

RE-EXAMINING THE NOTION OF LOCAL ECONOMIC DEVELOPMENT (LED) POST DEMOCRATIZATION: ANTICIPATED OUTPUTS, IMPEDIMENTS AND FUTURE EXPECTATION(S)

*Daniel N. Mlambo*¹✉
mlambodn@tut.ac.za

*Tsakie P. Manganyi*¹

*Jabu H. Mphurpi*¹

¹*Department of Public Management
Tshwane University of Technology
2 Aubrey Matlakala str., Soshanguve, South Africa, 0152*

✉Corresponding author

Abstract

This article critically assesses the notion of Local Economic Development (LED) and utilizes South Africa as a case of reference, through which the conceptualization and underpinnings, associated with LED, are understood. South Africa has come through what one may call three waves of development change, which comprise the apartheid period (1949–1990), the transition period (1990–1994) and the post-apartheid era (1994–present). During both the apartheid and transition period, South Africa was at war with itself and neighbouring countries and economic growth, resources, employment and service delivery were scarce, particularly to the black majority because of the apartheid regimes destabilization policies. Post democratization, and with the inauguration of the democratic elected African National Congress (ANC) government, there were envisioned blueprint frameworks that ought to reverse the erstwhile apartheid regimes policies of racism, inequality and segregation. These were earmarked to alter South Africa's development and economic growth landscape through the lens of LED. Hence, the promotion of LED was identified as a noteworthy strategy that can ultimately lead to community development, economic growth and poverty relief.

Keywords: ANC, LED, South Africa, Economic Growth, Post-1994.

DOI: 10.21303/2504-5571.2022.002166

1. Introduction

One essential dimension of global contemporary development thinking is the enhanced importance of locally driven development processes. While Local Economic Development (LED) driven initiatives have their roots in high-income countries of the global North, in the South, this approach has overtime materialized as a dynamic economic growth strategy because of various factors that include drastic changes in the national and economic development, poverty and slow economic growth [1]. From a South African perspective, the demise of apartheid brought with it a radical transformation in the nature and organization of development planning. A major paradigm shift here was the emergence of LED planning for the democratically elected African National Congress (ANC) government. During the apartheid era, LED planning in South Africa was mainly centralized and more concentrated in large cities. However, this changed post-1994 and was recognized by the 1996 Constitution, the 1998 White Paper on Local Government and the 2000 Local government Municipal Systems Act among other government policy documents.

Several LED functions and responsibilities were legislated and the Integrated Development Planning (IDP) became a compulsory activity for local government. Ever since this period, LED has been a growing feature of the government's development planning, mainly driven by the perception that LED in South Africa could stimulate robust and sustainable local economies [2]. This article seeks to unearth the notion of LED in post-apartheid South Africa through the lens of envisioned development opportunities, hindrances and prospects. This study aims to delve into the

drivers of LED in post-democratic South Africa by drawing insight into the anticipated outputs, impediments and future expectations of LED from a South African perspective.

2. Materials and Results

This study is drawn from a qualitative research approach as it relied robustly on secondary data that was carefully extracted from journal articles, books, chapters in books and credible online sources monitoring or analyzing South Africa's LED protocols post the apartheid era. This presented the researchers to have a robust and wider explanation on the topic under investigation.

3. Results

3. 1. Conceptual Elucidation/Review of Literature

Meyer [3] submits that there is a need for local economies to find solutions and alternatives to enhance and strengthen comparative advantage and local competitiveness in the global arena. This is even though the challenge of LED is to somewhat find ways to maximise local resources and local knowledge to benefit all inhabitants in a specific geographical area. Over the last few decades, the concept and development strategy of LED has gained widespread discussions around the world as a locality-based response to the challenges, posed by globalization [4]. Post the colonial era and after the end of the cold war, the concept of LED gained prominence within the scholarly discourse amid various interpretations and in academic literature, there are many diverse definitions of LED.

However, for this article, we borrow the explanations of [5] and [6], to these scholars, LED is a procedure, in which local governments and community-based groups manage their existing resources and enter into a partnership agreement with each other or the private sector to stimulate the economic activity and create meaningful employment opportunities. It is a multi-dimensional and multi-sectoral process, through which resources, skills and ideas of local stakeholders are robustly combined to stimulate local development. Therefore, one may deduce that LED is not a single activity or project, it is a continuous phenomenon, aimed at responding to the ever-growing challenges of economic development and robustly realized through effective and positive inter-governmental relations. Meyer [7] posits that the two focal methods to LED include a corporate centred approach with a focus on formal business and industrial development and an alternative approach with a focus on the poor section(s) of a community. In this sense, in whatever way the approach is centred, LED should focus on an increase in the number and variety of job opportunities and diversification of economic activities.

The purpose of LED is to enhance the economic capacity of a local area to improve its economic future and quality of life. Nevertheless, the ability of communities to enhance their quality of life, fight poverty and create new economic opportunities depends on them being able to fully grasp and understand the process of LED. To achieve dynamic local development, various aspects, such as the economy, welfare, social environment and political issues, need to be addressed in an integrated and holistic manner. For LED to materialize, there is a need for local people to seize the initiative and engage in actions that unify communities, businesses and other relevant authorities in a joint venture to enhance economic and social conditions [8]. The continuous failure of externally facilitated development to have a robust impact on the poverty crisis at the grass-root level has undeniably forced individual localities to pursue and implement locally relevant strategies, such as LED [9].

3. 2. LED: A Succinct Historical Synopsis

Community development dates back to the history of early civilization at a time where humankind initiated actions, from which groups or parts of groups benefited in some way or the other. The concept of LED arose in the context of globalization, globally, as trade expanded, a plethora of procedures of goods and services faced stiff competition from producers and other countries that were at the time able to provide goods and services at both lower prices and better quality. Globalization brought with it both opportunities and threats. From an opportunistic point of view, there are opportunities in expanding trade beyond the boundaries of local, regional and national borders

through competitive production techniques, value addition, local produce and innovation in local economies [10].

On the other hand, the threats lie in each player's capability to adapt to global economic forces and in having to produce goods and services at costs that can compete in international markets. From the 1970s, LED evolved as a policy approach by municipal governments that realized that businesses and capital were moving between locations for competitive advantage. Again, from a global outlook, LED was recognized as a response to dynamic contemporary trends, such as increasing decentralization of power and decision making at the local level. Apart from this, LED has over the last five decades (see **Table 1**) been viewed from the lens of three waves.

Table 1

Showing the three waves of LED

Wave	Wave Thematic Focus	Wave Tools Used
First: 1960s–1980s	Mobile manufacturing investment, attracting outside investments specifically the attraction of Foreign Direct Investments (FDI) and hard infrastructure investments.	Massive grants, subsidized loans aimed at inward investing manufacturers, tax breaks, subsidized hard infrastructure investments and expensive “low road” industrial recruitment techniques.
Second: 1980s–1990s	The retention and growth of existing local businesses, still with an emphasis on inward investment attraction, targeting specific sectors and geographical areas.	Direct payments to individual businesses, business incubators/workspace, advice and training for small and medium-sized firms, technical support, business start-up support and soft and hard infrastructure support.
Third: Later 1990s – onwards	Make businesses more conducive; focus on soft infrastructure, public-private partnership sector investments for the public good and highly targeted inward investment attraction to add to the competitive advantages of local areas.	Developing a holistic strategy aimed at growing local firms, providing a competitive local investment climate, supporting and encouraging network and collaboration, encouraging the development of business clusters, stimulating workforce development and education.

Source: [11, 12]

This attests to the fact the LED has been in motion for decades and has over time been readjusted depending on the needs and development prospects of that particular period. By narrowing this down to South Africa, LED became a more prominent phenomenon from the 1990s, and was driven by legal requirements; inequalities and socio-economic ills caused the destabilization policies of the National Party's (NP) to the majority black population. The NP governed the Union of South Africa. It came into power in 1948 and was at the helm until 1994 and eventually disseminated in 1997. Some of its policies included but were not limited to the segregation arrangement of apartheid and to promote white minority rule [13]. In this vein, given the deep-rooted effects of the NPs destabilization policies on South African society, an imperative was undertaken by the ANC government to commit to transformation through blueprints, aimed at enhancing economic growth [14, 15].

The ANC had the perception that LED may empower community development projects that aimed to stimulate economic growth and sustainability, which in most cases would involve improvements in education facilities, infrastructure and discovery or development of natural resources [16]

3. 3. Dawn of a Democratic Era in Post-Apartheid South Africa: A Robust Need for Coherent Development Strategies

There is a view that traditional macro-economic policies have in the past not been successful in creating an enabling development environment because of the ever-changing policies in the post-cold war era that have been disruptive, coupled with the fact that different nations vary in terms of their economic development dynamics [17]. Throughout the Western world, global economic restructuring has forced cities to undertake LED planning. Apart from global economic problems, affecting industrialized countries alike, there are two main reasons, attracting countries to LED.

Firstly, it is the pursuit of decentralization and the responsibility of encouraging economic development and secondly, challenges of unemployment and high poverty levels, especially in developing countries [18].

The apartheid government's destabilization policies, based upon racial discrimination, was characterised by a robust focus on central planning and control and almost no role for local authorities in economic planning and development. There was too an extent clear policy of neglect towards many areas, occupied by the black population. Since the 1970s, South Africa had experienced serious economic (sanctions, debt, violent demonstrations, internal and external rebellions and so forth) crises, influenced in part by the global recession as well as apartheid; some of these challenges were deteriorated by the economic sanctions, imposed by the international community to force the NP government to end apartheid [19]. In South Africa, throughout the apartheid era with the NP in power, the provision and accessibility of basic services was skewed and predominantly favoured the minority white population.

It should be no surprise, that the weight of our history impedes attempts to create a prosperous society [20]. After decades of apartheid racial policies, the new South African government that emerged under the leadership of the late Nelson Mandela remains one of the most unequal societies in the world as both social and spatial inequality are features of everyday life in South Africa [21]. With the demise of apartheid and South Africa's reintegration into global and continental politics, post the democratic era and with the ANC government at the helm, the notion and scholarly interest on the nexus between LED and development took centre stage from the Mandela administration. LED could inspire much needed socio-economic development as a result of apartheid regimes destabilization policies that had left the majority black population crippling for much-needed resources, such as housing, healthcare and education among others [22–24].

Indeed, to the ANC government, LED was seen as both a short and long term approach, geared to stimulate local people to work collectively, achieve economic growth and development, thereby inspiring economic benefits and improved quality of life [25]. The Tripartite Alliance, consisting of the ANC, Congress of South African Trade Unions (COSATU) and the South African Communist Party (SACP), launched the ambitious Reconstruction and Development Programme (RDP) before the 1994 elections and was formalized in September 1994 and intended to address the vast social and spatial inequalities, engendered by years of apartheid policies [26].

The RDP aimed to generate new employment opportunities as an approach, which could have a significant impact on livelihoods and poverty alleviation of millions of South Africans. Nevertheless, the targets, set by the RDP to meet the basic levels of the poor, living in poverty, develop human resources and restructure the economy, were seen as unrealistic from the onset. In the same length, [27, 28] noted that the RDP suffered from lack of funding, challenges from effective implementation together with pressure from local and international capital. Two years down the line, the government's apparent pressing need for a new economic growth strategy led to the launch of the macro-economic policy, known as the Growth, Employment and Redistribution (GEAR) in 1996.

The GEAR blueprint seemed more open than the RDP as it emphasised the role of the private sector in the economic development process. GEAR stressed market-led growth, fiscal and monetary discipline and investor confidence. In essence, GEAR intended to inspire economic growth through increased foreign investments. Nonetheless, just like the RDP, the GEAR did not yield the envisioned growth results as some of its targets, such as 6 % growth and 1.3 million jobs by 2000 were overly optimistic [29]. From here onwards, significant social ills that were facing the general populace (mostly blacks) had to be further redressed [30]. LED was thus motivated by appalling levels of poverty, unemployment, under-utilization of human potential, the dire need to address the country's apartheid legacy and wealth creation. In the aftermath of the 1994 general elections, national, regional and local government's spheres became gradually involved in LED, driven by a range of development policy documents. This is even though the development and implementation of LED strategies have been different in different parts of South Africa.

This is because it was only after the December 2000 local government elections that most pieces of land in South Africa fell under the jurisdiction of a municipality. Hence, in many areas, the concept and ideas of LED are new and being put in motion [31]. However, in an attempt to en-

sure that local authorities adhere to the focus of LED as a priority, it is now compulsory for all local authorities to draw up an annual five year IDP that must contain a LED strategy.

The advantages of LED include:

- I. LED empowers and ensures local participation.
- II. Local people can play a part in planning their economic future
- III. LED ensures that local businesses are involved in community development and
- IV. LED ensures that local development is locality-based and focused on local comparative advantage [32].

On the other hand, some of the key (see **table 2**) elements of LED encompass:

Table 2

Showing key elements of LED

Element	Envisioned Benefit(s)
Public-Private Partnerships	To assess/seize the economic comparative advantage.
Regional Approach	Leveraging the resources from surrounding areas.
Small business Approach	Innovation, private investment and employment creation.
Sector-Cluster Approach	Support the most promising sectors by bringing together businesses, educational institutions, Non-Profit Organizations (NPOs) and government.

Source: [33]

For development to be successful, effective and sustainable LED planning should cover short, medium and long plan strategies. These should also consist of supporting and empowering all communities, in particular the poor [34]. However, 28 years after the democratic transition, many of the country's development and unemployment challenges remain unresolved despite a plethora of development policy documents. Such has over the years made the government reconsider what tools are available to address the country's ever-increasing development backlog [35].

We argue that development strategies (and this is from a broader African perspective) need to focus more on local self-help and community self-reliance, which has been immensely overlooked in South Africa. Structural adjustment, drought, political instability and constant failure of top-down development schemes have forced many African heads of states to look inward at their resources and skills as a means to cope with the harsh realities of the modern global economy. Given South Africa's relatively robust economy and the quality of infrastructure, resources base and human capital, the country has not experienced levels of economic debilitation to the same degree as many African countries. Nevertheless, it has continued to remain a highly unequal society irrespective of the immense policy documents that have been implemented over the past two decades.

3. 4. South Africa's LED Frameworks Post-1994: Challenges Encountered

LED may offer a more people-centred and locality specific alternative to the structured adjustment programmes that have over the years dominated the African development spectrum. From an Afrocentric perspective, LED (like any other developmental blueprints post the colonial and apartheid eras) is potentially a very powerful tool to spearhead regional integration, however, it remains constrained by several factors, encompassing but not limited to lack of needed resources, FDI, ramped corruption, maladministration, poor governance and so forth [36].

While the grand plan of the democratic government post-1994 has been to uplift the general livelihood of the black population, immense economic challenges have made this hard to achieve. Getting LED to be progressive and successful in South Africa is a vital success factor in addressing the current socio-economic ills currently been experienced by millions of people. Because of apartheid, the huge infrastructure backlogs, capacity constraints and low tax base in many South African areas mean that smaller municipalities pursue only to meet instant needs in terms of providing basic services. In such conditions, the likelihood of pursuing economic development blueprints takes a back seat.

Similarly, throughout South Africa, there is no general role for the private sector in LED initiatives. Such tensions between the public and private sector are compounded by the fact that

the private sector is largely white-owned while on the other hand, the public sector is a black-dominated structure. There is also considerable overlap between the roles and responsibilities of LED stakeholders in South Africa, especially at the national level. Thus, there is a need for closer cooperation between all LED stakeholders to avoid impediments on tasks and to establish complementary roles for governments departments and stakeholders [37]. Certainly, there seems to be a lack of awareness and understanding of the most appropriate scale of accomplishing LED in South Africa. LED should be a scale that facilitates the creation of trust, cooperation and innovation across leading stakeholders to the benefit of the people.

However, [38] points out, there continues to be a conception by LED practitioners that LED is not taken seriously by some South African local governments and instead relegated to a back-room function with no political importance, hence, the limited success of LED projects in and around most municipalities in South Africa. Other key development concerns include:

- I. A lack of common understanding of the role of LED and its processes
- II. An increasing urban-rural divide in LED processes and practices
- III. The practical spatial constraints of economic planning at the local level
- IV. A less than effective, working relationship between provinces, districts and local authorities
- V. A lack of effective LED networks in many areas
- VI. The inability of many local authorities to clearly define LED strategy within the broader IDP process and
- VII. A lack of planning resources and capacity [39].

Some of the above challenges are because most municipalities do not possess adequate economic growth strategies that are implementable and thus are unable to address the challenges of poverty and unemployment, coupled with poor governance in most national, provincial and local government spheres of government. In this vein, governance is defined as the provision of the political, social and economic goods that a citizen has a right to expect from the state and the state has a responsibility to deliver to the citizen(s). Embodied ineffective governance is the procedures, mechanisms, and policies that deliver essential public goods and services by the citizen(s), including safety and security, political participation, human development and the rule of law.

However, a persistent delivery deficit thwarts these norms from being transformed into authenticity. Again, just like in most African countries, political violence and interference have over the last few decades attributed to the lack of much-needed development. At the municipal level, political instability, corruption, incompetent staff have surfaced thick and fast post democratization, which have brought with them dire effects on service delivery at the local level. Therefore, we argue that it becomes impossible to render effective and robust LED blueprints as some government officials tend to loot resources, meant to enhance economic growth. It comes as no surprise that Ratings Afrika's (2019) Municipal Financial Sustainability Index (MFSI) shows the (Table 3) constant deterioration at South African municipalities [40].

Table 3

Showing Average Municipal Financial Sustainability Index Scores by Province

Province	2015	2016	2017	2018	2019
Eastern Cape	34	32	31	28	29
Free State	24	24	23	21	21
Gauteng	32	33	31	32	31
KwaZulu-Natal	52	47	46	44	41
Limpopo	42	49	39	30	32
Mpumalanga	30	30	30	31	30
Northern Cape	51	46	40	35	35
North West	27	29	24	29	25
Western Cape	56	57	59	58	59
National Average	42	40	49	38	39

Source: [41]

The above statistics fairly attest to the fact that most municipalities are failing dismally in their governance responsibilities and being accountable for their expenditure actions. Undeniably, this further impedes their quest to render robust and tangible LED projects to their general populace. Apart from the Western Cape that has been performing relatively well in the last five years, from the latest rankings, out of a score of 100, most municipalities in the country's nine provinces scored below 40 and made up an average of 37.

The 2019 Municipal Report by the Auditor-General, which submits that 8 % of South Africa's 257 municipalities received clean audits in the 2017/2018 financial year, further attests to such poor performance, on the other hand, irregular expenditure, accumulated to ZAR 32 billion. This paints a dark picture that the majority of municipalities are in serious financial problems and are thus likely to be dysfunctional in crucial service delivery programmes. Issues, such as poverty, greed, inequality, corruption, nepotism and lack of social cohesion, normally drive these. Likewise, the researchers argue that another prominent issue worth pointing out is that of political violence, South Africa's transition from apartheid to democracy was marked by immense political violence between the ANC guerrillas and the apartheid government; however, 28 years later, there has also been a rise in local government-related political violence against politicians, councillors and senior municipal officials [42] This has undeniably undermined institutional performance and the functionality of some municipalities. To exemplify this, recorded analyses of political violence (Table 4) against municipal officials for the period 2000–2018 were as follows.

Table 4

Showing politically related violence for the period 2000–2018

Government Officials	Assassination(s)	Attempted Assassination	Damage to property of Councillors/officials	Threats	Injuries	Grand Total
Councillor(s)	89	12	29	31	25	186
Municipal Manager(s)	2	N/A	N/A	1	N/A	3
Senior Municipal Officials	2	N/A	1	N/A	N/A	3
Other	10	N/A	N/A	N/A	1	11
Grand Total	103	12	30	32	26	203

NB: *N/A* denotes the non-availability of results. *Other* denotes other key affiliated municipal individuals in the decision making process. **Source:** Salga, [43]

These results were obtained from the dataset that was created by analysing media reports and information, obtained from municipalities and table 4, provides an overview of some of the incidents, experienced by municipal officials. Such violence impedes the smooth running of municipalities and affects the rate of service delivery in some parts of South Africa as it influences vital decision-making processes and the adoption of important development resolutions in municipal councils. Apart from this and similarly related, many South African municipalities remain unclear about the meaning of LED and how to efficiently implement it, such stems from the notion of non-clarification of roles/duties among the national government, provinces, municipalities, civil society and the private sector. Thus, it results in different players, playing diverse roles and possessing different understanding and interpretations of LED policies. Indeed, not only does this become contradictory to the involved role players, but also hinders the fundamental role in the implementation and monitoring of LED frameworks.

While the above challenges are just some of the common cases in most parts of South Africa particularly in rural areas, to anyone who follows current African politics, hardly a month would pass without any news on corruption, further bringing the light to the enormous magnitude to both the economic and political development of any African state [44]. While the Mandela administration came with national jubilation nationally, over the last few years, corruption has become a persistent phenomenon in South Africa. From corruption in the public sector to allegations of corrupt practices from cabinet ministers, state capture and illegal upgrade of former president Jacob Zuma's Nkandla residence have over the years surfaced thick and fast particularly from the ruling ANC [45].

In his 2019 budget speech, South African finance minister Tito Mboweni rightfully stated that State-Owned Enterprises (SOEs) posed a “very serious risk” to the state’s finances and further articulating that they were becoming a huge liability that was impeding development. His statement is due to the huge amounts of bailouts SOEs have received over the years from the government because of corruption and maladministration, amounting to billions of ZARs. These funds, some meant for other development projects, are diverted to bail out struggling SOEs that have included power utility ESKOM, South African Airways (SAA), defence equipment manufacturer DENEL and state broadcaster the South African Broadcasting Corporation (SABC).

This is even though democratic South Africa is home to one of the best anti-corruption agencies in Africa. These include but are not limited to the National Prosecuting Authority (NPA), Anti-Corruption Task Team (ACTT), the Asset Forfeiture Unit (AFU), the Public Protector, South African Police Services (SAPS), National Anti-Corruption Forum, South African Revenue Service (SARS), Independent Police Investigative Unit (IPID), Corruption Watch, the Financial Intelligence Centre (FIC), the Directorate for Priority Crime Investigations (DPCI) and the Auditor-General of South Africa (AGSA) [44]. Political trust is important for any element of a country and is an indication of a healthy democratic rule, therefore, any state will find it difficult without the degree of trust in its leaders [46]. Drawing from such sentiments, it is no wonder that most African countries (South Africa included) lack credible trust in their governments to deliver much needed economic growth driven policies post the colonial and apartheid eras.

4. Discussion

4. 1. Looking into the Future: Probable Directions for LED in South Africa

While some of the challenges, affecting South Africa’s LED frameworks, have been concisely touched on, what remedies may be utilized moving forward. To be able to efficiently tackle poverty through both economic and rural development, it is of importance that such paradigms and their influence are understood. A vital means of achieving tangible LED is through partnership and joint ventures with other communities, relevant authorities, local government and the private sector. LED should thus be understood as a partnership venture between different actors and not just a local government blueprint idea. Again, most rural areas and townships require ample amount of support, facilitation and finance from third party funders and in most cases, this is the role, played by the private sector, and it is the responsibility of the government to stimulate social, economic and political conditions for this to take place [47].

The weak and unavailability of crucial resources at the local level emphasises the dire need for integration with the private sector as it acts as a resource provider in development activities by contributing in material (finance) or non-material (expertise, network, data) assistance. It is at this point that the authors argue that to robustly carry out national development plans and enhance innovation and entrepreneurship within the economy, those in higher government positions ought to take LED more seriously. In addition, to promote development, a professional, efficient, and competent civil service is required. An efficient and robust political structure, levels of civic education and political parties may all play a significant role in this regard by putting more emphasis on development. Coming up and implementing such mechanisms should be in the form of a participatory process that should comprise all applicable stakeholders both public and private. Some but not all constitutions in Africa provide a special provision for civil society to play an oversight role over the function of democratic institutions and monitor the function of governments [48]. Civil society plays a pivotal role in defending the rights of disadvantaged communities and delivering essential services where the government has shown a deficiency in. For a more robust LED framework, some of the following may be adhered to. The creation of a clear distinction between LED and community development initiative, refrain from solving problems by throwing money into the problem, robust and on-ongoing analysis of local economic sectors, address market failures, enhance business and entrepreneurship development, maximise existing local resources, such as finance, natural resources, human skills and the link between the public and private sector. LED success regarding implementation is depended on six key components [49].

- I. Leadership at the local level between local businesses and the community
- II. An enabling economic environment
- III. The local youth must be involved through youth development programmes
- IV. Job creation potential must exist, relating to sustainable employment
- V. Availability of capacity and skills on all levels of the economy and
- VI. All efforts must lead to poverty alleviation and improvement in the quality of life.

The authors tend to agree with the robust views of the author in a sense that there cannot be any tangible development, taking place without partnerships between different sectors and involving people to have their say in any development driven community project(s). Indeed, while these must be beneficial to the people, they should also provide some sort of employment opportunities, whether short or long term, thus improving the quality of life.

Three core frameworks that consist of enterprise, locality and community should drive LED [50]. From an enterprise perspective, these scholars posit that this comprises initiatives that assist strengthen both the economic base and competitiveness of a locality through improved access of local enterprises to market opportunities and enhanced collective efficiency and business. The second core (locality) pertains to the improvement in social, economic and environmental conditions, in which businesses operate within a given territory and includes the strengthening of both tangible and intangible location factors.

To these scholars, this sphere of LED is pivotal both socially and economically in the form of infrastructure, housing and municipal services. In this core, planning is of robust importance and local government is in the best position to carry it out. The final score (community) relates to the improvement in housing, health, education and welfare conditions of individuals, households and communities within a locality. While development-driven initiatives are easier said than done because of the ever-increasing population statistics, unemployment and poverty, particularly from an Afrocentric viewpoint. The opportunity to draw and implement LED strategies in South Africa is a complex one and indeed, it is in dire need of fundamental restructuring from a national point of view and within local government.

The focal point here will be for the government to root out corruption and stimulate economic growth through employment opportunities if any development is to gradually take place. Public investments in infrastructure should be initiated and spearheaded by government departments and municipalities, this could stimulate and boost local economies and thereby generate employment opportunities and poverty alleviation [50]. State-Owned financial institutions, such as the Development Bank of Southern Africa (DBSA) and the Industrial Development Corporation (IDC), should make finance available for critical LED projects. Since its formation in 1993, the bank has over the last three decades played a substantial role in financing large-scale infrastructural projects (energy, transportation, information technology and so forth) both in the private and public sector with the view of enhancing regional integration.

In Southern Africa, these have comprised of the Lesotho Highlands Water Project (LHWP), the Mozal Aluminium Smelter in Mozambique, the Sasol Natural Gas Project, a Tanzanian paper mill, loans to Zambian state-owned electricity utility ZESCO, the upgrading of the Ohorong centre plant in Namibia, the Kariba North Bank Hydro Power in Namibia among other projects. These institutions have since the demise of apartheid played critical integration roles towards infrastructure provision not only in South Africa but also in Southern Africa and Africa at large. In this vein, their financial boost may undeniably stimulate internal LED projects. With such financial support, however, the authors argue that because of high levels of corruption and maladministration, any financial backing ought to come with robust strings attached. From our view, these should have a clear budget, different and critical role players and robust monitoring mechanism(s). Such that if these are not adhered to, the municipality and/or government department should reimburse the full cost(s) of any wasteful expenditure with interest.

These stringent measures could perhaps send a clear message to government departments and municipalities that government funds are not to be looted at the expense of the public. Moving forward, the South African developmental agenda looks very bleak, debt, corruption and unemployment continue to draw the attention of policymakers and government. The recent yet unfore-

seen Coronavirus (Covid-19) has further made the government dig deep into its pockets to keep the country afloat and the pandemic has further shown the major development backlogs that still prevail 28 years into democracy. How the Ramaphosa administration will (moving forward) tackle such development backlogs that have existed for more than two decades will remain followed and challenged in the public sphere.

Limitations. As we have already alluded to earlier, the study relied heavily on secondary data and this formed the crux of the research that was undertaken. Thus, a major limitation was that the researchers could not gather robust evidence through a primary data point of view. This could have assisted in not only verifying but also comparing both secondary and primary facts to draw a nuanced appraisal on LED in South Africa by also drawing insights at the grass-root level. For future research and moving forward, it would be useful for any researcher(s) to apply both secondary and primary data approaches on LED to further enrich the findings.

5. Conclusion

The article aimed to ponder the notion of LED in South Africa post democratization. LED is not a new phenomenon and has been practised worldwide for many decades because of the envisioned gains, expected from it. From an Afrocentric perspective and South Africa in particular, because of the immense destabilization policies of the apartheid regime, post-1994, South Africa has continued to witness massive amounts of social ills. From 1994, LED was viewed as an imperative doctrine to alter such ills. Nonetheless, this has been a bumpy road for the South African government; challenges, such as rising unemployment, poverty, corruption, population growth, have further hindered LED frameworks. Hence, moving forward, it is of importance that all relevant stakeholders look at LED from the same viewpoint, that of working cooperatively, limiting irregularities between stakeholders to bear the envisioned benefits, which are economic development.

Acknowledgement

It is noteworthy to acknowledge the efforts and the encouragement of my co-authors Tsakie P. Manganyi and Jabu H. Mphurpi.

References

- [1] Binns, T., Nel, E. (1999). Beyond the development impasse: the role of local economic development and community self-reliance in rural South Africa. *The Journal of Modern African Studies*, 37 (3), 389–408. doi: <https://doi.org/10.1017/S0022278X99003067>
- [2] Binns, T., Nel, E. (2002). Supporting Local Economic Development in Post-Apartheid South Africa. *Local Economy: The Journal of the Local Economy Policy Unit*, 17 (1), 8–24. doi: <https://doi.org/10.1080/02690940110073800>
- [3] Bond, P., Khosa, M. (Eds.) (1999). *An RDP Policy Audit*. Pretoria, HSRC Publishers, 206.
- [4] Bracking, S. (2018). Corruption & State Capture: What Can Citizens Do? *Daedalus*, 147 (3), 169–183. doi: https://doi.org/10.1162/daed_a_00509
- [5] Clarke, S. E., Gaile, G. L. (1998). *The Work of Cities*. Minneapolis: University of Minnesota Press, 282.
- [6] Davids, I.; Davids, I., Theron, F., Maphunye, K. J. (Eds.) (2014). *The Role of Developmental Non-Governmental Organizations in South Africa. Development, the State and Civil Society in South Africa*. Hatfield: Van Schaik Publishers.
- [7] Davis, J., Rylance, C. (2005). Addressing Poverty in through Local Economic and Enterprise Development: A Review of Conceptual Approaches and Practice. *Natural Resources Institute*, 30. Available at: <https://assets.publishing.service.gov.uk/media/57a08c99e5274a31e0001302/workingpaper3.pdf> Last accessed: 29.07.2020
- [8] Desai, A. (2018). The Zuma moment: between tender-based capitalists and radical economic transformation. *Journal of Contemporary African Studies*, 36 (4), 499–513. doi: <https://doi.org/10.1080/02589001.2018.1522424>
- [9] Infrastructure Investment Programme for South Africa (2013). *Development Bank of Southern Africa*. Available at: <https://cdn.github.org/umbraco/media/2628/south-africa-case-study.pdf> Last accessed: 04.03.2020.
- [10] SADC Approves more than US\$ 3m towards regional interconnector project (2015). *Development Bank of Southern Africa*. Available at: [https://www.dbsa.org/sites/default/files/media/documents/2021-09/DBSA %20Annual %20Report %201998.pdf](https://www.dbsa.org/sites/default/files/media/documents/2021-09/DBSA%20Annual%20Report%201998.pdf) Last accessed: 04.03.2020.
- [11] Dyosi, F. S. (2016). *A Study of Local Economic Development in the town of Stutterheim*. University of Cape Town, 105.

- [12] Gardyne, S. L. (2005). Local Economic Development and Local Government: A Case Study of the Ingwe Municipality. University of Kwazulu-Natal, 232.
- [13] Goto, K., Ogunnubi, O. (2014). Corruption and Development in Africa: Critical Reflections from Post-Apartheid South Africa. *Lumina*, 25 (1), 48–69
- [14] Hindson, D., Vicente-Hindson, V. (2005). Wither LED in South Africa? A Commentary on the Policy Guidelines for Implementing Local Economic Development in South Africa. Available at: https://sarpn.org/documents/d0001494/P1837-Hindson_Vicente_LED-SA_July2005.pdf
- [15] Khadiagala, G. M., Mosoetsa, S., Pillay, D., Southall, R., Kariuki, S. (2018). *New South Africa Review Six: The Crisis of Inequality*. Johannesburg, Wits University Press, 304.
- [16] Koma, S. B. (2014). The Implementation of Local Economic Development Policy: The Case of the Emakhazeni Local Municipality in South Africa. *Administratio Publica*, 22 (4), 40–61.
- [17] Maharaj, B., Ramballi, K. (1998). Local Economic Development Strategies in an Emerging Democracy: The Case of Durban in South Africa. *Urban Studies*, 35 (1), 131–148. doi: <https://doi.org/10.1080/0042098985113>
- [18] Makhathini, M. S. M., Mlambo, V.H., Mpanza, S. (2020). Infrastructure Provision as a Catalyst to Local Economic Development in South Africa. *Strategic Review of Southern Africa*, 42 (1), 99–122. doi: <https://doi.org/10.35293/srsa.v42i1.198>
- [19] Mariotti, M., Fourie, J. (2014). The economics of apartheid: An introduction. *Economic History of Developing Regions*, 29 (2), 113–125. doi: <https://doi.org/10.1080/20780389.2014.958298>
- [20] Meyer, D. F. (2014). Local Economic Development (LED), Challenges and Solutions: The Case of the Northern Free State Region, South Africa. *Mediterranean Journal of Social Sciences*, 5 (16), 624–634. doi: <https://doi.org/10.5901/mjss.2014.v5n16p624>
- [21] Mlambo, D. N. (2017). Regional Supremacy or Coalition? Evaluating South Africa's Regional Integration Efforts within the Southern African Development Community (SADC). University of Zululand, 140.
- [22] Mlambo, D. N. (2018). Unearthing the challenges and prospects of regional integration in Southern Africa. *Journal of Public Affairs*, 19 (1), e1882. doi: <https://doi.org/10.1002/pa.1882>
- [23] Mlambo, D. N. (2019). Governance and service delivery in the public sector : the case of South Africa under Jacob Zuma (2009–2018). *African Renaissance*, 16 (3), 203–220. doi: <https://doi.org/10.31920/2516-5305/2019/v16n3a11>
- [24] Nkosinathi Mlambo, D. (2020). The quest for post-colonial regional integration : examining the Southern African Development Community (SADC) in Southern Africa post-1992. *Journal of African Foreign Affairs*, 7 (1), 23–48. doi: <https://doi.org/10.31920/2056-5658/2020/7n1a2>
- [25] Nkosinathi Mlambo, D., Cotties Adetiba, T. (2020). South Africa and regional integration in southern Africa post-1994 : realities, challenges and prospects. *Journal of Nation-Building & Policy Studies*, 4 (1), 5–33. doi: <https://doi.org/10.31920/2516-3132/2020/v4n1a1>
- [26] Mlambo, V. H., Zubane, S. P., Mlambo, D. N. (2019). Promoting good governance in Africa: The role of the civil society as a watchdog. *Journal of Public Affairs*, 20 (1). doi: <https://doi.org/10.1002/pa.1989>
- [27] Ryan, C. (2020). Other than the Western Cape, municipalities are failing miserably: And this was before the pandemic. It's time to rethink local government and its entity. MoneyWeb. Available at: <https://www.moneyweb.co.za/news/south-africa/other-than-in-the-western-cape-municipalities-are-failing-miserably/> Last accessed 12.08.2020.
- [28] Nel, E., Binns, T. (2003). Decentralising Development in South Africa. *Geography*, 88 (2), 108–116.
- [29] Nel, E. L., McQuaid, R. W. (2002). The Evolution of Local Economic Development in South Africa: The Case of Stutterheim and Social Capital. *Economic Development Quarterly*, 16 (1), 60–74. doi: <https://doi.org/10.1177/0891242402016001007>
- [30] Nel, E., Rogerson, C. H. (2005). Setting the Scene: Local Economic Development in Southern Africa. *Local Economic Development in the Developing World: The Experience of Southern Africa*. London: Transaction Publishers.
- [31] Nel, E., Rogerson, C. M. (2015). The contested trajectory of applied local economic development in South Africa. *Local Economy: The Journal of the Local Economy Policy Unit*, 31 (1-2), 109–123. doi: <https://doi.org/10.1177/0269094215623729>
- [32] Nel, E. L., Meston, A. (1996). Transforming Atlantis, South Africa, through local economic development. *GeoJournal*, 39 (1), 89–96. doi: <https://doi.org/10.1007/bf00174933>
- [33] Nel, E. L. (2018). *Regional and Local Economic Development in South Africa: The Experience of the Eastern Cape*. New York: Routledge. 372. doi: <https://doi.org/10.4324/9780429445224>
- [34] Nthekeleleng, L. (2014). An Assessment of Local Economic Development (LED) for Sustainable Development and Poverty Alleviation in Buffalo City Metropolitan Municipality. *Africa's Public Service Delivery and Performance Review*, 2 (4), 151–168. doi: <https://doi.org/10.4102/apsdpr.v2i4.71>
- [35] Perai, S. (2016). Local Economic Development, Training module, introduction to Local Economic Development. Available at: <https://www.local2030.org/library/254/Local-Economic-Development-Training-Module.pdf> Last accessed 12.06.2020.

- [36] Pillay, P. (2017). Anti-Corruption Agencies in South Africa and Brazil: Trends and Challenges. *African Journal of Public Affairs*, 9 (8), 1–14.
- [37] Ramutsindela, M. F. (1997). National Identity in South Africa: The Search for Harmony. *GeoJournal*, 43 (1), 99–110. doi: <https://doi.org/10.1023/a:1006844214951>
- [38] Reddy, T. (2015). South Africa, Settler Colonialism and the Failures of Liberal Democracy. Uppsala: Nordic Africa Institute.
- [39] Rogerson, C. M. (1996). The private sector and local economic development in South Africa. *GeoJournal*, 39 (1), 97–104. doi: <https://doi.org/10.1007/bf00174934>
- [40] Rogerson, C. M. (2010). Local economic development in South Africa: Strategic challenges. *Development Southern Africa*, 27 (4), 481–495. doi: <https://doi.org/10.1080/0376835x.2010.508580>
- [41] Ryan, C. (2020). Insight: Why Municipalities, except in the Western Cape, are failing miserably. Available at: <https://citizen.co.za/business/business-news/2338777/insight-why-municipalities-except-in-the-western-cape-are-failing-miserably/> Last accessed: 11.08.2020.
- [42] Joel, L., Rammule, C., Gqegqe, S., Bodika, M., Mahlobo, M., Ngwenya, N., et. al. (2019). Violence in Local Government: A Study on Damage to Property, Intimidation, Threats, Harm, and Killings of Councillors and Municipal Officials. Salga. Available at: <http://www.salga.org.za/Documents/Documents%20and%20Publications/Publications/p20/Violence%20in%20Local%20Government%203%20december%202019.pdf> Last accessed: 10.01.2020.
- [43] Key Issues in Local Economic Development in South Africa and a Potential Role for Salga (2008). Salga. Available at: <https://www.salga.org.za/Documents/Knowledge%20Hub/SALGA%20Position%20Papers/SALGA-Position-Paper-on-Local-Economic-Development.pdf> Last accessed: 22.02.2020.
- [44] Selaelo, M. E. (2012). Local Economic Development (LED) Challenges Facing Local Government in the Limpopo Province: The Case of Motumo Trading Post in the Molemole Local municipality of the Capricorn District Municipality. University of Limpopo.
- [45] Statistical Report: Quarterly Labour Force Survey, Quarter 4 (2020). Statistics South Africa. Available at: <http://www.statssa.gov.za/publications/P0211/P02114thQuarter2019.pdf> Last accessed: 20.02.2020.
- [46] Swinburn, G., Goga, S., Murphy, F. (2006). Local Economic Development: A Primer Development and Implementing Local Economic Development Strategies and Actions Plans. Washington: The World Bank, 83. Available at: <http://documents.worldbank.org/curated/en/763491468313739403/pdf/337690REVISED0ENGLISH0led1primer.pdf> Last accessed: 02.03.2020.
- [47] Terreblanche, S. J. (1999). The Ideological Journey of South Africa: From RDP to the GEAR Macroeconomic Plan. Available at: <https://www.ekon.sun.ac.za/sampieterreblanche/wp-content/uploads/2018/04/SJT-1999-From-RDP-to-GEAR.pdf>
- [48] Theron, F., Ceasar, N.; Davids, I., Theron, F. (Eds.) (2014). Integrated Development Planning: An Opportunity or Challenge for Participatory Democracy in Developmental Local Government. Development, the State and Civil Society in South Africa. Hatfield: Van Schaik Publishers.
- [49] Trousdale, W. (2005). Promoting LED through Strategic Planning: Volume One. Nairobi: United Nations Human Settlements Programme.
- [50] Wafer, A. (2014). Informality and the spaces of civil society in post-apartheid Johannesburg. *Critical Perspectives on African Politics*, 129–146. doi: <https://doi.org/10.4324/9781315775005-7>

Received date 18.11.2021

Accepted date 20.01.2022

Published date 28.01.2022

© The Author(s) 2022

This is an open access article under the
Creative Commons CC BY license

How to cite: Mlambo, D. N., Manganyi, T. P., Mphurpi, J. H. (2022). Re-examining the notion of local economic development (LED) post democratization: anticipated outputs, impediments and future expectation(s). *EUREKA: Social and Humanities*, 1, 31–42. doi: <http://doi.org/10.21303/2504-5571.2022.002166>