UNIVERSITY OF KWAZULU-NATAL

ENTERPRISE DEVELOPMENT TRENDS: A CASE STUDY OF MTHATHA, KING SABATA DALINDYEBO MUNICIPALITY

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DECLARATION

I, ANDISWA Z. MSI, declare that:

The research reported in this dissertation, except where otherwise indicated, is my original research and it has not been submitted for any degree or examination at any other university. All the other sources, used or quoted, have been indicated and acknowledged by means of complete references.

Signature:

ACKNOWLEDGEMENTS

ABSTRACT

Local Economic Development (LED) in South Africa has grown in significance since the 1994 democratic transition. This study investigates and analyses enterprise development trends in and around Mthatha, in the King Sabata Dalindyebo Municipality (KSDM) for the period 1995 to 2006. The study briefly examines the local economic development in the context of developmental local government with reference to enterprise developments

For the purpose of the study, a case study research method was adopted. Yin (1984:23) defines the case study research method as an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used. Both quantitative and qualitative data collection techniques were used in a complementary way. A thorough literature review was conducted to lay a theoretical foundation for the study. Secondary data was used from publicly available sources. Primary data was gathered by means of face-to-face structured interviews and questionnaires.

The findings indicated that a number of factors have been identified as contributing to the retarded development and economic growth in the area, namely limited skills base, high levels of poverty , high unemployment rate, lack of co-ordination and integration of development initiatives. These lead to ineffective use of resources and a poor condition of the roads. Such factors, coupled with inadequate maintenance, may have also resulted in the failure to maximise the economic potential of the area and poor infrastructure provision that cannot support business or industrial development.

The study further reveals that there are local government policies and legislative frameworks in KSDM to address municipal developments, although some of these are still in their draft phases. The Integrated Development Plan (IDP) emerged as the most popular local development plan and strategy, particularly, because it provides a holistic and participatory approach to planning at a local government level. The government also emphasises IDP in its strategic planning and development frameworks.

The study undertaken will contribute to policy development in the critical area of local economic development and, more specifically, enterprise development. The study recommends that KSDM needs to plan and ensure that the developments that take place are within stipulated Spatial Development Framework (SDF) Guidelines, and Land Use Management Guidelines.

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ACRONYMS AND ABBREVIATIONS

DoLA	Department of Land Affairs
EC	Eastern Cape
ECP	Eastern Cape Province
ECDC	Eastern Cape Development Corporation
GDP	Gross Domestic Product
HDI	Human Development Index
IDP	Integrated Development Plan
ISRDP	Integrated Sustainable Rural Development Programme
KSDM	King Sabata Dalindyebo Municipality
LED	Local Economic Development
LGSA	Local Government Systems Act
LGTA	Local Government Transition Act
LMs	Local Municipalities
LRAD	Land Redistribution for Agricultural Development
MSA	Municipal Systems Act
ORTDM	OR Tambo District Municipality
PDGP	Provincial Growth and Development Programme
RSA	Republic of South Africa
SDF	Spatial Development Framework
SEA	Strategic Environmental Assessment
StatsSA	Statistics South Africa
WPLG	White Paper on Local Government

CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

Since the first democratic elections in South Africa in 1994, the nature of municipalities has changed significantly. Local Government Municipalities are developmental local governments tasked to take a developmental approach in responding to socio-economic challenges. To achieve this cause, they make use of strategic planning instruments which manage and guide all planning, development and decision-making processes in the municipalities. The developmental role of the Local Government can be understood through the consideration of four basic drivers, namely, planning for development, governance and administration, regulation and service delivery.

When the new developmental form of local government was introduced, an LED Charter was formulated to create a favourable environment conducive to economic growth and job creation. Some of its elements include:

- embracing strategies to promote growth, tackle poverty and reduce inequality;

- creating jobs and encouraging the formation of new enterprises;

- addressing backlogs by investing in infrastructure, putting in place systems to ensure the provision of basic services to communities, including housing; and

- creating a supportive civic culture that will promote confidence among investors.

1.2 BACKGROUND TO THE PROBLEM

During the fourteen years of democracy, South Africa has experienced various phases of development. The initial years focused mainly on policy formulation, building the capacity of the state to deliver and ensuring that economic environment was stabilised. The Constitution of the Republic of South Africa calls upon municipalities to promote local economic development (LED), focusing on facilitating sustainable local economic growth, the creation of sustainable employment and the improvement of the quality of life for all people that the municipality serves. LED is at the centre of poverty alleviation, and also of efforts to fight underdevelopment.

According to the King Sabata Dalindyebo Municipality, Local Economic Development Strategy Vision 2030 (2007:23), KSDM exhibits glaring challenges and weaknesses because of:

- poor planning;

- poor governance;

- limited funding;

- poor resource allocation;

- a decade of neglect; and

- limited public and private sector investment in productive and employment- generating assets.

The KSDM Integrated Development Plan Review (2006/7:17) states that there are additional factors that undermine investment in KSDM. These include a limited skills base, a high crime rate, poor road and rail infrastructure, and generally poor infrastructural support for business and industrial development. According to Manganyi (2006:1), development initiatives at any level, that is, political, social, physical, economic and infrastructural, have an impact on the lives of the people living in both rural and urban areas. Manganyi (2006:1-3) further states that integrated development and planning should inform initiatives that serve to benefit these communities.

1.3 PROBLEM STATEMENT

The KSDM faces retarded development and poor economic growth in the area. It is apparent that a number of factors have been identified as contributing to this problem. These factors include:

- high unemployment and a limited skills base;

- high levels of poverty;

- poor infrastructure provision that cannot support business or industrial development; and

- lack of coordination and integration of development initiatives, which leads to the ineffective use of resources.

Mthatha, the main town of KSDM, served as the capital town of the Transkei homeland, under the name of Umtata. After the 1994 elections, Mthatha lost its capital status. From 1990, the highly politicised town was tense with boycotts which crippled the municipality. The results were severe economic downturn, with the withdrawal of both public and private sector investment and massive job losses (Siyongwana, 1998:9). However, in the past years there have been signs of an economic turnaround as developers invest in the town, in new malls and hotels (KSDM IDP, 2006/7:22).

The KSDM has for sometime been embroiled in issues around land tenure and settlement patterns which negatively impact on the development of the area. The currently dispersed settlement patterns have resulted in spatial fragmentation and unco-ordinated urban development sprawl (KSDM Local Economic Development Strategy Vision 2030, 2007:15). Furthermore, The KSDM economy indicates that despite the marginal positive growth rates that the municipality area has experienced in the past years, it continues to experience rising unemployment with most rural communities highly dependent on the social welfare system for survival (KSDM IDP, 2006/2007:9).

The following research questions arise:

- What prompted the developments in Mthatha, in KSDM between 1995- 2006?

- To what extent has integrated developmental planning taken place with regard to developments?

- To what extent are the community and municipality benefitting from the developments?

1.4 OBJECTIVES OF THE STUDY

The objectives of the study are to:
- critically analyse and evaluate enterprise development trends in and around Mthatha, in KSDM for the period 1995 to 2006;
- investigate whether the municipality and community are benefitting from the developments;
- determine the extent of integration planning of all services that has been carried out to support these developments;
- determine which factors hinder or attract enterprise developments in Mthatha; and
- evaluate the extent to which enterprise development planning is done, in conjunction with other developmental project plans.

1.5 THE PURPOSE OF THE STUDY

The purpose of the study is to investigate and analyse enterprise development trends in and around Mthatha in KSDM for the period 1995 to 2006 (12 years). This study will provide baseline information which is a good indicator of the status of developments in Mthatha. The coverage and geographical spread of both rural and urban major development projects will generate information that can be generalised to reflect the current status of development levels in Mthatha and its challenges. The study will also evaluate the extent to which enterprise development planning is done in conjunction with other developmental project plans.

1.6 SIGNIFICANCE

In terms of Section 153 (2) of the Constitution, a municipality must strive, within its financial and administrative capacity, to promote local economic development. This study will contribute to policy development in the critical area of Local Economic Development (LED) and, more specifically, enterprise development.

1.7 RATIONALE

A healthy community requires that diverse needs such as economic development and natural resources or environment are properly balanced. The municipality, therefore, needs to ensure that such a balance is achieved. The obligations borne by local government to provide basic municipal services are sourced in both the Constitution and legislation. Section 152(1) of the Constitution sets out the objects of local government in general terms, and creates a set of constitutional obligations that are to be achieved in accordance with section 152(2). Section 152 of the Constitution states that the objects of local government are to:

- provide democratic and accountable government for local communities;
- ensure the provision of services to communities in a sustainable manner;
- promote social and economic development;
- promote a safe and healthy environment, and
- encourage the involvement of communities and community organisations in matters of local government.

Furthermore, the Constitution specifically entrenches the developmental duties of municipalities. Under Section 153, a municipality is obliged to prioritise the basic needs of the community and to promote the social and economic development of the community.

1.8 SCOPE OF THE STUDY

This study will focus on enterprise development trends during period 1995 to 2006 (12 years). The scope of the study is limited to the Mthatha area in KSDM.

1.9 METHODOLOGY OF THE STUDY

This study adopted both quantitative and qualitative techniques in complementary ways to obtain primary data that would assist in the realisation of the objectives of the study. Secondary data was used from publicly available sources. The literature review which laid a theoretical foundation to the study was conducted.

1.9.1 Research design

Mouton and Marais (1988:32) define a research design as "the arrangement of conditions for collecting and analyzing data in a manner that aims to combine relevance to the research purpose with economy in procedure". The research design provides a guide for planning and implementation of the study.

The study is exploratory in nature because the objective is to explore and evaluate enterprise development trends in and around Mthatha. The study also examines the perception of, and insight into, the process of development planning of the community, KSDM employees, developers and development agencies in and around Mthatha.

1.9.2 Participants

For the purpose of the study, the participants are KSDM community members, KSDM employees, ward committee members, councillors and developers currently managing or planning developments in and around Mthatha.

1.9.3 Sampling

According to Polit and Hungler, (1991:254), sampling refers to the process of selecting a portion of the population to represent the entire population. A stratified sampling technique was used which is a sampling method in which all people in the sampling frame are divided into strata (groups or categories). Within each stratum, a simple random sample or systematic sample is then selected. To fulfil the objectives of the study, the population was clustered into four categories: developers, KSDM employees, ward committee members and ward councillors and community members.

Non-probability sampling was used in this study to conduct face-to face interviews. Sixteen participants were interviewed. Terre Blanche, Durheim and Painter (2006:346) refer to non-probability sampling as the sampling where the choice of elements is not determined by the statistical

principle of randomness. As part of non-probability sampling, a purposive non-probability sampling approach was adopted to obtain the desired sample. Patton (1990:169) defines purposeful sampling, in contrast to probabilistic sampling, as the selection of the information-rich cases for study when one wants to understand something about those cases without needing or desiring to generalise in all such cases.

From the population of thirty two (32) wards, only ten (10) wards that surround Mthatha were sampled:

- one (1) ward committee member and one (1) ward councillor per zone;
- seven (7) community members were randomly selected;
- seven (7) KSDM employees currently working either at urban renewal or town planning department or economic development planning departments; and
- five (5) developers who are currently involved in projects or who are planning to start development in and around Mthatha.

1.10   DATA COLLECTION TECHNIQUES

Data collection techniques allow the researcher to systematically collect the information about the objectives of the study and about the settings in which they occur. The following data collection techniques were used to gather information:

1.10.1 The questionnaire

A survey questionnaire was designed to gather information. According to Polit and Hungler (1991:193), a questionnaire is a tool for gathering self-reported information from the respondents about their attitudes, knowledge, beliefs and feelings.

1.10.1.1 Format of the questionnaire

A set of questionnaires was designed for the purpose of gathering information from KSDM employees, ward committee members, councillors and community members and developers regarding their perceptions of enterprise developmental trends in and around Mthatha.

The questionnaire contained questions which were grouped into five sections. Most of the questions were closed-ended, where the answer was either Yes or No, or the respondents could select an answer from a list of possible answers. Some questions were open-ended, allowing the respondents an opportunity of writing their individual responses. Seventy five (75) respondents returned their questionnaires out of a sample of ninety (90) respondents.

1.10.1.2 Administration of the questionnaire

The questionnaires were personally delivered to all participants, and a contact number was left with them in case there was a need to clarify problems in the questionnaire. Each participant was asked to complete the questionnaire and return it.

1.10.2 The interview

For the purpose of this study, structured interviews were used. A structured interview is a quantitative research method commonly employed in survey research (Mouton, 1996:101). Structured interview sessions were conducted with specific KSDM employees using a set of questions prepared for the purpose of the study. The main aim of this approach was to ensure that each interviewee is presented with exactly the same questions in the same order, to make sure that the answers are reliable, aggregated and that any comparisons can be made with confidence. Newman (2000:512) states that interview guide is the name of a survey research questionnaire in which a telephone or face to face interview is used. The interview guide was divided into two parts, namely:

Part 1:   Was designed to get the respondents' background information; and

Part 2:   Was designed to measure the respondents' understanding of planning and development in KSDM.

1.10 DATA ANALYSIS

Data capturing was carried out over a two-week period. Tables were constructed using selected key variables, for example, age. The Statistical Package for the Social Sciences (SPSS) was used for the analysis of the quantitative data. The interpretation of data was done, based on a conceptual framework and the objectives of the study. Sourced from the analysis, the final report and recommendations were written.

1.11 ETHICAL CONSIDERATIONS

Strydom (1998:24) defines ethics as a set of moral principles which is suggested by an individual or group and is subsequently widely accepted. It offers rules and behavioural expectations about the most correct conduct towards experimental subjects and respondents, employers, sponsors, other researchers, assistants and students. Meanwhile, Hayes (2000:53) states that modern ethical guidelines recognise the rights of the research participants as autonomous active individuals who have chosen to participate in the study, and whose participation gives them certain rights, the right to be fully informed about the study, the right to withdraw, if they so choose, and the right to make informed choices.

For the purpose of the study, the aforementioned ethical principles were considered, including informed consent from all the organisations and the participants in order to protect the autonomy of participants. Confidentiality was maintained and reporting on results was communicated.

1.12 LIMITATIONS TO THE STUDY

The study investigates people's perceptions of the status of enterprise development trends in Mthatha, KSDM. Owing to the complexity and rural nature of the KSDM, this study could not be extended to the whole local municipal area and the district municipality, OR Tambo District Municipality (ORTDM).

1.13 DEFINITION OF TERMS

For the purpose of the study the following terms are defined as follows:

- **Development**

For the purpose of the study, development is referred to as the change in land use of a parcel of land or improvement thereon, sustained economic growth, increased investment flow accompanied by reduced level of poverty, unemployment and inequality (KSDM SDF, 2004: 5).

- **Spatial Development Framework (SDF)**

Manganyi (2006: 27) defines SDF as a plan which outlines development principles, policies and goals that are applicable in one's area, in relation to physical space.

- **Integrated Development Plan (IDP)**

IDP is a strategic plan that co-ordinates and integrates plans, aligns resources and implements capacity (Local Government Municipal Systems Act (LGSA), No.32 of 2000).

- **Community Development (CD)**

Community Development (CD) refers to the "improvement in the health, housing, education and welfare conditions (including economic welfare) of individuals, households and communities within a locality (Hindson & Vicente-Hindson, 2005: 24).

- **Enterprise Development (ED)**

For the purpose of the study, ED refers to those initiatives that help strengthen the economic base and competitiveness of a locality, any continuing trade, business or similar activity through improved

access of local enterprises to market opportunities and enhanced collective efficiency of businesses whether or not carried on for the purpose of deriving profit (Hindson & Vicente-Hindson, 2005:19).

- **Local Economic Development (LED)**

LED is a process by which local governments, along with local corporate firms, join forces and resources to enter into new partnership agreements with the private sector or each other, for the purpose of creating new jobs and stimulating economic activity in a well-defined economic zone (Blakely, 1994:49-50).

- **Gross Domestic Product (GDP)**

GDP refers to the total market value of all final goods and services produced within a given period by factors of production located within the country (Hoover, 2005:66).

- **Gross Domestic Product per capita**

Hoover (2005:67) defines Gross Domestic Product per capita as an approximation of the value of goods produced per person in the country, equal to the country's GDP divided by the total number of people in the country.

- **Poverty**

Statistics South Africa (2000:54) argues that poverty should be seen in a broader perspective than merely the extent of low income or low expenditure in the country. It is seen as the denial of opportunities and choices most basic to human development to lead a long, healthy, creative life, and to enjoy a decent standard of living, freedom, dignity, self esteem, and respect from others.

- **Local Development (LD)**

Local Development (LD) refers to improvement in the social, economic and environmental conditions in which businesses operate within a given territory, and it includes the strengthening of both tangible and intangible location factors (Meyer-Stamer, 2004:1).

1.14 OUTLINE OF THE DISSERTATION

The study consists of five (5) chapters:

Chapter 1:   Gives the introduction to the study, objectives, research questions, problem statement, research design, sampling method, ethical considerations, limitations of the study and definition of terms.

Chapter 2:   Discusses the socio economic profile of Mthatha, KSDM and the review of LED in South Africa in the context of developmental government.

Chapter 3:   Presents the research methodology of the study.

Chapter 4:   Presents the research analysis and findings of the study.

Chapter 5:   Provides general conclusions and recommendations of the study.

1.15 CONCLUSION

This introductory chapter is premised on the context in which this study is conducted. It also gives a brief background information to the research by highlighting enterprise development challenges in the area of study. In addition to this, Chapter 1 provides a working definition of the terms used in this study. The chapter which follows presents the socio- economic profile of Mthatha, KSDM and further discusses LED and other development polices and plans in South Africa.

CHAPTER 2

OVERVIEW OF MTHATHA, KING SABATA DALINDYEBO MUNICIPALITY AND LOCAL ECONOMIC DEVELOPMENT PLANNING IN SOUTH AFRICA

2.1 INTRODUCTION

The King Sabata Dalindyebo Municipality (KSDM) is made up of the former transitional local councils of Mthatha and Mqanduli. It is surrounded by a number of small rural towns and villages, the residents of which visit the municipal area to acquire services that are not available in their own towns and villages. The KSDM is a Category Municipality.

The objective of this chapter is to give an overview of the socio economic development of Mthatha, KSDM. Reference shall be made to aspects of the local economic development framework in South Africa, policies, legal framework and tools, such as Spatial Development Framework (SDF), Integrated Development Plan (IDP), Reconstruction and Development Programme (RDP) and development theories.

2.2 REGIONAL AND PROVINCIAL CONTEXT

The KSDM falls under the OR Tambo District Municipality (ORTDM), in the Province of the Eastern Cape (EC). The EC is located on the South- Eastern seaboard of South Africa, and is the second largest province in terms of land mass (ORTDM Growth and Development Summit Economic profile, 2006:4). According to the ORTDM Growth and Development Summit Economic Profile (2006:5), the ORTDM comprises the following seven local municipalities:

- **Qaukeni Local Municipality;**

- **Port St Johns Local Municipality;**

- **Mhlontlo Local Municipality;**

- **Nyandeni Local Municipality;**

- **Mbizana Local Municipality;**

- **Ntabankulu Local Municipality; and**

- **King Sabata Dalindyebo Municipality.**

The primary administrative centre of KSDM is Mthatha, which served as the capital town of the Transkei Bantustan, under the name Umtata. Umtata, now known as Mthatha, evolved in the late 1860`s in response to a request by white colonists for protection by the Cape Colonial Government. In 1976 Transkei became an independent state and Umtata acquired a capital status. In 1994, the Transkei was made part of the unified "new" South African (Siyongwana, 1998:9).

The OR Tambo District Municipality (ORTDM) stretches from the Indian Ocean coastline in the southeast (the Wild Coast) to the Mhlahlane and Baziya mountains in the west, and from the Umthamvuna River in the north, to the Mbashe River in the south. The entire District was part of the former Transkei Bantustan (ORTDM IDP, (2006/7). A detailed geographical spread of the ORTDM is illustrated in Figure 2.1.

Figure: 2.1 OR Tambo District Municipality –district context

Source: Adapted from www.ksd.org.za

2.3 POPULATION AND AREA

According to the Municipal Demarcation Board's Municipal Profile (2006), KSDM`s total population is made up of 429 413 people within the ORTDM`s estimated total population of approximately 1 740 664 people, which are split by local municipal areas. The data in Table 2.1 indicates that the KSDM population percentage distribution is 24.7% of the ORTDM population.

Table 2.1: OR Tambo District Municipality Population % Distribution

Local Municipality	Population (%)
King Sabata Dalindyebo	24.7
Nyandeni	16.9
Port St Johns	8.7
Mhlontlo	12.2
Ntabankulu	7.4
Mbizana	14.7
Qaukeni	15.4
TOTAL	100

(Source: Adapted from Municipal Demarcation Board Municipal Profile, 2006)

It is estimated that 47.6% of the population falls within the 15-65 years of age category, which, traditionally, is seen as the "economically active" segment in any population (ORTDM IDP, 2006/7:8). According to the Department of Housing Report (1997:19), the current urban structures reflect both the country's history, as well as major trends which are evident in the world. The population growth rate is constant at 1.02% per annum (KSDM IDP, 2006/7:8).

The majority of the population resides on tribal land (ORTDM Economic Foundation, 2005:27).The data in Table 2.2 show that (98.98%) of the KSDM population are Blacks, followed by Coloured then Whites and Indians or Asians.

Table 2.2 King Sabata Dalindyebo Municipality Population by Population Group

DESCRIPTION	NUMBERS (2001)	PERCENTAGE (2001)
Black African	412116	98.98
Coloured	2257	0.54
Indian or Asian	558	0.13
White	1414	0.35
TOTAL	416345	100.00

(Source: Adapted from Statistics South Africa, Census 2001 (Updated to 2005 BMR / Global Insight)

2.4 EMPLOYMENT

According to the ORTDM Economic Foundation (2005:8), the KSDM has an unemployment rate of 55.52%, and dependency of 2.88% which is by far the lowest in the ORTDM.

2.5 DEVELOPMENT INDEX

The Human Development Index (HDI) is a composite index based on life expectancy, income and literacy (ORTDM Economic Foundation, 2005:10). HDI is used to compare levels of development between countries, regions and groups. ORTDM has the lowest HDI in the EC at 0.42% (ORTDM Economic Foundation, 2005:10). According to the KSDM Draft Local Economic Development Plan (2006:8), the HDI in KSDM is measured at 0.49% compared to the national average of 0.59%, given the difference between the measurements specified in the ORTDM Economic Foundation (2005:10), and KSDM Draft LED Plan (2006:15).

2.6 POVERTY

Poverty is a contested concept with regard to how it should be conceptualised, defined and measured. The Reconstruction and Development Programme (1994:7) summarises poverty as the single greatest burden of South Africa's people, and is the direct result of the apartheid system and the grossly skewed nature of business and industrial development which accompanied it. This programme further states that poverty affects millions of people, the majority of whom live in rural areas, and are women. It is estimated that there are at least 17 million people surviving below the Minimum Living Level in South Africa.

The World Bank (2000:19), produced a universal poverty line, which is consumption-based and comprises elements such as the expenditure necessary to buy a minimum standard of nutrition and other basic necessities and a further amount that varies from country to country (Duy Khe *et al* (2003:77).The Eastern Cape remains one of the poorest provinces in South Africa (Statistics South Africa, 2004).It is largely made up of former homelands of Transkei and Ciskei, with high poverty rate that is linked directly to the historical neglect of these areas (ORTDM Economic Foundation, 2005:11).

2.7 ECONOMIC FACTOR CONDITIONS

Largely owing to the motor manufacturing industries in the area, the Eastern Cape produces 8.4% of South Africa's total gross domestic product (Spatial Development Model of KDC, 2005). However, it remains one of the poorest provinces in South Africa, owing to the extreme poverty found in the former Bantustans, (KSDM Draft Local Economic Development Strategy, 2006/7:2).The Local Government Municipal Systems Act, 2000 (Act No 32 of 2000) outlines the objectives of local government. One of these is to provide services in their areas of responsibility that are both financially and environmentally sustainable. The economic profile of ORTDM indicates that it is well endowed with natural resources which have been under-exploited, and thus do not the benefit the district`s population (ORTDM Vision 2030, 2004:5). According to the Local Government Transition Act of 1993 and its 1996 Amendment (RSA, 1993. 1996c), post- apartheid local government enactment requires municipalities to promote economic and social development. It further obliges local governments to draw up an IDP that addresses spatial and transport planning, infrastructure and the promotion of economic development.

In 2005 the KSDM Gross Geographic Product (GGP) was estimated at R5,9 billion at current prices, with Mthatha`s share averaging R5,5 billion (KSDM Draft Local Economic Development Strategy, 2006/7:7). According to the KSDM Draft Local Economic Development Strategy (2006/7:9), the economy of KSDM grew by 1.81% between 1996 and 2005. This growth rate remains disappointingly low, considering the high unemployment rate and high poverty levels, according to the KSDM Draft Local Economic Development Strategy (2006/7:17).

Syrquin (1988:115) notes that the relocation of resources from sectors with low productivity, such as agriculture to sectors of higher productivity, such as manufacturing, contributes to growth if there is a fuller or better utilisation of such resources. KSDM has a very diverse economy which is highly concentrated, by provincial standards, with an exaggerated dependence on government employment (Vaughan & Cartwright, 2005:344). KSDM falls into the top third of all EC municipalities on economic indicators, but scores poorly on poverty and dependency measurements. KSDM plays a very important role in the economy of ORTDM as it contributes more than any other local municipality in all sectors of the district economy with the exception of mining (KSDM Draft Local Economic Development Strategy, 2007:36).

2.8 SECTOR CONTRIBUTION

In the Eastern Cape Province (ECP) Government, community and personal services (including tourism and manufacturing) are the main contributors to the ECP`s Gross Domestic Product (GDP). The ORTDM accounts for about 11% of the ECP economy (KSDM Draft Local Economic Development Strategy, 2007:11). In the KSDM, more than 51% of the economy is dominated by community services, trade is the second largest sector followed by finance and agriculture (KSDM Draft Local Economic Development Strategy, (2007:12). According to the KSDM Draft Local Economic Development Strategy (2006/7:4), KSDM economy faces several challenges with regard to its economy. The challenges include:

- Infrastructural backlogs characterised by debilitated infrastructure, symptomatic of poor maintenance and neglect; and
- Low income levels worsened by high levels of poverty and unemployment.

2.9 INFRASTRUCTURE AND SERVICES

With regard to socio-economic legacy, South Africa inherited an immense backlog in the fulfilment of basic needs and services such as housing, water and sanitation. This continues to impact on the daily lives of the poor (Reconstruction Development Programme, 1994).

According to the ORTDM Spatial Development Model of Kei Development Corridor (KDC) (2005:20), two of the key challenges that face the ORTDM as a whole are infrastructural backlogs and underdevelopment. Further challenges include poor industrial base, infrastructure provision which cannot support business and industrial developments, lack of coordination and integration of development initiatives which leads to ineffective use of resources (Spatial development model of KDC, 2005:21). Booth, *et al* (2000:9) states that lack of transport services and infrastructure could lead to the inability to strengthen human capabilities.

2.10   WATER AND SANITATION

ORTDM, as per the legislation, has the responsibility to perform the water and sanitation function for the district. It is estimated that approximately 78.3% of the district population does not have access to a formal water supply. The largest backlog in respect of the above occurs in the KSDM (KSDM IDP, 2006/7:34).

According to the report of the Select Committee on Local Government and Administration on a visit to KSDM dated 20 October 2004, it appears that there is a non-observance of cooperative government between the KSDM and the ORTDM. KSDM is dissatisfied that the ORTDM has taken up the water services provision function (KSDM IDP 2006/7:45). KSDM has held this water function for years and believes that it has the capacity to continue doing so. The discontinuation of this function also meant a loss of revenue for KSDM.

2.11   TELECOMMUNICATIONS, TRANSPORT AND ROAD NETWORKS

The road network comprises both tarred and gravel roads that are in a poor condition (KSDM IDP (2006/7:23). The N2 is a national road which runs through Mthatha in a northeast/southwest direction and provides access to the major centres of Durban and Port Elizabeth and towns in between. The R61 is a trunk road which runs parallel to the coastline in an east/west direction providing access to significant centres like Buffalo City and Kokstad, whilst providing secondary access to Mthatha, as well as access to smaller towns such as Engcobo and Libode (KSDM Strategy Framework for Growth and Development 2004-2014, 2006:17). The R394 road, also a second trunk road, runs from Tsolo to Maclear (KSDM Strategy Framework for Growth and Development 2004-2014, 2006:18).

According to the ORTDM Economic Foundation (2003:17), several road developments have been identified. These include the bid for the N2 Toll Road up to Mthatha, between Mthatha and Port St Johns and Lusikisiki, as well as the construction of a new direct route from Lusikisiki to Port Edward, and the development of a new link road between Ugie and Langeni Forests near Mthatha

The Mthatha Airport is the only air link to the region that provides two return trips a day between Mthatha and Johannesburg (ORTDM SDF, 2005:11).

The current railway infrastructure includes a rail segment from Buffalo City through to Mthatha which was previously used for passenger services. The Mthatha railway line is currently being used for freight purposes only (KSDM Strategy Framework for Growth and Development 2004-2014, 2006:22).

The national operator, Telkom, provides telecommunications through an established network throughout the KSDM (KSDM Strategy Framework for Growth and Development 2004-2014, 2006:31). Telecommunications operations have been limited to urban centres, but attempts are currently being made to provide communication services to rural areas by means of the Digital Cordless Telephone System. In addition to these services, Vodacom and MTN installed transmitters that provide coverage up to 70% in the ORTDM (ORTDM Integrated Development Plan (IDP), 2005:39). The ORTDM IDP (2006/7:5) further highlights the challenges that include theft and

vandalism of the existing infrastructure, especially theft of copper cabling, solar panel installations and public telephones.

The ORTDM has been a benefactor of Eskom`s electrification programme since 1994. Most of the homesteads in the rural areas now have electricity (KSDM Strategy Framework for Growth and Development 2004-2014, 2006:44).

2.12   TOURISM

Eastern Cape receives 10.1% of all the tourists to South Africa, while contributing only 7.2% to the national Gross Domestic Product (GDP) (KSDM Vision 2030, 2005:41). According to the Spatial Development Model of Kei Development Corridor (2005:57), ORTDM has considerable economic potential when it comes to tourism. Mthatha is the tourism gateway for the KSDM and a centre for tourism with areas such as Mthatha Dam, Nelson Mandela Museum, Owen Dam, Mthatha airport, Qunu Village, Induli Nature Reserve, Jonopo Cultural Village, Mabheleni Dam, Wonkumntu and Mthatha Mouth (KSDM IDP, 2006/2007:19).

Land Claims and high levels of crime are becoming a threat to tourism. According to the KSDM Vision 2030 (2004:45), several challenges like lack of planning capacity, signage, lack of safety and security, and poor infrastructure have been identified as threats to tourism in the area.

2.13   EDUCATION LEVELS AND LITERACY

The ORTDM is characterised by low levels of education, with Mthatha showing highest levels of education compared to the rest of the district (ORTDM SDF, 2005:9). The KSDM economy is faced with structural challenges, amongst which is the limited skills base. Functional literacy levels have been measured at 54%. 16% of the population have matric, whilst only 7% have a post-matric qualification. Even those who have a post-matric qualification do not possess the kind of skills required by the local economy. The data in Table 2.3 indicates that 31.06% of the KSDM population has no schooling, with only 8.01% in possession of education higher than Grade 12 (KSDM Strategy Framework for Growth and Development 2004-2014, 2006:20).

Table 2.3: King Sabata Dalindyebo Municipality Education Grouping

Description	Numbers (2001)	Percentage(2001)
No schooling	58413	31.06
Some primary	29360	15.61
Complete primary	9926	5.28
Some secondary	49030	26.07
Std 10/Grade 12	26258	13.96
Higher	15073	8.01
TOTAL	188060	100.00

(Source: Adapted from Municipal Demarcation Board, 2006)

2.14 KING SABATA DALINDYEBO MUNICIPALITY INDUSTRY CATAGORIES

According to the 1st draft of the ORTDM Economic Foundation Report (2003:14), the trend in the ORTDM is skills flights to other districts and provinces elsewhere in South Africa, something that mostly affects the KSDM. The data in Table 2.4 indicates that 91.95% of the KSDM industry is made up of the undetermined occupation category.

Table 2.4: King Sabata Dalindyebo Municipality Industry

Description	Numbers (2001)	Percentage (2001)
Agricultural related work	914	0.22
Mining, Quarrying	317	0.08
Manufacturing	1059	0.26
Electricity ,gas and water	280	0.068
Construction	2027	0.49
Wholesale, Retail	4873	1.19
Transport, Comm.	1419	0.35
Business Services	2799	0.6
Community Services	19362	4.72
Private Household	-	
Undetermined	377345	91.95
Rep Foreign Gov	0	
TOTAL	410395	100.00

(Source: Adapted from Municipal Demarcation Board, 2006)

2.15   INSTITUTIONAL GOVERNMENT AND GOVERNANCE

The concepts of government and governance have many related meanings attached to them. In essence government refers to the supreme controlling force within society which is the state. Bealey (1999:147) describes governance as the mechanisms an organisation uses to ensure that its constituents follow its established processes and policies.

The Provincial Government of the Eastern Cape intervened in the KSDM in terms of Section 139(1)(a) and (b) and Section 139(4)(b) of the Constitution Report of the select committee on local government and administration on a visit to KSDM (2004:1-2). They noted that the KSDM has experienced poor municipal governance, political instability and lack of cooperation between political parties which has led to the non-functionality of the Council. They further state that KSDM could not fulfil its executive obligations in terms of service delivery and in the honouring of its financial obligations.

The ORTDM Nodal Economic Development Profile (2005:58) maintains that the municipal structures of ORTDM`s local municipalities are filled with a variety of human resources constraints. These have been summarised into the following categories:

- poor communication;
- low capability; and
- capacity and corruption.

The ORTDM Development Profile (2005:11) states that all these constraints feature strongly within the upper and lower management structures and are major concerns for future growth and development within the local municipalities.

The constraints are as follows:

1.   **Communication**

- **There is a lack of communication between local municipalities in ORTDM.**

2   Low capability

- **There is a lack of understanding of LED at local and district municipality levels.**
- **There is greater focus on social upliftment than on economic development.**
- **Lack of strategic insight is evident.**
- **Low skills levels.**

3   Low capacity

- **Motivation levels are not optimal**

4   Corruption

- **There is a poor image of the district due to media coverage that highlights ghost workers, nepotism and theft within the KSDM.**

In addition to the above-mentioned, the Eastern Cape Department of Local Government and Administration has a record of numerous reports on maladministration brought to the fore by concerned citizens, whistleblowers, reports of the Auditor General and reports on meetings between the Department and the KSDM. These reports and those of the Auditor General, which are disclaimers from year to year, all point to maladministration, malpractices and alleged corruption within the Municipality which necessitate investigations into the affairs of the Municipality **(**Select Committee on Local Government and Administration on visit KSDM, 2004:3).

2.16   ROADS, TRANSPORT AND OTHER INFRASTRUCTURE

The Eastern Cape Provincial Growth and Development Plan 2004-2014 (2004:17) has identified the following strategic focus areas for addressing the development needs of the region:

- Infrastructure backlog eradication to enhance infrastructure in economic growth and development;
- Public sector and institutional transformation in support of improving service delivery.

The Spatial Development Framework of ORTDM is dominated by the position of Mthatha as the gateway and district economic hub (Kei Development Corridor Integrated Infrastructure Plan, 2007:34). Mthatha is at the centre of future development plans. KSDM has identified economic potential in and around Mthatha, with the following development activities:

- R6 million will be spent at the KSDM to upgrade roads within the town of Mthatha (Mhlahlo, 24 July 2007);
- The Mthatha-Qokolweni Road is being tarred at a cost of R120 million in conjunction with the Department of Roads and Public Works, and is an important link between Mthatha and Mqanduli as well as the Wild Coast (KSDM IDP, 2006/2007:44);
- Mthatha Airport is set for a major facelift as part of an economic liftoff of Mthatha that has already attracted a number of new businesses and developments. (Daily Dispatch, 19 September 2006); and
- The downtown taxi rank near Mthatha River Bridge is also due for a R16m facelift, an amount that has been approved by the KSDM council.

2.17   KING SABATA DALINDYEBO MUNICIPALITY COMPETITIVENESS

According to studies conducted by Vaughan & Cartwright (2005:109), ORTDM has a composite competitive advantage score of 40.47%, which is the second weakest in the Eastern Cape Province. KSDM scored 52.46% which made it the most competitive municipality. It contributed 42.4% of the ORTDM formal employment, 42.4% and 82.2% GDP (KSDM Draft LED Strategy, 2006:77). A relatively high proportion of income is derived from grants, but the concentration of the economy and the reliance on government and community services for employment suggest an inability to retain and circulate revenue (ORTDM SDF, 2005:72). Business competitiveness is further undermined by reportedly high levels of crime, and particularly high levels of crime against businesses (KSDM Draft LED Strategy, 2005:72). Although the district is predominantly rural with large tracts of arable land, the agricultural sector is poorly developed and accounts for only 6% of the total district economy.

2.18   PROPOSED DEVELOPMENTS IN AND AROUND MTHATHA

According to the Daily Dispatch (22 September 2007), proposals are underway to develop the following areas:

- Enkululekweni area: There are plans for a shopping complex, motor showrooms, entertainment facilities, motor dealership, up market residential units, hotel and townhouses;
- The Mthatha Plaza currently being developed in the old Independence Stadium, where various franchises are to be opened, yielding a significant number of jobs for the KSDM residents; and
- Land adjacent to the Mthatha country club has been earmarked for a casino.

These development initiatives are estimated at more than R400 million and will have significant financial and economic spin-offs for KSDM (KSDM IDP, 2006/2007:44). The R15 million airport developments will transform the land surrounding the airport into fresh produce fields which will also serve as training grounds for farmers from the nearby Ncise Village in Mthatha.

2.19   SPATIAL DEVELOPMENT FRAMEWORK (SDF)

In terms of Section (26)e of the Local Government Municipal Systems Act (Act No. 32 of 2000), every municipality is required to formulate the SDF which provides a broad indication of where different types of development should take place within the municipality. The SDF also functions as a framework for public and private sector investment for different types of developments in those areas that are identified by the municipality.

2.20   INTEGRATED DEVELOPMENT PLAN (IDP)

Conyers and Hills (1984:33) define Integrated Development Plan (IDP) as an interdisciplinary approach to planning which bridges the gap between economic development planning and physical planning. The IDP process originates from the Constitution of the Republic of South Africa (Act No. 108 of 1996), which enjoins local government to:

- **provide democratic and accountable government to all communities;**
- **ensure the provision of services to communities in a sustainable manner;**
- **promote social and economic development;**
- **promote a safe and healthy environment; and**
- **encourage the involvement of communities and community organisations in   matters of local government.**

The Municipal Planning and Performance Management Regulations (R796 of 2001) set out further requirements for an IDP as an institutional framework to address the municipality's internal transformation and investment initiatives such as:

- **Development initiatives including infrastructure, physical, social and institution development; and**
- **All known projects, plans and programmes to be implemented within the municipality by any organ of state.**

The IDP is prepared for a five year period, but is reviewed on an annual basis. The IDP comprises four components, namely, an analysis of the existing situation in a municipality, a strategic framework (comprising a vision, objectives and strategies), project proposals and a set of integrated programmes and plans including SDF.

2.20.1 Integrated Development Plan: Legal Framework

The formulation of the IDP became a legal requirement for local councils in November 1996, as a result of the passing of the Local Government Transition Act, Second Amendment Act (Act No 97 of 1996). It was given further emphasis in the Local Government Municipal Systems Act (Act No 32 of 2000).The Local Government Transition Act of 1993, as amended by the Local Government Transition Second Amendment Act of 1996, was the first piece of legislation drafted to reflect the responsibility of local government to implement IDP. In this legislation IDP was presented as the main tool that guides all planning and decision making processes of the municipality. In 2000, the Local Government Municipal Systems Act came into operation to govern IDP at the municipal level,

as the Local Government Transition Act was only an interim piece of legislation applicable to the local sphere of the government until the finalisation of the demarcation of municipalities.

The Reconstruction and Development Programme (RDP), the Growth, Employment and Redistribution Strategy (GEAR), the Constitution of South Africa 200 of 1993, the Constitution of South Africa 108 of 1996, the White paper on Local Government of 1998, the Local Government Municipal Structures Act (Act No.117 of 1998) and the Local Government Municipal Finance Management Act (Act No.56 of2003), all make reference to the IDP. Figure 3.1 indicates the relationship between the IDP and other municipality plans.

Figure 3.1The relationship between the spatial development framework, integrated development plan and other plans in the Local Government
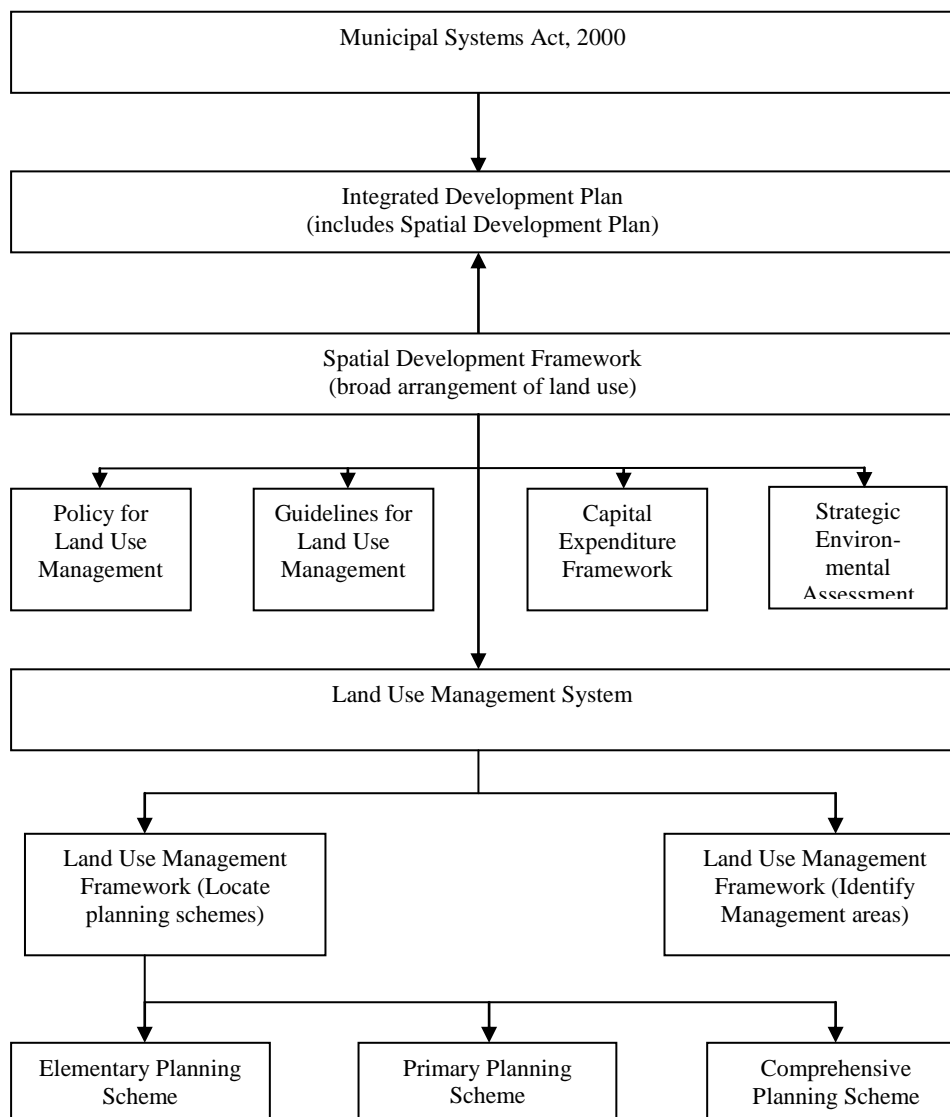
Source: Adapted from King Sabata Dalindyebo Municipality Local Economic Development Strategy Report, 20

2.21   DEVELOPMENT

Development literature reveals many definitions of the word development the component of which means different things to different people. Most definitions of development, however, revolve around issues such as the reduction of poverty, improved living standards and an improvement in the quality of human lives. According to Seers *et al* (1979:299), the purpose of development is to reduce poverty, inequality and unemployment. Seers, further argues that development incorporates outcomes which involve social phenomena that are centred on more than just increasing per capita output.

Torado`s (1994:19) definition is broad and it creates the impression that, through development, people`s living standards will be raised and conditions made conducive for economic growth. Torado further elaborates on his view of the concept of development in which he perceives it as a multi– dimensional process involving the restructuring and reorientation of the entire socio - economic systems.

Buckey (1993:98) explores development by focusing on human, economic, political and social aspects. Torado (1994:170) defines development as a process of improving the quality of all human lives. He argues that development should expand the range of economic and social choice of individuals and nations by freeing them from servitude and dependence. This should not only be in relation to other people and nation states, but also to the forces of ignorance and human misery. Torado and Smith (2003:77) favour the view that incorporates both the economic and social dimensions.

 Hopkins (2002:102) affirms that the level of development in an area has been associated with severity of unemployment, poverty, inequality or any issues that have the potential to lead to social instability in an area. According to Torado and Smith (2003:79), the meaning of development, and agreeing on the measurement criteria, should determine which country, region or community is actually developing, and which is not. In assessing development trends, non-economic social indicators such as services, unemployment, income distribution and literacy will be incorporated within the economic measures.

Torado and Smith (2003:65) propose that the objectives for development should be to:

- increase the availability of, and widen the distribution of life sustaining goods;
- raise levels of living; and
- expand the range of economic and social choices those are available for individuals and nation.

Torado (2004:680) further suggests that the improvement of living standards must ensure wider economic and social choices. In viewing all the above definitions, it is clear that development is a process which demands active participation, involvement and growing empowerment. For any development to be sustainable participation is imperative.

2.22   ECONOMIC DEVELOPMENT

Early economic development theory was an extension of conventional economic theory which equated "development" with growth and industrialisation. From a policy perspective, economic development can be defined, according to Blakely (1989:290), as efforts that seek to improve the economic well-being and quality of life for a community, by creating and/or retaining jobs and supporting or growing incomes and the tax base.

For the purpose of this study, the terms economic growth and economic development will be used interchangeably. Blakely (1989:286) refers to economic growth as the increase in an economy`s real Gross Domestic Product (GDP) and income over time. Blakey (1989:292) further analyses economic growth as a nation's increased output of goods and services in order to satisfy the material wants of the people, but not the welfare of a nation (health cover, housing, and schooling).

Sen (1999:278) explores economic development, saying that it involves reducing deprivation and unemployment. Deprivation represents poverty that includes hunger, illiteracy, and lack of access to infrastructure. According to the White Paper on Local Government (1998), local authorities have the following responsibilities in terms of their obligations to economic development, namely to:

- **provide marketing and investment support in order to attract potential growth to their locality;**

- **provide small business support services in order to assist small entrepreneurs;**

- **support the Local Business Support Centres Programme launched by the Department of Trade and Industry. The purpose of these centres is to assist local entrepreneurs with issues concerning skills, premises, information, networking, marketing and credit;**

- **provide targeted assistance (such as market research and the technology provision) to a particular sector in the local economy that has potential to expand; and**

- **supplement and tailor their efforts to local needs, and the services provided by the Department of Labour to help with training and placement services. This is necessary in order to achieve the goal of assisting people in acquiring skills and finding jobs.**

2.23   LOCAL ECONOMIC DEVELOPMENT AND PLANNING

Local economic development (LED) is not a new concept. Ward (1990:223) maintains that it has been a defined aspect of local government administration for over a century. Although economic development is not reflected in the schedules of the South African Constitution as a local government function, the White Paper on Local Government (1998) encourages municipalities to facilitate the development of local economic initiatives in their areas in order to promote sustainable livelihoods.

An attempt to define LED has, however, been made by Blakely (1994: xvi) where he refers to it as the process in which local governments or community-based organisations engage to stimulate or maintain business activity and/or employment. Local government is the key player in terms of Section 153 of the Constitution (1996). Municipalities, therefore, need to structure and manage their administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community.

LED is one of the strategic tools to which local municipalities adhere for their duties, as prescribed by the Municipal Structures Act (Act no 33 of 2000). One of the central ideas of LED is the development of the local economic base of an area. This economic base consists of a geographical concentration of businesses or producers. LED has become a widely practised development strategy both provincially and at local government level. In order to promote LED, it is recognised that micro- economic measures at local municipal level are needed as well as macro-economic measures at national level.

LED is a growing field with no set of theories that satisfactorily explain local economic development. Several studies have been conducted concerning the theoretical analysis of LED, whether it is concerned only with competitiveness and /or economic growth (Cooke,1995) or local governance (Healey *et al*,1995) or politics of local government (Lauria,1997). Some theories of development have, by tradition, focused on resources that are functioning below capacity, while others focus mostly on infrastructure and the need to invest for example, in roads and airports in the absence of fully developed programmes to utilise them. The Local Government White Paper (1998) suggests that local government is responsible for achieving local economic development, playing an important role in job creation, boosting the local economy through the provision of business-friendly services, local procurement, investment promotion and support for small businesses.

According to Nel (1998:155), it can be argued that there are four (4) variants of LED which are currently in existence in South Africa:

- **formal local government initiatives;**
- **community-based initiatives which often develop as a result of NGO facilitation and support;**
- **Section 21 development corporations – that is, in the case of a company not operating for gain, but is run to promote local development within a selected spatial area; and**
- **top-down LED in which government, usually at the provincial level and/or various national organisations are attempting to catalyse and support local initiatives.**

2.24 RECONSTRUCTION AND DEVELOPMENT PROGRAMME (1994)

The RDP is an integrated, coherent socio-economic policy framework. It seeks to mobilise all people and country's resources toward the final eradication of apartheid, and the building of a democratic, non-racial and non-sexist future. The RDP has been drawn up by the ANC-led alliance in consultation with other key mass organisations. A wide range of non-governmental organisations (NGOs) and research organisations assisted in the process. Government takes a leading role in implementing the RDP, based on clear criteria, so that all citizens can become involved in its implementation and monitoring of the Government's progress (White Paper, 1994:12).

There are many proposals, strategies and policy programmes contained in the RDP. These can be grouped into five (5) major policy programmes that are linked, one to the other. The five key programmes are:

- **meeting basic needs;**
- **developing our human resources;**
- **building the economy;**
- **democratising the state and society, and**
- **implementing the RDP**.

The basic principles that underlie the RDP are:

- **an integrated and sustainable programme;**
- **a people-driven process, peace and security for all;**
- **nation building, linking reconstruction and development; and**
- **the democratisation of South Africa.**

For the RDP to be implemented, it requires the establishment of effective RDP structures within national, provincial, and local governments. These structures must monitor its implementation, including the expansion of planning frameworks and coordination between departments and tiers of government.

2.25   THE LOCAL GOVERNMENT TRANSITION ACT (1993)

Agyemang (2002:91), states that the legacy of apartheid planning in South Africa compounded the already fragile institutional democratic and administrative setting of the country, where planning mainly in Black communities, was absent. Many Black areas are the result of ad-hoc measures put in place to address problems with little thought of long-term consequences. The 1993 Local Government Transition Act (LGTA) provides a legal framework of a three-phase transition to a new local government system:

- **pre-interim phase (1994-95) – nominated councils were established in areas where there were no existing councils;**
- **interim phase (1995-2000) – transitional municipalities were elected; and**
- **democratic phase (2000+) - a new municipal system was introduced based on the new Constitution.**

In 1996 the LGTA 2nd Amendment Act which tasked Local Municipalities (LM`s) to prepare IDPs was passed. Due to a lack of capacity at the local authority level, the process became consultant-driven. Capacity constraint is noted as having played a significant role in hampering the service delivery processes of most municipalities.

2.26   THE LOCAL GOVERNMENT MUNICIPAL STRUCTURES ACT (1998)

According to Section 19(3) of the Local Government Municipal Structures Act of 1998, municipalities have the responsibility to consult the community and community organisations in performing their functions and exercising their powers. In terms of Chapter 4 of the Municipal Structures Act 1998, municipalities may establish ward committees to enhance participatory democracy.

2.27 THE LOCAL GOVERNMENT MUNICIPAL SYSTEMS ACT (2000)

In 2000 the Local Government Municipal Systems Act was enacted into law. The Municipal Systems Act (MSA) (2000) is the principal piece of legislation governing IDP. The MSA emphasises transparency and communication between the municipality and the community it serves, as well as community participation. According to Section 25 (1) of the Act, each municipal council must, at the start of its elected term, adopt a single strategic plan for the development of the municipality. Duties of the municipal council that fall within its financial and administrative capacity, as listed in The Municipal Systems Act (Act No. 32 of 2000), are as follows in Section 4(2):

- **Exercise the municipality's executive and legislative authority, and use the resources of the municipality in the best interests of the local community;**
- **Provide, without favour or prejudice, democratic and accountable government;**
- **Encourage the involvement of the local community;**
- **Strive to ensure that municipal services are provided to the local community in a financially and environmentally sustainable manner;**
- **Consult the local community about:**
  - **the level, quality, range and impact of municipal services provided by the municipality, either directly or through another service provider and**
  - **the available options for service delivery;**
- **Give members of the local community equitable access to the municipal services to which they are entitled;**
- **Promote and undertake development in the municipality.**
- **Promote gender equity in the exercise of the municipality's executive and legislative authority;**
- **Promote a safe and healthy environment in the municipality;**
- **Contribute, together with other organs of state, to the progressive realisation of the fundamental rights contained in Sections 24, 25, 26, 27 and 29 of the Constitution (1996).**

2.28 THEORIES AND MODELS LINKED TO DEVELOPMENT

There are a number of development theories whose purpose is to draw attention to the claims thereof, and to probe the power they possess so as to attract attention to the current economic development trends. The primary focus of the LED is to facilitate sustainable local economic growth and the creation of sustainable employment to improve the quality of life of all people. LED, therefore, is at the centre of poverty alleviation with efforts to fight underdevelopment. Based on that, and for the purpose of the study, the following theories will be discussed:

- dependency theory and underdevelopment; and
- sustainable development theories.

2.29 DEPENDENCY THEORY AND UNDERDEVELOPMENT

Moles (1999:117) asserts that liberal reformists, Marxists and the world system of theorists, have been involved in vigorous and challenging debates peppered with disagreement about the various strains of Dependency Theory. Rojas (1989: 89) views the Dependency Theory as a possible way of explaining the persistent poverty of the poorer countries. The Latin American debt crisis of the 1980s affected Africa and many Asian countries, and it is for this reason that the contemporary relevance of the Dependency Theory is important for this study. There are common features to definitions which most dependency theorists share:

- Firstly, dependence is characterised by the states of being dominant or dependent. The dominant states are those that are more advanced in the organisation of their economic cooperation and development. The dependent ones are those states, like Africa, which have low per capita GNPs, and rely more on the export of single commodity items for foreign exchange earnings;
- Also, there are common assumptions that external forces are of singular importance to the economic activities within the dependent states; and
- A dependent state refers specifically to a family member who depends on the breadwinner.

Vernengo (2006:551-556) summarises development very efficiently. The main thrust of the Dependency Theory and what follows are largely based on his summary. The Dependency Theory has shaped a substantial body of economic thought in recent years. It seeks to explain the obstacles to the development of poor regions and nations. Baran (1957:170) developed the Dependency Theory from Marxian analysis. According to Baran (164), it is in the uses of the surplus that the differences between developed and underdeveloped regions are most evident. With Dependency Theory it is argued that, due to the exploitative nature of the relationship between advanced Western societies and the Third World, the development of the former has resulted in the underdevelopment of the latter. Baran (1957:165) further suggests that underdevelopment results from patterns of land tenure. Theotônio dos Santos (1970:111) advances similar ideas to those of Baran (1957:179), and they both come to the conclusion that only a political solution will break the circle of underdevelopment.

Dependency Theorists argue that the world's present state can be most validly seen as the outcome of domination by the 'have' nations over the 'have-nots' and, when it occurs within nations, it is by domination of 'have' over 'have-not' classes and interests. Dependency Theory critiques have contributed greatly to discrediting the modernisation theoretical approach which is also known as the Development Theory (Jacobson, 1996:410). For dependency theorists, modernisation theories are driven by behaviourist, positivist and empiricist approaches in the mould of the scientific model that prevails in the United States of America. The first version of the Modernisation Theory places the blame for underdevelopment on cultural values. Lipset (2004:119) contends that underdeveloped nations are underdeveloped because their society is insufficiently modern, socially and psychologically. Therefore, underdevelopment is a locally rooted problem subject to local explanation.

The other Dependency Theorists reject the analysis aforementioned in favour of Neo -Marxist Theory formulation that places the blame on the process of world capitalist integration under the control of monopoly capital. They further contend that the problem of underdevelopment cannot be solved in the context of an international system. Both groups agree that the core of the dependency relation between the centre and periphery lies in the inability of the periphery to develop a self-sufficient and dynamic process of technological innovation. One of the strengths of the Dependency Theory is its recognition that, from the beginning, capitalism developed as a multinational system, that the development of manufacturing in England and a re-enserfdom in Poland were linked, and in fact, formed part of the same phenomenon.

The Dependency Theorists further postulate that the reasons for underdevelopment are primarily external to the dependent society, and came about as a result of international structures which undermine the capabilities of ordinary people to engage in serious inquiry about their daily problems. Dependency Theorists maintain that just as development was a deliberate process, so too was underdevelopment. They further argue that the very same process that enriched one region often impoverished another. Madziakapita (2003:233) also views underdevelopment as the result of unequal power relationships between rich developed capitalist countries and poor developing ones. According to the Dependency Theory, the most important hindrances to development are not the shortage of capital or management, as the modernisation theorists contend, but such impediments must be sought in the present international system of trade. The obstacles are thus not internal, but external. This also means that any development in the centre determines and maintains underdevelopment in the periphery.

2.29.1 Basic assumptions of the Dependency Theory

So` (1990:103-109) summarises the basic assumptions of the Dependency Theory as follows:

- Dependency is an external condition which is largely the historical heritage of colonialism, and the perpetuation of the unequal international division of labour being the greatest obstruction to the national development of Third World countries.

- Dependency is treated as a component of regional division of the global economy, and thus, underdevelopment in the periphery and development in the core are two aspects of a single process of capital accumulation.

2.29.2 Criticism of the Dependency Theory

Grosfoguel (2000:132-136) summarises the Dependency Theory, and what follows is largely based on the summary of criticism of the Dependency Theory. The Dependency Theory has been criticised by free-market economists such as Peter Bauer and Martin Wolf who believe that it will lead to corruption. State-owned industries may have a higher rate of corruption than privately owned

companies, and there is an obvious lack of competition. By subsidising in-country industries and preventing outside imports, these government-owned companies may have less incentive to improve their products, to try to become more efficient in their processes, to please their customers, or to research new innovations.

Laclau (1971:355) and Robert Brenner (1977:511) criticise the Dependency Theory for erroneously defining capitalism as a system of global exchange. According to them, it does not follow the relations of production that played a secondary role. The primary role is the question of ownership of the means of production and the resultant social relations in the productive sphere. Grosfoguel (2000:138) raises a different criticism which emphasises the underestimation of culture and the over-emphasis on economic performance and politics within the dependency tradition.

2.30   SUSTAINABLE DEVELOPMENT THEORIES

Strandberg and Brandt (2001: 220-225) discuss sustainable development as a concept which interacts with at least four separate systems all of which, in one way or another, affect each other. These systems are ecosystem function and change, economic performance and change, technological performance and change and social performance and change. The Secretary General of the United Nations Report to the United Nations Security Council (April 1998: 18-24) enviosines development as a "human right and an objective" of all countries in Africa. In this context, sustainable development can be defined as economic growth that leads to stability, fulfilment and social peace and an increase in domestic and government spending. As discussed during the World Summit on Sustainable Development held in Johannesburg (2002:2), sustainable development in itself was not deemed to be a political theory, but there was a realisation that without political change, it was not possible.

2.30.1 The definition of Sustainable Development

Ashford (1995:44) defines sustainable development as the development which meets the needs of the present without compromising the ability of the future generation to meet their own needs. Sustainable development is a broad term that means different things to different people. Following the publication of the Brundtland Report, there was a rapid escalation in the number of alternative

definitions of sustainable development, the lists of which are given by several authors (Pearce *et al* 1989; Pezzey, 1989; and Rees, 1989).

The World Development Report on Dynamic Development in a Sustainable World (2003) further defines sustainable development as the "development that meets needs of the present, without compromising that of future generations to meet their own needs". Torado (1994) puts forward a similar definition, arguing that sustainable development is a pattern of development that permits future generations to live better even in future. Banuri (1999:99) observes that there is a considerable professional disagreement about this definition, largely because of the dissension in putting the idea of sustainable development into operation. This also has a lot to do with questions of definition, and on its claims to synthesis.

McKinlay (2004:172) holds the view that sustainable development is a conceptual and practical approach aimed at tackling poverty, improving health, human resources, social inequality and environmental issues. Meyers (1999:119) points out that sustainable development refers to the development initiatives that are being maintained and those project activities and impacts that will continue long after the development agency has left the site.

It is apparent that the literature is replete with definitions of sustainable development. It is also clear, though, that there are certain commonalities.

2.30.2 Objectives of Sustainable Development

Barbier (1987:311) distinguishes, at this time, between two strands of debate about economic developments. One focuses on the basic needs with the emphasis on helping the poor. The other stresses that real development is impossible without a consideration of the environment, and also without taking into account local, social and cultural values and enabling stakeholder participation. According to the Brundtland Report (1987), Sustainable Development is an endeavour to balance the need for socio-economic equity with that of sustaining the biophysical environment's ability to support an acceptable quality of human life. This is not a once-off goal to be achieved, but a continuous process requiring integrative and holistic decision-making from individuals, as well as from governments and big businesses. The one big hurdle, in terms of sustainable development, is that

it requires a fundamental change in the economic paradigm of the community or country in which it is planned to take place.

Dixon and Pretorius (2002:93) propose that the core objective of sustainable development is to optimise human welfare. Singh and Titi (1995:155) further state that the path towards sustainable development and the reversal of impoverishment lies in the recognition of the existence of mutual and dynamic interactions among social, political, cultural, economic and ecological factors. According to Markandya (1994:10-13), sustainable development needs to meet the ability of future generations, by focusing on three key aspects, namely:

- **Equity**- supporting and sustaining the poorest sections of society to ensure environmental protection;
- **Resilience**- the capacity of a system to uphold the structure and patterns of behaviour in spite of external disturbances; and
- **Efficiency**- the optimal use of natural resources, requiring that the maximum value must be obtained from any given input.

2.30.3 Goals of Sustainable Development

In Chapter 40.4 of the Agenda 21 from the United Nations Earth Summit in Rio (1992), it is stated that the process of preparation and implementation of national strategies for sustainable development should have, as its main goal, the assurance of equal distribution of the earth`s resources, and of the opportunity for human well-being. This implies that this refers not only to people living on earth at present, but also between generations living now and in future. The Rio Earth Summit (1992) recognises that local government has a key role to play in working towards sustainable development. However, it is important to recognise that planning has a part to play in the sustainability process, as it controls the development and use of land.

2.31   CONCLUSION

Municipalities are viewed as the sphere closest to the communities they serve. Chapter 2 has highlighted the socio -economic and political challenges faced by KSDM. It has also shown that the IDP is the main policy instrument used to put the development approach of government into operation. The IDP, as is evident in this chapter, is a valuable tool to ensure that the KSDM is able to adhere to its legislative mandate, insofar as its developmental role is concerned. The IDP, however, needs to be concerned about fulfilling the needs of the communities as a mechanism of service delivery, certainly to meet the expectations that these services must be delivered in a sustainable way. Sustainability can be achieved through constant participation in the development planning of local government activities, and also serve as the building blocks of developments that highlight the long term improvement of the living conditions of the communities.

LED also features prominently in the KSDM development strategies. There is, however, no single definition and interpretation of the LED concept, hence the uncertainty in its implementation (Nel, 2001:111). KSDM LED strategy has been found to be the key local economic development driver, yet efforts of the municipality come out as haphazard and uncoordinated, and primarily in the form of draft plans.

CHAPTER 3

RESEARCH METHODOLOGY

3.1   INTRODUCTION

This chapter focuses on the presentation of the research methods followed. This section indicates how data was collected and analysed to address the objectives of the study. The study has been conducted using both quantitative and qualitative techniques in complementary ways. A structured questionnaire was used as source of collecting primary data. In addition thereto, structured interviews were conducted in order to obtain information on development trends in and around Mthatha, KSDM, from Municipal Employees, Development Agencies in KSDM, Developers and Councillors.

3.2   ELEMENTS OF RESEARCH

A structured research process can be done by means of a systemic plan of action. The research process followed in this study is explained in the steps below:

STAGE 1

The research problem to be investigated was formulated, followed by the introductory part that examined the background and provided an overview of the problem.

STAGE 2

Overview of the area of the study and literature research was conducted.

STAGE 3

A sample was selected and measuring instruments were developed. A questionnaire was compiled and administered. An interview guide was compiled and face-to-face structured interviews were conducted.

STAGE 4

Quantitative statistical analysis of the responses to the questionnaires and interviews was conducted. The findings of the analysis are reported in Chapter 4.

STAGE 5

Conclusions and recommendations were made and reported in Chapter 5.

3.3   RESEARCH DESIGN

Brynard and Hanekom (2006:3), defines research as a scientific investigation and study undertaken to establish facts, and thereby reach new conclusions. It can be distinguished from other human activities by its systematic nature. Mouton and Marais (1988:32) define research design as the arrangement of conditions for collecting and analyzing data in a manner that aims to combine relevance to the research purpose with economy in procedure. The research design provides a guide for planning and implementing the study in a way that is most likely to achieve the intended goals. Local economic development planning data from secondary sources was used in order to conduct comparative statistical analysis of selected indicators relevant to development in and around King Sabata Dalindyebo Municipality (KSDM).

The study is exploratory in nature because the objective is to explore and evaluate enterprise development trends in and around KSDM. The study also examines the perceptions of, and insight into, the process of development planning in and around Mthatha by the community, KSDM employees, developers and development agencies. Neuman (1994:19) proposes that the following goals are relevant to exploratory research:

- Develop a well-grounded background of what is happening;
- Determine the feasibility of doing additional research;
- Formulate questions and define issues for more systematic inquiry; and
- Develop techniques and a sense of direction for future research.

3.4   POPULATION

According to Polit and Beck (2004:289), a population or target population is defined as the entire set of population or individuals or elements that meet the sampling criteria. The population for the study consisted of the KSDM community members, employees, KSDM ward committee members, KSDM councillors, development agencies and developers currently running or planning development in and around Mthatha, KSDM.

3.5   SAMPLING

Avis and Haber (2002:220), refers to sampling as the process of selecting representative units of a population for a study in a research investigation, whereas a sample is a portion of the population that represents the entire population. The aim of sampling is to produce a representative selection of the population elements.

Stratified sampling was adopted for the purpose of the questionnaire administration. This is a sampling method in which all people in a sampling frame are divided into strata (groups or categories). Within each stratum, a simple random sample or systematic sample is selected. Stratified sampling ensures that the sample represents not only the overall population, but also key subgroups of the population, and especially small minority groups. Contrasting sampling fractions were used as some subgroups were extremely small. Different sampling fractions in the strata were also used, and disproportionate stratified random sampling was also used to fulfil the objectives of the study.

The population was clustered into four categories:

- developers and development agencies;
- ward committee members and ward councillors;
- KSDM Employees; and
- community members.

Non-probability sampling was used in this study when conducting face-to face interviews. Terre Blanche, Durheim and Painter (2006:23) refer to non-probability sampling as the sampling where the choice of elements is not determined by the statistical principle of randomness. This does not mean that non-probability samples are not representative of the population, but it does mean that non-probability samples cannot depend upon the rationale of probability theory.

As part of non-probability, the purposive non-probability sampling approach was adopted to obtain the desired sample. According to Patton (1990:169), purposeful sampling, in contrast with probabilistic sampling, is "selecting information-rich cases for study in depth" when one wants to understand something about those cases without needing or desiring to generalise to all such cases. As summarised by McMillan and Schumacher (1997), there are different types of purposeful sampling strategies which include site selection, comprehensive sampling, maximum variation sampling, network sampling, opportunistic sampling, intensity sampling, convenience sampling and sampling by case type. The differences between these types are as follows:

- site selection is done where specific events are expected to occur;

- comprehensive sampling is when the entire group is chosen according to specific criteria;

- maximum variation sampling aims to obtain the maximum number of differences of perception about a topic among information-rich informants or groups;

- network sampling is when each successive person or group is nominated by a prior person as being appropriate in terms of a profile or attribute; and

- sampling by case type is made up of extreme-case sampling, intense-case sampling, typical-case sampling, unique-case sampling, reputational-case sampling, critical-case sampling, concept/theory-based sampling and combination of purposeful sampling strategies.

In choosing participants for face- face interviews, the techniques of purposive sample and convenience sampling were adopted to obtain participants who were available and willing to participate in the study. The group was made up of KSDM ward councillors, ward committee members, KSDM development agencies, KSDM employees working in the local economic development and urban planning department. Permission to include these employees was sought and obtained after discussions with the KSDM municipal manager about the study.

3.6   DATA COLLECTION TECHNIQUES

There are several techniques that a research study may adopt for data collection, depending on the research design or strategy. Creswell (1988:61) identifies major sources of data collection in a case study as interviews, observations, audio-visual material and documents. This study adopts a qualitative research paradigm with the use of quantitative techniques. Qualitative methods consist of different types of data collection which include interviews, observation and written documents which are made up of questionnaires, official reports and programme records. According to Wiersma (1995:23), some of the advantages of qualitative data are: they have a strong impact on the reader, a high potential for revealing complexity, whilst also enhancing an understanding of the latest issues.

Considering the plethora of qualitative methods available to researchers, for the purpose of the study, questionnaire and interviews were chosen as data collection methods. This was necessary for capturing the wide range of individual experiences, perceptions and knowledge on enterprise development trends in KSDM. The discussion that follows explains how each technique was used in this study.

3.7   QUESTIONNAIRE

According to Polit and Hungler (1991:193), a questionnaire is a tool for gathering self-reported information from the respondents about their attitudes, knowledge, beliefs and feelings. Polit and

Beck (2004:349) state that structured instruments consist of a set of questions in which the wording of both the questions and response alternatives is predetermined. Guided by the objectives of the study and the literature review, a self-administered questionnaire was developed to collect data on the perceptions, attitudes, and knowledge about development trends in and around Mthatha, KSDM.

The questionnaire consisted of both open-ended and close-ended questions. As summarised by Neuman (2001), open-ended questions are those that ask for unprompted opinions. They have no predetermined set of responses, and the participants are free to answer in whatever way the person chooses. Open-ended questions are good for soliciting subjective data or when the range of responses is not tightly defined. One of the advantages of an open-ended questionnaire is that the variety of responses is wider and more truthful in reflecting the opinions of the respondents. This increases the possibility of receiving unanticipated and insightful suggestions and responses, as it is not possible to predict the respondents' opinions. On the other hand, one of the disadvantages of the open-ended questions is that there is no way to routinely tabulate or execute statistical analysis on them and they are more costly to conduct, in terms of both time and money. They are also open to the influence of the reader, because no two people will interpret an answer in precisely the same way.

Closed-ended questions usually take the form of a multiple-choice questionnaire. Close-ended questions make the administering of the instruments quick and easy. Closed-ended questions offer many advantages in terms of both time and money. By restricting the answer set, it is easy to calculate statistical data about the participants. Closed-ended questions also make it easier to track opinions over time by administering the same questionnaire to different, but similar participant groups at regular intervals (Neuman, 2001:33). There are several advantages and disadvantages of self-administered questionnaires:

3.7.1 Advantages of self-administered questionnaires

Patton (2002) states that the advantages of self-administered questionnaires, is that:

- Self administered questionnaires reduce the possibility of interviewer bias;
- They are convenient since respondents can complete them at a time and place that is convenient to them;

- They are relatively easy to administer and analyse;
- The questionnaire format is standardised; and
- They are more cost effective to administer than face-to-face interviews.

3.7.2 Disadvantages of self administered questionnaires

According to Patton (2002) there are several disadvantages of using questionnaire for data collection, as:

- Questionnaires are standardised and it is not possible for the researcher to explain any point in the questions that participants might misinterpret;
- Self-administered questionnaires that are disseminated by hand, post or email, can result in a low response rate, especially when the questionnaire is too long or is perceived to be of a sensitive nature;
- Questions cannot be explained to the respondents, so their effectiveness depends very much on the respondents' reading ability and comprehension; and
- There is no control over who completes the questionnaire even though it may be delivered to the intended participant.

To overcome some of the disadvantages of self administered questionnaires, open ended questions were included in an attempt to enable respondent to express their perceptions or recommendations.

3.7.3 Format of the questionnaire

The questionnaire contained questions in five parts, that is:

Part 1: asked the respondent to provide general information and personal data, which included working profile, age, nationality and involvement.

Part 2: was intended to identify information about the individual's experience of enterprise developmental trends in and around Mthatha between 1995- 2006.

Part 3: was intended to determine the levels of communication between the KSDM, community and developers.

Part 4: was intended to get suggestions on enterprise development trends in and around Mthatha.

Most of the questions were limited responses (yes/no or selection from a list), although some questions had a free-response data format.

3.7.4   Administration of the questionnaire

Copies of questionnaires were delivered in person to all participants. The researcher's contact number was given in case the participants needed to ask questions. Each participant was asked to complete the questionnaire and return it by fax or email or drop it at an agreed place.

3.8   THE INTERVIEW

According to Birley and Moreland (1998:45), the interview is a tactical and strategic instrument that gives the researcher a prerogative to make follow ups on crucial and incomplete information that the respondent may give as the respondents answer the questions in the presence of the researcher. Furthermore, Frey and Oshi (1995:1) define the interview as a purposeful conversation in which one person (interviewer), asks prepared questions and another (respondent), answers them. This is done to gather information on a particular topic or a particular area of the study. In striving for a more in-depth understanding of the enterprise development, planning and implementation in the KSDM, interviews were chosen as the most useful method to investigate issues in depth and to get a deeper understanding of the development planning and trends in the Mthatha, KSDM. This would facilitate movement from a general understanding of the framework towards a more detail-oriented understanding of developmental planning and implementation.

In order to conduct the best possible interviews, and to take advantage of the understanding and knowledge of the respondents, a range of different interviewing methods was considered. There are a number of methods of interviewing available including structured or standardised open-ended interviews, unstructured or informal, conversational interviews and semi-structured interviews or a combination of these approaches. Each approach involves a different type of preparation, conceptualisation and instrumentation. The three approaches differ in the level at which interview questions are determined and standardised before the interview occurs. Patton (2002:79) has summarised the three different interview approaches as follows:

The informal, conversational interview or unstructured interview:

Burns and Groove (2003:95-96) state that the informal, conversational or unstructured interview technique relies entirely on the impulsive generation of questions in the natural flow of an interaction, often as part of participant observer fieldwork. The informal, conversational interview is also called unstructured interviewing. This type of interview offers maximum flexibility to pursue information in whatever direction that appears to be most appropriate, depending on what emerges from observing a particular setting or from talking with one or more individuals in that setting. Data gathered from an informal conversational interview will be different for each person interviewed. The same person may be interviewed on several occasions, with questions specific to the interaction or event at hand. This approach works particularly well where the researcher can stay in the setting for a period of time so as not to be dependent on just a single interview opportunity.

The unstructured interview approach does not mean that conversational interviews are unfocused. The overall purpose of the interview will guide the questions that are asked of participants. One of the advantages of the informal conversational method is that it offers flexibility, spontaneity, and responsiveness to individual differences and situational changes. Questions can be personalised to deepen communication with the person being interviewed.

Patton (2002:82) states that one of the disadvantages of the informal conversational interview is that it may require a greater amount of time to collect systematic information because it may take several conversations with different people before a similar set of questions has been posed to each participant in the setting. Because the approach depends on the conversational skills of the interviewer, to a greater extent, than do formal standardised formats, this go-with-the-flow style of

interviewing may be susceptible to interviewer effects, leading questions, and biases, especially with beginner researchers. Data obtained from informal conversational interviews may be difficult to pull together and analyse. Because different questions will generate different responses, a great amount of time would need to be spent sifting through responses to find patterns that may emerge at different points in different interviews with different people.

Combining approaches or semi-structured interview approach:

A semi-structured interview combines a highly structured agenda with the flexibility to ask subsequent questions. According to Patton (2002:82) the evaluator modifies the interview`s guide instructions with additional questions in order to develop useful areas of enquiry during the interview. Patton (2002:83) further states that a common combination strategy involves using standardised interview formats at the beginning of the interview and then leaving the interviewer free to pursue any subjects of interest during the latter parts of the interview.

The standardised interview or structured interview:

Polit & Hungler (1991:39) state that a structured interview, also known as a standardised interview or a researcher-administered survey, is a quantitative research method commonly employed in survey research. He further states that the aim of this approach is to ensure that each interviewee is presented with exactly the same questions in the same order. This would ensure that answers are reliably aggregated and that a comparison is made with confidence between sample subgroups or between different survey periods. In a fully structured interview instrument, the question would be completely specified, as would the probes designed to get deeper information and the transition questions designed to introduce the next topic.

Patton (1987:54-55) summarises that the general interview guide approach involves outlining a set of issues that are to be explored and discussed with each respondent before the interview starts. He further states that a guide serves as a basic checklist during the interview to make sure that all appropriate topics are covered. The same line of questioning is followed with each respondent. The interview guide provides topics within which the interviewer is free to explore, probe, and ask questions that will explain and clarify that particular subject. The advantage of an interview guide is that the interviewer has carefully decided how to use the limited time available in an interview

situation. The guide helps in making interviewing a number of different people systematic and comprehensive by delimiting in advance the issues to be explored.

This study adopted the structured interview approach with the use of the general interview guide.The interview guide consists of two parts:

- Part 1: intended to get respondent`s background information; and
- Part 2: to determine the respondent`s understanding of planning and development.

There are several advantages and disadvantages associated with using an interview as one of the data collection techniques. Dominick and Wimmer (1997**:**139) maintain that an interview may throw a completely different light on an issue that the interviewer had previously not considered.

3.8.1   Advantages of the interview

According to Patton (1987:63) the advantages of using an interview in the study are that:

- the interview is an appropriate tool to reach a limited number of key respondents;
- interviews are useful to obtain detailed information about personal feelings, perceptions and opinions;
- it is an essential tool to develop, analyse, and understand the stakeholder perceptions of the study area;
- interviews add an inner perspective of outward behaviours;
- they are useful to obtain detailed information about personal feelings, perceptions and opinions;
- interviews increase the accuracy of responses;
- ambiguities can be clarified and incomplete answers followed up;
- a line of inquiry can be modified;
- interviews allow more detailed questions to be asked;
- the respondents' own words are recorded; and
- interviewees are not influenced by others in the group .

3.8.2   Disadvantages of an interview

Patton (1987:63-64) summaries the disadvantages of using an interview as a tool of data collection as follows:

- Only a few participants can be interviewed;
- Interviews are subject to respondent bias;
- They can be very time-consuming because of the time taken for setting up, interviewing, transcribing, analysing, feedback and reporting;
- They can be costly; and
- Interviewer bias might guide the responses of an interviewee

3.9   VALIDITY AND RELIABILITY

Polit and Beck (2004:422) defines validity as the degree to which an instrument measures what it is supposed to measure. It is also concerned about the soundness of the study's evidence, that is, whether the findings are convincing or well-grounded. According to Nelson and Martela (1999:64), reliability centres on the question of whether the measurement device produces consistent results across observations, providing a researcher with a way of spotting the mistake of accessing the trustworthiness of the finding.

For the purpose of the study, validity was ensured by using clear, easy to read and understand questionnaires and an interview guide for the respondents. It also gave the data collection tools to the sampled population by using theory as the guide to the questions posed. According to Wood & Hebber (2002:187), the instruments are considered valid if they reflect the concept that is supposed to be measured.

DeVos (1998:167-168) maintains that there are three major types of validity that can be used to test the instruments. These are:

- **Content Validity**

According to Carmines & Zeller (1991:23) content validity is a judgmental process to check or assess whether the instruments really measure the concept or provide adequate sample of the items that represent that concept. Polit and Beck (2004:424) further refer to content validity as the degree to which an instrument has an appropriate sample of items for the construct being measured.

- **Construct validity**

Construct validity is concerned with the meaning of the instruments involving validation and underlying theory. As attested by Carmines & Zeller (1991**:**23), to understand whether a piece of research has construct validity, three steps should be followed. First, the theoretical relationships must be specified. Second, the empirical relationships between the measures of the concepts must be examined. Third, the empirical evidence must be interpreted in terms of how it clarifies the construct validity of the particular measure being tested.

- **Face validity**

According to Wood & Hebber (2002:194) face validity refers to what the instrument appears to measure. Wood & Hebber (2002:194) further states that the instrument should accurately measure the attributes under consideration. Unlike content validity, face validity does not depend on established theories for support (Fink, 1995:97). In this study, face validity was ensured by using clear and easy-to- read and comprehend questionnaires and interview guides which were based on the objectives of the study. Wood & Hebber (2002:195-196) identify three types of reliability, namely:

- **Stability**

Stability is determined by a test re-test method on separate days. The test is given one day and then repeated a day or so later.

- **Alternate forms**

Alternate forms or methods of establishing reliability involve the construction of two tests that are supposedly sampling the same attribute.

- **Split half techniques**

The split-half technique is used to determine internal consistency.

3.10   DATA ANALYSIS

Questionnaire responses were checked and coded. The data entry process was carried out over a two-week period. Tables were constructed using selected key variables, for example age, gender race, *et cetera.* Statistical Package for the Social Sciences (SPSS) was used for the analysis of qualitative data. This is a tool to aid in the management of textual data, for the storage and retrieval of information.

Interpretation of data was based on a conceptual framework and the objectives of the study. When the analysis was complete, the final conclusion and recommendations were written.

3.11   ETHICAL CONSIDERATIONS

Hayes (2000:53) maintains that modern ethical guidelines recognize the rights of the research participants as autonomous active individuals who have chosen to participate in the study, and whose participation gives them certain rights: the right to be fully informed about the study, the right to withdraw if they so choose , and the right to make informed choices.

3.12   LIMITATIONS TO THE STUDY

The study investigates people's perceptions on the status of enterprise development trends in and around King Sabata Dalindyebo municipality (KSDM). Owing to the complexity and rural nature of the KSDM, this study could not be conducted across the whole KSDM.

3.13   CONCLUSION

This chapter focused on the methodology applied in this study. It gave an explanation of qualitative research as the method used to gather and analyse data. A structured research process was followed in order to give structure to the process of research. The following chapter provides an analysis and the interpretation of the study findings.

CHAPTER 4

RESEARCH ANALYSIS AND FINDINGS

4.1   INTRODUCTION

In this chapter the findings of the study will be discussed. The findings are presented in respect of the sections found in both questionnaire and interview guide. A questionnaire was designed for the purpose of gathering the perceptions from Mthatha, King Sabata Dalindyebo Municipality (KSDM) employees, ward committee members, ward councillors, community members, developers and agencies about enterprise developmental trends in and around KSDM. Structured interview sessions were conducted with KSDM employees, developers, and development agencies to bring the voices of practitioners to the fore through the medium of questions.

4.2   THE QUESTIONNAIRE

Of the targeted sample of ninety (90) respondents, made up of KSDM employees, community members, development agencies, developers, ward committee members and ward councillors, seventy five (75) returned their questionnaires yielding to a response rate of 83.3%.

4.2.1 The gender of the respondents

One of the variables selected for inclusion in the analysis of this study was gender. Gender was included in order to determine whether the responses received were influenced by the gender of the respondent, should this become desirable. This was done because it is always reasonable and acceptable to have some knowledge of the gender distribution for the sake of understanding the facts related to this topic. This goes a long way in understanding the participation of the different genders in answering the questionnaire. It can be seen from the data presented in Figure 4.1 that 70.67% respondents were females with 29.33% were males.

Figure 4.1   The gender distribution of respondents
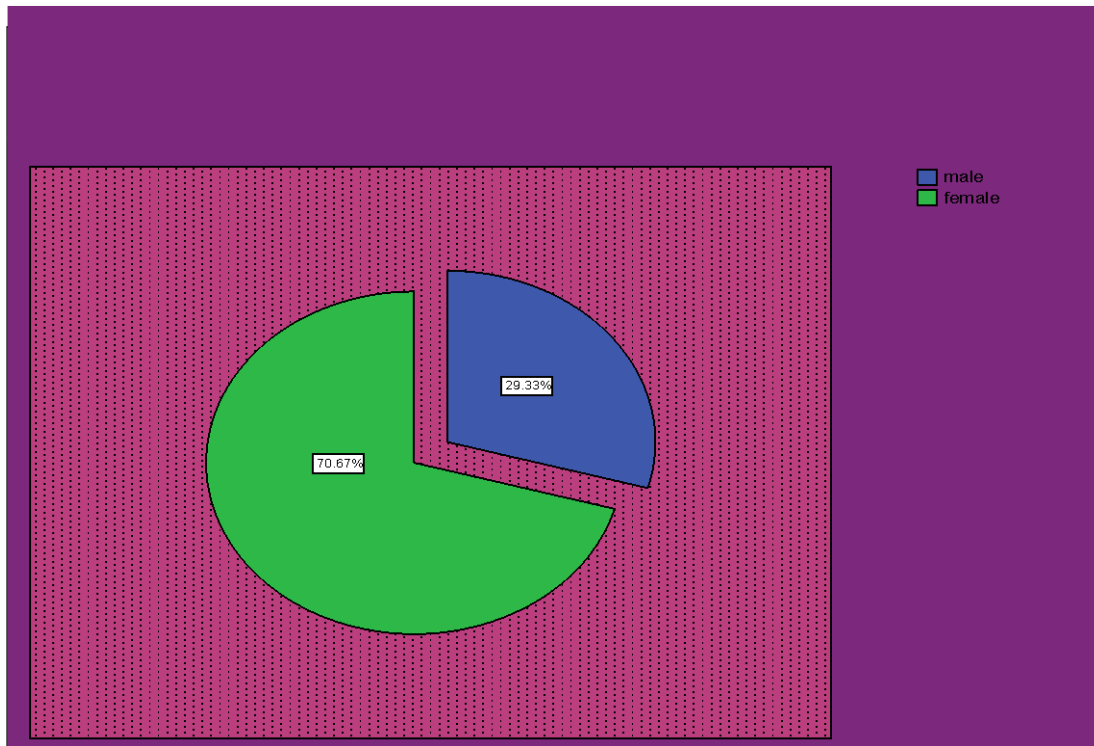
(Source: Research data)

4.2.2   The age group of the respondent

The ages of the respondents were categorized into six (6) groups. This was done with the view of providing the facility to investigate whether a relationship exists between age and the other variables included in the study. The data in Figure 4.2 reveals that the breakdown of the responses according to the age is as follows: Less than 25 years 13.33%; 26-30 years 21.33%; 31-35 years 30.67%; 36-40years 9.33%; 41-45 years 10.67%; 46-50 years 7.07%; 51 years and above 7.60%. The majority of the respondents, therefore, were into the 31-35 years category.

Figure 4.2   The age group of the respondents
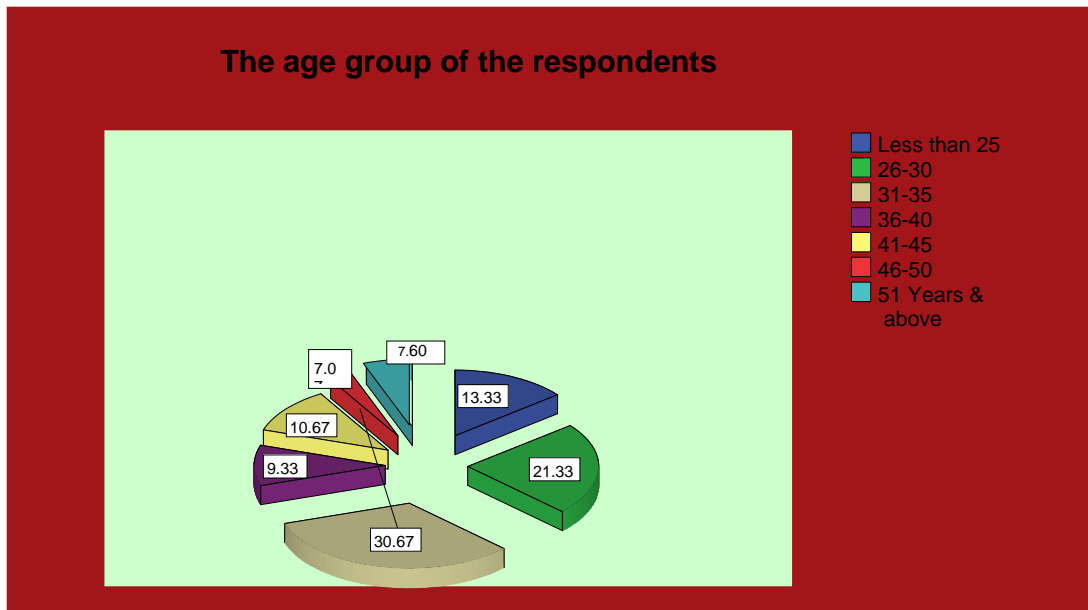
(Source; Research data)

4.2.3   Position of work of the respondents

Table 4.1 represents the frequency distribution of the position of work of the respondents. 52.8% of the respondents were working as community leaders, 26.4% of the respondents did not specify their position of work, 11.1% were working for the KSDM and 9.7% were developers. This implies that the majority of the respondents were involved in community activities.

Table 4.1   Position of work of the respondent

		FREQUENCY	PERCENTAGE	VALID PERCENTAGE	CUMULATIVE PERCENTAGE	
Valid	KSDM	8	10.7	11.1	11.1	
	community Leader	38	50.7	52.8	63.9	
	developer	7	9.3	9.7	73.6	
	other	19	25.3	26.4	100.0	
	Total	72	96.0	100.0		
Total		75	100.0			

(Source: Research data)

4.2.4   Race of the respondents

The data in Figure 4.3 indicate that the KSDM population is dominated by blacks with 89.33% of the respondents falling into this race group. This was expected, given the fact that 98.98% of the KSDM population group is Black, with 15.00% of the respondents being White and 6.67% Indian.

Figure 4.3   The race of the respondents
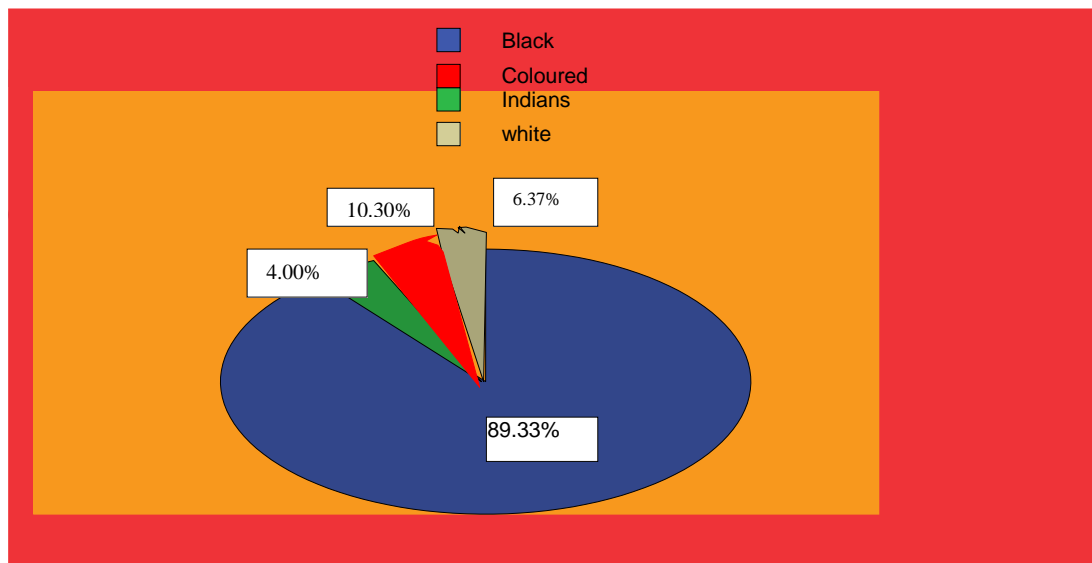
(Source; Research data)

4.2.5   Involvement of the respondents

Figure 4.4 shows that 43.24% of the respondents were involved in community activities. There was an increase in the number of people who were business persons or rate payers at 20.27%, and 13.5% respondents were involved in other activities other than those stated on the questionnaire. This may be an indication that some municipal employees or ward councillors and ward committee members filled the questionnaire, stating that they were involved in other activities as there was a decreased response in ward councillor or ward committee member at 5.41%, developers at 10.81% and Municipal employee 6.72%.

Figure 4.4 Involvement of the respondents

Involvement of the respondent

- ward councillor/ ward committee member
- business person/rate payer
- community involvement
- municipal employee
- developer
- other

5.41%
20.27%
13.51%
10.81%
6.72%
43.24%
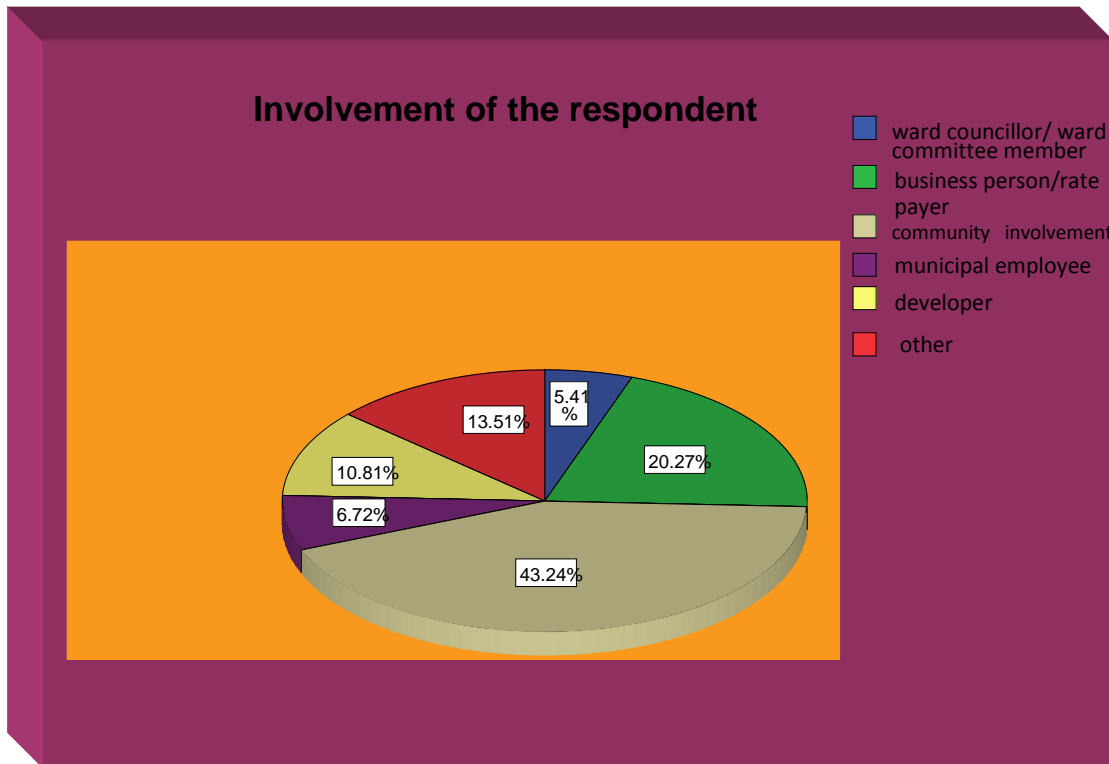
(Source: Research data)

4.2.6 Were the respondent born in or around King Sabata Dalindyebo Municipality?

According to Figure 4.5 62.67%, respondents were born in or around KSDM. However, 37.33% of the respondents were not born in or around KSDM. This was a good indicator that the majority of the respondents had an extensive knowledge of the area of study and its developmental activities, as they were born in or around KSDM.

Figure 4.5   Was the respondent born in or around KSDM?

Whether respondent is born in or around KSDM

37.33%

62.67%

yes
no
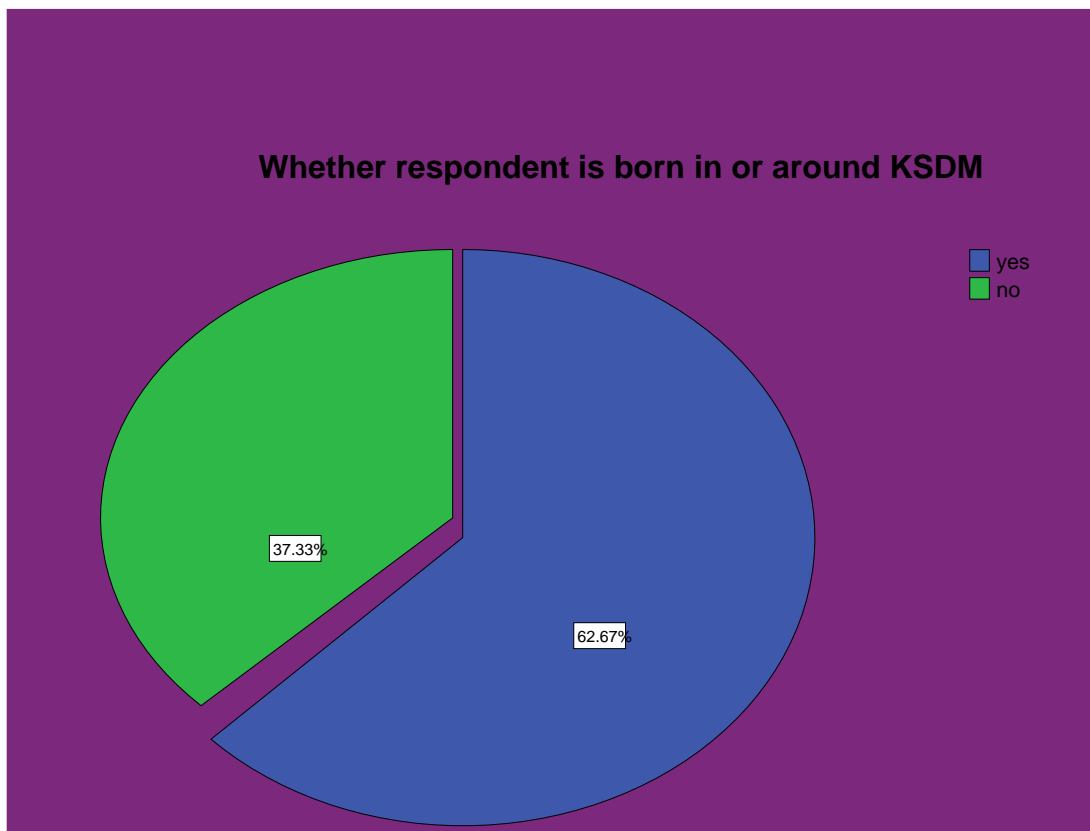
(Source; Research data)

4.2.7   Did the respondent live in or around King Sabata Dalindyebo Municipality?

The data in Figure 4.6 reveals that 94.67% of the population of the respondents lived in or around KSDM. The other 5.33% does not live in the area. This question was asked in order to determine whether the respondents knew or understood the area of study and the goings-on therein, regarding developments.

Figure 4.6   Does the respondent live in or around KSDM?

Whether the respondent lives in or around KSDM

yes
no

5.33 %

94.67%
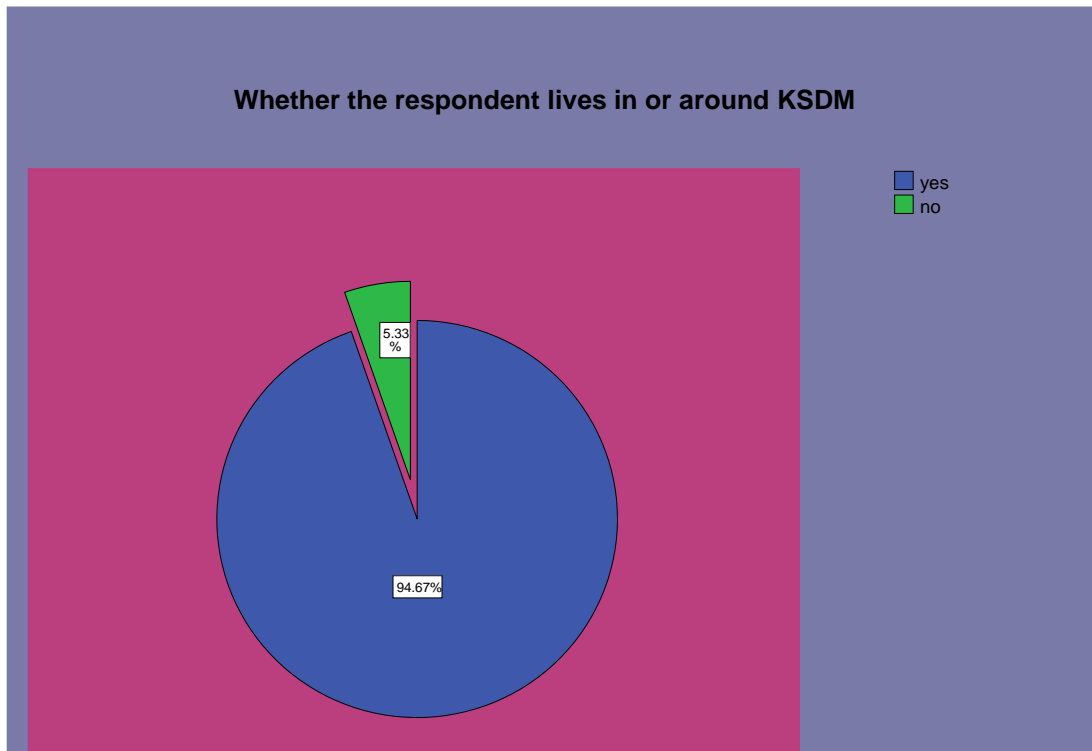
(Source; Research data)

4.2.8   Number of years of stay in or around Mthatha

One of the variables selected in the analysis of this research was the number of years of stay of the respondents in or around KSDM. This was a follow- up question to the previous one as it was intended also to get a clear understanding of the development trends from the respondents during the years in which they had stayed in or around Mthatha.

According to Figure 4.7, the breakdown of the number of years of stay in or around Mthatha, KSDM, in this survey is stated as follows: 1+ year 8.96%; 5+years 17.91%; 10+ years 17.91%; 15+ years 16.42%; 20+ years 38.80%.This shows that many people have been in the area for most of their lives.

Figure 4.7   Number of years of stay in or around Mthatha
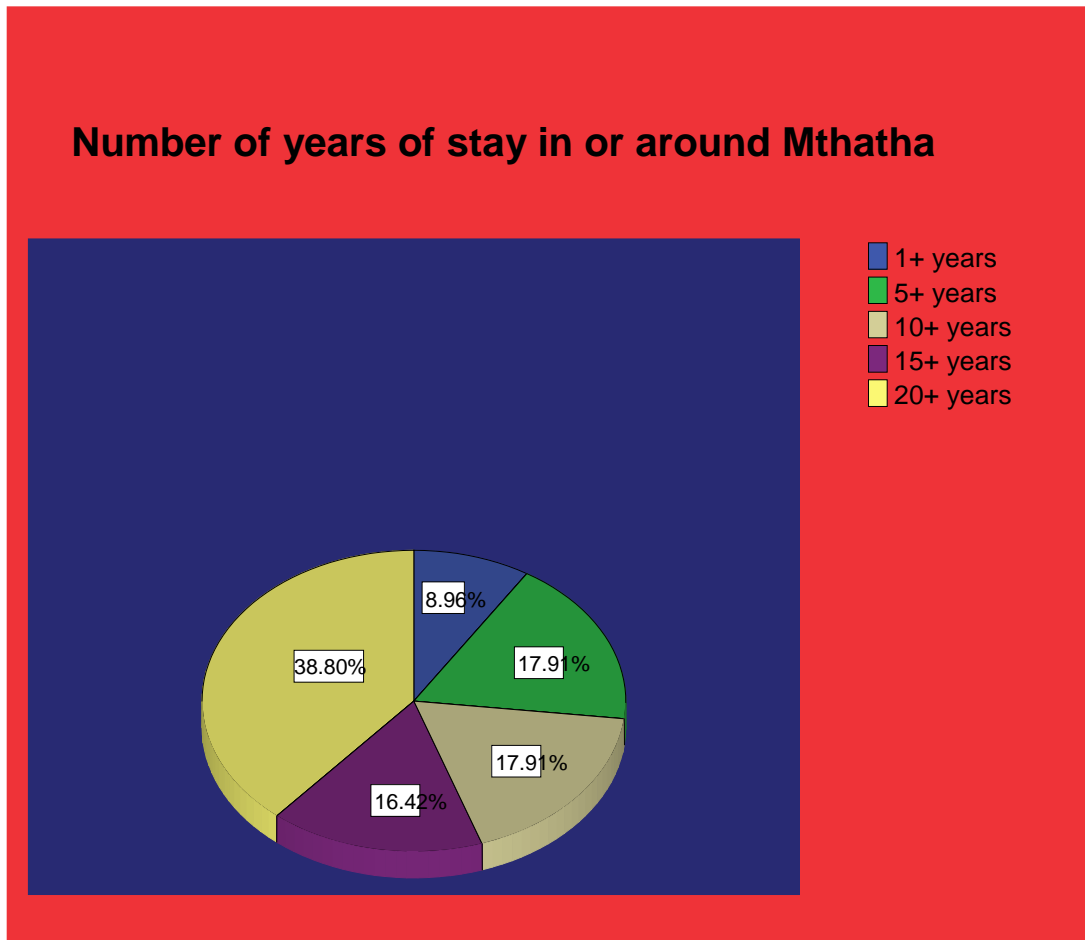
(Source: Research data)

4.2.9   Are you aware of any enterprise developments in or around Mthatha?

This is a very important question for this study and its findings are vital, particularly in the drawing of conclusions. An understanding and awareness of enterprise developments in or around Mthatha is very important as it means that the general public knows or understands what is taking place since service delivery is one of the factors involved. This also adds to the understanding of the level of awareness and utilisation of services within the mandated area.

The data in Figure 4.8 on the distribution of the responses to this question is as follows: 89.33% of the respondents said "Yes" they were aware of the enterprise developments in or around Mthatha with only 10.67% saying "No", they were not aware. We note that the majority of the respondents are aware of the existence of enterprise developments in or around Mthatha. This means that the community knows of the developments in this area and utilises the services.

Figure 4.8   Are you aware of any enterprise developments in or around Mthatha?
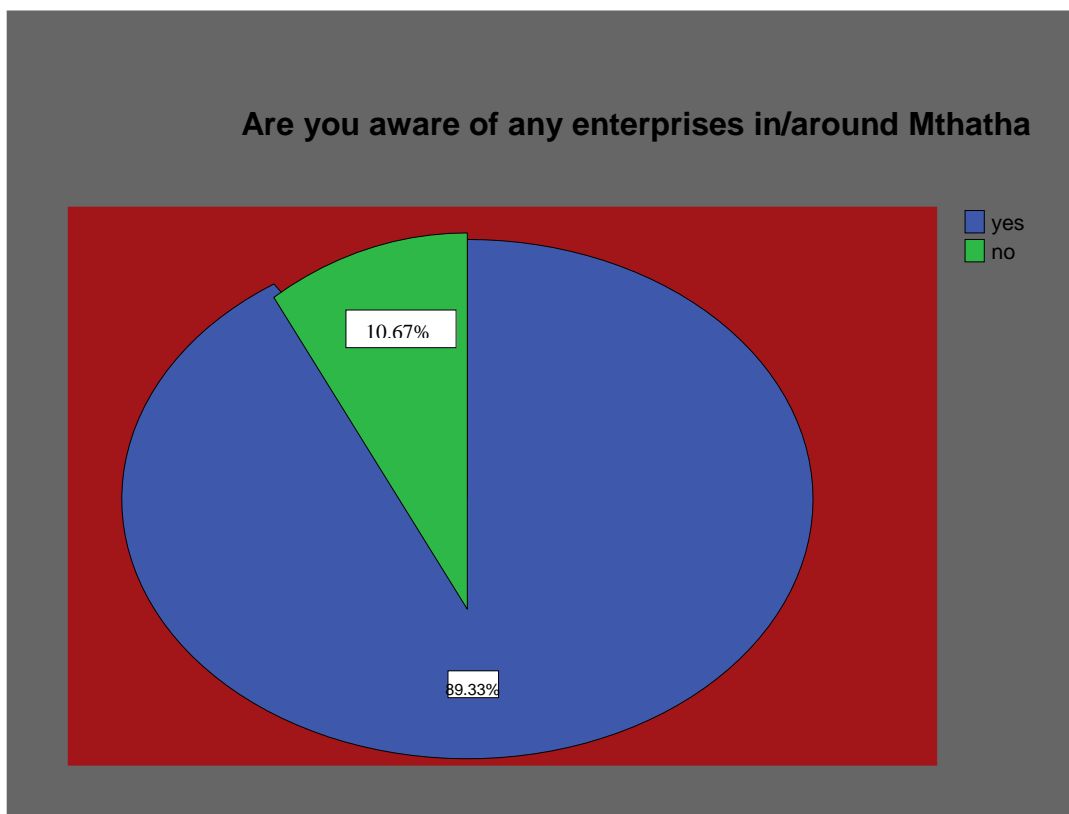
(Source: Research data)

4.2.10 If you have noticed any enterprise developments, when did you notice them?

This was a follow-up question to the previous one aimed at summarizing the time periods related to when the respondents noticed the developments referred to in the previous question. The majority of the responses of those who participated in the previous question were in the affirmative. As reflected in Figure 4.9, the majority of the respondents, 51.39% noticed developments in the past 5 years of the study, with 30.56% of the respondents noticing them in the last 10 years the study, 11.10% of the respondents less than 5 years of the study and 5.56% of the respondents more than 20 years ago of the

study and 1.39% of the respondents noticed developments in the last 15 years of the study.

Figure 4.9   If you have noticed any enterprise developments, when did you notice them?
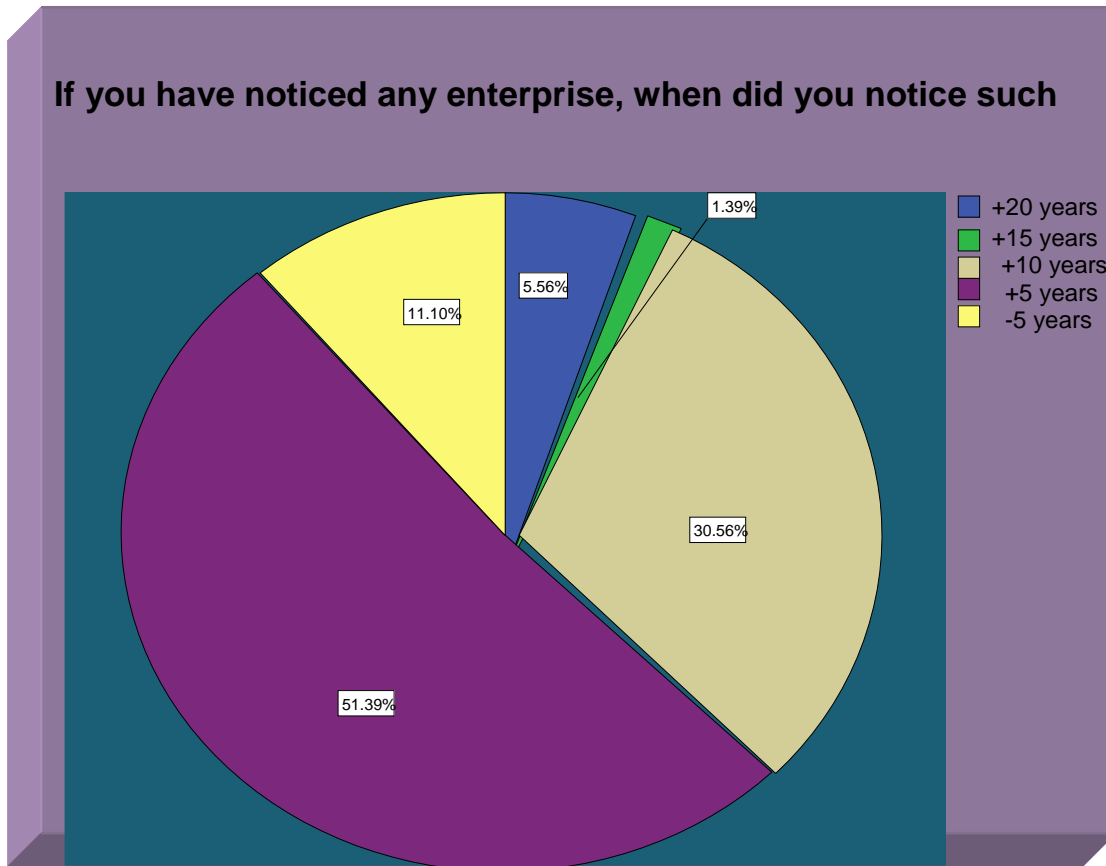
(Source: Research data)

4.2.11 What effect have these enterprise developments had on your life?

One of the key questions of the study was to find out to what extent do community and municipality benefit from these developments. This question was meant to investigate the effect that these developments have on the respondents. According to Figure 4.10, the majority of respondents, 88.00%, said that these enterprise developments have had a positive effect. 1.03% said that they have had a negative effect and 10.97% did not know or noted that these developments have had no effect.

Figure 4.10   What effect have these enterprise developments had on your life?

What effects have these enterprise developments have on your life

- positive
- negative
- don't know/no effect

10.97%

1.03% ···

88.00%
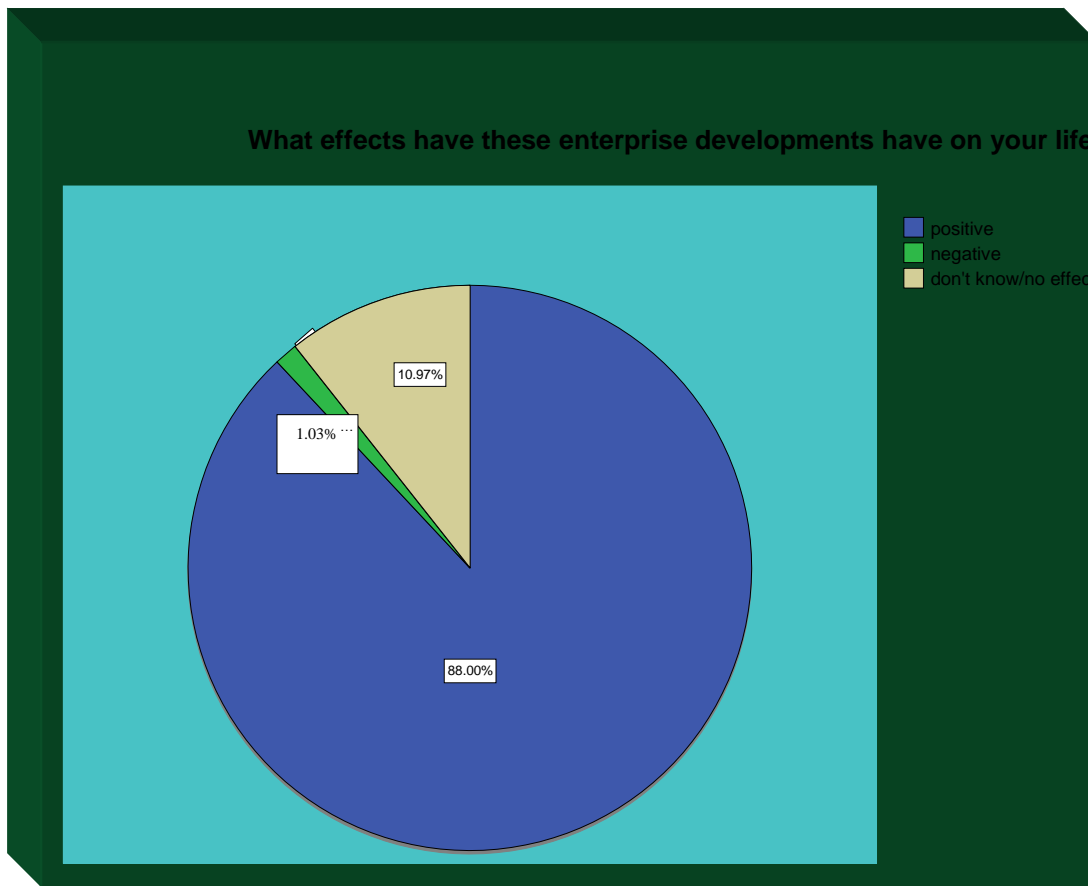
(Source: Research data)

4.2.12 Which institutions are involved in these developments?

This question was intended to investigate which institutions are involved in the developments, and also to find out to what extent is the integrated planning taking place with regard to developments. Figure 4.11 indicates that 63.51% of the respondents believed that KSDM was the institution involved in these developments, with 21.62% who did not know which institutions were involved. A low percentage of 6.76% believed that the community was involved, 6.04% believed it was the ECDC and 2.07% believed that KSDM, Eastern Cape Development Corporation (ECDC) and Community were all involved in these developments.

The frequency distribution of the responses on the institutions that are involved in the developments indicates challenges and weaknesses in communication between community and municipality, and lack of coordination and integration in development initiatives. These challenges are against the principles of the spatial development framework which is an integrated development plan that ensures

consistency in cross-cutting aspects of development planning such as spatial effects, economic and social impacts.

Figure 4.11   Which institutions are involved in these developments?
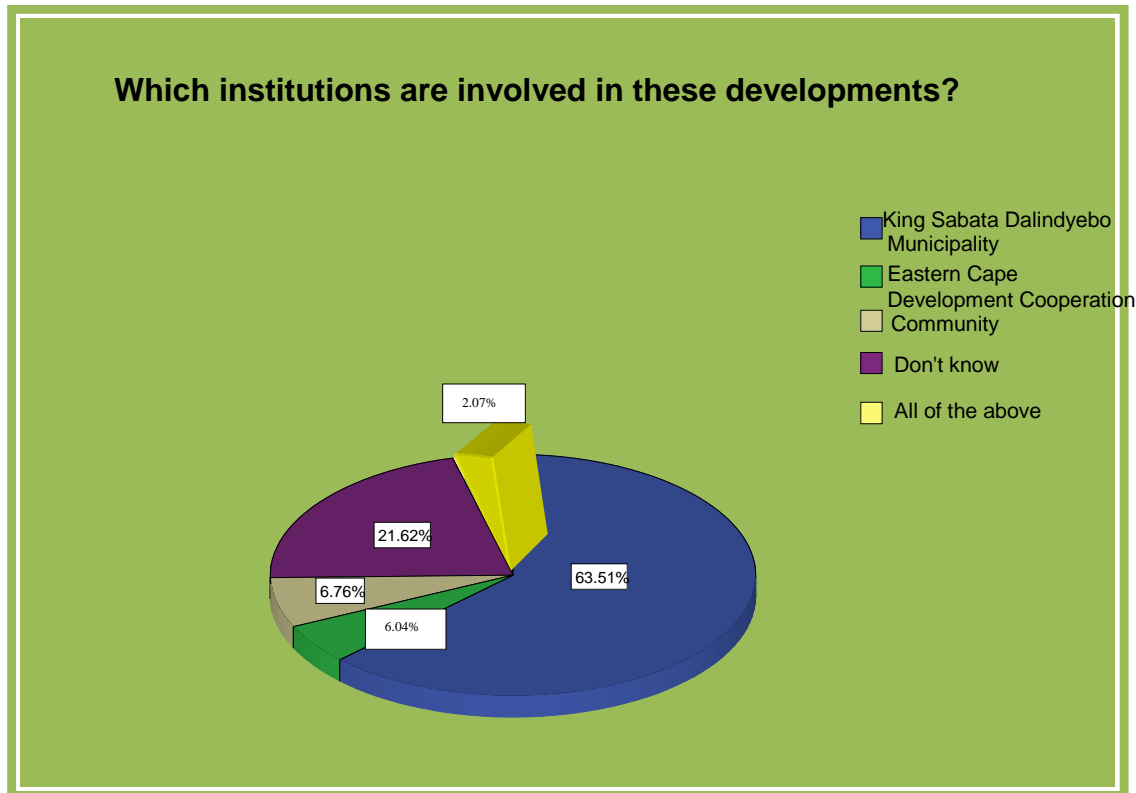
(Source: Research data)

4.2.13 Do you participate in these developments?

This question was included in the questionnaire to investigate the involvement of respondents in these developments. .Figure 4.12 indicates that respondents have a disproportionately high level (85.14%) of not participating in these developments. Only 14.86% admit that they do participate. The integrated development planning process encourages the involvement of communities and community organisations to planning, which is not the case in this response.

Figure 4.12 Do you participate in these developments?
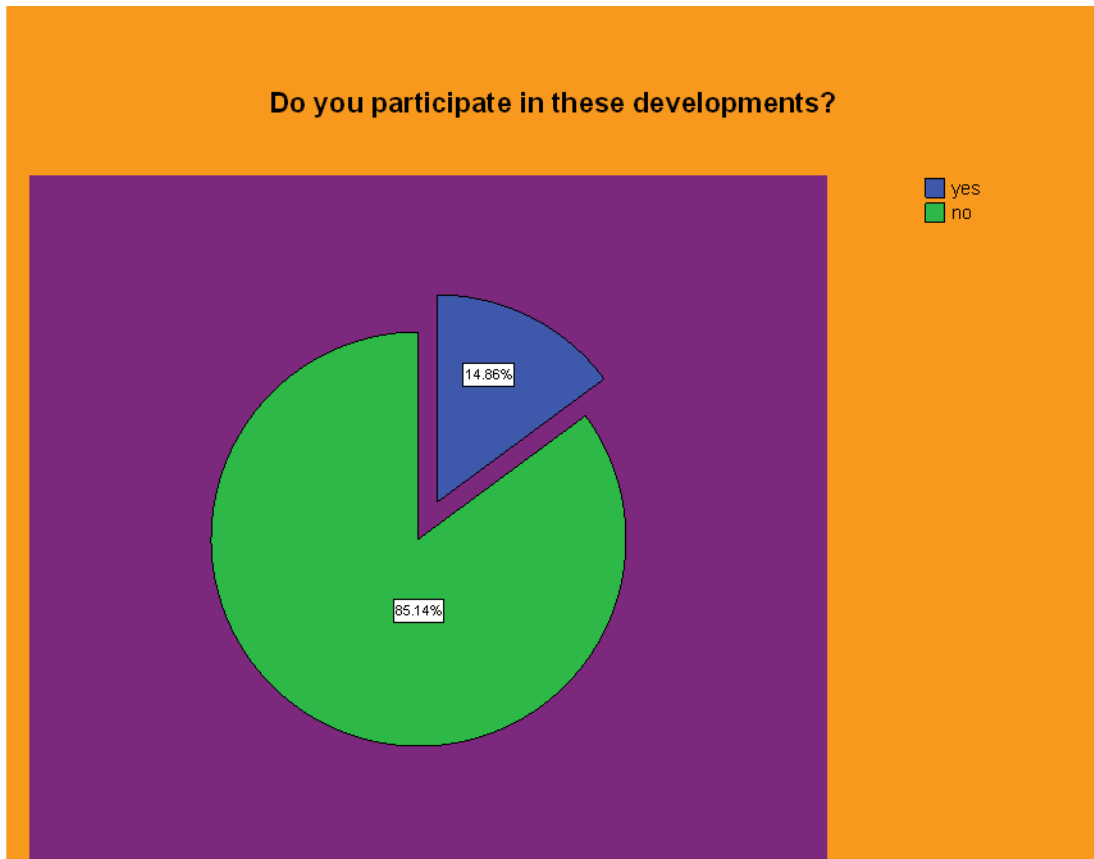
(Source: Research data)

4.2.14 Were there any consultations before the beginning of these developments?

The data in Figure 4.13 reflect that 76.39% of respondents indicate that there were no consultations, with only 23.61% saying there were consultations. One of the duties of the Municipal Council within its financial and administrative capacity is that council members should consult the local community about the available options for service delivery, and encourage the involvement of the local community. This duty is listed in the Local Government Municipal Systems Act No.32 of 2000. The finding of this question indicates that there is a lack of consultation between municipality and the community.

Figure 4.13   Were there any consultations before the beginning of these developments?
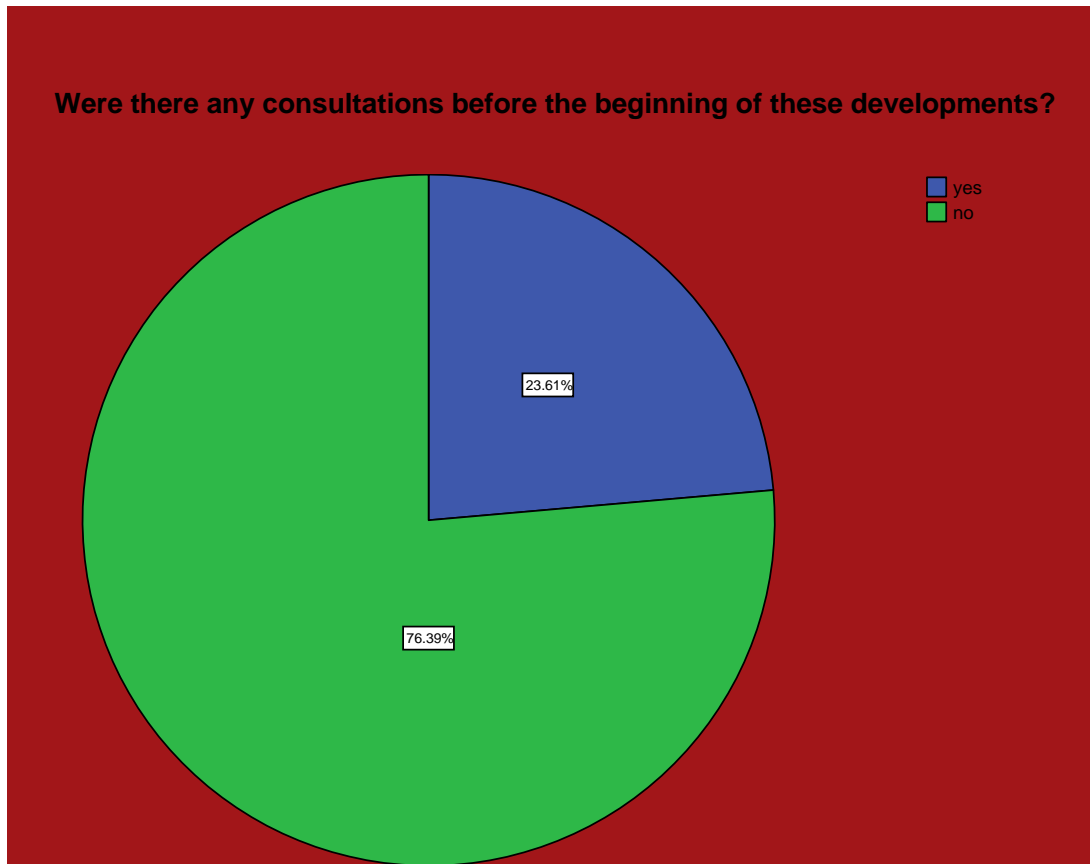
(Source: Research data)

4.2.15 Which of the municipal services, do you utilise most?

Figure 4.14 indicates that there is a proportional distribution on the use of services. This may be due to the fact that Mthatha is an urban area and all the infrastructure services are urban- based with 74% of the respondents utilising electricity, waste and sanitation services, roads and waste management. Only 8.00% utilise waste and sanitation services, 7.33% use roads only, 4.00% utilise electricity only and 6.67% utilise only waste management services.

Figure 4.14   Which of the municipal services do you utilise most?

8.00% **WASTE AND SANITATION**

7.33% **ROADS**

6.67% **WASTE**

4.00% **ELECTRICITY**

74.00% ALL
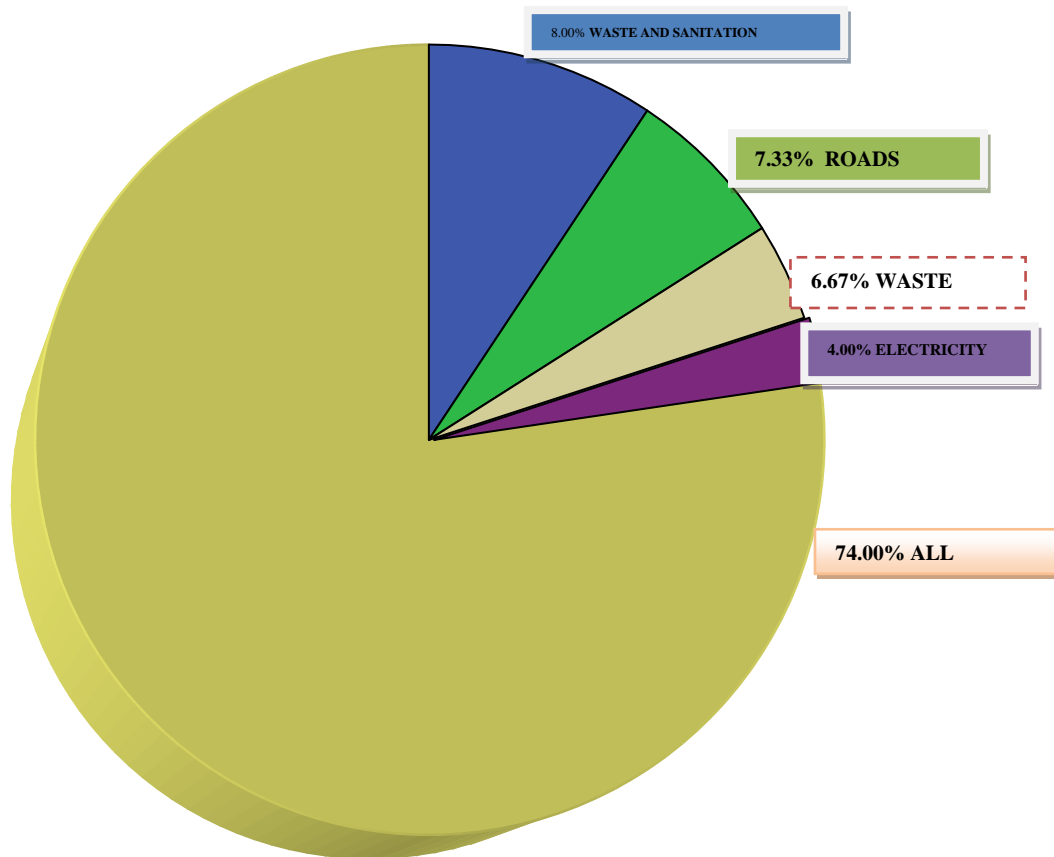
(Source: Research data)

4.2.16 For how long have you had access to these services?

Figure 4.15 indicates that 40.54% of the respondents have had these services for more than 5 years of the study, 28.38% for more than ten years of the study, 17.57% for more than 15 years and 13.51% for less than five years of the study.

According to Figures, 4.16, 4.17; 4.18, 4.19, the great percentage of the respondents indicates that for the past five years of the study, services have been available all the time. The findings to these questions confirm the challenges that were stated by the spatial development model of Kei Development Corridor Report (2005). One of the key challenges facing the ORTDM as a whole is infrastructure backlogs and underdevelopment. Other challenges also include infrastructure provision which cannot support business and industrial developments.

Figure 4.15   For how long have you had access to these services?

For how long have you been having access to these services?

Legend:
- +15 years
- +10 years
- +5 years
- -5 years

13.51%
17.57%
40.54%
28.38%
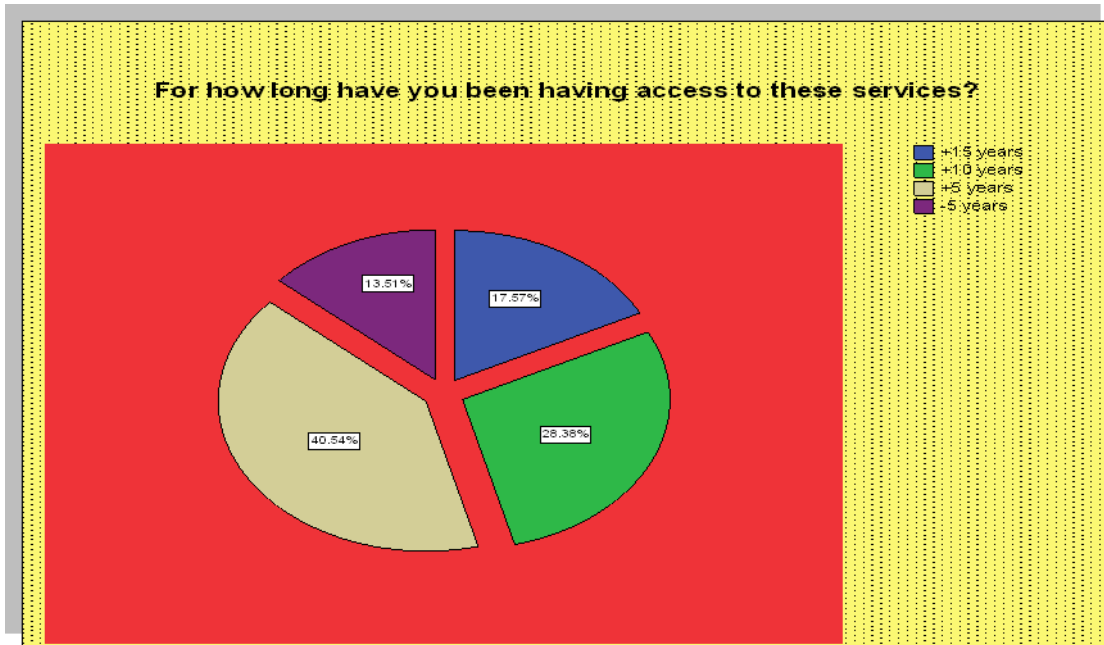
(Source: Research data)

Figure 4.16   Is water always available?

Is water always available

Legend:
- yes
- no
- sometimes

13.51%
10.81%
75.68%
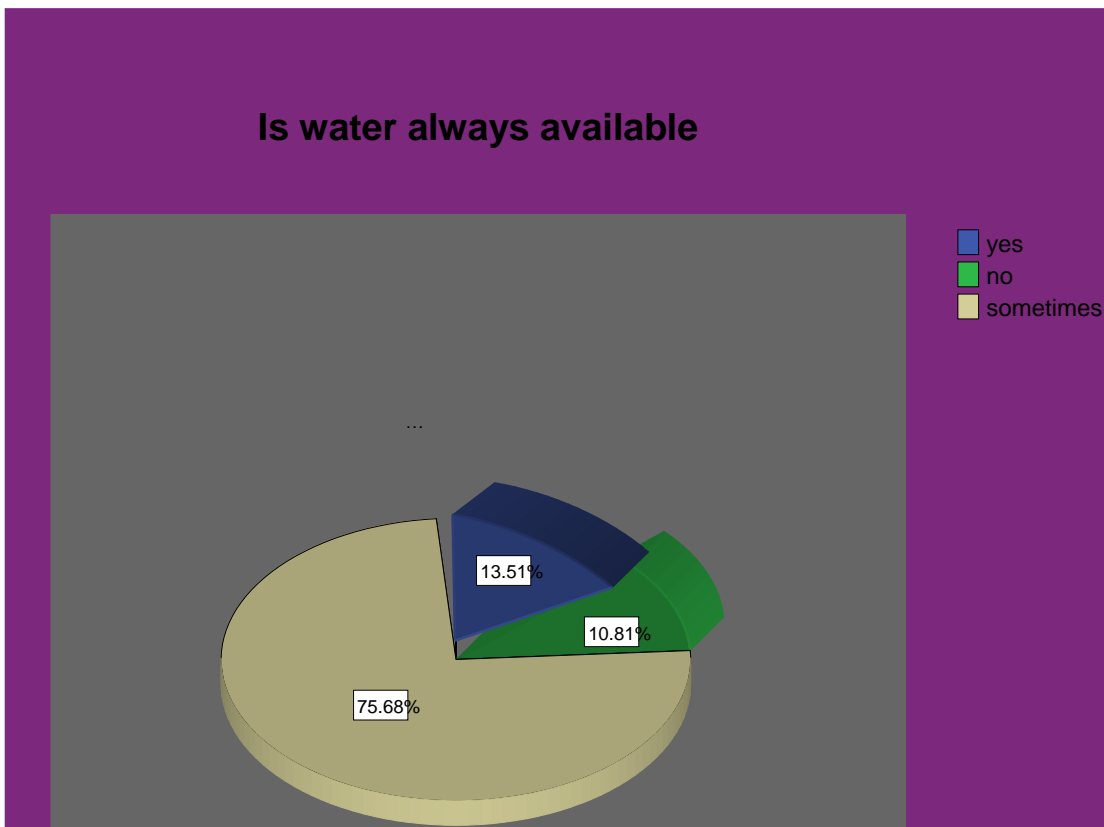
(Source: Research data)

Figure 4.17   Is electricity always available?

Is electricity always available?

yes

no

sometimes

16.11%

42.90%

40.99%
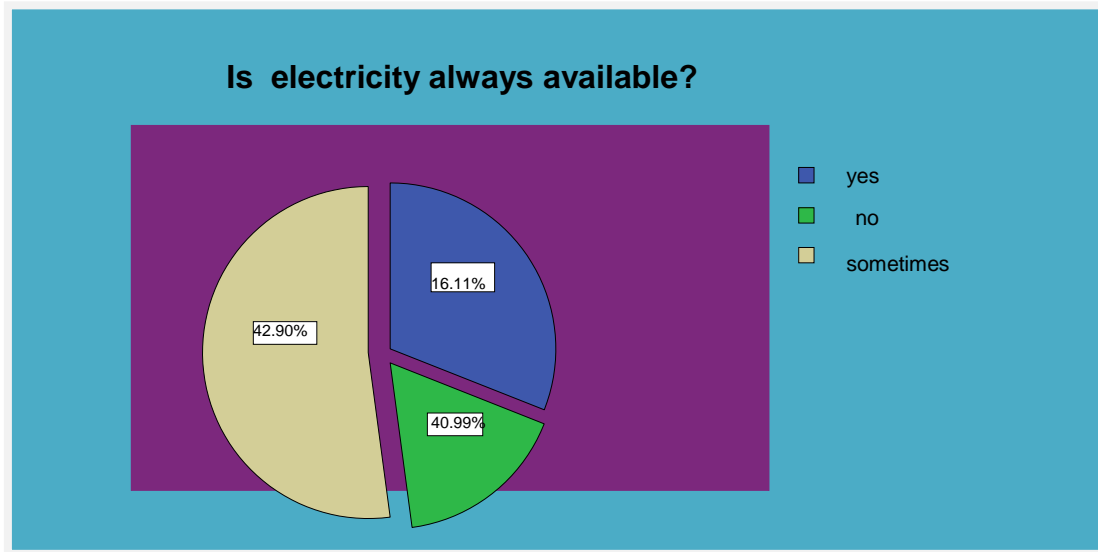
(Source: Research data)

Figure 4.18   Are roads in a good condition?

Are roads in a good condition

yes

no

sometimes

30.99%

52.11%

16.90%
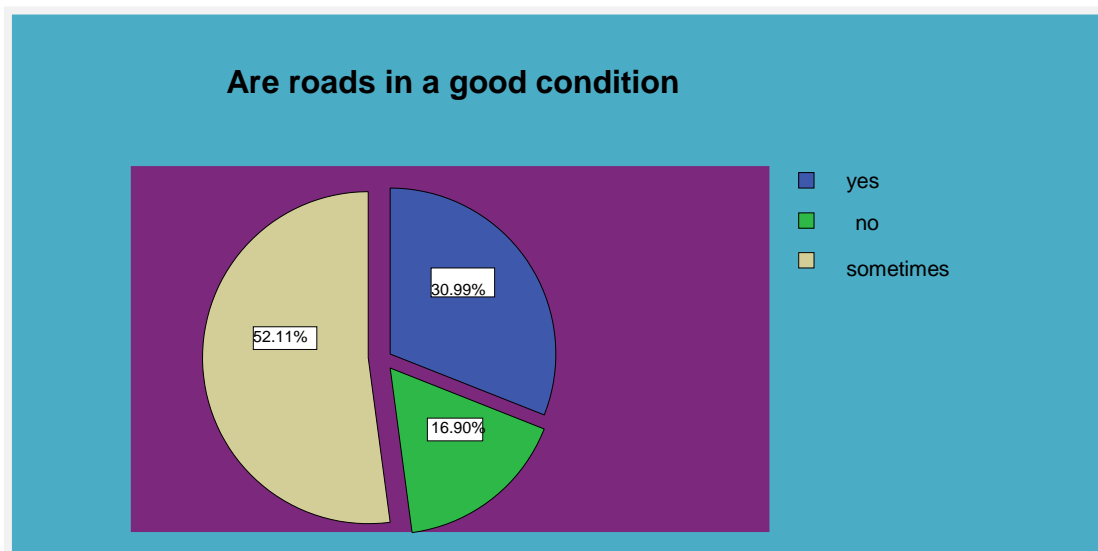
(Source: Research data)

Figure 4.19   Is waste removal always available?
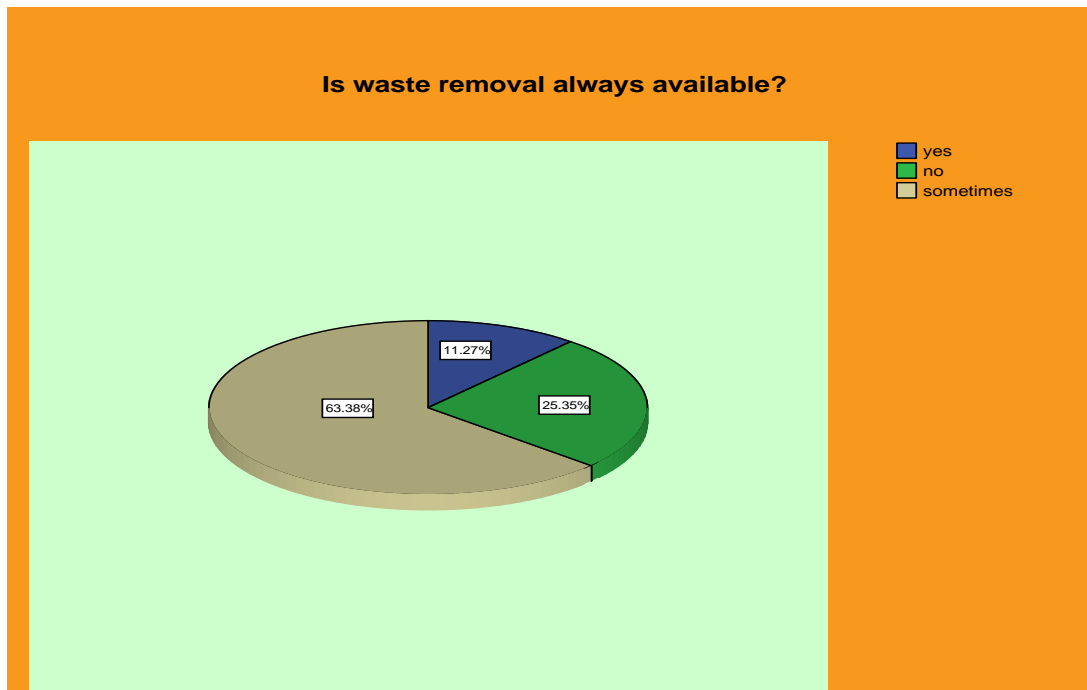
(Source: Research data)

4.2.17 Water and sanitation not always available

This question was a follow- up to the question above. The data in tables 4.2 and 4.3 reveals that there was a consistent percentage increase in the non-availability of water, sanitation, and electricity. Table 4.4 reveals the deteriorating condition of the roads, while Table 4.5 referring to waste removal, shows that in the past 5 years of the study there has been an increase in the non-availability of waste removal services. Table 4.6 reflects that all the participants affirmed that sometimes the services were not available. It can be seen from the data presented that there is a relationship between the number of years the development trends have been noticed, and the non-availability of the services. This means that there is a link between developments and the ability of the Municipality to deliver services to the community.

Table 4.2   Water and sanitation not always available

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	15 years	15	20.0	22.1	22.1
	10 years	8	10.7	11.8	33.8
	5 years	45	60.0	66.2	100.0
	Total	68	90.7	100.0	
Total		75	100.0		

(Source: Research data)

Table 4.3   Electricity not always available

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	15 years	3	4.0	4.4	4.4
	10 years	13	17.3	19.1	23.5
	5 years	52	69.3	76.5	100.0
	Total	68	90.7	100.0	
Total		75	100.0		

(Source: Research data)

Table 4.4   Roads not in good condition

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	15 years	10	13.3	16.4	16.4
	10 years	20	26.7	32.8	49.2
	5 years	31	41.3	50.8	100.0
	Total	61	81.3	100.0	
Total		75	100.0		

(Source: Research data)

Table 4.5   Is waste removal not always available?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	15 years	16	21.3	25.0	25.0
	10 years	16	21.3	25.0	50.0
	5 years	32	42.7	50.0	100.0
	Total	64	85.3	100.0	
Total		75	100.0		

(Source: Research data)

Table 4.6   Non availability of services vs when did you notice enterprise developments?

Years	Non availability of Water & sanitation %	Non availability of Electricity %	Non availability of Waste Removal %	Poor condition of the roads %	When did you notice such enterprise developments %
20 years	-	-	-	-	5.56%
15 years	22.1	4.4	25.0	16.4	1.39%
10 years	11.8	19.1	25.0	32.8	30.56%
5 years	66.2	76.5	50.0	50.8	51.39%
Less than five years	-	-	-	-	11.11%
Total	100.0	100.0	100.0	100.0	100.0

(Source: Research data)

4.2.18   How are you affected by water unavailability?

Data in figure 4.20 indicates that 84.72% of the respondents were greatly affected by water unavailability, with 15.10% not much affected and 0.18% not affected at all. The findings of this questionnaire affirm the findings of the Select Committee on Local Government and Administration (2004) on their visits to KSDM. This Committee had observed that, seemingly, there is non-observance of the cooperative government between KSDM and ORTDM, as ORTDM was given a responsibility to perform a water and sanitation function of the district, an arrangement that KSDM was not satisfied with, as it believed that it has the capacity to discharge this task.

Figure 4. 20   How are you affected by water unavailability?
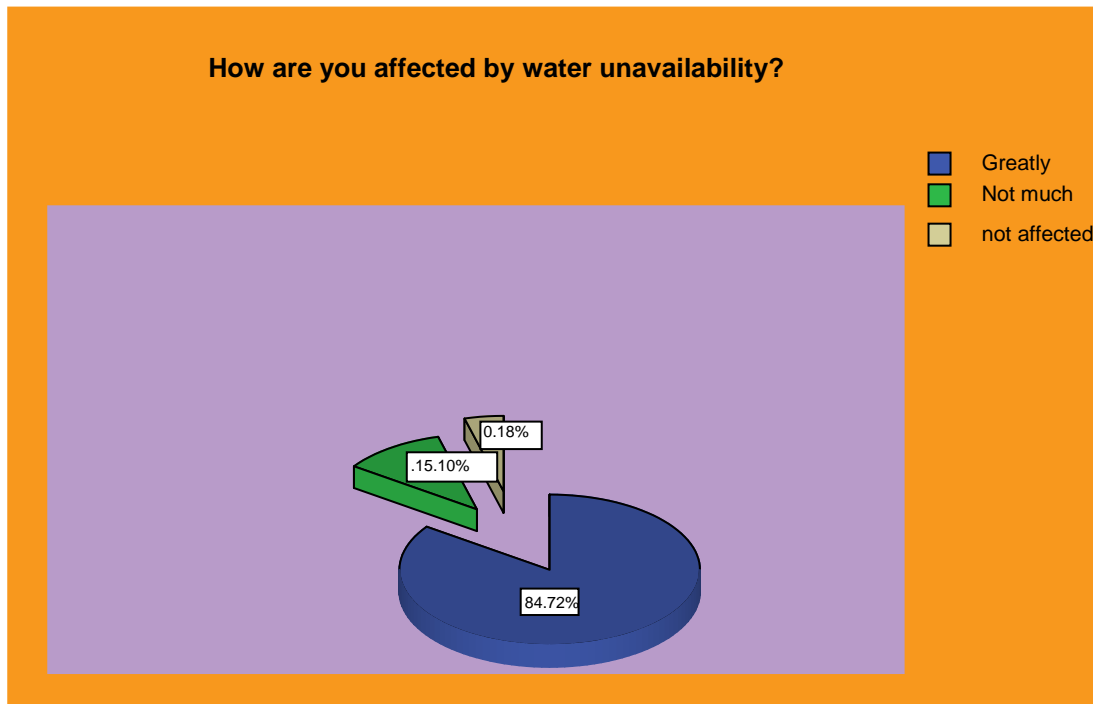
(Source: Research data)

4.2.19   How are you affected by electricity unavailability?

Table 4.7 represents the frequency distribution of how respondents were affected by electricity unavailability. The vast majority, 84.5%, said that they were greatly affected by the electricity unavailability, 12.7% were not affected much, and 2.8 % were not affected at all.

Table 4.7   How are you affected by electricity unavailability?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Greatly	60	80.0	84.5	84.5
	not much	9	12.0	12.7	97.2
	not affected	2	2.7	2.8	100.0
	Total	71	94.7	100.0	
Total		75	100.0		

(Source: Research data)

4.2.20   How are you affected by the condition of the roads?

As reflected in Figure 4.21, the majority of the respondents, 70.14%, was greatly affected by the condition of the roads, with 26.87% not being affected much, and 2.99% not affected at all.

Figure 4.21   How are you affected by the condition of the roads ?
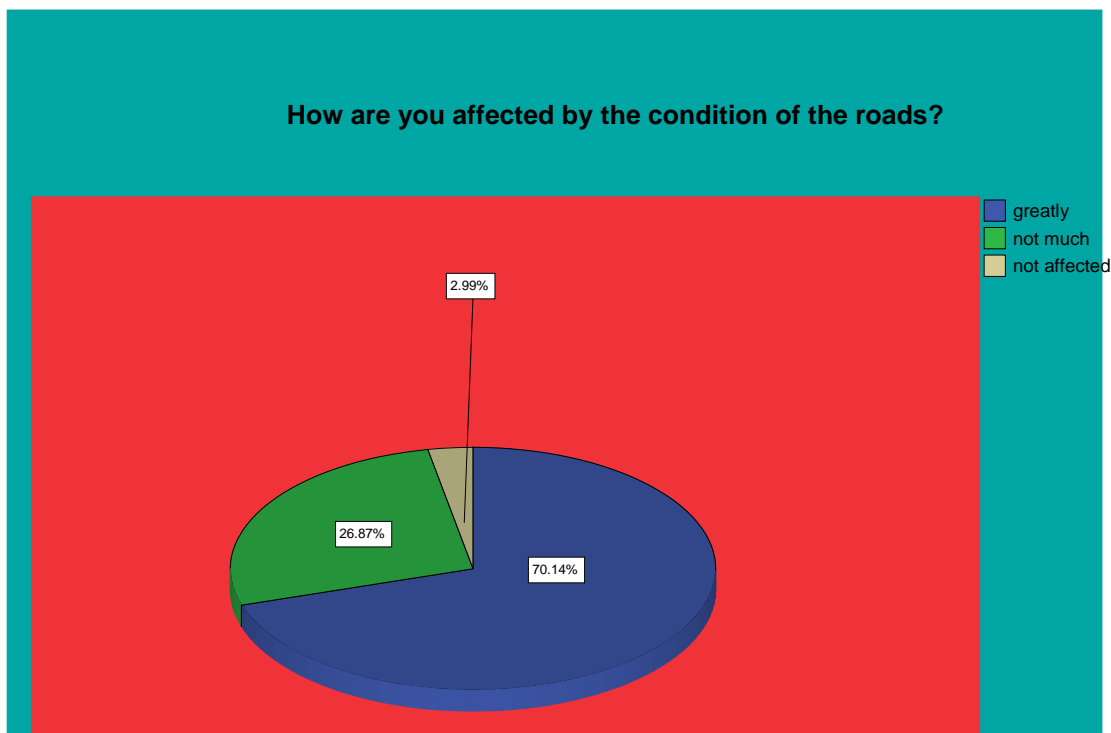
(Source: Research data)

4.2.21   How are you affected by the unavailability of waste removal services?

Data in Figure 4.22 reveals that 78.57% of the respondents are greatly affected by the non-availability of waste removal services, with 15.71% not much affected, and 5.72% not affected at all.

Figure 4.22   How are you affected by the unavailability of waste removal services?

How are you affected by the unavailability of waste removal services?

5.72%

15.71%

78.57%

greatly
not much
not affected
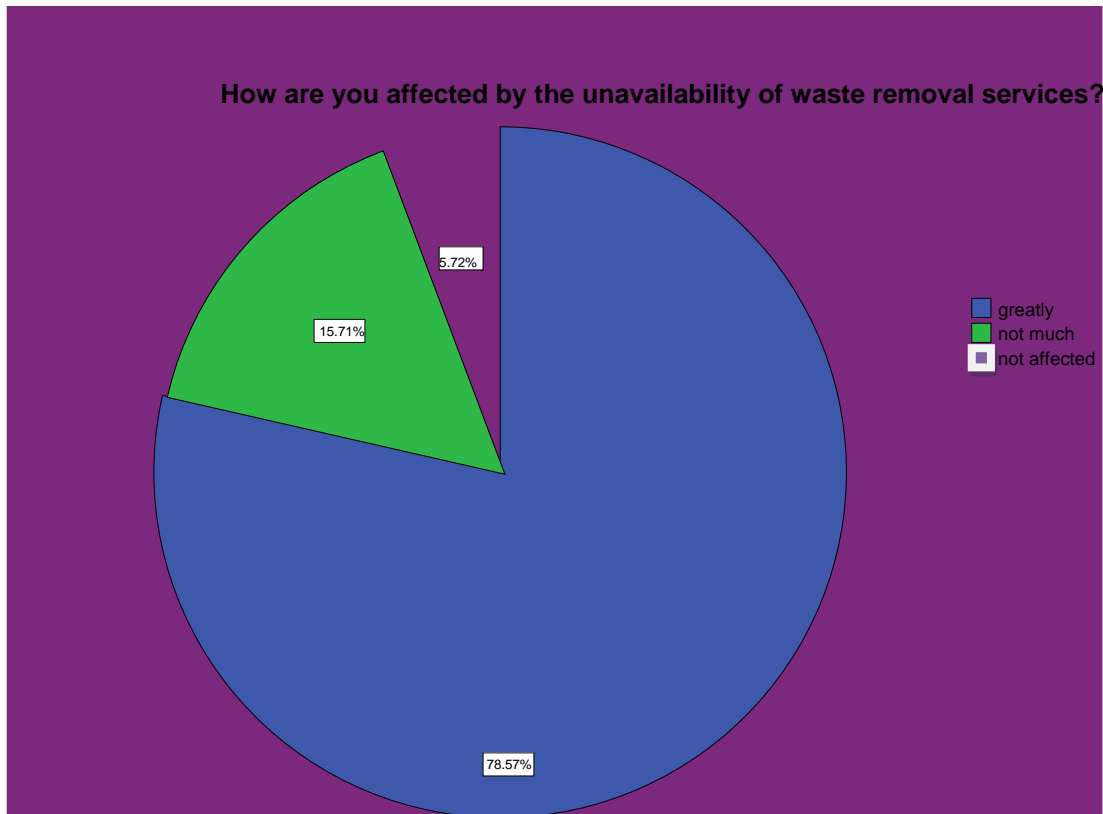
(Source: Research data)

4.2.22 Which people are the source (s) of your information regarding developments in Mthatha?

This question was asked to establish whether there was any communication or information- sharing on developments, and also to determine who the sources of information were. As reflected in Figure 4.23, 68.49% of the respondents said that they had seen the developments when passing by, 19.18% had heard about the developments at Mthatha, 8.22% had heard from co-workers or family members, and 4.11% had heard it from other sources.

The findings of these questions affirm the conclusion of the O R Tambo District Municipality (ORTDM) development profile (2005:19), that the municipal structures of the ORTDM`s local municipalities are filled with a variety of human resource constraints, such as poor communication.

Figure 4.23   Which people are the source of your information regarding developments in Mthatha?

Which people are the source of your information?

Legend:
- from municipality
- seeing when passing by
- from co-workers/family
- other

4.11% | 8.22% | 19.18% | 68.49%
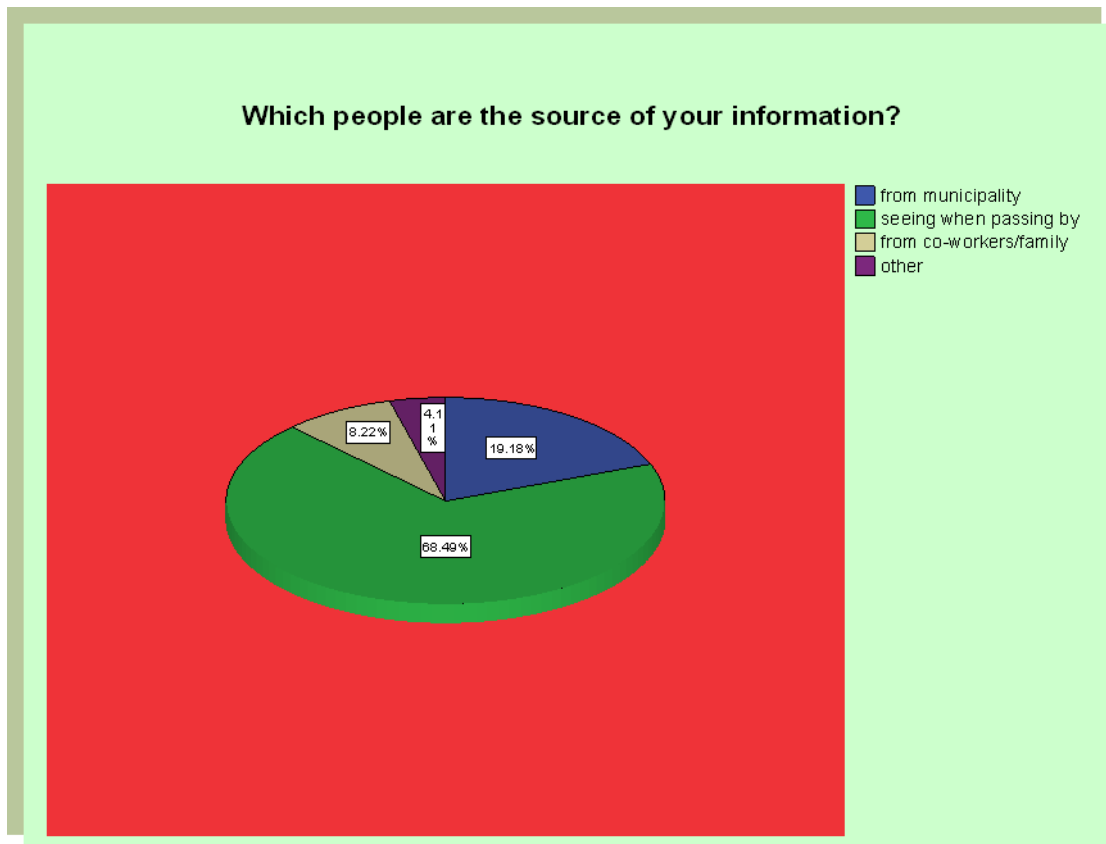
(Source: Research data)

4.2.23 Any other sources of information?

This question was a follow- up to the question above, and was intended to establish whether there were any other sources of information. The findings in figure 4.24 reveal that the following sources: Posters/ Leaflets 3.51%; Radio 26.32%; Local Paper 52.63%; Internet/ Website 5.26%; Other 3.51% and 8.77% of the respondents do not know any sources of information that are used.

Figure 4.24   Any other source (s) of information?

Any other source of information

posters/leaflets
radio
local paper
internet/websites
other
don't know

3.51%

8.77%

3.51%…

5.26%

26.32%

52.63%
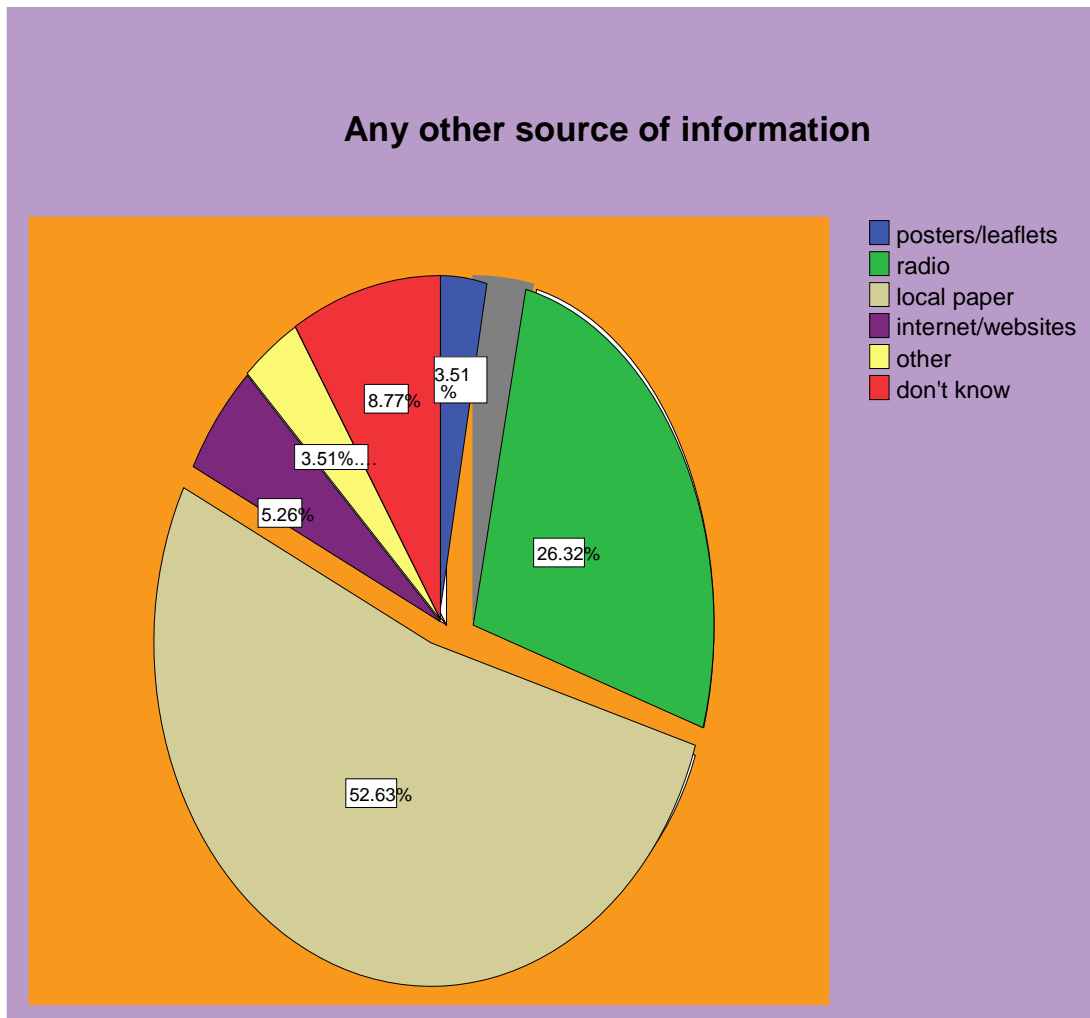
(Source: Research data)

4.2.24 Are you benefiting from the enterprise developments?

This question sought to establish, to what extent the community and municipality are benefitting from the enterprise developments. Figure 4.25 indicates that the majority, 69.86%, said that they were benefiting from the developments and 20.55% said they were not sure if they were benefiting and 9.59% noted that they were not benefiting from the developments.

Figure 4.25   Are you benefiting from these developments?

Are you benefiting from these developments?

- yes
- no
- not sure

20.55%

9.59%

69.86%
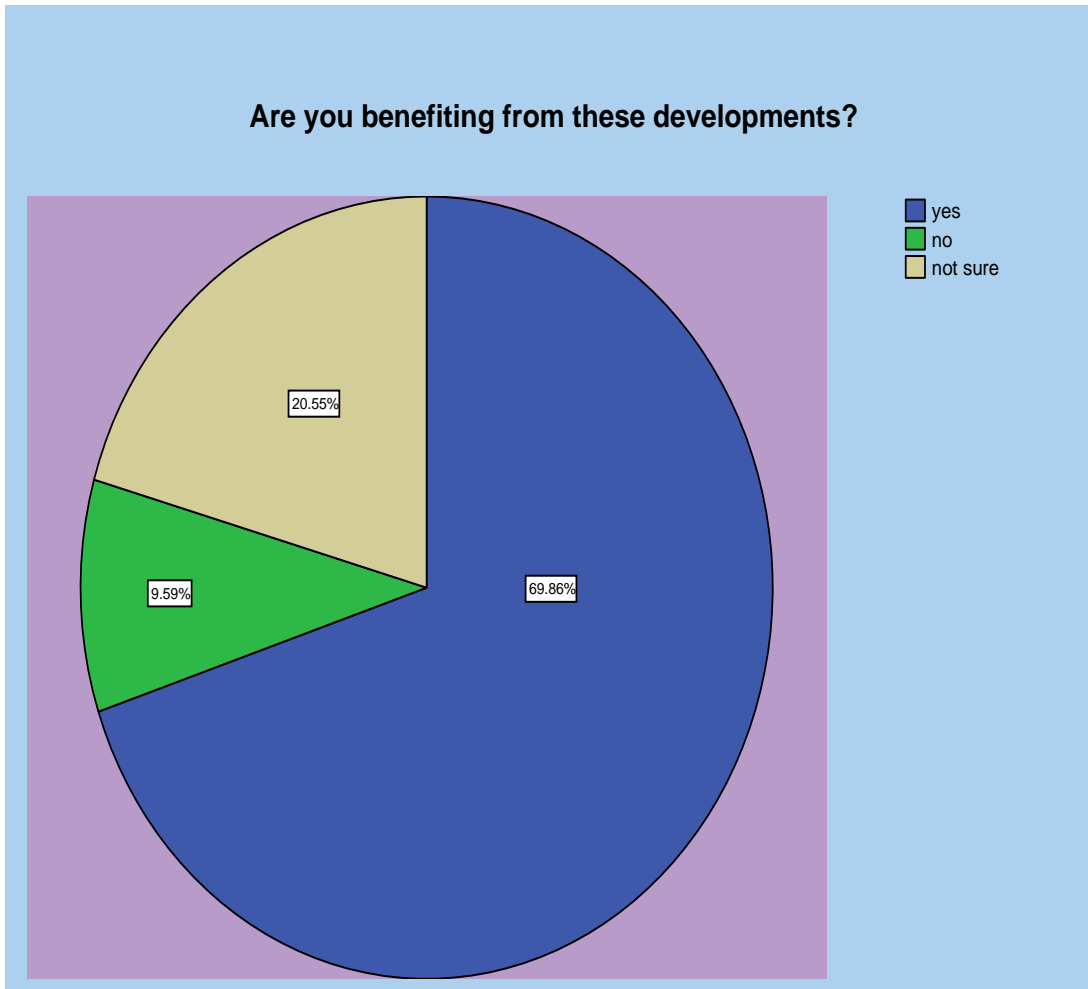
(Source: Research data)

4.2.25 In which areas, if any, would you like Mthatha to be developed?

Table 4.8 indicates that 75.3% of the respondents polled in this study rank infrastructure as the area that needs to be developed in Mthatha. This is followed by 12.3% who indicate that infrastructure, small and medium municipal services and residential units need to be developed, with 6.8% pointing to residential units, 4.1% suggesting small and medium municipal service and 1.4% stating that nothing needs to be developed.

Table 4.8   In which areas, if any, would you like Mthatha to be developed?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	infrastructure	55	73.3	75.3	75.3
	small & medium services	3	4.0	4.1	79.5
	residential units	5	6.7	6.8	86.3
	nothing	1	1.3	1.4	87.7
	all of the above	9	12.0	12.3	100.0
	Total	73	97.3	100.0	
Total		75	100.0		

(Source: Research data)

4.2.26 Do you know about any developments underway in your area?

This was a follow-up question in trying to understand the information and communication- sharing on the developments that are afoot in the respondents' area. The study also established that a high number of respondents needed much information regarding the developments underway. Data in Figure 4.26 reveals that only 10.08% of the respondents knew enough about current developments, 28.38% said they needed some information and 55.41% needed a lot of information. Only 6.13% said they did not know.

Figure 4.26   Do you know enough about developments underway in your area?
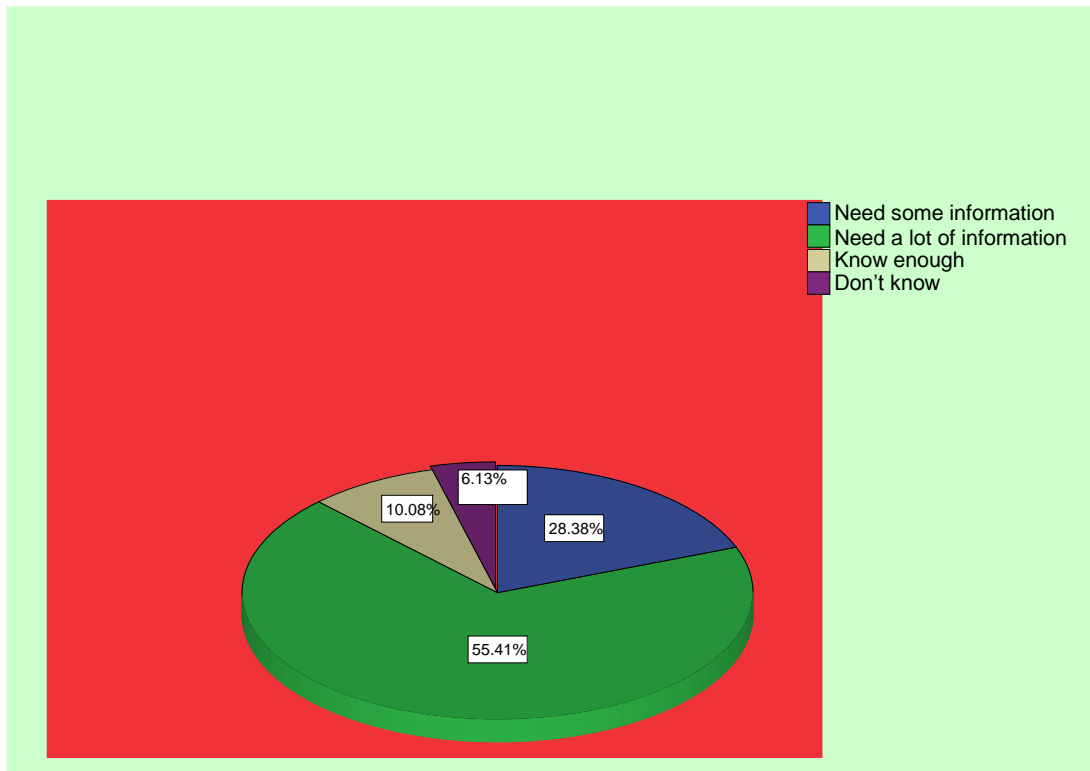
(Source: Research data)

4.2.27 What might help you to benefit from the developments?

Table 4.9 indicates that 31.5% of the respondents highlighted that they need more information on opportunities from KSDM, 26.0% of the respondents needed more community involvement , only 1.4% said they do not need anything, while 41.1% responded by saying they need more information on opportunities from KSDM and more community involvement.

Table 4.9   What might help you to benefit from these developments?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	more information on opportunities from KSDM	23	30.7	31.5	31.5
	more community involvement	19	25.3	26.0	57.5
	none of these	1	1.3	1.4	58.9
	all of the above	30	40.0	41.1	100.0
	Total	73	97.3	100.0	
Total		75	100.0		

(Source: Research data)

4.2.28 What would you require KSDM to do most to make your stay in Mthatha better?

Table 4.10 shows that 61.3% of the respondents need more developments to make their stay in Mthatha better, with 21.3% saying they need improved infrastructure and only 17.3% saying that they need more employment opportunities.

Table 4.10   What would you require KSDM to do most to make your stay in Mthatha better?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	more developments	46	61.3	61.3	61.3
	Employment	13	17.3	17.3	78.7
	improved infrastructure	16	21.3	21.3	100.0
	Total	75	100.0	100.0	

(Source: Research data)

4.3   INTERVIEW FINDINGS

4.3.1   Date of interview

The interviews were conducted during the months of January, February, March and April 2008. Figure 4.27 reveals that out of sixteen participants that were interviewed, 50% of them were interviewed in March, 18.75% in April, 18.75% in February and 12.50 in January. All interviews were conducted according to the availability of officers or representatives of the participating organisations.

Figure 4.27   Date of interview

Date of interview

January
February
March
April

12.50%
18.75%
18.75%
50.00%
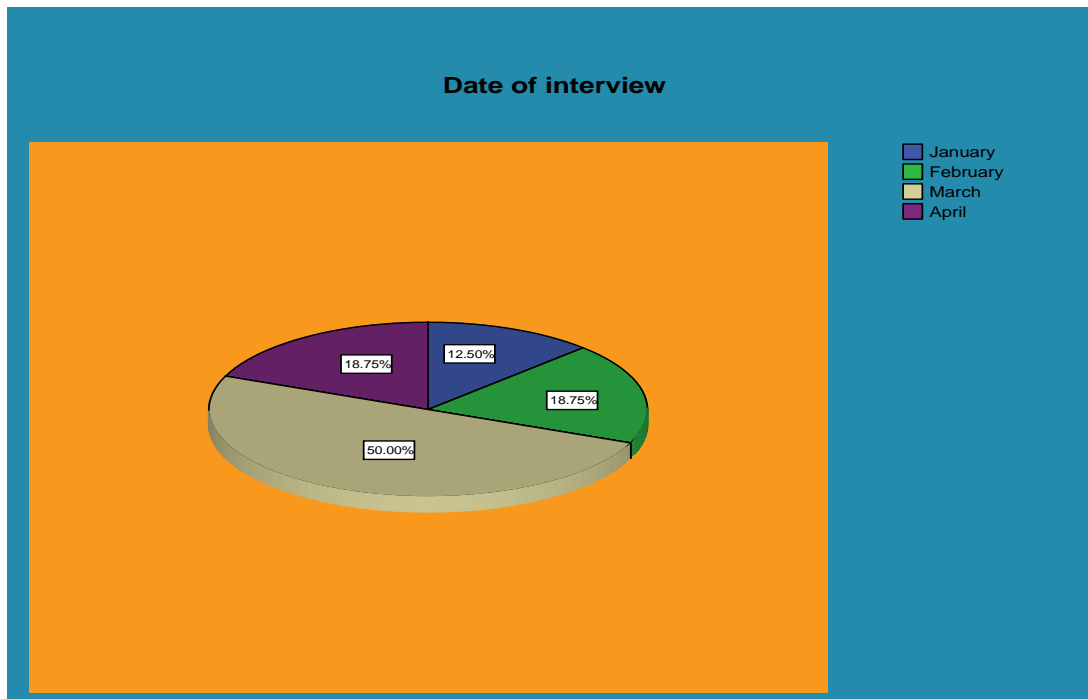
(Source: Research data)

4.3.2   Name of the organisation

This was to establish the name of the organisation in which the participants were involved or were representing. According to figure 4.28, of the total sample population, 68.75% of the participants were from the KSDM, 25.00% from development agencies and developers and 6.25% from ORTDM.

Figure 4.28   Name of the organisation

Name of organisation

- King Sabata Dalindyebo
- Agencies
- O.R.Tambo

6.25%
25.00%
68.75%
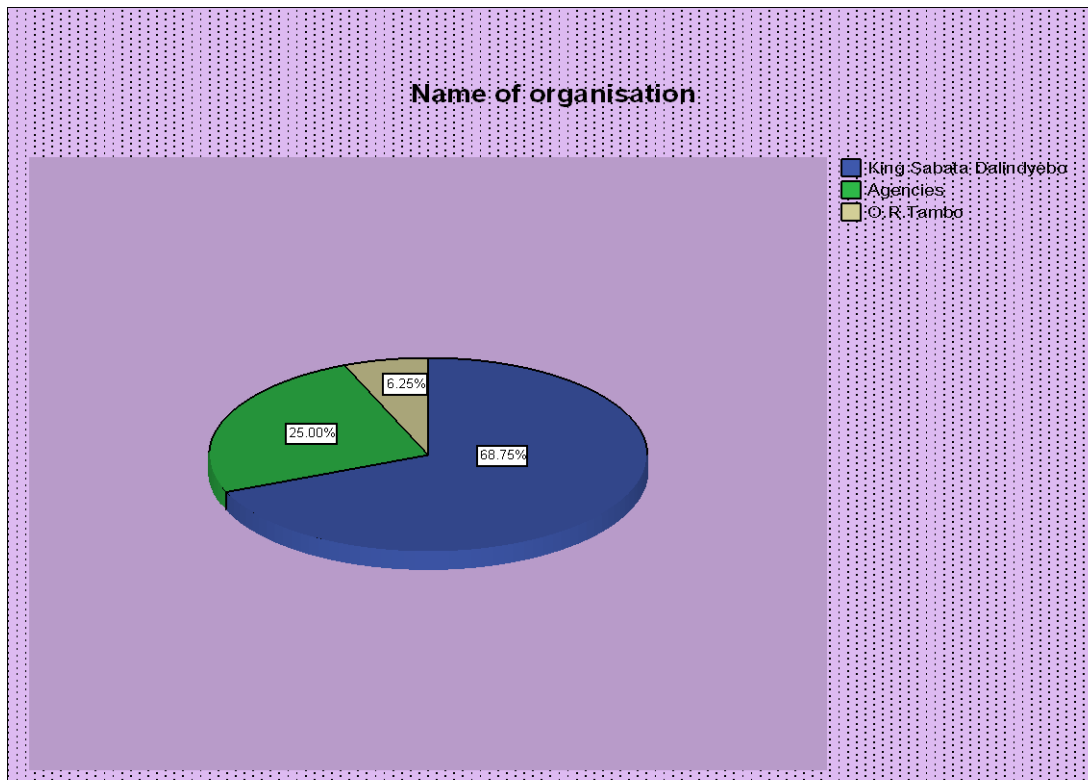
(Source: Research data)

4.3.3   Job title of respondent

This question was included in the interview with a view to understanding the level of knowledge the officer or representative had about the planning and development taking place in Mthatha. Figure 4.29 represents the breakdown of the responses according to the job title, 37.50% Councillors, 18.75% Surveyors, 6.25% Directors, 6.25% Officers, 6.25% Architects and 18.75% Managers. This was a good indicator that the majority of the participants knew the development planning or specialist of the field. Furthermore, figure 4.31 below indicates the primary job function of participants, 53.33 % were Councillors,19.99% Managers, 6.67% Officers, 6.67% Architectures, 6.67% Directors and 6.67% Surveyors.

Figure 4.29   Job title of respondent
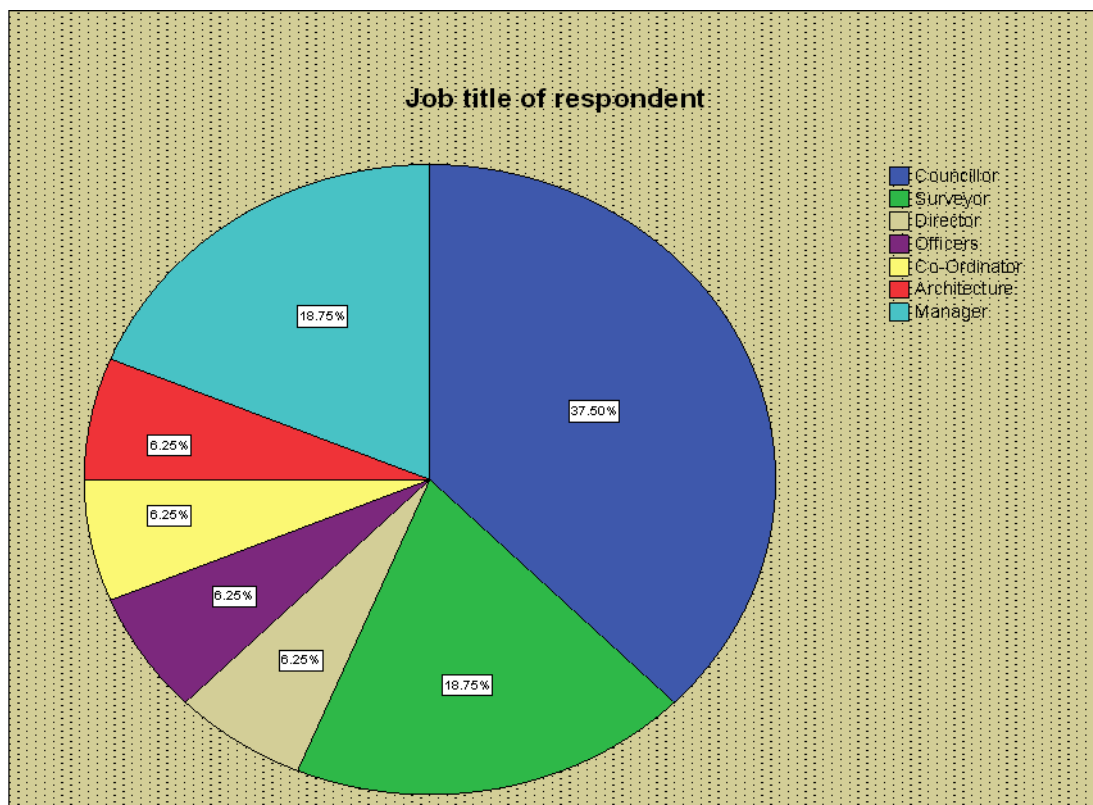
(Source: Research data)

Figure 4.30   How long have you been involved in your organisation?
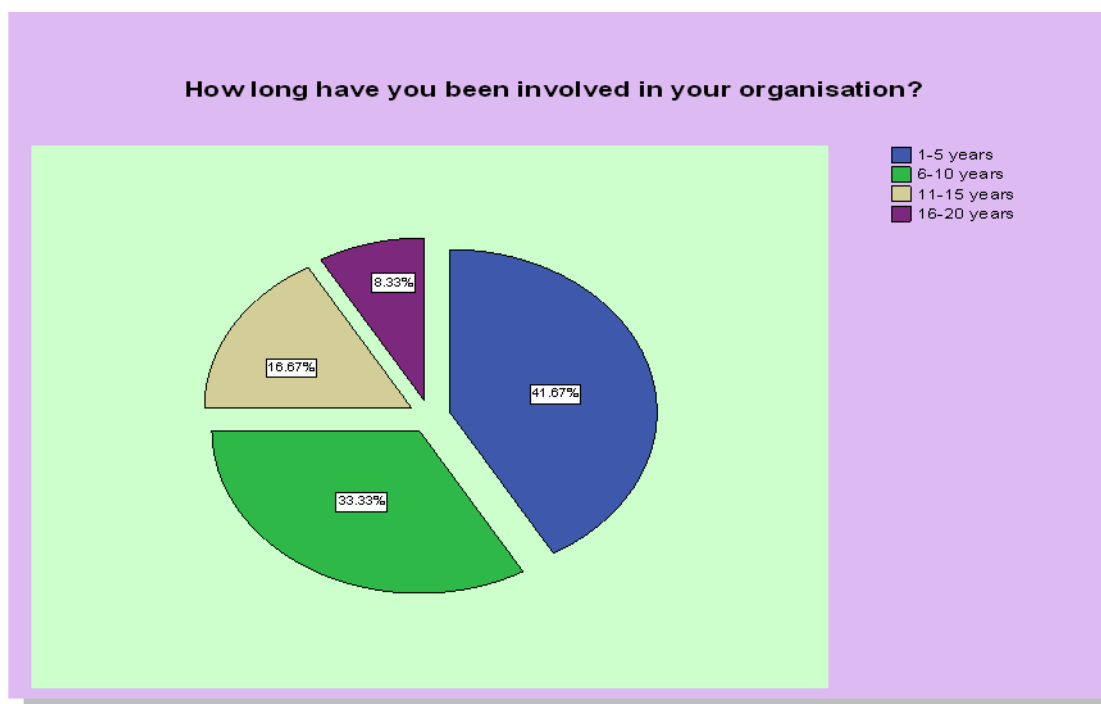
(Source: Research data)

Figure 4.31   What is your current primary job function?
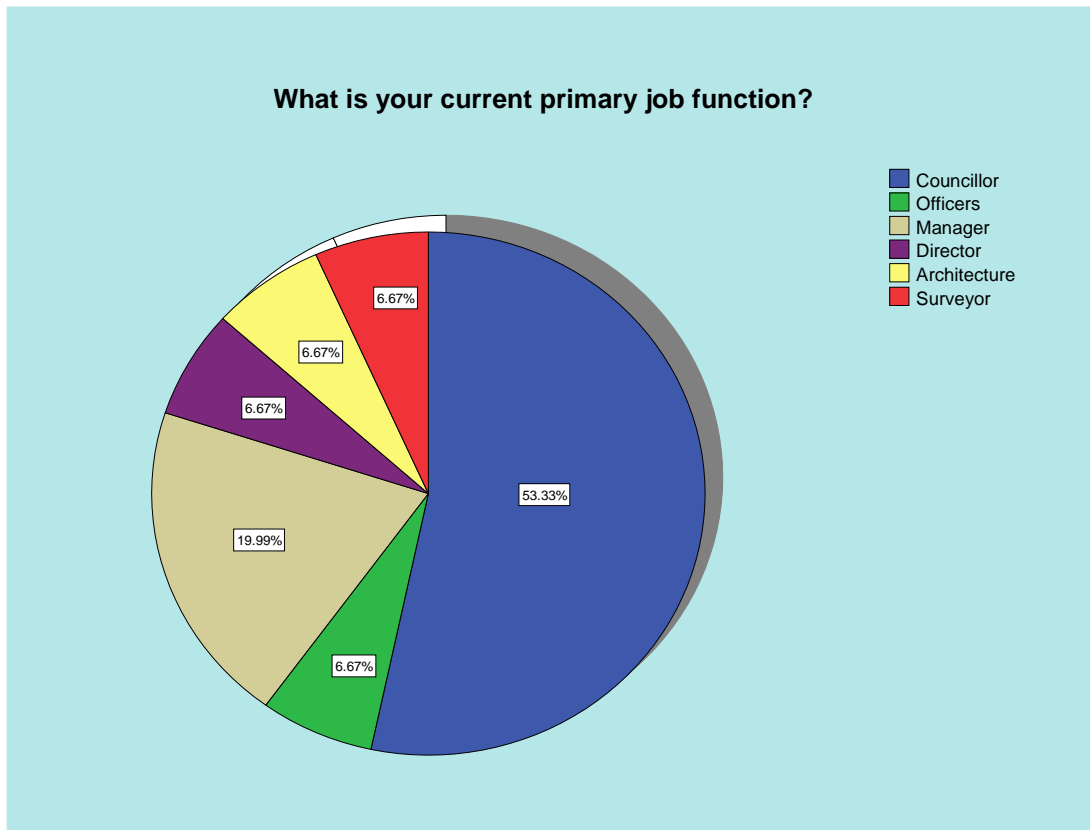
(Source: Research data)

4.3.4   How long have you been involved in your organisation?

Figure 4.30 above indicates that out of sixteen participants, 41.67% of them had been involved in planning and development in their organisations for a period of 1-5 years, 33.33% for 6-10 years, 16.67% for 11-15 years and 8.33% for 16-20 years.

4.3.5   Is your institution or agency involved in any developmental planning in or around KSDM?

This question was to establish to what extent has the integrated planning taken place with regard to developments in or around KSDM? Figure 4.32 indicates that 93.33% of participants said their institutions or agencies are involved and only 6.67% of the participants noted they are not involved.

Figure 4.32   Is your institution or agency involved in any development planning in and around Mthatha, KSDM?

Is your institution or agency involved in any development planning in and around Mthatha?

Yes
No

6.67%
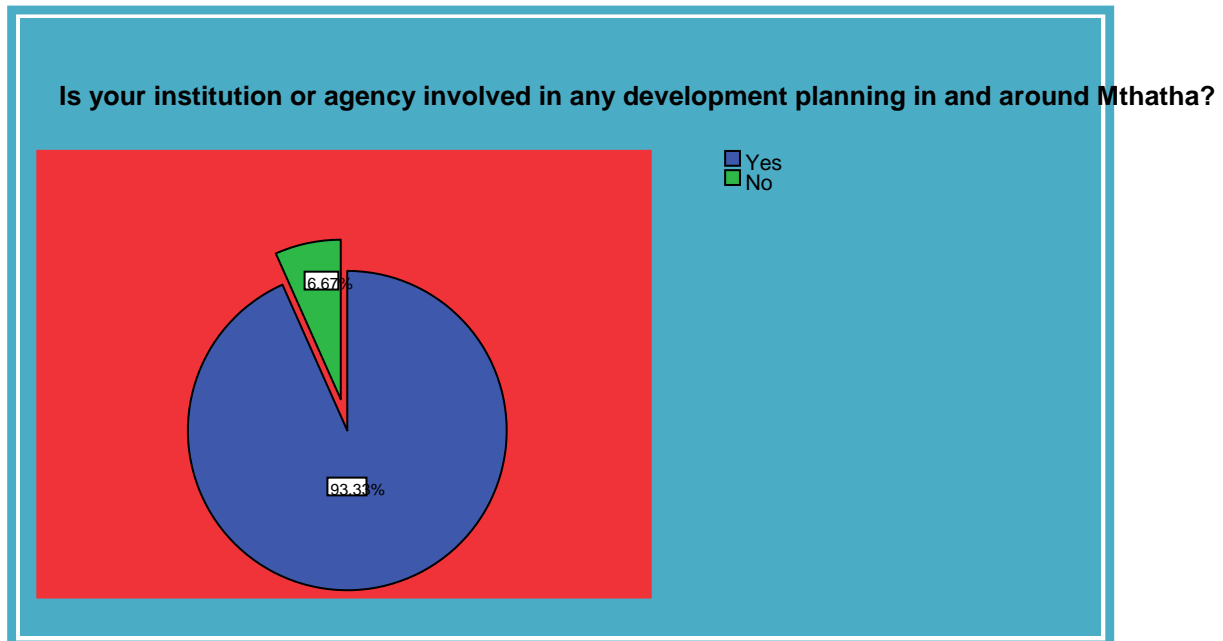
93.33%

(Source: Research data)

4.3.7   What role does your institution play in development?

This was to ascertain the role played by different institutions in development in and around   KSDM. The data in Figure 4.33 indicates that 93.33% of the participants show that KSDM plays a major role in the developments, with only 6.67% saying consultants or other development agencies are involved.

Figure 4.33   What role does your institution play in developments?

What role does your institution play in developments?

6.67%

93.33%

KSD
Development
Or other agencies
Consultants
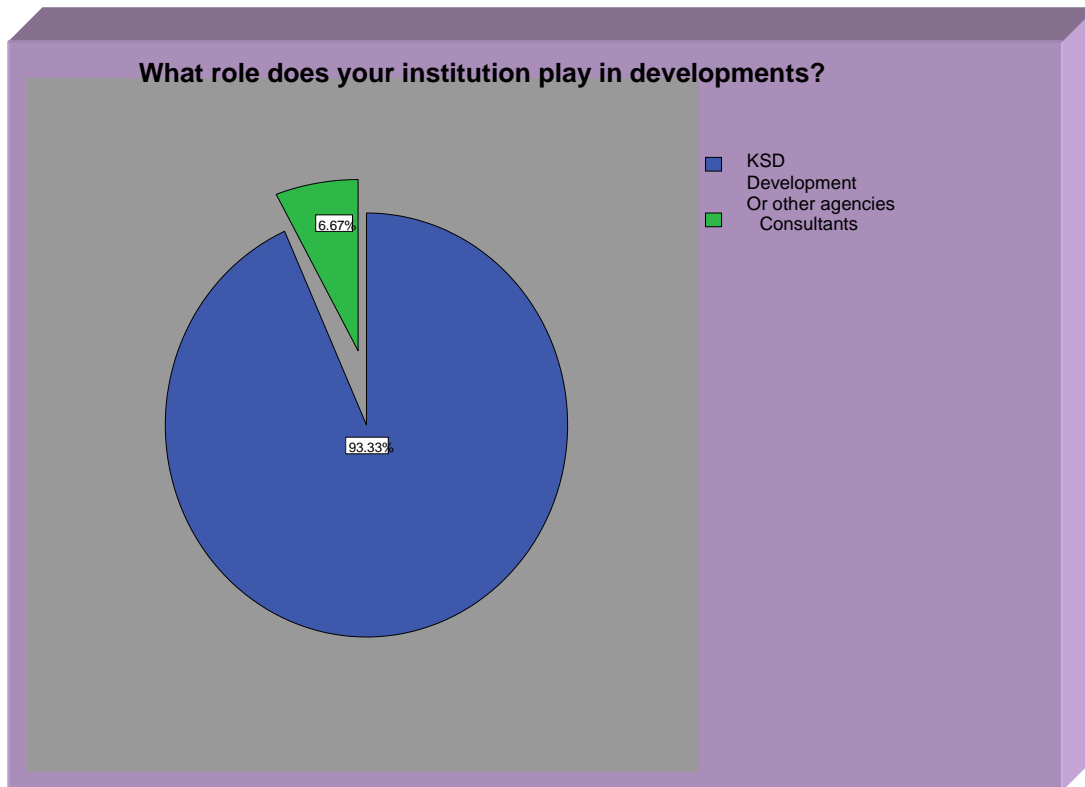
(Source: Research data)

4.3.8   What are your institutional developmental planning policies?

Figure 4.34 indicates that 69.23% of the participants responded by saying that Integrated Development Plan (IDP) is the policy for development. 23.08% of the institutions use Local Economic Development (LED), and 7.69% use the Spatial Development Plan (SDF).

The use of the IDP indicates that there is planning that is taking place as its purpose is to align plans and strategies of a district municipality with those of constituent affected municipalities, as well as with national plans in order to ensure cooperative governance. This study has, through the above finding, discovered a significant weakness in the development planning policy knowledge or understanding or use even though the respondents were working in the development or planning sections. The majority indicated that their institutions use IDP which is an interdisciplinary approach

to planning. Some responded that they make use of LED which is a strategic tool to which local municipalities adhere when performing their duties, as prescribed by the Local Government Municipal Structures Act (2000). They use the same LED to develop their local economic base that is used by local governments or community-based organisations. Few indicated that they use SDF which is intended to act as a coordinating document that sets out a broad framework for the investment of public funding and the management of development in the municipality, with the aim of achieving common visions and objectives.

According to the ORTDM nodal economic development profile (2005:33), the challenges that were indicated include, *inter alia,* lack of understanding of local economic development at the local and district municipal level and lack of strategic insight. That there is a weakness in policy understanding has been affirmed.

Figure 4.34   What are your institutional developmental plan policies?

(Source: Research data)

104

4.3.9 How do you involve other institutions when planning developments?

This question was asked to assess the extent of cooperative participation and involvement of other institutions in the planning and developments of enterprises in and around Mthatha. The data in Figure 4.35 indicate that 66.67% of participants show that they involve other institutions through forums, 26.66% through consultations and 6.67% by tendering. This was a good indicator that there are consultations between institutions, contrary to the findings of the questionnaire respondents, that stated that there were no consultations during the planning and commissioning of the developments.

Figure 4.35   How do you involve other institutions when planning developments?

How do you involve other institutions when planning developments?

Legend:
- Through forums
- Through consultations
- By tendering

6.67%
26.66%
66.67%
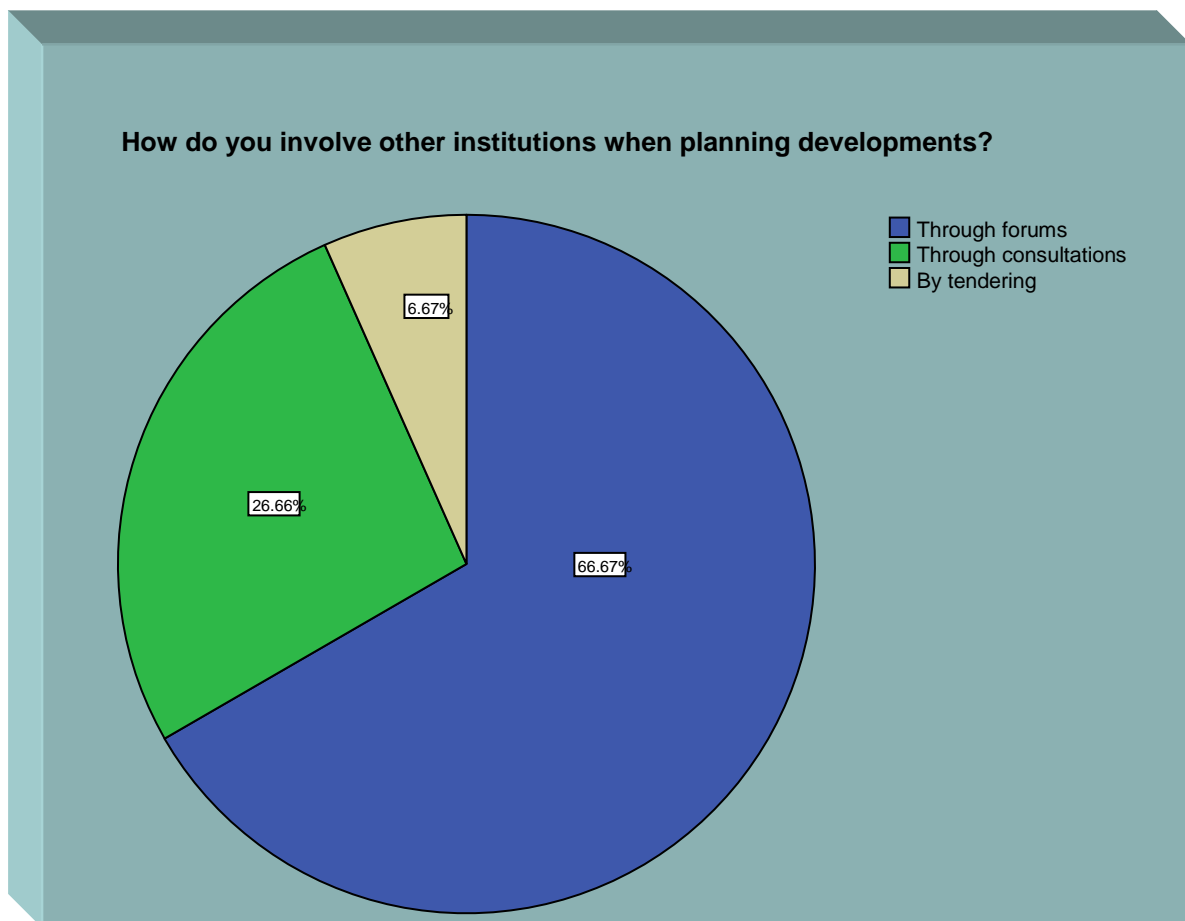
(Source: Research data)

4.3.10 How do you interact with other institutions?

This was a follow- up to the question above that sought to establish how institutions interact with other organisations regarding developmental planning in and around Mthatha, and also to determine which factors may hinder or attract enterprise developments in Mthatha KSDM. Figure 4.36 indicates that 70.00% of the participants interviewed interacted through forums, 20.00% through consultations and 10.00% interacted by tendering. This shows a selective interaction and involvement with other institutions, as it only involves forums, consultations and tendering.

Figure 4.36   How do you interact with other institutions?
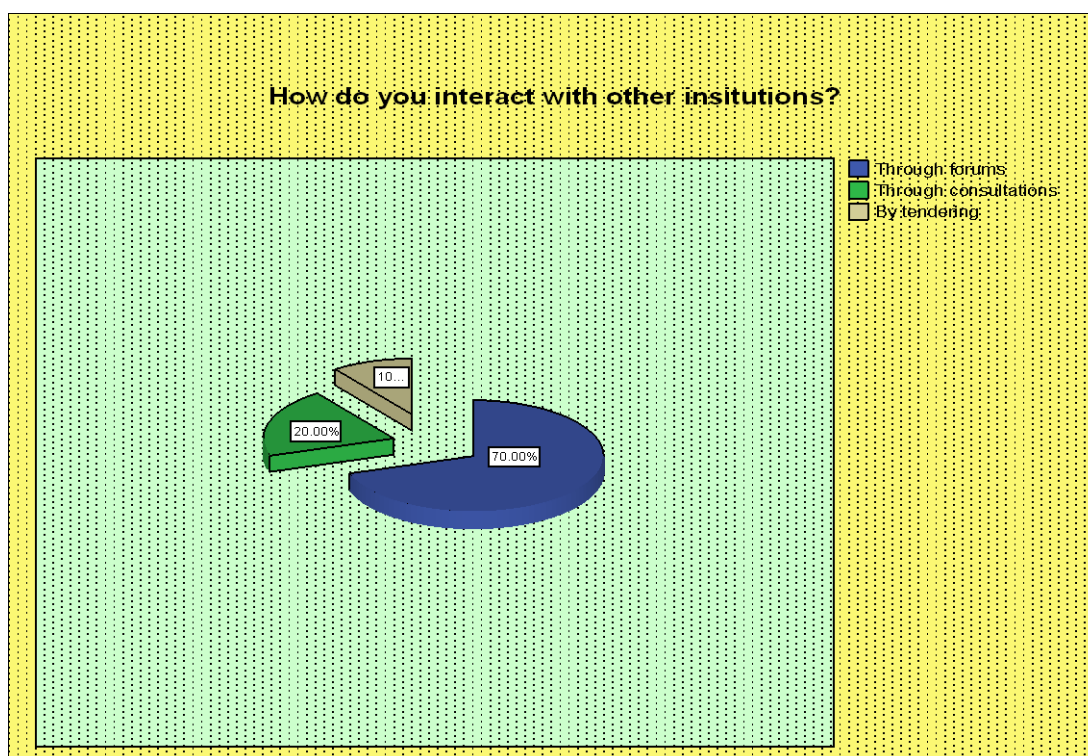
(Source: Research data)

4.3.11 Do you have the statistics on how many enterprise developments are in Mthatha?

The aim of this question was to critically analyse and evaluate enterprise development trends in and around Mthatha, KSDM, from 1995 to 2006. Figure 4.37 indicates that 80.00% of the respondents had no statistics on how many enterprise developments there are in Mthatha, while only 20.00% said they did have this information.

Figure 4.37   Do you have the statistics on how many enterprise developments are there in Mthatha?

20.00%

80.00%

No
Yes
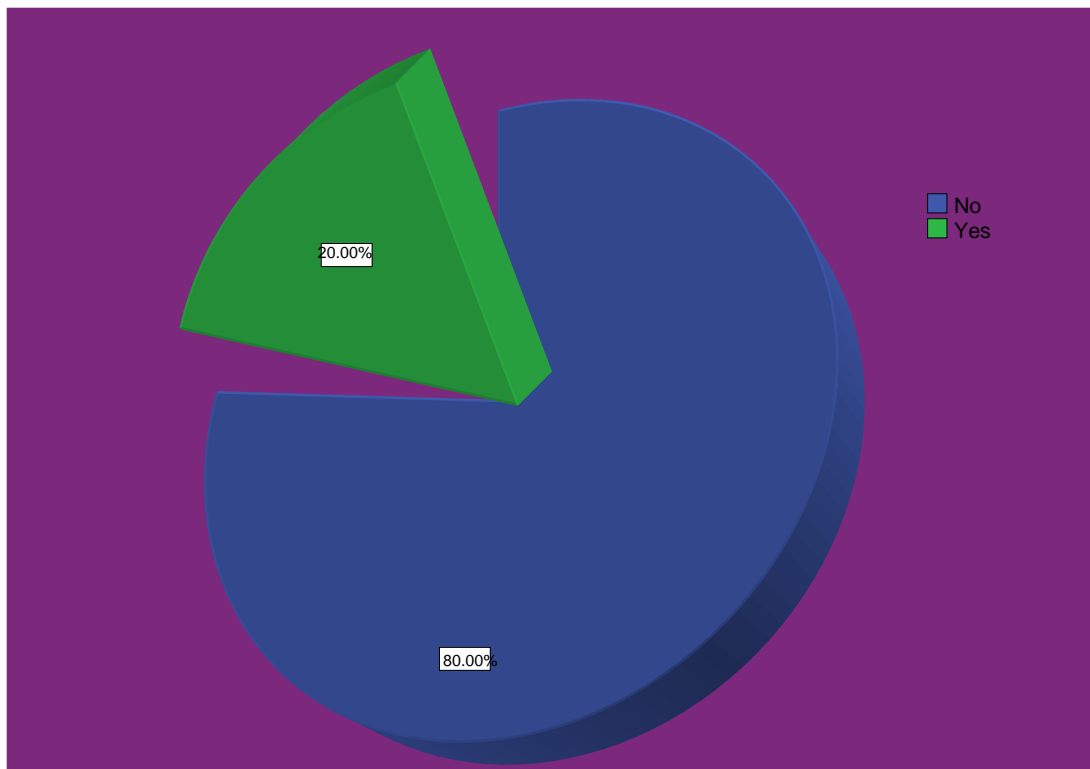
(Source: Research data)

4.3.14 Does your institution have a strategy on how it want to manage enterprise developments?

This question was a follow- up question to the one asking about developmental planning institutional policies, Figure 4.38 indicates that 92.86% of the participants said that they had the strategies in place to manage enterprise development and only 7.14% revealed that they had no strategies. This question affirms that there is a weakness in the understanding and knowledge of the development planning policies and development.

Figure 4.38   Does your institution have the strategy on how they want to handle enterprise developments?

Does your institution have the strategy on how they want to handle enterprise developments?

- Yes
- No

7.14%

92.86%
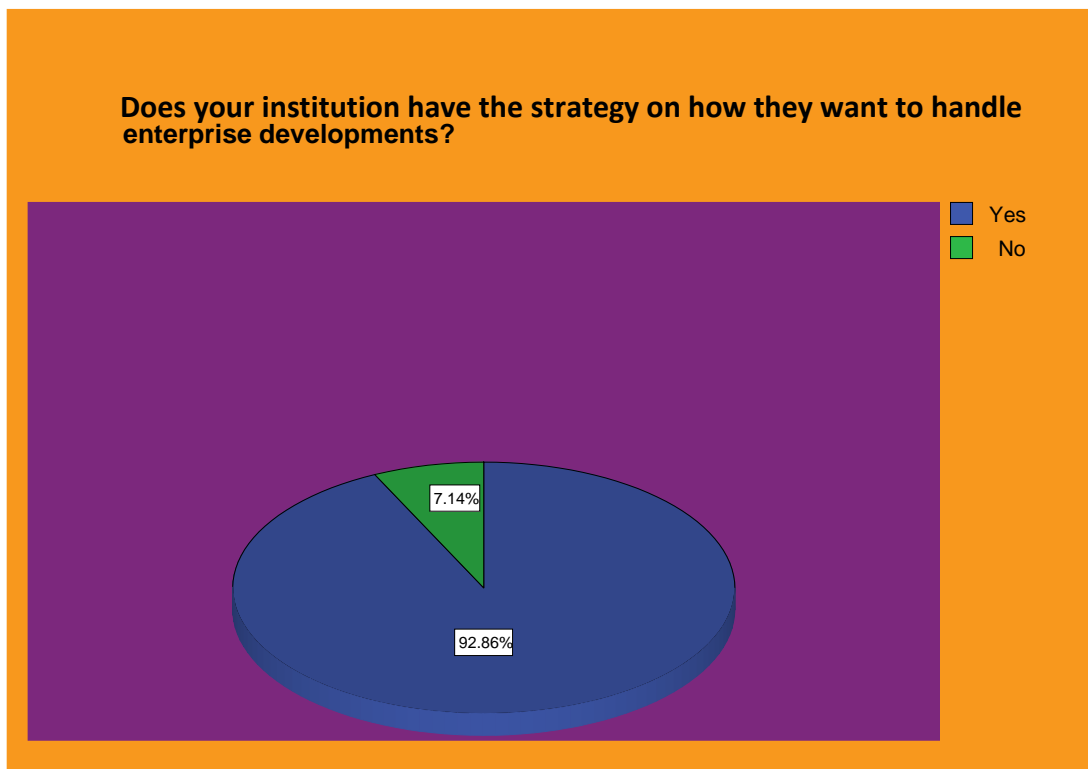
(Source: Research data)

4.3.15 If your institution has the strategy, can a copy be made available?

Table 4.11 reflects that not even one of the institutions had a copy of their strategy available. It was clear that respondents did not have the strategy document, either filed in their offices or saved in their computers so as to make it readily available.

Table 4.11   If your institution has a strategy, can a copy be made available?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Don't have copy	15	93.8	100.0	100.0
Total		16	100.0		

(Source: Research data)

4.3.16 Have you noticed any developments in or around Mthatha?

Table 4.12 shows that (100.0 %) of the respondents have noticed developments in or around Mthatha.

Table 4.12   Have you noticed any developments in or around Mthatha?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	16	100.0	100.0	100.0

(Source: Research data)

4.3.17 For how long, if at all, have you noticed these developments in or around Mthatha?

This was one of the critical questions to the objectives and findings of the study, as the study investigates development trends. It is obvious that a large percentage of respondents has noticed the developments in and around Mthatha in the past 6- 10 years of the study, with very few respondents noticing them in the last 11-15 years of the study. Figure 4.39 represents the breakdown of the

responses as follows: 6-10 years ago (72.73%); 1-5 years ago (18.18%); 11-15 years ago (9.09%).

Figure 4.39   For how long, if at all, have you noticed these developments in or around Mthatha?
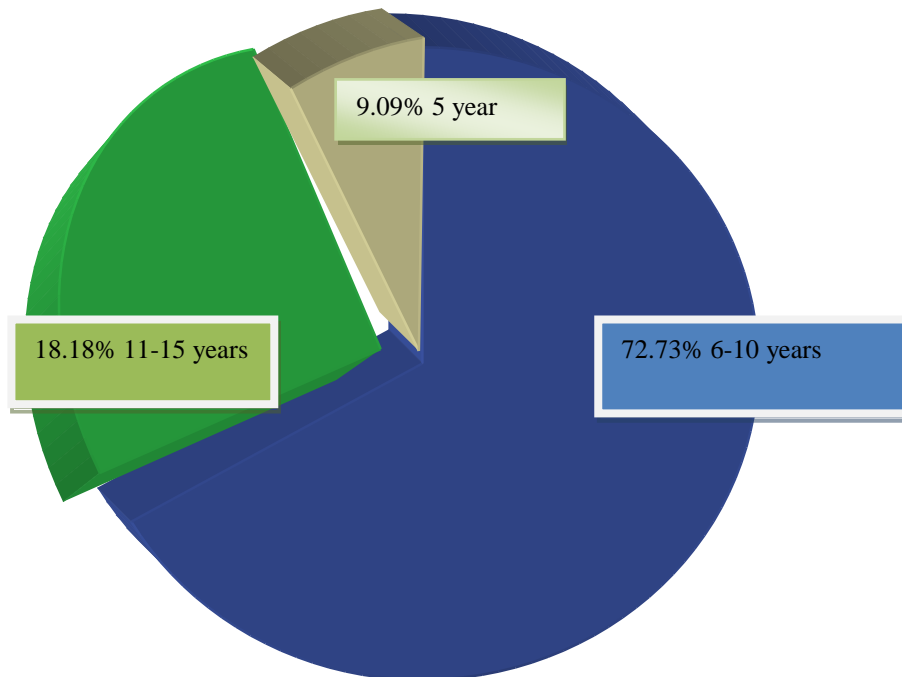
(Source: Research data)

4.3.18 Name the organisation in your immediate geographical area that provides developmental planning services?

The respondents were asked to name the organisations in their immediate geographical area that provide developmental planning services. This was to find out if there is any organisation that does the developmental planning in or around Mthatha. The intention was to find out if there is any integrated planning in place, and which policies are guiding the planning. The findings show that a large percentage of respondents said that KSDM provides developmental planning services in the area.

Figure 4.40 represents the breakdown of the responses as follows: King Sabata Dalindyebo Municipality 66.67%; Eastern Cape Development Co-operation (ECDC) 22.22%; Ntinga Development Agency 11.11%.

Figure 4.40   Name the organisation in your immediate geographical area that provides developmental planning
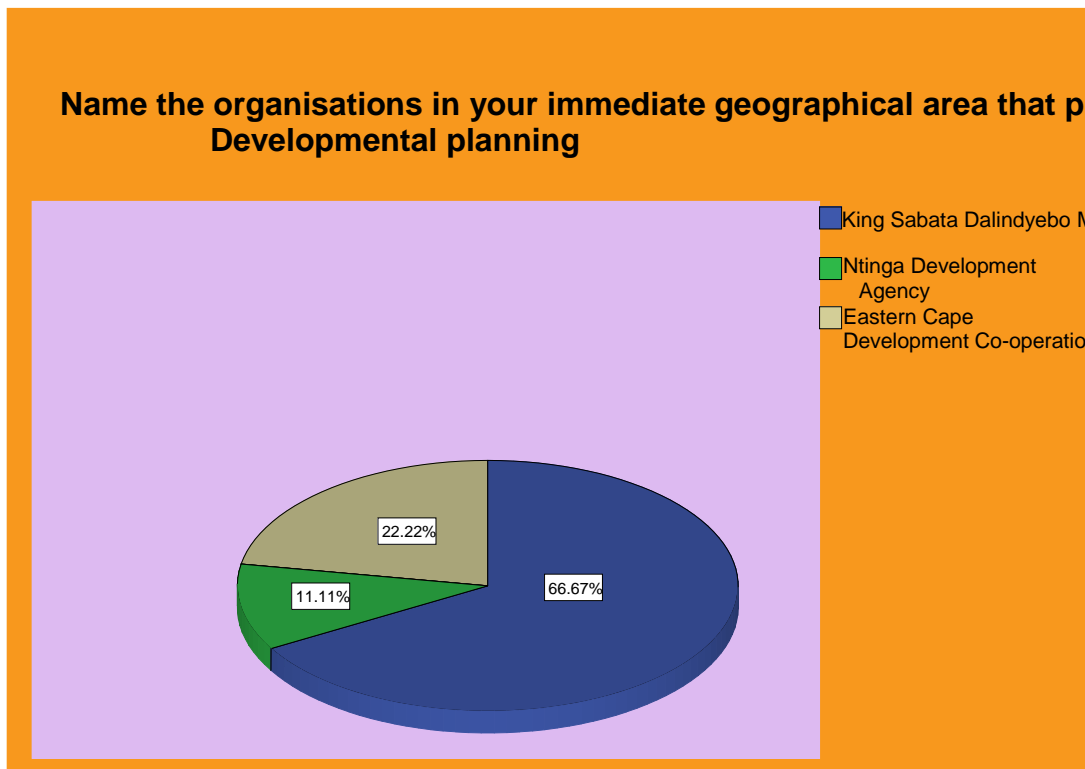
(Source: Research data)

4.3.19 Enterprise developments have grown as a result of…….

The participants were asked about what they perceived to be the cause for the growth of these enterprise developments. Figure 4.41 represents the breakdown of responses. The majority of the participants, 55.56%, responded by saying enterprise development has grown as a result of political activities, 33.33% said it was as a result of the economic changes, 11.11% an improved municipal planning.

Figure 4.41   Enterprise developments have grown fast as a result of…………

Enterprise developments have grown fast as a result of.......

- Political activities
- Economic changes
- Improve Municipal Planning

11.11%

55.56%

33.33%
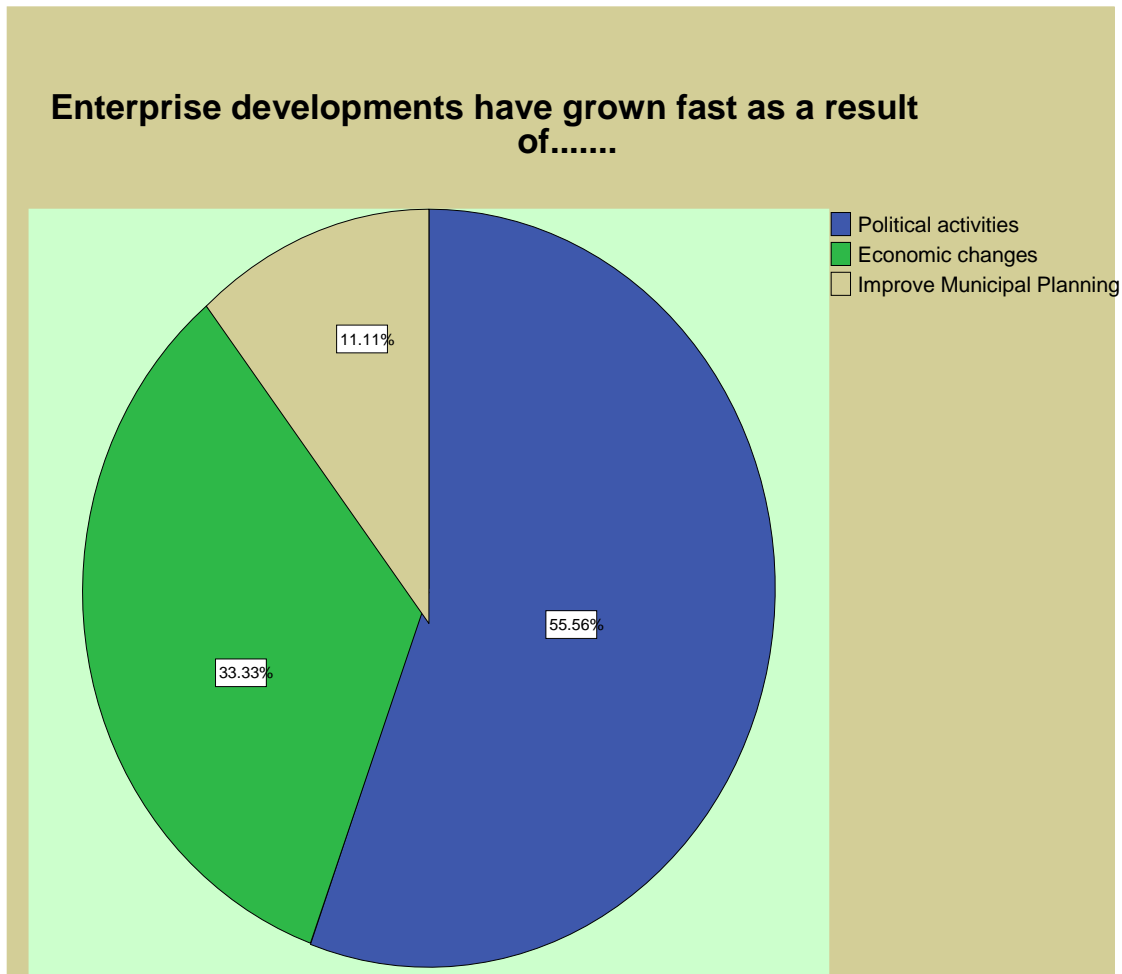
(Source: Research data)

4.3.20 Is there evidence of integrated planning and implementation between developments in or around Mthatha?

This was a follow-up question to find out if there is any integrated planning and implementation between the developments in or around Mthatha. One of the objectives of the study is to investigate whether there is any integrated planning regarding these developments. Figure 4.42 indicates that 50.00% of the respondents said there is integrated planning and implementation; 28.57% of the participants were not sure if there is integration, 14.29% said there is no integrated planning or implementation; 7.14% of the participants said the integrated planning and implementation is work-in- progress.

Figure 4.42   Is there evidence of integrated planning and implementation between developments in or around Mthatha?
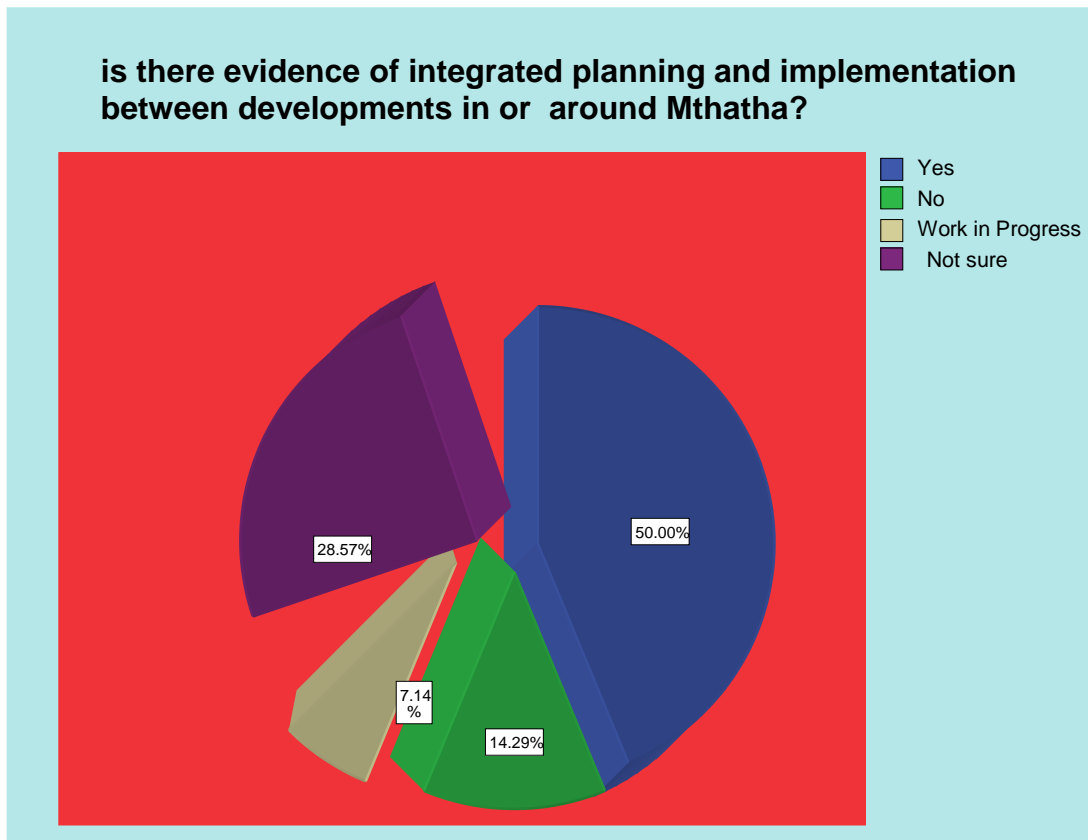
(Source: Research data)

4.3.21 If yes to the above, which institution manages the developments?

Figure 4.43 indicates that 53.33% of the participants affirmed that there are institutions which manage these developments, in this case, KSDM. The remaining 16.67% said other organisations do the development management, and 30.00% said they did not know which institutions do that.

Figure 4.43   If yes to the above, which institution manages the developments?

30.00% Not know

53.33% KSDM

16.67% Other
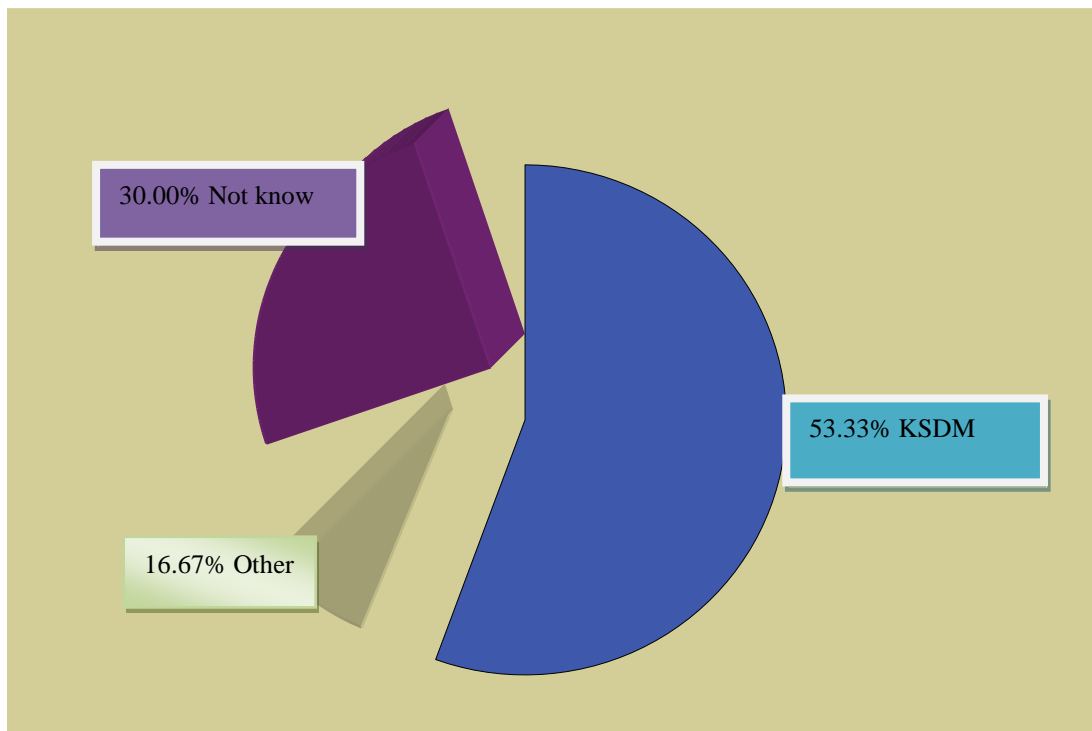
(Source: Research data)

4.3.22 How does your institution view these developments?

The respondents were asked how their organisations view these developments. This was to establish whether there are any benefits related to these developments. Figure 4.44 indicates that 100% of the participants suggested that these developments help in the economic growth of Mthatha, in terms of employment formulation and poverty reduction.

Figure 4.44   How does your institution view these developments?

How does your institution view these developments?

■ They help in the economic Growth of Mthatha, Employment formulation, Poverty reduction

100.00%
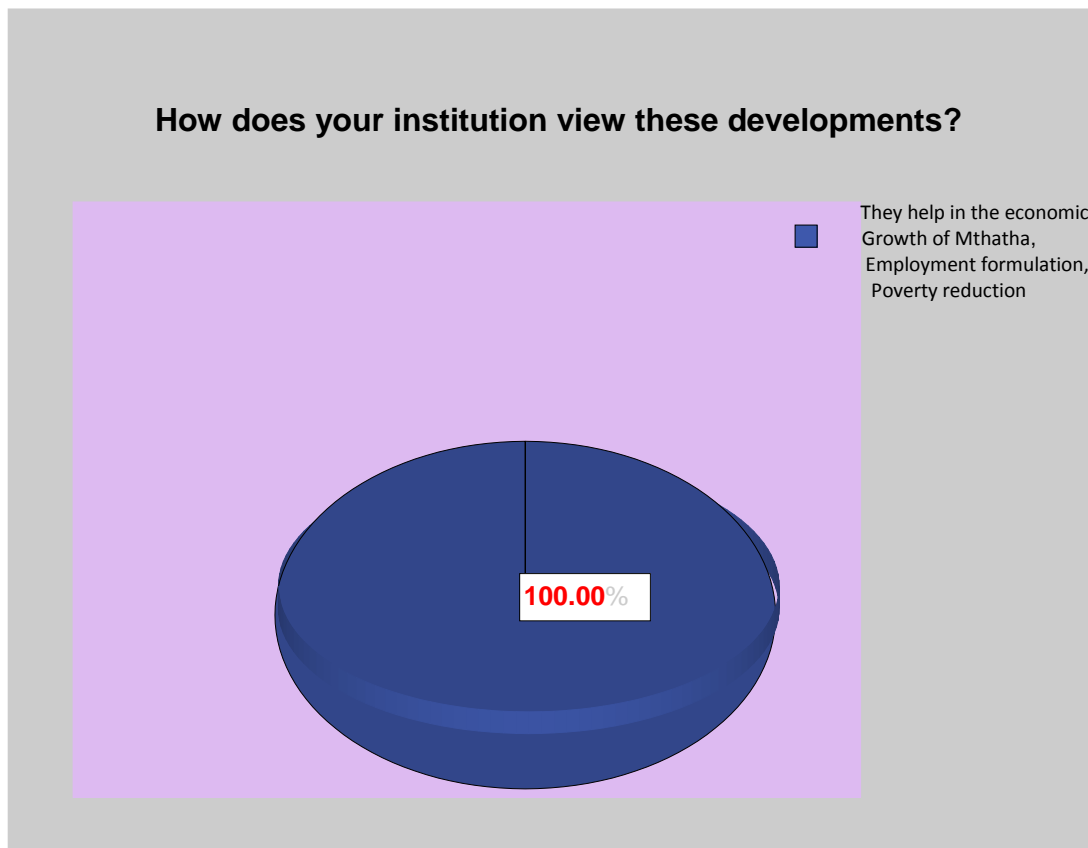
(Source: Research data)

4.3.23 Does your organisation charge development levy?

By asking this question, the aim was to establish if was there is any monetary benefit received by these organisations regarding the developments. Figure 4.45 indicates that 86.67% of the participants said their organisation did not charge any developmental levy, and only 13.33% were not sure.

Figure 4.45   Does your organisation charge any developmental levy?

Does your organisation charge any developmental levy?

- No
- not sure

13.33%

86.67%
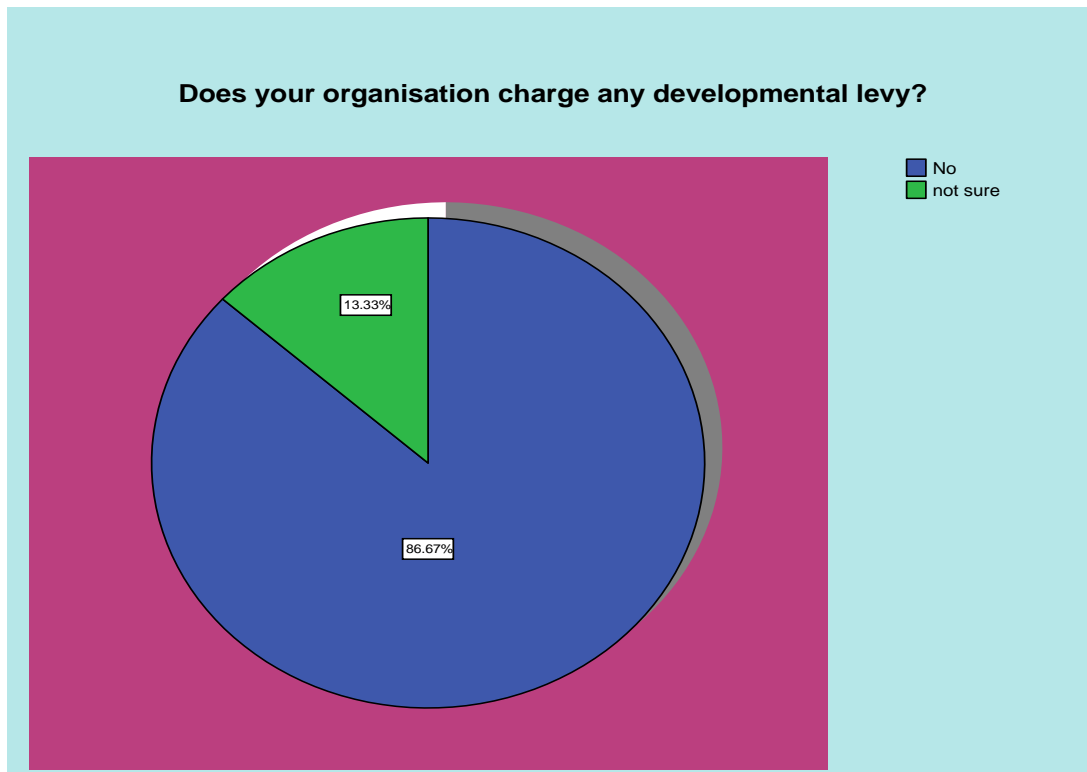
(Source: Research data)

Table 4.13   Which factors may hinder or attract enterprise developments in Mthatha?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Infrastructure backlog				
	Poor conditions of roads				
	Poor governance	13	17.4	17.4	17.4
	Poor Planning				
	Inadequate maintenance				
	Low skills base				
	No integration effort of developments				
	All of the above	62	82.6	82.6	82.6
	Total	75	100.0	100.0	100.0

(Source: Research data)

4.4   CONCLUSION

This chapter discussed the data analysis, interpretation and findings. The findings of this study were presented in two areas, namely questionnaire and interviews. Statistical Package for Social Sciences (SPSS) was used for the data analysis.

Chapter 5 concludes the study, provides recommendations and makes suggestions on areas for further study.

CHAPTER 5

GENERAL CONCLUSIONS AND RECOMMENDATIONS

5.1   INTRODUCTION

This study set out to investigate and analyse enterprise development trends in and around Mthatha in the KSDM, for the period 1995 to 2006. In Chapter 1 the background and overview of the study were outlined. In analysing enterprise development trends in and around Mthatha in the KSDM (Chapter 2), it was necessary to first give the introduction to the socio-economic profile of KSDM, followed by the review of the Local Economic Development, Government Policies on Local Government, and Sustainable Development Theories in the context of developmental local government. Chapter 3 gave an outline of the research methodology adopted, and the manner in which data collected, analysed and interpreted, was discussed. The Research findings were presented in Chapter 4. In the light of the theoretical framework, the research questions and objectives of the study, general conclusions and recommendations are made on the basis of the main findings, and areas for further research are identified.

5.2   SUMMARY OF THE MAIN FINDINGS

A summary of the main findings significant to the objectives of the study has been drawn from Chapter 5, and will be introduced to this section to make comprehensive recommendations.

5.3   ALIGNING THE FINDINGS OF THE STUDY WITH ITS OBJECTIVES

The study has five (5) objectives which are outlined below. The information that was used to achieve these objectives was collected through interviews, questionnaires and the literature review.

i. The first objective is to critically analyse and evaluate enterprise development trends in and around Mthatha from 1995 – 2006.

With government's focus on development in the Eastern Cape, Mthatha has undergone considerable growth of its built environment during the past two years, with the major interest being in residential buildings and commercial developments. A serious shortage of residential, retail and office accommodation in the city manifests itself in both high property prices and high rentals. In an analysis of the ORTDM Planning Study (2008:38) on the proposed N2 Wild Coast Toll Highway, two of the challenges faced by KSDM are rapid urban growth and development and land use and zoning. The Mthatha CBD is becoming more congested, traffic jams are becoming more alarming, and industrial developments are encroaching into areas which are not necessarily suitable for that purpose. The analysis further reveals that the growth of the business along the main road is becoming obvious, with the main road, York Road, and Madeira Street forming the main spine. Resultant to this, development trends are shifting towards, and expanding, the CBD streets such as Sprigg Street, Owen Street and Callaway Road.

Data in Figure 4.39 indicates that 72.73% of the participants interviewed noted that they had observed an increase in developments in and around Mthatha in the past 6- 10 years of the study, 18.18% noticed this increase in the past 1-5 years of the study, and 9.09% took notice of these developments in the past 11-15 years. The data in Figure 4.9 also shows that 51.39% of the questionnaire respondents also noticed these in and around Mthatha for the past 6-10 years with 30.56% noticing them in the past11-15 years, 11.11% in the past 1-5 years, 5.56% in the +20 years and 1.39% in the +15 years. According to the OR Tambo District Municipality Spatial Development Framework (2005:146), in conjuction with the Eastern Cape Provincial Spatial Development Planning principles, Mthatha is the area with the highest development in the ORTDM. It is further noted that, whilst basic services are offered and there is existing infrastructure within the town, there is a need for strategic focus towards development to help sustain growth and multiplier effects.

An analysis of the ORTDM Planning Study (2008:5-15) on the proposed N2 Wild Coast Toll Highway highlighted that Mthatha has experienced a high growth in the tertiary sector of the economy with the establishment of various chain stores. With reference to the ORTDM IDP (2002:18), the economic development of the region has constraints which impact negatively on the economy of the district. Such limitations include highly complex access to land that leads to slow development and

high prices of properties, very complicated land tenure system, poor infrastructural support for business/industrial development, and a lack of coordination and integration of development initiatives that causes inefficiencies and wasted resources.

The data in figure 4.37 indicates that 80.00% of the participants interviewed had no statistics on how many enterprise developments are taking place in and around Mthatha, something very frightening, considering that these are the people who are meant to be in the leadership position.

The data in Figure 4.41 indicates that 55.56% of the respondents interviewed indicated that enterprise developments have grown fast as a result of improved municipal planning, with 11.11% saying that it is as the result of political activities. 33.33% of the respondents said it was the result of economic changes.

In examining the data, further analysis was done in order to find out if there was any relationship between the unavailability of services and the years in which enterprise development had been noticed by the respondents. Table 4.6 reveals the continued percentage increase in the non-availability of water and sanitation, electricity, the bad state of the roads and waste removal in the last 5 years.

Section 27(1)(b) of the Constitution of South Africa (Act No.108 of 1996) makes a provision that everyone has the right of access to sufficient water. Section 27(2) of the same Act makes it obligatory on the state to take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of everyone's right of access to sufficient water. The Local Government Municipal Systems Act (Act No. 32 of 2000) governs the institutional arrangements of Local Government, including water services provision. Schedule (b) of the Constitution of South Africa (Act No.108 of 1996) determines that water and sanitation services are local government matters. Furthermore, National Water Act (Act No.36 of 1998) creates a legal framework for the management of water resources in South Africa, which remains the responsibility of National Government.

ii. The second objective is to investigate whether the municipality and community are benefitting from these developments.

This section aimed at investigating whether the community and the municipality were benefitting from these developments. Figure 4.10 indicates that 88.00% of the respondents felt that these enterprise developments have had a positive effect on their lives, while 10.97% indicated that they did not know or they have no effect and 1.03 % indicated that these developments have had a negative effect. Data in Figure 4.25 also indicates that 69.86% of the participants interviewed said that they were benefiting from these enterprise developments, 20.55% said they were not sure and 9.59% said they were not benefitting from these developments. The question was asked: Which things would help the respondents to benefit from these developments? The respondents highlighted their need for more information on opportunities from KSDM, and more community involvement.

In further analysing this objective, the data in Figure 4.10 shows that 88.00% of the participants felt that these enterprise developments have had a positive effect on their lives, while 10.97% pointed out that they did not know or they have no effect. 1.03 % indicated that these developments have had a negative effect. The respondents were asked which things might help them to benefit from these developments. The majority of the respondents felt that they needed more community involvement and more information from KSDM about enterprise opportunities. In further analysing whether the municipality was benefitting from the developments, the data in figure 4.45 points to the fact that 86.65% of the participants said their organisations were not charging the levy and 13.35% were not sure if it was charged.

iii. The third objective is to determine the extent to which integrated developmental planning of all services has been carried out to support these developments.

In terms of the Local Government Municipal Systems Act (Act No.32 of 2000), each district municipality must adopt a framework for Integrated Development Plan (IDP) of their area. The importance of the District IDP Framework is that it binds both the District Municipality and the Local Municipality (Local Government Municipal Systems Act, Act No. 32 of 2000).

In order to determine the degree of planning integration of all services in support of the development, questions were asked to establish which institutions were involved in these developments. The data in Figure 4.11 indicate that 63.51% of the respondents believed that KSDM is involved in these developments, 21.62% of the respondents said that they did not know which institutions were involved, whilst 6.76% believed that it was the community that was involved. 6.04% were convinced that it was the Eastern Cape Development Cooperation (ECDC) and 2.07% reckoned that KSDM, ECDC and Community were all involved in the developments.

While establishing the extent of planning integration, the data in figure 4.38 shows that 92.86% of the participants interviewed said that they did have the strategy to handle enterprise development in or around Mthatha, and 7.14% said they did not have the strategy. Questionnaire respondents had a very high response rate, 85.14%, which revealed that they did not participate in these developments, with only 14.86% admitting that they did participate (Figure 4.12). According to Figure 4.32, 93.33% of the interviewed participants stated that their institutions or agencies were involved in developmental planning in or around Mthatha.

The majority of participants, regardless of their involvement, felt that there was lack of co-ordination in activities and programmes. Subsequent thereto, lack of integration of resources, disorganised use of resources and poor planning in relation to the implementation of developmental programmes, was evident. It is unfortunate that the people who are meant to be co-ordinating these programmes are found wanting in terms of the necessary knowledge and skills. This study has, through the above findings, discovered a significant communication weakness. The data in Figure 4.13 shows that 76.39% of the participants indicated that there were no consultations before the beginning of the developments, with 23.61% indicating that there were consultations. This is confirmed by the findings represented in Figure 4.23 where 68.49% of the participants saw these enterprise developments when passing by, 19.18% knew about them from the municipality, 8.22% from co-workers or family members and 4.1% from other sources. According to data represented in Figure 4.26 a further 55.41% revealed that they needed a lot of information with regard to the question asked. Concerning their knowledge about developments that are underway, 28.38% responded by saying they need more information. Data in figure 4.36 of the interviewed participants demonstrates that 70.0% indicated that they interacted through forums, 20.0% through consultations and 10.0% interact by tendering.

iv. **The fourth objective is to determine which factors hinder or attract enterprise developments in Mthatha.**

Mthatha has called for proposals from professional service providers to assist the KSDM to prepare a Master Plan and Nodal Plans for its CBD. The reason for the call for such proposals has been attributed to the fact that the development pressure on the City far exceeds the capacity of the existing infrastructure which may discourage developments in the area (An analysis of the ORTDM Planning Study, (2008:82) on the proposed N2 Wild Coast Toll Highway).

The majority of participants felt that there were several challenges which may hinder or attract developments in the area. These include infrastructure backlogs. The poor condition of roads and infrastructure, coupled with inadequate maintenance, may or may not have resulted in a failure to maximise the economic potential of the area with regard to developments. Table 4.13 indicates that 82.6% of the respondents polled noted that the following issues may hold back the implementation of the plans: poor governance, poor planning, non integration of efforts, low skills base and poor planning and non integration of efforts. Only 17.4% said it was poor governance that might have hindered enterprise developments in the area.

v. **The fifth objective is to evaluate the extent to which enterprise development planning is done in conjunction with other developmental projects plans**

The Local Government Municipal Systems Act (Act No32. of 2000) describes the IDP as a single, inclusive and strategic plan for the development of a municipality that will be a strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality. One of the key requirements is that every IDP must contain is Spatial Development Framework (SDF), which must include provision of basic guidelines for a land use management system for the Municipality.

The Local Government development planning policies and strategies used by the KSDM and its Development Agencies in planning the implementation of the projects were analysed. The findings

revealed that IDP, LED and SDF are the planning instruments that are used by the municipality in planning and implementing its development activities. IDP, LED and SDF have been discussed in detail in Chapter 3 as the development strategies and instruments used by the municipalities.

The findings show that the majority of the institutions used IDP as their policy for development. According to the Local Government Systems Act (Act No. 32 of 2000), its purpose is to align plans and strategies of a district municipality with those of local municipalities as well as with the national plan in order to ensure cooperative governance.

According to the findings of the study, Figure 4.34 indicates that 23.08% of institutions use LED whose role of is derived from the RDP and the Local Government Transition Act of 1993 and its amended version of 1996. 7.69% of the institutions use SDF. By its own admission, the KSDM uses SDF which is intended to act as a coordinating document that sets out a broad framework for the investment of public funding and the management of development in the municipality towards the achievement of a common vision and objectives. A large number of organisations (69.23%) use IDP.

In assessing the extent of cooperative participation and involvement of other institutions in the planning and development of enterprises in or around Mthatha, Figure 4.36 indicates that 70.00% of participants demonstrated that they involved other institutions through forums, 20.00% through consultations and 10.00% by tendering. Findings in the interviews reveal that 50% thought there was integration between developments around Mthatha. 14.29% thought there was no integration, 28.57% were not sure, and 7.14% thought it was work –in- progress (Figure 4.42).

This study has, through the above findings, discovered a significant development planning policy weakness. Respondents who were working in the development or planning sections were not clear about policies which were being used for developmental planning.

5.4   RESEARCH QUESTIONS

In conclusion, this will give an overview of how the research questions from Chapter 1 have been answered.

5.4.1   What prompted development in Mthatha, in KSDM from 1995- 2006?

Riding on the back of major economic growth, the Eastern Cape is reaping the rewards of investor confidence, with billions of rands being pumped into sprawling retail and commercial developments, residential establishments and golfing estates. Mthatha, the gateway to the Wild Coast, has also seen an increase in retail and commercial developments, including the Mthatha Plaza. The upgrading of roads linking small rural settlements to Mthatha, Queenstown and the coastal areas has also brought new economic growth to towns such as Cala, Elliot, Ngcobo, Dutywa and Lady Frere.

An understanding and awareness of enterprise developments in and around Mthatha is of paramount importance as it means that the KSDM community knows or understands what is taking place in their area. Since service delivery is one of the factors involved, it adds to the understanding of the level of utilisation of services within the mandated area. A question was asked whether respondents were aware of the enterprise developments in or around Mthatha. The data in Figure 4.8 on the distribution of the responses to this question indicates that 89.3% of the questionnaire respondents said they were aware of the enterprise developments in Mthatha, with only 9.3% who said they were not aware. Of the interviewed participants the data in Table 5.13 indicate that 100% of the participants responded by saying they had noticed the developments in or around Mthatha.

The participants were asked about what they perceived as the cause for the growth of the enterprise developments. Figure 4.41 indicates that the majority of the participants, 55.56% responded by saying enterprise has grown as a result of political activities, 33.33% said it was because of the economic changes, and 11.11% mentioned improved municipal planning.

Reviewing the developments, a question was asked as to when the respondents noticed the developments. The data in Figure 4.9 shows that 51.39% of the respondents observed the developments in or around Mthatha in the past 6- 10 years of the study, with 30.56% of the respondents in the past 10 years of the study, 11.10% in less than 5 years of the study, 5.56% in the past 20 years of the study and 1.39% in the past 16 years of the study. Furthermore, a question was asked to the interviewed participants to give the development statistics of the area of study. Figure 4.37 indicates that 80.00% of the respondents had no statistics on how many enterprise developments are in Mthatha, only 20.00% said they did have this information.

In trying to understand the information- sharing and communication on the developments in or around Mthatha, the study also established that a high number of respondents need much information regarding the developments that are afoot. Data in Figure 4.26 reveals that only 10.08% of the respondents knew enough about current developments, 28.38% said they needed some information and 55.41% needed a lot of information. Only 6.13% said they did not know. In addition to the previous question, another question was asked in order to investigate the involvement of respondents in these developments. Figure 4.12 shows that 85.14% of the respondents had a disproportionately high level of non-participation in these developments. Only 14.86% admitted that they do participate. The integrated development planning process encourages the involvement of communities and community organisations to planning, which is not the case as far as this question is concerned.

In trying to establish the role played by different institutions in developments in and around KSDM, the data in Figure 4.33 demonstrate that 93.33% of the participants responded that KSDM plays a major role in developments in the area, with only 6.67% indicating that it was other development agencies that are in involved.

Coupled with the question on understanding development trends in and around Mthatha, another question was asked on institutional policies regarding developments. Figure 4.38 reveals that 92.86% of the participants said that they had the strategies in place to manage enterprise development, and only 7.14% revealed that they had no strategies. Adding to the question, Figure 4.34 indicates that 69.23% of the participants responded by saying they use IDP as their policy for development, 23.08% of the institutions used LED and 7.69 use the SDF. The question on institutional policies and strategies indicated a weakness in the understanding and knowledge of development planning policies and development strategies. This is affirmed by the findings of the ORTDM nodal economic development profile (2005:22), which indicates that two of the challenges that face the ORTDM local

municipalities are lack of understanding of the local economic development at the local and district municipal levels, and lack of strategic insight and weakness in policy understanding.

Two of the duties of the Local Government Municipal Council within its financial and administrative capacity, as listed on the Local Government Municipal Systems Act (Act No.32 of 2000), are to consult local community about the available options for service delivery, and to encourage the involvement of the local community. The findings in Figure 4.13 reveal that 76.39% stated that there were no consultations, with only 23.61% confirming such consultations.

5.4.2   To what extent is the integrated planning in place with regard to developments?

IDP, followed by LED, emerged as the most popular local development plan and strategy, particularly because it provides a holistic and participatory approach to planning at local government level, and because the government gave it prominence in its strategic planning and development frameworks. The findings of the study demonstrate that there are institutions and policy frameworks in the KSDM that aim at integrating planning on paper, but are not achieving the purpose at the implementation level. The participants further felt that there is lack of co-ordination and integration of developments, leading to the ineffective use of resources.

Out of the participants interviewed, the data in Figure 4.42 shows that 50.00% of the respondents said there is integrated planning and implementation; 28.57% of the participants were not sure if there is integration; 14.29% said there is no integrated planning or implementation; 7.14% of the participants said the integrated planning and implementation is work in progress. Findings from questionnaire respondents affirm the same responses. Figure 4.11 indicates that 63.51% of the respondents believed that KSDM is the institution involved in the developments, with 21.62% not knowing which institutions participate. A low percentage (6.76%) believed that the community plays a role, whilst 6.04% believed it is the ECDC. 2.07% believed that KSDM, Eastern Cape Development Corporation (ECDC) and Community are all involved in these developments.

A question was asked on how some institutions require others to take part when planning developments. This question was used to assess the extent of cooperative participation and involvement of other institutions in the planning and developments of enterprises in and around Mthatha. The data in Figure 4.35 shows that 66.67% of participants demonstrated that they involve other institutions through forums, (26.67%) through consultations and (6.67%) by tendering. This was a good indicator that there are consultations among institutions, contrary to the findings of the questionnaire respondents who stated that there are no consultations during the planning and commissioning of the developments for community members. Furthermore, participants were asked to give the name of an organisation in their immediate geographical area that provides developmental planning services. Figure 4.40 represents the breakdown of the responses as follows: King Sabata Dalindyebo Municipality (66.67%); Eastern Cape Development Co-operation (22.22%); Ntinga Development Agency (11.11%).

5.4.3   To what extent are the community and municipality benefitting from the developments?

This question was asked in conjunction with the objectives of this study. According to Figure 4.10, 66.00% of the respondents indicated that these enterprise developments have a positive effect. 1.03% said that they produce negative results, and 10.97% did not know or said that these developments have had no effect. Figure 4.45 affirms that the majority, 69.86%, stated that they benefit from these developments. 9.59% said the developments did not yield any results for them, and 20.55% said they were not sure whether they gained anything from the developments.

Looking at the municipal services utilised most, Figure 4.14 indicates that there is a proportional distribution of the use of services. This may be due to the fact that Mthatha is an urban area and all the infrastructure services are urban-based, with 84% of the respondents using electricity, waste and sanitation, roads and waste management. Only 8.00% utilise waste and sanitation, 7.33% use roads only, 4.00% utilise electricity only and 6.67% make use of only waste management. Contrary to this, the data in table 4.2 and 4.3 reveals that there was a consistent percentage increase in the non-availability of water and sanitation, and electricity.

Data in Figure 4.20, affirms that 84.72% of the respondents were greatly affected by the water unavailability, with 15.10% not much affected and 0.18% not affected at all. What this questionnaire has discovered attests to the findings of the select committee on local government and administration (2004:3) on their visits to KSDM, which revealed that, seemingly, there is non-observance of the cooperative government between KSDM and ORTDM. The select committee had given ORTDM the responsibility to perform a water and sanitation function of the district, an arrangement KSDM was not satisfied with, as it believed that it has the capacity to discharge the task.

The findings of these questions confirm the challenges that are contained in the Spatial Development Model of Kei Development Corridor Report (2005:9). Two of the key challenges that face the ORTDM as a whole are infrastructure backlogs and underdevelopment. Other challenges include infrastructure provision which cannot support business and industrial developments. Looking at the areas that can be developed, Table 4.8 indicates that the majority, 75.3%, of the respondents polled in this study, ranked infrastructure as the area that needs to be developed in Mthatha. 4.1% indicated small and medium municipal services, 6.8% residential units, 1.4% nothing to be developed, and 12.3% indicated that infrastructure, small and medium municipal services and residential units need to be developed.

Respondents were asked to name those things that might help them to benefit from the developments. The data in Table 4.9 reveals that 31.5% of the respondents highlighted that they need more information on opportunities from KSDM, whilst 26.0% of the respondents need more community involvement, and only 1.4% said they do not need anything. 41.1% responded by saying they need more information on opportunities from KSDM and more community involvement.

5.5 RECOMMENDATIONS

Based on the findings of the study and in response to the challenges noted, it is recommended that the Mthatha, King Sabata Dalindyebo Municipality (KSDM) should observe the following:

1. **In view of the fact that the study was limited to Mthatha, it is recommended that a further study be conducted to investigate enterprise development trends in all areas in KSDM.**

2. **A study of development trends should be conducted and evaluated against its relations to the non-availability of services during developments. Added to this, the conclusions drawn in this study should be taken into consideration when a further study is conducted.**

3. **A developmental planning and research unit should be formed as an integration effort in order to avoid uncoordinated and haphazard developments in the KSDM. The KSDM needs to plan to ensure that the development that takes place is within stipulated Spatial Development Framework guidelines, and Land Use Management Guidelines. The development of the Master Development Plan for KSDM will provide a clear direction that Municipality, Business and Civil Society must embrace, and must work towards achieving development planning of the area.**

4. **The KSDM needs to work on the issues of intergovernmental relations. Until sector plans are included in the IDP, the Municipal plans will only be good on paper and not at implementation level. The IDP is meant to provide a holistic and participatory approach to planning at Local Government.**

5. **The development context within which KSDM operates should be understood in a manner that ensures improvement of integration and coordination of activities between Governments Departments, Development Agencies, Civil Society and Business is improved. An operational LED Forum and a Mayoral Business Consultative Forum should be established.**

6. **In order to ensure that all investments (Private or Government) are directed towards sustainable development opportunities, the KSDM needs to create an environment that is conducive to new investments, retention and expansion of existing ones. The KSDM needs to provide integrated investment programmes and cooperative support in order to make certain that they play an active role in economic transformation and growth of this municipality. This will ensure that the KSDM directs private sector investment towards job-creating business opportunities and skills transfer.**

7. **The LED Strategy must be integrated into the IDP.**

8. **A common agreement on the future of the town must be developed.**

9. **A stable and functioning Municipality is crucial to the success of its economic development. For KSDM to deliver on projects that will change the development path of Mthatha to a more sustainable future, a strong base of accountability must be entrenched. To improve Municipal governance and stability, the KSDM must facilitate the implementation of consistent and continuous leadership and management development programmes at political and senior management levels.**

5.6   CONCLUSION

In linking the stated problem, objectives and research questions, it can be concluded that this study managed to provide an insight into the development trends in Mthatha, KSDM. Although the primary focus of the study is the evaluation of enterprise development trends in Mthatha, KSDM, the relationship between community and the municipality is paramount for service delivery. One of the obvious conspicuous observations of the study is that there is lack of capacity and corporate governance to effectively carry out routine functions. This means that the capacity for policy making and implementation is limited. Creative approaches are required to make optimal use of available resources at local government. The specific nature of the relationship between district municipality and local municipality, on the one hand, necessitates collaborative policy making, planning and implementation for all local government issues. On the other hand, cross- sectoral collaborations are key to all planning activities in order to improve coordination.

The following conclusions can be drawn:

- There has been an increase in enterprise development trends in Mthatha, KSDM in the past six years of the study;
- There is a lack of co-ordination, participation and integration of development initiatives, which may lead to ineffective use of resources;
- There are policies and legislative frameworks in place to address the municipal development, even though they are in their draft phases;
- The Mthatha area is poorly serviced, hence there are problems with engineering infrastructure and social services**;**
- There is poor maintenance or the lack of a sustainability plan; and
- KSDM and community are benefitting from these enterprise developments.

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ANNEXURE A : Permission to conduct and participate in a research study

King Sabata Dalindyebo Municipality
Office of the Acting Municipal Manager
Munitata Building
Surtherland Street
Mthatha
5099
047 501 4111/ 047 501 4397

PERMISSION TO CONDUCT AND PARTICIPATE IN A RESEARCH STUDY
Masters in Business Administration Project

TOPIC: ENTERPRISE DEVELOPMENT TRENDS: A CASE STUDY OF MTHATHA, KING SABATA DALINYEBO MUNICIPALITY
RESEARCHER: ANDISWA MAYEKISO
SUPERVISOR: DR. J. MACDONALD

<u>CONSENT</u>

I _____ *Vueyo Dihemane* the undersigned have read and understand the above information. I hereby consent to my organisation to participate in the study outlined in this document. I understand that participation is voluntary and that my organisation may withdraw at any stage of the process.

_____   _____9/10/2007._____
Signature   Date

Mr Soeyee

Coee you lllouuape this

10/10/2007

UNIVERSITY OF

KWAZULU-NATAL GRADUATE SCHOOL OF BUSINESS

VOLUNTARY QUESTIONNAIRE CONSENT FORM

Dear Respondent,

I, **ANDISWA MSI,** an MBA student, at the Graduate School of Business, of the University of Kwazulu Natal, invite you to participate in a research project entitled: **ENTERPRISE DEVELOPMENT TRENDS: A CASE STUDY OF MTHATHA: IN KING SABATA DALINDYEBO MUNICIPALITY**

The aim of this study is to:

- critically analyse and evaluate enterprise development trends in and around Mthatha, in KSDM from 1995 – 2006;

- investigate whether the municipality and community are benefiting from the developments;

- determine which factors hinder or attract enterprise development in Mthatha; and

- evaluate the extent to which enterprise development planning is done, in conjunction with other developmental plans.

The contribution of the results of the survey

In assisting in proper planning and integration of services where developments are concerned, the intention is to help the municipality look at a bigger picture when approving the developments. If this is not done immediately, the effects can be detrimental to, and jeopardize, the bulk services infrastructure, or reach capacity with which everybody would be adversely affected. The integrated planning must be done so as to include both the development and implementation of the statutory plans, for example, Spatial Development Plan and other sector specific plans. These statutory plans will help to guide the development approval processes based on the broad developmental goals which will be set by the municipality**.** In terms of section 153 (2) of the Constitution, a municipality must strive, within its financial and administrative capacity, to promote local economic development.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequences. Confidentiality and anonymity

of records identifying you as a participant will be maintained by the Graduate School of Business, UKZN.

If you have any questions, queries or concerns about completing the questionnaire or about participating in this study, you are at liberty to contact me or my supervisor at the numbers listed above.

The survey should take you about **15** minutes to complete. I hope you will take the time to complete this survey.

Sincerely

Investigator'ssignature_____Date_____

CONSENT

I,_____ the undersigned, have read and understood the above information. I hereby consent to participate in the study outlined in this document. I understand that participation is voluntary and that I may withdraw at any stage of the process.

Participant ___   Signature_____
Date

ANNEXURE C: VOLUNTARY QUESTIONNAIRE

MBA Research Project
Researcher: ANDISWA MSI (084 383 3561)
Supervisor: DR. JOHN MACDONALD (031 465 4133)

VOLUNTARY QUESTIONNAIRE

ENTERPRISE DEVELOPMENT TRENDS: A CASE STUDY OF MTHATHA, IN KING SABATA DALINDYEBO MUNICIPALITY

Definition of term: ENTERPRISE DEVELOPMENT

- For the purpose of the study, **Enterprise development** refers to the change in any continuing trade, or the making of any material change in the use of any building or land or intensification of an existing use of business or land or improvement thereon, whether or not carried out for the purpose of deriving profit.

Developments - 1995-2006

How to complete the questionnaire

1. Please answer the questionnaire as truthfully as you can.

2. You can mark each response by filling in, or a cross or encircling each appropriate response with a pen, or by filling in the required TICK ✓ .

3. I am only asking about the issues that you are comfortable with when answering them. If you do not feel comfortable to respond, you have the choice not to answer, and all responses will be kept confidential.

Thank you very much for completing this questionnaire.

Initials, Surname:

……

Postal address

…………………..…………………………………………………………….……………….............

Contact numbers:

Home:………………………………………………………………………………………………………

Cell:………………………………………………………………………………………………………...

Signature:……………………………………DATE …………………………………………………..

Please tell us a little about yourself

PLEASE TICK ✓ <u>ONE</u> BOX ONLY

| **1.1Gender** | Male | ☐ |
| | Female | ☐ |

1.2Respondents age group	>-25 yrs	☐	41-45 yrs	☐
	26-30 yrs	☐	46-50 yrs	☐
	31-35 yrs	☐	51- <	☐
	36-40 yrs			

1.3Position of work	KSDM	☐
	Community	☐
	Developer	☐

1.4Race	Black	☐
	White	☐
	Indian	☐
	Coloured	☐
	Other	☐

1. Involvement	Ward Councilor/ Ward Committee Member	☐	Municipal Employee	☐
	Business person/ Rate Payer	☐	Developer	☐
	Community member	☐	Other	☐

PLEASE TICK ✓ ONE BOX ONLY

2.1 Were you born in or around Mthatha, King Sabata Dalindyebo Municipality (KSDM)

Yes ❑   No ❑

2.2   Are you living in or around   KSDM

Yes ❑   No ❑

2.3   How many years have you been staying in and /or around KSDM

1+ Years ❑ 5+ Years ❑   10+ Years ❑ 15+Years ❑ 20+Years ❑

2.4   Are you aware of any enterprise developments in or around Mthatha

Yes ❑   No ❑

2.5   If you have noticed any enterprise developments, when did you notice such developments

+20 years ❑   +15 years ❑   + 10years ❑   +5yrs ❑   -5yrs ❑

2.6   What effect/s has these developments have on your life

Positive ❑

Negative ❑

Don't know/No effect ❑

2.7   Which institution/s or agency or organisation/s is/ are involved in these developments

- King Sabata Dalindyebo Municipality ❑

- Eastern CAPE Development Cooperation ❑

- Community ❑

- Don`t know ❑

- Other please specify...

2.8 Do you participate in these developments

Yes ☐   No ☐

2.9 Were there any consultation /s before the beginning of these developments

Yes ☐   No ☐

PART 3: Municipal Infrastructure Services

1. **Which of the Municipal services do you utilise the most**

PLEASE ✓ TICK <u>ALL THAT YOU HAVE USED</u>

Water and Sanitation ☐

Electricity ☐

Roads ☐

Waste removal ☐

All ☐

none ☐

2. For how long have you been having access to these services

+15 years ☐   + 10years ☐   +5yrs ☐   Lessthan5yrs ☐

3.Are the services always available

PLEASE TICK ✓ <u>one box</u>

Water   yes ☐ no ☐ Sometimes ☐

Electricity   yes ☐ no ☐ Sometimes ☐

Roads   yes ☐ no ☐ Sometimes ☐

Waste Removal yes ☐ no ☐ Sometimes ☐

4.How long have you been having access to these services

PLEASE TICK ✓ <u>one box</u>

Water and Sanitation ±5 years ☐ ±10 years ☐ ±5years ☐

Electricity   ±15 years ☐ ±10 years ☐ ±5years ☐

Roads   ±5 years ☐ ±10 years ☐ ±5years ☐

Waste Removal ±5 years ☐ ±10 years ☐ ±5years ☐

5.To what extent does the unavailability of these services affect you

Water   greatly ☐   not much ☐ not affected ☐

Electricity   greatly ☐   not much ☐ not affected ☐

Roads   greatly ☐   not much ☐ not affected ☐

Waste Removal   greatly ☐   not much ☐ not affected ☐

Part 4: Communication

Which   are your sources of information regarding developments

1. People you know

From municipality ❏

Seeing when passing by ❏

From co- workers/family ❏

Other ❏

2.   Any other source/s of information

Posters/leaflets ❏

Radio ❏

Local paper ❏

Internet/websites ❏

Other ❏

Don't know ❏

3.   **Are you benefiting from these enterprise developments**

PLEASE TICK ✓ <u>ONE</u> BOX ONLY

yes ❏

no ❏

Not sure ❏

4.   Which areas, if any, would you like developed/ improved upon in Mthatha?

PLEASE TICK ✓ ALL THAT YOU WOULD LIKE TO BE DEVELOPED IN MTHATHA

Infrastructure (Roads, electricity, water) ❏

Small & Medium Services ❏

Residential units ❏

Industries/Factories ❏

Nothing (I don't want anything more) ❏

---

5.   Do you know enough about developments underway in your area

---

PLEASE TICK ✓ <u>ONE</u> BOX ONLY

Know enough   ❏

Need some information   ❏

Need a lot of information   ❏

Don't know   ❏

---

6.   Which of the things below if any, might help <u>you</u> to benefit from the developments and potential developments in Mthatha

---

PLEASE TICK ✓ <u>ALL</u> THAT WOULD HELP YOU.

More information on opportunities from KSDM   ❏

More community involvement   ❏

None of these   ❏

---

7.   Considering all the things that have been covered in this survey, What would you need KSDM to do most, if any, to make your stay at Mthatha better?

PLEASE ✓ TICK <u>ONE</u> BOX ONLY

More Developments ❏

Employment ❏

Improved infrastructure ❏

None of these ❏

Don't know ❏

ANNEXURE D Voluntary interview consent form

VOLUNTARY INTERVIEW CONSENT FORM

UNIVERSITY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS

Dear Respondent,

MBA Research Project
Researcher: ANDISWA MSI (083 378 1015))
Supervisor: DR. JOHN MACDONALD (031 465 4133)

I, **ANDISWA MSI** an
MBA student, at the Graduate School of Business, of the University of Kwazulu Natal. You are invited to participate in a research project entitled: **ENTERPRISE DEVELOPMENT TRENDS: A CASE STUDY OF MTHATHA KING SABATA DALINDYEBO MUNICIPALITY**

The aim of this study is to: critically investigate and analyse the enterprise development trends around Mthatha from 1995 – 2006.

- investigate if indeed the municipality and community is benefiting from these developments.
- determine the extent of planning integration of all services to support these developments.
- determine which factors may hinder or attract enterprise developments in Mthatha.
- evaluate the extent to which enterprise development planning is done in conjunction with other developmental projects plans.

The results of the survey are intended to contribute:

In assisting in proper planning and integration of services where developments are concerned, assisting the municipality to look at a bigger picture when approving the developments. If this is not done the effect can be detrimental in the sense that the bulk services infrastructure with deteriorate or reach capacity which everybody would be affected. If the integrated planning is done including the development and implementation of the statutory plans (e.g. Spatial Development Plan and other sector specific plans) which will guide the development approval processes based on the broad developmental goals which will be set by the municipality**.** In terms of section 153 (2) of the Constitution, a municipality must strive, within its financial   and administrative capacity to promote local economic development.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. Confidentiality and anonymity of records identifying you as a participant will be maintained by the Graduate School of Business, UKZN.

If you have any questions or concerns about completing the Interview guide or participating in an one on one interview or about participating in this study, you may contact me or my supervisor at the numbers listed above.

The survey should take you about **15** minutes to complete. I hope you will take the time to complete this survey.

ANNEXURE E: Interview guide

ENTERPRISE DEVELOPMENT TRENDS: A CASE STUDY OF MTHATHA, IN KING SABATA DALINDYEBO MUNICIPALITY

Definition of term: ENTERPRISE DEVELOPMENT
- For the purpose of the study, **Enterprise development** refers to the change in any continuing trade, or the making of any material change in the use of any building or land or intensification of an existing use of business or land or improvement thereon, whether or not carried out for the purpose of deriving profit.

Developments – 1995-2006

SECTION A:

BACKGROUND INFORMATION
DATE OF INTERVIEW
NAME OF THE ORGANISATION
JOB TITTLE OF THE RESPONDENT

1. How long have you been involved in your organisation?

2. What is your current primary job function?

SECTION B:

PLANNING AND DEVELOPMENT
1. Is your institution or agency or organisation involved in any developmental planning in or around Mthatha King Sabata Dalindyebo Municipality (KSDM)

   YES ☐   NO ☐

2. What role does your institution or agency or organisation play towards development

……
3. What are your institutional policies regarding developmental planning

……

4. How do you involve other institution when planning development

……
……
5. How do you interact with other institution, agencies or organizations regarding developmental planning

……
……

6. Do you have statistics on how many enterprise developments are there in Mthatha

    ………
    ………

7. If yes, please indicate the number of :

    Shopping complexes   --------------------
    Residential areas   ---------------------
    Others   ---------------------

8. Does your institution or agency or organisation have a strategy on how they want to handle enterprise developments in or around   KSDM?

    ………
    ………
    …………………………………………………………………………………………

    Yes   No

    □   □

9. If your institution has a strategy, can a copy be made available?

    Yes   □   No   □

10. Have you noticed any development in or around Mthatha, KSDM?

    Yes   □   No   □

11. If yes, for how long have you noticed these developments in or around Mthatha ?

    ………
    ………
    ………
    ………
    ………
    …………………………………………………………

12. Name the organisation in your immediate area that provides developmental planning services?

    ………
    ………
    ………………………………………………………………………………………

13. Some people think that enterprise developments have grown fast as a result of ….

    ………
    ………

14. Is there an integrated planning and implementation between developments in or around Mthatha ?

    ………
    ………

………
………………………………………………………………………………

15. If yes to the above, which institutions, agencies or organizations manage the developments?

………
……

16. How does your institution view these developments?

………
………

17. Does your organisation charge any developmental levy?

………
………
………………………………………………………………………………………………

18 Which factors may hinder or attract enterprise developments in Mthatha, please specify?

………
……………………………………………………………………………………………………

END OF THE INTERVIEW
THANK you for your time