

LOCAL ECONOMIC DEVELOPMENT IN SECONDARY CITIES: SEDIBENG REGION A PRECURSOR OF GENERAL POST-1994 GOVERNMENTAL ARCHITECTURAL PROBLEMS

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ABSTRACT

In 1994, the 'new' Republic of South Africa was formed when various local and international actors finally put an end to the unjust rule of the National Party's apartheid political architecture and British colonial experience. To ensure that historical injustices, particularly economic development inequality, were addressed for black citizens, numerous laws were promulgated and institutions set up. One such structure or sphere created to bring the benefits of economic development and democracy closer to citizens and communities is the local government sphere, in the form of Local Economic Development (LED). This paper contends that LED, in its current format, has failed townships and secondary cities found in the Sedibeng region, as Covid-19 has illustrated. Moreover, LED is characterised by poor planning and implementation at a theoretical and operational level. This assertion was proven correct by the inability of local governments to address Covid-19 economic problems such as unemployment,

business retention and future economic development planning. This paper therefore contends that for secondary cities and townships like the ones in the Sedibeng to succeed, local government planning needs to use new planning instruments such as anticipatory governance. Through questionnaires to local business owners pre-Covid-19, this paper illustrates how anticipatory governance could have prepared and allowed for new paths of economic development planning and viewed secondary cities as important resources. Yet, for anticipatory governance to be fully exploited, it is proposed that provincial governments might need to be discarded and replaced with stronger local government institutions in secondary cities.

Keywords: Local economic development, Sedibeng, Secondary cities, South Africa.

INTRODUCTION

The year 2024 represents more than three decades of multi-racial and majority democratic rule for the previously excluded

majority of black (African, Coloured and Indian) citizens. Yet, as momentous as 1994 was for South Africa and its citizens, the South African state finds itself in a most precarious situation socioeconomically and politically, as evidenced by the economic impact of the Coronavirus disease (Covid-19) and the political unrest/riots of July 2021. However, these two events did not result in the post-Covid-19 situation of mass unemployment, which in 2020 stood at 28.74% (youth unemployment in 2019 stood at 57.47%), meaning in 2024, 11.2 million South Africans were unemployed (Strategy&, 2025:5). Rather, the situation highlighted by these numbers reveals just how mismanaged economic development planning has been in South Africa.

However, an often-overlooked problem needing the government's attention is the one associated with section 152(c) of the South African Constitution, namely, the need for municipal authorities to actively engage with and foster Local Economic Development (LED). This paper argues that and sets its objective as illustrating the fact that LED has been a failure in South Africa, based on the data presented below, primarily stemming from Small, Medium and Micro-sized Enterprise (SMME) owners in secondary cities and townships. This failure is partly due to the poor governmental architecture characterising LED planning and implementation over the past two decades, and an inability to consider future insights or prospects for success in planning methodologies within institutions.

BACKGROUND AND PROBLEM DEFINITIONS

The early periods of the first and second administration of the African National

Congress (ANC) government in the late 1990s and early 2000s brought about various policy innovations and thinking to remedy the numerous socioeconomic and political problems inherited from British colonialism and Afrikaner National Party dictatorial rule (Gumede, 2015). It is for this reason that during this period, the ANC-led government introduced varying policies such as the Reconstruction and Development Programme, Growth, Employment and Redistribution, Accelerated and Shared Growth Initiative for South Africa, and Black Economic Empowerment – now called Broad-Based Black Economic Empowerment (Gumede, 2015).

It can be argued that these policies and other legislation have been the cornerstone of the early ANC government's retort to the vast historical socio-political and economic problems associated with British colonialism and Afrikaner apartheid rule after 1994. However, numerous ANC aligned entities and individuals such as the Congress of South African Trade Unions, the South African Communist Party and Patrick Bond (Bond, 2004), a critic would argue that the ANC in government could have been more successful through developing more forward-thinking policies and a different economic development path (Twala & Kompi, 2010). However, this article will not be engaging with the debates about the policy direction the ANC took in this period. Instead, it seeks to explore an often-under-discussed policy subject that gave rise to some of the most innovative policies and thinking from the period.

The Constitution envisioned South African communities and municipal localities that would be transformed from historically

poor areas to prosperous localities through the instrument known as Local Economic Development (LED). In describing LED, it is important to explain that there has never been a singular understanding of the concept; in fact, the name LED is a new name for a concept that many argue came about due to the historical development of regions, states and countries (Steytler, 2005). As Robbins (2012:2) explains, "for centuries in communities throughout the world local collective endeavour to improve the living conditions of some or many members of communities has been a fundamental part of the rationale of communities existing in the first place". Robbins, using the example of European and American development, argues that each region has come to understand LED in different ways due to how they interpret and understand the powers of local government to plan and implement LED.

The need to develop local government entities or municipal regions to actively play a role in the economic development of regions is linked to the precursor of LED, namely, location theory. Location theory was developed in Germany and documented by Johann Heinrich von Thünen in his landmark publication in 1826, *The isolated state in relation to agriculture and political economy* (von Thünen, van Ulrich & Tribe, 2009). Von Thünen observed that there was commercial association involving regions or what was referred to as municipal localities in many German cities of the 1800s. Dobrescu and Dobreb (2014), expanding upon the work of Von Thunen, found that the agricultural products grew in value when they were exported from their domicile (original/home region) to other regions and even countries.

Meanwhile, thinkers such as economist Wilhelm Launhardt (1885) and others saw the importance of spatial planning and economical usage of space as outlined in publications like *Mathematical principles of economics* (Perreux, 1998). In the development of location theory, there was a move away from only seeing it from the German perspective, which was done through Italian Achille Loria's work. Loria's significant contribution can be found in his *La rendita fondiaria e la sua elisione naturale* (Loria, 1880) and focused on the growing importance of industrialisation and location. This is particularly important as the Sedibeng region was formerly known as an industrial area (Mkhize, 2021), and when analysing LED in the current period, it is important to consider whether the planners had a firm understanding to distinguish between industrial regions and international markets. However, as time wore on, this period produced updated theories, such as the Growth Pole strategy, to capture developments of that era's commercial enterprises.

Francois Perroux (1955) is seen as the foremost thinker in developing this theory through his *Note sur la notion de poles croissance*. Growth Pole strategy was different from location theory in two primary ways. Firstly, the Growth Pole strategy argued that economic activity is mainly premised on geographical or locational considerations, but it is in fact premised on the economic enterprises/businesses in the given location (Dobrescu & Dobreb, 2014:263). This premise raised the importance of having the right types of businesses or sectors in the municipal locality. The second aspect of the theory is perhaps a controversial one for a state like South Africa, namely, that land is not the most important resource. Rather, the most

important aspect of any location is newly developing abstract economic activities and sectors, i.e., information and communications technology (Pooe, 2018). However, as industries and businesses developed during the post-Perroux period, the early form of Growth Pole strategy came under scrutiny, and newer adaptations of it were developed and began dominating the era. Pooe (2018) argues that the newer understanding of the Growth Pole strategy focused on: (a) reviving depressed or dilapidated areas; (b) encouraging regional decentralization; (c) modifying national urban systems; and (d) attaining interregional balance. Hence, LED has a varied and non-singular definition in places like South Africa.

South African LED Legislation History and Secondary City Problem

Alongside Chapter 7 of the South African Constitution, LED in South Africa was and is shaped by the White Paper (1998), the National Framework for Local Economic Development, and, in certain instances, the strategy document known as the Growth and Development Strategies. The National Framework for Local Economic Development in South Africa: 2006-2011 was formally launched in 2006 by the Department of Provincial and Local Government (now Cooperative Governance and Traditional Affairs – COGTA). It can be argued that the primary objective of this policy was "to support the development of sustainable local economies through integrated government action" (Department of Provincial and Local Government, 2006). This primary aim links well with the given definition of LED by the Organisation for Economic Co-operation and Development (OECD) and adheres to

the ethos of the South African Constitution's Chapter 7 interpretation of COGTA.

The concept COGTA, as stated in the White Paper on Local Government (1998), refers to a municipality "which is committed to working with citizens, groups and communities to create sustainable human settlements which provide for a decent quality of life and meet the social, economic and material needs of communities in a holistic way" (Provincial Affairs and Constitutional Development, 1998). Therefore, it is not incorrect to argue that the concept of COGTA is concerned with creating municipalities that are not mere administrative centres for the running of local government. The same White Paper (1998) explains its LED vision by describing local government as having "an important role in promoting job creation and boosting the local economy. Investing in the basics by providing good quality cost-effective services and by making the local area a pleasant place to live and work is the key starting point..." (Provincial Affairs and Constitutional Development, 1998:3). For this reason, this paper argues that the 1998 White Paper was a precursor to the National Framework for LED and other subsequent legislation for LED advancement.

While the drafters of the Constitution might not have been this detailed about how and what it means to have municipalities promoting economic development or activity in municipal processes and activities, they need to be credited for understanding what the common understanding of LED is as articulated by the policies cited above.

Yet, as the South African post-1994 or democratic project prepares to celebrate its more

than three-decade existence in 2025, real concerns exist about what the next decade will look like (Fengler, Nelly, Gill, Baduel & Cuevas, 2021). In this regard, this paper contends that LED in most South African municipalities has not gone beyond being considered a desired policy or constitutional outcome. Evidence of this is seen in the fact that the centres of commercial activity in South Africa are concentrated in four municipal localities, namely, the City of Johannesburg, the City of Cape Town, the City of Ekurhuleni and the eThekweni Municipality. This position is supported in recent reports such as the Budget review: Explanatory memorandum to the Division of Revenue (National Treasury, 2024:4) and older ones like the South African Cities Network (2016:95) that illustrate the fact that economic activity in South Africa is skewed towards the listed metropolitan municipalities. The unforeseen result of the centralisation of the economy into these specific localities is that it is hard to gauge whether LED truly exists in metropolitan municipalities or is a by-product of the historical advantage of these areas' commercial activities.

Moreover, the current configuration that sees a centralised economic model in these localities raises the spectre of whether LED in South Africa needs to be regarded as having failed because it has not been able to expand economic activity beyond these metropolitan areas' localities. A prime example for viewing LED in South Africa as having failed is to look at the economic problems in secondary cities and townships (Tshabalala, 2023). According to Roberts (2014), secondary cities are cities that are not capital or metropolitan localities or in

more recent times, according to economist Thompson, are cities (economic regions) with the potential and design to improve on previous mega cities and regions (Thompson, 2023). In the case of this paper, this would mean instead of Johannesburg, Pretoria or Ekurhuleni, secondary cities become cities like Vereeniging, Vanderbijlpark, Heidelberg and Meyerton (collectively known as the Sedibeng region).

As previously mentioned, the Sedibeng region used to be a thriving industrial base and model secondary city, yet the development trajectory of the region post-1994 has taken a downward direction (Gauteng Gambling Board, 2022). To arrest this decline in the region, the Sedibeng District Municipality (SDM) has attempted a myriad of strategies to either reverse this negative trend or to try new strategies to improve the region. The most well-known of these plans began in 2007, namely, the Sedibeng Growth and Development Strategy (SGDS), an attempt to directly address poor economic outcomes, in the form of high unemployment, mass-scale de-industrialisation and an alarming rate of low quality of life.

The SGDS was a response to the Gauteng government's crafting of their own Gauteng Growth and Development Strategy (GGDS) document, which answers a call by the national government to assist in leading or guiding economic activity in South Africa's nine provinces. The Gauteng Provincial Government (2006:3) explained that the Growth and Development Strategy was not a policy in the formal sense but a strategic guiding document for provincial and local governments to address pressing socio-economic problems such as unemployment

and economic transformation (Gauteng Provincial Government, 2006). The SGDS took on many different iterations and it can be argued to have not sufficiently addressed de-industrialisation and the accompanying unemployment in the region. However, it gave rise to many ideas such as remaking the region as a Logistical Hub (Grobler & Viljoen, 2014). Evidence of this assertion of failure is seen in the fact that the Sedibeng region now has the Sedibeng District One Plan, which flows from another repurposed District Development Model, and that, while claimed as new, has its origins in the 1998 White Paper on Local Government Section D: Institutional Systems.

These plans, policies, and repurposed documents notwithstanding, the need for new thinking on accelerating and attending to better economic development and LED in South African cities, while needed pre-2020, has now been quickened by the global Covid-19 pandemic of early 2020. Covid-19 has and continues to dramatically shake the global economic foundations and thinking around key issues such as global supply chains and their locations (Congressional Research Service, 2021).

Yet, this paper contends that in South Africa's case, while Covid-19 was an unexpected development, it needs to be seen as a manifestation of poor economic development policy and institutional design, pre-Covid-19 (African Development Bank, 2021). Therefore, rather than framing Covid-19 as the sole cause of South Africa's challenges, a closer look at the ineffectual LED thinking and planning in secondary cities of Sedibeng reveals a much bigger issue, namely, the diminished ability of policy planners to re-imagine the

future orientation of secondary cities such as those in Sedibeng townships. Therefore, this paper explores how and what possible solutions could exist to remedy this situation, including revisiting older policy debates about resourcing local government through restructuring the architectural framework of provincial government (Ellmann, 1994). Ultimately this paper puts forwards the idea of anticipatory governance as an immediate remedy.

METHODOLOGY

The methodological approach employed by this study can be categorised as qualitative research with thematic analysis. It collected data using 252 questionnaires (189 responded to most questions) from Small, Medium, and Micro Enterprises (SMMEs) ranging from general stores, manufacturing, trade, and services owners between 2018 and 2019. Analysis from this study used a two-dimensional thematic approach to group-related questions under specific themes, followed by analysing the data within the framework of the guiding anticipatory governance theory. This approach allowed for extracting new insights by integrating thematic analysis with theoretical grounding.

The study's sample and data collection process were influenced by a prior research project titled "The development of a model for LED implementation through SMEs", supported by the National Institute for the Humanities and Social Sciences and authorised by the North-West University. Overall, the approach combines empirical data collection with theoretical analysis to explore governance and LED through SMMEs. However, to validate this 2018/19 data, anticipatory governance

theory alongside updated post-2020 data sources were used.

Anticipatory Governance Theory

The general ethos of this paper is to explore the state and planning needs of secondary cities, using the Sedibeng regions' three major cities of Meyerton, Vereeniging and Vanderbijlpark. Therefore, it is not incorrect to contend that at the heart of this study is the need to understand the current or historical state of LED in the region, and then to ask whether the current status quo of secondary cities needs a change of planning ethos and practice. To arrive at an answer, a nuanced theoretical approach is needed owing to the necessity to marry historical findings and future planning initiatives. The theoretical framework for this exercise is thus argued to be anticipatory governance theory. This will be done through examining two key features of the theory, namely, conceptualisation of core ideals and focusing on next things: complexity.

(a) Conceptualisation and Core Ideals

The concept and practice of anticipatory governance is certainly one of the more recent concepts or theoretical tools of analysis. It "refers to the broad-based capacity to collectively imagine, critique, and thereby shape the issues presented by emerging technologies" (Barben, in Hackett, Amsterdamska, Lynch & Wajcman, 2008:992). This broad and one might contend future-orientated orientation forces its users, particularly those in Public Policy planning, to approach its use in a more holistic rather than singular manner.

The OECD (2021) expounded on this point, stating that anticipatory governance is the

"systematic embedding and application of strategic foresight throughout the entire governance architecture, including policy analysis, engagement, and decision-making ..." (2021:4). The planning forward approach and nature of anticipatory governance and its intrinsic whole institution approach certainly means that as a concept it is more concerned with outcomes that require institutions/planners to not merely discuss and plan but to change operational processes to be future focused. It can be stated that outside of planning ideals, a second core principle of anticipatory governance is forward thinking or conceptualisation.

Foley, Guston and Sarewitz (2015) explain that an anticipatory disposition focuses on taking proactive actions in the present, such as building capacity, to prepare for potential future events. It differs from prudence, prediction, or probabilistic forecasting, which emphasise knowing or predicting future outcomes before acting. This interpretation, analysis and discussion of what constitutes the future by Foley, Guston and Sarewitz (2015) challenges this section's assertion that it is a future-orientated concept and practice. However, it is critical to introduce other scholars who, while agreeing with Foley, Guston and Sarewitz, promote core assertions that anticipatory governance, while not obsessed with the future, is focused on preparing for it.

One such scholar who contends that anticipatory governance is centrally concerned with the idea of the future is Ray Quay (2010), who works at the Decision Center for a Desert City in the Arizona State University, who, while agreeing with Foley, Guston and Sarewitz (2015) about institutional readiness

for the future, still contends that the focus of the future should not be lost, hence he advocates interlinking concepts of foresight. He adds the idea of using anticipatory governance to guide institutional decision making and thinking, which partially concurs with the argument of Foley, Guston and Sarewitz.

However, good insight and rounding off of the core ideas of the concept, outside of the work covered by Foley, Guston and Sarewitz (2015) and Quay (2010), are Fuerth and Faber (2012). They explain that anticipatory governance is a systems-based framework designed to help governance adapt to rapid and complex changes. It operates as a "system of systems", tracking emerging trends, self-organising to address unforeseen events, and quickly adjusting to the dynamic interactions between policies and evolving challenges.

Fuerth and Faber's definition and understanding is perhaps more open and seems to merge the debates of Foley and others because they argue that the concept represents the beginning of the concept anticipatory governance (2012). Yet, while its popular appeal and usage in countries such as the United Arab Emirates, India, Thailand, Russia, South Africa, the Republic of Korea and others might be more visible from the period they advocate, Guston (2014) contends that the concept actually has an older origin, namely, the 1990s and more centrally in the field/literature of New Public Management. To emphasise this point, he points to the work of Feltmate (1993), which explains that during the period of the 1990s or late 1980s, to be more exact, when government institutions were being shaped and customised to fit the New Public Management practice,

encouraged by the United Kingdom and United States' Margaret Thatcher and Ronald Reagan respectively, the ideals of anticipatory governance were present. Yet he also argues that a proper analysis of the different fields of science and study would illustrate that anticipatory governance was present as a feature of the public administration and management narrative owing to the work of Lindblom (1959), and the more central idea of anticipation rather than prediction in the concept owes much to the work of Sarewitz, Pielke and Byerly (2000).

Notwithstanding who and what era of time can lay claim to the concept of anticipatory governance, this paper argues that rather than a set practice/concept, several critical ideas can be said to influence its study and practice. Firstly, the idea that the future, whether overly focused on or needing to be prepared, must inform institutional planning and thinking. Secondly, thinking and preparing for the future within institutions (government or private) must then inform better decision making. Moreover, decision making, and the outcomes thereof, need to be exhausted and always tested against some pending future narrative. Thirdly, anticipatory governance requires that institutions and their internal processes/systems be prepared and orientated to understand that they need to be agile to considerations of the future (Heo & Seo, 2020).

This paper argues that while there are additional principles that continue to be added to the field of anticipatory governance, such as the works of Heo and Seo (2021), the three presented here are worthy of being considered the fundamental ideal principles. Yet, this theoretical conceptualisation has

spoken a great deal about the future without necessarily expanding on what this means. The following sector, linked to the three principles here, will contend that one of the great uses as the first ideal of anticipatory governance is its focus on 'what comes next', which is particularly important for a state like South Africa that daily withstands numerous political headwinds (Qobo & Ngcaweni, 2021) and now exists in an everchanging globally unstable period (Olukoshi & Mateos, 2021).

(b) Focusing on Next Things: Complexity

The central debate in the first section of this theoretical framework, particularly the first two principals, is the idea of what is meant by the future and how much time, resources and institutional capacity should be given to it. Barben *et al.* (in Hackett, Amsterdamska, Lynch & Wajcman, 2008), Foley, Guston and Sarewitz (2015), Ray (2010), Fuerth and Faber (2012) and countless others all interpret the importance of the future and what efforts need to be dedicated to it. However, none of the scholars of anticipatory governance deny the fact that some focus and conceptual resources need to be dedicated towards exploring what the idea of the future means within the context.

Argued differently, whether one advocates for an intense focus on the future or promotes thoughtful planning without fixation, it remains a valuable debate worth holding. However, the central focus for states like South Africa concerning this debate is not who is right or wrong, but rather what American technocrat Leon Fuerth (2011) cites as an even bigger problem for those that want to master and practise anticipatory governance, namely, that modern policy issues are complex

and non-linear, evolving continuously rather than being resolved through straightforward, step-by-step solutions. Interventions often generate new challenges, requiring ongoing monitoring and management rather than permanent resolutions.

It is interesting to note that during 2011, Fuerth and anticipatory governance came more into the spotlight owing, I would argue, to the biggest story of the 2010s, namely, the 2008 global financial crisis (Bogue & Ouillon, 2023), which precipitated the interest and growth of modern anticipatory governance. The financial and social problems caused by the 2008 global financial crisis highlighted the risk of financial complexity to policy planners and governments, and it thus makes sense that institutions, individuals, and global leaders would search for some form of tool to understand complex developments that might emerge. Therefore, this study has chosen anticipatory governance to better understand and analyse its findings, which intersect economic, social, and institutional parameters of study.

DATA AND ANALYSIS: SMMEs AND ANTICIPATORY GOVERNANCE

This section grouped several questions asked of SMME owners in the Sedibeng region, which is comprised of four secondary cities: Heidelberg, Meyerton, Vanderbijlpark and Vereeniging. As stated in the methodology section of this paper, the following data and analysis section used a two-dimensional approach to thematic analysis, firstly, grouping the questions into a single theme and then secondly analysing the data to generate secondary themes using anticipatory governance as a theory.

Theme 1: Policy Awareness and Stakeholder Participation

Question 1: Have you Heard of the Concept of Local Economic Development? Yes () or No ()

The surveyed 189 SMME owners, were asked to answer the question whether they had heard of the concept of Local Economic Development (LED). There were 42 who said Yes (22.2%), 127 (67.2%) said No, while 20 respondents (10.6%) did not respond to the question. This is somewhat perplexing because 67.2% of business owners, while actively engaging in actual LED activity, had not heard of it from either government or their respective business chambers. See Figure 1.

Question 2: Have you Heard of Either the Sedibeng Growth and Development Strategy (SGDS) or the Gauteng Growth and Development Strategy (GGDS)? Yes () or No ().

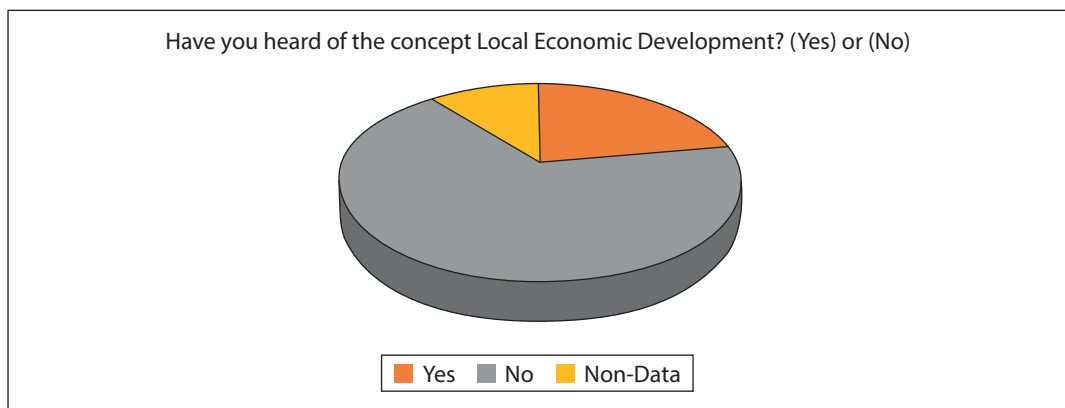
The 189 surveyed SMME owners were asked if they had heard of the strategic twin

documents of the local Sedibeng Growth and Development Strategy (SGDS) and provincial government Gauteng Growth and Development Strategy (GGDS). Of the surveyed respondents, 15 (7.9%) said Yes, and 148 respondents (78.3%) said No, while 26 (13.8%) did not respond. This answer clearly illustrates that when planning and development around LED were done by these spheres of government, SMME owners were not considered in the processes. This is still common across many LED approaches and plans in South Africa (Davidson, Kim & Almaguer, 2024:25). See Figure 2 on the next page.

Question 3: The Sedibeng Municipal Authorities Have Begun Working on the SGDS2. Were You Consulted? Yes () Or No ().

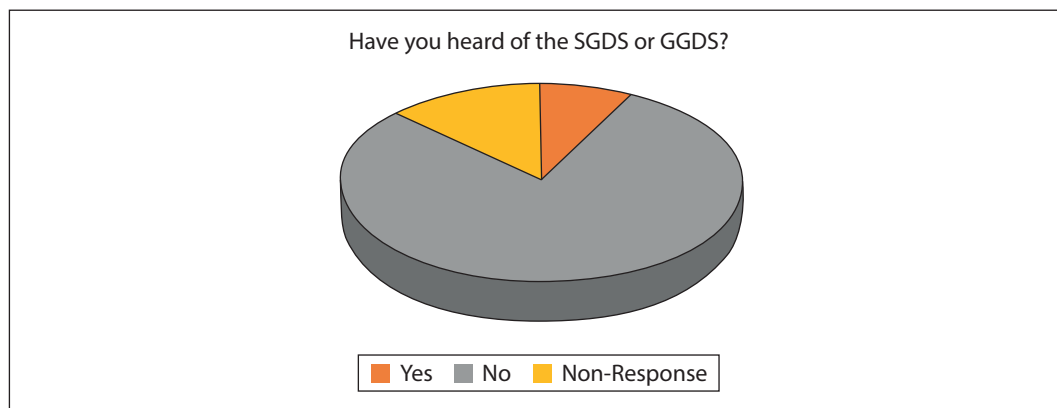
It is interesting to note that the SGS1 was created in 2007, and the new SGDS2. Was re-worked and updated in 2012, five years later, yet SMME owners explain that they were not consulted again just as in the previous five years. When asked whether they were consulted in the creation of the new

FIGURE 1: Responses to Question 1



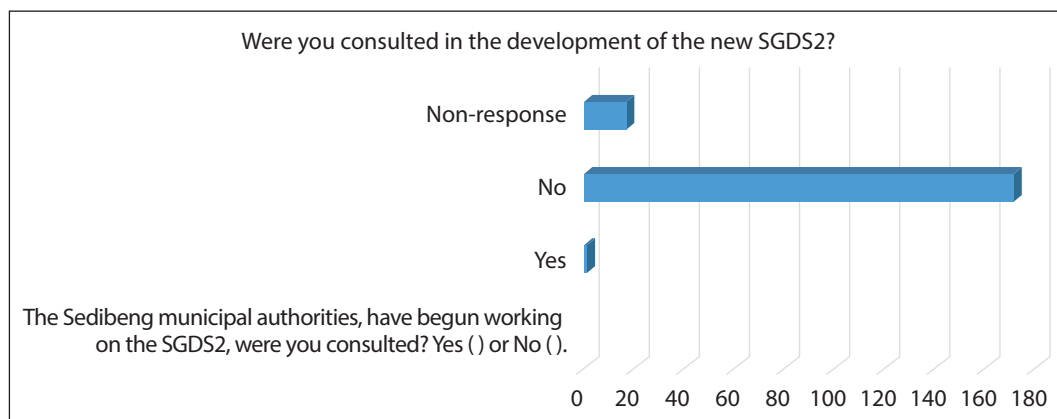
Source: Author

FIGURE 2: Responses to Question 2



Source: Author

FIGURE 3: Responses to Question 3



Source: Author

strategic plan by local government in 2012, 171 (90.5%) said No they were not consulted, while only one respondent (0.5%) answered Yes. There were 17 (9%) non-respondents. This again raises the question of whether the government views LED as solely their preserve and commercial enterprises in secondary cities and townships are merely considered appendages of the process. See Figure 3 above.

Synthesis Using Anticipatory Governance Theme: Missing Future Methodology Practice

When assessed against the anticipatory governance theoretical framework developed by this paper, I argue that the first ideal/idea presented in that section of the paper, namely, that the idea that the future whether overly focused on or needing to be prepared for, must inform institutional

planning and thinking, was missing from the planning of this secondary city government arrangement. Moreover, as Barben (in Hackett, Amsterdamska, Lynch & Wajcman, 2008) discuss, a future ready government or governance structure must ensure there is some actual planning to support it.

This section of the paper would contend this can be referred to as a future methodological approach which is missing in Sedibeng's various municipalities' secondary city approach. Evidence of the need for such is seen in the more recent study and work post-Covid-19 detailing how businesses in the Sedibeng region argue that the region has collapsed, and sub-optimum services are undermining their ability to operate (Ntshidi, 2021). It is disconcerting that this decline has been noted by other structures of government,

namely, the Gauteng Provincial Government, but no subsequent actions have been taken, and unemployment and high levels of crime have been allowed to expand (COGTA, 2020).

Therefore, it should come as no surprise that the lack of LED impact and development in the region has necessitated political change, especially when observing the Local Government Election results of 2011 (Table 1) and 2021 (Table 2). Both elections illustrate two interesting points; firstly, that in many of the secondary cities the ANC is seen as not being able to deliver on actual LED-related outcomes such as employment generation, which might explain its decline. Secondly, while not included in this study, the primary study from the National Institute got the Humanities and Social Sciences project focusing on Midvaal Local Municipality notes

TABLE 1: Local Government Election Results 2011: Sedibeng Region

Municipality	Seats Available	Seats Won	% Seats Won	Total Valid Votes in Municipality	Valid Votes for Party	% Support
DC42 – Sedibeng	19	13	68,421%	241 893	164 653	68,07%
GT421 – Emfuleni [Vereeniging]	89	64	71,91%	369 598	257 940	69,79%
GT422 – Midvaal [Meyerton]	27	11	40,741%	64 654	26 781	41,42%
GT423 – Lesedi [Heidelberg]	26	19	73,077%	54 414	38 524	70,80%

Source: Independent Electoral Commission (2023)

TABLE 2: Local Government Election Results 2021: Sedibeng Region

Municipality	Total Valid Votes		Valid Party Votes		% Valid Party Votes		Overall Support
	Ward	PR	Ward	PR	Ward	PR	
GT421 – Emfuleni	151 168	150 914	60 054	59 891	39,73%	39,69%	39,71%
GT422 – Midvaal	31 045	30 933	6 613	6 515	21,30%	21,06%	21,18%
GT423 – Lesedi	24 087	24 124	12 140	12 175	50,40%	50,47%	50,43%

Source: Independent Electoral Commission (2023)

that one of the reasons for the rise of the Democratic Alliance (and decline of the ANC in this municipality) is its LED approach. One such project has been the Siculo Precinct Plan in townships of Midvaal and other employment generation methodologies.

Therefore, the decade long collapse of the ANC, alongside business structures' loss of confidence in the municipalities they used to run, is something that could have been averted had a future-orientated methodology along the lines of anticipatory governance theory been supported. Many of the questions asked of SMME owners could still be grounds for building an actual methodology for an anticipatory governance methodology.

Theme 2: Key Infrastructural Structural Improvements in the Area

Question 1: Has There Been Infrastructure Development for Business in Your Area?

Yes () or No ()

This question was designed to assess whether SMME owners in townships and the region

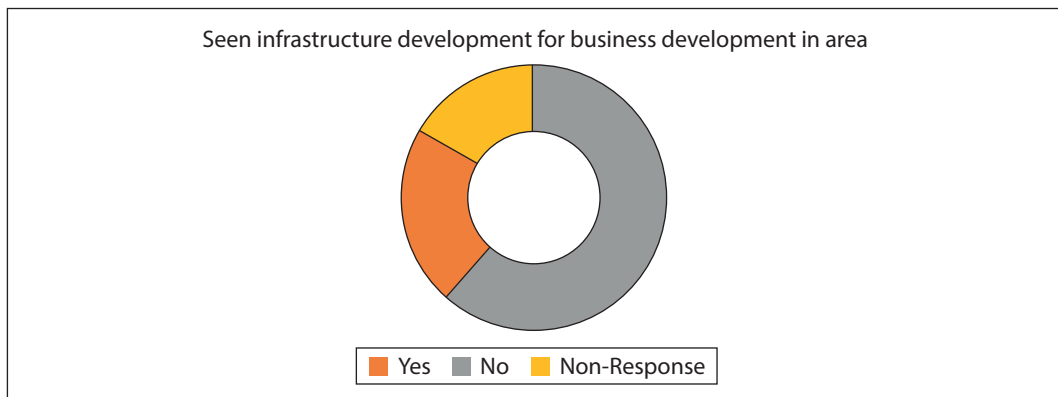
had experienced infrastructural development for advancing their businesses in their respective areas, even if they had not been consulted for other LED-related concerns. See Figure 4.

Assessing this type of development gives insight into what direction the government has taken without consulting SMME owners. Forty-two (22.2%) SMME owners who responded Yes had seen infrastructure development for the businesses in their areas, while the majority (61.4%) indicated No, and 16.4% gave non-responses. While it is important to note that the term infrastructural development for the development of businesses is a rather vague concept, each business owner would know what they need and have received from government infrastructure thus far.

Synthesis Using Anticipatory Governance Theme: Lack of Vision Castrates Potential for Public Infrastructure and Development

It is disconcerting to note that since the implementation of the 1998 White Paper on Local Government and other such legislation,

FIGURE 4: Responses to Question 1



Source: Author

SMME owners can contend that in their areas, infrastructure for business development is lacking or perhaps not even considered. The anticipatory governance theme generated from this development is thus that lack of vision on the part of government entities (regardless of sphere) castrates the potential for public infrastructure and development.

This is consistent with what the second idea of anticipatory governance explored in the theoretical section of the paper, namely, that "thinking and preparing for the future within institutions (government or private) must then inform better decision making". The work of Foley, Guston and Sarewitz (2015) thus comes to mind, particularly their argument that "... anticipation is about doing something now, like building a capacity, in preparation for something that might occur in the future". Hence it should come as no surprise that using the COGTA report (2020:5) once again, the concern around public infrastructure seems to have hit a point of no return: "The largest part of the region, which is Emfuleni, is characterised by poor infrastructure such as a high number of potholes, sewer spillages, neglect of refuse collection and ageing road infrastructure. This is a reflection of poorly managed budgets as well as staff and skills shortages and clearly negatively impacts on infrastructure condition. The municipality is currently under Section 139(1)(b) of the Constitution for two years now and has regressed even further".

It is important to note that the municipality is no longer under section 139, but the report into the pollution and ancillary problems affecting the Vaal River titled "Final report of the Gauteng Provincial Inquiry into the sewage problem of the Vaal River

17 February 2021" (South African Human Rights Commission, 2021) details how the region is totally underdeveloped by lack of planning and capacity around this subject.

Theme 3: Secondary City Businesses Yearn for Future Thinking Skills, Lest...

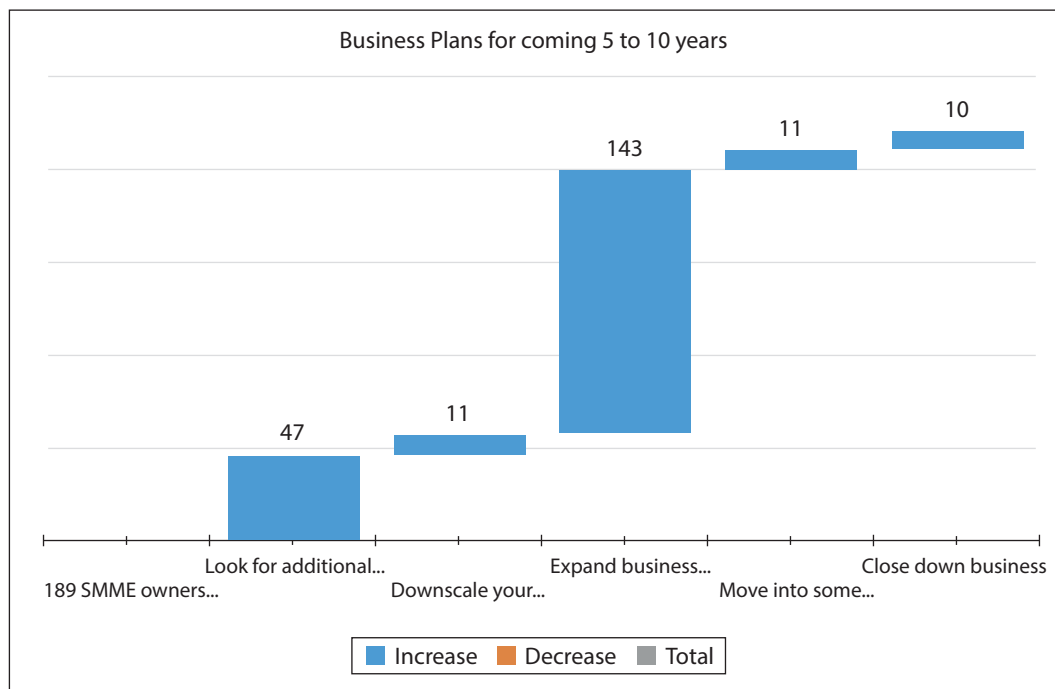
Question 1: 189 SMME Owners Interviewed Were Asked What Their Plans for the Next Five to Ten Years Are

This question can be read as a measure of the desires and estimation about the future these SMME owners operating in townships and the secondary cities of Sedibeng have for themselves. The majority indicated that in the coming years, they would expand their business operations (143, 75%). This was followed by 47 (24.9%) stating that they would look for additional funding to keep their business going or expanding, while 43 (22.8%) explained they would move into some new business initiative. On the negative side, 11 (5.8%) stated that they would downscale their business operations and 10 (5.3%) said they would close down their business. It was rather prophetic of this 2018/19 study to raise this point, especially as crucial structures such as the Auditor General's consolidated general report on their local government audit outcomes for 2022-23 now warns local government that failure to resolve internal problems will negatively impact their business (or LED) potential (2024). See Figure 5 on the next page.

Synthesis

The primary focus of this question was to explore and examine whether SMME owners in their respective regions see a positive or negative future for their businesses.

FIGURE 5: Responses to Question 1



Source: Author

Key Future Improvements Needed

Question 1: What in Your Opinion is Needed From the Side of Local Government to Improve Business in the Region Firstly and Township More Generally?

Funding From Government Institutions

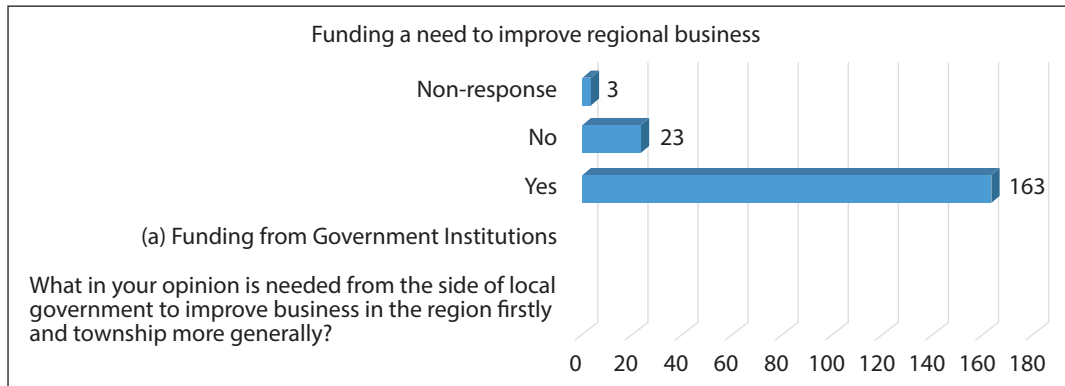
SMME owners in the region overwhelmingly stated Yes (163, 86.2%), that funding from government institutions is greatly needed to improve regional businesses. In comparison, only 23 (12.3%) gave No as answer to the question. This apparent need by SMME owners to advocate for government funding points to the need for more funding institutions to deal with LED participants like SMME owners directly. Once again, this need was pointed out by the study in

2023 when it questioned the capacity of the Gauteng Provincial Government to call for and desire the existence of a State Bank (Odendaal, 2023) to assist funding of local businesses. See Figure 6 on the next page.

Question 2: What, in your Opinion, is Needed From Local Government to Improve Business in the Region Firstly, and Township More Generally? Local Government Sourcing Funding From Private Sector Institutions

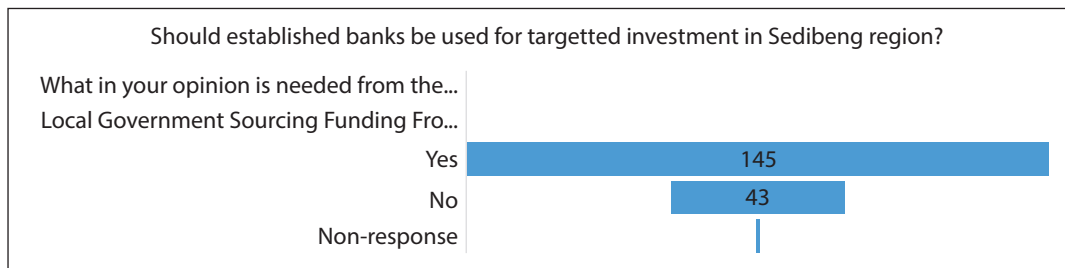
This question established that the prevailing view is that Yes (164, 86.8%), established banks should be used to try to improve the region's business development trajectory. In contrast, only 22 (11.6%) stated No to this viewpoint. See Figure 7 on the next page.

FIGURE 6: Responses to Question 1



Source: Author

FIGURE 7: Responses to Question 2



Source: Author

Question 3: What, in Your Opinion, is Needed From the Side of Local Government to Improve Business in the Region Firstly, and Township More Generally? What is Needed for Businesses in the Township to Develop and Become Formal Sustainable Business Entities? Tick Three Choices

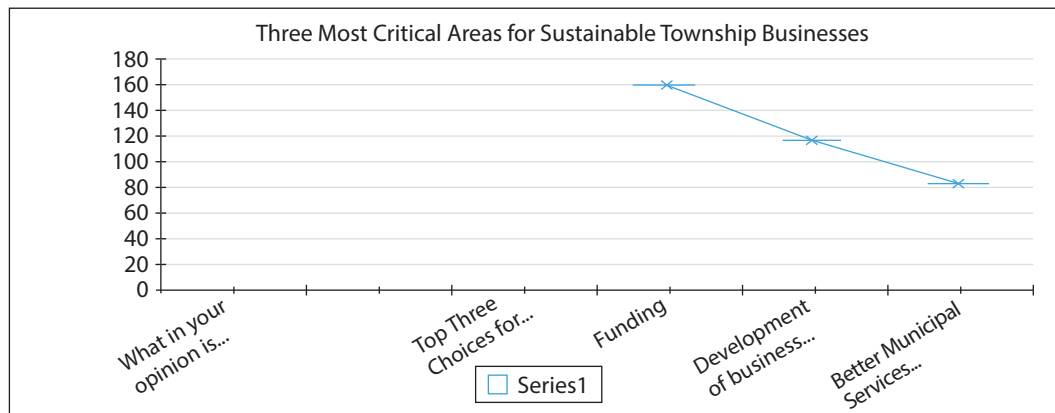
The SMME owners in the region picked three of the most critical areas that need to be addressed to have sustainable businesses in the township; firstly funding (160 – 84.7%), development of business infrastructure (117 – 61.9%) and better municipal services specifically looking into developing businesses (83 – 43.9%). The aspect of funding

is consistent with much of the problems these SMME owners have identified throughout this paper. See Figure 8 on the next page.

Synthesis Using Anticipatory Governance Theme: Listening Institutions Become Agile Future Sensitive Institutions

The previous questions helped the paper address the needs of SMME owners and connect them to the work of Anticipatory Governance theorists. Specifically, the focus was on highlighting these needs and posing a key question, informed by theorists like Quay (2010), Fuerth, and Faber (2012): are

FIGURE 8: Responses to Question 2



Source: Author

governments in secondary cities responsive to the needs of SMMEs and businesses? This question aligns with the third principle of anticipatory governance, which emphasises that institutions must be agile and prepared to consider future needs and challenges.

Theme 4: Free Advice for Government Development

Question 1: What in Your Opinion is Needed From Local Government to Improve Business in the Region Firstly, and in the Township More Generally? Gauteng Provincial Government Must ...

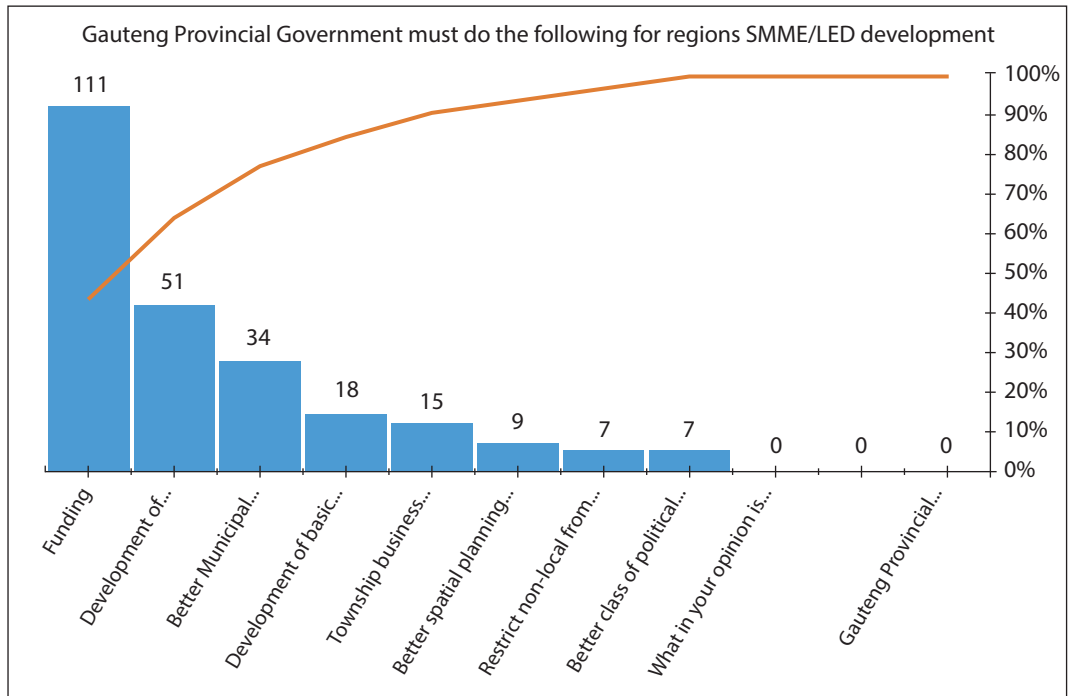
This question wanted the SMME owners to list their non-negotiables for the provincial government going forward. Their list began with the familiar complaint that the Gauteng Provincial Government must focus on funding (111 – 58.7%), development of business infrastructure (51 – 27%), better municipal services specifically looking into developing businesses (34 – 18%), development of basic infrastructure (18 – 9.5%), township business owners to become more organised and

operate as one (15 – 7.9%), better spatial planning for business owners (9 – 4.8%), restriction of non-locals from operating against local business owners (7 – 3.7%), and a better class of political leader (7 – 3.7%). See Figure 9 on the next page.

Question 2: What in Your Opinion is Needed From Local Government to Improve Business in the Region Firstly, and the Township More Generally? What Types of Business Ventures are Needed in the Future to Ensure the Region and Township Develop?

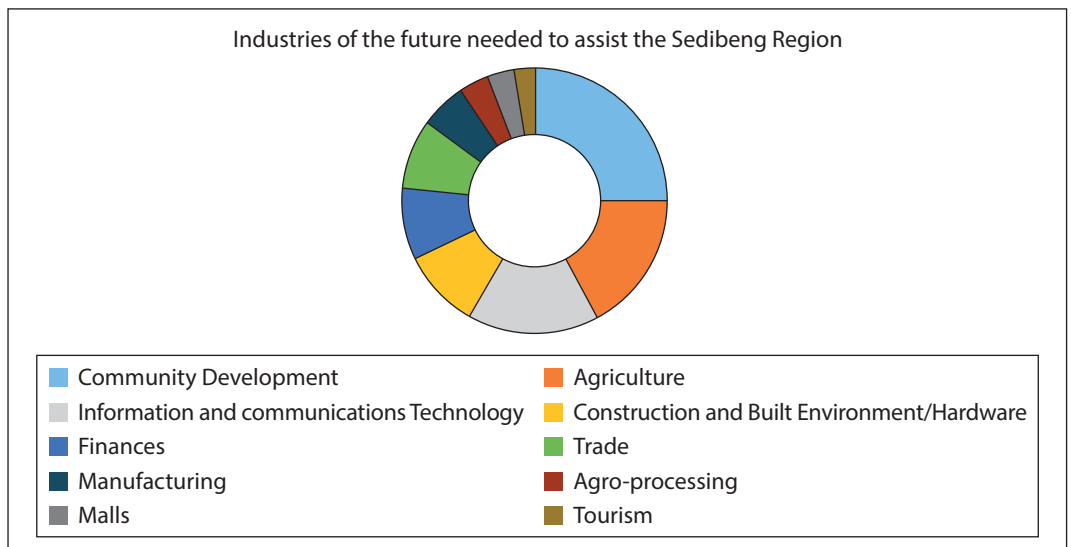
This question was asked to ascertain what SMME owners in this region themselves felt would be the needed industries to re-develop and advance the region. The SMME owners' choices were as follows: community development (98 – 51.9%), agriculture (68 – 36%), information and communications technology (63 – 33.3%), construction and built environment/hardware (38 – 20.1%), finances (34 – 18%), trade (33 – 17.5%), manufacturing (22 – 11.6%), agro-processing (14 – 7.4%), malls (13 – 6.9%) and tourism (10 – 5.3%). See Figure 10 on the next page.

FIGURE 9: Responses to Question 1



Source: Author

FIGURE 10: Responses to Question 2



Source: Author

***Synthesis Using Anticipatory Governance
Theme: Complexity Multiplied by Lack of
Generation of Insights***

The two questions and answers all call for the government to complete tasks that are long-term in nature, complex and will require large amounts of finance to see them succeed. Beyond simply sourcing large or yet to be quantified amounts of finance, it would be hard for the provincial government to act as a future planning entity for directing mass-scale migration from old to newer forms of industry without the assistance of not only national government but larger international entities for policy advice and funding. These two questions point to the enormity of the challenges the provincial government in South Africa faces, in other words, as anticipatory governance scholars like Fuerth (2011) discussed, complexity is best addressed immediately as delays in confronting it muddy the capacity to generate much needed insights and solutions to problems.

A supporting stance for this is found in the work of the Financial and Fiscal Commission (Ncube, 2021), which reports that "The onset of the Covid-19 pandemic in South Africa came at a time when many municipalities were already struggling to fulfil their mandates. Many municipalities were dysfunctional. At the end of 2019, almost 50% of municipalities were in financial distress, while the same proportion had passed unfunded budgets" (Ncube, 2021:108). The ramifications of this FFC report for a region like Sedibeng is seen in how the largest and most economically lucrative municipality, the Emfuleni Local Municipality (secondary cities Vanderbijlpark and Vereeniging), has utterly collapsed in various forms and structures (Parliament of South Africa, 2022). So, while

Covid-19 could not have been foreseen in its exact form, the inability of secondary cities and broader government to put in place proper governance structures and support exacerbated the levels of complexity brought on by Covid-19.

**CONCLUSION AND POLICY
RECOMMENDATIONS**

The main contention of this paper was that LED in its current format has failed townships and secondary cities like the ones found in the Sedibeng region. Further studies such as those of the Bureau for Economic Research's list of South Africa's municipal challenges and their impact on local economic development and local economic development policy approaches and challenges validate this point.

Yet, use of anticipatory governance systems and processes could have better prepared secondary city governments to foresee many of the problems SMME owners readily shared in a study emanating from 2018/19 pre-Covid-19. Therefore, this study argues that for secondary cities that are under-developed, a new LED planning regime is needed, informed by the findings of anticipatory governance. Moreover, and perhaps worryingly, the 2024 general elections have now added a new dimension to the running of LED that might not augur well for secondary cities. This paper puts forward the following two recommendations for the new government to consider.

Firstly, secondary city municipalities need to have a dedicated anticipatory governance unit to assess the internal and external communications to build future capacities, and thereafter, ensure the institution reflects this

aim. Secondly, provincial government should prepare for economic development departments with funding and economically driven provincial state-owned entities/companies to be phased out. Thereafter financial and

institutional resources from the phasing out be put into a special vehicle entity (The Gauteng Secondary City EcoDev Institution) to solely focus to planning and operationalising economic activities in secondary municipalities.

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