informal trading facilities  
iv. Road shows

**Skills Development, Skills Audit Plan**

The skills development/audit plan was noted by the municipal staff of the uMhlathuze in which it stated that “Skills Development/Audit Plan refers to a tool utilized by the municipality in implementing interventions that has to do with upskilling of unemployed youth, providing them with skills in order to gain self-reliance and address the issue of unemployment, poverty and all other social challenges that are affecting the whole municipality and the whole country of South Africa at large”. The intervention of the plan:

i. Young people are trained on various technical skills such as: Stick welding, Electrical skills, and plumbing.  
ii. Partnership is forged with SETA’s and government departments.  
iii. Unemployed graduates were equipped with driver’s licenses.

**Small, Medium and Micro Enterprises (SMME’s)**

According to Rwigema and Karungu (1999) Small, Medium and Macro Enterprises (SMME’s) are broadly defined as a remarkable capacity to absorb labor, help smaller enterprises to display sensitivity to poverty mitigation. These kinds of business are usually locally owned and controlled, can strengthen the extended family, other social systems and cultural traditions. They are scattered throughout the country ensuring a more equitable distribution of employment opportunities. They further note that SMME’s provides nursery, grounds for entrepreneurship and business innovation that leads to a better standard of employment.

In the study participants have noted that the municipality is providing the SMME’s services particularly to young people of the municipality with business, entrepreneurial ideas and opportunities. Young people are provided by business opportunity with a aim of government to hinder the rapid growth of unemployment that is highly affecting young people of South Africa.

**Building of informal trading facilities**

Community members have responded that the municipality is also providing with informal trading facilities that are built in order for the community members to get the opportunity to go and do street-vending in order to make source of income, to improve their standard of living and be able to meet their basic needs. Respondents also noted that these facilities also work in hand with the SMME’s in bringing business and entrepreneurial mind to local citizens. The government through the local municipality should really consider and provide more of such opportunities because as the responses made by the research participants is that these facilities really play a significant role in improving lives of the local community.

**Road shows**

The official of the municipality that was included in the study noted that the municipality also uses road shows to include the community in participation in the initiatives that are prepared for the community in the process of economic development, and it is a way that the municipality connect with the municipality in the process of economic development.

“It is one of the very important and effective tools that the municipality is using in order to cater and accommodate the basic needs of the community but in particular economic needs”, said the official.
Efficacy of the Local Economic Development strategies

This section covers the main aim for this paper. The main aim of this paper was to evaluate the efficacy of Local Economic Development strategies within uMhlathuze Local Municipality. The question asked to respondents for the evaluation of the efficacy of the Local Economic Development mechanisms during the distribution of the mechanisms to develop the local economy.

Table 2 drawn below is showing results found from participants regarding the effectiveness of the Local Economic Development.

<table>
<thead>
<tr>
<th>Effectiveness (yes/no)</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>yes</td>
<td>10</td>
<td>91</td>
</tr>
<tr>
<td>no</td>
<td>1</td>
<td>01</td>
</tr>
</tbody>
</table>

In reference to Table 2 above 91% of research participants have noted that the Local Economic Development strategies “YES” are being effective with addressing the economic challenges that are encountered by the community within the City of uMhlathuze.

Articulation made above by the participants proves the words by Binns and Nel (1999) that in SSA, LED has become often identified with self-reliance, survival, and poverty alleviation, rather than participation in the global economy, competitiveness, and finding market niches.

A young community members said that “Strategies provided by the municipality really plays a vital role in changing our lives, provision of skills i.e., welding, plumbing we grasp these skills, and they give us competitive advantage in the job market”

Looking to Table 2 above one (1) percent of respondent’s have opined that the LED strategies are not being effective for the development of the local economy.

The respondents supported with saying, “Programs which are said to be aimed at developing our local economy having been running for about 5(five) years, year in year out there is no visible development since the rate of unemployment is increasing while the so-called LED strategies are put at hand for development”

Possible solutions to ensure effectiveness of LED strategies

In this section the researcher analyses data collected based on the possible solutions or mechanisms that can be put in place in order to address the economic challenges that are affecting the development of the economy and the social well-being of the local people within the uMhlathuze Local Municipality.

Possible solutions

Table 3 below outlines the possible solutions, mechanisms and tools that can be applied by the municipality and the community with ensuring the effectiveness of the LED strategies within uMhlathuze Local Municipality. They were noted by the research participants, both municipal official and the community members.

<table>
<thead>
<tr>
<th>Solution(s)</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training of staff</td>
<td>11</td>
<td>100</td>
</tr>
<tr>
<td>Proper communication</td>
<td>11</td>
<td>100</td>
</tr>
<tr>
<td>Community VS Municipality</td>
<td>02</td>
<td>18.2</td>
</tr>
</tbody>
</table>

Training of staff

Considering the table above 100% of respondents have responded that staff responsible for LED strategies or initiatives should be well trained and equipped of the set strategies to build up the local community, should have a clear understanding on the scope and actual background of the strategy and they should be well aligned with development.

One of the participants said, “Staff should be well trained with all the process of delivering strategies to local people such as, budgeting for the program, having clear set terms, procedures & criteria to be followed, and also they have clear understanding of the goals of Economic Development through strategies”.
From the perception presented by the participant, Malefane (2009) also note in his study that there is an absence of professionalism in LED because of its poor career prospects, with the result that LED does not attract the sort of officials who might be able to combine business skills with public sector skills.

**Proper communication**

The entire population of the respondents (100%), noted that there is communication breakdown between the municipal officials and the community, media platforms are not well utilised to address the opportunities for the community’s economic development. Municipality should develop proper communication channel such as, media platforms to be used to give exposure of the opportunities that are provided by the municipality in the development of local economy. In support of this statement Smith & De Visser (2009) opined that the effective cooperation of the community and the municipality is restricted by poor communication methods.

“Poor communication between the municipality and the community really hinders the development of the local economy because in most cases the opportunity provided through the LED strategies end up being enjoyed only by certain people due to the fact that not all people were address of the certain opportunity of development of the local economy”, comment state by one of the community members.

**Community VS Municipality**

The results of this study show that 18.2% of research respondents have noted that the community and the municipality must make sure to keep a good relationship to ensure good interaction in addressing the problems that are faced by the community since the municipality is the delivery hand of the services and development to the local communities by the government of the Republic of South Africa. However, the community should work in hand with the municipality in addressing the economic development challenges that are faced by the local community within the uMhlathuze Local Municipality.

**Key findings**

This section provides the key findings and the recommendations of the study based on the main aim which is the evaluation of the effectiveness of LED strategies within the above-mentioned respective municipality.

Considering the main aim of this research paper (evaluating the effectiveness of Local Economic Development strategies within the uMhlathuze Local Municipality). The key findings of the study indicated that most participants, 91% indicated that the Local Economic Development strategies that are provided by the municipality are really working in hand with the municipality in trying to develop the local community and achieving the goal of economic development nation-wide. With the powerful interrelation between the local community and the municipality these strategies are really changing lives of the local people, though, job creation and skills development.

The community’s standard of living is slowly changing though the rate of unemployment remains the same and growing instead but the strategies are also playing a pivotal role in also addressing the social issues that are encountered by the local community. Based on what participants have noted, economic challenges that are referred to as socio-economic issues are:

i. Massive rate of unemployment
ii. Crime and corruption
iii. Poverty
iv. Inadequate skills

The results of this paper on challenges faced by the local community of the city of uMhlathuze are noted by respondents as the hindrances of the effectiveness of the strategies of LED that are provided by the municipality because the massive rate of unemployment makes it difficult to observe the difference that the LED strategy is bringing to the local economic development of
the local community, because the rate of unemployment is growing day-by-day. Poor skills as also noted as the factor that affect the development of the local community’s economy, the municipality have developed the skills audit plan in order to address the issue of poor skills that have dominated the local population. All the issues that were noted by the participants it is noted that the municipality is working very hard to address them in order to develop the standard of the local population.

The results of the study revealed that the population that is highly affected by the challenges of economic development is mostly young people as it is in contrary with the rate of unemployment noted in (StatsSA,2019) that is estimated at 29%. However, this shows that the issue of high unemployment that is encountered by the population of the uMhlathuze Local Municipality is the issue that is affecting the whole of South Africa.

Even though a larger portion of participants (91%) have noted that the LED strategies are operating in an effective manner but the other (9%) of participants also do not concur with the statement of effectiveness of the LED strategies, quoting the words of one participant who did not agree.

“Programs which are said to be aimed at developing our local economy have been running for about 5(five) years, year in year out there is no visible development since the rate of unemployment is increasing while the so called LED strategies are put at hand for development” ... said the participant.

The LED strategies as developed with an aim to develop the local population, but they also face a challenge of development due to vast social issues that are affecting the community the strategies find it also difficult to function effectively and remove the burden of poor economy within the local community. The government is left with a huge challenge of adopting strategic measures in order to ensure the effectiveness of the development strategies. The municipality need to adopt those measure from the high performing municipality who are known as the metropolitan municipalities, a line of ETHekwini Metro, etc.

What was noted by the researcher during the data analysis process is that what also hinders the effectiveness of the LED strategies is the inclusion of unequipped staff within the departments that specializes with the economic development, based on what the participants have also noted is that staff that are employed within the respective department (Economic Development) need to be groomed of the actual term “Economic Development” and the actual scope of development. They need to be well equipped of the technicalities with to keeping the dynamic function of the Local Economic Development strategies or initiatives as provided by the respective municipality.

The study has also shown that the municipal official was very positive that there is effective role in Local Economic Development strategies that enhances effective economic development. However, the lack of planning, monitoring and evaluation in the effectiveness of the LED strategies in economic development is still stood firm in being a challenge. That resulted to make some members of the community to be doubtful about the effectiveness of the Local Economic Development. The study discovered that municipal officials who specializes in economic development invite local community to attend the roadshows. With regards to economic development there are pieces of legislations that are contrary to the importance of economic development, such as section 152 (1) (c) of the constitution of the Republic of South Africa, 1996 outlines the objectives of the local government; “(c... to promote social and economic development)”.

In addition, the results of the study portray the idea of that young people within the respective municipality are working in hand with the municipality in ensuring that the development of the community’s economy becomes useful and effective for them to face day-to-day challenges they encounter. As noted by the municipal official, as young people are provided with training on various technical skills such as, stick welding, electrical skills and plumbing they are fully participating in these trainings that is provided by the municipality as part of economic development goals. The skills audit of the municipality revealed that 87% of youth are without driver’s licenses, in the year 2018-2019 unemployed graduates were given the opportunity to be equipped with driving skills. Through youth participation in these programs that are provided by the municipality shows the cooperative force between the community and the municipality in achievement of the objectives and goals of development.

Conclusions

Various number of the issues that hinders the achievement of LED planning in South Africa could be solved either by re-scaling LED or by forging increasingly incorporated and spatial relationships between local, district and provincial authorities being developed in planning. By the by, this coherent solution is frequently undermined by the absence of communication on LED issues between interlinked municipalities, among districts and among districts and provinces. To beat this weakness, one helpful proposal is that it would be effectively compelling for LED experts to understand and analyse those value chains for their very own local areas, on that basis distinguish potential planning opportunities for LED (Van der Heijden, 2008).

Recommendations

Based on the findings of this paper, challenges that are highly affecting the community within the uMhlathuze Local Municipality in terms of economic development are: massive rate of unemployment, crime and corruption, poverty and inadequacy of skills, as noted
by the research participants. These challenges really hinder the development of the LED strategies to enhance effective economic development.

The municipality will have to advance the tool for monitoring and evaluation to ensure that the Local Economic Development strategies are operating effectively, and mechanisms are put in place to ensure the achievement of goals of economic development. Moreover, the municipality also need to advance the communication methods to ensure that the development that is brought through Local Economic Development strategies can reach the entire population within the respective municipality.

Below are the recommendations that were developed to assist with ensuring effective economic development through the Local Economic Development strategies:

i. The municipality will need to set a certain period to evaluate the impact that is made by the LED strategies to make sure that the strategies are really effective for economic development and developing the local people.

ii. It is recommended that the municipality will need to apply the training and development approach to staff that is responsible for development of the community to make sure that they are well equipped for the development of the local community.

iii. The municipality will also need to develop an open public education that will help empower the community of the opportunities that are provided by the municipality with the goal of developing the local community.

iv. It is recommended that the municipality will need to review strategies that are provided by the municipality if whether are they relevant to the community and are they useful for the community, review of strategies will help the municipality to see if either the strategies will need to be declined or they will need to go on with developing the local community.

v. The municipality is also recommended to give more of financial support to these development strategies since they are dealing with the crisis that the local citizens are facing on daily basis.

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References


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