



LGSETA
CREATING GREATER IMPACT



ASSESSMENT OF THE VIABILITY AND POTENTIAL OF TOWNSHIP ECONOMIES FOR MUNICIPALITIES

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Glossary of Terms and Important Institutions/Stakeholders

Broad Based Black Economic Empowerment (BBBEE)

A government policy to advance economic transformation and enhance the economic participation of Black people (African, Coloured, and Indian people who are South African citizens) in the South African economy.

Central Business District (CBD)

A city's focal point or business and commercial centre. The area is characterized by a concentration of commercial land use with a high number of commercial offices, retail, shops, and services such as finance and banking.

Cooperative Governance & Traditional Affairs (Department) (CoGTA)

Facilitating cooperative governance, to support all spheres of government and to assist the institution of traditional leadership with transforming itself into a strategic partner of government in the development of communities.

Department of Economic Development & Environmental Affairs (DEDEA)

Mandated to give effect to the right of citizens to an environment that is not harmful to their health or wellbeing, and to have the environment protected for the benefit of present and future generations. The department provides leadership in environmental management, conservation, and protection towards sustainability for the benefit of South Africans and the global community.

Development Bank of Southern Africa (DBSA)

To advance the development impact in the region by expanding access to development finance and effectively integrating and implementing sustainable development solutions to improve the quality of life of people through the development of social infrastructure, to support economic growth through the investment in economic infrastructure, to support regional integration and promote sustainable use of scarce resource.

Enterprise Development

A business to black business transaction, where the aim is to provide contributions to assist in the operating, financial and development toward business sustainability. There are two definitions of a black business that consist of a positive multiplier to the contribution and the second is defined as a black business that is generic.

German Technical Cooperation Agency (GTZ)

Has the task of developing the capacities of individuals, organisations, and societies in partner countries (capacity development)? They are to be able to improve their own living conditions and to realise their own objectives efficient and sustainable use of resources.

Human Resources Development (HRD)

Specifically deals with training and development of the employees in the organisation. It includes training a person after he or she is first hired, providing opportunities to learn new skills, distributing resources that are beneficial for the employees' tasks, and any other development activities.

Human Sciences Research Council (HSRC)

A research organisation that advances social sciences and humanities for public use.

Industrial Development Zone (IDZ)

Intended to promote the competitiveness of the manufacturing sector to encourage beneficiation of locally available resources.

Intergovernmental Relations (IGR)

Interactions between intergovernmental units of all types and levels. It is also defined as an interacting network of institutions at national, provincial, and local levels, created and refined to enable the various parts of government to cohere in a manner more or less appropriate to the institutional arrangements.

Local Economic Development (LED)

An approach towards economic development which allows and encourages local people to work together to achieve sustainable economic growth and development thereby bringing economic benefits and improved quality of life for all residents in a local municipal area.

Indigenous Knowledge Systems

Indigenous knowledge refers to the understandings, skills and philosophies developed by societies with long histories of interaction with their natural surroundings. For rural and indigenous peoples, local knowledge informs decision-making about fundamental aspects of day-to-day life.

International Rural Development Strategy (IRDS)

Designed to realise a vision that will "attain socially cohesive a stable rural community with viable institutions, sustainable economies and universal access to social amenities, able to attract and retain skilled and knowledgeable people, equipped to contribute to growth and development".

Monitoring & Evaluation (M&E)

Monitoring can be defined as a continuing function that aims primarily to provide the management and main stakeholders of an ongoing intervention with early indications of progress. Evaluation is the systematic and objective assessment of an on-going or completed project, program, or policy, and its design, implementation, and results.

Municipal Infrastructure Grant (MIG)

A conditional grant from the national government allocated to local government for maintaining and improving municipal infrastructure.

National Capacity Building Framework (NCBF)

Serves to hold together a set of ideas or practices that comprise a broad approach course of action specifically aimed at assisting local implementing institutions and organisations.

National Development Plan (NDP)

A long-term South African development plan developed by the National Planning Commission in collaboration and consultation with South Africans from all walks of life.

National Empowerment Fund (NEF)

The NEF is a driver and thought leader in promoting and facilitating black economic participation by providing financial and non-financial support to black empowered businesses and promoting a culture of saving and investment among black people.

Non-Governmental Organisation (NGO)

A non-profit, citizen-based group that functions independently of government.

Public-Private Partnerships (PPP)

A contract between a public-sector institution and a private party, where the private party performs a function that is usually provided by the public sector and/or uses the state property in terms of the PPP agreement.

Research & Development (R&D)

The activities companies undertake to innovate and introduce new products and services. It is the first stage in the development process.

Sector Education Training & Association (SETA)

A body established under the Skills Development Act (RSA 1998c) with the main purpose to contribute to the improvement of skills in South Africa. This is done through achieving a more favourable balance between demand and supply, by ensuring that education and training acknowledge and enhances the skills of the current work force and, to meet the agreed standards within the national framework and, where appropriate, is benchmarked against international standards.

South African Local Government Association (SALGA)

Mandated organisation responsible for local government oversight which consists of two key strategic roles within the system of government: as protector, robustly enforcing the rights of the local government sector and, constructively disrupting areas of existing systems that make it impossible for local government to deliver on its mandate.

Small Enterprise Development Agency (SEDA)

An agency of the Department of Small Business Development which provides non-financial support to small enterprises and cooperatives.

Spatial Development Initiative (SDI)

A short-term investment strategy that aims to unlock inherent economic potential in specific spatial locations in Southern Africa. The programme uses public resources to promote private sector investment in regions with a high potential for economic growth.

Special Economic Zones (SEZ)

Geographically designated areas of a country set aside for specifically targeted economic activities. These designated areas are supported through special targeted economic activities as well as special arrangements and systems that are often different from those that apply in the rest of the country.

Stakeholders

A stakeholder is a party that has an interest in a company and can either affect or be affected by the business.

Spatial Planning & Land Use Management Act (SPLUMA)

A national law that was passed by Parliament in 2013. The law gives the Department of Rural Development and Land Reform the power to pass Regulations in terms of SPLUMA to provide additional detail on how the law should be implemented.

Technical & Vocational Education & Training (TVET)

Vocational or occupational training programmes preparing learners for a specific job, a number of employment possibilities or, for self-employment.

Sustainable Development Goals (SDGs)

The blueprints to achieve a better and more sustainable future for all. These goals address global development challenges, including challenges related to poverty, inequality, climate change, environmental degradation, peace, and justice.

Sustainable Livelihoods Approach (SLA)

A method of analysing and changing the lives of people experiencing poverty and disadvantage.

1. Executive Summary

This research study was commissioned by the Local Government Sector Education and Training Authority (LGSETA). The objectives of this study was twofold; (i) to examine the potential of unlocking township economies with a view to help address the crucial socio-economic conditions facing municipalities namely, high levels of unemployment, poverty and inequality and (ii) to identify the skills gaps that can propel the township economy (the researches opted to include the possible skills gaps in both township entrepreneurs and local economic development officials in municipalities) and finally to develop a concept document with a focus on local, regional and international perspectives. From the literature review it is clear that although the policy regime is intact, this is compromised by the poor implementation of local economic development (LED) policies together with a lack of leadership and political will. The socio-economic impact of LED has not addressed the triple challenge of poverty, inequality, and unemployment.

This study examined the lived experience of more than 1000 township entrepreneurs. It found that the majority of township entrepreneurs regard business as both a steppingstone to something better and a means of survival during tough economic times. They are in business to make a living and to offer a service to the community. This speaks to the drive for social innovation. Thus, people are not just in business to make money, but genuinely sees this as an opportunity to meet a need in society. Thus, it is not surprising that the majority of interviewed entrepreneurs established themselves in the retail and services sector.

The study found that local entrepreneurs need support to identify new opportunities and to acquire skills that will enable them to better market their goods and manage their finances. The needs in support and skills include the following: the development and improvement of effective communication structures to facilitate effective communication between municipalities and township entrepreneurs; ; municipalities to take up a facilitation role in in setting uplinks/partnerships between informal traders and formal business; the better management of the safety and security of township entrepreneurs; more infrastructure support and the allocation of more space for trading speaking to the critical role that local government should play in creating an enabling environment to propel the township economy; more financial support from the municipality.

Although training is the most commonly used intervention by local government, the research found this to be the least effective. Participants requested that the format of training is re-designed to include more on the job training as opposed to the typical classroom format of training. Finally, the majority of the research participants experienced the municipality as absent rather than supportive in their entrepreneurial endeavours.

Pertaining to the competence levels of LED officials, the study found an urgent need in developing a hands-on capacity building program for municipal LED officials. Such a training programme should focus on managing township economies, policy development, LED planning and implementation, research, and promotion, and promoting industrial and business development.

As a final recommendation it is proposed that the social canvass profit model be considered as a means to address the socio-economic challenges. Social profit can be considered as the value or profit that organizations create for society. The goal is to demonstrate that profit is not only expressed in financial terms but can be defined in social value. The social profit canvas is a model that make value visible, describe profit and value of interventions and to share visions, knowledge, and insights. The model goes beyond individual organization, focusing on the beneficiaries of the services.

2. Introduction

This research report is presented in three sections. **Section I** of the report is primarily descriptive in nature. This part starts out in defining the research statement and objectives, conceptualisation, and theoretical framework. This is followed by a thorough literature overview pertaining to the dynamics and characteristics of township and local economies as well as references to lessons learned from abroad and regulatory regimes. International perspectives on local economic development (LED), township economies, informal economy, and the importance of skills development in that context is also discussed.

Following the discussion on international perspectives the , the focus of the literature overview shifts to the South African context, with a discussion of the policy environment, the institutional framework, and the approach of the South African Local Government Association (SALGA) in unlocking township and local economies. The discussion continues in a brief synopsis of the creative ‘three lenses’ approach. This is followed by a discussion on skills development and training with two case studies presented as examples of LED and skills projects.

Section I is concluded with the identification of gaps by means of existing research in relation to the importance of skills development interventions in LED and township economies.

Section II of the report represents the findings of research conducted as part of this project. This part of the report starts out in presenting the research objectives and methodology. This is followed with the presentation of the research findings.

In **Section III**, as the final section of this report, presents in-depth interpretations, conclusions, and recommendations a derived from the empirical study and informed by the literature overview.

Section I: Contextualisation and Literature Overview

1. Background

The events of the past three weeks could very well be the end of the current geo-political reality. Covid-19 has shown the fragility of economies and the vulnerability of poorer nations highlighting the prevailing inequalities. To illustrate, the United States (US) currently spends more resources on its military than all the African countries annual budgets combined. The Covid-19 has necessitated a national lockdown in South Africa, following in the footsteps of the rest of the world. The devastating economic consequences could severely impact on the ability of government, post Corona to be able to deliver services. If not effectively managed, government may very well have fewer resources to be able to deliver services, placing additional strain on our fragile economic systems (Shibamvu and Msomi,2020).

There is no doubt that the global economies have shifted, and the nature of work has also changed. The most significant investments that governments can make in this changing world order is to enhance and invest in human capital. A basic level of human capital, such as literacy and numeracy, is needed for economic survival, but so is access to health care. The growing role of technology in organisational life means that all types of jobs (including low-skill ones) require more advanced cognitive skills. The fact is that jobs that will rely on interpersonal interaction will not be readily replaced by machines. The role of human capital in this regime is enhanced because of the rising demand for socio behavioural skills. However, to succeed at these jobs, socio behavioural skills - acquired in one's early years and shaped throughout one's lifetime - must be strong. Human capital therefor remains important because there is now a higher premium on adaptability (World Development Report;2019)

Contextualising and providing background to the current study it is important to draw on an evaluation of the impact of municipal LED strategies in local communities from previous studies conducted (Mafunisa Consulting, 2019). Some of the salient lessons that have been reported are:

- Implementation is still the main challenge for local economic development (LED) in South Africa. A new implementation strategy for a LED strategy with proper monitoring and evaluation (M&E) is required.
- There seems to be a lack of leadership by stakeholders, including Department of Trade and Industry (DTI), and SALGA.
- Innovation is central to up-scaling and enriching the LED discourse and practice. Disruptive innovation that changes the market and rules of engagements in society and business is required.
- Special Economic Zone (SEZ) projects must be linked with LED. Skills development through Sector Education and Training Authorities (SETA's), universities, Technical and Vocational Education and Training (TVET) Colleges, and research institutions is an inextricable component in all interventions.
- Financing LED, the sources of LED must be optimised.

- In conclusion the research established that the (socio-economic) impact of LED has not achieved the intended results of poverty reduction and reducing unemployment and inequality (Mafunisa Consulting, 2019).

In another study for the LGSETA, the *National Enterprise and Cooperative Development Strategy* (LGSETA, 2016/2017) advocates for an enabling environment for sustainable, growing SMMEs and cooperatives in South Africa. The purpose of the strategy is to overcome obstacles through a set of interventions and activities that will be implemented by the LGSETA in partnership with identified role players. A framework and outline of the principles for future LGSETA support, monitoring and evaluation are provided. The implementation of the strategy will be guided by the defined goals and objectives, which also form the strategic framework for the strategy. Ongoing review and impact assessment of the strategy will be critical to ensure updated changes in the global, national, and local business environments in line with the progressive nature of enterprise and cooperative development. In the strategy five strategic priorities to address the challenges faced by Small, Medium, and Micro-sized Enterprises (SMMEs) and cooperatives are identified:

- To continuously support cooperatives and small enterprises and improve current skills development and training interventions conducted by LGSETA.
- Focus LGSETA SMME and cooperative programme activity on areas of highest impact.
- Create a clear delineation of responsibility between LGSETA and other local government agencies and improve coordination and collaboration between other areas of government and with the private sector.
- Increase focus on support for cooperatives.
- Improve access to LGSETA SMME and cooperative support information.

The strategic recommendations of the strategy remain relevant today, and evidence was not abundant that indeed that it is taken seriously.

2. The concept township economy

According to Statistics South Africa's *April to June 2017 Quarterly Labour Force Survey (QLFS)*, 2 689 000 South Africans worked in the informal economy. Of these people, approximately 1 101 000 or 41% are in informal trade. Informal trade therefore makes up a significant component of the economy. It is for this reason that the national government has acknowledged that it is important to ensure that the informal sector and township economy, and consequently informal trade, is given room to develop and flourish. The National Development Plan (NDP), for example, sees the informal sector creating between 1.2 and 2 million new jobs by 2030. (Statistics South Africa, 2017)

However, COVID-19 also impacts on this sector. Informal traders are particularly vulnerable and will be heavily affected by the lockdown, leaving the latter stranded with no idea as to how they will survive. Not only are the informal traders' jobs at high risk but they also do not have social security to fall back too. The result could be that household debts will pile up and that families of informal traders will suffer (*Sonkanyile, Weekend Argus, 28/03/20*).

The South African Government's vision is of vibrant and sustainable township enterprises as part of building an inclusive, labour absorbing and growing economy. Successful township enterprises could play an important role in helping to contribute to government's programme of radical transformation, modernisation, and re-industrialisation – thus contributing to socially inclusive wealth creation and helping to foster sustainable livelihoods through job creation, social cohesion, and active citizenship.

A report by the South African Cities Network (SACN) defines township economies as 'the microeconomic and related activities taking place within areas broadly defined as 'townships'' - a township refers to a formally promulgated urban area (McGaffin, Rabe and Crankshaw, 2015). Township economy refers to enterprises and markets based in the townships. The township economy is a spatial concept that is closely linked to the historical meaning of the word 'townships' in South Africa, which has over many decades been used to describe the mostly African townships, often found on the outskirts of existing 'white' towns and cities. Township (or 'location') under the Apartheid system meant a residential development that confined black African people. Definitions of 'township economy' in South Africa reflect this spatial and historical background.

There is however diversity to township economies. Some businesses are dynamic and offer goods and services to expanding markets. Others are survivalist in nature, lower in productivity and mainly concerned with the circulation of local resources 'rather than value addition'. (Drakenstein Municipality, 2018) So, in the township economy one may find economic activities that range from shopping malls being built, to leasing of residential accommodation, to so-called spaza shops and the South African favourite, the sishanyama (barbecued meat).

Township entrepreneurs have an important impact on local income generation, job creation, and the provision of goods and services to local consumers. They could have a major role as incubators of new business formation, sources of new entrants to the wider economy, and 'locations for bottom-up experimentation' in new forms of private and social enterprise.

Townships are probably the most potent and dynamic political, social, and economic spaces in the country today. They accommodate most of the urban population 'on a relatively small physical footprint'. The dense concentration of poverty, unemployment and related social ills makes them the top priority for inclusive growth and development. (Drakenstein Municipality, 2018). The term 'township economy' is value-laden and smacks of the old order, the new term 'local economies' – intricately connected to local economic development (LED) – is preferred.

Township enterprises indeed are diverse, with high rate of informality and provide a range of goods and services to meet the needs of township communities and beyond. Whilst township enterprises are mostly necessity micro in nature, characterised by poverty and low incomes, there are many that were born out of opportunity. Both necessity and opportunity enterprises have produced successful black entrepreneurs who have 'graduated' from exclusively serving the township economy or trace their roots in the township economy. Meeting the social and economic needs of township communities, on the basis of co-operation and solidarity, has been one of the defining features of township enterprises. Township enterprises have a distinct and vital role to play in helping to create a vibrant socially inclusive, labour absorbing and growing economy.

The Gauteng Government is – as example - committed to ensure that township economies contribute at least 30% of the Gauteng Gross Domestic Product (GDP) by 2030. The strategy sets out a programme of action for the next five years and beyond, illustrating how government together with key stakeholders will take a lead in revitalising the township enterprise activities. Key partners in the delivery of the strategy includes national government and its support agencies, provincial government, local government, the corporate sector, representative and support organisations for different types and forms of enterprises.

3. Conceptualisation and theoretical framework

The key concepts to be operationalised in this study – in addition to township economies – are local economic development; skills development; and human resource development.

3.1 Local economic development (LED)

Local Economic Development (LED) is an approach towards economic development which allows and encourages local people to work together to achieve sustainable economic growth and development, thereby bringing economic benefits and improved quality of life for all residents in a local municipal area (CoGTA LED Framework, 2019).

LED is described as an approach towards economic development that allows and encourages local people to work together to achieve sustainable economic growth and development, thereby bringing economic benefits and improved quality of life for all residents in a local municipal area.

LED is intended to maximise the economic potential of municipal localities and enhance the resilience of macro-economic growth through increased local economic growth, employment creation and development initiatives within the context of sustainable development.

The ‘local’ in economic development points to the fact that the political jurisdiction at local level is often the most appropriate place for economic intervention, as it carries alongside it the accountability and legitimacy of a democratically elected body.

LED programmes usually provide support in the following areas:

- developing and reviewing national policy, strategy, and guidelines on LED.
- providing direct and hands-on support to provincial and local government.
- managing the LED Fund.
- managing and providing technical support to Nodal Economic Development Planning.
- facilitating, coordinating, and monitoring donor programmes; and
- assisting LED capacity-building processes.

Through these interventions and resources, local role-players and interest groups are mobilised for the sake of achieving economic growth, and with the aim of creating jobs to reduce poverty (Local Government Handbook, 2019)

LED, and especially the role of local government in LED, is summarised by Mensah et al. (2017) as, creating a conducive environment for the local and informal economy to thrive, especially considering the high unemployment rates; creating land uses that do not clash with each other, and to understand trade-offs; re-evaluating local government responsibilities and the legislative instruments that would make the responsibilities clearer; mobilising the resources local government needs to take on a productive role to support the informal and formal sectors; understanding overall policy that encapsulates all departments and achieves intergovernmental coordination; reviewing training of entrepreneurs, traders, SMMEs and LED officials.

Important to emphasise the close-knit relationship between LED and the facilitatory role of the government, especially local government. The fundamental catalytic position of municipal leaders and official cannot be over-emphasised – but then these facilitators must be appropriately skilled.

3.2 Skills development

Cloete (2019) defines skills as the ability to use one's knowledge effectively in the successful execution and performance of functions of tasks, in order to meet goals and objectives. Development of these skills normally are facilitated through training, education, mentorships, coaching, and related programmes.

3.3 Human resource development (HRD)

Fourie (2014) postulates that development is a process of moving from a position of incompetence to a state of competence. That is taking into consideration the long-term changes in thought and behaviour processes that is brought about as a result of formal and informal development experiences and practices – for the individual and organisation alike.

In the next section of the report the perspectives and lessons from other continents as well as Africa will be explored, with special emphasis on LED, township economies, and skills development interventions.

4. International perspectives

It is useful in an economic and skills development context to consider the overarching ideals and goals as captured under the *Sustainable Development Goals (SDGs)*. The latter can be considered a collection of seventeen global goals designed to be a blueprint to achieve a better and more sustainable future for all. (United Nations Resolution 70/1).

The SDGs were set in 2015 by the United Nations General Assembly and intend to be achieved by the year 2030. The Sustainable Development Goals are:

- No Poverty
- Zero Hunger
- Good Health and Well-being
- Quality Education
- Gender Equality
- Clean Water and Sanitation

- Affordable and Clean Energy
- Decent Work and Economic Growth
- Industry, Innovation, and Infrastructure
- Reducing Inequality
- Sustainable Cities and Communities
- Responsible Consumption and Production
- Climate Action
- Life Below Water
- Life on Land
- Peace, Justice, and Strong Institutions
- Partnerships for the Goals



Figure 1: Sustainable Development Goals

Important to note is that progress towards these goals will only be possible when various stakeholders work together effectively; and that the goals and work towards them are totally interrelated.

Global trends impacting on local and informal economies have been identified through various studies. Noteworthy is the study solicited by the Drakenstein Municipality (Western Cape Province, South Africa) which indicated that informal economy trends in the global system influence how countries manage the informal economic sector. These trends need to be considered by national and local government (municipalities) when they design pro-active interventions. (Drakenstein Council, 2018). The major trends that have emerged and particularly those that are important for economic strategy are summarised below.

Table 1: Major Economic Trends

	Factor	Trend
1	Economy	• Increased competition for energy, raw materials, and other natural resources. • Financial deleveraging and state intervention; and • Increased role of regional arrangements.
2	Technology	• Converging technologies; and • Disruption of business models in all services.
3	Society	• Rising economic middle class. • Increased inequalities. • Rising discontent. • Empowered people; and • Migration patterns.
4	External relations	• More multi-polar but less multilateral. • Return to power politics; and • New conflicts.
5	General	• Complex, fragile, unstable, and insecure world; and • Age of insecurity.

Source: Informal Trading Strategy, 2018

5. General LED and skills development lessons from abroad: United Nations; UK; Mexico; Indonesia; Ghana

Potter, Walsh, De Varine and Barreiro (1999) at the beginning of the 21st century state that one of the key elements for making LED sustainable is the effective *participation of a wide range of stakeholders* in the process. This implies the involvement of public and other agents such as community organisations, trade unions, development agencies and universities. A widespread sense of local empowerment and ownership by local stakeholders of LED initiatives indeed is important.

Participatory LED was found to be essential - cooperation among different types of local stakeholders, from the public and private sector as well as from the social and cultural realms of the local society, who become the leaders and owners of the development process (Pose & Corona, 2013). Oduro-Ofori (2011) posits that *societal engagements* are resourceful and innovative in the implementation of development programmes, and that such engagements add enormous contribution to human development, filling the gaps between the government, the business sector and the family, and consequently influence local policy implementation.

With reference to the various aspects that need to be considered for successful LED, Amakye and Bandung (2017) concur with Oduro-Ofori and conclude that *community participation* is leading to sustainable LED in **Ghana** where the real beneficiaries of the LED initiatives are involved in the planning, implementation and evaluation of these initiatives. Furthermore, participatory LED was achieved by enabling the cooperation among different types of local stakeholders, thus from the

public and private sector, as well as from the social and cultural realms of the local society, who become the leaders and owners of the development process (also see Pose & Corona, 2013).

Kamara (2017) adds another supportive voice when stating that the potential dynamic driving force behind LED initiatives is partnership formation by *local stakeholders*. It has been argued that local developmental projects driven by local business and local communities have a greater chance to succeed than projects attempted by government alone. Regarding the 'principal objective of collaborative governance' Emerson and Nabatchi (2015) posit that to *build collective capacity* for multi-level or multi-scale stakeholders - thus private, non-governmental and public spheres - through the process of deliberation and principled negotiation, is vital.

In addition to effective stakeholder alignment and management as fundamental factor for successful development of local and township economies, the importance of *information technology* cannot be ignored. In the **United Kingdom** Gibbs and Keith (in 1999) found that the benefits of developing an information communication strategy should include, among others, the provision of a comparative advantage and network interconnection and development of local communities.

As telecommunication markets mature, mobile phone companies in Africa are for instance evolving communication tools into service delivery platforms. These innovations have shifted the development paradigm surrounding information technology and mobile phones from one that simply reduces communication and coordination costs, to one that could transform lives through innovative applications and services. The rapid adoption of mobile phones has generated a great deal of speculation and optimism regarding its effect on economic development especially among the youth (Aker, 2011).

In Sub-Saharan Africa, it has been recognised that the use of mobile phones has improved access to and use of information, thereby reducing search costs, improving coordination among agents, and increasing market efficiency (Aker & Mbiti, 2010). Douglas and Geller (2007) are of the view that *human development* and *skills development* should be seen as critical for successful LED. These authors correctly indicate that a social perspective is incorporated in the policy agenda that aim to protect citizens from social contingencies and poverty. Policy should contribute to improving people's involvement in the formulation of development policies and public services and should assist individuals to satisfy their needs and pursue their aspirations. Government accountability through participatory mechanisms is another fundamental element of the human development approach.

In context of the growing job creation potential of specifically *waste management in LED*, Wulandari, Utomo and Narmaditya (2017) acknowledge the practice of waste banks in **Indonesia**. A waste bank is defined as a social innovation to educate people to sort waste and raise public awareness in the processing of garbage transported to a waste disposal and it enables projects for economic development (see Dhewanto, Lestari, Herliana, Lawiyah, 2016).

Wulandari et al (2017) state that waste bank management models are not only beneficial for a clean environment but also have an impact on the local economy by increasing the income of housewives around the waste bank. A waste bank is seen as an alternative model for waste management to reduce the waste problem and improve the local economy. This management model involves the joint

participation of the community/society in the creation of a better local economy. Pariatamby and Tanaka (2014) also describe the benefits to society of a waste bank, which contributes towards the cleaning of the environment and also earns extra cash for society. A waste bank teaches people to sort waste, raising public awareness of the importance of processing waste wisely to reduce waste going into landfill (Astoria & Heruman, 2015).

The innovation of waste management through *waste banks* at the grassroots level can increase the income of poor people in the city and thereby contribute towards income and economic development (Winarso & Larasati, 2011). Communities in **Ghana** participate by observing a day to clean their cities, towns, and villages because of the emphasis placed on sustainability in the country (Amakye, 2017). The waste regulation in **Indonesia** has mandated the need for a fundamental paradigm shift in waste management from a paradigm of collect-transport-dispose into a paradigm of processing that relies on waste reduction and recycling.

Finally, one of the critical elements at the centre of effective local economic development and township economy development is that of their *development plan*. An economic development plan will include the strategic vision and combine economic goals. Each municipality – and this applies to South Africa – must have a formal plan in accordance with which LED and township economy development initiatives are being promoted and enhanced. The LED Plan (incorporating township economies) should be linked to the Integrated Development Plan (IDP) and the Budget of a municipality but should be action-oriented and not merely be a fruitless planning exercise. Without LED Plans – of which execution must be monitored stringently – progress with economic development and job creation will always be painfully slow.

The LED and skills related lessons from the above-mentioned sources need to be considered when South African municipal LED managers and township entrepreneurs are empowered through ongoing skills and capacity building programmes.

6. Specific lessons for township economies, LED, and skills development – from Rwanda on the African continent

From the research report *State of Economic Development in Rwanda* by United Cities and Local Governments of Africa (2016) the following insights could be derived, presented in summarised format:

Rwanda is at present following a comprehensive approach to the development of local economies (LED). Some of the initiatives that are undertaken include the following: decentralisation of power and impact from national to district levels; empowerment of local government; increased focus and commitment of government to LED; capacity building; job creation focus; public-private partnerships; SMME development; leveraging finance for local LED initiatives; focus on stakeholder cooperation; spatial intervention; project management focus; skills development; increased research; cutting of red tape.

A local enabling perspective for LED in Rwanda is concentrated on the power of local government to make a difference. The Rwandan National Government operates a decentralized system, linking villages to cells to sectors to districts to Central Government, with the provincial level playing a coordinating role. While Local Government has the political power to implement LED activities and foster the local economy, this power unfortunately is limited by two factors: 1) The capacity of Local Government in LED – although capacity building programmes to support planning and skills are ongoing, the District staff structure is new and officers are just learning their new roles. Much capacity building is required to get the staff fully operational before they have the true capacity to foster LED. 2) The degree of central control over District funds - in Rwanda, most taxes are collected at the national level, while rates and fees are collected locally. Funds are then distributed to Districts to implement projects. However, the majority of funds are earmarked for specific activities or activity areas, dispensed through Local Administrative Entities Development Agency (LODA), with a small degree of flexibility within those funds.

Mostly LED activities are and will be controlled through LODA. However, LED provides an opportunity because increased revenue in the local economy will, in turn, increase District revenues and enable Districts to further invest in LED. Projects that qualify as LED projects in the Districts of Rwanda include infrastructure, capacity building, entrepreneurship support, and agricultural interventions. Typical LED interventions at Rwandan District Level thus are: capacity building in entrepreneurship; skills development; infrastructure development - such as agricultural processing and collection centres (horticulture collection centres in Rwamagana and a leather processing unit in Nyamagabe are examples); infrastructure development of markets; public works programmes. Although employing local people in public works is not sustainable LED, it is a common intervention in Rwanda.

These lessons from Rwanda need to be considered when South African municipalities design their *local economic development plans*, and when township entrepreneurs are empowered through ongoing skills and capacity building programmes.

7. Specific lessons for township economies, LED, and Skills Development – from Kenya on the African continent

From the research report on the *State of Economic Development in Kenya* by United Cities and Local Governments of Africa (2016) the following insights have been distilled.

Kenya's LED programmes have been under implementation from a national perspective through successive policy frameworks, development plans and strategies supported by requisite legal frameworks. These policies include Sessional Paper No. 10 of 1965 *on African Socialism and its Application to Planning* anchored on import substitution, focused on infrastructure development for delivery of social services and industry production.

The key interventions towards LED include *rural development, export development, social welfare, expanded basic needs, and investment in support infrastructure, business facilitation and development*. However, the linkages with regional and international frameworks are still weak in

Kenya. *Stakeholder participation* entrenched in the constitution guarantees ownership and better uptake of development initiatives and institutionalised accountability.

The public participation comes in the form of political representation, direct public/citizen involvement, in which representation is achieved through organized groups/associations, and sector memberships across the different socio-economic sectors. These processes enhance political ownership of the development agenda at the local level, transparency, accountability, and efficiency in service delivery.

Devolution creates the framework for localising the LED agenda. The devolved functions provide the basis for LED. These include provision of social services, waste management and environmental conservation, local economic development in agriculture and livestock, fisheries, transport, public works and cultural; and coordination of community/citizen participation and governance.

LED programming is aligned to Vision 2030, in which a number of national *flagship projects* covering infrastructure, tourism, agriculture and a variety of services are located in the counties. These include tourism resort cities in Mombasa (north and south coast, Isiolo), premium parks in Masai Mara, Ruma and Marsabit). These together with the priority investments targeting irrigation, value addition, fertilizer production, livestock development impact directly on LED with direct benefits to the welfare of the local population.

The *flagship projects* with potential benefits at the local level are the support marketing infrastructure and institutions along the value chains and modernisation of financial for better access. Further deliberate efforts have been made to leverage Information Communication and Technology (ICT) in both diversification of activities in Business Process Offshore (BPO) and provision of one-stop-service provision in administration, for example Huduma Centres under the national government and service centres in Counties. Increasingly, ICT platforms are being employed in the delivery of education and management of health services. Their implementation from the national recognizes the complementary activities implemented at the county level.

The majority of the LED activities are located in the rural areas where the county governments are located. However, resource constraints and alignment with national vision 2030 priorities orients a number of interventions to selected areas for either piloting or bridging development imbalances. Some of these select programmes include research activities on climate change, environment management, informal settlement upgrading, innovation and business incubation, entrepreneurship development, utility projects. A further category of interventions projects to redress imbalances are concentrated mainly in the Arid and Semi-Arid Land (ASAL) areas focusing on pastoralists' livelihoods, empowerment, and inclusion.

The experiences and lessons from Kenya need to be weighed when South African municipalities develop their *local economic development plans* and when township entrepreneurs are empowered through ongoing skills and capacity building programmes. Pose and Corona (2013) point out that **Mexican** municipalities engaging in LED during the previous two decades have witnessed significant improvements in human development, relative to those that have overlooked LED strategies. The

authors emphasise that *capacity building* of municipal LED managers have been key towards achieving this significant development.

8. Local economic development (LED) and township economies in South Africa

Over the last 20 years, there has been a range of government support programmes aimed at micro, small and medium enterprises, and co-operatives. These support measures are wide- ranging, combining both financial and non-financial support. In their variety, they aim to address a number of barriers common to all micro, small, and medium enterprises, and cooperatives. These barriers include but not limited to access to capital and financial exclusion, access to operating infrastructure, access to markets, skills development, and monopoly power, to name but a few.

The *National Development Plan (NDP)* – an overarching policy framework pursued by the South African Government – has the aim to eliminate poverty and reduce inequality by 2030. South Africa will only make progress towards realising these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities and skills, enhancing the capacity of the state, and promoting leadership and partnerships throughout society. The NDP proposes a virtuous cycle: attack poverty and exclusion while nurturing economic growth, ‘creating a virtuous cycle of expanding opportunities’, involving communities in their own development, all leading to rising living standards. (National Development Plan, 2012, as revised 2018).

The inextricable link between socio-economic development and the development of skills – closing the skills gap – is a golden thread that runs through the NDP. Hence, not only must the skills be developed of local and township entrepreneurs and business people, but so too must the relevant skills levels of municipal LED leaders, managers and officials be leveraged and elevated. As stressed earlier in this report, the term LED is utilised to include economic development in township and other local areas.

9. The Legislative and policy environment

South Africa’s Constitution confirms that local government has an obligation to facilitate economic development at municipal level. This is clear from section 152(2) of the Constitution, which lists the promotion of social and economic development as a primary objective of local government. The Businesses Act No 71 of 1991 which must be interpreted “through the prism of the Bill of Rights”, also gives local government broad powers to regulate informal trade. In most instances, informal trade in the country is governed by passing municipal by-laws and formulating informal trade policies or plans. In practice, it is the local government’s duty to facilitate and promote (rather than restrict) informal trade.

According to Statistics South Africa (Stats SA)’s April – June 2017 Quarterly Labour Force Survey (QLFS), 2 689 000 South Africans worked in the informal economy. Of these people, approximately 1 101 000 or 41% are in informal trade. Informal trade therefore makes up a significant component of the economy. It is for this reason that the national government has acknowledged that it is important to

ensure that the informal sector, and consequently informal trade, is given room to develop and flourish. The National Development Plan, for example, sees the informal sector creating between 1.2 and 2 million new jobs by 2030.

Informal economy trends in the global system are significant forces that influence how countries manage the informal sector. Municipalities should therefore have a responsive informal Trading Enhancement Strategy. South Africa's Constitution confirms that local government has an obligation to facilitate economic development at municipal level. This is clear from section 152(2) of the Constitution, which lists the promotion of social and economic development as a primary objective of local government. (RSA Constitution, 1996).

The Business Act No. 71 of 1991, which must be interpreted through the prism of the Bill of Rights, also gives local government broad powers to regulate informal trade. In most instances, informal trade in the country is governed by passing municipal by-laws and formulating informal trade policies or plans. In practice, it is the local government's duty to facilitate and promote (rather than restrict) formal and informal trade. (Business Act, 1991)

The regulatory framework for LED has various components, including Integrated Development Planning, spatial development frameworks, land and zoning regulation, public-private partnerships, business enterprise support, by-laws, special purpose vehicles for development, asset disposal, and the linkage strategies.

The key pieces of legislation relevant to LED – and to optimising township economies - which provide a context for LED in South Africa, are:

The Constitution (1996) – which recognises the importance of local government in economic development through the following statement: *A municipality must structure and manage its administration, and 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.*

The White Paper on Local Government (1998) – which introduced the concept of “developmental local government”, defined as: *Local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of their lives.*

The Municipal Systems Act (2000) – which made integrated development planning compulsory, and legislated a number of key LED functions, roles, and responsibilities. The aim of the Act is to *enable municipalities to move progressively towards the social and economic upliftment of local communities.*

The following plans and policies have been relevant in steering Government's approach to LED:

- The *LED Guidelines* (issued in 2000).
- *Refocusing Development on the Poor: LED Policy Paper* (2001).
- The *Draft LED Policy* (2002).
- The *National Spatial Development Perspective* has made a key contribution to the LED policy debate through its assertion that some areas are better suited to business development and growth, while others should simply be allocated for government services and transfers.

- The *Policy Guidelines for Implementing LED* in South Africa (2005).
- The *National Framework for LED in South Africa* (2006), which aims to build a shared understanding of good LED practice and motivate more effective implementation.
- The *Integrated Sustainable Rural Development Strategy* and *Urban Renewal Strategy* of the DPLG.

LED is one of the five key performance areas for local government in the implementation plan of the Strategic Agenda of Government. As a key performance area, LED as an outcome, is strongly interrelated and dependent on the other four Key Performance Areas. These are: Municipal Transformation and Organisational Development, Basic Service Delivery, Municipal Financial Viability and Management, and Good Governance and Public Participation. The framework promotes a strategic approach to the development of local economies – also read township economies - and is a shift away from narrow municipal interests focused only on government inputs into *ad hoc* projects.

In the 2016 *National Framework for LED* issued by the Department of Provincial and Local Government there were ten guiding principles identified for the framework.

For the purposes of the current study the guiding principles are summarised as:

- Through a developmental approach, Government has a decisive and unapologetic role to play in shaping the economic destiny of our country.
- Creating an environment in which the overall economic and social conditions of the locality are *conducive to the creation of employment opportunities* (our italics) is the responsibility of Local Government.
- Local Economic Development is an outcome of actions and interventions resulting from local good governance and the constant improvement and integration of national priorities and programs in local spaces.
- Inward investment from the state or private sector will only be effective where the potential and competitive advantages of each area are known and exploited.
- Promoting robust and inclusive local economies requires *the concerted, coordinated action of all spheres and sectors of government* (our italics) centred on the application and localization of the principles espoused in the National Spatial Development Perspective (NSDP).
- Locally owned appropriate solutions and strategies must emerge to support national frameworks in both rural and urban local spaces and should promote sustainable development and sustainable human settlements.
- South Africa competes in a *global and increasingly integrated world economy* (our italics) whose threats must be minimized and whose opportunities must be exploited.
- *Private companies* (our italics), including social enterprises and cooperatives, form the heart of the economy and have a crucial role to play as partnerships with public and community role players that will ultimately stimulate robust and inclusive local economies.
- People are the single greatest resource and including all citizens in development and increasing their skills leads to increased opportunities for stimulating local economies.
- Local initiative, energy, creativity, assertive leadership, and skills will ultimately unlock the latent potential in local economies and will shape local spaces.

Although there is general agreement on the desired outcomes of LED – reduced poverty levels, higher employment, better equality, etc – there have been (and still are in many instances) considerable differences between what the role of local government should be in achieving these outcomes. In very simple terms, one key policy debate has been between those who believe that LED should provide a direct solution (through job creating projects) and those who believe LED should provide an indirect solution (through the creation of an enabling environment to encourage business development and growth and increased skills demand and supply).

10. Key institutional arrangements and role players for successful LED/township-economy revitalisation

Most aspects of local government fall under the national Department of Provincial and Local Government (DPLG). Municipal finances (including the budgeting for and funding of LED strategies) fall under the auspices of National Treasury. The most important piece of legislation in this latter regard is the Municipal Finance Management Act (MFMA).

The DPLG has a Chief Directorate responsible for LED, and the LED programme is intended to:

‘... maximise the economic potential of all municipal localities throughout the country and, to enhance the resilience of the macro-economic growth through increased local economic growth, employment creation and development initiatives within the context of sustainable development. The “local” in economic development points to the fact that the political jurisdiction at a local level is often the most appropriate place for economic intervention as it carries alongside it the accountability and legitimacy of a democratically elected body.’ (DPLG)

The LED Programme of the DPLG (2017) provides input and support in the following areas: development and review of national policy, strategy and guidelines on LED; direct and hands-on support to provincial and local government; management of the Local Economic Development Fund; management and technical support to Nodal Economic Development Planning; facilitating, coordinating and monitoring of donor programmes, and assisting LED capacity building processes. The main role for national government in LED is described in the Guidelines as that of coordination of public policies and investment programmes.

The role of provincial government is described as having two main parts: Firstly, each province has a coordination role: They are responsible for resources allocated from national to provincial government and for ensuring that these are correlated with the priorities of the various IDPs. The Guidelines indicate that provinces should establish LED fora to carry out the work of the National LED Forum at the provincial level. Secondly, provinces have a role to play in building the capacity of municipalities to undertake LED and in supporting them in its implementation.

According to the Guidelines, dedicated LED units should be set up in all provincial governments, district, and metropolitan municipalities and, where possible, in local municipalities. The Guidelines indicate that district municipalities and metros should play a “leading role” in LED. Finally, the Guidelines emphasise the importance of including a range of local stakeholders into “LED networks”.

In addition to the various spheres of government, the Sector Education Training Authorities (SETAs) and SEDA (Small Enterprise Development Agency) all have a potential role to play in supporting LED initiatives. The Local Economic Development Agency (LEDA) is a relative newcomer to LED in South Africa. There are currently more than thirty LEDAs across South Africa, operating at the District and Local Municipality level. However, they have had very different levels of success, and there is not always agreement among the various LED role players as to exactly how these agencies should operate and how their mandate should differ from and be integrated with the LED responsibilities of the local authorities. Certainly agencies can provide a more focused forum for building strategic partnerships with the private sector; have a more “logical” spatial component to their strategies since they are not bound to a local area; and are generally in a better position to leverage LED funding than individual local authorities.

Experience has shown that LEDAs work if there is a clear strategy in place, strong leadership, political and private support and driven and highly competent experts. The positioning of the LEDA at district, rather than local level also appears to be a factor in leveraging more effective and practical spatial development strategies. There are certain foreign donor organisations in South Africa that have a specific focus on LED issues. The most important country in this regard is Germany, whose main focal sectors are local government and good governance. The EU itself has focused LED support on KwaZulu-Natal, the Eastern Cape and Limpopo. All three of these programmes have a strong focus on increasing the capacity required for more effective LED.

11. The SALGA position on local government engagement with the informal economy (including LED and the township Economy)

It is important to understand the view of the South African Local Government Association (SALGA) in regard to the township economy and LED. The following have been noted by SALGA: The informal economy employs roughly one third of South Africa’s workforce; the informal sector contributes 5.9% of GDP; the informal economy and sector are a disproportionate source of employment for women; the informal sector contributes to poverty reduction; informal work is prevalent across the country and that is most prevalent in urban informal settlements, townships but also rural and tribal areas; several functions of local government have direct impact on how well or badly the informal economy performs; local government has mandates to govern, plan for, provide services to, protect the rights of but also regulate the impacts of the activities of informal workers and economic units; the informal economy is work; The informal economy is a crucial component of the local economy in South African cities, towns and rural areas; Informal economic activity creates jobs and opportunities, especially for vulnerable populations; Local government have an important role in enabling the informal economy; Local government must provide a conducive environment for the informal economy through the way in which it governs, plans, regulates, invests in infrastructure and urban space, supports SMMEs and furthers social inclusion.

SALGA resolved that: Each municipality must align its own structures, plans, budgets and programming to achieve the benefits of inclusive economic development; each municipality must proactively create the conditions conducive to the productivity of informal work so that the sector can grow the quality and quantity of jobs it generates and can contribute to sustainable economic development and improving quality of life; each municipality must provide the space and opportunity for informal business to thrive and grow.

SALGA committed to the following general approaches to enable the informal economy:

- An economically informed approach that mainstreams the informal economy within an inclusive economy.
- A participatory approach.
- A Constitutionally aligned and rights-based regulatory approach.
- A strategic and area-based approach to planning and infrastructure development.
- An approach that supports the growth and productivity of the informal economy.
- A knowledge based and knowledge sharing approach.

SALGA accepted these five strategic pillars (and priorities) as foundation to unlock informal, township and local economies:

i) Regulation

A conducive environment needs to be created where policies developed support and properly regulate the informal economy. Access of informal workers to markets must be enhanced. Policies and bylaws must be developed in communication with informal workers and other stakeholders. There needs to be monitoring and evaluation. Legislation must be reviewed and synchronised. Databases of informal workers at the local level could be created. Training on policies and bylaws, and on how functions should work on the ground in order to support and enable the informal economy, must be provided.

ii) Infrastructure and land

Sourcing of finances and other resources to build appropriate infrastructure in well located land is necessary. There needs to be training of officials and informal workers in terms of taking responsibility for projects. Public private partnerships should be at the centre of development.

Municipal LED managers have an important catalytic role to play in unlocking these economic and skills development priorities.

iii) SMMEs, business support and development

The registration of informal workers should be simplified, red tape should be reduced significantly. Skills development of sector agents and officials (mentoring and coaching of officials) is required. There is a need for training on issues that matter such as waste management, safety and security on the street, environmental health, financial management (including record keeping in order to encourage growth-oriented businesses).

Support to SMMEs and entrepreneurs in townships and local economies can be facilitated and enhanced by interventions of municipal LED managers.

iv) Organisation, representation, and social inclusion

Encourage self-regulation and management of storage facilities. Encourage trader organisations to work closely with law enforcement officers during operations to witness what is happening on site and help assist curb the issue of bribes. Encourage traders to appoint leaders who will engage with local government on their behalf. There is need for social dialogue between various stakeholders including local government and informal workers.

v) Innovations

Trading stalls can be built, through accessing the infrastructure grant which has been allocated for these trading stalls. Container parks are popular. Municipalities can supply sewing machines for textile workers and build capacity through accessing SEDA funds.

From the above foundations it is clear that the regulatory environment, SMME and skills development, and issues related to infrastructure and land already have been identified as key aspects that must be dealt with effectively in order to stimulate informal, local and township economies. Skills development of SMMEs and municipal LED managers/officials is a vital component in developing township economies and creation of dearly needed jobs.

12. The ‘Three lenses approach’ to developing township, local and informal Economies

This toolkit - prepared by the Human Sciences Research Council (HSRC) and the Western Cape Economic Development Partnership (2019) for the provincial and city governments of Cape Town - consists of ‘three lenses’ that have been used to redefine the township economies agenda. These lenses are capable enterprise, productive placemaking, and resilient social fabric. Each lens has an important contribution to a particular township’s economic vibrancy.

Lens 1 – Capable enterprises

Principles: The capable enterprise tools give the details on the aspects needed to increase the capabilities and the resilience of township businesses. The sub-components are resilient entrepreneurship, enabling regulatory environment, sectoral approaches, value chains and improved procurement models.

Lens 2 – Productive place-making

Principles: Improved access to ICT connectivity in township stimulate economic development. Community safety needs present opportunities for urban managers – many more private security companies are looking for opportunities to step forward as service providers. Tools measuring ‘productive placemaking’ helps us understand how streets, public spaces and residential areas play an important role in creating environments conducive for businesses to flourish.

Lens 3 – Resilient social fabric

Principles: Social fabric tools give a background on recognising and enhancing the social assets that already exist in the townships, which are important factors in either constraining or enabling economic

progress. The resilient social fabric tools consist of social order, community organisation, participatory governance, and social economy.

In addition to the above dimensions, there are cross-cutting interventions required for the whole of society that would not be contained in any local township development strategy. These primarily relate to regulatory changes and red tape reduction to grow the economy and improve the ease of starting and running businesses; *skills development* aimed at increasing the ability of young people to access income earning opportunities inside or outside of their residential neighbourhood; as well as spatial and mobility programmes to increase proximity and/or access to existing jobs nodes. Where relevant, reference is made to connections to these efforts. The toolkit, however, focuses on methods for tailored local development strategies as opposed to cross-cutting economic intervention.

13. Skills development and training to enhance township and local economies

Skills development can play a major role in the development of township and local economies. On the one hand SMME's and entrepreneurs do not only need access to financing to grow their business, but also access to training and mentoring opportunities. LED managers and officials can play a ground-breaking role – in consultation with other stakeholders - in making available relevant training opportunities to local business people and entrepreneurs. On the other hand, municipal LED managers need to be empowered and trained too – to make them aware of the types of interventions that they could introduce, and to ensure that they plan and execute such interventions successfully.

Municipalities also should ensure that the rights of informal traders are promoted by providing adequate training. Municipalities should develop and make available comprehensive skills development programmes for informal traders. Municipalities should ensure that the local government officials who are responsible for implementing the municipal by-laws governing informal trade have the necessary resources, capacity, and awareness of the legal and regulatory framework governing informal trade in South Africa. This means that local government officials should be trained to understand that their role is to promote rather than restrict and control informal trade.

The Department of Small Business Development (the Department) has developed various programmes to provide enterprise development support in the form of skills development to informal businesses. For example, the Informal and Micro Enterprise Support Programme (IMESP) provides funding for skills development support in the form of technical support (including marketing, product improvement and regulatory compliance support), organisational support, or management and governance training through a grant of up to R60 000.

14. District coordination model to improve impact of South African Government service delivery and development

As in Rwanda, the South African Government has also issued instructions and in 2019 introduced the *District Coordination Model* to improve the coherence and impact of government service delivery and development.

The proposed *New District Level Model* builds on the White Paper on Local Government (1998), which locates the role of local government as critical in *rebuilding local communities and environments, as the basis for a democratic, integrated, prosperous and truly non-racial society*. The model is a practical Intergovernmental Relations (IGR) mechanism for all three spheres of government to work jointly and to plan and act in unison. The model consists of a process by which joint and collaborative planning is undertaken at local, district and metropolitan spheres together by all three spheres of government resulting in a single strategically focussed Joined-Up plan (One Plan) for each of the 44 districts and 8 metropolitan geographic spaces in the country.

The planning process is to be technically facilitated and supported in a more rigorous way at local level through reconfigured capacities. The resultant *One Plan* for each space will be approved and adopted by all three spheres of government on the basis of consultative processes within government and with communities and stakeholders. The One Plan will consist of the objectives, outputs, roles and responsibilities, and commitments in terms of which all spheres and departments as well as partners will have to act and against which they will be held accountable for prioritising resources and delivering results. (District Policy Concept Note, 2019).



Figure 2: The One Plan District Policy Concept Note, 2019

The proposed district level model seeks to utilise the existing legal framework and implementation machinery, which includes the Intergovernmental Relations (IGR) Framework Act which provides for the Minister (and department) responsible for cooperative governance to provide *a framework for coordinating and aligning development priorities and objectives between the three spheres of government* as well as the development of *indicators for monitoring and evaluating* the implementation of the framework. Thus the model utilises and enhances these frameworks and the existing implementation machinery by facilitating for joint planning, implementation as well as monitoring and evaluation, between and amongst all spheres of governance wherein the term district is seen to refer to locality rather than the District Municipality.

The District Municipality forms an important part of the planning, delivery as well as *Monitoring and Evaluation architecture*. The model is firmly based on analysis of previous and current initiatives to improve developmental Local Government and IGR wherein developmental change is shaped and owned at a local level in partnership with communities, citizens, and social actors. The successful functioning of Local Government is critical in this regard but insufficient on its own without more cohesive governance and overall government coordination and functioning. The model is aimed at enhancing institutional powers and functions which includes the ability to work in a cooperative manner so that there is greater cohesion and positive impact. (District Policy Concept Note, 2019)

15. Two case studies in relation to LED and skills Development in South Africa

These two cases practically demonstrate some of the programmes and challenges in relation to LED and skills development in South Africa.

15.1 Road building from plastic – Jeffreys Bay, Eastern Cape

Rogers (2019) reported on – in context of LED and waste management - South Africa's first plastic road that was completed in Jeffreys Bay in October 2019, pointing to exciting possibilities for job creation, waste and pollution reduction and cost-saving. The 300m pilot stretch of Woltemade Street in the heart of the Eastern Cape town began in March 2019 after the mayor agreed to the project and Scottish manufacturer Macrebur and Port Elizabeth-based companies SP Excel and Scribante came on board.

Eastern Cape legislature member Mrs Knoetze, who initiated the project, indicated that the idea is to look at building roads in a different way and this is the first step. It 'presents a triple win' for the province. It could create thousands of employment opportunities, it could make significant strides in preventing waste plastic from entering the ocean and threatening marine life, and it could address the R100bn roads backlog in the Eastern Cape in a cost-effective manner.



Figure 3: Road building from plastic – Jeffreys Bay, Eastern Cape

The pilot plastic road project in Jeffreys Bay. The aim now is to extend the road through Coraal Street and then to encourage other municipalities to roll out the road-building technique.

The plastic road-building technique was already being used in The Netherlands, Canada, Australia, and Scotland. A normal tar road in the Eastern Cape cost about R10m per kilometre to build and the estimate for Woltemade-Koraal streets once the full 3km stretch of plastic road was complete was that it would cost R1.5m per kilometre.

This was a pilot project, so the municipality had to import the shredded and treated plastic from Scotland but if we local demand for the project, local communities can collect, sort, package and manufacture the base resource in South Africa, creating many jobs and reducing the price still further. For every kilometre of eco-friendly plastic road, 1.5 tons of waste plastic - the equivalent of 1.8 million plastic bags - would be used. That means for the 300m pilot about 500,000 plastic bags were used. The treatment of the shredded plastic is important to ensure that it does not at some point start leaching out and contaminate the soil. The idea is to prevent further harm to the environment by creating a completely circular economy.

While normal tar roads comprised gravel and bitumen, the plastic road method saw a percentage of the top layer of bitumen replaced with the plastic. The expense of road building with bitumen results from it being a by-product of crude oil. Prices fluctuate, which is problematic for planning, and the production of bitumen generates greenhouse gases which drive climate change.

After the completion of phase two of the project, the focus would shift towards convincing other municipalities and provinces to make use of the technology, which could then lead to a local plant to process the waste plastic. Governments from all over the world, contractors, engineers, and the public have been invited to visit the first eco-friendly road in South Africa, in Jeffrey's Bay. Besides the benefit of countering plastic pollution, the plastic road will be more durable and resistant to potholes. The

economic and employment spin-offs for communities if they get a plastic pellet production plant to open, are substantial.

15.2 Empowering participants of Extended Public Works Programme (EPWP)

In October 2018, Buffalo City Metro Municipality (East London) officially launched the Expanded Public Works Programme (EPWP) incentive grants projects in Mzamomhle Community Hall. This was part of the lessons learned by the Metro to realise the importance of formalising the EPWP coordinating structure implementing the EPWP.

The programme aimed at providing an important avenue for labour absorption and income transfers to poor household in the short to medium-term as a social protection mechanism.

Buffalo City Metropolitan Municipality submitted six new EPWP projects for the Incentive Grant Agreement at the beginning of the financial year 2017/2018 for a total budget of R4 952 000 to incentivise BCMM projects that implement the EPWP, and about 170 people would benefit from the projects.

The projects were as follows:

- 1) Waste minimization, recycling awareness and Waste Separation Program
- 2) Pirie Mission Food Security Programme.
- 3) Coastal Protection Programme.
- 4) KWT Cleaning and beautification.
- 5) Duncan Village Revitalising Programme; and
- 6) EWPW Coordination, administration, and data capturing.

Research on the impact of EPWP projects on the skills levels and future employability of participants is seen as urgent – overdue - in light of the large role these programmes are seen to be fulfilling in skills development, LED, township development, regional development and provincial development. Furthermore, it has been widely acknowledged that, even though the EPWP programme of the RSA government is a laudable initiative, there is a serious problem related to the types of (or lack of) skills imparted to participants. Standing along a road in the scorching sun, waving a red flag the entire day to warn motorists of road works, is a tough job – especially if after three or six months you walk away with no additional practical skills. Scientific research into the skills component of this programme is sorely needed.

16. Identification of gaps in existing scientific knowledge that hinder growth of township Economies

Through the literature review it was established that there is a casual link between township economies, local economic development, skills development, and human resource development. No progress will be made towards development goals for developing countries without enhancement of local economic development (LED) knowledge and skills in local economies and within district/local government.

International perspectives and lessons from abroad have demonstrated how aspects such as LED capacity building within municipalities, facilitation of economic development by districts and municipalities, and skills programmes for entrepreneurs and SMMEs need to be understood by public sector leaders, law makers and policy makers. Examples of innovative programmes and projects abound - turning waste management into economic opportunity; turning additional security services in communities into economic opportunity; turning property management and development into opportunity; turning infrastructure development into opportunity.

The strong support for LED and skills development by the South African Local Government Association (SALGA) bodes well for the future of township economies, provided each local authority play their role in a competent and ethical manner. Township economies should be viewed as incubators of capable enterprise, productive placemaking, and resilient social fabric.

In the South African context, this literature review – which included reference to regulatory regimes and institutional stakeholders – clearly identified a gap in existing scientific knowledge related to the skills needs of municipal LED managers, the skills needed by township entrepreneurs, and the capacity of municipalities to design and execute LED and skills plans that will propel township economies forward, faster.

As a major step forward to address municipal needs in relation to LED and development of township economies, a comprehensive research intervention was undertaken and explained in the next section.

Section II: Research Findings

In this section of the report the research findings from the two surveys that constituted the empirical part of this report is presented. The section starts with presenting the research objectives and respective methodologies, followed by the research findings.

1. Research objectives

The primary objective of this study was to understand the lived experience of township entrepreneurs in order to divulge needs and subsequent interventions towards propelling the township economy. Defined in this manner the research objective, however, ignored the fact that the propelling of any local economy, be it in the township or central business centre, depends on an effective and functional relationship between the business sector and the local municipality. In turn the functionality of this relationship is greatly depended on how Local Economic Development (LED) officials understand and comprehend their role and functions in supporting particularly township economies but by implication also the larger local economy.

In light of this perspective the research team felt compelled to go beyond the initial brief and defined research objective to also include a focus on the role and impact of the local municipality in supporting both the township and local economy. Subsequently the research objective to the research study was twofold:

- (i) To examine the potential of unlocking township economies and local economies towards addressing the challenging local socio-economic conditions faced by most South African municipalities and,
- (ii) To identify the skills gap in both township areas and within municipalities that need urgent intervention to facilitate the propelling of the township and local economies.

Given the extended research objective the target groups for the research study was further extended to include both township entrepreneurs and LED officers employed at the local municipalities.

To understand the lived experience of township entrepreneurs in terms of government services and their particular needs. Both studies employed quantitative methodologies in its research design. For both studies structured survey questionnaires were developed as research tools. In what is to follow the research methodologies and findings are presented for the two respective studies, that is the survey among (i) township entrepreneurs titled *A thousand voices* and (ii) among LED officials at local municipal level.

2. A Thousand Voices

2.1 Research objectives and methodology

The objectives of this survey among township entrepreneurs had three objectives; (i) to understand why these individuals entered the township economy as entrepreneurs, (ii) to measure the satisfaction of these entrepreneurs with the support they receive from the local municipality and, (iii) to measure then need and nature of skills development amongst these entrepreneurs.

A structured survey questionnaire capturing both closed and open questions was designed and administered through an electronic data collection programme called SenseMaker®, a narrative collection and signification framework. Through a combination of narrative sharing and self-signification by respondents, the process produces a blend of qualitative and quantitative data well suited to the analysis of complex social phenomenon (Lynam & Fletcher 2015). The approach is founded on the assumption that individuals and societies make sense of the world through the assemblage of fragmented narratives and that in probing for narratives around a given topic, valuable insights can be gained into underlying values and attitudes (Deprez et. al. 2012; Kurtz 2014).

The power of the SenseMaker lies in its application as a narrative pattern-detection software system capable of making sense of individual narratives on scales which elucidate values and attitudes at a societal level (Deprez et al. 2012). In our case, using individual youth perceptions toward work in the informal economy to create a picture of the social values and skills gaps common to workers in this sector.

Informal economy entrepreneurs were asked to share a short personal story. This story was to describe either a positive moment that took their business forward, or a negative experience that held their business back. Each respondent was then asked to self-signify their story based on a set of three triads (triad questions provide a way to explore how relevant three concepts are in relation to the story shared and in relation to each other), six dyads (dyad questions consist of two responses that are placed at opposite ends of a spectrum) and six multiple-choice questions. This self-signification provided a more objective means through which trends in the narratives could be classified by providing a plausible alternative to researchers coding narratives retrospectively (Lynam & Fletcher 2015). Three demographic questions were also included. Data was processed using SenseMaker Analyst®.

2.2 Target population, sampling, and data collection

A target population of traders of all ages was selected from eight local municipalities from five provinces, representing both rural and urban areas. As per the directive of the client both coastal and inland provinces were to be included in the study. Local municipalities within the selected provinces were then selected in consultation with the client. The provinces and municipalities included in the survey are presented in Table 2 below. Also see the figure 2 for a map of the research sites.

Table 2: Distribution of interviews as per province and municipality

Province	Municipality	Number of interviews
Western Cape	Witzenberg	129
	Drakenstein	162
	Swartland	111
	Overberg	168
Northern Cape	Magareng	191
	Dikgatlong	101
Free State	Mangaung	252
Limpopo	Magalakwena	77
Total		1191

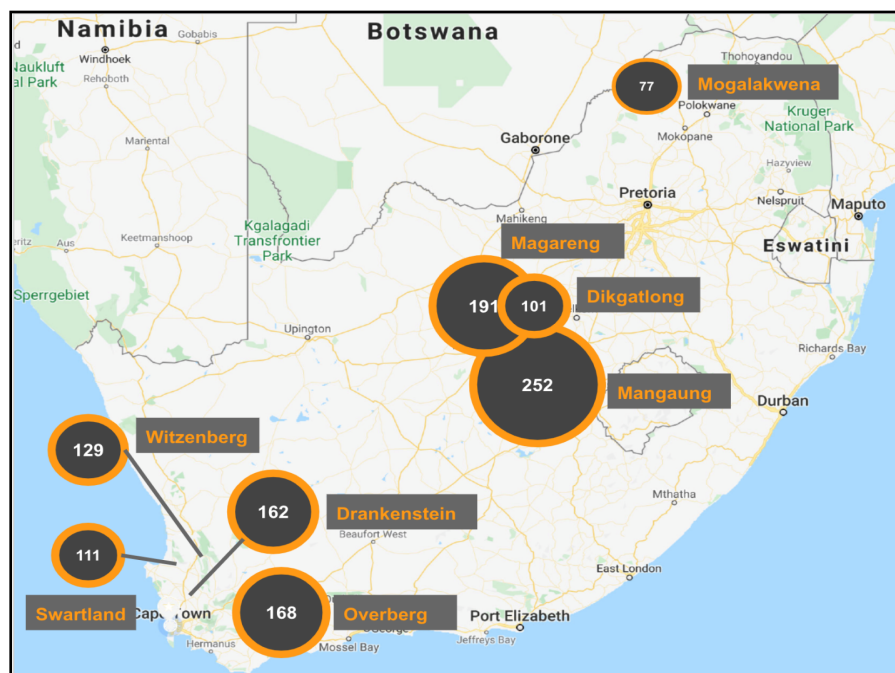


Figure 4: Map of research locations

Respondents were randomly selected by means of a non-probability, convenience sampling method. The majority of interviews were conducted at home or in places of learning.

Data was collected by 25 fieldworkers in a 17-day period between 24 February to 12 March 2020. As a data reliability measure, local fieldworkers residing in the respective municipal areas were employed to provide first-language support to respondents.

In total 1 191 informal business owners completed the survey. Data was collected in an electronic format, SenseMaker Collector®, on either tablets or smartphones.

2.3 Research findings

Of the 1 192 township entrepreneurs interviewed 54% were male and 45% were female. The majority (36%) were Afrikaans speaking, 29% indicated English as their home language and 13% indicated isiXhosa as their native tongue (Figure 5). Pertaining to the type of business these entrepreneurs are involved in, just more than half (51%) have a business within the services sector with 29% that run businesses within the retail sector (Figure 6). Measuring how long these entrepreneurs have been involved in the township economy the data shows the majority (65%) to have been involved in this economy for ten years or less. Just more than half of this group (34%) were found as fairly new entrants to the township economy indicating their involvement to range between one to four years (Figure 7)

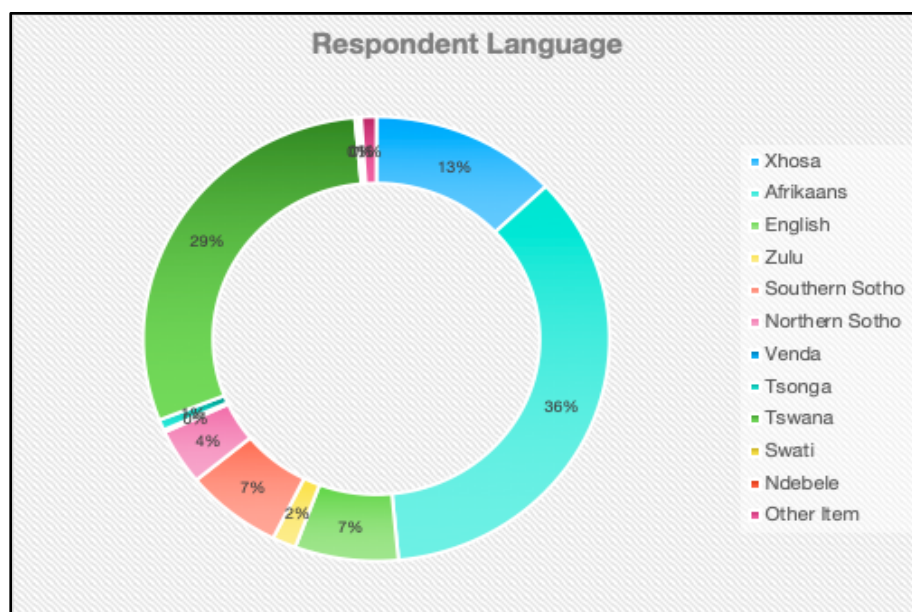


Figure 5: Respondent language

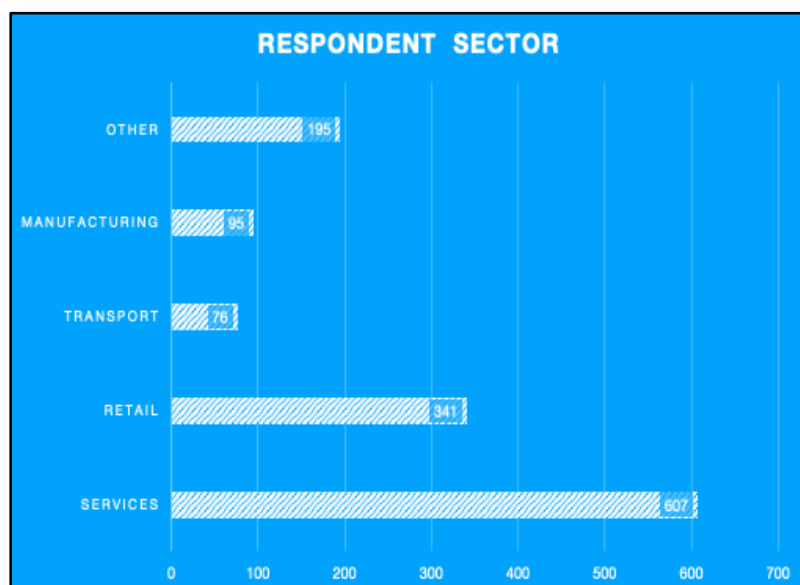


Figure 6: Economic sector

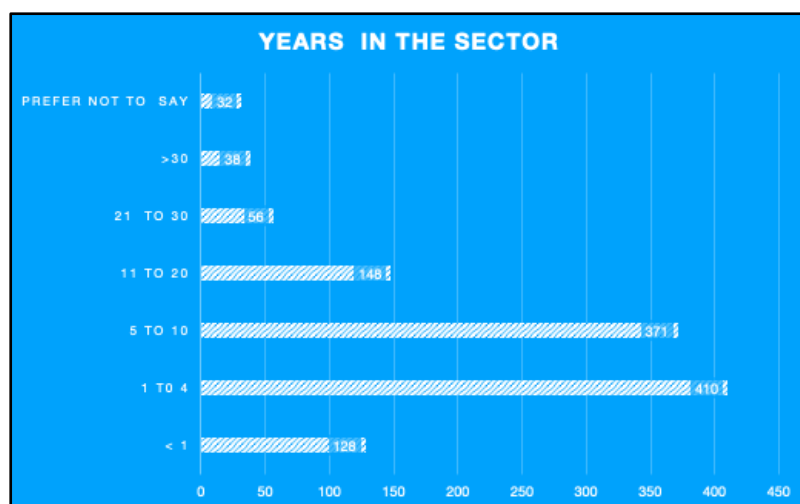


Figure 7: Years in the sector

2.3.1 Motivation for entering township economy as an entrepreneur

Testing what lead to the individual entering the township economy as an entrepreneur the triad shown in figure 7, show the largest portion (44%) of participants did so to make a good living. Fourteen percent indicated that they did so in order to help their community. For twenty percent of respondents the motivation to join the township economy encapsulated both the desire to make better living and to serve their community.

Respondents were asked to motivate their response in the triad by first providing a title for their response/story followed by either a positive or negative experience associated with their business.

Here follow some responses as per rating in the triad.

Titles and stories for response: Make a good living

Title: *More growth more money.*

Story: *I am currently in Herbalife business and I'm making a good profit when people see that the product is working they also join, the more my team grows the more I get paid and the bonus I received last year December made me not to stop but to do more.*

Title: *Most reliable Welding workshop.*

Story: *I started my welding company due to the fact that I have always envied my father as a child while he was welding randomly and I would go with him while doing piece jobs, I then grew into his footsteps till I opened my successful Welding workshop.*

Titles and stories for response: Middle way

Title: *Koeksisters are served with exception at Aunty Maggie's bakery*

Story: *Koeksisters have transformed my life economically. I can proudly say that I am can take care of my family and give back to the community by giving some cakes to street kids.*

Title: *Rastafari Leather stall*

Story: *I am a Rastafari; I am making handbags with leather. It keeps me busy and I also have a herbs stall to keep people happy from there health it is so important to look out for them.*

Titles and stories for response: Help community:

Title: *Talking about is much better than being infected*

Story: *After I was infected with HIV, I started life coaching career, of sharing my experience of being HIV and encouraging the youth to be at all times save and each seminar or workshop in Dikgatlong I get invitations and if I do agree to go I get to submit my invoice after each session.*

Title: *Disappointed business owner with no hard feelings*

Story: *I started my business to help community and offered my products on credit but not everyone came back to pay their debts, and this resulted in people owing me upwards of 10000. I continued doing my business and left the debts unsettled.*



Figure 8: Motivation to join township economy as an entrepreneur

In a further question exploring their reason for turning entrepreneur in the township economy 25% of participants indicated that they entered this economy as a means of survival in economically tough times. Interestingly 22% indicated that they entered this informal economy as they perceive it as a steppingstone to a better life (Figure 8).

Some of the titles and stories that accompanied the different scenarios are presented below.

Titles and stories for response: Means of survival story

Title: *Tough economy*

Story: *With the tough economy we are failing to secure jobs and when I started this business it was to try by all means to have something to survive by at the end of the day.*

Title: *Tertiary education does not guarantee employment.*

Story: *I opened an IT company simply because I was unemployed for two years after graduating from a TVET College, so I had no other option but to open an IT company.*

Title: *How informal businesses helps people in need for means of survival.*

Story: *Is the moment where I was able to help the community and take care of my family through the benefits, I personally ascertain from my business establishment.*

Titles and stories for response: Steppingstone story

Title: *You can be your own boss if you believe*

Story: *Because she is generating her own profit and also applying her own management skill. She is also happy because the competition is not so high, and she managed getting high income in a month*

Title: *The Hardships makes you grow stronger*

Story: *I started off with less to simply having a better live. My parents wanted me to stand on my own two feet, that is why I go through life on the harder way. It is so sad to start on my own with not much support, but through some customers which bring loads of joy & happiness, there is enough reason for me to go forward and growing stronger.*

Titles and stories for response: Exciting career path story

Title: *A picture is more than 1000 words with Amos*

Story: *I opened a photo shooting company because of the passion I personally have in capturing photogenic moments in other people's lives, it brings joy to me.*

Title: *Best alterations in Malmesbury.*

Story: *I love making dresses from an early age. I love what I am doing. I love you see people smile when they get their dresses. People starting to like my work*

Title: *Keep on chasing your goals and dreams.*

Story: *My only goal was to be a successful woman which I am today. Since a young age i had this great talent of doing drawings and sketches which normally others could not do. I took my studies further and became a fashion designer where I have my own business close to town. I am truly blessed that I could have achieved my goal and followed my dreams.*

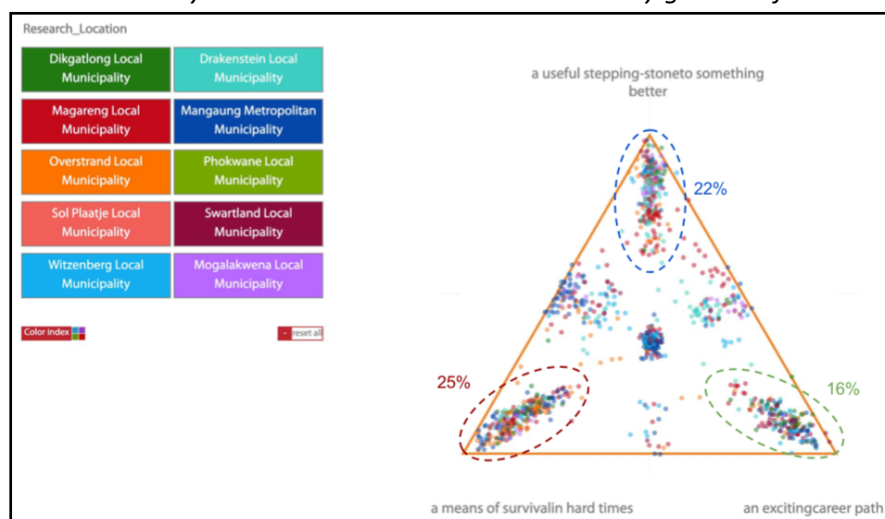


Figure 9: Regard work in the informal economy as

2.3.2 Experience and satisfaction with support from local municipalities

Asked how they experience support from their respective local municipalities the greater majority (61%) respondent in describing their respective local municipality as absent, providing limited to no support. An exceedingly small percentage (14%) however, indicated that their local municipal has been supportive in their entrepreneurial endeavors (Figure 10).

Some of the titles and stories that accompanied the different scenarios are presented below.

Titles and stories for response: Absent

Title: *Being ignored by municipality*

Story: *Because before I have started my business the municipality asked me for building plan so if I want to start my business and the plan is so expensive and I am not working I depend on my business.*

Title: *Business need more space and equipment to expand*

Story: *I'M selling Homemade scones and Banana bread my business is not running well because I need support from SEDA to improve my business I need place and more equipment.*

Title: *Feel sexy and flaunt your hair by me*

Story: *I have my own hair and nails salon. it is not popular yet. i need financing in getting a place. would love for help from the government.*

Title: *As people we need to support each other to inform positive outcomes of initiatives we are taking*

Story: *I am tailor and designer; I am thankful for the support and courage I received from my family and the society one supporting my initiative.*

Titles and stories for response: Supportive

Title: *Business exposure*

Story: *The support I received from municipality made my business grow, the market, the training and linkage with other stakeholders was the best for my business, in this career you need to set your goal on order to succeed.*

Title: *LED supporting small businesses*

Story: *As a business owner I saw that I needed more knowledge about the business and funding to expand my business, I went to municipality at Led office I was linked with SEDA for a business training and Grootbos foundation for funding they bought all the stuff that I need and I won't pay them back .my business is going very well and still standing strong.*

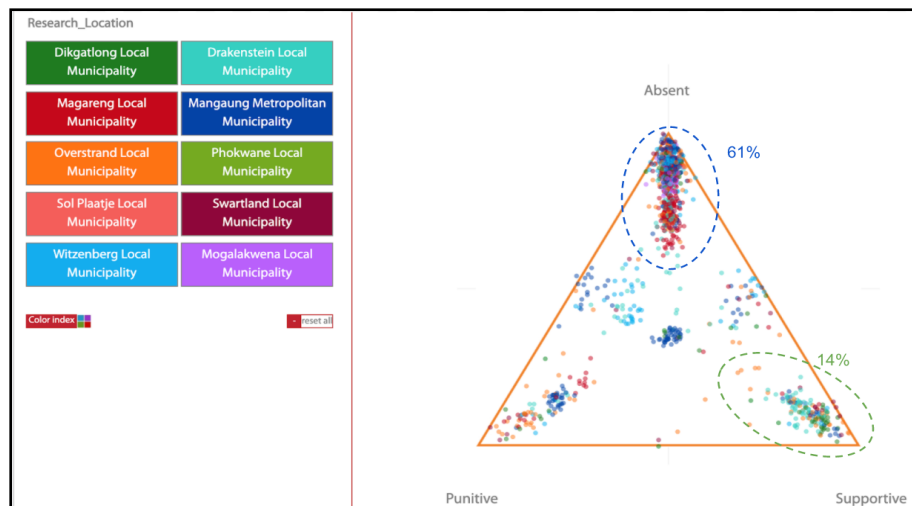


Figure 10: Experience of municipal support

Given the above response rates conveying the low levels of local government support towards township entrepreneurs, the expressed need for greater financial support is not unexpected. In asked to indicate how they experience financial support from their respective local municipalities, 78% of the respondents indicated to need more financial support. Only 14% of respondents indicated that they are satisfied with the financial support they received (Figure 11)

The following titles and stories provide some context to the responses received to this question.

Titles and stories for response: More Support

Title: *December left everyone with no money*

Story: *In January month I needed money, but everyone was breaking the business did not go well I did not have money to stock and customers were complaining, and others left me, it was terrible.*

Titles and stories for response: Happy Story:

Title: *Zoey's accommodation reaches new heights*

Story: *I received financial aid from Cape Wine lands district municipality, annual seed funding in 2010. To grow my accommodation business.*

Title: *I am proud of myself they say hard work pays off.*

Story: *I started my catering at home, and I am still busy at home with my catering. Cape Winelands also gave me money and I was doing i entrepreneur course at Cape Winelands.*

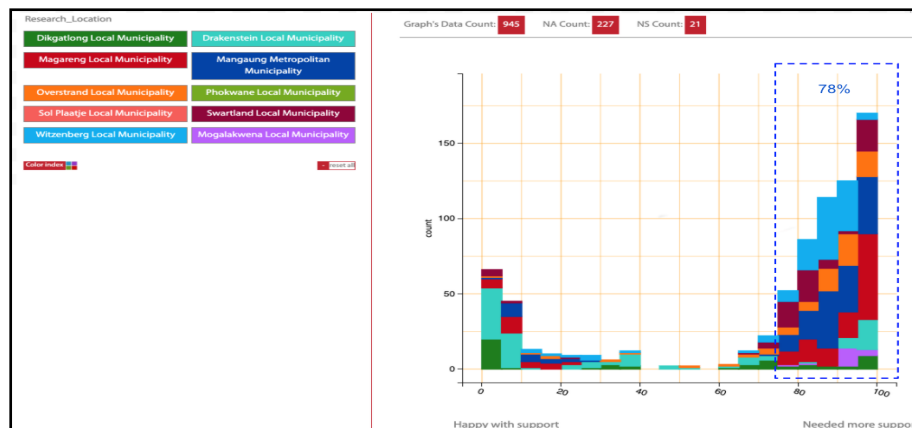


Figure 11: Level of satisfaction with financial support

Another aspect where a large portion of township entrepreneurs indicated a need for more support pertains to the provision of infrastructure and trading spaces to support their business ventures. Sixty seven percent of respondents indicated to need support with these aspects (Figure 12). The providing and formalization of trading spaces together with the required infrastructure are key aspects in allowing and supporting these entrepreneurs to better their trade and grow their businesses. The impact of both a lack of as well as receiving such support, is clearly described in the following two titles and stories.

Titles and stories for response: Need more support

Title *Chased (from) where she was operating*

Story: *I have been doing dreadlocks for about 2 years on the stall and have been renting from someone else, only to find out that person is not renting at municipality, now I have to go out and find another place and it's not easy to get an accessible place like that one and it was easy for my clients to get me*

Titles and stories for response: Happy with support

Title *From two chickens to 100 plus chicken*

Story: *I started selling chickens at home to local retailers until their demand got big, that is when applied for land from the municipality which I got last year as till now. Ever since I got land my business elevated, currently I am making close to R100 000 per annum.*

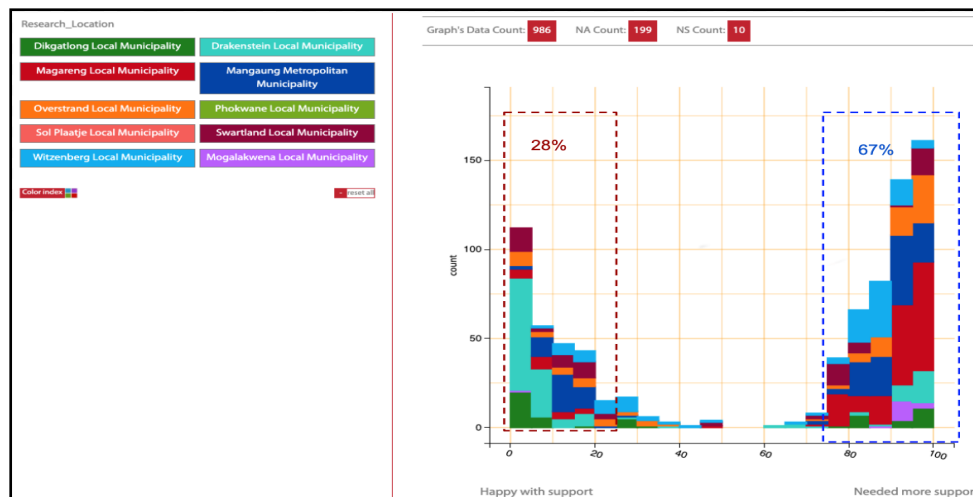


Figure 12: Level of satisfaction with infrastructure and trading spaces support

An environment that presents a safe and secure context in which to trade is an essential requirement for business security and growth. Asked about the level of support they receive from local authorities in ensuring and addressing this facet of their business venture, 58% of respondents indicated a lack of support (Figure 13). A safe and secure environment is not only an important feature in supporting business growth and work satisfaction but is often the one aspect that stands between life and death for these entrepreneurs as is evident from the following titles and stories.

Titles and stories for response: Need more support

Title: *There is a need for law enforcement agencies to protect street vendors from criminal activities as it a boost for local economy.*

Story: *I was robbed for several time, people break into my business even though I tried to safeguard my informal structure, there was not support from law enforcement agencies with the community to protect informal business infrastructure.*

Title: *Attacked because of a gift*

Story: *The old man sells muthi and other traditional medicine in downtown near other markets. He was attacked last year by people saying that he is a witch operating downtown.*

Titles and stories for response: Happy with support

Title: *Enjoy producing and serving others.*

Story: *I Started with my business few years ago. It is actually a partnership business between me and my wife. We enjoy it, we come from Ceres to be here in Wellington. It is our happy place to be in such a safe environment and seeing happy and regular customers. Is surely can tell that we really enjoy what we are doing.*

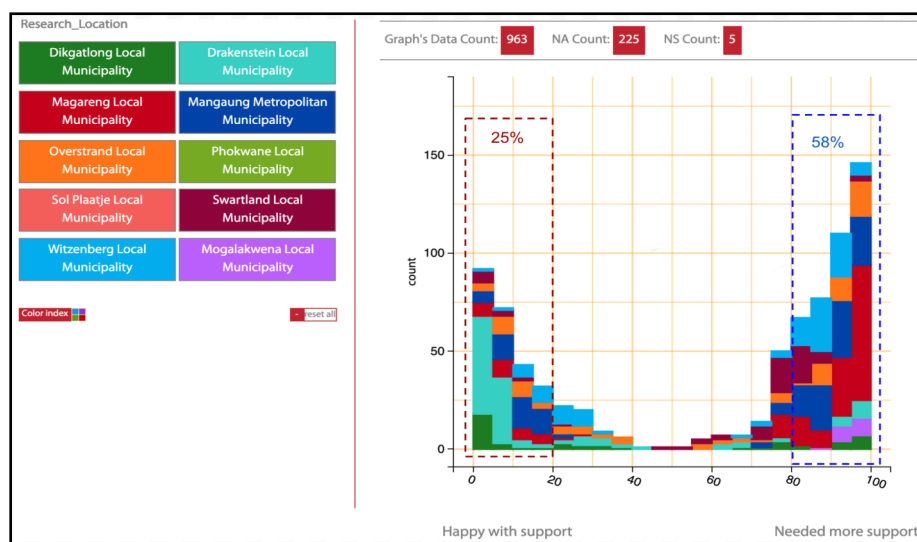


Figure 13: Level of satisfaction with safety and security

An aspect introduced by township entrepreneurs during the consultation phase of the research project, is the need for the facilitation of linkages/partnerships opportunities with businesses in the formal sector. Testing the need for the creation of such linkages, 64% of the respondents indicated that they require such support (Figure 14). Furthermore, there is the expectation that such facilitation should be done by the respective local municipalities under the auspices of its local economic development mandate.

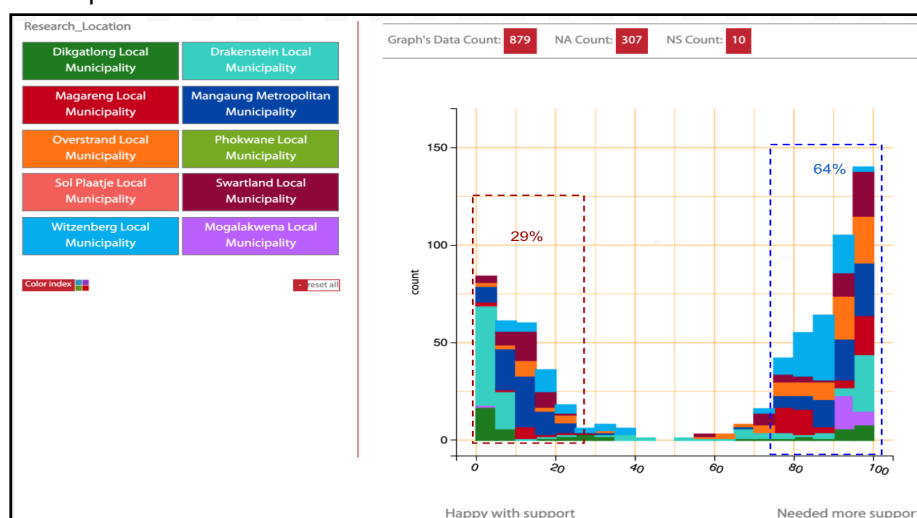


Figure 14: Level of satisfaction with links to formal economy

As a final aspect to municipal support, respondents were asked to reflect on the support they receive from the municipality pertaining the distribution of information and general communication regarding opportunities for business support. Poor communication structures and information distribution seems to be at the order of the day with 79% of the respondents indicating that the current support they are receiving in this regard is insufficient (Figure 15).

The impact of this type of support is illustrated in the titles and stories below, illustrating both the impact of enough support and lack of support.

Titles and stories for response: Need more support

Title: *Lack of communication*

Story: *Lack of communication with the municipality and they do not take into consideration us upholsters for a safe place to work and keep their resources safe.*

Titles and stories for response: Happy with support

Title: *Best pillow maker*

Story: *I started selling pillows the business was not going very well, I then went to municipality to ask for advice and more information about the funding, the municipality linked me with Grootbos foundation, I attended the business training and presented my business to them I never thought they would select me but they did, they marketed my business and bought material for to make more pillows I'm now having many clients and making a good profit.*

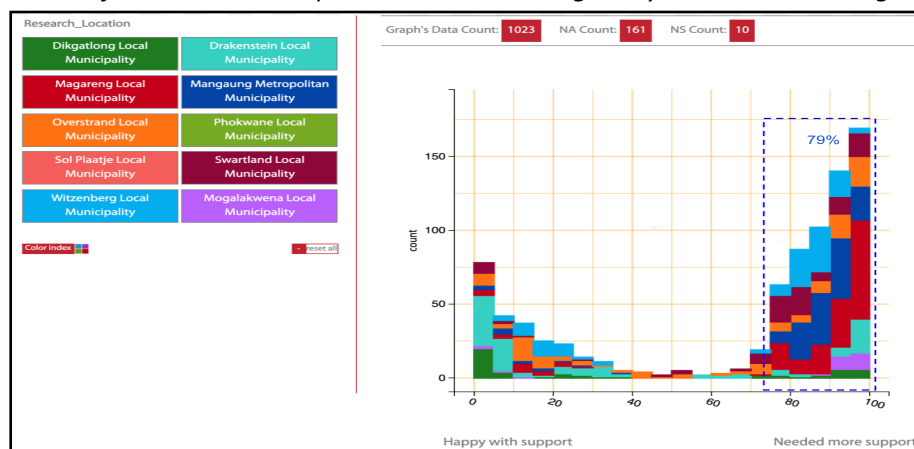


Figure 15: Satisfaction with information and communication received

2.3.3 Need for skills development amongst township entrepreneurs

The last aspect measured in this survey is the need for skills development and the format of training preferred by township entrepreneurs. The majority of respondents (59%) indicated to prefer in service training opposed to the typical class room format training initiatives revert to (Figure 16). From the titles and stories that respondents shared in motivation to their response, it would seem that the preference to this type of learning is based in their history of learning about their respective businesses.

Titles and stories for response: Learning on the job

Title: *Gaining experience and starting off on my own*

Story: *I never had the desire to maintain or like starting my own business. I have worked for many companies over the years and that is where I learned and gained much more experience and knowledge. Now I have the passion of designing and making furniture and sell it for affordable prices.*

Title: *Most reliable Welding workshop*

Story: *I started my welding company due to the fact that I have always envied my father as a child while he was welding randomly and I would go with him while doing piece jobs, I then grew into his footsteps till I opened my successful Welding workshop.*

Asked about new skills they would like to acquire the three priority skills these entrepreneurs identified are; the ability to identify new opportunities (26% of responses); marketing their products (25% of responses) and; financial management skills (21% of responses) [Figure 17].

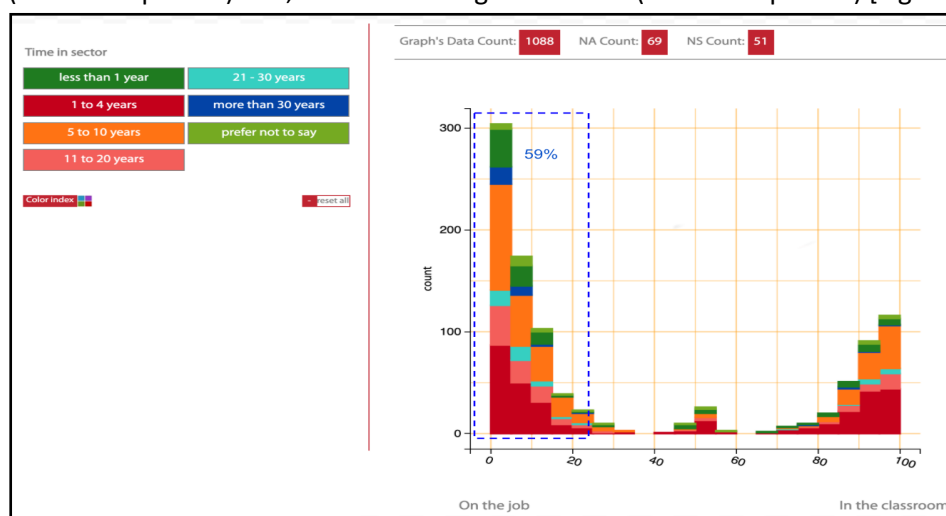


Figure 16: Preferred method for skills training



Figure 17: New skills needed

2.4 Summary of findings

In order to examine the potential of unlocking township and local economies the Thousand Voices study conducted interviews with 1 191 township entrepreneurs. The objectives of the study was to create a better understanding of three aspects believed to be central in promoting this economy, these were; (i) understanding what drove these individuals to enter the township economy as entrepreneurs, (ii) measure the satisfaction of these entrepreneurs with the support received from their local municipalities and (iii) measure their need and preferred nature of skills development.

Data collected pertaining to the first objective defined for the study showed that the majority of **township entrepreneurs regard their business firstly as a means of survival during tough economic times and, secondary as a stepping stone towards something better.** Interesting and important to

note was the observation by entrepreneurs, al be it a minority, that they view their participation in the township economy as an exciting career path. These respondents choose to be self-employed in the township economy.

Further motivations noted by respondents as reasons for entering the township economy as entrepreneurs is the motivation to **make a good living but also the motivation to serve the community** in the products they sell or services they deliver. This speaks to the drive for social innovation. People are not just driven by a motivation to make more money, but genuinely view their business as an opportunity to meet a need eminent in their respective communities.

The evaluation of the experience of support offered and provided to these entrepreneurs by their local municipality, presented some damning findings. All the aspects measured showed insufficient levels of support. This is a strong message that the propelling of the township and local economy is in desperate need of strong strategic and innovative leadership and support from the local government sphere. This leadership role and support has to encompass all the aspects measured in this study, i.e., Interaction with municipalities; Financial support; Infrastructure support, Safety, and security; Facilitating links/partnerships with formal economic sector and, information and communication structures.

Pertaining to the need for and preferred nature of skills development the township entrepreneurs in this study were clear that they have **specific training needs**, however, that they **prefer in-service training** opposed to the typical class-room training model. Although the motivation for the preference for in-service training is not entirely clear, the stories/motivations recorded in some of the explanations to these responses does seem to suggest that this preference flows from how they were taught and learned what they know about their business. They either learned by trial and error or by observation. Typically learning did not take place on formal platforms.

This experience in learning would understandably leave this group uncomfortable with a typical class-room setup as they might find this too far removed from their practical experience and the everyday functioning of their business. The solution could very well be a combination of the in-service training and more formal sessions. In-service training could include job shadowing and mentorship programmes with matching industries in the formal economic sector. This would also aid the building of partnership between these two economic sectors.

Specific skills gaps identified by respondents in which they would like training and support are the skills to **identify new opportunities, to market their goods** and to better **manage their finances**. This calls for new partnerships, new relationships between those in the formal sector and those in the informal sector.

The 1000 voices research report point to the fact that participants would like their individual story to be heard, by others more specifically the community, the community media as well as the municipality.

3. Local Economic Development Practitioners Skills Assessment

3.1 Research objective and methodology

The primary objective of this assessment was to determine the possible skills gap eminent among LED officials. This skills assessment is based on the competence framework defining the expected responsibilities and competencies of officials that perform this function for local government. A questionnaire was developed at the hand of this competence framework and under the guidance of LED officials.

The skills assessment questionnaire was designed as a self-assessment tool. This self-assessment was organised into six subsections. The specific aspects that were measured directly relates to the following functions of Local Economic Development (LED) Managers:

- 1) Managing township economies
- 2) Policy development
- 3) LED Planning and Implementation
- 4) Stakeholder Management
- 5) Research and Promotion
- 6) Promote Industrial and Business Development

Respondents were asked to evaluate their level of competence in each of these areas in terms of the following scale:

- 1) I am competent and able
- 2) I am competent but lack confidence/ experience
- 3) I lack the relevant qualification (skills/knowledge)
- 4) Not part of my job description

In analysing and interpreting responses in terms of level of competence, any score below 65% for the response category *I am competent and able*, was considered as indicative of unsatisfactory levels of competence in that specific competency. Low scores in this response category is thus interpreted to imply the need for an intervention towards strengthening the particular competency.

3.2 Target population, sampling, and data collection

For this survey, the target population was LED officials employed at local municipalities. With the help of the LGSETA, electronic surveys were sent out to 150 LED officials across the country, accounting for a 58% sample of the total group. Of the 150 interviews that were send out, 50 responses were received, thus a 33% response rate.

3.3 Research findings

As indicated in the methodology section for this study, the assessment of competency levels to a specific competency is guided by a threshold set at 65% for the response category *I am competent and able*. A score for this response category of below 65% is considered as an indication of an unsatisfactory level of competence in that specific competency.

Testing the competency of LED Practitioners in managing township economies, officials were asked to rate their level of proficiency to the following competencies:

- 1) Facilitate financial support programs e.g. access to finance
- 2) Facilitate safety and security programs
- 3) Providing appropriate information and communication programs
- 4) Simplification of the legislative requirements
- 5) Facilitate empowerment frameworks e.g. BBBEEE
- 6) Unblocking red tape and facilitate ease of business
- 7) Facilitate innovative support programs e.g. Stokvels
- 8) Promotion and investment into township based SMMEs
- 9) Facilitate (skills) needs based assessments for the township business people
- 10) Plan and manage dynamic communication systems
- 11) Advising on social entrepreneurship
- 12) Facilitate linkages to the formal economy (supplier development)
- 13) Advise on use of technology to advance the township economy
- 14) Knowledge of the township economy
- 15) Understanding of the township economy
- 16) Interacting with the township economy
- 17) Economic activity data of the township economy
- 18) Advising on ethical and sustainable business practices

Only six of the 18 competencies saw competency ratings of 65% or higher to the response category *I am able*. The tasks that received acceptable competency rates are:

- Providing appropriate information and communication programs
- Simplification of the legislative requirements
- Advising on social entrepreneurship
- Facilitate linkages to the formal economy (supplier development)
- Knowledge of the township economy
- Understanding of the township economy

Another eight competencies received ratings that illustrated moderate competency levels, that is rating between 50% and 64% to the response category *I am able*. Seeing that the competency levels for these tasks, all be it defined as moderate, is below the defined threshold illustrative of an acceptable competency level, intervention towards is strengthening is eminent. The tasks included here are:

- Facilitate financial support programs e.g. access to finance
- Facilitate empowerment frameworks e.g. BBBEEE
- Unblocking red tape and facilitate ease of business

- Facilitate innovative support programs e.g. Stokvels
- Promotion and investment into township based SMMEs
- Facilitate (skills) needs based assessments for the township business people
- Plan and manage dynamic communication systems
- Interacting with the township economy

The last four remaining competencies that constitute the function of managing of township economies was found to exhibit particularly low competency levels, with ratings of 49% and lower for the response category *I am able*. Naturally, these tasks need urgent intervention towards its strengthening. These tasks are:

- Facilitate safety and security programs
- Advise on use of technology to advance the township economy
- Economic activity data of the township economy
- Advising on ethical and sustainable business practices

Given that the data showed acceptable competency levels to only six of the 18 listed tasks, it is concluded **that a significant competence gap exists for the function of managing township economy amongst LED officials at local municipalities** (Figure 18).

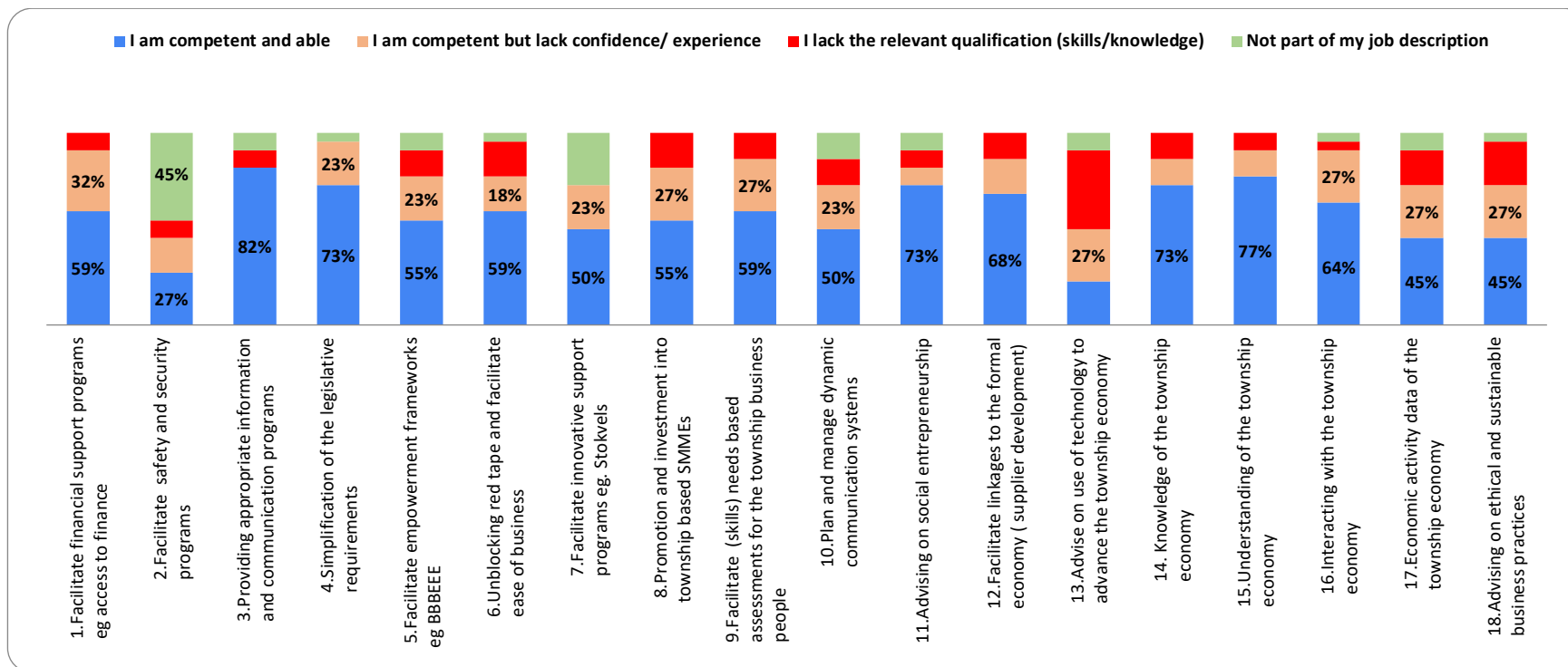


Figure 18: Managing township economies

In testing the competency of LED Practitioners in policy development, participants were asked to indicate their proficiency in the following aspects:

- 1) Development of LED policies
- 2) Providing input into the development of procurement policies to stimulate LED
- 3) Innovating regulatory reform e.g. procurement
- 4) Advocating for spatial planning reform and allocation of new sites

Not one of the tasks comprising the function of policy developed is shown to have achieved a rating of 60% or higher to the response category *I am able*. Only two tasks received a moderate competency rating (between 50% and 60%) with the remaining two achieving exceptionally low competency ratings (below 40%).

The tasks that was shown to exhibit moderate levels of competency are:

- Development of LED policies
- Providing input into the development

Tasks that achieved exceptionally low competency ratings and thus are in urgent need of strengthening are:

- Innovating regulatory reform e.g. procurement
- Advocating for spatial planning reform and allocation of new sites

From the analysis **the competence gap in the function of policy development** is shown as a direct result of a lack of confidence/ experience in being part of or being held responsible for its execution. Only for the task *advocating for spatial planning reform and allocation of new sites*, 27% of respondents indicated to lack the relevant training to execute this task.

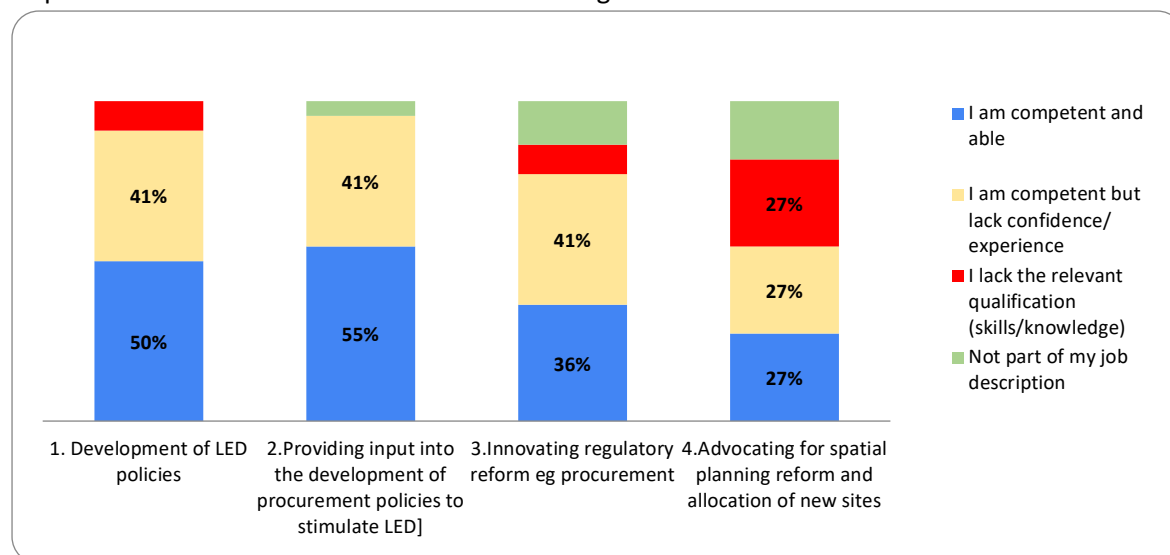


Figure 19: Policy development

Another functional area defined for LED Practitioners is LED planning and implementation. In evaluation the competency levels to this function, practitioners were asked to rate their proficiency to the following tasks:

- 1) Developing a LED plan
- 2) Identify the future targets and infrastructure projects that comply with LED
- 3) Facilitate the participation of private sector, cooperatives and SMMEs in LED
- 4) Prepare annual performance reports that contain information on the implementation of LED.
- 5) Lobbying for LED projects to be listed in the IDP

For this function, three tasks showed acceptable levels of competence, these are:

- Facilitate the participation of private sector, cooperatives and SMMEs in LED
- Lobbying for LED projects to be listed in the IDP
- Identify the future targets and infrastructure projects that comply with LED

The two tasks that received ratings of just below the 65% competency threshold are:

- Developing a LED plan
- Prepare annual performance reports that contain information on the implementation of LED

Although the ratings are relatively on par, the two functions that received ratings below the 65% set threshold are also critical tasks towards effective planning and implementation practices. **It is this important these tasks are reinforced to ensure a stronger competence in the area of planning and implementation** (Figure 20).

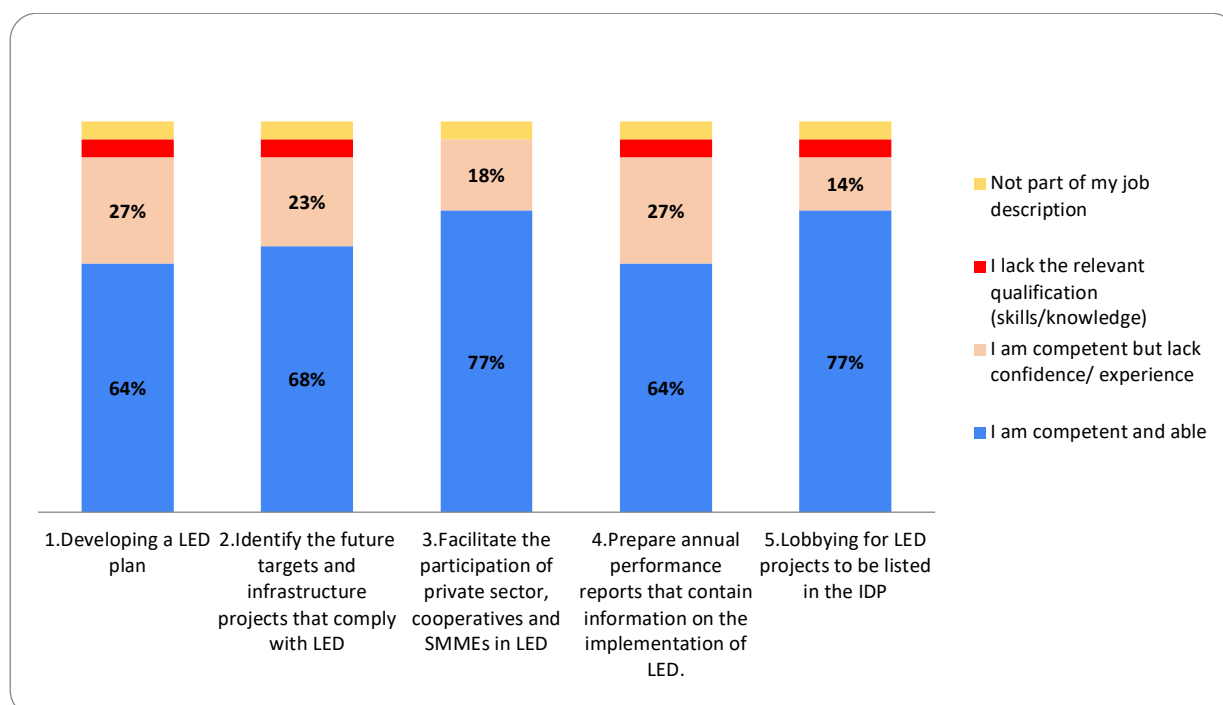


Figure 20: LED planning and implementation

The proficiency of LED practitioners in stakeholder management was evaluated in terms of self-evaluated competency levels in the following tasks:

- 1) Facilitating stakeholder workshops with multiple stakeholders
- 2) Mobilising resources from other government entities and the private sector to support LED objectives
- 3) Liaise with other departments to ensure alignment to achieve LED outcomes
- 4) Consult and advise interested and affected parties on LED
- 5) Manage stakeholder engagement processes

All of these tasks received high competency ratings evident of strong proficiency in the area of stakeholder management.

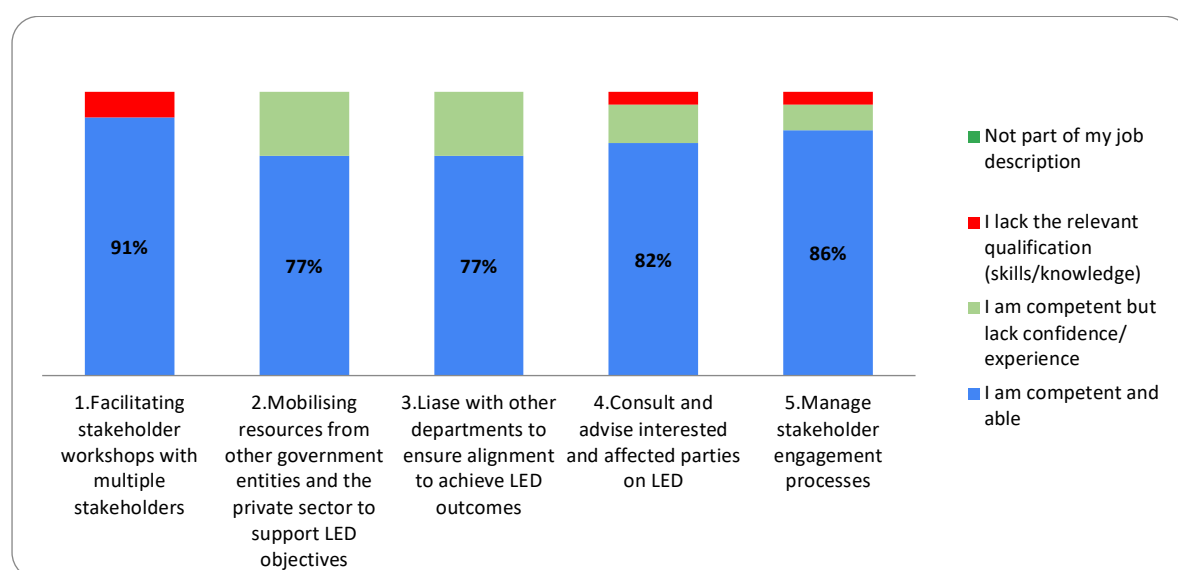


Figure 21: Stakeholder management

The proficiency of LED practitioners in the function of research and promotion, was tested at the hand of the following tasks:

- 1) Initiate research using a variety of sources in the field of economic development.
- 2) Manage all economic research and data collection to ensure useable high-quality research results.
- 3) Manage the design of relevant marketing material for LED purposes
- 4) Analyse and interpret socio economic data
- 5) Knowledge of key data service providers

For this functional area, practitioners showed low scores in ability with none of the defined tasks shown to have achieved 65% or more for the response category *I am able*. Two of the tasks achieved moderate ratings of ability (between 50 and 46%). These areas:

- Manage the design of relevant marketing material for LED purposes
- Knowledge of key data service providers

The remaining three tasks that scored extremely low on in terms of competency level with respondents indicating that they either lack the relevant qualification or lack confidence to execute these functions.

These functions, that need priority intervention are:

- Initiate research using a variety of sources in the field of economic development.
- Manage all economic research and data collection to ensure useable high-quality research results.
- Analyse and interpret socio economic data

For this functional area, the analysis clearly illustrate that **the LED practitioners display a competence gap in the area of research and promotion.**

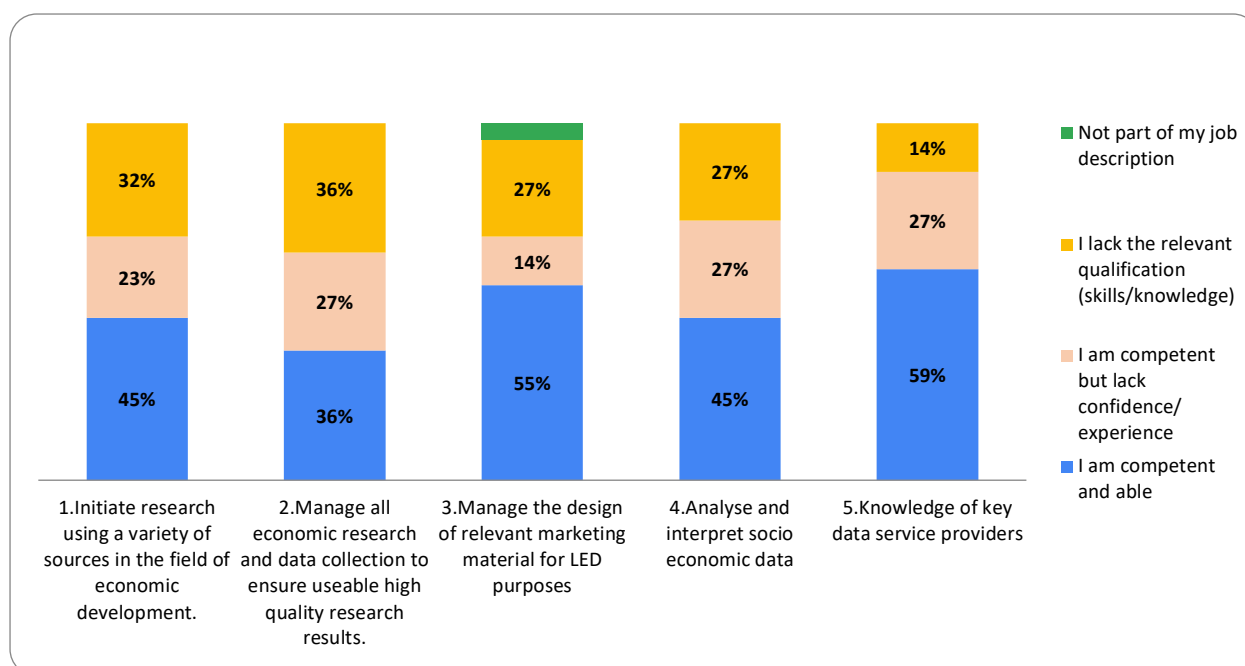


Figure 22: Research and promotion

Finally, the ability of the LED practitioners to promote industrial and business development was measured. The tasks that comprise this functional area, and were subsequently tested are:

- 1) Identify sectoral opportunities for economic development
- 2) Identify and facilitate the delivery of industry skills development needs
- 3) Promote investment opportunities to support entrepreneurship in general
- 4) Facilitate linkages with the formal economy for the informal traders
- 5) Promote business development

This functional area showed mixed levels of competence with the ratings illustrating acceptable levels of competence, thus a score of 65% or higher for the response category *I am able*, to three of the five competencies. These are:

- Identify sectoral opportunities for economic development
- Facilitate linkages with the formal economy for the informal traders
- Promote business development

For the two remaining tasks the one received a moderate competency rating, that is a score between 50% and 60% for the response category *I am able*, and the other a very low competency rating, a score below 50% for afore mentioned response category. These tasks are:

- Promote investment opportunities to support entrepreneurship in general (moderate rating)
- Identify and facilitate the delivery of industry skills development needs (low rating)

In order to strengthen this functional area and address the competence gap that exists **in the area of promoting industrial and business development** it would be important to strengthen (i) the ability of practitioners to promote investment opportunities and (ii) their ability to identify and facilitate the delivery of industry skills development needs (Figure 23).

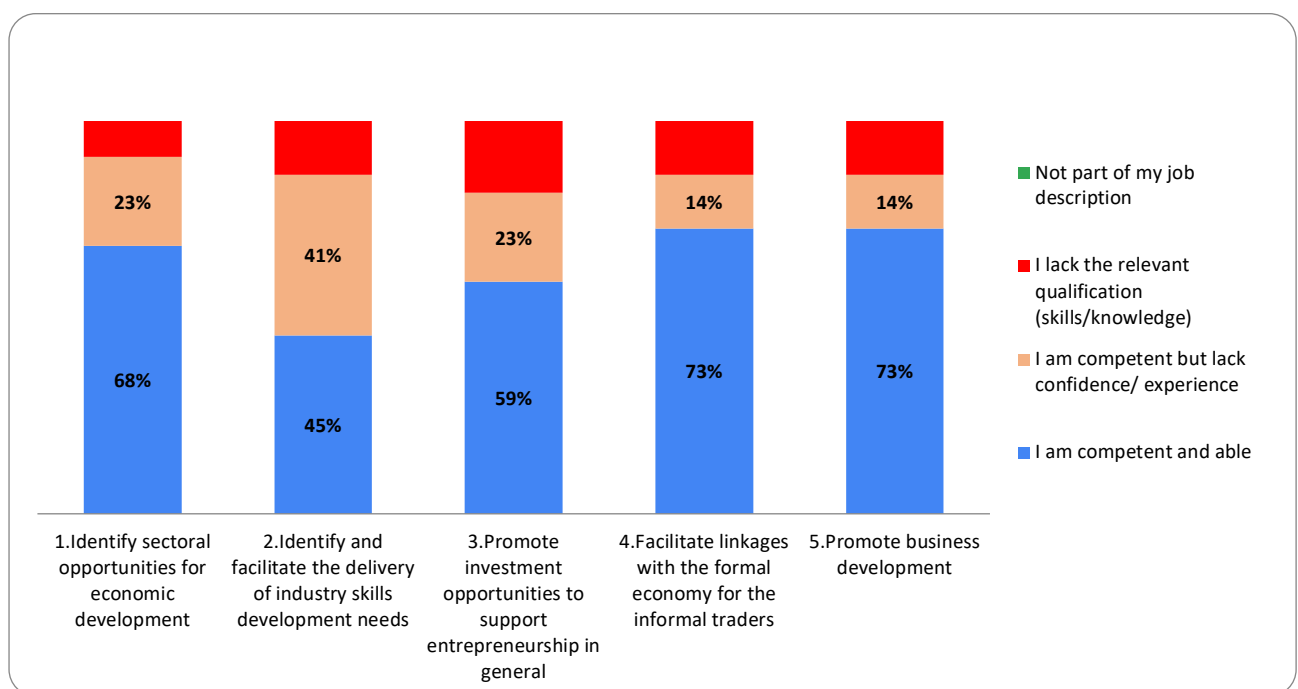


Figure 23: Promote industrial and business development

In summary the LED practitioner skills assessment found a mixed bag of skills sets ranging from extremely limited to strong. The functional areas that was found to illustrate particularly low competency levels and thus need targeted and urgent intervention are:

- Managing township economies
- Policy development
- Research and promotion

Functional areas that was found to exhibit acceptable to strong competency levels among LED practitioners, although some specific tasks that need intervention support, are:

- Promote industrial and business development
- LED planning and implementation
- Stakeholder management

Section III: Conclusion and Recommendations

According to the World Bank (2019), globally 2 billion people are working in the informal economy without any form of social protection. The informal economy is omnipresent in most development countries (more than 70 percent in Sub-Saharan Africa, 60 percent in South Asia and at more than 50 percent in Latin America). However, the informal sector is slow to change. The Indian economy for example has experienced annual growth rate of 5.6 percent but the informal sector has remained at about 90 percent. This pattern is not unique to India. Evidence abound that the informal sectors in emerging economies are a fixture.

The fact is the poor manage to make a lot out of little, but the businesses they run are often too small to raise their livelihoods and they remain survivalist and are not graduating at a faster pace into the formal economy. These enterprises do not provide a stable income stream, leaving the poor and informal economies particularly vulnerable to unexpected events such as illustrated with the global Covid-19 pandemic. Yet they have no other options. The business of the poor is a way to work when formal employment is unavailable. (World Bank. 2019:94).

The primary objective of this research was to identify the skills gaps that would propel the township economy. We put the evidence to the decision makers that there is a problem with the way local economic development is governed in South African municipalities. But this not a new problem. The research confirmed the findings of previous research, highlighting the urgent need to support township business in more innovative ways. The research further presented empirical evidence pointing to the lack of internal human resource capacity and competence to manage local economic development at municipal level as a contributing factor inhibiting the stimulation and subsequent growth of township economies.

Investment in human capital – the competencies (knowledge, skills and attitudes) and health that people accumulate throughout their lives that enable them to realize their potential as productive members of society, this becomes imperative, given the 2018 human capital index ranking South Africa 126 out of 157 countries (World Bank 2019:50-62). Human resource development should be approached with a much greater sense of urgency.

From discussions with township entrepreneurs the prominence and importance of this economic sector to general economic growth and development was highlighted. Subsequently it is recommended that the term township economies should be done away, and that reference should rather be made to local economic zones or hubs and informal traders.

The following broad recommendations are made in the context of a post Covid-19 community, bearing in mind the mandate of the LGSETA.

- There is a need to increase the research sample to make sure that a complete internal audit for LED practitioners is conducted.
- The Municipal District Delivery Model is proposed as the preferred vehicle to ensure that local economic development is prioritised into the Integrated Development Plan of municipalities.

- Perform a research study on the nature and quantity and quality of skills development programmes for informal entrepreneurs.
- Introduce a comprehensive national skills development and empowerment programme for municipal LED managers and officials in order to be more responsive.
- Roll out a capacity program targeted at township entrepreneurs, however, the low level of participation in adult learning programs internationally could be a sign that training is not always the solution.
- For the adult learning programs to be effective there should be better diagnosis and evaluation, better design, and better delivery of programs that consider on the job learning and indigenous knowledge systems.
- Increase the governance oversight of politicians in order to increase their capacity to enhance the development of local economies through skills development programmes.
- The social profit canvas model in the appendix attached is a useful tool that can be rolled out to address the wide prevalence of social enterprise as it offers a model that will allow enterprises to make a greater impact.

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5. Appendixes

5.1 SenseMaker questionnaire



Thank-you for participating in the informal economy study!

The app allows many individuals to record everyday experiences and observations on a regular basis. The insights from this work aims to help informal traders develop and grow their businesses.

All contributions are anonymous. Only share details you are comfortable with providing.

Your entry may take about 10 minutes.

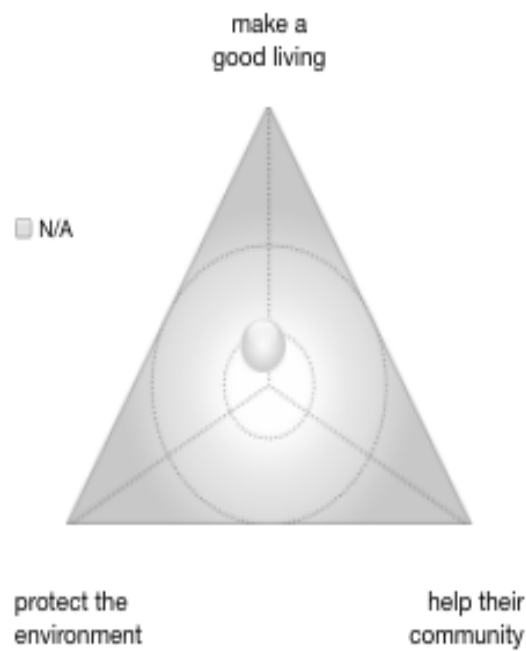
Take a moment to reflect on your life as an informal trader.

- ☐ Think of a happy moment in your career as a business person that took your business forward, OR
- ☐ Think of a sad moment in your career as a business person that stopped you moving forward.

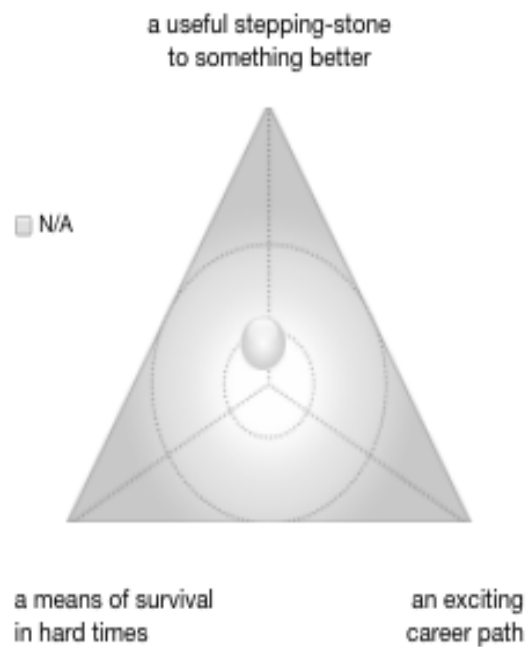
Briefly describe what happened:

If your entry above had a news headline what would it say?

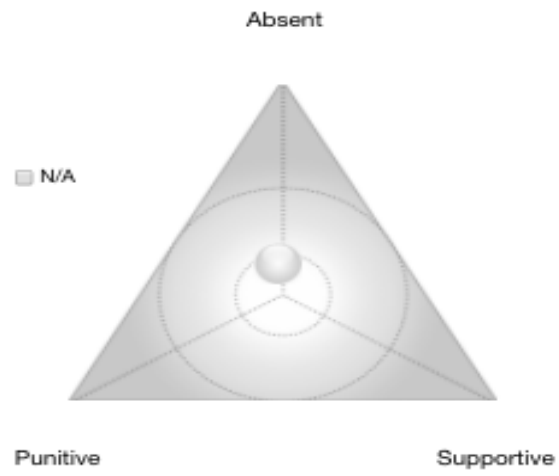
The person in your story was motivated by a desire to...



People like those in your story, consider working in the informal economy as...



In your story, how did you experience the Municipality?



Based on your story, in what ways could the municipality have supported your business better?

Financial support

Happy with support  Needed more support

☐ N/A

Safety & security

Happy with support  Needed more support

☐ N/A

Information & communication

Happy with support  Needed more support

☐ N/A

Infrastructure (allocating trading space)

Happy with support  Needed more support

☐ N/A

Links to formal business

Happy with support  Needed more support

☐ N/A

Other (please specify)

Now we have some questions that also relate to the experience you shared.

How common was your story?

- ☐ Very rare
- ☐ Uncommon
- ☐ Common
- ☐ Very common

Overall would you say your story was..

- ☐ strongly positive
- ☐ positive
- ☐ negative
- ☐ strongly negative
- ☐ not sure

Who needs to hear your story? (you may select more than one)

- ☐ People in my neighbourhood
- ☐ NGOs & CBO's
- ☐ Municipalities
- ☐ Private Sector
- ☐ Community media & journalists
- ☐ Other Item

Other

If you could learn new skills to help your business grow what skills would these be?

- ☐ Identifying new opportunities
- ☐ Laws and legal rights
- ☐ Financial Management
- ☐ Social Media
- ☐ Marketing
- ☐ Other Item

Other

☐ N/A

What would be the best way to learn these skills?

On the job  In the classroom

☐ N/A

A few questions about you.

What sectors do you work in?

- ☐ Services
- ☐ Retail
- ☐ Transport
- ☐ Manufacturing
- ☐ Other Item

Other

☐ N/A

How long have you worked in this sector?

- ☐ less than 1 year
- ☐ 1 to 4 years
- ☐ 5 to 10 years
- ☐ 11 to 20 years
- ☐ 21 - 30 years
- ☐ more than 30 years
- ☐ prefer not to say

Gender?

- ☐ Female
- ☐ Male
- ☐ Other
- ☐ Prefer not to say

Age

Language

Other

☐ N/A

5.2 Self-evaluation questionnaire for LED practitioners

3/31/2020

Self-evaluation of the qualifications, experience and skills of the LED Practitioner / Manager / Officer

Self-evaluation of the qualifications, experience and skills of the LED Practitioner / Manager / Officer

*Required

1. Email address *

Introduction

1. Siyakhana Consulting was commissioned by the Local Government SETA (LGSETA) to conduct a research project on the skills gaps that can propel the township economy in Municipalities.

2. Your truthful reflection on, and response to the presented statements will provide some insight to possible skill gaps experienced by LED practitioners.

3. Please note that all responses provided in this questionnaire are anonymous and will be treated as such.

4. Also, note that your participation is completely voluntary and that you are by no means under any obligation to complete this questionnaire.

2. I confirm my willingness to partake in this study as an anonymous respondent. *

Mark only one oval.

☐ Yes

<https://docs.google.com/forms/d/16YccO4AfZGm-oxzleOve9zO1sXDL0P637XkK007-IXI/edit>

1/26

3/31/2020

Self-evaluation of the qualifications, experience and skills of the LED Practitioner / Manager / Officer

Section A: Self-evaluation

This self-evaluation is organised into six subsections.

The specific aspects that are measured is directly related to the following functions of the Local Economic Development (LED) Manager, viz:

1. Managing township economies
2. Policy development
3. LED Planning and Implementation
4. Stakeholder Management
5. Research and Promotion
6. Promote Industrial and Business Development

Please read each statement carefully and indicate how you would describe your level of competence in each of these areas:

1. I am competent and able
2. I am competent but lack confidence/ experience
3. I lack the relevant qualification (skills/knowledge)
4. Not part of my job description

Siyakhana Consultants
Dr Harlan Cloete – Project Leader
Tel: 021 872 9799
Cell: 082 925 5212
Email: harlan@siyakhana.co.za

3. Please select the date of completing the form: *

Example: 7 January 2019

Personal Information

<https://docs.google.com/forms/d/16YccO4AfZGm-oxzleOve9zO1sXDL0P637XkK007-IXI/edit>

2/26

4. Title *

Mark only one oval.

- ☐ Mr
- ☐ Mrs
- ☐ Miss
- ☐ Dr
- ☐ Prof

5. Gender *

Mark only one oval.

- ☐ Male
- ☐ Female
- ☐ Prefer not to say

6. Job Title *

7. Name Of Municipality *

Mark only one oval.

- ☐ Eastern Cape Alfred Nzo District
- ☐ Eastern Cape Amahlati Local
- ☐ Eastern Cape Amathole District municipality
- ☐ Eastern Cape Blue Crane Route Local
- ☐ Eastern Cape Buffalo City
- ☐ Eastern Cape Chris Hani District
- ☐ Eastern Cape DR BEYERS NAUDE LOCAL MUNICIPALITY
- ☐ Eastern Cape Elundini Local
- ☐ Eastern Cape Emalahleni Local
- ☐ Eastern Cape Engcobo Local
- ☐ Eastern Cape Enoch Mgijima Local Municipality
- ☐ Eastern Cape Great Kei Local
- ☐ Eastern Cape Ingquza Hill Local
- ☐ Eastern Cape Intsika Yethu Local Municipality
- ☐ Eastern Cape Inxuba Yethemba Local
- ☐ Eastern Cape Joe Gqabi District
- ☐ Eastern Cape King Sebata Dalindyebo Local
- ☐ Eastern Cape Kouga Local
- ☐ Eastern Cape Koukamma Local
- ☐ Eastern Cape Makana Local
- ☐ Eastern Cape Matatiele Local

3/31/2020

Self-evaluation of the qualifications, experience and skills of the LED Practitioner / Manager / Officer

- ☐ Eastern Cape Mbashe Local municipality
- ☐ Eastern Cape Mbizana Local
- ☐ Eastern Cape Mhlonto Local
- ☐ Eastern Cape Mquma Local Municipality
- ☐ Eastern Cape Ndlambe Local
- ☐ Eastern Cape Nelson Mandela Bay
- ☐ Eastern Cape Ngqushwa Local
- ☐ Eastern Cape Ntabankulu Local
- ☐ Eastern Cape Nyandeni Local Municipality
- ☐ Eastern Cape OR Tambo District
- ☐ Eastern Cape Port St Johns Local Municipality
- ☐ Eastern Cape Raymond Mhlaba Local Municipality
- ☐ Eastern Cape Sakhisizwe Local
- ☐ Eastern Cape SARAH BAARTMAN District Municipality
- ☐ Eastern Cape Senqu Local
- ☐ Eastern Cape Sundays River Valley Local
- ☐ Eastern Cape Umzimvubu Local
- ☐ Eastern Cape Walter Sisulu Local Municipality
- ☐ Free State Dihlabeng
- ☐ Free State Fezile Dabi
- ☐ Free State Kopanong
- ☐ Free State Lejweleputswa
- ☐ Free State Letsemeng
- ☐ Free State Mafube

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3/31/2020

Self-evaluation of the qualifications, experience and skills of the LED Practitioner / Manager / Officer

- ☐ Free State Maluti-a-Phofung
- ☐ Free State Mangaung Municipality
- ☐ Free State Mantsopa Local Municipality
- ☐ Free State Maseru
- ☐ Free State Matjhabeng Local Municipality
- ☐ Free State Metsimaholo
- ☐ Free State Mokhotlong Local Municipality
- ☐ Free State Mopani Local Municipality
- ☐ Free State Nala Local Municipality
- ☐ Free State Ngwathe
- ☐ Free State Nketoana
- ☐ Free State Phumelela
- ☐ Free State Setsoto
- ☐ Free State Thabo Mofutsanyana
- ☐ Free State Tokologo
- ☐ Free State Tswelopele
- ☐ Free State Xhariep
- ☐ Gauteng City of Johannesburg
- ☐ Gauteng City of Tshwane
- ☐ Gauteng Ekurhuleni
- ☐ Gauteng Emfuleni Local Municipality
- ☐ Gauteng Lesedi
- ☐ Gauteng Merapong
- ☐ Gauteng Midvaal

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6/26

3/31/2020

Self-evaluation of the qualifications, experience and skills of the LED Practitioner / Manager / Officer

- ☐ Gauteng Mogale
- ☐ Gauteng Rand West City Local Municipality
- ☐ Gauteng Sedibeng
- ☐ Gauteng West Rand District
- ☐ KwaZulu Natal Abaqulusi Local
- ☐ KwaZulu Natal Alfred Duma Local Municipality
- ☐ KwaZulu Natal Amajuba District
- ☐ KwaZulu Natal Big S Hlabisa Local Municipality
- ☐ KwaZulu Natal City of uMhlathuze
- ☐ KwaZulu Natal Dannhauser Local
- ☐ KwaZulu Natal DR Nkosazana Dlamini Zuma Municipality
- ☐ KwaZulu Natal Edumbe Local
- ☐ KwaZulu Natal Emadlangeni Local
- ☐ KwaZulu Natal Endumeni Local
- ☐ KwaZulu Natal Ethekwini Metropolitan
- ☐ KwaZulu Natal Greater Kokstad Municipality
- ☐ KwaZulu Natal Harry Gwala District Municipality
- ☐ KwaZulu Natal iLembe District Municipality
- ☐ KwaZulu Natal Impendle Local
- ☐ KwaZulu Natal INKOSI LANGALIBALELE LOCAL MUNICIPALITY
- ☐ KwaZulu Natal Jozini Local
- ☐ KwaZulu Natal King Cetshwayo District Municipality
- ☐ KwaZulu Natal Kwadukuza Local
- ☐ KwaZulu Natal Mandeni Local

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3/31/2020

Self-evaluation of the qualifications, experience and skills of the LED Practitioner / Manager / Officer

- ☐ KwaZulu Natal Maphumulo Local
- ☐ KwaZulu Natal Mkhambathini Local
- ☐ KwaZulu Natal Mooi Mpofana Local
- ☐ KwaZulu Natal Msinga Local
- ☐ KwaZulu Natal Msunduzi Local
- ☐ KwaZulu Natal Mthonjaneni Local
- ☐ KwaZulu Natal Mtubatuba Local
- ☐ KwaZulu Natal Ndwendwe Local Municipality
- ☐ KwaZulu Natal Newcastle Local
- ☐ KwaZulu Natal Nkandla Local
- ☐ KwaZulu Natal Nongoma Local
- ☐ KwaZulu Natal Nquthu Local
- ☐ KwaZulu Natal Okhahlamba Local
- ☐ KwaZulu Natal Ray Nkonyeni Municipality
- ☐ KwaZulu Natal Richmond Local
- ☐ KwaZulu Natal Ubuhlebezwe Local
- ☐ KwaZulu Natal Ugu District Municipality
- ☐ KwaZulu Natal Ulundi Local
- ☐ KwaZulu Natal Umdoni Local Municipality
- ☐ KwaZulu Natal uMfolozi (Mbonambi) Local
- ☐ KwaZulu Natal Umgeni Local
- ☐ KwaZulu Natal uMgungundlovu District Municipality
- ☐ KwaZulu Natal Umhlabuyalingana Local
- ☐ KwaZulu Natal Umkhanyakude District

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3/31/2020

Self-evaluation of the qualifications, experience and skills of the LED Practitioner / Manager / Officer

- ☐ KwaZulu Natal Umlalazi Local
- ☐ KwaZulu Natal Umshwati Local
- ☐ KwaZulu Natal Umuziwabantu Local
- ☐ KwaZulu Natal Umvoti Local
- ☐ KwaZulu Natal Umzimkulu Local
- ☐ KwaZulu Natal Umzinyathi District
- ☐ KwaZulu Natal Umzumbe Local
- ☐ KwaZulu Natal Uphongolo Local
- ☐ KwaZulu Natal Uthukela District
- ☐ KwaZulu Natal Zululand District Municipality
- ☐ Limpopo Ba-Phalaborwa Local
- ☐ Limpopo Bela-Bela Local
- ☐ Limpopo Blouberg Local
- ☐ Limpopo Capricorn District
- ☐ Limpopo Collins Chabane Local Municipality
- ☐ Limpopo Elias Motsoaledi Local Municipality
- ☐ Limpopo Ephraim Mogale Local
- ☐ Limpopo Fetakgomo Tubatse Local Municipality
- ☐ Limpopo Greater Giyani Local
- ☐ Limpopo Greater Letaba Local
- ☐ Limpopo Greater Tzaneen Municipality
- ☐ Limpopo Lepelle-Nkumpi Local
- ☐ Limpopo Lephalale Local Municipality
- ☐ Limpopo Makhado Local

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3/31/2020

Self-evaluation of the qualifications, experience and skills of the LED Practitioner / Manager / Officer

- ☐ Limpopo Makhudutamaga Local
- ☐ Limpopo Maruleng Local
- ☐ Limpopo Modimolle-Mookgophong
- ☐ Limpopo Mogalakwena Local
- ☐ Limpopo Molemole Local
- ☐ Limpopo Mopani District
- ☐ Limpopo Musina Local
- ☐ Limpopo Polokwane Local
- ☐ Limpopo Sekhukhune District Municipality
- ☐ Limpopo Thabazimbi Local
- ☐ Limpopo Thulamela Local
- ☐ Limpopo Vhembe District
- ☐ Limpopo Waterberg District
- ☐ Mpumalanga Bushbuckridge Local Municipality
- ☐ Mpumalanga Chief Albert Luthuli Local
- ☐ Mpumalanga City of Mbombela Local
- ☐ Mpumalanga Dipaleseng Local Municipality
- ☐ Mpumalanga Dr JS Moroka Local municipality
- ☐ Mpumalanga Dr Pixley Ka Isaka Seme Local Municipality
- ☐ Mpumalanga Ehlanzeni District Municipality
- ☐ Mpumalanga Emakhazeni
- ☐ Mpumalanga Emalahleni Local Municipality
- ☐ Mpumalanga Gert Sibande District Municipality
- ☐ Mpumalanga Govan Mbeki Local

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Self-evaluation of the qualifications, experience and skills of the LED Practitioner / Manager / Officer

- ☐ Mpumalanga Lekwa Local
- ☐ Mpumalanga Mkhondo Local
- ☐ Mpumalanga Msukaligwa Local
- ☐ Mpumalanga Nkangala District
- ☐ Mpumalanga Nkomazi Local
- ☐ Mpumalanga Steve Tshwete Local
- ☐ Mpumalanga Thaba Chweu Local
- ☐ Mpumalanga Thembisile Local
- ☐ Mpumalanga Victor Khanye Local
- ☐ North West Bojanala Platinum District
- ☐ North West City Of Matlosana Local
- ☐ North West Ditsobotla Local
- ☐ North West Dr Kenneth Kaunda District
- ☐ North West Dr Ruth S. Mompati District
- ☐ North West Greater Taung Local
- ☐ North West JB Marks Local Municipality
- ☐ North West Kagisano / Molopo Local Municipality
- ☐ North West Kgetleng Rivier Local
- ☐ North West Lekwa - Teemane Local
- ☐ North West Madibeng Local Municipality
- ☐ North West Mafikeng Local
- ☐ North West Mamusa Local
- ☐ North West Maquassi Hills Local
- ☐ North West Moretele Local

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Self-evaluation of the qualifications, experience and skills of the LED Practitioner / Manager / Officer

- ☐ North West Moses Kotane Local
- ☐ North West Naledi Local
- ☐ North West Ngaka Modiri Molema District
- ☐ North West Ramotshere Local
- ☐ North West Ratlou Local
- ☐ North West Rustenburg Local
- ☐ North West Tswaing Local
- ☐ Northern Cape DAWID KRUIPER MUNICIPALITY
- ☐ Northern Cape Dikgatlong Local
- ☐ Northern Cape Emthanjeni Local
- ☐ Northern Cape Frances Baard District
- ☐ Northern Cape Gamagara Local
- ☐ Northern Cape Ga-Segonyana Local
- ☐ Northern Cape Hantam Local Municipality
- ☐ Northern Cape Joe Morolong Local
- ☐ Northern Cape John Taolo Gaetsewe District Municipality
- ☐ Northern Cape Kai Garib
- ☐ Northern Cape Kamiesberg Local
- ☐ Northern Cape Kareeberg Local
- ☐ Northern Cape Karoo Hoogland Local Municipality
- ☐ Northern Cape Kgatelopele Local
- ☐ Northern Cape Khai-Ma Local
- ☐ Northern Cape Kheis Local Municipality
- ☐ Northern Cape Magareng Local

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Self-evaluation of the qualifications, experience and skills of the LED Practitioner / Manager / Officer

- ☐ Northern Cape Nama Khoi Local
- ☐ Northern Cape Namakwa District Municipality
- ☐ Northern Cape Phokwane Local
- ☐ Northern Cape Pixley Ka Seme District Municipality
- ☐ Northern Cape Renosterberg Local
- ☐ Northern Cape Richtersveld Local
- ☐ Northern Cape Siyancuma Local
- ☐ Northern Cape Siyanda/ ZF Mgcawu District
- ☐ Northern Cape Siyathemba Local
- ☐ Northern Cape Sol Plaatje Local
- ☐ Northern Cape Thembelihle Local
- ☐ Northern Cape Tsantsabane Local
- ☐ Northern Cape Ubuntu Local
- ☐ Northern Cape Umsobomvu Local
- ☐ Western Cape Beaufort West Local
- ☐ Western Cape Bergervier Local
- ☐ Western Cape Bitou Local
- ☐ Western Cape Breede Valley Local
- ☐ Western Cape Cape Agulhas Local
- ☐ Western Cape Cape Winelands District Municipality
- ☐ Western Cape Cederberg Local
- ☐ Western Cape Central Karoo District
- ☐ Western Cape City Cape Town Metropolitan
- ☐ Western Cape Drakenstein Local

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Self-evaluation of the qualifications, experience and skills of the LED Practitioner / Manager / Officer

- ☐ Western Cape Garden Route District Municipality
- ☐ Western Cape George Local Municipality
- ☐ Western Cape Hessequa Local
- ☐ Western Cape Kannaland Municipality
- ☐ Western Cape Knysna Local
- ☐ Western Cape Laingsburg Local
- ☐ Western Cape Langeberg Municipality
- ☐ Western Cape Matzikama Local
- ☐ Western Cape Mosselbay Local
- ☐ Western Cape Oudtshoorn Local
- ☐ Western Cape Overberg District
- ☐ Western Cape Overstrand Local
- ☐ Western Cape Prince Albert Local Municipality
- ☐ Western Cape Saldanha Bay Local
- ☐ Western Cape Stellenbosch Local
- ☐ Western Cape Swartland Local
- ☐ Western Cape Swellendam Local
- ☐ Western Cape Theewaterskloof Local
- ☐ Western Cape West Coast District
- ☐ Western Cape Witzenburg Local

Qualifications

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8. Grade 12 *

Mark only one oval.☐ Yes☐ No

9. Certificate(s) *

Mark only one oval.☐ Yes☐ Not Applicable

10. If Yes, please indicate Certificate (s):

11. Diploma (s) *

Mark only one oval.☐ Yes☐ Not Applicable<https://docs.google.com/forms/d/16YccO4AfZGm-oxzleOVeSzO1sXDL0P637X0Kco07-IXU/edit>

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12. If Yes, please indicate Diploma (s)

13. Degree (s) *

Mark only one oval.☐ Yes☐ Not Applicable

14. If Yes, please Degree (s)

15. Please indicate your experience (Duration/Number of years as a LED Practitioner / Manager / Officer)

Mark only one oval.☐ 1 - 4☐ 5 - 8☐ 9 - 12

A1. Managing township economies

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16. How would you describe your level of competence in each of these areas: *

Mark only one oval per row.

	I am competent and able	I am competent but lack confidence/ experience	I lack the relevant qualification (skills/knowledge)	Not part of my job description
1. Facilitate financial support programs eg access to finance	☐	☐	☐	☐
2. Facilitate safety and security programs	☐	☐	☐	☐
3. Providing appropriate information and communication programs	☐	☐	☐	☐
4. Simplification of the legislative requirements	☐	☐	☐	☐
5. Facilitate empowerment frameworks eg BBBEEE	☐	☐	☐	☐

A1. Managing township economies (continue)

17. How would you describe your level of competence in each of these areas: *

Mark only one oval per row.

	I am competent and able	I am competent but lack confidence/ experience	I lack the relevant qualification (skills/knowledge)	Not part of my job description
6. Unblocking red tape and facilitate ease of business	☐	☐	☐	☐
7. Facilitate innovative support programs eg. Stokvels	☐	☐	☐	☐
8. Promotion and investment into township based SMMEs	☐	☐	☐	☐
9. Facilitate (skills) needs based assessments for the township business people	☐	☐	☐	☐
10. Plan and manage dynamic communication systems	☐	☐	☐	☐

A1. Managing township economies (continue)

18. How would you describe your level of competence in each of these areas: *

Mark only one oval per row.

	I am competent and able	I am competent but lack confidence/ experience	I lack the relevant qualification (skills/knowledge)	Not part of my job description
11. Advising on social entrepreneurship	☐	☐	☐	☐
12. Facilitate linkages to the formal economy (supplier development)	☐	☐	☐	☐
13. Advise on use of technology to advance the township economy	☐	☐	☐	☐
14. Knowledge of the township economy	☐	☐	☐	☐

A1. Managing township economies (continue)

19. How would you describe your level of competence in each of these areas: *

Mark only one oval per row.

	I am competent and able	I am competent but lack confidence/ experience	I lack the relevant qualification (skills/knowledge)	Not part of my job description
15. Understanding of the township economy	☐	☐	☐	☐
16. Interacting with the township economy	☐	☐	☐	☐
17. Economic activity data of the township economy	☐	☐	☐	☐
18. Advising on ethical and sustainable business practices	☐	☐	☐	☐

A2. Policy development

20. How would you describe your level of competence in each of these areas: *

Mark only one oval per row.

	I am competent and able	I am competent but lack confidence/ experience	I lack the relevant qualification (skills/knowledge)	Not part of my job description
1. Development of LED policies	☐	☐	☐	☐
2. Providing input into the development of procurement policies to stimulate LED	☐	☐	☐	☐
3. Innovating regulatory reform eg procurement	☐	☐	☐	☐
4. Advocating for spatial planning reform and allocation of new sites	☐	☐	☐	☐

A3. LED Planning and Implementation

21. How would you describe your level of competence in each of these areas: *

Mark only one oval per row.

	I am competent and able	I am competent but lack confidence/ experience	I lack the relevant qualification (skills/knowledge)	Not part of my job description
1. Developing a LED plan	☐	☐	☐	☐
2. Identify the future targets and infrastructure projects that comply with LED	☐	☐	☐	☐
3. Facilitate the participation of private sector, cooperatives and SMMEs in LED	☐	☐	☐	☐
4. Prepare annual performance reports that contain information on the implementation of LED.	☐	☐	☐	☐
5. Lobbying for LED projects to be listed in the IDP	☐	☐	☐	☐

A4. Stakeholder Management

22. How would you describe your level of competence in each of these areas: *

Mark only one oval per row.

	I am competent and able	I am competent but lack confidence/ experience	I lack the relevant qualification (skills/knowledge)	Not part of my job description
1. Facilitating stakeholder workshops with multiple stakeholders	☐	☐	☐	☐
2. Mobilising resources from other government entities and the private sector to support LED objectives	☐	☐	☐	☐
3. Liase with other departments to ensure alignment to achieve LED outcomes	☐	☐	☐	☐
4. Consult and advise interested and affected parties on LED	☐	☐	☐	☐
5. Manage stakeholder engagement processes	☐	☐	☐	☐

A5. Research and Promotion

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23. How would you describe your level of competence in each of these areas: *

Mark only one oval per row.

	I am competent and able	I am competent but lack confidence/ experience	I lack the relevant qualification (skills/knowledge)	Not part of my job description
1. Initiate research using a variety of sources in the field of economic development.	☐	☐	☐	☐
2. Manage all economic research and data collection to ensure useable high quality research results.	☐	☐	☐	☐
3. Manage the design of relevant marketing material for LED purposes	☐	☐	☐	☐
4. Analyse and interpret socio economic data	☐	☐	☐	☐
5. Knowledge of key data service providers	☐	☐	☐	☐

A6. Promote Industrial and Business development

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24. How would you describe your level of competence in each of these areas: *

Mark only one oval per row.

	I am competent and able	I am competent but lack confidence/ experience	I lack the relevant qualification (skills/knowledge)	Not part of my job description
1. Identify sectoral opportunities for economic development	☐	☐	☐	☐
2. Identify and facilitate the delivery of industry skills development needs	☐	☐	☐	☐
3. Promote investment opportunities to support entrepreneurship in general	☐	☐	☐	☐
4. Facilitate linkages with the formal economy for the informal traders	☐	☐	☐	☐
5. Promote business development	☐	☐	☐	☐

THANK YOU!!

NGIXA THOKOZA! **ro livhuwa!**
 dankie! **ke a leboga!** **ENKOSI!**
 inkomu! **thank you!** **uho fihlwa!**
 ke a leboha! **ngizabonga!**
siyabonga!

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5.3 Social Profit Canvas

5.3.1 Definition of Social Profit Canvas

Communities all over the world desire the same, sustainable, viable, safe neighbourhoods, however the latter face a myriad of socio- economic problems. A common language about value and profit is missing, with contradictory views on what exactly constitute value and profit, specifically in the non-profit sector. Social Profit can be considered as the value or profit that organizations create for society. The goal is to demonstrate that profit is not only expressed in financial terms but can be defined in social value. The social profit canvas is a model that make value visible, describe profit and value of interventions and to share visions, knowledge, and insights. The model goes beyond individual organization, focussing on the beneficiary.

5.3.2 The canvas theory

What is the essence of what we are doing, what do we want to achieve, when is it 'ready'? So, what is good healthcare, what is the essence of a curriculum, what does 'roof over your head' mean? Substantive argumentation is essential.

In the clarification we work from the inside out. From intervention to results for beneficiaries, outcomes for the stakeholders and impact for society.



Figure 24: The canvas theory

5.3.3 The inner world of the intervention



The inner world of an intervention is the domain of the professional. The people at the workplace who take care of the day-to-day running and the unique moments, who are responsible for a proper implementation.

Apparently, the professional has a simple task:

Apply intervention Y on beneficiary X to gain the result Z.



Beneficiary

For whom the intervention is mentioned and who benefits from the direct result.

The beneficiary is at the heart of each intervention and can be a resident, citizen, customer, client, etc.



Intervention

The intervention describes the interference or action an organization takes to influence the behaviour or circumstances of the beneficiary.



Result

The direct en measurable effects of the intervention.

Specific, measurable, acceptable, realistic and time-bound.

Figure 25: The inner world of the intervention

5.3.4 The beneficiary

For whom the intervention is mentioned and who benefits from the direct result.

A beneficiary takes many forms: customer, client, resident, citizen, etc. The question is who really lies at the heart in the canvas.

Are we engaged in employment support because we want to help people back to work? (the jobseeker at heart). Or are we focussing on reduction of the benefits for the council? (councilman or city council at heart). A good understanding of the beneficiary is important to gain good results. Organizations often do state that the beneficiary is at the heart of their intervention. But is the design of the intervention truly designed for this purpose? How do we ensure that the jobseeker is at heart and no other goals?

5.3.5 The intervention

The intervention describes the interference or action an organization takes to influence the behaviour or circumstances of the beneficiary.

An intervention can be a small act but also a big project. Providing a sympathetic ear when a client has problems is a small act. Creating new infrastructure for business people to trade is a big intervention. The intervention can be focused on change of behaviour by creating better circumstances, enhancing motivation, or providing new skills. The intervention can also include several activities and aspects. If an intervention consists of several aspects, it can be helpful to split the intervention in workable elements.

5.3.6 The results

Results are the most direct and measurable consequences of an intervention. We see them in figures, we hear them in stories, and we can look at them from various angles. One intervention can have several goals. It is important to know that results on the system should be considered from the view of the beneficiary. The results should be Specific, measurable, acceptable, realistic and time bound.

Examples of measurable results:

Self-esteem has increased by x%. Waste has decreased by y%. # of the beneficiaries considers the intervention as valuable # of the beneficiaries has participated

But also, the narratives:

Beneficiary X has started a business exercising. Beneficiary Y is getting an education. A group of beneficiaries started a project together.

5.3.7 The work of a professional is more than just the action.

In a professional's everyday work, it takes more than a series of actions to provide good service. We have to put the client at heart, justify our actions towards management, follow the mission of the organization and the wishes of society within the designated time limits, and in the meanwhile keep enjoying and liking what you do (making a difference in the lives of people and society).

To get the picture in these discussions we have the inner world of the canvas. This is only about the relationship between the beneficiary and the professional. This is born out of the philosophy that if you do the right thing for the beneficiary you are stronger towards the outside world. How you take the outside world into consideration will be discussed hereafter.

5.3.8 The dilemma of professionals

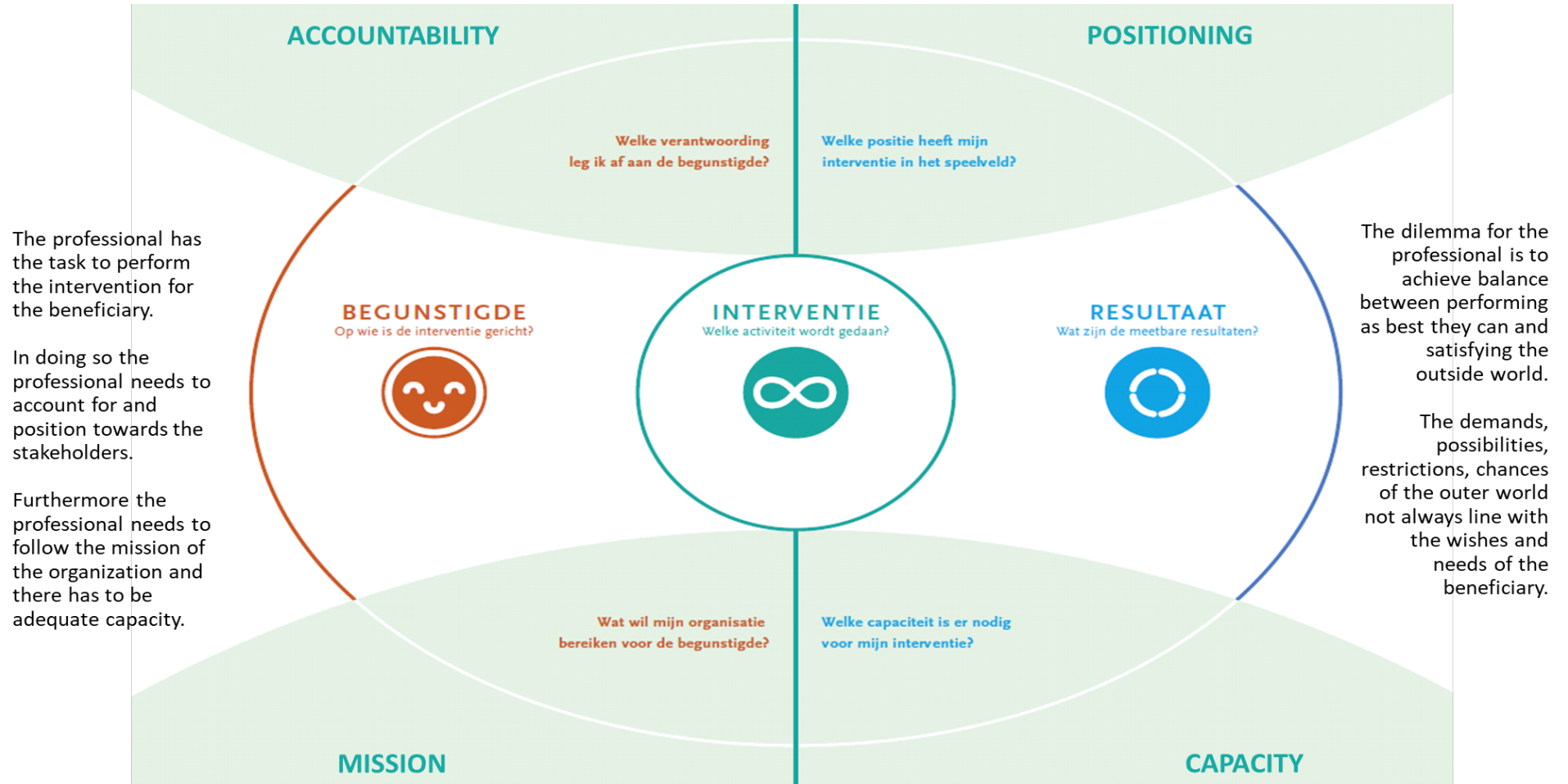


Figure 26: The dilemma of professionals

5.3.9 The outcome for the stakeholders



When we observe the intervention from the perspective of the organization we will come to the competence of control of the organization. It is about inspiring and steering of the professional, monitoring the bigger picture and communicating about that. And all of this based on sound management.

The task for the managers is a complex one: →

Make it possible that for stakeholder X, via intervention Y, outcome Z is realised and show that it is done in a smart way.



Stakeholders

Recipients, beneficiaries, contributors, decision-makers, participants that interact with one another concerning the intervention.

Intervention

The intervention describes the interference or action an organization takes to influence the behaviour or circumstances of the beneficiary.

Outcome

That what happens due to the results.

Outcome includes intended and unintended, negative and positive, long-term and short-term effects.

Figure 27: The outcome for the stakeholders

5.3.10 The stakeholders

Stakeholders are all those that are connected around an intervention.

The stakeholder thereby has a specific role and influence on the results and outcome of the intervention. We define 4 primary roles for stakeholders:

The beneficiary – the focus of the intervention and the one who benefits from the direct results and/or has a connection with the beneficiary.

The decision maker – the one who decides whether the intervention can or cannot be implemented.

The involved – those that take care of the implementation of the intervention.

The payer – the one that pays directly or indirectly for the intervention.

5.3.11 The outcome

Results in itself do not tell enough about their effectiveness and/or if the underlying goals are achieved. That what happens as a consequence of the results is the outcome. Outcome includes the intended and unintended effects, negative and positive effects, and long-term and short-term effects. Based on the outcome the organization can analyse the effectiveness of the interventions. Can they add aspects and make choices about their accountability, positioning, capacity, and mission?

Examples of outcome:

- Return: if use of medicines decreases by $y\%$ there will be a xR savings on health costs.
- Development: if self-esteem increases by $x\%$, the opportunity to find a job will increase too.
- Experience: if there are less incidents at night, patients in the sections will have a better sleep.

5.3.12 The organizational dilemma

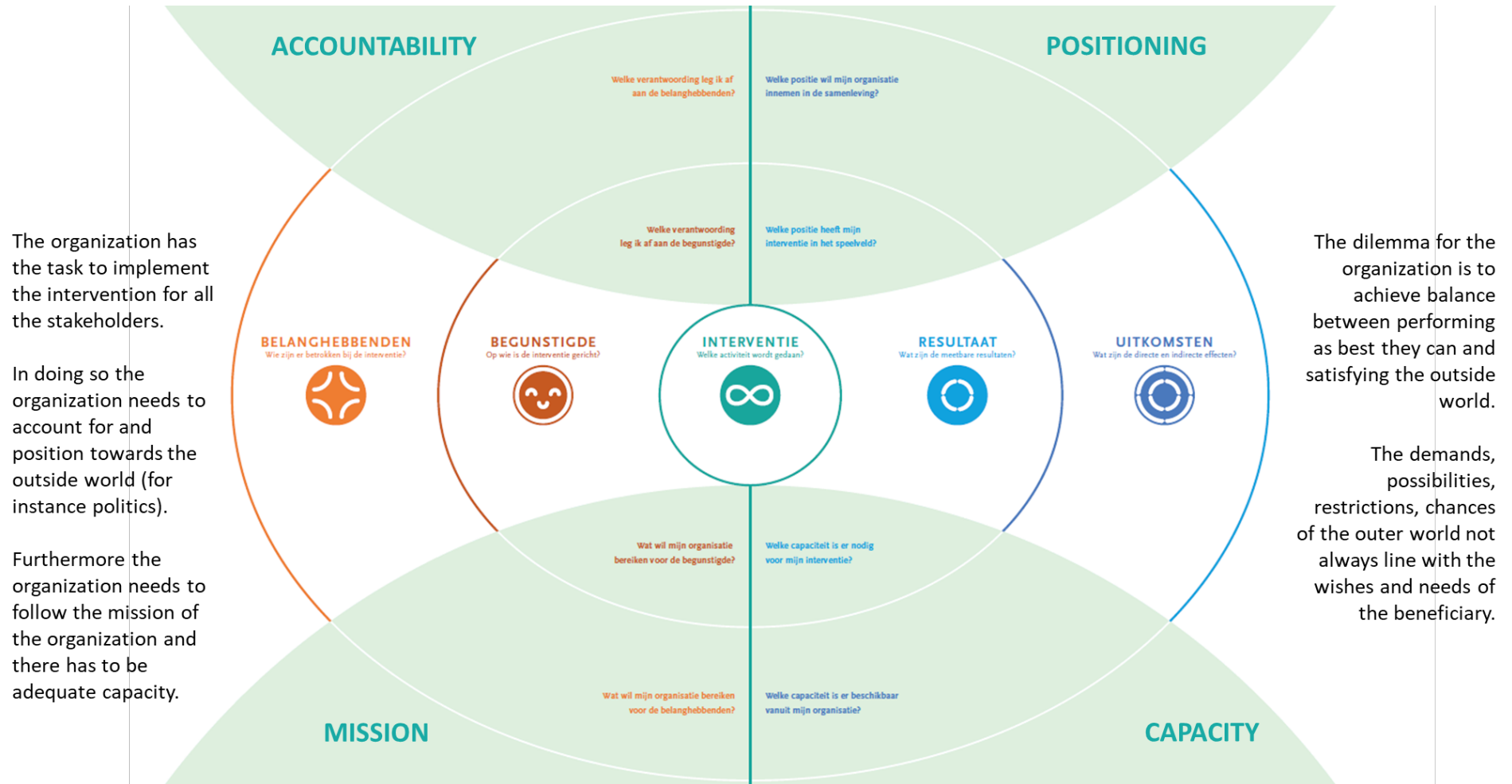


Figure 28: The organizational dilemma

5.3.13 Impact for society

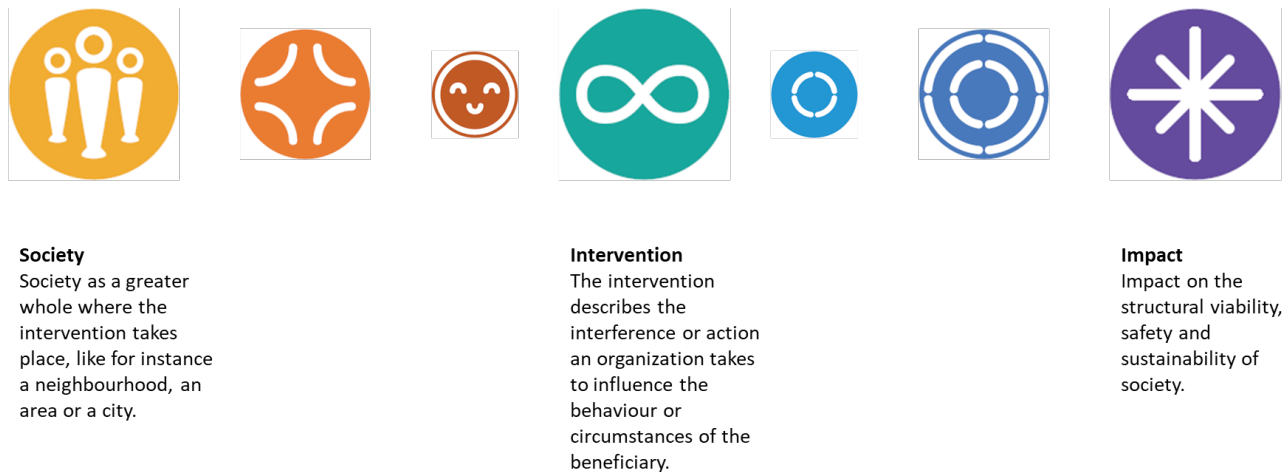


Figure 29: Impact for society

5.3.14 The society

Society as a greater whole where the intervention takes place, like for instance a neighbourhood, an area, or a city.

When a group of people is connected by living together, by interacting, by sharing things, it is named a society. It can be seen geographically: a street, an area, a city, a country or the whole world. But it can also be seen from the perspective of a certain group: elderly, youth, culture, religion.

5.3.15 Impact

Results and outcome mostly reason by intervention. In addition you want the intervention to have a structural impact on society. For instance on social, economic and public aspects. And on topics like safety, sustainability, viability, and vitality. By putting outcome and results in perspective with trends in society we can comment on the impact of the intervention.

Examples:

- Due to the y% decrease of medication and a better night's sleep the affordability of health care will increase.
- Due to the increase of self-esteem by x% job opportunities for the participants increase. This helps boosting economic vitality and activity in the neighbourhood.

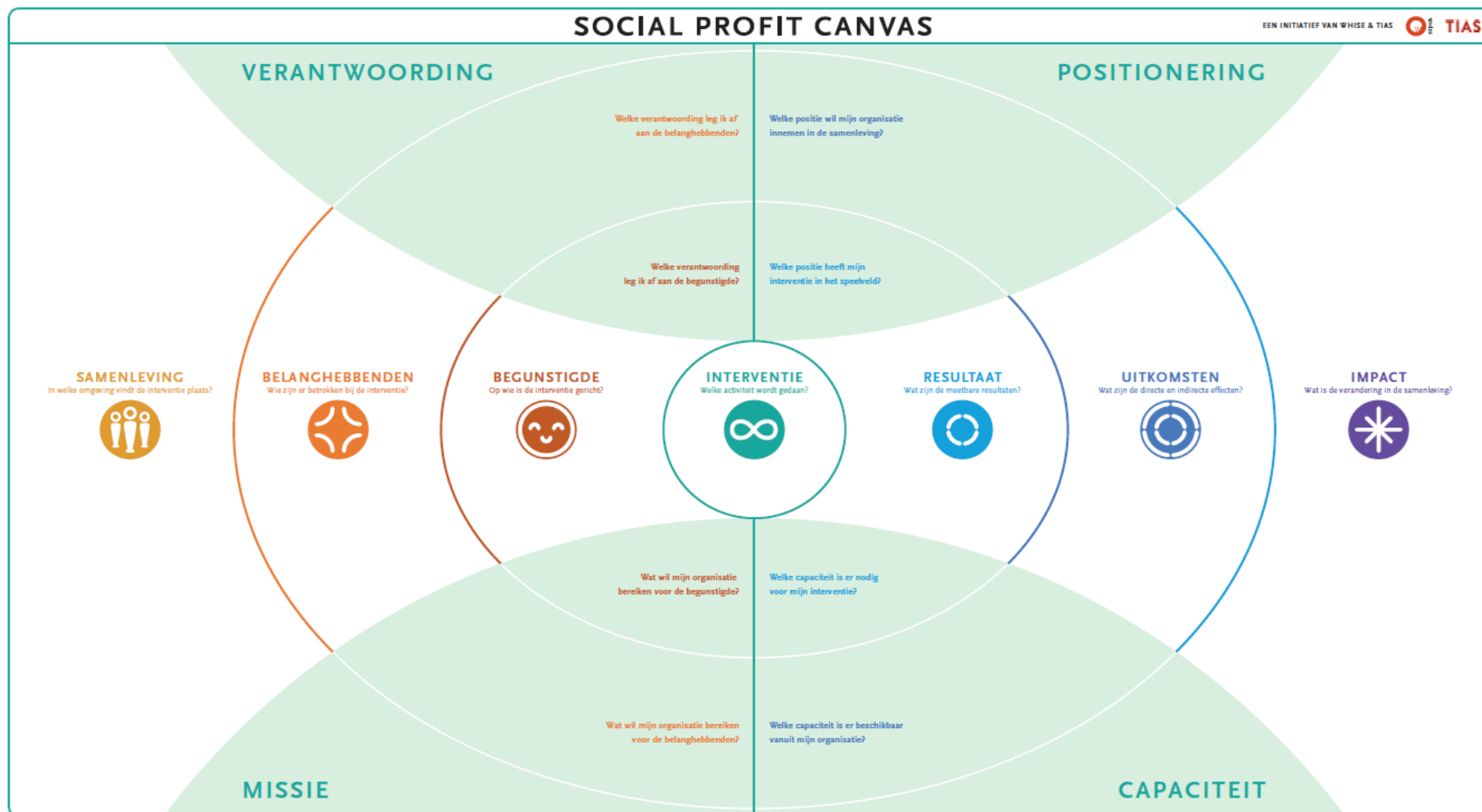


Figure 30: Social profit canvas

5.3.16 Legitimacy and support

In the upper part of the canvas we examine the accountability and positioning of the intervention. Who gives us the mandate for the intervention? To whom are we accountable? How do we organize acceptance and support?

Accountability

Accountability is the evaluation by stakeholders on the effectiveness and efficacy of the organization in transforming public funds into public C value.

Positioning

Positioning is how an intervention takes place in a playing-field where several parties are active: are there options for interesting co-operations or is there a threat of overlap and competition. It is not just the actual positioning but also the perception and image in the eyes of the stakeholders and in those of other parties who work with the same stakeholders.

5.3.17 Organizational capacity

At the bottom of the canvas we examine how the intervention is organized and on what mission it is based on. It is about arrangement of the service: how are we going to do it? What is necessary for the implementation and which vision do we have towards it. It is about logistic and organizational issues, efficiency and quality management.

Capacity

For each intervention the organization needs to provide capacity. This capacity makes it possible to create and offer value, to reach people and to maintain relationships. Capacity can be physical, intellectual, human or financial.

Mission

The mission shows who you are, what you do and what you want to achieve. A clear view from the feasible and sustainable future according to the organization in the context of their work.

5.3.18 In- and outside world connected

Capacity x positioning

There is a logical connection between the capacity we have ourselves and the capacities of other organizations. Do we have to do all ourselves (make) or can we hire elements from other parties (buy)?

Mission x accountability

By their mission the organization shows the outside world what they stand for and what they do; the explanation in fact is an accountability. In the inside world the question has to be answered whether the intervention fits into the mission. It must be explicable towards the outside world.