



## Research Article

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# Assessing Local and National Government Interaction in LED: A Policy Evaluation of South Africa's Metros

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## Abstract

*The article examined the adoption of the 2018-2028 National Framework for Local Economic Development (NFLED 2018-2028) in South Africa eight metropolitan municipalities. The article employs a qualitative research approach whereby a document analysis of municipality strategic reports reveals that there is low adoption of the National Framework for Local Economic Development in South African metros. The findings confirm that whilst metropolitan municipalities cannot be expected to share the exact policy adoption considerations due to their political, administrative, economic and demographic heterogeneity, it is suggested that there should be a balanced level of policy standardisation when it comes to LED and other municipal key performance areas (KPA's). The article concludes that South Africa's metropolitan municipalities had not adopted most of the five enabling pillars of the National Framework for LED 2018-2028 as part of the key performance areas (KPA's). This points to the discord between national LED policies and local level LED planning. While there is a need for LED planning decentralisation to meet local needs in metros, general alignment with national policies could assist in unlocking intellectual and financial resources that municipalities lack.*

**Keywords:** Capacity building, local economic development, municipalities, National Framework for LED 2018-2028, performance, South Africa

## 1. Introduction

In South Africa, local economic development (LED) has a comprehensive policy and regulatory basis. LED is captured in varying detail in the: Constitution (1996), White Paper on Local Government (1998), Municipal Systems Act (2000), LED Guidelines (issued in 2000), Draft LED Policy (2002), Policy Guidelines for Implementing LED in South Africa (2005), the National Framework for LED

(NFLED) in South Africa (2006), and the Strategic Agenda for the 2nd term of Local Government (2006-2011) among others. In municipalities, LED is one of the five key performance areas derived from national government policies. Nonetheless, despite such a strong legislative, strategic and policy basis, LED is reported as a key performance area at which municipalities underperform and at which not much value is sometimes placed (South African Local Governments Association [SALGA] 2010).

The article examined the transmission of LED policies from the national government to the local government level in South Africa. It focused on the NFLED 2018-2028 as the current, standing, comprehensive policy document on LED and discuss its implementation in the eight metros (Buffalo City -BCM, City of Cape Town- CoT, Ekurhuleni Metropolitan Municipality -CoE, City of eThekweni - eTMM, City of Johannesburg - CoJ, Mangaung Municipality -MM, Nelson Mandela Bay Metropolitan Municipality - NMBM and City of Tshwane - CTMM) through assessing their integrated development plans (IDPs), annual reports and publicly available strategic reports as data sources.

## 2. Literature Review

The literature review discusses policy coordination as a concept and practice. Afterwards, five policy and programme implementation enablers drawn from the NFLED 2018-2028 are also discussed focusing on LED activity coherence across government spheres.

### 2.1 Policy Coordination

LED is underpinned by the developmental local government concept that assists municipalities in attempts to reduce poverty, inequality and unemployment challenges (Reddy 2016), “hence promoting the socio-economic evolvement of households” (Vyas-Doorgapersad 2017:170) in South Africa. However, LED implementation has faced several challenges which the Development Bank of South Africa (DBSA 2009:5) summarised into the: “information gap; strategic gap; institutional gap; and financial gap”. To deal with these gaps, the DBSA (2009:5) asserts that national frameworks that supported coordinated approaches across government spheres and entities are required as part of the solution to these gaps. Coordinated approaches and policy coherence mean that firstly the local and national government (vertical alignment) share the same policy values and approaches and secondly such policies are consistent across social, economic, environmental and political facets of development and stakeholder groups (horizontal alignment) (Rubin 2016).

Such coordinated approaches have however also been discussed as challenging phenomena for involved governmental entities. Aldrich (2019) notes that globally governments attempt to establish functioning coordination models often struggling between traditional top-down bureaucratic approaches and bottom-up, participatory approaches. Sausman, Oborn and Barrett, (2016) believe that with top-down approaches in the implementation of national policies, governments may fail to identify with local norms and expectations leading to their partial or non-implementation. The International Labour Organisation (ILO) (2009) also asserts that “national frameworks may be viewed by the local government sphere as a matter of national-level policy and regulatory reform, but not pertinent or actionable at the local level” and this can result in non-implementation at the local level.

### 2.2 LED Monitoring and Evaluation

Within municipal systems, monitoring and evaluation (M&E) are critical for ensuring that programmes and activities adequately address developmental goals and objectives (Vyas-Doorgapersad and Zwane 2015). Multi-stakeholder efforts and involvement are important in the creation of comprehensive, well-aligned LED monitoring and evaluation frameworks (Rabie 2011; Govender 2017). Amongst the major M&E challenges is the lack of adequate key performance

indicators (KPIs) in municipality strategies (Matlala 2014). Thwala, Sihlongonyane, Ndabeni, Rogerson and Ntuli (2020) assert that sharing M&E methodologies and frameworks across stakeholders is one sure way of establishing standardised assessment practices. Whilst a coordinated LED M&E approach is important, it must be kept in mind that municipalities and stakeholders exist in different environments which may require different rather than uniform M&E approaches (Thwala et al. 2020).

### 2.3 LED Strategy Coordination

While municipalities have the role to tailor-make LED strategies that directly deal with specific issues within their diverse communities, they are expected to carry out this role in alignment with national and provincial policies and strategies (Crawford 2016). Balancing this fit has been a challenge in the presence of non-detailed and basic guidelines on LED strategic planning (Van der Walt 2018). Many municipalities fail to strategically define LED often failing to balance between the pro-economic growth and poverty alleviation goals of the concept (DBSA 2009). Some municipalities fail to recognise their roles in creating and enabling an economic environment in which LED may then succeed, choosing to focus on projects and programmes in what has been defined as the project approach (Cooperative Governance and Traditional Affairs [CoGTA] 2017).

To achieve coherent strategies, municipalities must first reconcile their LED strategies to their IDPs to achieve internal process alignment and then further align these with national LED strategies (Van der Walt 2018). There are however risks that come with such alignment needs. According to Du Plooy (2018), LED can be implemented as an institutional compliance mechanism rather than as a developmental approach. Also, municipalities can mimic LED programmes that are neither relevant nor practical to their settings (Du Ploy 2018). Nonetheless, the importance of national strategic guidelines and framework even within administratively decentralised municipalities remains critical considering poor strategic planning records at the local government level (Crawford 2016).

### 2.4 LED Funding Structures Coordination

The funding of LED programmes remains a challenge in South Africa especially in the presence of competing financial needs in poor municipal systems (Mashinini 2017). The national government could play a stronger LED framework coordination role to ensure the local government planning, including funding access is integrated with broader national policies (Mashamaite and Lethoko 2018). The DBSA (2009) puts government involvement and coordination at the centre of LED funding challenges resolutions. It notes that the main funding sources, the national government departments and agencies, developmental financial agencies and the donor community needed a coordinated approach that is best led at the national government level to ensure that access and use of such funding are integrated and not haphazard (DBSA 2009). National coordination increases guidance, reduces excessive discretion and therefore stabilises funding processes in local governments (UN-Habitat 2015).

### 2.5 Institutions and Organisations

For LED to succeed, there is a need for well-capacitated institutions and organisations responsible for the process in municipalities (Meyer 2014). At the local government levels, two institutions, economic development departments (EDDs) and local economic development agencies (LEDAs) are responsible for LED (Nene 2015). Coming to the individual LED departmentalisation in municipalities, Meyer (2014) believes that the absence of well-capacitated LED units has hampered the success of the concept in some South African municipalities. On LEDAs, a study by Khambuli and Mtapuri (2018) revealed that while LEDAs improved LED implementation effectiveness, their operational efficiency was impeded by poor coordination with the municipalities and legitimacy

issues. Other scholars believe that LEDAs are effective policy implementation bodies that are unfortunately perturbed by political and administrative inconsistencies in municipalities (Lawrence and Rogerson 2017). With LED departments and LEDAs reporting coordination challenges at the local level, it is difficult to envisage them coordinating within national policies.

## 2.6 LED Skills and Capacity Development

Closely aligned to previously discussed M&E, strategic and organisations enablers of LED is the skills and capacity development need. Two broad types of LED skills dimensions can be identified – skills for LED projects beneficiaries (Nene 2015) and skills for LED practitioners (Matlala 2014). Because of the relative newness of LED, various theories, conceptualisations of the concept exist and this tends to complicate the identification and development of LED skills (Meyer 2014). Again, the debate is on whether municipalities need national government guidelines on developing LED skills or whether local situations must instead guide the development of required skills. It can be considered that coherence between national skills development frameworks and local governments own LED skills development efforts have certain advantages to municipalities. The national government has better resources and systems to guide and develop skills frameworks and are also custodian of skills certification and research bodies. This could improve both the skills capacity levels as well as coordination within the LED ecosystem.

## 3. The Contextualisation of LED -Local Versus National Government

LED is one of the five key performance (KPA) areas of local government the other four being “Municipal Transformation and Organisational Development, Basic Service Delivery, Municipal Financial Viability and Management, and Good Governance and Public Participation” (SALGA 2010:6).

According to the NFLED (2018-2028) LED can be looked at as “the process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation to build up the economic capacity of a local area to improve its economic future and the quality of life for all” (CoGTA, 2017:11). CoGTA (2017:9) further stresses that municipalities “should spend their limited resources on unlocking economic development opportunities, and not directly on job creation”. However, municipalities LED definitions still focused on them as the actual creators and sometimes providers of jobs to communities. The challenge this brings is that due to budgetary constraints, their impact on direct job provision is constrained. For instance, all municipalities, except for the eTMM that claimed to have created jobs through direct interventions created proportionally insignificant new and often temporary jobs relative to population sizes (eThekweni 2020:642). The CTMM reported creating 2676 jobs through its enterprises' development programmes in its 2018/2019 annual report. The eThekweni Metropolitan Municipality reported that by the end of 2019, 21595 jobs had been created through its LED initiatives mainly via the Expanded Public Works Programme (EPWP) (eThekweni 2020).

Additionally, in situations where municipalities directly implemented LED programmes, they did this against proportionally low targets in terms of the numbers of beneficiaries. For instance, in its 2018/2019 annual report, The CTMM reports that it assisted 387 SMMEs with infrastructure, training, product development, business licensing, strategic business orientation and stakeholder management (CTMM 2019). In the same period, the CoCT targeted helping 500 SMMEs per year with similar support assistance (CoCT 2019). The CoE also reported success in training entrepreneurs compliance and licensing issues, franchising, getting access to funding, product development and business p-planning (CoE 2019). It housed 79 small medium and micro enterprises (SMMEs) under new business hubs and reached out to 179 co-operatives (CoE 2019). Such success while laudable unfortunately is a mere drop in the ocean considering that SMMEs in need of support number in their tens of thousands. This strengthens the logic of the NFLED's view that municipalities will

achieve more if they become LED-enabling agencies rather than the actual programme and activity implementors (CoGTA 2017).

Amongst the major factors adversely affecting LED success is a lack of understanding of the role and position of economic development in traditionally service-oriented and politically focused municipalities (CoGTA 2017). The Mangaung Municipality (2020:261) defines LED in the context of its purpose: “The purpose of local economic development (LED) is to build up the economic capacity of a local area to improve its economic future and the quality of life for all.” and that “It focuses on enhancing competitiveness, increasing sustainable growth and ensuring that growth is inclusive”. The municipality however also believes that it should have a direct role in actual job creation (Mangaung 2020). LED objectives could also be achieved through “growing and diversifying the local economy through the attraction of new investment, skills development and the facilitation of an enabling environment for small business growth and job creation” (NMBM 2020:189). The eThekweni Municipality broadly defines LED through a goal-oriented approach as a programme “To develop the economic wealth of the eThekweni region for the well-being of all its citizens” (eThekweni 2020:3). The CoE states that “Strengthening industrial competitiveness of the CoE through modern industrial systems and infrastructure development, including the development of new value chains, markets and their associated products and influencing broader access and participation (especially by small and medium enterprises) in the economic activities of the region is the hallmark of the City’s economic development endeavours” (CoE 2020:57). As noted some of the above LED definitions (Mangaung and the NMBM), fully correspond to the NFLED’s view of creating an environment that fostered LED success.

Contrary to the policy’s view that LED should focus on creating an enabling environment in which jobs can be created, the CoJ directly targets job creation indicating a strong misalignment with the framework (CoJ 2020). This is also observable in the CTMM that also sees itself as a direct creator of employment via the LED route (CTMM 2020). This difference in definition and focus highlights significant policy incongruence between the national and local government spheres on what should and should not be municipal LED objectives.

### 3.1 LED-Enabling Factors in Municipalities

Going back to the NFLED, LED success is underpinned by the development of “enablers” which are aspects that make it possible for municipalities to create an enabling LED environment (CoGTA 2017: 14). The CoGTA’s LED framework for 2018-2028 is envisaged to standardise and improve the contextualisation of LED in different municipalities. This is in response to conclusions the previous LED frameworks failed to standardise LED among municipalities with different local governments having different contexts and scopes on economic development. Under the new framework, municipalities are economic development enablers through implementing six pillars, such as (CoGTA 2017:14): “building a diverse & innovation-driven local economies; developing learning and skilful economies; economic governance and infrastructure; strengthening local innovation systems; enterprise development and inclusive economies”. These six “core pillars” must be technically supported into actions by five enabling pillars. As envisaged, if municipalities abide by the below national-government developed pillars, poor LED coordination and support as a result of different policy guidelines and LED related-KPIs will be eliminated (CoGTA 2017: 14-16). This article took the approach that policy interactions between national and local governments will be integrated through the pillars. The five enablers are further discussed with reference to the eight metropolitan municipalities of interest to the paper starting with Monitoring and evaluation (M&E).

#### 3.1.1 Monitoring and evaluation

As a LED enabler M&E made it possible for municipalities to assess the effectiveness of LED strategies in meeting their goals. In the NFLED 2018-2028, it encompasses developing LED M&E systems,

benchmarks and knowledge hubs that supported performance assessment. It also involved assessing the extent to which LED targets were in harmony with those from other government spheres (CoGTA 2017: 16). There was evidence of at least some degree of M&E as some municipalities reported the LED programmes performance versus targets. These were the CTMM, and the eThekweni Municipality (eThekweni 2020: 77). All the municipalities, however, did not discuss the existence or prospects of an LED evaluation plan as proposed by the 2018-2028 LED framework. The CTMM generally discusses the concept of M&E in its 2020/2021 IDP without aligning it to LED. Nonetheless, the discussed concepts including performance benchmarking and designing performance management systems resonate with the NFLED 2018-2028 conceptualisation of LED monitoring and evaluation. The Mangaung Metro listed LED monitoring and evaluation as a priority under its IDP proposing the establishment of a “LED directorate as an efficiency monitor” (Mangaung 2020: 90). The NMBM has a monitoring and evaluation function that also monitors LED programmes undertaken by the “Directorate: Economic Development, Tourism and Agriculture” (NMBM 2020:50). However, there were no KPIs relating to LED in its IDP. The CoCT and the eThekweni Municipality discusses LED M&E without necessarily giving the details of the process and procedures to be involved (CoCT 2019: 24, 160).

While M&E was discussed in IDPs, it was generally not aligned to the specificities of the NFLED 2018-2028 and this suggests that the metros had not yet aligned their M&E agenda to the needs of the framework. This exposed the LED systems to poorly coordinated M&E environments in which the overall assessment of progress could be a challenge. Also, this created a risk of municipalities continuing with M&E processes that have been associated with the failures of previous LED efforts.

### 3.1.2 LED funding

Under the NFLED 2018-2028, funding has three facets. These are the establishment of a ‘dedicated LED funding instrument’ for municipalities, harnessing current funding sources towards LED support, and ensuring that ‘Municipal Infrastructure Finance’ supports LED (CoGTA 2017:16). The most capture funding aspect was the second one on harnessing relationships with existing funding entities from within and without government.

The CoJ’S 2020/21 IDP captures the funding issues proposed under the NFLED 2018-2028 specifically the need to enhance sources of LED activity funding (CoJ 2020). The CTMM discusses the need to fund infrastructure projects that have an economic development impact (CTMM 2020). This aligns with the NFLED 2018-2028’s view on “Mainstreaming Municipal Infrastructure Finance to support LED” (COGTA 2017:16). Thus, on this aspect, the CTMM’s priorities align with the NFLED 2018-2028. The Mangaung and NMBM’s IDPs for 2020/21 do not discuss LED funding. In the CoCT, no funding objectives or KPIs were highlighted under the IDPs as expected under the NFLED 2018-2028.

In its LED, however, the CoCT puts sourcing national funding for economic development through “Engag(ing) PICC to leverage national funding” (CoCT 2013:24). In the eThekweni Municipality, a funding programme that targets “government grant funding, partnerships with international agencies, and entering into partnerships with the private sector on key projects and programmes.” is discussed (eThekweni 2020:16). The CoE (2020:57) indicates its engagement with government and non-governmental funding agencies to support LED.

### 3.1.3 Organisational and institutional development

At the local government level, organisational and institutional development as a LED-enabling pillar relates to building organisational and institutional structures that can effectively support the formulation and implementation of LED strategies (CoGTA 2017). The same aspect also relates to relationships between municipalities and government departments and agencies and non-governmental entities including academia and private business in support of LED (CoGTA, 2017). In

the IDPs, there was much evidence of the existence of ‘Dedicated LED units’ either as directorates or departments within directorates in all the assessed metros as well as external stakeholder organisation involvement.

The CoJ has the Johannesburg Development Agency (JDA 2021). The JDA focused on spatial development and infrastructure funding and development. It, therefore, linked LED to infrastructure, especially through economic nodes and business hub development. The CTMM and the NMBM had the Tshwane Economic Development Agency (TEDA) and the Mandela Bay Development Agency (MBDA) as economic programme agencies, respectively. The CoE (2018) had among its KPIs, the establishment of the Ekurhuleni Development Agency (EDA) (CoE 2018) while the BCMM has the Buffalo City Metropolitan Development Agency (BCMDA 2021).

The NMBM has a directorate of economic development that handles LED affairs (NMBM 2020: 50). The CoCT has the “Economic Development Department” and the “Planning Department and Development Facilitation Unit” responsible for economic development implementation (CoCT 2013:15). The CoCT (2013:3) labels its LED approach as a “‘whole organisation’ approach”. In the eThekweni Municipality, an “Economic Development Unit is (provided for) to align with the national policy packages” (eThekweni 2020:14).

All metros had some form of partnership with government funding entities although the NMBM and Mangaung did not explicitly identify any private sector partnerships as per the new NFLED’s expectations. Also what was lacking in the municipality goals, outputs and KPIs were any plans to coordinate with provincial agencies as per the new NFLED’s sub-pillar on “Dedicated LED support and Coordination” with provincial structures (CoGTA 2017).

#### 3.1.4 LED capacity development

The fourth pillar of LED enablement, the human resources and capacity development pillar challenged for “Professional Development Programmes for LED Practitioners”, “Coaching and Mentorship” and “Academic Programmes” as part of the process to improve LED skills in government (CoGTA 2017:17). While all metros discuss the importance of skills development in small, medium, and micro enterprises (SMMEs) under their wing, what is less discussed and less evident is municipal staff training in LED strategy and programme issues. It can be deduced that most IDPs and annual reports do not mention the further capacitation of economic development departments. Internal capacity development can also be linked to the other enabling pillar which is poorly covered in IDPs – M&E. Capacity building weaknesses in municipalities can be logically suspected to hamper economic development M&E.

Amongst those that discuss skills development, the CoJ proposed staff capacity development (“Programme 2.2: Professionalization of Local government: Skills Audit”) in all its strategic priority areas (CoJ 2020:155). Also, the CTMM 2020/21 “IDP highlighted the need to develop strategic skills in its staff so that it can effectively manage the municipality’s intervention programmes”. The Mangaung IDP for 2020/21 aligns LED relates LED performance with organisational capacities and competencies (Mangaung 2020). No specific LED training and knowledge development programmes, goals of KPIs are mentioned in the NMBM IDPs. In the CoCT Economic Growth Strategy and its 2020/21 IDPs, there is no discussion on LED capacity challenges and developments or any capacity development-related KPIs. The eThekweni Municipality’s (eThekweni 2020: 308) “human capital strategy talks about the need to identify skills gaps in municipality interventions without directly referring to LED”. The BCMM did not list or discuss internal capacity development as part of its LED KPIs. This pillar is therefore poorly captured in the metros IDPs, strategies and reviewed annual plans. This is a major issue considering that a review of the 2006-2011 national led strategy extensively dwelt on skills issues within municipality teams as a strong hindrance to LED management and administration.

### 3.1.5 Planning, research and strategy

The fifth enabling pillar of LED relates to strategic planning at the municipality level. All the metros have evidence of LED-related strategic planning consisting of goals, objectives and programmes aimed at ensuring the realisation of such goals (CoGTA 2017). While a SALGA's review of the 2006-2011 LED framework points at lack of adequate information, it is this researcher's opinion there is not much evidence of any LED-related research being carried out by the municipalities, judging from both IDPs and annual reports. Ultimately, all metros had LED strategies albeit in different forms, structures and detail levels. This gave the impression that the sub-pillar to "Develop Guidelines and LED strategies and GDS" (CoGTA 2017:16) was mostly unimplemented.

However, metros acknowledged the link between spatial development and LED noting that land-use and infrastructure development directly affected LED. The link between infrastructure and LED was emphasised in all metros and was also strongly highlighted in municipality development agencies. Some metros' IDPs and LED strategies resonated with the NFLED's view on the need to improve LED-related strategic planning as part and parcel of improving LED performance. The element of LED related research is also captured in the IDP under the metros plans to investigate "Pro-poor value chains, The informal sector, Existing LED Projects (and) The extended public works programme" (Mangaung 2020:89). In the NMBM long-standing strategic issues discussed included "the absence of an adopted long-term local economic development or growth strategy and the lack of implementation (of the) Nelson Mandela Bay Industrial Development Strategy" (NMBM 2020:94) as a hindrance to LED growth.

Under the strategy and research pillar, much emphasis was placed on improving data and information input through research. This aspect was captured in the IDPs and strategies of some metros. The IDP of CoCT (2020:79) talked about research "programmes aimed at facilitating industry development through initiatives such as business support, exporter readiness, research and supply/cluster/value chain enhancements". Nonetheless, there were no KPIs relating to LED research. Structurally, the Mangaung Municipality planned to "Develop a system of internal economic intelligence" as part of LED research" (Mangaung 2020:89). The eThekweni Municipality lists a programme to "Provide Economic Intelligence and a Strategic Economic Framework" as part of LED support efforts (eThekweni 2020:5). This also resonates with the NFLED's views on research and data generation aspects that should guide LED planning. In other metros, the research aspect as an enabler of LED is not evident in the post-2018 IDPs.

## 4. Synthesis and Discussion

In all the 2020/21 IDPs, there was no direct mention of NFLED 2018-2028, a general expectation of this article being that this being a major policy that relates to LED as one of the five KPAs of local, it should be captured in the planning of the concerned metro and reporting. This alone strongly suggests that the views of this policy including the five LED enabling pillars focused on in this paper were not duly considered in the assessed IDPs two years after the framework was publicised. This creates a risk that, overall, there will be no consistency and alignment between municipality LED strategies and national LED policies and aspirations.

While the IDPs reviewed did not provide the reason why the framework appears less considered some scholars (Sausman et al 2018; Rubin 2016; Mashamaite and Lethoko 2018 and Braithwaite, Churruca, Long and Ellis 2018) have highlighted several reasons while national policy frameworks from the government may get low adoption rates among local municipalities. Sausman et al. (2016) and Braithwaite et al. (2018) believe that such situations could be a result of the failure of top-down approaches to resonate with local needs. Other reasons as provided by Mashamaite and Lethoko (2018) also include the general multi-stakeholder environment of local government which could delay or impede policy implementation.

Also and most notably, the volumes of SMMEs, as well as the numbers of jobs created, are



nominally very low suggesting serious LED capacity issues in all municipalities. Finally, with no national LED performance measurement standard different metros focused on different reporting aspects making comparative assessment difficult. This strengthens the urgent need for the NFLED's LED evaluation standards as part of the process of improving LED performance and relating local LED success with provincial and national objectives.

While the five enablers can be adopted as LED capacity-building guidelines, different municipalities may align with different national policy components in a manner that reflects this uniqueness. From an analysis of this approach, the gaps between NFLED 2018-2028 enabling pillars and programmes and attempts by municipalities to capacitate themselves for effective LED management appear too broad to justify policy adjustments to local levels. For instance, the absence of LED capacity building in metros that report low LED performance suggests local policy inadequacies rather than adjustments to national policies to meet local needs as discussed by Crawford (2016) and Aldrich (2019) among others. Overall, the issue of concern is that lack of policy coherence on LED capacity enablers in an environment where LED is strongly seen as a failing concept creates the risks of losing potential benefits that national coordination can bring including through national guidance and better opportunities of accessing national government funding (ILO 2009).

## 5. Conclusions and Recommendations

From the findings made in the study, the authors make several recommendations on how to improve the coherence between South Africa's metropolitan municipalities and national LED policies. First, CoGTA should engage municipalities and relevant stakeholders to identify implementation issues and challenges relating to the new NFLED 2018-2028. Addressing such challenges could increase the propensity to apply the five enablers in developing LED capacities at the local government level. Noting the skills challenges in local government, implementation support for IDP reporting systems that align with national LED expectations should also be prioritised. Given the multi-stakeholder needs of LED policy, network relational structures rather than top-down approaches could be considered in the national and local LED policy formulation, implementation and harmonisation. E-government and e-governance systems can help to achieve this end as they reduce bureaucratic tendencies, red-tape and information bottlenecks across stakeholder groups. Other grey areas in any of the five enabling pillars including the expected relationships between LEDAs and internal LED departments, the contextualization and definition of LED and the balance between administrative decentralisation and policy centralisation in intragovernmental LED relationships also need to be addressed as part and parcel of coherence-building between national and local government policies relating to LED.

While the metros IDPs reflected all the five enablers, this reflection was neither complete nor fully consistent with the NFLED 2018-2018 especially on the activities and programmes proposed to support the pillars. For instance, all metros had LED strategies as expected but most did not have the research and analytics components needed to provide baseline and benchmark LED planning data. Also while all metros had funding arrangements including partnerships with major funders, only one had a dedicated LED funding entity as prescribed by the NFLED. On capacity development, the focus was mostly on developing skills among SMMEs with little focus being placed on developing LED practice skills among employees engaged in economic development activities. The monitoring and evaluation function of LED like strategies come in different forms and shapes by municipality indicating the absence of a national standard that would otherwise exist in a policy-congruent environment. Some metros did not fully report on LED goals as these were not translated into measurable KPIs. Despite the comprehensive LED agenda, LED is not a major part of CTMM's KPIs.

The main limitation of the applied methodology is its assumption that local and national government IDPs are comprehensive and complete enough to enable a reliable evaluation of LED policies in action. Also, given the generally diverse reporting standards and lack of coherence in

report structures, the methodological process was not comparative across the metros.

## 6. Note

This article is based on a unpublished PhD Thesis (still in progress) titled: Babalwa, S. 2021. A comparative analysis of the use of e-government services by small businesses at UJ under the supervision of Prof S Vyas-Doorgapersad. Unpublished Thesis. Johannesburg: University of Johannesburg.

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