



**ASSESSING THE NATIONAL DEVELOPMENT PLAN'S  
PROGRESS IN ADDRESSING POVERTY AND  
UNEMPLOYMENT IN FEZILE DABI MUNICIPALITY**

by

**Nokuthula Chakane**

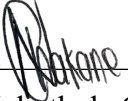
**A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in fulfilment of the requirements for the degree of Master of Management in Governance (in the field of Development and Economics)**

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## DECLARATION

I, Nokuthula Chakane, hereby declare that this report is my own, unaided work. It is submitted in partial fulfilment of the requirements of the degree of Master of Management in Governance (in the field of Development and Economics) at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in any other university.

I further declare that all information used and quoted has been duly acknowledged by complete reference. I am responsible for any error, whatever the nature, in this work.



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Nokuthula Chakane

February 2024

## **DEDICATION**

This dissertation is dedicated to my late father Monty Kepasi, my late brother Nhlanhla Mlambo, my late grandfather Bab' Rocks Maduna, Mam' Nokuthula Dube and Sinoxolo Gcilitshana. You've always supported and believed in me and my abilities and it's sad that you did not live to witness this moment.

May God bless your souls!

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To the millions of young people in South Africa, this too is for you all. Never stop dreaming. God begins with the end in mind, so before a seed or vision is planted in your hearts, God has declared it finished! It will come to pass. Love and Light.

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***“For the vision is for an appointed time. It describes the end, and it will be fulfilled. If it seems slow in coming, wait patiently, for it will surely take place. It will not be delayed” – Habakkuk 2:3***

## **ABSTRACT**

In 2012, the South African government displayed its ongoing dedication to tackle many issues such as poverty, inequality, and unemployment by formulating and approving the long-term National Development Plan, also known as NDP Vision 2030. The National Development Plan (NDP) delineates South Africa's development plan to achieve a developmental state that is capable of providing a wide range of possibilities and addressing social problems. The framework provides a comprehensive and strategic guide for making crucial policy decisions and taking action at all levels of government. It has been eleven years since the NDP 2030 Vision was adopted, which set specific goals for areas such as poverty and unemployment. The NDP acknowledges the importance of empowering local governments and promoting coordinated cooperation among local economic actors to achieve the established goals. Therefore, without efficiently empowered local governments, it becomes significantly difficult to implement the NDP agenda and achieve the predetermined goals for reducing unemployment and poverty from the perspective of a local developmental state. The aim of this study was to review the extent to which municipalities are enabled to reach their developmental mandate of poverty and unemployment reduction under the auspice of the NDP through a case study of Fezile Dabi District Municipality in the Free State province. The study employed survey and in-depth interview data to assess the effectiveness of the NDP in reducing poverty and unemployment. The survey data was gathered with the purpose of doing both qualitative and quantitative analysis.

The findings indicate that FDDM has not achieved significant advancements in its pursuit of the 2030 targets, namely in terms of eradicating poverty and maintaining an unemployment rate between 6% and 20%. The failure can be attributed to inadequate performance in key areas such as the promotion of universal primary education, infrastructure improvement, and bureaucracy reduction. The underperformance in these domains can mostly be attributed to a scarcity of proficient workforce, inadequate involvement of key stakeholders, budgetary limitations, and sometimes inability to stimulate small, medium, and micro enterprises (SMMEs). The study recommends that local municipalities need to be encouraged to set clear targets for social and economic challenges that are identified as priority areas in the NDP. These targets are to be set in line with provincial and national targets. This will ensure that achievement of targets at a lower level necessitates and implies the achievement of targets at higher levels. Targets also allow continuous monitoring and evaluation and where possible the avoidance of losing track.

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## **LIST OF ACRONYMS AND ABBREVIATIONS**

AGSA - Auditor General of South Africa  
ANC - African National Congress  
ASGISA - Accelerated and Shared Growth Initiative of South Africa  
BWI – Bretton Woods Institutions  
CDW’S - Community Development Workers  
COGTA - Department of Cooperative Governance and Traditional Affairs  
COVID-19 - Corona Virus  
CSPRO - Census and Survey Processing System  
DESTEA Department of Economic, Small Business, Tourism and Environmental Affairs  
ED – Economic Development  
EDB – Economic Development Board  
EEC – Eastern Economic Corridor  
EPRDF - Ethiopian People’s Revolutionary Democratic Front  
FDDM - Fezile Dabi District Municipality  
GEAR - Growth, Employment and Redistribution Strategy  
GTP – Growth and Transformation Plans  
GVA – Gross Value Added  
HDB – Housing Development Board  
IDB – Industrial Development Bureau  
IDP - Integrated Development Plan  
ISI – Import Substitution Industrialisation  
LED - Local Economic Development  
LGTA – Local Government Transition Act  
LGTAS - Local Government Turnaround Strategy  
MITI - Ministry of International Trade and Industry  
MTSF - Medium-Term Strategic Framework  
NEP – New Economic Policy  
NDP - National Development Plan  
NGO - Non-Governmental Organisation  
PAP - People's Action Party  
RDP - Reconstruction and Development Programme  
SALGA - South African Local Government Association

SDF - Spatial Development Framework

SEZ – Special Economic Zones

SLGR - State of Local Government Report

SMME - Small, Medium, and Micro Enterprise

TAPI - Tablet Assisted Personal Interviews

USA - United States of America

## **CHAPTER 1 – INTRODUCTION**

### **1.1 Introduction**

Municipalities across the country are confronted with socio-economic challenges, among others, of poverty and unemployment in varying degrees. Since the democratic transition to date, South Africa has worked to enhance the well-being of its populace, although the advancements have been sluggish over the years. The percentage of people living below the upper-middle class South African poverty line fell from 68% to 56% between 2005 and 2010, but it has since somewhat returned to 57% in 2015, with the World Bank having projected it to reach 60% by 2020 (World Bank, 2023). In addition, the world economy has been in a state of disarray as a result of the recent global crises such as the Coronavirus (Covid-19), Brexit, and trade disputes such as the U.S-China trade war that has been uprooted through trade restrictions and increased tariffs where these countries try to impair each other's trade markets (Walters, 2022). Such dynamics have negating effects on the ability of the globally integrated countries, together with their respective developmental agencies, inclusive primarily of the local governments in the case of South Africa, to consistently keep up with their long-term developmental trajectories.

To date, the South African government serves as the primary caregiver and offers grants and services to the marginalized, poverty-stricken, and the needy, aimed at alleviating the impacts of unemployment and/or poverty. Approximately 47% of the population depends on a monthly grant. Out of these, 18 million individuals are classified as permanent beneficiaries, while approximately 10 million individuals receive a temporary Social Relief of Distress Grant. This measure was implemented amidst the Covid-19 pandemic to cater to adults of working age who lack institutional social protection, such as unemployment insurance, and are involved in informal employment. Most of the funds provided are child support grants, amounting to R500 per month, which are disbursed to the primary carer of a child after assessing their financial eligibility. There is significant evidence globally indicating that such cash transfers provide numerous favourable outcomes. For example, they mitigate child malnutrition, enhance school enrolment, and contribute to poverty alleviation (Patel, 2023). Ordinarily, it is expected that in a well-developed society underpinned by the developmental national and local states, the populace would be self-sustaining, thereby minimising government spending on it.

Unemployment, which reached a record high of 35.3% in the fourth quarter of 2021, is limiting development in household welfare, with the highest percentage being among the youth, who are meant to be the most active in the population (World Bank, 2023). Moreso, South Africa's dual economy continues to have one of the highest and most persistent rates of inequality in the world, with a Gini coefficient of 0.63 in 2022 (World Bank, 2023). The persistence of the triple challenges of poverty, unemployment and inequality in South African societies is at the back of the perpetuation of the history of exclusion, as well as the unfavourable jobless economic growth, which is not pro-poor.

The South African government seems to have a comprehensive understanding of the aforementioned challenges and dynamics, and the imperative to fully curb them as evidenced by the enactment in 2012 of the long-term National Development Plan (NDP) Vision 2030 and in 2019 the five-year Medium-Term Strategic Framework (MTSF). These plans, the NDP in particular, stand as developmental policy compass for all the three spheres of government in South Africa (Khambule, 2020). The NDP Vision 2030 sets out the need of a developmental state which, in the same plan, is acknowledged to be a function of local developmental states, as the impending panacea to the triple challenges.

The South African government in its 2012 National Development Plan sets out the following as part of its 2030 trajectory goals:

- (i) Reducing the unemployment rate from 35% to 20%.
- (ii) Doubling Economic Growth to 5.4% and
- (iii) Reducing the poverty levels from 39% to 0% (BER, 2020).

To that effect, the National Development Plan (NDP) is a pivotal policy framework in South Africa, designed to address a wide array of socio-economic challenges, including poverty and unemployment. Unemployment, Poverty, and inequality are rampant in the Fezile Dabi District Municipality (FDDM), situated in the Free State province, as 68% of people are living in poverty and the unemployment rate stood at 36.7% within the District in 2022 (FDDM One Plan, 2022). To date, guided by the NDP, through the MTSF and the LED Framework, FDDM established LED unit(s) in local municipalities as facilitating institutional arm(s) to catalyse the local developmental state. This study thus intends to assess the NDP's progress, in the context of FDDM, on alleviating unemployment and poverty through policies and initiatives adopted and established under the auspices of the NDP.

It is imperative to assess the effectiveness of the NDP's implementation in this context. This study outlines an in-depth research project that aims to comprehensively evaluate the progress made by the NDP in alleviating poverty and reducing unemployment through the case study of Fezile Dabi District Municipality. The assessment is going to be in three stages, the assessment of whether there is or there is no optimally set up local governments for LED as guided by the NDP through the National LED Framework of 2018, and the perceptions of community members and other key stakeholders about the effectiveness of the institutions and programmes set in local economies to address poverty and unemployment, and to contextualise the outcome of the survey and in-depth interviews with secondary statistical data.

## **1.2 Background**

In 2012, the government of South Africa demonstrated its continued commitment to address, among others, the challenges of poverty and unemployment by crafting and adopting the long-term National Development Plan alias NDP Vision 2030. The National Development Plan (NDP) outlines South Africa's development strategy for attaining a developmental state capable of presenting diverse opportunities and redressing social ills. It "offers a comprehensive strategic framework to direct important policy decisions and actions at all levels of government. The strategy outlined in the plan is a long-term one that involves active government engagement through several policy tools in order to boost employment and expand possibilities. According to the NDP, South Africa's rural areas have unique difficulties since they are characterised by great poverty and inequality, with many households trapped in a vicious cycle of poverty" (NPC, 2012).

Most of the literature predominantly emphasises the implementation of the universalistic mandate of the NDP and the developmental function of the state (Smith, 2018). They also address the question of whether the methods used to implement strategies, policies, planning, and institutional innovations adequately consider and address the fundamental effectiveness and efficiency of government responsibilities (Fine, 2012). Since 1994, there appears to have been a change in the national planning agenda. The focus has shifted from solely addressing crime and policing activities to encompassing broader policy objectives such as safety, security, and human development. This shift was influenced by the World Conference against

Racism, Racial Discrimination, Xenophobia, and Related Intolerances held in Durban, South Africa. As a result, areas such as housing, health, and education have gained more attention in national planning efforts (Zemtsov, 2020). The government should possess the capability to establish links between its long-term policy and strategic objectives, enabling the facilitation of innovative thinking and improved governance systems (Johnson, 2019). When significant failures occur, it is probable that various development outcomes will remain lower than those achieved in other countries. This would prevent the economy from reaching its full potential and further worsen the existing inequality between poor, rich, and working-class South Africans (Gnangon, 2021).

Du Plooy's study (Du Plooy, 2017) highlights that the progress of local government in South Africa has been significantly shaped by theoretical and solution-oriented approaches, namely based on new public management paradigms and good governance best practices. As a result, planning frameworks for socio-economic growth have been put in place to imitate isomorphism through compliance. However, these frameworks have not always achieved the desired results, particularly in secondary or intermediate cities. The study emphasises the importance of using alternative methods, such as problem-driven iterative adaption (PDIA) and Doing Development Differently (DDD), to tackle social and economic development issues in secondary cities. This suggests that it is necessary to reassess and adjust policy connections in order to better match local needs and circumstances.

Similarly, Kubheka (Kubheka, 2010) emphasises the importance of policy networks in improving environmental management, namely within the Pietermaritzburg Chamber of Business (PCB) and the Msunduzi Local Municipality. The study highlights the importance of policy networks in tackling environmental policy difficulties. These networks enable the collaboration and sharing of actions and resources across different actors, including environmental consultants, researchers, and stakeholders within the municipality and the PCB. Policy networks promote the development of relationships and interactions that shape the nature of interactions within the networks, leading to improved environmental management. This emphasises the significance of creating cooperative connections across policies to tackle intricate problems that extend across national and local levels, showcasing the interdependent nature of policy development and execution in South Africa.

In addition, the report authored by Steytler et al. in 2006 provides insights into the difficulties faced by intergovernmental relations structures in South Africa. This statement emphasises that the presence of numerous intergovernmental entities in specific provinces has resulted in inefficiencies. The commitment and engagement of individuals involved in these structures are influenced by their perceptions of them. The research highlights the restricted range of activities and the absence of coordination between provinces and municipalities, which obstructs the effective provision of services. These observations emphasise the necessity for enhanced intergovernmental ties and coordination in order to better governance and tackle national and local issues in South Africa.

Chapter 7 of the Constitution outlines the status, powers, and functions of local government. According to Section 151(1) of the Constitution, the local level of government is made up of municipalities, which must be created to cover the entire territory of the Republic. Moreover, according to section 151(3), a municipality is granted the authority to independently manage the local government matters of its community, within the limits set by national and provincial laws, as outlined in the Constitution.

Chapter 10 of the Constitution includes a clear and authoritative instruction for local government, stating that public administration must prioritise development among other things. Since 1994, the democratically elected government has implemented several policy frameworks aimed at addressing issues such as poverty, unemployment, and low economic growth. These frameworks include the Reconstruction and Development Programme (RDP) in 1994, the Growth, Employment and Redistribution (GEAR) policy in 1996, the Accelerated Shared Growth Initiative for South Africa (ASGISA) in 2006, and the New Growth Path (NGP) policy in 2010. Municipalities are legally required to create and implement Integrated Development Plans (IDPs) that are designed to enhance the socio-economic development of the communities they serve. These plans must incorporate national and provincial development plans and strategies (Development Bank of Southern Africa 2000:4; Maserumule 2008:254; Mashamba 2008:425; Koma 2013). The National Development Plan (NDP) is the primary development framework for the entire public administration system. It provides a comprehensive vision of the national government's strategic direction for the country.

As is expected that NDP Vision 2030 provides the general compass to lower government policies and planning, in 2018 the Department Cooperative Governance and Traditional Affairs (COGTA) revised the 2006 LED Framework to guide Local governments like Fezile Dabi that their institutional and policy planning is coherent with and serve the attainment of, the NDP Vision 2030 aspirations and targets. This was done with the aim of improving the significance level of economic development in local municipal areas in accordance with improved integration of national policy priorities and visions. This is facilitated by the anticipation that developmental plans and strategies at provincial and local government, such as the Provincial Growth and Development Plans, Integrated Development Plans (IDP), Spatial Development Frameworks (SDF), and Local Economic Development (LED) Strategy, among many others, draws from, and are aligned to LED and NDP frameworks (Fezile Dabi LED, 2021). This revised LED Framework extends into systemic interventions that implore Science, Technology, and Innovation as means to obtain enhanced development outcomes.

The core pillars founded in the LED framework that provide the linking path to NDP aspirations, and influence the development and implementation of LED are listed as follows (COGTA, 2020:1):

- Building diverse & innovation-driven local economies
- Developing inclusive economies
- Developing learning and skilful economies
- Enterprise development and support
- Economic governance and infrastructure
- Strengthening local systems of innovation

LED has been advanced as an essential element in addressing the triple challenges of unemployment, poverty, and inequality among most South Africa's impoverished neighbourhoods. Blakely & Leigh (2005) argue "that economic development is not only measured through the traditional method of Gross Domestic Product but has progressed into incorporating other aspects such as the human component, gender-based development, education and health levels, poverty, and employment variables". Local Economic Development is an approach that aims to enhance the development of a locality. Such an approach is imperative in decreasing poverty and encourages citizens in a local economy to work collectively to obtain significant economic growth and sustainable development, thus

enhancing their living standards both socially and economically (Rogerson, 2010). Local economies are framed, from a global perspective, through policies which cascade from national to local levels, which are influenced by propellants such as urbanisation, globalisation, trade, and production systems. These propellants have both favourable and adverse effects for local authorities, which result in municipalities seeking to establish plans and projects throughout their localities in order to achieve local and national development targets through which economic benefits will be realized, therefore, increasing the standard of living for all local residents. Effective LED borders on the strength of the partnership established by local government and the communities they serve and is an approach with a territorial focus to development.

Fezile Dabi District Municipality, nestled in the heart of the Free State province, represents a predominantly rural area characterized by high poverty rates and limited access to employment opportunities. The intertwined issues of poverty and unemployment persist in this region, posing profound social and economic consequences for its residents. Launched in 2012, the NDP stands as the South African government's strategic blueprint for addressing these challenges and fostering a more equitable and prosperous society. Consequently, Fezile Dabi has ever since braced itself, in view of the NDP through the other guiding frameworks, to spearheading initiatives to create a local developmental state to help eliminate the social economic ills, inclusive of poverty and unemployment.

Eleven years along the NDP Vision 2030, coupled with the recently experienced Covid 19 pandemic, despite the NDP's ambitious objectives and the plethora of policy initiatives it encompasses, there exists a pressing need to assess its implementation at the grassroots level, with a specific focus on Fezile Dabi District Municipality. This research project seeks to contribute significantly to the understanding of whether the NDP's goals are being realized in this context and if it is having a tangible impact on the lives of the local population.

### **1.3 The Research Problem**

Eleven years have passed to date since the birth of the NDP with its vision for 2030, with explicit targets for, among others, poverty, and unemployment, presented herein in the introduction. The NDP recognises the need for local governments, the likes Fezile Dabi District Municipality, to be optimally enabled, and the harmonised collaboration of grassroots economic agents for the achievement of these set targets (NPC, 2012). It thus follows that with

the absence of optimally enabled local governments, it remains a great deal of a challenge to drive the NDP agenda and facilitate the attainment of the set targets for unemployment and poverty from the standpoint of a local developmental state. The district municipality has also made it its custom to always have up-to-date developmental plans among which is the LED strategy and implementation of initiatives supposedly supportive of an enabling local environment. All this is in the spirit of the NDP Vision 2030.

Despite the passage of a decade plus on the pathway to 2030 with the existence of the NDP as a policy and developmental planning framework, and efforts as demonstrated above by the Fezile Dabi case, the current national and Free State provincial poverty and unemployment levels are still being considered relatively high versus global standards, and time wise. Prior to the Covid-19 pandemic outbreak in early 2020:

- The national unemployment rate was 29% while the Free State provincial unemployment rate was 35% vs. the 2030 targets of 20% and 6%, respectively, and
- Fifty-five percent (55%) of the South African populace were in poverty in 2019 and in Free State it was 59% of the population vs the target of 0% for both (Destea, 2020).

It is important to note that having effective theoretical frameworks for local economic development does not guarantee success in development planning. This creates a lack of understanding regarding the capacity and experience of local government, as well as its ability to influence the successful implementation of sustainable development in order to achieve its own, provincial, and NDP targets. Despite the local government's ongoing transformation from the apartheid system, which limited roles and responsibilities, there are several challenges to consider. One such challenge is the lack of a common understanding among stakeholders regarding their respective roles within institutional arrangements. This may potentially impact the implementation of development plans.

Being given the above, it becomes therefore imperative for one to question if there is enough happening, and thus progress, at local government level in South Africa as is related to the NDP aspirations and targets of fighting poverty and unemployment. This study thus seeks to interrogate the progress made in addressing poverty and unemployment as per NDP's aspirations for enabled local governments and the effecting of the developmental states through the case study of Fezile Dabi District Municipality. Due to its close proximity to the people,

local government bears the brunt of the mounting pressure that South Africa has been experiencing.

Local governments play a crucial role in building a capable and developmental state envisaged in the NDP. This involves the responsibility of addressing the triple challenges of poverty, inequality, and unemployment. Municipalities are entrusted with the task of inventively delivering services to their constituents while also promoting and institutionalising democracy. Within the South African setting, the South African Constitution granted local governments with these opportunities. The Constitution of 1996 provided municipalities with the opportunity to facilitate social and economic progress, organise and oversee administrative, budgetary, and planning procedures, prioritise the fundamental requirements of the community, and foster social and economic growth.

#### **1.4 Significance of the study**

The rationale behind conducting this comprehensive assessment of the National Development Plan (NDP) in addressing poverty and unemployment in Fezile Dabi District Municipality is underpinned by several critical factors.

Firstly, the socio-economic challenges faced by Fezile Dabi District Municipality are emblematic of broader issues plaguing South Africa. Persistent poverty and high unemployment rates have deep-seated historical roots, and they continue to hamper the well-being and economic prospects of a substantial portion of the population. Fezile Dabi District Municipality, as a microcosm of these issues, provides an ideal case study to explore the practical implications of the NDP's policies and initiatives in a specific regional context. In this vein, while there is existing research that tracks the progress of the NDP towards its 2030 set goals for example, BER (2020), and some provincial plans, for example the Free State Strategic Plan for financial years 2020/21 -2025/26 (Destea, 2020), none have zoomed down to the local level using survey studies as this study.

Secondly, the NDP is a cornerstone of South Africa's development strategy, representing the government's commitment to addressing socio-economic disparities and achieving inclusive growth. Thus, understanding its efficacy is of paramount importance not only to the residents of Fezile Dabi District Municipality but also to policymakers, researchers, and stakeholders at

the national level. The study's findings will offer valuable insights into whether the NDP's objectives are translating into tangible improvements in the lives of those it aims to uplift.

Moreover, the research is significant as it contributes to the broader academic discourse on poverty, unemployment, and policy implementation in the context of post-apartheid South Africa. By focusing on a specific district, it offers a localized perspective that can inform more targeted interventions and adjustments to policy frameworks, enhancing the overall effectiveness of poverty alleviation and employment generation efforts. This research will further contribute to understanding the role of local government in a developmental state.

Ultimately, this study serves a dual purpose: to provide Fezile Dabi District Municipality with an evidence-based assessment of the NDP's impact on its residents and to contribute to the broader understanding of how policy initiatives can address deeply entrenched socio-economic challenges in a regional context.

### **1.5 Research purpose**

The primary aim of this study was to assess the extent to which Fezile Dabi District Municipality is enabled to reach its developmental mandate of poverty and unemployment reduction under the auspice of the NDP 2030 vision through local economic development.

In order to achieve this, the study conducted a socio-economic analysis of the district as well as solicit information from those involved in the LED strategy implementation process as well as analyse Fezile Dabi District Municipality's local economic development strategy implementation's economic progress towards the NDP's Vision 2030.

The overall objectives are to:

- Assess the extent to which Fezile Dabi District Municipality has reached its developmental mandate espoused in the NDP;
- Assess the progress FDDM has made in addressing poverty and unemployment;
- Assess the factors hindering FDDM in addressing poverty and unemployment
- Assess the driving strategies mitigating poverty and unemployment in FDDM

Please list the research objectives here like you did with the aim...

## **1.6 Research questions**

### **1.6.1 Primary research question:**

To what extent has Fezile Dabi Municipality reached its developmental mandate espoused in the NDP?

### **1.6.2 Supplementary questions:**

1. What progress has the municipality made in addressing poverty and unemployment?
2. What are the driving strategies in mitigating poverty and unemployment?
3. What challenges has the municipality faced in addressing poverty and unemployment?

## **1.7 Research Methodology**

Methodologically, this study utilised survey and in-depth interview data given to measure progress of the NDP in alleviating poverty and unemployment. The data from the survey was collected to conduct both qualitative and quantitative analysis. A non-probability method was followed in this study due to time which was also to the convenience of the researcher. Fezile Dabi Municipality was carefully selected as to the researcher it seemed ideal to elucidate the research questions of the study. The purposive method suited the research because the researcher surveyed thirty (30) community leaders and members and beneficiaries and had intended to interview five (5) government officials who are actively involved with local economic development within Fezile Dabi from all the four local municipalities in the district, however only four (4) were available. A minimum of thirty (30) was chosen as many introductory statistics textbooks mention the rule of thumb that a sample size of at least 30 is often required for the Central Limit Theorem to apply, which is important for many parametric statistical tests (Witte and Witte, 2016).

## **1.8 Case: Fezile Dabi District Municipality**

A district municipality or Category C municipality in South Africa is responsible for carrying out certain local government tasks within a district. The district municipality will consist of multiple local municipalities, with whom it shares the responsibilities of local governance ([https://en.wikipedia.org/wiki/Districts\\_of\\_South\\_Africa#Types\\_of\\_district](https://en.wikipedia.org/wiki/Districts_of_South_Africa#Types_of_district)).

District municipalities are accountable for overseeing comprehensive tasks such as integrated development planning, infrastructure development, large-scale provision of water and electricity, and public transport. On the other hand, local municipalities are responsible for all municipal functions that are not delegated to the district, with a specific focus on local service delivery (Municipal Structures Act, 1998). Every district municipality, also known as a category C municipality, is subdivided into 4-6 local municipalities, which are categorised as category B municipalities. In 2016, there were a total of 44 district municipalities that were further divided into 205 local municipalities. The White Paper presents the district municipality's perspective as that of a coordinator, an instigator of development, and, only as a final option, a direct provider of services to the public (Steytler, 2009).

The Fezile Dabi District Municipality is one of the four districts in the Free State Province, previously named the Northern Free State District Municipality, and it has four local municipalities: Moqhaka, Metsimaholo, Ngwathe, and Mafube. The population of this area is believed to account for around 17% of the overall population of the Free State. This district comprises approximately 27% of the entire land area of the Free State province (Fezile Dabi IDP, 2022).

**Table 1: Main Towns in Fezile Dabi Distric Municipality**

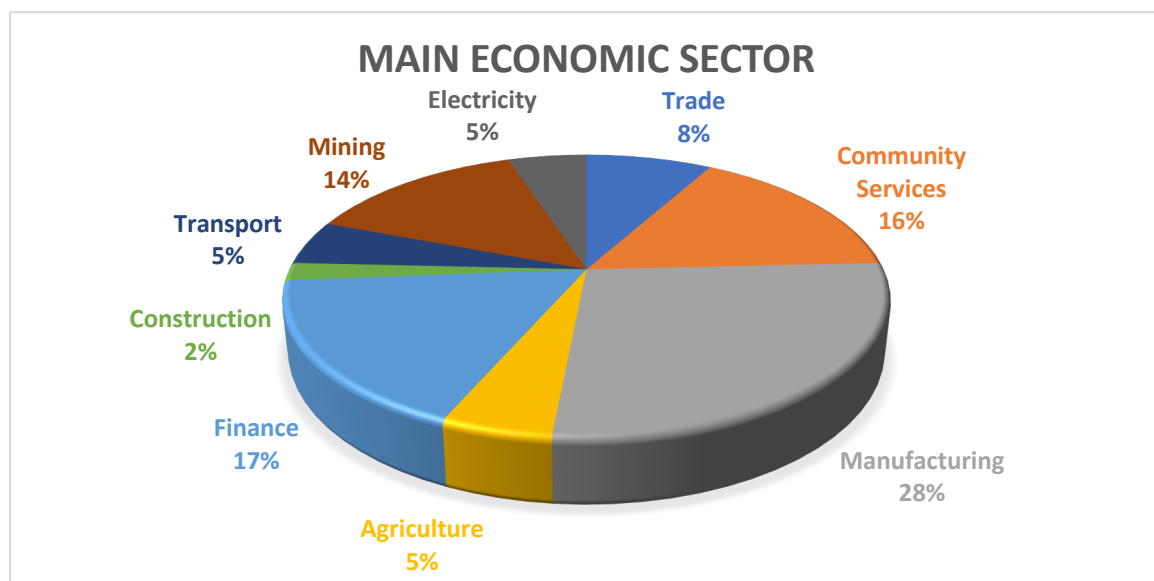
Moqhaka Local Municipality	Metsimaholo Local Municipality	Ngwathe Local Municipality	Mafube Local Municipality
Main Towns			
Kroonstad Steynrus Viljoenskroon	Sasolburg Oranjeville Deneysville	Parys Vredefort Heilbron Edenville Koppies	Frankfort Villiers Tweeling Cornelia

**Table 2: Key Statistics**

	<b>2022 Census</b>
<b>Total population</b>	545 912
Young children (0-14 years)	25,50%
Working age population (15-64 years)	66,40%
Elderly (65+ years)	8,10%
Dependency ratio	50,6
Sex ratio	92,3
No schooling (20+ years)	5,00%
Higher education (20+ years)	9,50%
<b>Household dynamics</b>	
Number of households	145 539
Average household size	3,5
Formal dwellings	89,40%
<b>Household services</b>	
Flush toilets connected to sewerage	88,90%
Weekly refuse disposal service	83,30%
Access to piped water in the dwelling	60,60%
Electricity for lighting	94,30%

Source: STATS SA (2023)

The biggest socio-economic challenges that the municipality is faced with is the high rate of youth unemployment, estimated at 44.4%



**Figure 1: Main Economic Sectors in FDDM**

Source: Data from FDDM IDP 2022

The manufacturing sector holds the highest position in Fezile Dabi District Municipality's economy in 2021, contributing R 14 billion or 27.0% of the total Gross Value Added (GVA) in the district municipality. The finance sector accounts for the second highest contribution to the GVA of the Fezile Dabi District Municipality, amounting to 17%. It is closely followed by the community services sector, which provides 16% to the GVA. The construction sector in Fezile Dabi District Municipality has the smallest contribution to the economy, amounting to R 1.14 billion or 2.20% of the overall GVA. The community sector, encompassing government services, typically makes a significant contribution to the GVA in smaller and more rural local municipalities. Fezile Dabi is a significant region for agricultural production, primarily focused on maize cultivation. The Vaal Dam serves as the primary water source and provides a diverse range of recreational amenities. Additional points of interest encompass the Vredefort Dome, renowned as the third most expansive meteorite site globally, as well as the captivating San paintings. The largest chemical and synthetic fuel plant in the country is situated in Sasolburg (Fezile Dabi IDP, 2022). The Fezile Dabi District Municipality experienced a modest annual growth rate of 2.64% in 2021, which is notably lower than the Free State Province's GDP growth rate of 3.57%. Furthermore, it falls short of the national GDP growth rate of South Africa, which was at 4.91% in 2021. In contrast to the short-term growth rate in 2021, the long-term average growth rate for Fezile Dabi (0.77%) is nearly identical to that of South Africa (0.95%). Fezile Dabi experienced its highest level of economic growth in 2012, reaching a peak of 5.94%.

### **1.9 Limitation, feasibility, and positionality**

The researcher has identified several limitations. Firstly, there's always a possibility of refusal of participation by some of the participants in the study and this would be remedied by providing them with consent form that explains the study with the hope of gaining their consent to participate. Secondly, the beneficiaries who participated in the focus group might not feel comfortable in expressing themselves. Therefore, the researcher had to be fair and ensured that the environment is conducive for everyone to fully participate wherein the researcher can conduct the interviews and focus groups in environments familiar to the participants. Thirdly, this research was conducted for academic purpose and owing to financial and time constraints, it has a limited sample insufficient to allow for drill down analysis to whatever level of the socioeconomic and demographic grouping considered herein. Further, it may not be

generalized to other district municipalities as it is a specific case study. This presents opportunities for future studies in the same vein to expand on samples to allow for accommodation of drill downs. Further improvement is possible on ethnicity balancing the survey, as for this study was drawn merely on African black also on gender as the survey was overwhelmed by male respondents.

Although the researcher is based at Fezile Dabi District Municipality as an employee since May 2021 in the LED Department, the researcher's positionality in this case was neutralised by the semi-structured nature of the questionnaire and the fact that the interviews were interested in acquiring information solely for the purpose of the study and have no bearing on the work outputs of the municipality.

The researcher's appointment at Fezile Dabi District also made it feasible to get the required data and have access to meeting with the participants which made the study viable.

### **1.10 Validity, reliability, and dependability**

The study had both a qualitative and quantitative dimension. In the case of the qualitative dimension the credibility of the study can only be guaranteed by identifying the subject matter and setting the boundaries of the study within the study. The researcher explored the extent to which the district is enabled to meet its development mandate. The credibility of the study was guaranteed by not studying anything beyond assessing of the National Development Plan's in addressing the poverty and unemployment in Fezile Dabi District.

Once the information had been collected, the researcher ensured validity and reliability by approaching some of the participants to verify and validate that their interviews were captured and transcribed accurately in the analysis of the study.

The data from both the qualitative and quantitative data was triangulated and documented and checked for any inconsistencies before confirmation of the findings. The researcher also personally conducted the interviews to eliminate any unnecessary bias in reporting the findings of the research.

## **1.11 Chapter Overview**

After this introduction section, the rest of this research report is organised as follows: Chapter two will review existing literature with specific focus on the developmental state. Chapter three will review literature on local government and the local developmental state. Chapter four will discuss the research methodology employed in this study. Chapter five will give a presentation of the data analysis and the findings while chapter six will conclude the study and give recommendations.

## **Chapter 2: Literature Review - The Developmental State**

### **2.1. Introduction**

Developing nations are continuously striving to achieve economic development by steadfastly growing and enhancing their societies through competition. According to Todaro (1981:56), “Development is not purely an economic phenomenon but rather a multi-dimensional process involving reorganisation and reorientation of the entire economic and social system. He further argues that development is a process of improving the quality of all human lives”. There exist multiple approaches to understanding development; nonetheless, by discerning its progress within the societal and economic realms, we can ascertain distinct improvements that serve as indicators of development. Market-led development is based on three fundamental principles: suitable incentives, private property rights, and a stable macroeconomic environment. Development is the facilitation of empowering individuals, enabling them to acquire the ability to pursue objectives aimed at enhancing their overall welfare, surroundings, and future.

Empowerment necessitates the combination of capital and labour to generate value-added products. Market-led development refers to the strategic use and manipulation of productive elements to enhance their accumulation. Incentives are crucial for the correct functioning of market dynamics. Private property and stability are crucial as they ensure the realisation of promised rewards (Khan, 2009). Along this vein, the notion of the developmental state has been a central framework for understanding the role of government in fostering economic and social development. This literature review on the developmental state traces the evolution of the developmental state theory, explores key features, discusses case studies from East Asia and beyond, and evaluates the relevance of this concept in contemporary global development.

### **2.2 Theoretical Foundations of the Developmental State**

The concept of the developmental state has been central to the discussion of economic development in many emerging economies. This concept emphasizes the role of the state in guiding and supporting economic growth and development. The theoretical foundations of the developmental state can be traced back to several key thinkers and concepts.

The term "developmental state" was first introduced by Chalmers Johnson in his book "MITI and the Japanese Miracle" (1982). Johnson's work focused on Japan's post-World War II

economic success and the role of the Ministry of International Trade and Industry (MITI) in guiding industrial development. This marked the beginning of the discourse on developmental states as active, interventionist actors in their economies. Johnson's work in the 1980s was instrumental in popularizing the idea of the developmental state. He examined Japan's rapid post-war economic growth and argued that the Japanese government played a pivotal role in guiding industrial development through strategic planning, collaboration with industry, and targeted investments. According to Johnson (1982), the industrial policy implemented by the Japanese developmental State can be divided into two fundamental elements: industrial rationalisation policy and industrial structure policy. The industrial rationalisation policy is a strategy that specifically targets the micro level of the national economy. It involves implementing measures for the functioning of individual enterprises or industrial sectors, with the aim of enhancing their operational efficiency. According to Johnson (1982: 27-28), Japan's industrial structure strategy was formulated considering many factors such as income elasticity of demand, comparative costs of production, labour absorptive power, environmental considerations, investment effects on associated sectors, and export possibilities. This idea laid the foundation for understanding how states can actively foster economic development.

In tandem with Johnson, later writers emerged who concurred on the point of state roles in development. The theoretical underpinning of the developmental state emphasizes strong state capacity, a technocratic bureaucracy, and a strategic industrial policy (Woo-Cumings, 1999). The Developmental State Theory continues to hold significant influence within the field of development studies, as it presents a critical perspective that questions the dominant neoliberal ideology. This theory compels scholars in development studies to grapple with the complex issue of identifying the specific institutional characteristics that are linked to various developmental outcomes (Evans and Stallings, 2016: 24).

Gerschenkron's theory (1962), although not explicitly about developmental states, contributed to the understanding of the state's role in development. He argued that historically, backward economies often relied on the state to overcome structural constraints and promote modernization through various interventions, including infrastructure development and financial support for industries; the same idea was echoed by Meyns in 1961. His work provides insights into the developmental state's role in addressing economic disparities.

The wave of Developmental State Theory, with a primary focus on East Asia, attained its zenith by the conclusion of the 1990s. This wave of theory offered valuable insights that effectively

established the significance of the state in the process of development, particularly within the context of East Asia. Notable scholarly works contributing to this body of theory include Amsden (2001), Developmental State Theory by J. Chang (2004, 2007), Johnson (1982), Kohli (2004), Leftwich (1995), and Wade (1990). Ha-Joon Chang's work challenged conventional wisdom on free-market policies and advocated for state intervention in the economy. He argued that states, especially in developing countries, should actively participate in the market by protecting infant industries, regulating foreign investments, and providing essential public goods. Chang's ideas provided a theoretical framework for understanding the role of the state in economic development beyond the East Asian context.

The success of East Asian countries such as South Korea, Taiwan, and Singapore in achieving rapid economic growth led to further exploration of the developmental state concept. In the southern region, economic institutions fostered and promoted investment and trade. South Korean leaders made significant investments in education, resulting in commendable levels of literacy and access to schools. South Korean enterprises promptly capitalised on the country's well-educated populace, favourable investment and industrialization regulations, export opportunities, and technology transfer. South Korea soon emerged as one of the "Miracle Economies" in East Asia, exhibiting exceptional growth and becoming one of the fastest-growing nations globally (Acemoglu & Robinson, 2013: 73). Scholars like Robert Wade highlighted the importance of a capable and technocratic bureaucracy in implementing industrial policies effectively. This emphasis on state capacity became a fundamental aspect of developmental state theory. In accordance with this perspective, it is argued that the state must possess a sufficient amount of power, autonomy, and ability at its core in order to effectively define, pursue, and promote the attainment of specific developmental goals (Leftwich, 1995: 401).

The economic success of Singapore can be attributed significantly to its developmental state model, which is characterised by robust government intervention and strategic planning (Koh, 2006). The People's Action Party (PAP) ensured consistent and authoritative rule, enabling uninterrupted long-term planning (Vogel, 2011). The implementation of pro-business policies, characterised by reduced corporation taxes and streamlined regulations, has successfully enticed international investments and cultivated a conducive business climate (Lim, 2014).

The Economic Development Board (EDB) had a pivotal role in formulating strategic industrial plans, pinpointing critical sectors for growth, and enticing multinational businesses (Yeung,

1998). Allocating resources towards education and workforce development has been vital in cultivating a proficient labour pool, which is essential for attracting advanced technological firms (Lim, 2014). Singapore's exceptional infrastructure, along with a practical foreign policy, played a significant role in its ability to withstand global economic volatility (Koh, 2006).

The developing state model in Taiwan, sometimes known as the "Taiwanese Miracle," exhibited similarities with other East Asian tigers (Wade, 1990). The implementation of land reforms during the post-World War II era mitigated social tensions and fostered a fairer allocation of resources (Perkins, 1988). Taiwan implemented an export-oriented growth strategy, with a specific focus on industries such as textiles and electronics, in order to generate foreign currency and foster economic expansion (Lin, 1995). The Taiwanese government, via the Industrial Development Bureau (IDB), has established industrial policies to assist strategic sectors and foster technical innovation (Wade, 1990). Allocating resources to education, namely in the fields of science and technology, guarantees the presence of a proficient labour force (Chu, 1992). State-led banks and organisations provided financial assistance, together with the building of infrastructure, which enabled industrial expansion (Wade, 1990). To summarise, Taiwan's success as a developmental state can be due to several factors, including land reforms, export-oriented growth, efficient industrial policy, education, financial assistance, and infrastructure development (Perkins, 1988; Lin, 1995). Taiwan's economic transition was significantly influenced by political stability and global economic integration (Chu, 1992).

Scholars have made efforts to apply this core understanding in contexts beyond the specific sociocultural settings of East Asia, particularly by examining the comparative constraints of state-led growth in Latin America (Felix, 1989; Huber, 2002; Taylor, 1998). Schneider (2004, 2017) demonstrates the persistent reinforcement of patrimonial networks between state and business elites in Latin America through the endeavours to construct a developmental state. Scholars who adhere to the Developmental State Theory have endeavoured to comprehend the reasons for the divergent trajectories of state development in East Asia, characterised by the emergence of relatively independent institutional capacities, in contrast to Latin America where such capacities did not materialise to the same extent.

According to the scholarly works of Jayasuriya (2005), Kohli (2004), and Moon and Prasad (1994), there is a crucial need to shift the emphasis from solely examining the institutional

capacities of states to recognising the significant impact of local historical and societal factors on the state. The concept of "embedded autonomy" was introduced by Peter Evans in 1995 to acknowledge the participatory nature of state-society relations (Evans, 1995: 12). According to the author, autonomy is contingent upon a state's capacity to surpass individual interests and maintain avenues for dialogue with societal entities (ibid.: 10-11). While South Korea effectively implemented the concept of embedded autonomy, Evans contended that Brazil, like other Latin American countries in the 20th century, only achieved an intermediate version of it. This intermediate form consisted of pockets of efficiency, layered state institutions, and the continued existence of patronage relationships with traditional elites (ibid.: 60-61).

Expanding on the aforementioned emphasis on the importance of state-society relations, Evans (2004) advocated for the incorporation of "deliberative development" (ibid.: 31), which entails the integration of locally negotiated institutional transformation as a fundamental component of successful state intervention. Significantly, this allows for the inclusion of "bottom-up" actors, such as labour, in the decision-making process (Robinson and White, 1998). In his critique, Evans (2004) argued that measures influenced and advocated by proponents of Developmental State Theory lacked the necessary awareness of the intricate political dynamics involved in instituting change, resembling older strategies that equated increased capital with development. The author expressed disapproval towards the practise of "institutional monocropping" (ibid.: 31), which involves the attempt to replicate successful institutional models from one context and apply them to places that differ in terms of social and historical characteristics. Evans (2004) proposed an alternative strategy that emphasises deliberation and includes the incorporation of local inhabitants' interests during the development and execution of interventions (ibid.: 40-46).

Evans (2010:51-52), asserts that this approach can serve as a safeguard against a hitherto neglected aspect highlighted by proponents of Developmental State Theory: the genuine risk of private capture, wherein capital is concealed behind the guise of a seemingly collective endeavour. Therefore, it is imperative for the state to not only establish the appropriate institutional framework but also actively promote modes of participation that effectively facilitate the involvement of diverse societal actors, rather than solely relying on traditional elites.

In view of the above, some key theoretical foundations underpinning the development state mantra are identified as **Structuralism and Dependency Theory, Statism and Economic**

**Planning, Institutional Capacity, Political Economy and Developmental State, East Asian Model, and Neoliberal Critiques. These are elaborated as follows:**

**Structuralism and Dependency Theory:** The theoretical foundations of the developmental state draw from structuralism and dependency theory. Raul Prebisch, a prominent structuralist economist, argued that the global economic system inherently disadvantaged developing countries. Developmental states adopted this perspective, emphasizing the need for state-led industrialization to break free from dependency on developed nations (Evans, 1995).

Mkandawire in his article 'Thinking about Developmental States in Africa' presented two significant arguments, among other others. African countries cannot achieve transformative development unless their states have a 'developmental' orientation. A developmental state is characterised by its commitment to economic growth and its active utilisation of administrative and political resources towards this goal, based on developmental ideologies (Mkandawire 2001:291). These states play a critical role in the accomplishments of the 'late industrializers' in Asia. This argument in favour of developmental states has consistently contradicted the perspective advocated by the Bretton Woods Institutions (BWIs), which seems to have gained support from numerous African policymakers. The BWIs argue that a non-political technocracy can achieve significant economic development. Mkandawire's second objective in the article was to challenge the commonly heard claim that it was impossible to have developing states in the African context. In order to challenge this 'impossibility argument', he employed the two tactics that have characterised his scholarly work: a meticulous interpretation of African history and a masterful application of logical reasoning. Initially, numerous African nations had significant progress in the social domain during the initial years after gaining independence in the 1960s due to their developmental nature. Furthermore, a significant number of individuals who supported the notion of impossibility, including the BWIs, had recently overseen the enforcement of policies that greatly hindered the resurgence of progressive nations in Africa.

**Statism and Economic Planning:** One of the core tenets of developmental state theory is the belief in state intervention in the economy. This concept was heavily influenced by John Maynard Keynes and his ideas on the role of the state in managing economic cycles. Developmental states embraced Keynesianism to promote economic growth and stability through active industrial policy (Woo-Cumings, 1999).

**Institutional Capacity:** The developmental state literature highlights the importance of a strong, capable bureaucracy. Scholars like Peter Evans argue that effective state institutions are crucial for implementing industrial policies and regulating economic activities (Evans, 1995). This emphasis on state capacity distinguishes developmental states from laissez-faire models.

**Political Economy and Developmental State:** Theorists like Theda Skocpol and James C. Scott have examined the political dynamics within developmental states. They emphasize the role of domestic politics and social structures in shaping state intervention policies (Scott, 1998). This perspective underscores the complexity of developmental state formation.

**East Asian Model:** The East Asian developmental model, exemplified by countries like South Korea and Taiwan, has been influential. Scholars like Alice Amsden have studied the specific strategies employed in East Asia, such as export-oriented industrialization and technology transfer (Amsden, 1989).

**Neoliberal Critiques:** Critics of the developmental state, influenced by neoliberalism, argue that excessive state intervention can lead to inefficiencies and hinder economic growth. They advocate for market-oriented reforms and reduced government intervention (Wade, 1990).

In conclusion, the theoretical foundations of the developmental state are rooted in ideas from structuralism, dependency theory, Keynesianism, and a focus on state capacity. The concept has evolved over time, with particular attention paid to the East Asian model and the role of politics in shaping developmental state policies. While the developmental state has been influential in guiding economic development strategies, it has also faced criticism from neoliberal perspectives.

### **2.3. Global Perspectives on Developmental States in Different Nations**

The developmental state model has transcended East Asia, finding application in diverse contexts. This section explores examples beyond the East Asian region, such as Mauritius, Ethiopia, and Brazil and Africa.

The ‘developmental state’ concept gained prominence in the post-World War II period, as countries like Japan, South Korea, and Taiwan achieved rapid industrialization and economic growth (Amsden, 1989). These nations actively directed economic development through state-

led strategies, forming the blueprint for subsequent developmental states (Wade, 1990). The term was coined by Johnson (1982) in order to elucidate the trajectory of growth and development within the Japanese steel industry, spanning from the conclusion of the Second World War to the early 1970s. This concept was particularly used to highlight the contrast between the United States' market-based capitalist system and the Soviet Union's state-dominated system (Burger, 2014).

Japan's Ministry of International Trade and Industry (MITI) played a pivotal role in guiding industrial development, steering investment, and promoting technological advancement (Johnson, 1982). South Korea's experience with Park Chung-hee's regime and export-led growth demonstrates the effectiveness of a developmental state (Woo-Cumings, 1999). Taiwan's strategic focus on export-oriented industries and land reform facilitated economic transformation (Wade, 1990).

Mauritius' development trajectory, driven by state-led industrialization and diversification, exemplifies the applicability of the developmental state concept in African settings (Thirkell-White, 2013). Mauritius is not commonly categorised as a conventional "developmental state" in the same manner as many East Asian nations such as Japan, South Korea, or Taiwan. Conversely, Mauritius is frequently regarded as a prosperous illustration of a small island country that has attained continuous economic expansion and advancement by employing a blend of economic variety, effective government, and strategic measures.

#### *The Developmental State Model of Mauritius:*

Mauritius underwent economic diversification by transitioning from a dependence on sugar exports to a more varied economy, encompassing industries such as textile and garment manufacture, tourism, and financial services (Subramanian, 2012). The development of Mauritius has been significantly influenced by political stability and good governance, as stated by the World Bank in 2017. The adherence to legal principles and democratic administration has fostered a favourable atmosphere for economic expansion. Mauritius is renowned for its multicultural and amicable society, which plays a significant role in maintaining political stability and social cohesion (Subramanian, 2012). The country adopted export-oriented policies, which resulted in the attraction of foreign direct investment (FDI) and the promotion of international trade (Romer, 1992).

### Accomplishments:

Mauritius has had sustained economic growth through the implementation of a diversification strategy, resulting in the expansion of multiple industries (World Bank, 2017). The country achieved notable progress in reducing poverty, enhancing living conditions, and advancing human development indicators (Subramanian, 2012). Social development was enhanced as a result of investments made in education and healthcare, leading to an improvement in human capital (World Bank, 2017).

### Shortcomings:

Income disparity persists as an issue in Mauritius, despite the country's economic progress, according to the World Bank (2017). Environmental concerns have arisen due to the economic prosperity, namely about the effects of the sugar and textile industries on sustainability (Subramanian, 2012).

### Key determinants of achievement:

The Mauritian government adopted strategic economic strategies, such as the Mauritius Sugar Industry Diversification Programme, to shift away from reliance on sugar (World Bank, 2017). Investment in human capital refers to the allocation of resources towards education and skills development programmes. These programmes have been found to be crucial in improving the overall quality of the labour force, as highlighted by Subramanian (2012).

### *Ethiopia's Developmental State*

Ethiopia's developmental state approach under the Ethiopian People's Revolutionary Democratic Front (EPRDF) has attracted attention for its focus on infrastructure development and industrialization (Clapham, 2018). Ethiopia has been implementing a developmental state model that involves significant state intervention in the economy and strategic planning to achieve economic development. Nevertheless, it is crucial to acknowledge that the circumstances in Ethiopia are constantly evolving, and there might have been alterations or advancements since that time.

Ethiopia has adopted a developmental state model characterised by state-led industrialization. This approach entails the government taking a prominent role in formulating and executing economic development policies (Kinfu, 2014).

The government has prioritised agricultural modernization to increase productivity and ensure food security, with the goal of generating a surplus for industrial development (Alemayehu, 2015). Ethiopia has made significant investments in infrastructure, including the construction of roads, trains, and dams, with the aim of promoting economic activities and regional integration (Alemayehu, 2015). The government has instituted social programmes, such as education and health initiatives, in order to enhance human capital and overall welfare (Kinfu, 2014).

#### Accomplishments:

Ethiopia has achieved remarkable economic progress in recent years, mostly driven by the expansion of its industrial and services sectors (Alemayehu, 2015). Infrastructure development: Investments in infrastructure have enhanced connectivity within the nation and stimulated economic activities (World Bank, 2018). The government's endeavours have resulted in substantial decreases in poverty rates (World Bank, 2018).

#### Failures:

Political Stability: Ethiopia has encountered obstacles concerning political stability, such as ethnic tensions and conflicts, which possess the capacity to adversely affect economic progress (World Bank, 2018). Critics contend that the state's overwhelming control over economic activity could impede the growth of the private sector and hinder innovation (Alemayehu, 2015).

#### Factors contributing to success:

Long-term vision: Ethiopia's Growth and Transformation Plans (GTPs) delineate comprehensive development visions and plans, establishing a structured basis for continuous growth (Kinfu, 2014). The government has made deliberate investments in crucial sectors such as agriculture, manufacturing, and infrastructure to stimulate economic growth (World Bank, 2018).

### *The Developmental State Model of Brazil:*

During the military administration in Brazil, the implementation of government-led development projects played a significant role in fostering economic growth and promoting industrialization (Baer, 1996). The progressive state model in Brazil has undergone multiple phases, distinguished by state-driven economic planning and intervention. It is imperative to take into account the historical background and the evolution of policies over time. Brazil has historically implemented Import Substitution Industrialisation (ISI) policies, which prioritise the growth of home businesses in order to decrease reliance on foreign imports (Bresser-Pereira, 2009). The government exerted substantial influence in economic planning, guiding investments, and providing assistance to crucial businesses in order to accomplish industrialization (Evans, 1979). Brazil made significant investments in infrastructure development, specifically in transport and energy sectors, with the aim of enhancing economic activities (Sola, 2000).

#### Successes:

Industrialization: The implementation of Import Substitution Industrialisation (ISI) policies played a significant role in driving the industrialization process in Brazil, hence promoting the expansion of manufacturing sectors (Bresser-Pereira, 2009). Brazil witnessed substantial economic growth during periods of state-led development, as documented by Evans (1979).

#### Shortcomings:

Brazil encountered a profound financial problem during the 1980s, mostly as a result of substantial borrowing to fund developmental initiatives (Baer, 1995). Brazil has consistently faced the challenges of high inflation rates and macroeconomic instability (Bresser-Pereira, 2009).

#### Key determinants of achievement:

Brazil's success as a developmental state can be attributed, in part, to its strategic planning and policies that were designed to foster industry and economic expansion (Evans, 1979). Brazil's abundant natural resources have served as a basis for the growth of important industries, such as mining and agriculture (Bresser-Pereira, 2009).

In the context of South Africa, it is noteworthy that the African National Congress (ANC), which has held political power in the nation since 1994, has openly embraced the developmental state ideology. Policymakers have expressed a desire to draw lessons from Asia, with a particular focus on the establishment of a democratic developmental state. The aforementioned perspective of the African National Congress (ANC) is evident in various instances and strategic publications (Kuye & Ajam, 2012:51).

Ethiopia, Rwanda (Clapham, 2018:1151), and Botswana (Botlhale, 2017) are examples of African nations that have adopted developmental state concepts. In light of the 2008 global economic crisis, numerous developing nations have increasingly embraced developmentalism as a strategic approach and have subsequently implemented corresponding policies and measures. However, despite the existence of robust conversation and proactive actions, tangible achievements have not yet materialised. To yet, no nation has demonstrated the level of potential and achievements witnessed in the Asian examples (Karaoğuz, 2022:63). Indeed, the available evidence indicates that although there have been some limited achievements, the current situation in the developing world is not as optimistic as it may initially appear. One of the key obstacles hindering the establishment of successful developmental states is the challenge of forming broad coalitions among various actors (Doner and Schneider 2016). Additionally, local businesses often oppose national projects (Chibber 2003), and the structural class power of capital in the context of neoliberal globalisation poses significant difficulties (Masondo 2018). Furthermore, issues related to embedded autonomy and bureaucratic coordination present common challenges (Kutlay and Karaoğuz 2018), along with external conditions (Rodrik 2012; Wade 2018:537-539)

#### **2.4. Key Features of the Developmental State**

Understanding the key features of a developmental state is critical to assessing its effectiveness. This section outlines the essential characteristics that define developmental states.

Mohale (2017) points out that according to Johnson a functional state can be characterised by four key attributes: Firstly, it possesses a small yet highly proficient bureaucracy that is capable of formulating industrial policies and providing guidance to the economy. Secondly, the state employs market-conforming methods in its operations. Thirdly, the political system within the state enables the bureaucracy to carry out its functions without any bias or interference. Lastly,

the presence of a powerful pilot agency is crucial for driving the implementation of policies and initiatives (Johnson, 1982; 1999).

### **2.4.1 Bureaucracy**

According to Mkandawire (2001), the identification of a progressive state can be achieved by examining its structure and ideology. Knight (2014) suggests that it is advantageous to use a more comprehensive definition that separates a developmental condition from a specific industrialization approach. Consequently, the author posits that the evaluation of a developmental state needs to be based on two key factors: the state's objectives and the institutional frameworks in place. The perspective presented appears to align with Mkandawire's (2001:290) assertion that it is erroneous to conflate the potency of the state with the achievement of economic prosperity. Exogenous shocks can frequently impede the achievement of predetermined economic goals. Routley (2014:161) highlights in the literature that structure should not be regarded as a final objective. The significance lies in the developmental functions that developmental structures must fulfil.

According to Mkandawire and Soludo (1998:132), the distinguishing factor that set East Asia apart was the enduring and efficient nature of its institutional frameworks. This suggests that the construction of institutions by the elite should prioritise durability as a deliberate objective. According to Chikozho (2015:5), the primary difficulty in establishing a progressive state comes in formulating the necessary institutions that would enable the nation to genuinely achieve development. The last role of a developmental state entails the management and resolution of conflicts among society groupings in a manner that upholds the common interest of national progress, without making any compromises. The concept of the state is naturally subject to contention among diverse socioeconomic classes. The individual or group that successfully attains control of the state bears the need to actively pursue social cohesiveness and social capital. These factors played a crucial role in facilitating the sustained and substantial economic growth experienced in East Asia during the initial years following the conclusion of World War II.

Developmental states exhibit several defining features, including a technocratic bureaucracy, close collaboration between government and industry, and a strategic industrial policy focused on specific sectors (Haggard, 1990). In this context, it is argued that the developmental state plays a crucial role in promoting economic development and industrialisation for the

betterment of the public welfare (Mhone, 2004). The discussed notion is characterised as an institutional model that embraces a statist perspective in order to explain the significant levels of economic growth observed in recently industrialised nations. The statement acknowledges the role of the state in promoting economic development, highlighting its distinctive characteristics compared to Soviet-style communist states, Keynesian social-democratic states focused on social equality, and predatory states that hinder a nation's economic progress (So, 2007).

#### **2.4.2 State with market conforming methods**

According to Gumede (2019), “the concept of development encompasses various aspects or dimensions, including ideological factors (such as the role of the state versus market forces), institutional factors (such as the autonomy and capacity of the state), cultural factors (such as collectivism versus individualism), and socio-economic attributes (such as economic growth, industrialization, and local economies)”. The prevailing viewpoint, however, is that the concept of the "developmental state" arises in direct opposition to neoclassical economics, which has traditionally posited that government intervention hampers economic progress by disturbing market equilibrium and leading to detrimental outcomes.

Institutional economics has acknowledged the shortcomings of orthodox economics, which has been unable to account for market "anomalies" primarily due to its failure to acknowledge the significance of non-market institutions (such as political and cultural institutions) in shaping the very institutions necessary for attaining market equilibrium. According to Gumede (2010: 4), the World Bank's interpretation of the performance of the East Asian economies, which emphasised limited government intervention and cautious macroeconomic strategies, was discredited as overly simplistic. Moreover, a comprehensive analysis has refuted these claims, establishing that the growth of South-East Asian economies can be attributed to the proactive role played by the state in shaping crucial national objectives. This includes formulating macroeconomic and industrial policies, trade regulations, and labour market policies. Consequently, the notion of minimal state theory in development has been discredited.

#### **2.4.3 Development-orientated political leadership**

According to Mkandawire (2001), the concept of developmental states may be seen as "social constructs" that are shaped by various actors within a certain society, including the political elite, industrial elite, and civil society. This viewpoint is partially supported by Johnson (1982),

where Johnson alludes that the developmental state can be characterised as a "plan rational state" in which political leaders hold authority while state bureaucrats exercise control. In this context, the "plan rational state" played a crucial role in shaping economic development by actively intervening in the development process and setting specific social and economic objectives. Furthermore, a substantial amount of scholarly literature has been dedicated to examining the concept of the "developmental state" in relation to the topics of economic growth and development.

According to Bagchi (2000), a developmental state can be defined as a state that prioritises economic growth as the primary objective of governmental policy and possesses the capacity to devise effective mechanisms to facilitate the achievement of this goal. An essential aspect of this viewpoint is that economic growth is propelled by industrial strategy and structural transformation within the production system. In this particular case, economic progress is predominantly linked to the processes of industrialization and liberalisation. The prominence of this perspective is evident in the definitions of developmental states put out by major experts in the subject. It is widely acknowledged that economic growth plays a pivotal role in the concept of a "developmental state".

#### **2.4.4 Determined powerful pilot agency**

As stated by Bagchi (2000: 398), a developmental state can be defined as a political entity that places a high priority on economic development in its policy agenda and formulates effective policies to facilitate the achievement of this objective. According to the provided definition of a developmental state, Bagchi additionally outlines various instruments that can be employed in the establishment of a developmental state. These instruments encompass the creation of novel formal institutions, the establishment of both formal and informal networks of collaboration between citizens and officials, and the exploitation of new avenues for trade and lucrative production (Gumede, 2019). Hence, a progressive state is distinguished by its emphasis on economic advancement. However, a significant challenge arises when attempting to establish a clear definition of a developmental state solely based on economic performance. The issue at hand pertains to the fact that not all nations exhibiting favourable economic growth rates may be classified as developmental states. According to Mkandawire (2001:290), the definition of a developmental state presented here may be susceptible to tautology, as it relies on deductive reasoning from economic indicators to determine the developmental nature of a state. This statement posits a definition of a state as being characterised as "developmental"

when its economy is experiencing growth. It further associates economic success with the state's overall strength, which is measured by the anticipated outcomes of its policies (Gumede, 2019). However, this definition does not account for situations in which external structural dynamics and unforeseen factors can undermine the state's genuine commitment and efforts towards development.

In Africa, numerous instances can be observed when nations exhibited characteristics of developmental states in terms of their economic performance prior to the mid-1970s. Botswana and Uganda are some of these nations. However, these governments have since undergone a shift towards anti-developmental tendencies due to the adverse circumstances and political instability that have hindered their economic progress. Similar to how these elements contribute to a state's achievement in development, they can also contribute to economic failure, as certain government policies, political determination, and technical capabilities may prove insufficient in mitigating external influences. The conceptualization of a democratic developmental state is contingent upon the acknowledgment of instances and potentialities of failure. This entails a state whose ideological foundations are centred around development and one that earnestly endeavours to mobilise its administrative and political capabilities towards the objective of economic advancement (Mbabazi and Taylor 2005:02).

According to Robinson et al. (1998), the model proposed by Leftwich (1995), and the research conducted by Cummings and Nørgaard (2004), the concept of the "state-structure nexus" is considered a crucial element in the developmental state. These scholars highlight the significance of both the organizational capacity and technical capacity (specifically implementation capacity) of the state in the establishment of a developmental state. The ability to cultivate "industrial elites," maintain a certain degree of governmental autonomy, establish "institutional coherence," and achieve economic performance has been of significant importance in this context. Developmental state regimes have frequently been able to effectively dismantle the effects of "closed bureaucracies" and implement reforms to improve their institutional, legislative, and governance structures. These reforms have resulted in more centralization, coordination, and strategic planning. The implementation of institutional reforms, in conjunction with shifts in economic strategy, has undeniably played a significant role in facilitating the formulation and advancement of developmental objectives.

## **2.5 Contemporary Challenges and Criticisms**

While the developmental state has yielded successes, it has also faced criticisms and encountered challenges. This section discusses contemporary issues and debates surrounding the concept.

The traditional developmental states of East Asia experienced excellent economic conditions in the post-World War II period due to globalisation and changing economic circumstances, in contrast to the current economic difficulties faced by states today (Ngqebe, 2017). Therefore, it is imperative to possess a comprehensive comprehension of prevailing political and economic circumstances. The East Asian states capitalised significantly on the favourable political circumstances that arose from the 1950s to the 1980s. During this period, the primary emphasis shifted towards determining whether a state adhered to capitalist or communist ideologies, rather than delving into the intricacies of governance within states.

Academic discourses since the 1970s have been largely shaped by two prominent camps: the neoliberal perspective and the statist or revisionist position. The statist perspective consistently acknowledges the importance of the market mechanism. The fundamental divergence in their perspectives centres on the mechanisms via which emerging nations might commence reaping the advantages associated with a market-based economic system (Wade, 1992:275; Hayashi, 2010:48). The neoliberal tradition posits the fundamental presence of the market, asserting that optimal functioning of the market economy can only be achieved through the reduction or elimination of government intervention in economic affairs. Conversely, proponents of the statist perspective argue that in developing economies, it is imperative for the government to have an active role in building and facilitating the functioning of the market mechanism. They advocate for the encouragement of liberalisation only when the effective establishment of the market mechanism has been achieved.

The divergent perspectives regarding the role of government have engendered significant controversy, particularly in relation to debates over the efficacy of industrial policy. Chang (2003a) suggests that these affluent nations are hindering the progress of developing countries by removing the means through which they themselves attained their superior position. The resolution of the divergence between the two approaches appears improbable, yet the efficacy of the strict neoliberal perspective, which advocates for economic growth through the promotion of a free market and reduction of state intervention, has diminished in the past

decade. This decline can be attributed, in part, to the underwhelming performance of developing nations that have embraced the neoliberal agenda.

Although neopatrimonialism has been found to impede optimal development, it is important to note that certain manifestations of neopatrimonialism may not completely obstruct it. The prevalence of such governance is frequently observed in the realm of African politics, and efforts aimed at its eradication may encounter obstacles stemming from a dearth of political determination. Neopatrimonialism is a type of governance when political leaders, even if they are part of a modern state framework, display traits of traditional patrimonial control. This entails the customised allocation of resources and advantages to a leader's devoted followers, typically relying on patronage and clientelism, rather than meritocratic and institutional norms. Neopatrimonialism can hinder the progress of developmental states due to many factors:

- Resource Misallocation: Neopatrimonial systems can result in the improper allocation of resources, as decisions are driven by political allegiance rather than efficiency or developmental objectives (Pitcher, Moran, & Johnston, 2009).
- Corruption and Rent-Seeking: Neopatrimonial practices have the potential to cultivate corruption and rent-seeking behaviour, when individuals strive to take wealth from the state instead of engaging in productive endeavours (Bratton & Van de Walle, 1997).
- The presence of neopatrimonialism undermines the principle of meritocracy by prioritising political allegiance above qualifications or performance when making appointments and distributing resources (Lindemann, 2013).
- Weak Institutions: Neopatrimonial governance has the potential to damage state institutions, as leaders may prioritise consolidating their own authority above supporting independent institutions (Bratton & Van de Walle, 1997).
- Neopatrimonialism's Counterproductivity: Economic Inefficiency: The personalised allocation of resources can result in economic inefficiency, impeding the achievement of sustainable development and economic progress (Pitcher et al., 2009).
- Social inequality is frequently intensified by neopatrimonialism, which results in the concentration of resources around a small group of loyal elites. This concentration of resources leads to inequities in both wealth and opportunities (Bratton & Van de Walle, 1997). Political instability can be caused by neopatrimonial regimes, as their exclusionary policies can result in grievances and social discontent (Lindemann, 2013).

Therefore, it is imperative for accounting reforms to acknowledge their political viability and focus on areas that align with enhancing the characteristics of a developing state. According to Chang (2012), “during periods of economic development similar to that of contemporary African nations, developed countries exhibited significantly higher levels of democratic suppression, corruption, state capture, incoherence within state institutions, nepotism, and other forms of "pathological" political practises. These challenges should not lead us to the misconception that we must postpone taking action until an ideal situation is achieved”.

Khan (2012) posited that policymakers should acknowledge that governance qualities that foster economic growth do not necessarily have to be optimal, but rather must be practical. It is advisable to refrain from relying on universally applicable imported immediate prescriptions. Instead, it is recommended to engage in a process of mutual learning in order to foster the development of capacity and problem-solving skills. This approach should take into consideration the varying nature of local tacit knowledge, thereby necessitating different solutions for different contexts. Furthermore, it is important to acknowledge that learning is an ongoing and continuous process that requires constant adaptation to evolving circumstances and it is crucial to recognise that the political landscape of a country significantly influences the feasibility of certain approaches.

Another issue under consideration is the increasing inequality which further perpetuates poverty and unemployment making it detrimental for sustained economic growth that can be attributed to developmental states. South Africa has one of the highest and most persistent rates of inequality with a Gini Coefficient 0.63 in 2022 (World Bank, 2023), and in economics, there exists a broad consensus that inequality has detrimental effects on economic growth (András, 2020). Alesina and Rodrik (1994) demonstrated that there exists a negative correlation between income and land distribution disparity and economic growth. On the other hand, Acemoglu and Robinson (2000, 2012) have put forth arguments in several studies suggesting that a society characterised by equality is more likely to attain affluence and sustain economic progress. Stiglitz (2012) issued a cautionary statement against the detrimental effects of excessive inequality, citing a research article by the International Monetary Fund (IMF) that highlighted the positive correlation between longer periods of economic growth and a more equitable distribution of income. Over extended time periods, it may be argued that a decrease in inequality and the continuation of economic growth are interconnected and mutually reinforcing (Berg and Ostry, 2011:3).

Finally, the concepts of authoritarian regimes and developmental states embody distinct governing systems, with the former prioritising political control and the latter centering on economic advancement. Although there is typically a clear differentiation between the two, several historical situations have demonstrated instances of prosperous authoritarian developing states. Authoritarian states are characterised by a strong central government that exercises strict control over its citizens and limits their political freedoms. These states often prioritise maintaining power and stability over promoting economic development and individual rights.

- Characteristics: Authoritarian nations exhibit traits such as a concentration of power, restricted political liberties, and a robust state machinery that governs political establishments and represses opposition.
- Emphasis: Authoritarian nations primarily prioritise the maintenance of political stability and control, rather than giving priority to economic progress.

Instances of Effective Authoritarian Developmental States:

South Korea:

The period of authoritarian rule in South Korea, led by Park Chung-hee in the 1960s and 1970s, serves as a prime example of a successful progressive state with authoritarian characteristics. The government played a crucial role in directing economic policies, fostering export-oriented industry, and executing land reforms (Woo-Cumings, 1999).

Singapore:

Singapore, led by Lee Kuan Yew, was often regarded as a prosperous authoritarian developmental state during his tenure. To achieve quick economic growth, the government employed strategic industrial policies, enticed foreign investments, and prioritised education and infrastructure development (Rodan, 1989).

China:

China, especially during the reform era led by Deng Xiaoping, might be characterised as an authoritarian developmental state. The government played a pivotal role in enacting economic

reforms, embracing international investment, and implementing policies that facilitated fast industrialization and economic expansion (Nolan, 2002).

## **2.6 The Relevance of the Developmental State in Contemporary Global Development**

As the global landscape evolves, it is essential to assess the relevance of the developmental state concept in contemporary development discourse. This section examines the adaptability and applicability of the developmental state in the 21st century.

The developmental state remains relevant in contemporary global development, provided it adapts to new challenges and embraces inclusive and sustainable development goals (Kohli, 2004). Innovations in governance and economic diversification can help address the limitations of earlier developmental state models (Mkandawire, 2001). According to Karaoguz (2022:56-57), the Asian experiences were predominantly characterised by a trial-and-error approach, lacking an overarching strategic strategy from the outset. Therefore, it is not imperative for developing countries in the present day to contain all the traits commonly associated with Asian countries. Instead, they have the opportunity to chart their own paths by engaging in experimentation and learning, which are influenced by both domestic and global circumstances.

Numerous studies have also shown evidence on the attainment of development using a variety of techniques and policies that extend beyond the reductionist neoclassical paradigm (Chang & Grabel, 2004). Another perspective regarding the essence of progress, however, may give rise to a sense of pessimism. Overcoming the middle-income trap in the 21st century poses greater challenges due to the need for countries to not only accumulate and mobilise capital, but also to enhance technological capacities and upgrade technologies through the implementation of policies that are time-intensive and widely endorsed (Doner and Schneider, 2016). The aforementioned elements of the knowledge economy, along with the requisite societal consensus required to pursue a comprehensive agenda, necessitate the establishment of more intricate institutional frameworks. Moreover, numerous scholars have observed the presence of contradictions and unfavourable elements within the Global System of Power and Accumulation. These include heightened conflicts between the East and West, as well as between the industrial and financial sectors.

Additionally, there has been a noticeable decline in levels of trust, equality, and stability. These factors collectively pose significant challenges to the achievement of sustainable development

as we transition into the 21st century (O'Hara, 2006). Furthermore, a number of scholars have taken a comprehensive approach by critically examining the capitalist economic systems (Marangos, 2013) and by including ethical considerations into the realm of development (Marangos, Astroulakis, & Triarchi, a state and necessitating innovative remedies that are supported by the structural framework of the state (Khambule & Mdlalose, 2022:195). The structural component of the state pertains to the administrative authority, resources, and capability of the state to address the consequences of the pandemic within the framework of the COVID-19 situation. The global outbreak of COVID-19 has prompted nations worldwide to turn to their central governments for the implementation of laws aimed at regulating social, political, and economic activities in order to effectively counteract the widespread transmission and severe consequences of the virus. The contraction of global economies was brought about by the implementation of social distancing policies and the imposition of industry and economic activity lockdowns by national governments. According to the International Monetary Fund (IMF, 2021), the COVID-19 pandemic resulted in a significant worldwide economic downturn, marking one of the most severe contractions in decades. However, the implementation of stimulus packages by various nations helped mitigate the adverse effects of the pandemic on various aspects of people's lives.

The pandemic has sparked renewed discussion over the post-pandemic role of the state, as highlighted by Khambule (2022). The occurrence of these arguments is propelled by the heightened involvement of the state in addressing the pandemic and the imperative for the state to extend social protection programmes. The 2008 global financial crisis and the COVID-19 pandemic have led to an increased level of state intervention in both social and economic growth. According to Ricz (2021:2), it is posited that during times of crisis, there exists a potential for the rise of a developmental state. This phenomenon may compel current governing bodies to establish developmentalist institutions that efficiently facilitate both structural transformation and the attainment of shared and inclusive growth. This phenomenon is seen in the sustained implementation of neoliberal policies in the realm of global development over the course of several decades. The aftermath of the 2009 global financial crisis prompted numerous nations to re-evaluate the regulatory role of the government and its approach to addressing market failures, primarily through the implementation of liberalisation, privatisation, and deregulation measures. In the context of East Asia, it was observed that China's counter-cyclical measures served as a demonstration of the Keynesian counter-cyclical approach, as the government implemented expansionary fiscal policies. According to Jiang

(2015), the implementation of an infrastructure-led recovery strategy involved the augmentation of building operations, the development of employment opportunities, and the stimulation of general economic activity through substantial state expenditures aimed at sustaining the economy.

During the COVID-19 pandemic, central governments employed fiscal and monetary measures to enact policies aimed at stimulating the economy, mitigating the economic hardships faced by individuals and businesses, and enhancing economic resilience at both the household and industrial sectors. This signifies the dominance of the state in areas related to economic development and the protection of social, political, and economic rights for a more equitable and fair quality of life, in contrast to a market-driven strategy that emphasises non-interference. The strategies implemented during the COVID era align with the principles of developmental state thought, in which the state takes on a central role in guiding social, economic, and market results (Haggard, 2018).

## **2.7 The South African Developmental State**

There have been extensive debates on the classification of South Africa as a democratic developmental state. Several disputes have yielded differing conclusions regarding the classification of South Africa as a developmental state. Some argue that South Africa fits the criteria of a developmental state, while others contend that it does not.

In 1994, South Africa transitioned from the apartheid rule to establish itself as a democratic nation. The transition from a repressive regime to a democratic system resulted in the substitution of exclusionary policies and the inheritance of the colonial and apartheid regimes. The adoption of redistributive policies in South Africa was deemed crucial in order to alleviate the enduring effects of poverty, unemployment, and inequality that were a result of the apartheid era. The Reconstruction and Development Programme (RDP) was the initial development plan implemented by the African National Congress (ANC) following the year 1994. This plan was established through extensive consultations with many stakeholders, including civil society, the ANC's alliance partners, and other non-governmental organisations (Bond, 2006). The primary objective of the Reconstruction and Development Programme (RDP) was to facilitate the reconstruction and establishment of an all-encompassing economy that would bring about a transformation in the socio-economic circumstances of the predominant population of impoverished and unemployed individuals in South Africa (ANC,

1994; Bond, 2000). The Reconstruction and Development Programme (RDP) embodied the African National Congress' (ANC) profound economic foundations as outlined in the Freedom Charter, which underscored the equitable distribution of the country's resources and the pursuit of an improved quality of life for all citizens. The RDP might be conceptualised as a domestic initiative aimed at eliminating longstanding and contemporary socio-economic circumstances, including poverty, racial disparities, and unemployment, which have been inherited from the apartheid regime.

According to Penderis (2013), there exists a connection between the RDP and the developmental state theory. This linkage is based on the shared emphasis on the significant involvement of the state in the economy, as advocated by the Keynesian theory which posits that the state should actively participate in economic affairs. The advent of the new democratic regime in 1994 positioned South Africa amid a dynamic global development context characterised by a transition towards neoliberal ideologies during the early and mid-1990s. The aforementioned transformation was further reinforced by the demise of the Soviet Union, a significant supporter of the African National Congress (ANC), throughout the latter part of the 1980s. Therefore, the African National Congress' (ANC) policies on the Reconstruction and Development Programme (RDP), which were primarily focused on the state, encountered difficulties in adapting to a global economy that was transitioning towards a free market system. The primary emphasis of the GEAR initiative was centred around achieving economic stability and fostering the influx of foreign direct investment (FDI). However, it concurrently weakened the implementation of redistributive measures by solidifying property rights that perpetuated the historical pattern of dispossession (Khambule, 2019).

Mkandawire (2001: 291) asserts that the achievement of favourable economic performance and social transformation are desirable consequences of development, so suggesting that a developmental state encompasses the establishment, functioning, and oversight of institutions and processes. Throughout the history of democracy, considerable endeavours have been undertaken by the state and various sections of society to formulate policies and programmes aimed at actualizing the lofty principles of human dignity, equality, human rights, and freedom (Constitution of South Africa 1996: 30). The public policies undertaken since 1994 can be characterised as intentional efforts to foster human advancement and socio-economic equity (Gumede, 2016).

Khambule (2020) posits that a developmental state refers to a theoretical framework that promotes a model of development wherein the state assumes a leading role in driving economic growth and facilitating swift industrialisation. The notion of the developmental state holds significant prominence within policy discourse pertaining to the triple challenges of poverty, unemployment, and inequality. The National Development Plan (NDP) has identified the establishment of a capable and developmental state as a strategic approach to accelerate the process of structural transformation and effectively tackle the pressing concerns of these triple challenges. This approach has been adopted in response to the government's inability to effectively address the underlying challenges that hinder the country's development trajectory (NPC, 2012).

The NDP asserts that the realisation of its vision necessitates the presence of a proficient and progressive state. This proficiency is demonstrated through the state's ability to devise and execute policies that align with the nation's best interests. Moreover, the state's developmental nature is reflected in its focus on addressing the fundamental factors contributing to poverty and inequality, while concurrently enhancing its own capacity to effectively carry out this mandate (NPC, 2012:409). The analysis of this endeavour reveals that the nation's developmental condition is deeply rooted in a transformative agenda that takes into account the historical context of dispossession and underdevelopment experienced by the country (Khambule, 2021:512). The government's goals prioritise the replication of the developmental state model, with a particular focus on the developmental successes of the models of Asian Tigers (Japan, South Korea, Singapore, and Taiwan).

The establishment of a capable and developmental state in South Africa is contingent upon addressing the deficiencies in capability that are evident across various government institutions. The state's ability to create and execute policies that promote necessary socio-economic growth has historically been hindered by deficiencies in capacity (Davids & Theron, 2014). The NDP places significant emphasis on the crucial role of enhancing state capacity as a fundamental determinant in attaining the status of a developmental state. However, it acknowledges that capable states alone do not guarantee developmentalism. Therefore, the NDP places significant emphasis on the realisation of a capable developmental state that is grounded in democratic principles (NPC, 2012). The core principle behind the NDP's vision of a capable and developmental state is rooted in the constitutional and legislative frameworks that attribute a developmental responsibility to the government. Hence, the concept of

democratic developmental states arises as a means to foster sustainable development within the context of democracy, as evidenced by the historical success of developmental nations that sprang from authoritarian regimes (Tapscot, Halvorsen & Cruz-Del Rosario, 2018). Evans and Heller (2015) provide evidence that challenges the prevailing belief that progressive governments must adopt authoritarian approaches in order to achieve substantial development. They highlight the presence of democratic developmental states like Brazil, and Botswana.

Khambule (2019) argues that patronage networks provide a significant challenge to the developmental state agenda since they divert state resources away from their intended purpose of fostering development, instead favouring rent-seeking activities and specific political factions. The effectiveness of progressive governments is contingent upon the concept of embedded autonomy, which entails safeguarding the bureaucracy from rent-seeking influences and enabling the implementation of policies that effectively advance national objectives (Evans, 1995). In contrast, it can be observed that the public sphere in South Africa has increasingly become associated with instances of corruption that are closely tied to the political and administrative interface, which is predominantly characterised by maladministration. The collapse of governance in several government areas has been primarily attributed to causes such as political meddling (The Presidency, 2015). The emergence of a capable, developmental, and ethical state is contingent upon the presence of a bureaucracy that is both capacitated and incorruptible, led by political leadership that is oriented towards development.

In light of South Africa's participatory system, the National Development Plan (NPC, 2012) proposed the enhancement of accountability and monitoring systems to guarantee that public officials and political leaders are held responsible for service delivery. Nevertheless, empirical data indicates a decline in accountability across several sectors of governance, exemplified by the recent instances of corruption related to the COVID-19 pandemic, which signifies a breakdown in the nation's systems of accountability. According to the Special Investigative Unit (2021) and the Auditor-General of South Africa (AGSA, 2021), there was a disregard for governance and accountability procedures in the handling of the pandemic. To address the existing capacity deficiencies, the National Development Plan (NPC, 2012) additionally proposed the professionalisation of public services as a means to enhance institutional capacity and uphold ethical standards. It is suggested that the autonomy of the bureaucracy is necessary in order to address the institutional weaknesses and patronage system that have been perpetuated by political interference and deployments (Edigheji, 2010).

According to Terreblanche (2009:119), achieving a developmental state necessitates the government implementing extensive measures to redistribute both income and property. This includes establishing new systems of incentives and punishments to encourage the private sector to engage in socially advantageous behaviour (Hapazari, 2015). For instance, it is imperative for multi-national firms to enhance the well-being of the communities in which they conduct their operations and consistently monitor their land reclamation endeavours. The land issue must be promptly addressed to enable people who are willing and capable to participate in agricultural activities. The transformation of the state into a developmental state is crucial (Chang, 1999). This realignment will enable the release of ample productive resources to propel industrialization forward, necessitating substantial investments in technical education at the basic, secondary, and tertiary levels (Marwala, 2005b).

According to Freund (2007), the developmental state model in South Africa is now superficial. It lacks the fundamental social reforms that are characteristic of countries like Taiwan, Korea, Israel, and Turkey. Furthermore, individuals living in poverty experience severe health challenges, exceptionally high rates of unemployment, and pervasive crime and violence. Their lives are characterised by significant unpredictability and irregularity, making it challenging to devise effective plans for their well-being (Freund, 2007). According to Neocosmos (2006: 80), a lack of specific mechanisms for participation, along with capacity and financial limitations at the local government level, hinder development. Habib (2008) agrees with Neocosmos, stating that there are institutional constraints that impede development in South Africa. Habib identifies three main challenges for the development state in South Africa: the fiscal foundation of the state, the capacity of the public service, and the international environment (Tshishonga & Vries, 2011).

## **2.8 Conclusion**

This literature review provides a comprehensive overview of the developmental state concept, its theoretical foundations, key features, the global perspectives in different nations, challenges, and contemporary relevance. While the concept originated in East Asia, it has found applicability in diverse global contexts, offering valuable lessons for countries seeking to pursue inclusive and sustainable development in the 21st century.

## **Chapter 3 – Literature Review - Local Government and the Local Developmental State**

### **3.1 Introduction**

The synergy between local government, the local developmental state, and their connection to national development plans is a critical nexus in the discourse on effective governance and sustainable development. This section of the literature review aims to explore this intricate relationship, emphasizing its application to South Africa. Drawing on a broad range of scholarly works, the review will elucidate key concepts, theoretical frameworks, and practical implications in the context of local governance, developmental states, and national development plans.

### **3.2 Local Government in the Developmental State Framework**

#### **A. Conceptual Foundations**

Local government, as a crucial component of governance structures, is fundamental to the developmental state paradigm. It encompasses diverse administrative units, each playing a unique role in fostering economic growth (Stoker, 1999). The conceptualization of local government within the developmental state framework emphasizes decentralization, empowering local entities to be proactive agents of development (Blair, 2016).

#### **B. The Developmental State Paradigm**

The developmental state, characterized by strategic economic planning and state-led interventions, places local governments at the forefront of development initiatives (Leftwich, 1993). In South Africa, this paradigm gains significance in the post-apartheid era as the nation strives for inclusive development.

### **3.3 Theoretical Perspectives on Local Government and Developmental State**

#### **A. Institutional Perspectives**

Institutional theories posit that the effectiveness of local government within the developmental state framework is deeply intertwined with the design and functionality of local institutions (North, 1990). The strength of local institutions in South Africa, such as municipal structures, plays a vital role in determining the success of developmental initiatives. The institutional viewpoint is a theoretical framework that highlights the significance of formal and informal institutions in influencing the conduct of individuals within a political and economic system. This viewpoint has been utilised in examining local government and developing states, investigating the impact of institutions on governance structures, policies, and development results. This text provides a comprehensive examination of the institutional perspective, including its inception, progression, and influence on developmental states, accompanied by illustrative instances. An institutional perspective examines the relationship between local government and developmental states, focusing on their origin and evolution.

The institutional viewpoint in roots relies from a range of disciplines, such as economics, political science, and sociology. The origins of this concept can be traced back to the research of intellectuals such as Douglass North, who emphasised the significance of institutions in influencing economic outcomes. The institutional viewpoint has gradually expanded to encompass not just formal institutions such as laws and regulations, but also informal institutions like norms and practices, and how they influence decision-making processes and development outcomes.

#### Institutions and Developmental States:

The institutional viewpoint posits that the success of developmental states relies on the robustness and efficiency of institutions. Efficient institutions offer a consistent and foreseeable setting for economic and social development endeavours. Institutions exert influence over policies, governance structures, and actor behaviour, so shaping an institutional environment that can either assist or impede growth (Mulaudzi, 2020).

*Examples Demonstrating the Institutional Perspective:*

Singapore:

The initiation of state intervention in economic policy-making in Singapore began with the development of The Strategic Plan for economic growth. The text delineates Singapore's role as a global metropolis that will evolve into a comprehensive business centre for the Asia-Pacific region. Singapore provided opportunities for knowledge-intensive and high-tech companies, as well as investment to improve labour skills and innovation capability (Perry, Kong & Yeoh, 1997). The state's possession of political authority and economic expertise enables it to effectively address the difficulties of economic competitiveness and bring about significant transformations. Perry et al (1997) identified five models of intervention implemented by the Singapore government. The first step involves the creation of entities that serve as a central planning bureau responsible for formulating and implementing economic plans. such the Housing and Development Board (HDB) and the Economic Development Board (EDB). These institutions were crucial in urban planning, public housing, and economic development (Rodan, 1989).

Furthermore, the local government offers substantial subsidies and tax incentives to entice potential investors to develop their businesses. Furthermore, the state has provided the economic sector with a robust infrastructure that ensures efficient economic growth. In addition, the Singapore government exercises substantial control over the labour market by regulating productivity, skill development, wages, industrial relations, and the recruitment of foreign workers. The government meticulously supervises macroeconomic policy to maintain low inflation and allocate the government's budget surplus towards social and physical infrastructures (Perry, Kong & Yeoh, 1997). The emergence of the Singapore developmental state is a response to various threats, including political and economic uncertainty, as well as the scarcity of natural resources. Singapore was able to alter its policy strategy and orientation during its development, rather than experiencing a decline (Woo-Cumings, 1999b). The administration successfully implements many reforms to enhance the efficiency of economic growth. It has enhanced the collaboration among development agencies at both the national and international levels (Irawan, 2017).

South Korea:

The South Korean government allocated money to a limited number of enterprises for two specific reasons. Initially, South Korea has a restricted amount of resources. Furthermore, the government held the belief that the magnitude of enterprises had a crucial role in their ability to effectively compete in the global market (Wade 1990). Due to limited resources, only a select few enterprises received government assistance, resulting in the overwhelming dominance of chaebol corporations. As an example, during the early years, the Hyundai group, which was the largest chaebol, experienced an average growth rate of approximately 32 percent from 1972 to 1983. Additionally, the combined value of the five largest chaebol accounted for 17.4 percent of the overall value of the manufacturing sector in 1982 (Kim 1996). According to Heo and Tan (2003), the combined contribution of the top fifty companies in South Korea to the country's GDP was 93.8 percent by 1999.

Chaebol played a significant part in South Korea's swift development by effectively transitioning from being "late followers" to becoming "fast followers" (Kim & Heo, 2017). Similar to other corporations, chaebol launched their operations by manufacturing inexpensive, labor-intensive goods. Nevertheless, they quickly progressed to the subsequent phase of manufacturing capital-intensive, advanced technological goods, owing to substantial investments in research and development, as well as the employment of top-tier scientists and engineers (Kim & Heo, 2017). The role of chaebols (big conglomerates) and the government's industrial policies in South Korea clearly reflect the country's institutional orientation. The institutional framework enabled the state and enterprises to strategically coordinate with each other, thus promoting economic development (Evans, 1995). According to Scitovsky (1985:229), "the economic planning system in the Korean government was extensive, complex, and had a prominent position in the administrative hierarchy. It also had effective communication channels for consulting with businesses. Regular communication was upheld through monthly Export Promotion Meetings and Specialised Working Groups, fostering close collaboration among government officials, researchers, and private businesses".

Japan:

The Ministry of International Trade and Industry (MITI) in Japan serves as a prime example of the institutional perspective in industrial policy. The Ministry of International Trade and Industry (MITI) played a pivotal role in orchestrating industrial policies and promoting

cooperation between the government and private sector, which greatly contributed to Japan's economic triumph (Johnson, 1982). Japan benefited from two particularly advantageous external factors. Initially, the United States provided active support to the Japanese instead of merely "containing" them, given its dominant influence (Beeson, 2009). The acceptance of Japan's neo-mercantilist development plans played a vital role in creating a favourable environment for Japan's prosperity. This was particularly crucial due to an additional circumstance that provided an advantage to Japan (Beeson, 2009). The United States' advocacy for a comprehensive "liberal" global system following World War II ultimately led to the increased level of worldwide economic integration that is now commonly referred to as "globalisation". (Latham, 1977) During the initial decades of this process, Japan benefitted from a combination of favourable circumstances. It was able to capitalise on the rapid growth of the global economy and had relatively unrestricted access to significant markets in Europe and North America. Japan achieved this without having to open its own markets and, importantly, while retaining control over its domestic financial system (Calder, 1993).

Japanese officials possessed distinct advantages in their pursuit of revitalising the industrial sector. Initially, the concept of a potent, interventionist state was more widely accepted and considered legitimate in comparison to the Anglo-American economies, which were influenced by distinct economic and political ideologies (Beeson, 2007). In addition, the bureaucrats not only possessed a significant amount of prestige, but they also wielded tangible authority: Japan's political system is characterised by the ineffectiveness of the conventional political class, who are primarily focused on fundraising for elections. As a result, the bureaucrats are typically given the freedom to manage the economy (Van Wolferen, 1989). During the peak of its authority, the developmental state utilised the concept of "embedded autonomy" as emphasised by Evans, enabling state officials to effectively exploit it for policy implementation (Evans, 1995)). The close affiliations with Japan's influential keiretsu corporate conglomerates facilitated the coordination of industrial policy through a network of former government officials who transitioned into executive positions in prominent Japanese firms (Schaefer, 1995).

China:

China's developmental achievement can be attributed to its state-led capitalism model, which is characterised by a strong emphasis on government control and intervention in the economy.

The presence of state-owned firms and strategic industrial policies inside the institutional framework has been crucial in stimulating economic growth (Nolan, 2002). The Chinese model incorporates an autocratic government to steer economic progress, restrict entry to the policy formulation procedure, and hinder the establishment of interest groups, such as labour unions, that could divert attention from the primary focus on economic expansion (Dickson, 2011). The presence of independent lawmakers in China enables the government to partake in extensive economic strategizing. China made significant investments in education to facilitate the growth of a proficient labour force. According to Dickson (2011), between 2000 and 2010, university enrolment in China expanded by a factor of four, rising from over five million to slightly above 22 million students.

China's economic planning aligns with the developmental state model, but it is important to also take into account the role of Public-Private Partnerships (PPP) in China. China has historically been cautious about supporting the private sector and has been rather reluctant in establishing an institutional framework for Public-Private Partnerships (DeNap, 2017). However, as China has progressed, it has started to acknowledge the potential significance of PPP (Beeson, 2009). Although PPP first faced political resistance, its stature was significantly boosted following the 2008 Olympic Games in Beijing. According to Dr. Tillman Sachs, Dr. Robert Tiong, and Dr. Wang Shouqing, China faced a scarcity of infrastructure after its rapid economic expansion when it was selected to host the 2008 Olympics. Incapable of managing the required construction and infrastructure projects independently, the government established avenues for Public-Private Partnerships. China facilitated rapid development with investments from both foreign and domestic private enterprises. However, in order to accommodate the growing influence of the private sector, China had to establish a regulatory framework to oversee its operations. The initial (PPP) programme was formulated by subnational government entities and subordinate ministries under the central government. However, despite the existence of some policies, a decade after the implementation of the Regulation on Developing Urban Infrastructure with PPP, there was still no official organisation responsible for organising, supervising, or overseeing PPP activities in China. The shift started in 2014 (Dickson, 2011).

Botswana:

Botswana's successful development trajectory can be attributed to the stability of its political and economic institutions. The presence of effective governance institutions, adherence to the

rule of law, and implementation of sensible economic policies have contributed to the establishment of political stability and the promotion of economic growth (Acemoglu, Johnson, & Robinson, 2005). The factors that contributed to Botswana's economic and political success are diverse, however they are interconnected and mutually reinforced. Several factors contribute to the success of the country, including its strategic geographic location, socio-political structure, abundant mineral resources (specifically diamonds), implementation of market-friendly institutions and development policies, small and homogeneous population, skilled workforce, low corruption levels, transparent and dedicated political leadership, and positive relationships with international institutions (Hazleton, 2002; Beaulier, 2003; Rotberg, 2003). Specifically, a robust and capable government that offers forward-thinking political guidance played a crucial contribution.

The ruling party, which has strong support from rural areas, was able to strengthen its hold on state power by ensuring electoral stability and instilling confidence in its development initiatives (Maipose, 2008). Therefore, the success story of Botswana is attributed to the presence of dedicated political leaders who advocated for an inclusive and widely accepted democratic developmental state ideology. Botswana's political leadership has also demonstrated a commendable ability to effectively manage the economy, which sets the country apart (Tsie, 1996). The administration maintained the basic public bureaucratic framework that it inherited from the British and transformed it into a merit-based, generally free of corruption, and effective bureaucracy. In addition, the government made significant investments in infrastructure, education, and health, guided by its careful fiscal policies (Acemoglu, et al., 2003; Eriksen, 2011; Sebudubudu & Botlhomilwe, 2011). In addition, the presence of harmonious international ties also contributed to Botswana's achievement. Following attaining independence, Botswana successfully drew significant levels of foreign direct investment (FDI). This was mostly due to Botswana's enhanced credibility and the reduction of mining taxes to 10%. As a result, a substantial influx of FDI occurred, instilling confidence among investors. Botswana's financial dependence on Britain, as well as international financial institutions, was reduced thanks to the discovery of diamonds and the subsequent rapid growth after colonisation (Beaulier, 2003).

## **B. Political Economy Perspectives**

Political economy perspectives highlight the power dynamics within local governance structures. In South Africa, the post-apartheid political landscape shapes the relationship

between local and national political entities, influencing the ability of local governments to act as developmental agents (Heller, 2001). The political economy perspective is a theoretical framework that analyses the interplay between political and economic processes, with a focus on the influence of power dynamics, institutions, and structures on development outcomes. The political economics approach examines the interplay between political and economic forces in a specific environment, particularly in the study of municipal government and developmental states (Serrat, 2017).

An analysis of local government and developmental states from a political economy perspective, focusing on their origin and evolution. The political economy approach originates from classical political economy and Marxist ideas. It arose as a reaction to neoclassical economics, highlighting the significance of comprehending economic events within their wider political and social settings (Stockhammer, 2022). The political economics approach gradually incorporated concepts from multiple disciplines, such as sociology, history, and anthropology. The subject matter is around the allocation of authority, the dynamics of social classes, and the organisational frameworks that influence economic and political results.

Political economy and developmental states:

The political economy approach emphasises the political processes and power structures that shape economic policies and development plans in states. Developmental states, as defined by the political economy approach, entail robust state engagement in the economy. This perspective examines how political elites, institutions, and social interests influence the characteristics and efficacy of state intervention.

Examples Demonstrating the Political Economy Perspective:

Malaysia:

The New Economic Policy (NEP) of Malaysia reflects the political economy approach in relation to ethnic relations. The primary objective of the NEP was to mitigate economic inequalities among different ethnic groups, with a particular focus on implementing affirmative action measures. The decision was affected by political factors that were connected to the dynamics of ethnic relations (Gomez & Saravanamuttu, 2005). Malaysia has seen steady economic expansion since gaining independence in 1957, thanks to its relatively effective

administrative system and careful handling of macroeconomic factors. The nation's achievement is particularly notable since it has transitioned from a primarily resource-dependent economy to an industrialised and export-driven economy (Gomez, 1996). However, Malaysia's impressive economic expansion conceals its intricate socioeconomic issues, particularly the country's inadequate handling of the New Economic Policy (NEP). The NEP is an affirmative action policy that was introduced in 1970 to address significant economic inequality among the major ethnic groups, with a focus on providing preferential treatment to the majority Bumiputera ethnic group in economic activities and other opportunities (Okimoto, 1986).

While the NEP's initial goals of eliminating poverty and restructuring the economy to remove the association of ethnicity with economic roles are commendable and politically practical, it is always a challenging endeavour for policymakers to balance the social responsibilities of the NEP with economic progress (O'Brien, 1993). This scenario grows increasingly intricate as the economy progresses and becomes more intricate, particularly due to the absence of objective and unbiased organisations that could regulate the extremes of the NEP. Moreover, the vaguely defined principles of the NEP provide many opportunities for unscrupulous politicians (particularly those in the governing coalition) to exploit policies for their personal gain and that of their close associates, as they deem appropriate (Crouch, 1996; Jesudason, 1995). As these policies that prioritise one's own ethnic group become deeply rooted in the mindset of Malaysians, any revisions, no matter how logical or advantageous, would face significant opposition, especially from those who gain the most advantages from the existing system.

Brazil:

Brazil's political economy is characterised by significant levels of inequality. The political economy perspective facilitates the examination of the historical origins of inequality, encompassing factors such as land distribution and social structures, which exert an influence on development policies (Draibe, 2007). O'Donnell (1973) offered the most accurate depiction of the Brazilian government. He characterised it, along with other Latin American military dictatorships, as a "bureaucratic authoritarian state" with the army as its central institution. It is important to consider both civil and technical links. In the context of Brazil, the military maintained a perspective focused on modernization. They discovered methods to suppress the

left and the working class, including maintaining corporatist unions, while also establishing what Cardoso (1975) referred to as "bureaucratic rings" to represent capitalist interests. The scope of political citizenship was significantly curtailed. Despite maintaining a liberal parliament, the administration exerted rigorous control and restructured the party-system, therefore intensifying neopatrimonialism. Subsequent years witnessed robust economic expansion, but at the cost of implementing a harsh strategy of suppressing wages and intentionally concentrating money.

During the height of the industrialization process, multinational corporations and their subsidiaries became influential and exerted influence over a significant portion of industrial production and knowledge transfer. This further solidified the preexisting allocation of tasks in Brazilian industrialization, which was divided among state, foreign, and indigenous private capital (Rossi and Rocha, 2016). Associated with this tendency was the expanding involvement of the government as a long-term provider of funds and, especially since the "Economic Miracle," a rising trend of reliance on external borrowing. The state's development plans in the 1970s facilitated industrialization by establishing a robust infrastructure and making direct investments. Regrettably, these strategies were unable to address the issues of bottlenecks and industrial concentration in the south-east region (Lessa, 1998). The significant generation of material abundance did not result in the eradication of poverty or a reduction in inequality (Gimenez, 2008). During this time, the minimum wage did not reflect the increase in productivity, since the military regime implemented a policy that was against labour unions and salary adjustments were made far lower than the actual inflation rate (Coriat and Saboia, 1988).

South Africa:

The political economy approach is essential for comprehending the historical backdrop of apartheid in South Africa. The establishment of racial discrimination has significant economic and political consequences, influencing the country's developmental path (Seekings & Nattrass, 2005). South Africa has a mixed economy that leverages the most effective elements from both the public and private sectors to stimulate economic growth, often achieved through borrowing. The exclusion of the majority of individuals from engaging in socio-economic growth, particularly among Africans in South Africa, was intensified by the structural and statutory elements of apartheid (Nel, 2004). Despite the passage of fifteen years since the start of the

democratic era, South Africa continues to be plagued by political and economic miscalculations and underdevelopment, despite some progress in policy implementation. This is exacerbated by the absence of economic independence following the attainment of political independence, which has left the state vulnerable and unable to effectively address structural and institutional difficulties (Ramphela, 2008).

In South Africa, the adoption and significance of the developmental model as a method of state intervention is based on two factors. Firstly, as a platform to unify the democratic progress achieved via proactive social development policies targeting poverty alleviation and job creation efforts to reduce poverty and unemployment gaps (Turok, 1999). Furthermore, being developmental entails the state's commitment to aligning national development priorities with economic outcomes, ensuring that the national economy effectively meets the needs of the population, especially those who are impoverished and marginalised (Max-Neef, 1992). According to Mc Lennan (2007: 9), the construction of a democratic developmental state necessitates a strategy or intervention that promotes economic growth. This, in turn, requires the establishment of a proficient administrative machinery that can effectively provide for the most impoverished members of society.

Nigeria:

Nigeria's political economy is marked by its reliance on oil earnings, resulting in oil dependency. The political economy approach facilitates the examination of how the distribution of oil riches, the pursuit of economic gain through political means, and the interplay of political forces have impacted the country's trajectory of development (Watts, 2011). A key difficulty with Nigeria is with its political settlement – that is, the distribution of power that influences the distribution of advantages across society (Khan 2010). Nigeria exhibits ethnoreligious fragmentation, as noted by Usman (2020), along with inter-regional economic disparities, as highlighted by Green (2011), and a lack of a uniting ideology based on social class, as pointed out by Dickovick (2008). Nigeria experiences instabilities along four main dimensions: the north-south divide, the Christian-Muslim divide, the Igbo-Hausa-Yoruba divide, and the majority-minority ethnicities divide (Owen and Usman 2015: 456). Since the colonial era, fractionalisation has manifested mostly through political mobilisation centred around patronage, ethnic, religious, and regional affiliations, rather than class and political philosophy. The British consolidated many political and social communities into a unified

political entity, while simultaneously implementing divide and conquer tactics to manage the colony (Ray, 2016). Political mobilisation occurred mostly on a regional and ethnic basis due to the rural economic structure and the absence of strong class identities or ideas. The Willinks Commission, which aimed to address the issue of multi-ethnicity in the colony, ultimately exacerbated ethnic divisions (Oduntan, 2017). Therefore, throughout the process of precolonial constitutional negotiations, every area expressed the intention to achieve individual national sovereignty on at least one occasion. However, their concerns were addressed by guaranteeing them regional self-governance within the framework of regional federalism (Ayoade, 1973). The absence of economic revolution to reinforce class identification over ethnic, religious, and patrimonial identities and networks, along with other factors, leads to a fragmented political landscape.

Efforts to concentrate power by centralising authority, as demonstrated by Aguiyi Ironsi's attempt in 1966, have been unsuccessful. The suggestion is that ruling coalitions since gaining independence have encountered significant rivalry from marginalised elites, as well as internal conflicts among elites and their supporters inside the ruling coalition. Democracy in Nigeria is distinguished by a system of "competitive clientelism," whereas military rule is characterised by a form of "vulnerable authoritarianism" (Roy 2017). Both democracy and authoritarianism in Nigeria are inherently unstable, as seen by the brief durations of military rulers and the susceptibility to political instabilities of civilian government (Green, 2011). This phenomenon leads ruling elites to prioritise short-term goals, such as retaining power and engaging in unproductive acts of corruption, rather than adopting a long-term developmental perspective. This is aggravated by a dependency of the state on oil income, since this concentrates the state's revenue dependence on one sector, and hence widens elites' distance from already-weak capitalists and the people who desire productive mutual interests between themselves and the ruling elites (Usman, 2020).

#### **3.4. Local Government Locale in South Africa**

Before the adoption of the 1996 Constitution of the Republic of South Africa and the shift to democratic local governance, the entities known as local authorities were simply statutory bodies established by province governments. Despite the variations in provincial regulations, the municipalities created under these ordinances shared a similar characteristic. Due to their absence of constitutional standing, they were entities established by legislation and had only

those rights and powers that were explicitly or implicitly conferred upon them by the legislature. All of their acts, including the enactment of by-laws and administrative measures, were made subject to court scrutiny. Municipalities, in essence, were subject to the control and authority of the provinces (ETU, 2019).

In 1990, the democratisation process commenced with the lifting of the ban on liberation movements. At that time, local governments were subservient entities defined by law, consisting of numerous fragmented institutions that were racially segregated. Consequently, these institutions delivered highly unequal services to various communities. The objective of the local government transformation was to eliminate the racial foundation of governance and utilise it as a means to integrate society and redistribute municipal services from the affluent to the underprivileged (Leftwich, 2002). The process unfolded in three distinct phases:

The initial phase, known as the pre-interim phase, began when the Local Government Transition Act 209 of 1993 (LGTA) came into effect. During this phase, negotiating forums were established in local authorities in preparation for the first local government election. The second phase commenced with the initiation of the initial local government elections in 1995/1996, which led to the establishment of integrated municipalities, albeit without complete democratic electoral processes. The third and final phase began with the local government election on 5 December 2000, which established the current municipalities (Hartmann, 2004). The transition process was supported by the interim Constitution of 1993 and the final Constitution of 1996. The ratification of the 1996 Constitution marked a significant shift in the local administration of South Africa. The Constitution implemented a comprehensive local government system by stipulating that municipalities should be established over the whole territory of the Republic, marking the first instance of such a system in our history (MSA, 2000).

An important advancement brought about by the 1996 Constitution was the recognition of local government as an independent level of governance, thereby solidifying its autonomy. A municipality currently possesses the authority to independently regulate the local government affairs of its community. This implies that although national and provincial governments have the authority to oversee the operations of local government, they must do so without infringing upon the fundamental structure and autonomy of local government. The Constitution delineates the specific domains of local government authority in Schedules 4B and 5B (DPLG, 2006).

Following the acceptance of the Constitution, an extensive strategy was created to implement the new constitutional concept of local government, resulting in the Cabinet's approval of the White Paper on Local Government in March 1998. The White Paper outlined a framework and strategy that would significantly overhaul the current local government structure (DPLG, 2006). The central concept of the White Paper was the idea of developmental local government, which was characterised as "local government dedicated to collaborating with citizens and community groups to identify sustainable methods of fulfilling their social, economic, and material requirements, and enhancing their overall well-being."

Due of the localised nature of poverty, towns are regularly faced with the repercussions of apartheid. Consequently, a significant portion of the responsibility for dealing with this issue rests on the local government, as it is responsible for delivering fundamental services that are crucial to the well-being of all residents under its jurisdiction. Therefore, the local government plays a crucial role in implementing and advancing the overall transformative agenda of the new South Africa. Hence, it is a crucial responsibility of local government, with the assistance of provincial and national government, to eradicate the inequalities and drawbacks resulting from past policies. The aim is to swiftly enhance the quality of services in areas that have historically been disadvantaged, thereby ensuring equal access to services for all residents (Burger, 2014).

In the twenty-first century, local governments have emerged as hubs for promoting and implementing developmental initiatives. This indicates that they are now obligated to surpass the fundamental aspects of service provision. For instance, the South African concept of a developmental state, which prioritises economic development, has been adopted as a key objective by local governments (Koma, 2012). The concept of developmental local government has been strengthened by the rise of municipalities as key participants in global economic integration. Municipalities are compelled to formulate their own economic development strategies in order to promote the social welfare, expansion, and prosperity of local communities.

### **3.5. Decentralisation in Government**

There is often a correlation between local governance and policy developments pertaining to decentralisation. The primary factors that contribute to decentralisation are the democratisation of governance processes and the belief that including the public in decision-making can enhance the efficiency of delivering goods and services (Steiner, 2010:644). This assumption is based on the premise that the provision of services at the local level is more inclined to be attuned to the specific requirements and preferences of communities. The involvement of beneficiaries in the co-production of developmental plans is anticipated to result in a smoother implementation of policy, hence reducing obstacles. According to Kampen (2010), the construction of social capital and developmental coalitions, which have played a significant role in the remarkable economic achievements of the East Asian Tigers, should be centred around the civic space.

Since the early 1980s, decentralisation has emerged as a prominent policy innovation used by governments worldwide to enhance their legitimacy by facilitating enhanced service delivery. The phenomenon of political centralisation has resulted in the unsustainable nature of developmental inequality among communities (Tsukamoto, 2012:396), as national strategies have proven ineffective in promoting development programmes and projects that are better suited to the specific contexts (Reddy & Kauzya, 2015:206). According to O Riain (2004:4), governments that adopt a "glocal" approach will be the ones to thrive in the twenty-first century. These states will employ techniques that facilitate the accumulation of capital by establishing connections between local and global entities. This will be achieved through the intentional implementation of a decentralisation development plan.

There is significant variation in local government systems across different countries. The allocation of power to local authorities in different countries is contingent upon the adoption of either devolution or deconcentration as the mode of decentralisation (Khambule, 2021:29). The delegation of powers to local governments is typically justified by a variety of factors, including economic, social, cultural, and political considerations (Makinde, Hassan, & Olaiya, 2016, pp. 305-306). The state institutional arrangements and distribution of powers and

responsibilities among the three realms of government in South Africa have been significantly influenced by historical political factors (Mohale, 2017).

A noteworthy finding in the existing body of literature pertaining to the developmental state is the predominant emphasis on the central role of the state at the national level while giving relatively little attention to the role played by subnational institutions (Khambule, 2019). The primary reason for this phenomenon is that developmental states are predominantly governed by centralised authorities that play a crucial role in orchestrating economic progress. In the South African setting, the decentralisation of the progressive state idea is evident, providing us with a contextual framework (Mohale, 2017). At the subnational level, municipalities are mandated by section 152 of the Constitution to prioritise the basic needs of the community and facilitate social and economic development through effective administration, budgeting, and planning processes (Constitution of the RSA, 1996:87). Furthermore, it is imperative for local government to fulfil its developmental role by establishing effective and sustainable strategies to address the social, political, and economic requirements of the populace, so enhancing their overall well-being (DPLG, 1998). Nevertheless, despite these efforts, the local government's capacity falls short of the institutional capacity necessary to achieve the goals of a developing state. The absence of a meritocratic framework within the local government and other spheres of government has played a role in the institutional deficiencies that have led to placing numerous municipalities under administration (Khambule, 2021:514). This phenomenon leads to various forms of deprivation and obstacles in achieving the developmental goals outlined in the National Development Plan (NDP).

According to Bevir and Richards (2009:134), the concept of policy networks and network governance encompasses a substantial body of literature that explores how governments attempt to govern at a time when the perceived stability and certainty of modernity are diminishing. The authors additionally contend that network theory encompasses the following aspects: (1) the examination of strategies for coordination within the context of political economy; (2) the analysis of the evolving role of government within complex social systems; (3) the reconfiguration of formal and informal government relations at various levels, including transnational, national, and subnational; and (4) the diminishing influence of traditional command mechanisms as government transitions from a hierarchical to a heterarchical structure. Given the nature of local government and the fundamental requirements of fostering the inclusion of all essential players the study employs the network theory; Whereas the core

of LED is “partnerships between local governments, community organizations, and the corporate sector in order to manage resources, create jobs, and boost local economies in a region” (Helmsing, 2003:71).

Within the framework of developmental states, the function of local government may differ, but it typically entails executing and enhancing the policies of the central government, fostering grassroots development, and contributing to the broader economic and social advancement. Below are five instances of developmental stages in which local government exerted a substantial influence:

Japan:

Following World War II, local governments in Japan played a pivotal role in executing land reforms, leading to enhanced social stability, and heightened agricultural output. In addition, municipal governments actively endorsed industrial policies and facilitated infrastructure development, so contributing to the nation's economic expansion (Johnson, 1982). The Ministry of International Trade and Industry (MITI) played a crucial role in Japan's post-war recovery and rapid development by revitalising heavy industry. However, equally important were the numerous dedicated local institutions at the municipal and prefectural level. These institutions were capable of fostering a flexible, dynamic, risk-sharing, and technologically-advanced micro, small, and medium-sized enterprise (MSME) sector from the grassroots level (Whittaker, 1997). The highly efficient MSME sector played a crucial role in Japan's economic development by adopting new technology and receiving financing backing with favourable terms and maturities (Nishiguchi, 1994). Esteemed technological development institutions were mobilised to address this matter. Significantly, this encompassed the establishment of Public Experiment Stations (Kohsetsushi) by prefectural governments starting in the 1950s . These stations played a crucial role in decentralising the modernization of local technologies and promoting technological innovation in small and medium-sized enterprises (SMEs) (Abe, 1998: 302). In addition to promoting the technological proficiency of its MSME population, local and regional governments were highly proactive in providing inexpensive financial assistance with reasonable repayment periods to MSMEs with growth potential. Initially, this entailed the creation of a network of urban, provincial, and extended duration financial institutions that provided substantial amounts of reasonably priced, extended duration loans. The resources for these measures were sourced partially from the central government and

partially from local savings mobilisation facilitated by local state-owned banks. According to Toshiya Kitayama (1995), local governments played a crucial role in facilitating the growth of locally based micro, small, and medium enterprises (MSMEs) by promptly implementing diverse support programmes and non-financial measures. Additionally, special loans were offered specifically for equipment upgrading or the introduction of new technologies to the area. In addition to these initiatives, local and regional government also offered assistance to a significant number of credit unions, financial cooperatives, and other types of small-scale non-state mutual associations that were being re-established after 1945 (Nishiguchi, 1994). The microenterprise development was significantly influenced by two local financial organisations, namely the mutual (sogo) banks and the credit banks (shinkin), which sprang from the pre-war credit unions (Kitayama, 1995).

According to Eric Girardin and Xie Ping (1997), the supervision of local governments and the central Zenshiren Bank played a crucial role in building trust and preventing fraud and speculative behaviour related to depositors' funds. This oversight was a key factor contributing to the high savings rates observed in Japan during the 1950s and 1960s. The component is a crucial element in Japan's very successful industrial subcontracting chains, particularly in the motor vehicle, engineering, shipbuilding, and electronics sectors (Womack, Jones, and Roos, 1990; Nishiguchi, 1994; Whittaker, 1997). Following the implementation of a new regionalism approach and the strengthening of sub-national government capacity in the mid-1980s, Japan's extensive network of local development support (LDS) institutions started to play a more significant role in offering advanced industrial services, guidance on building networks, and support to the local micro, small, and medium-sized enterprise (MSME) sector. These institutions also facilitated access to renowned resources (Abe, 1998). According to MITI (1980: 14) Japan's remarkable success has been attributed to two crucial factors: a national export policy and a local economic development programme that focused on promoting small and medium-sized enterprises (SMEs). These two pillars have been the cornerstone of Japanese economic development policy since the Second World War. Therefore, the original developmental condition can be more accurately characterised as a combination of both top-down and bottom-up approaches.

South Korea:

The South Korean government played a pivotal role in the economic development of the country, commonly known as the "South Korean developmental state". The government's

function was to foster economic expansion and modernization through the provision of assistance and direction to private enterprises. The local government exerted a substantial influence in this process through the provision of infrastructure, education, and other public services to bolster the expansion of local industries (Kim, 1975). The government additionally enforced measures to stimulate exports, entice foreign investment, and safeguard home businesses. The developmental state model effectively facilitated the rapid transformation of South Korea from an impoverished agrarian nation to a modernised industrial powerhouse within a relatively short span of time (Jones & Sakong, 1983). In South Korea, the engagement of local governments was crucial in the implementation of decentralisation policies, which were designed to facilitate regional development. The government fostered local initiatives and promoted industrialization endeavours, so facilitating the equitable development of many regions (Choi, 2012).

The degree of the bureaucratic autonomy in the South Korean system was intentionally meant to recruit the most skilled administrative individuals to join the bureaucratic elite, which, in terms of numbers, was relatively tiny compared to worldwide standards. The stringent criteria for admission not only guaranteed a high level of bureaucratic competence, but also fostered a feeling of cohesion and shared identity among the bureaucratic elite (Mason et al, 1980). Consequently, the bureaucrats have a strong sense of purpose and aligned themselves with the objectives of the nation, stemming from their influential position in society. The premature retirement of the distinguished bureaucrats and their subsequent transition to prominent roles in politics and industry further bolstered their authority and credibility (Kim, 2015). The shared educational backgrounds and frequent movement within the elite circles played a crucial role in fostering a remarkable level of collaboration among the bureaucrats, the executive, and the entrepreneurial elites (Choi, 2012).

Taiwan:

Taiwan's economic expansion in the latter half of the 20th century can be attributed to its manufacturing sector and the implementation of a targeted economic development approach known as the developmental state strategy (Cheng, 2019). As a developmental state, the government possesses significant state autonomy. Its decision-making bodies consist of professional technocrats. The policy decisions prioritise economic development in order to expedite rapid industrialization by positive interventions. Furthermore, the government will

offer subsidies to strategic industries and grant preferential loans to firms in order to facilitate the growth of developing industries (Tak-Wing, 2014). Shi-jie (2004) further extrapolated three fundamental characteristics of the progressive condition. Initially, governments extensively intervene in markets and establish specialised agencies (such as the Ministry of International Trade and Industry in Japan, the National Development Council in Taiwan, and the Economic Development Board in Singapore) to create strategies for promoting economic growth (NDC, 2017). Furthermore, the government implements adaptable industrial policies to provide support to strategic sectors through a range of subsidies and protective measures. Furthermore, the government enacts land reform measures accompanied by explicit social policies, aiming to uphold both social and economic equity in order to mitigate potential political confrontations of significant magnitude. Taiwan's government also possessed the aforementioned characteristics, with a centralised structure that exerted control over industrial development, resulting in the rapid accumulation of substantial wealth for the country (Cheng, 2019).

The rapid growth of Taiwan's post-war "miracle" economy is most frequently credited to the leading role of the state in promoting economic development (Greene, 2008). One of the contributing factors to Taiwan's early success in promoting industrialization was the presence of highly motivated officials with experience in economic planning from the mainland. These officials played a crucial role in establishing the bureaucratic organisation necessary for effective industrialization (Chu, 2017:172–98). However, they encountered significant challenges including political uncertainty, substantial immigration from the mainland, ongoing fiscal and balance of payment deficits, and persistent shortages of foreign cash and material resources (Amsden, 1979; Ho, 1978). Taiwan initially capitalised on its low-cost workforce to manufacture labour-intensive items during its early economic development. However, as labour expenses increased, Taiwan progressively transitioned towards producing capital- and knowledge-intensive industries. The global market continued to be fiercely competitive yet accessible, offering many prospects for Taiwanese producers to seize (Sharpe, 1988). Local government has played a pivotal role in the economy. The presence of a distinct industrial framework played a crucial role in elucidating Taiwan's exports driven by small and medium-sized enterprises (Wu, 2004). Local governments in Taiwan actively implemented industrial policies that aligned with national plans. An example of this is the Hsinchu Science Park, which was established by the local government and has become a centre for technology and innovation. This has played a significant role in Taiwan's economic prosperity (Wade, 1990).

China:

China's economy post-Mao indicates the rise of a new type of state-driven development that prioritises both growth and the market. However, it is important to note that this development is led by a party-state with origins in a Leninist system, and the Communist Party remains in control (Oi, 1995). Similar to its erstwhile socialist peers in Eastern Europe and the former Soviet Union, China has progressively relinquished central planning and transitioned towards market-oriented production. However, in contrast to these governments, there has been a lack of political change and a minimal or non-existent push towards privatisation. Furthermore, there is no dedication to private property as seen in other developmental contexts. China's unique approach to economic growth can be described as local state corporatism, a phrase coined by Oi in 1992. The primary driver of this expansion is the significant spike in rural industrial activity at the periphery of the agricultural and state sectors. The primary catalyst for this expansion is the proactive approach of local governments in managing firms within their jurisdiction. The Maoist regime suffered from economic inefficiency, yet this same heritage laid the groundwork for post-Mao China to rapidly transform into an economic powerhouse (Unger & Chan, 1995).

After making adjustments to the Maoist system to permit local initiative and implementing appropriate incentives to direct local talent towards economic growth, both the central and local governments possessed a remarkable range of policy tools and political capabilities akin to those observed in prosperous developmental states in East Asia. Contrary to the late industrialising nations in Africa or Latin America, which often suffer from inexperienced or poorly organised bureaucracies (Rueschemeyer & Evans, 1985), the Maoist bureaucracy was a complex system that reached all levels of society, including neighbourhoods and work units. In a global context, it demonstrated a significant level of discipline (Whyte & Parish, 1984). At each level, there was a highly efficient organisational system that could efficiently communicate the government's intentions to the producers by distributing quotas through multiple layers of government bureaucracy. This was one part of a broader corporate entity. Local officials function as the equivalent of a board of directors and occasionally assume a more direct role as the chief executive officers. The Communist Party secretary is in charge of this organisation, similar to a business structure (North, 1990). Special Economic Zones (SEZs) such as Shenzhen in China have been instrumental in enacting economic reforms and attracting foreign investors, with significant involvement from local governments. According to

Naughton (1995), these local initiatives played a crucial role in China's comprehensive economic change.

In many instances, local governments served as both executors of national programmes and proactive participants in growth by undertaking region-specific initiatives, industrial strategies, and social development projects. Their contribution was crucial in attaining the overarching goals of the progressive state paradigm.

### **3.6. Developmental Local Government and the Local Developmental State**

The concept of developmental local government should be interpreted within the context of the role of local government in a developmental state, where it embodies a novel form of governance. The local developmental state is closely connected to the developmental state, as it is based on the growing acknowledgement of the significance of subnational institutions/governments (such as provincial, regional, and local authorities) in attaining national developmental goals (Schoburgh, 2016). In order to demonstrate the connection between the developmental state and the developmental local government/local developmental state, it is necessary to focus on the key characteristics of developmental local government. Developmental local government aims to advance and optimise democratic social and economic progress, while also integrating and coordinating development planning (DPLG, 1998). Subnational governments play a crucial role in establishing the necessary institutional and organisational frameworks to support the growth and potential of small companies and territorial development.

Developmental local government embodies the concept of local government as the focal point of economic development, thereby aligning with the notion of the local developmental state. The local developmental state, as defined by Schoburgh (2016), is referred to as the micro-institutional developmental state. The local developmental state refers to a local government that focuses on the pivotal role of the local state in promoting and expediting development in a decentralised state. Therefore, this expands the concept of the state as the facilitator of economic growth from the national to the local scale. According to the World Bank (2005), local economic development is a collaborative process including the public sector, private sector, companies, and non-governmental sector. The goal is to provide a favourable climate for economic development and the generation of employment opportunities.

Effective developmental states have depended on robust collaboration between the government and companies, with the government prioritising national objectives over private interests. The local developmental state should deliberately collaborate with emerging local firms to promote private sector growth (Heberer & Trappel, 2013). Therefore, it is crucial for local governments in South Africa to promote economic growth through the active involvement of the state and enterprises, as well as by enhancing sector-specific development. According to Bateman (2017), the local developmental state has a crucial impact on achieving sustainable and fair local socio-economic development.

The second essential characteristic of the local developmental state is its commitment to fostering democratic development, in contrast to authoritarian regimes where the development narrative is determined by political leaders. Democratic developing nations should take on a prominent role in advocating for the redistribution of resources and addressing poverty and inequality (Penderis, 2012). The concept of developmental local government, also known as the local developmental state, provides local institutions with the opportunity to take proactive and innovative measures to achieve national development goals. This can be done through several means such as the use of Integrated Development Plans (IDPs), local Economic Development (ED) strategies, and local elections. The local developmental state is propelled by two factors: granting local governments the requisite autonomy and capability to spearhead social and economic progress within their jurisdiction, and engaging local citizens in state-led development efforts to devise localised solutions (Schoburgh, 2016).

Nevertheless, the hindrance in the South African endeavours, namely the inability to promote local government growth, can be attributed to the absence of institutional and financial emphasis on local economic development. An advantageous characteristic of the local developmental state is its capacity to foster democratic progress, therefore eradicating the correlation between developmental states and feeble civil society. The South African local developmental state demonstrates the possibilities of a contemporary democratic developmental state that is based on local state engagement, to a certain degree. In order to achieve inclusive growth, it is crucial to have a firm commitment to ensuring widespread engagement of all stakeholders in the development sector.

Developmental states are based on centralised planning, but the global decentralisation trend has increased the importance of local governments in coordinating and organising local economic development operations. It is imperative to enhance the capability of local government in order to effectively incorporate and synchronise development planning with national plans, in order to achieve national objectives. At the regional level of government focused on development. Local authorities should thus employ the local expertise and requirements provided by local communities in development forums. The promotion of democratic government requires the reciprocal recognition between local authorities and residents.

One of the theories conjoining the NDP and the local government in South Africa is the Developmental State Theory. The South African National Development Plan (NDP Vision 2030) promulgates a capable and developmental state as the panacea to the country's challenges of unemployment and poverty, among others. Qobo (2020) defines a capable state as a system of government that function from narrow ideological interests with relative autonomy. Its parts function in a manner that is coordinated to obtain clearly defined objectives while providing services and delivering critical economic infrastructure effectively and efficiently. He further argues that the role of the state is to mobilise funds as an endowment to address structural challenges and administer social and economic adjustments in the long run (Qobo, 2020). In the National Planning Commission's (NPC) diagnostic report of 2011 in preparation for the NDP, it is noted that the biggest threat to social and economic growth in South Africa is the state's capability deficit factor. Palmer, et al. (2017) argue that there exists severe capacity and resource constraints at various levels of government. Some of these are the lack of skilled technocrats employed in local government hindering the execution of duties or key performance targets as reported by the Auditor General over the years. The NDP places emphasis on the fact that "a developmental state actively directs economic growth and uses national resources to meet citizens' needs. In order to combat poverty and increase economic opportunities, a developmental state uses its resources and power to try to strike a balance between economic growth and social development" (ETU, 2019).

### **3.7 Developmental Local Government and the Local Economic Development Nexus**

A key feature of local government is that it is the closest sphere of government to the people which suggests that local government possesses the potential to serve as the catalyst for

executing developmental initiatives in South Africa. Developmental local government has a pivotal role in enhancing the local economy therefore positioning it as a crucial component of overall development. The contemporary perspective on local government in present-day society has shifted from solely providing services to actively stimulating and propelling local economic endeavours, while also establishing a conducive atmosphere (Mcunukelwa, et al. 2020). The underlying principles for creating an enabling environment can be identified in the concepts of developmental governance, which encompass inclusive local citizen engagement and the equalisation of opportunities in decision-making processes.

The aforementioned concepts promote active engagement of citizens across four distinct levels: as individuals exercising their voting rights, as members of stakeholder associations who voice their opinions on policy matters, as consumers and beneficiaries of municipal services, and as organised partners who contribute to resource mobilisation for development through economic partnerships and collaborations with businesses, non-governmental organisations, and community-based organisations (DPLG, 2009). According to Govender (2011), citizen participation is an essential and strategic capability that local government must prioritise. Similar to local government systems in other countries, the South African local government system has implemented a dual approach that combines elected representatives and direct involvement of citizens and civil society.

The White Paper on Local Government (RSA, 1998) outlines four interconnected areas of emphasis for local government, as stated below: (i) The objective is to optimise social development and economic growth, which encompasses the fulfilment of basic needs for impoverished individuals and the advancement of the local economy. (ii) This endeavour aims to impact the social and economic well-being of local communities. (iii) The goal is to integrate and coordinate local operations effectively. (iv) Building social capital to enable local development solutions. The concept of democratising development entails the promotion of equal access to opportunities and resources, as well as the empowerment of individuals and communities. This approach also involves the equitable redistribution of wealth to address socioeconomic disparities.

At the subnational level of governance, Khambule (2018) asserts that developmental local government is grounded in the democratic tenets of the developmental state. The author expands upon the developmental state idea by positing that the developmental local

government serves as a manifestation of the local developmental state. Furthermore, the article situates Local Economic Development Agencies in South Africa within the developmental state framework by demonstrating that these agencies were established as facilitators of economic development at the subnational level, with the aim of assisting local government in tackling the country's triple challenges (unemployment, poverty, and inequality). This implies that evaluation of the progress of the NDP Vision 2030 can also presume a bottom-up approach since it views a developmental state akin to a local developmental state.

Meyer (2014) argues that “the broad mandate of local government is to enact development and from an LED perspective, local government is expected to create an enabling environment for the residents and their ventures to prosper while significantly enhancing their quality of life”. The blueprint used by all municipalities to reach such a goal is through a well-defined LED strategic plan. Human, Lochner & Botes (2008) explained that local authorities could positively impact their communities by using LED as their primary approach to addressing service delivery challenges. Malefane (2009) argues that although LED has successfully been integrated into local government, the system has often left local residents antagonistic towards the efforts of government due to many challenges, ranging from the lack of skills transfer to SMME’s, to the benefit of business opportunities being granted to people who are not from the particular localities. Meyer (2014) argues that progressive policy and legal framework do not automatically transpose to effective LED planning implementation. Nel & Rogerson (2005) argue that poor participation by all relevant stakeholders, particularly the community, impedes proper implementation of the LED strategy.

Triegaardt (2007) argues that significant focus on the participation of local authorities and their communities in public life and decision making has created opportunities for LED to be used as an approach towards local development. This approach has dismantled the traditional top-down approach in governance systems which could previously be attributed to the failure and delayed developmental local government. Alutiagae (2007) supports the view that “the participatory alternative approach used for LED has become a necessary strategy and solution to tackle the rising challenges of unemployment, poverty, and inequality in local communities. The level of participation remains an integral part in achieving successful implementation of the LED Framework, therefore it remains of paramount importance for a local authority to have adequately coordinated institutional arrangements in order to achieve development targets”. Botes (2002) argues that institutional arrangements can be a coordinated platform where

various structures and networks can be organised to implement and monitor LED efficiently and effectively. Institutional arrangement for LED consists of the municipalities LED directorate or unit, and external stakeholders i.e. sectoral working groups (public and private sector), traditional authorities, community development workers (CDW's), ward committees, business, and LED forum stakeholders, who can be organised through the set-up of a broader forum (COGTA, 2011).

### **3.8 Measuring the Local Developmental State**

#### **3.8.1 Measuring Development Plans in other Development States**

National Development Plans (NDPs) serve as compasses, guiding countries toward their envisioned future (Smith, 2018). However, the translation of ambitious goals into tangible outcomes is a complex process (Jones et al., 2020). In this review, we delve into the intricacies of evaluating NDPs, drawing insights from case studies to unravel the tapestry of their successes and shortcomings.

Singapore's Vision 2030 exemplifies a meticulously crafted NDP with a focus on economic diversification, innovation, and sustainability (Lee, 2019). The plan aimed to transform Singapore into a global hub for technology and innovation (Ministry of Trade and Industry, 2018). Evaluating its progress reveals a remarkable success story, with substantial investments in research and development, the establishment of tech clusters, and a surge in patent registrations (Tan & Wong, 2021). The tangible outcomes highlight the efficacy of a strategic and adaptive approach in achieving long-term goals.

Nigeria's ERGP aimed at rejuvenating the economy through diversification, infrastructure development, and social investment programs (Federal Government of Nigeria, 2017). However, challenges such as fluctuating oil prices and political instability have hindered progress (World Bank, 2020). The case study emphasizes the importance of aligning NDPs with external factors, requiring dynamic strategies to navigate unforeseen obstacles. Additionally, effective governance and stakeholder engagement emerge as critical factors in ensuring successful plan implementation (Okoli et al., 2019).

South Korea's Saemaul Undong (New Village) Movement from the 1970s provides historical context for evaluating long-term development plans (Kim, 2015). Focused on rural development, the plan achieved impressive results by fostering community participation, infrastructure development, and agricultural innovation (Chang, 2018). The case study underscores the significance of grassroots involvement and adaptability in ensuring the resonance of NDPs with the diverse needs of the population (Park, 2020).

To comprehensively evaluate NDPs, it is essential to consider a range of metrics, including economic indicators, social development indices, environmental sustainability, and governance effectiveness (UNDP, 2019). The interplay of these metrics provides a holistic understanding of a plan's impact on the nation's well-being. Evaluating NDPs is not without challenges. Long timeframes, evolving global dynamics, and unforeseen crises necessitate continuous assessment and adaptation (OECD, 2021). Policymakers must engage in robust monitoring and evaluation mechanisms, fostering a culture of transparency and accountability (World Bank, 2018). Incorporating feedback loops that allow for mid-course corrections can enhance the resilience of NDPs in the face of uncertainties (IFAD, 2020). Effective execution and achievement of developmental goals in national developmental plans frequently necessitate coordination between the central government and local authorities. Presented below are ten situations, which encompass examples from developmental states, that effectively demonstrate the correlation between national developmental programmes and municipal governments:

### 1. South Korea: Saemaul Undong Movement

The Saemaul Undong movement in South Korea sought to enhance rural development through the improvement of infrastructure and living circumstances. Local administrations diligently executed national initiatives aimed at modernising rural areas (Moon, 1992).

### 2. Singapore: Urban Planning and Economic Growth

The national development plans of Singapore encompass regional planning, with local authorities playing a pivotal role in the execution of policies pertaining to urban development, housing, and infrastructure (Koh, 2006).

### 3. Taiwan: Science Parks

Taiwan's emphasis on technology-driven development encompasses the creation of science parks. Local governments play an active role in enticing high-tech firms and fostering innovation within these parks (Lin, 1995).

#### 4. China: Special Economic Zones (SEZs)

China's national development strategies encompass the establishment of Special Economic Zones (SEZs) such as Shenzhen. Local governments in these zones possess the ability to independently carry out economic changes and entice international investments (Lau, 2002).

#### 5. Thailand: Development of the Eastern Economic Corridor (EEC)

Thailand's Eastern Economic Corridor (EEC) is a strategic initiative aimed at promoting national development. It involves close cooperation between local governments in the eastern provinces to execute infrastructure projects and attract investments (Chaianong, 2019).

National Development Plans are ambitious roadmaps that demand a nuanced evaluation approach. As nations strive for sustainable development, the lessons learned from both successes and setbacks become invaluable guideposts for shaping future plans.

### **3.8.2 Measuring the Progress of NDP in Achieving Targets for Some Key Matrix: South African Case**

Reddy and Mncube (2019) analysed the dynamics of unemployment in South Africa, examining factors such as education, age, gender, and location. They emphasize the role of these factors in influencing unemployment rates. Hall (2015) assesses the NDP's employment targets, and the progress made, offering an empirical perspective on its impact. Nattrass and Seekings (2016) explore the effectiveness of specific NDP initiatives in addressing poverty and unemployment. They emphasize the importance of evaluating programs like public works initiatives, skills development, and small business support. Empirical analysis in this area provides insight into the impact of these programs on employment and income levels.

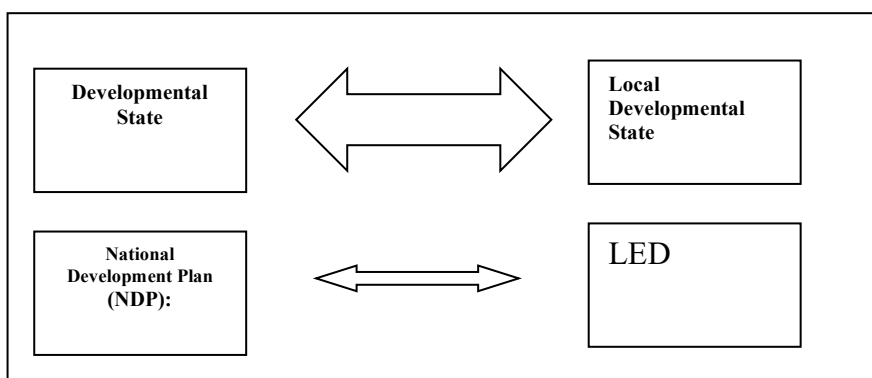
Spatial disparities in poverty and unemployment rates are evident in South Africa (Leibbrandt et al., 2012). Regional disparities, including those within Fezile Dabi District Municipality, underscore the need for localized policy interventions. Understanding these spatial dimensions is crucial for tailoring policies to specific regional contexts.

Longitudinal studies tracking changes in poverty and unemployment rates over time provide valuable insights into trends and policy impacts (Nattrass & Seekings, 2016). These studies contribute to a comprehensive understanding of whether the NDP's long-term goals are being realized. In the same vein, BER (2020) provides an evaluation of the progress toward the aspirations and targets in the NDP Vision 2030 at a national level. Both Authors, by then, concluded that the targets were farther from being attained.

Based on these empirical studies on evaluation of the NDP’s progress towards the 2030 targets, it is notable that there is gap in literature for research that zooms down the evaluations to local municipal governments. This thus presents the scope for the assessment of the NDP’s progress in dealing with poverty and unemployment in Fezile Dabi District municipality.

### **3.9 The Relational Theoretical Framework for the Developmental State, Local Developmental State, NDP and LED.**

The flow diagram below presents the relational framework based on the preceding literature review. This relation permits inference of bidirectional influence on the part of the upper and lower level. Further, evaluations at each level may be generalised to the other.



***Figure 2: Relational Theoretical Framework for the Developmental State, Local Developmental State and LED***

Source: Author’s Own.

1. **Developmental State:**
  - **Definition:** A state that actively participates in the development process, utilizing strategic interventions to guide economic development.
  - **Roles:**
    - Policy formulation and implementation.
    - Resource allocation.
    - Coordination of various sectors.
2. **National Development Plan (NDP):**
  - **Definition:** A comprehensive plan outlining the long-term development goals and strategies of a nation.
  - **Relationship with Developmental State:**
    - The Developmental State plays a key role in implementing and realizing the objectives outlined in the NDP.
    - The NDP provides a roadmap for the Developmental State's interventions.
3. **Local Developmental State:**
  - **Definition:** A localized version of the Developmental State, focused on addressing specific developmental challenges at the local level.
  - **Relationship with Developmental State and LED:**
    - The Local Developmental State implements the broader strategies set by the central Developmental State.
    - It collaborates with LED initiatives to tailor strategies to the specific needs and opportunities of the local context.
4. **Local Economic Development (LED):**
  - **Definition:** The process by which local actors (governments, businesses, communities) work together to create better economic conditions.
  - **Relationship with Developmental State:**
    - The Developmental State may extend its strategies to the local level to ensure inclusive and sustainable economic growth.
    - LED initiatives contribute to achieving the broader goals outlined in the NDP.

### **3.10 Conclusion**

Based on the above theoretical perspectives, it becomes clear that evaluations of the success of developmental plans towards poverty and unemployment eradication are broader, and require looking beyond outcomes of numerical scores, as well as considering the local government's institutional and governance aspects.

## **Chapter 4 - Research Methodology**

### **4.1 Overview**

This section discusses the theoretical background to the research methods employed in this study; it further explains the research strategy that will be used to carry out the study. It provides justification for the selection of the research methodology. The researcher discusses how the data will be collected and lastly, elaborates on data analysis.

#### **4.1.1 Theoretical Development of Research Methodologies**

*“The concept of meaning is intricately connected to power dynamics and the pursuit of domination among humans” (Cosgrave & Domosh, 1993). According to Cosgrave and Domosh (1993:29), theories of hegemony propose that the establishment of dominant power structures is achieved by naturalising particular discourses, while repressing alternative discourses. This process ultimately serves to legitimise the unequal distribution of power.*

The research undertaken before to the 1970s was primarily influenced by a positivist paradigm, which was distinguished by the prominence of scientific authority. The foundation of positivism rested on the assumption that the attributes of the human realm bore resemblance to those of the natural realm, hence enabling their investigation through analogous scientific methodologies. Science has been widely recognised as the primary source of information, with facts being regarded as the sole admissible entities of knowledge. The field of research was primarily influenced by quantitative methodologies that purported objectivity (Unwin, 1997; Rumutsindela, 2002).

The 1970s witnessed a growing discontentment towards the application of scientific methodologies in elucidating human phenomena. There has been a growing recognition among researchers that studies focused on comprehending societal relationships must confront the inherent subjectivity of the researcher and the inability to quantify such phenomena. Consequently, it has become imperative for relevant research to acknowledge the pivotal role of human agents and the impact of their cognitive processes and intentions on their behaviour. The implementation of humanistic techniques in research significantly transformed the

methodologies employed in the field of social studies (Cosgrove and Domosh, 1993; Kitchin and Tate, 2000).

According to Cosgrove and Domosh (1993:28), this understanding carries important ramifications for scholars, as it suggests that "the scientific mode of knowledge is no longer considered an exclusive form of discourse that connects us to truth, but rather one form of discourse among numerous others." The prevalence of scientific authority facilitated the utilisation of research methodologies that prioritised researcher control, thereby serving the interests of the Western agenda. The influence of this particular research was apparent in the top-down methods to development, as examined by Ashley and Maxwell (2001) and Ellis and Biggs (2001). The establishment of scientific authority has led to what Cosgrove and Domosh (1993:28) describe as a "crisis of authority," as it has perpetuated the hegemony of Western perspectives on traditional cultures.

The recognition of the "crisis of authority" emerged as a result of criticisms that raised doubts about the fundamental generation of knowledge, particularly in relation to marginalised communities. This recognition predates the notion that we are currently facing a "crisis of representation" (Cosgrove & Domosh, 1993:28-29). At the heart of this critique lies the inquiry into the researcher's function and the potential existence of an imbalanced power dynamic as they endeavour to comprehend the experiences of individuals. Additionally, the extent to which the researcher can faithfully interpret the subjective reality of others is also a pertinent concern. This phenomenon is shown by feminist geographers who actively question and contest the unequal power dynamics that are often embedded within the research process. Feminist geographers advocate for research approaches that prioritise collaboration and avoid exploitation (Dwyer and Limb, 2001).

The theoretical change being described holds significant relevance to ongoing research pertaining to rural communities, as explored in the present dissertation. The adoption of humanistic techniques led to a practical shift in the paradigm towards development from a grassroots perspective. As previously examined in chapter two, this transition has resulted in rural development strategies that are far more pertinent and efficient compared to earlier methods. The shift towards research that emphasises community involvement recognises the importance of acknowledging that human reality can be likened to fragmented pieces of glass

that simultaneously illuminate, reflect, and distort the world of individual and shared experiences (Cosgrove and Domosh, 1993:29).

According to Skelton (2001:89), when considering community involvement in cross-cultural research and efforts to mitigate power dynamics, it is imperative to recognise that researchers are not impartial, objective observers who remain unaffected by the emotional and political environments in which their research is conducted. As researchers, it is imperative that we acknowledge the influence of our experiences, as they shape our honesty and integrity. This necessitates a thoughtful examination of our own positionalities and identities, and the potential impact they may have on our research endeavours. The occurrence of theoretical shifts is consistently accompanied by evidence in the practical domain. The emergence of qualitative research served as evidence for the transition towards humanistic approaches.

#### **4.1.2 Definitions of Research Approaches**

##### **a) Qualitative Research**

Qualitative research is a methodological approach that involves the collection and analysis of non-numerical data to gain an in-depth understanding of a phenomenon. The authors, Dwyer and Limb (2001), want to demonstrate that qualitative procedures offer a valuable approach to investigating the intricacies of daily existence. By employing research methods that actively acknowledge and delve into this complexity, rather than disregarding it, qualitative methodologies provide a means to investigate and understand the multifaceted nature of everyday life. The significance of paradigm changes in research theory is in the opportunity it provides researchers to select between qualitative and quantitative methodologies.

##### **b) Quantitative Research**

Quantitative approaches encompass the systematic collection and analysis of empirical data, employing statistical methods for deduction and interpretation. In contrast, qualitative methodologies employ inductive reasoning. The term "this" pertains to the examination and comprehension of individuals' sensations, perceptions, and emotions, alongside the endeavour to comprehend the intricate connections present within societies (Kitchin and Tate, 2000).

One of the key features of qualitative research is its departure from the underlying assumption that a pre-existing reality can be objectively evaluated or fully understood. The motivation to comprehend the social realm stems from the recognition that societal phenomena are in a constant state of flux, perpetually shaped by the interplay of cultural, economic, social, and political dynamics. The primary focus in employing qualitative methodologies is to endeavour to comprehend the subjective experiences of individuals. In contrast to statistical descriptions or generalised models, qualitative techniques aim to obtain subjective understandings of specific social realities within localised contexts (Dwyer and Limb, 2001).

### **c) Mixed Method Research**

The utilisation of mixed method research has gained popularity among researchers due to its capacity to incorporate both qualitative and quantitative research concurrently. One of the key advantages of employing mixed methods research is its ability to enhance the quality of a study by incorporating a combination of qualitative and quantitative research approaches, thereby leveraging the strengths of both methodologies. The incorporation of mixed methods, including the utilisation of graphs or charts, alongside the inclusion of descriptive data provided by participants, enhances the robustness of the research investigation. Prominent scholars, like Creswell (2014), have noted that mixed method research is a relatively recent development in the fields of social sciences and human sciences. This approach involves the integration of qualitative (open-ended) and quantitative (close-ended) questions in the research design (Khambule (2019:128)).

## **4.2 Research Design**

The study employs a primary survey within the Fezile Dabi District Municipality. In undertaking this study, both qualitative and quantitative research approach is employed. This approach is chosen to harness the strengths of both qualitative and quantitative methods, providing a comprehensive understanding of the progress toward long-term targets enshrined in the National Development Plan (NDP) Vision 2030 for poverty alleviation and unemployment reduction. The qualitative component will delve into the lived experiences, perceptions, and challenges faced by the locals, while the quantitative component will enable statistical analysis to identify patterns and correlations within the survey data.

The rationale behind choosing a mixed-methods approach lies in its ability to overcome the limitations of using a single method. Qualitative data can offer rich insights into the nuances of individual experiences, while quantitative data allows for generalizability and statistical validation (Creswell & Creswell, 2017). By combining these two approaches, the study aims to provide a more robust and holistic understanding of the perceived and realized progress surrounding the pursuit of NDP Vision 2030 poverty and unemployment targets.

In the main, this study follows a postpositivist paradigm (Table 1). Postpositivism is derived from the work of Charles Peirce (Frey, 2018).

**Table 3: Four World Views Used in Research**

<b>Postpositivism</b>	<b>Constructivism</b>	<b>Advocacy and Participatory</b>	<b>Pragmatism</b>
<ul style="list-style-type: none"> <li>• Determination</li> <li>• Reductionism</li> <li>• Empirical observation and measurement</li> <li>• Theory verification</li> </ul>	<ul style="list-style-type: none"> <li>• Understanding</li> <li>• Multiple participant meanings</li> <li>• Social and historical construction</li> <li>• Theory generation</li> </ul>	<ul style="list-style-type: none"> <li>• Political</li> <li>• Empowerment and issue oriented</li> <li>• Collaborative</li> <li>• Change oriented</li> </ul>	<ul style="list-style-type: none"> <li>• Consequences of actions</li> <li>• Problem centred</li> <li>• Pluralistic</li> <li>• Real-world practice oriented</li> </ul>

Source: Creswell (2003)

### **4.3 Population, Sampling, and Sample Size**

#### **4.3.1 Population**

The target population for this study included residents aged 18 and above, entrepreneurs, government officials, community leaders, and in urban and rural areas of Fezile Dabi District Municipality.

#### **4.3.2 Sampling**

By virtue of this study being a case study of the Fezile Dabi District, the sampling for in-depth interviews was focused and purposefully drawn. As outlined by Bryman (2012), sampling categories vary between probability sampling and non-probability which is sampling done purposefully. Therefore, a non-probability method was followed in this study due to time which is also to the convenience of the researcher.

Owing to resource constraints, a stratified random sampling method was employed in the selection of community members and/or community leaders. Strata was created based on urban and rural classifications, ensuring representation from both settings. A balance was sought in the sample across demographic features, geographic settings, and socio-economic factors.

In the selection of participants, a list of households in each stratum was obtained, and a systematic random sampling method was applied. At the selected households, respondents were also randomly selected. This ensured that every eligible individual in the selected households had an equal chance of being included in the survey. The final sample was a representative of the broader population, allowing for meaningful generalizations (Trochim & Donnelly, 2008).

#### **4.3.3 Sample Size(s)**

This research aimed to a representative sample of the broader survey population, so as to allow for meaningful generalizations (Trochim & Donnelly, 2008). It was a constituency of the following:

- Quantitative Survey – this was largely composed of community members, small business owners, and community leaders: 30 participants were interviewed.
- Qualitative in-depth Interviews – composed mainly of government officials: 5 participants were expected but only 4 participated, who are actively involved with the LED unit of FDDM as staff in all four local municipalities within the district (Bryman, 2012).
- The combined Sample: this combines both of the above yielded an amount of 34 participants.

Thirty-five was considered in this research as many introductory statistics textbooks mention the rule of thumb that a sample size of at least 30 is often required for the Central Limit Theorem to apply, which is important for many parametric statistical tests (Witte and Witte, 2016).

#### **4.4 Survey Instruments and their Application**

The survey instrument that was used in this research was a structured questionnaire designed to gather both quantitative and qualitative data. It consisted of multiple sections, including socio-economic demographics, employment status, perceptions of poverty alleviation programs, and barriers to employment.

To ensure the validity and reliability of the instrument, a thorough review of existing surveys and consultation with experts in the field was conducted. The questionnaire was pre-tested through a pilot study involving a small sample of individuals from the target population. Feedback from the pilot study informed necessary adjustments to the instrument to ensure clarity and relevance.

#### **4.5 Pilot Study**

A pilot study was conducted with a sample of 5 participants to assess the feasibility and effectiveness of the survey instrument. Participants were selected from among the target survey population to capture diverse perspectives. The pilot study focused on the clarity of questions, the time required for completion, and the overall comprehensibility of the survey.

Feedback from participants was collected through interviews and open-ended questions in the survey. The data obtained from the pilot study was analysed to identify any challenges or ambiguities in the questionnaire. Adjustments were made accordingly to enhance the validity and reliability of the survey instrument.

#### **4.6 Data Collection**

The survey instrument was administered using a combination of face-to-face interviews. The researcher conducted face-to-face interviews and focus groups, ensuring consistency in data collection. Additionally, an online version of the survey was made available to participants who prefer this mode of administration, but it was not utilised.

To allow for quality control, questionnaires were scripted using the Census and Survey Processing System (CSPro) and administered through Tablet Assisted Personal Interviews (TAPI) to community members and during in-depth interviews.

To address ethical considerations, participants were provided with informed consent forms outlining the purpose of the study, the voluntary nature of participation, and assurances of confidentiality.

## **4.7 Data Analysis**

### **4.7.1 Quantitative Data Analysis**

Quantitative data analysis involved the use of statistical software known as SPSS. Descriptive statistics, including frequencies and percentages, were employed to summarize the demographic characteristics of the sample and key response variables related to employment and poverty. Inferential statistics, such as t-tests, were used to examine associations and correlations between variables.

The survey included closed-ended questions, allowing for quantifiable responses. The findings are presented using tables and graphs to facilitate a clear understanding of the patterns and trends observed in the data.

As part of exploratory data analysis, the following tests and checks were conducted:

- Normality tests
- Check for unusual data points (outliers)
- Reliability tests for the rating items (Cronbach's alpha)
- Feature selection (determination of important factors for further analysis)

Linear regression analysis using the auto-linear model in SPSS was conducted to assess the impact of various factors on the perceptions and ratings of progress toward long-term targets for poverty and unemployment. This statistical technique assisted in identifying important predictors which ultimately were used in generating normalised mean scores.

#### **4.7.2 Qualitative Data Analysis**

Qualitative data analysis was conducted using thematic analysis. The open-ended responses from the survey, particularly those related to perceptions of poverty alleviation programs and barriers to employment, were carefully reviewed and coded to identify recurring themes.

The process of thematic analysis involved organizing the coded data into meaningful categories and themes. These themes provided insights into the lived experiences and perspectives of individuals regarding poverty and unemployment. The analysis was an iterative process, with constant refinement of themes to ensure accuracy and reliability.

#### **4.7.3 Integration of Quantitative and Qualitative Findings**

The integration of quantitative and qualitative findings was a key step in providing a comprehensive understanding of progress towards long-term targets for poverty alleviation and unemployment reduction. The triangulation of data from both methods allowed for a more nuanced interpretation of the results.

Quantitative and qualitative findings were compared and contrasted to identify convergent or divergent patterns. For instance, quantitative data revealed statistical associations between certain variables, while qualitative data offered contextual insights into the reasons behind these associations. This holistic approach contributed to a more robust interpretation of the study's outcomes.

#### **4.7.4 Socio-economic analysis**

To give context to the survey-based data analysis outcomes, some comparison of the baseline, to current and the current to the NDP Vision 2030 targets were conducted using secondary data from Stats SA. Fezile Dabi did not have actual targets that are aligned to the NDP and the FSGDP and the implied targets were based on the provincial and national targets.

### **4.8 Conclusion**

In conclusion, the research design outlined in this section incorporates a mixed-methods approach to comprehensively measure progress toward long-term targets for poverty

alleviation and unemployment reduction. The combination of quantitative and qualitative methods, along with a robust sampling strategy, provided nuanced insights into the multifaceted challenges and opportunities faced.

The survey instrument, informed by a pilot study, ensured clarity and relevance, while ethical considerations underscored the commitment to participant rights and privacy. The data analysis plan encompassed both statistical techniques and thematic analysis, offering a holistic interpretation of the findings. Integration of quantitative and qualitative results further enriched the study's conclusions.

## CHAPTER 5 – DATA ANALYSIS AND RESEARCH FINDINGS

This section presents the outcomes of the study. This constitutes a description of both the survey data (primary), supplementary data (secondary), analytical results, and the findings.

### 5.1 Data Description

#### 5.1.1 Survey Data

Survey instruments, with both quantitative and qualitative items, were administered to the public respondents and the municipal officials who were randomly selected. For the public respondents, interviews were conducted until thirty (30) respondents and for the officials, until at least there was one valid respondent per municipality. In total, the sample consisted of 30 public respondents and 4 municipality officials.

#### Socioeconomic and Demographic Composition

Table 4 presents the socioeconomic and demographic composition of the sample. The 30 public respondents comprised representatives from all four FDDM member local municipalities as follows 40%, 23%, 20%, and 17% from Moqhaka, Metsimaholo, Mafube, and Ngwathe respectively. The majority were males, making up 87% of the sample, a consequence of most intercepted women rejecting to participate in the survey, and in the interest of time, females were substituted with males. In the sample, 50% were entrepreneurs while the other 50% was a split between the employed (23%) and the unemployed (27%). The majority attained at least a grade 12 (97%), with 37% being youths (below 35 years), and 57% in the sample belonged to households living below an annual income of R54 345.

**Table 4: Socioeconomic and Demographic Profiling of the Sample**

ITEM	CATEGORY	PROPORTIONS
		Municipality Proportions
<b>1.M. What is your resident Municipality?</b>	Mafube	20%
	Metsimaholo	23%
	Moqhaka	40%
	Ngwathe	17%
		Employment Status Proportions
<b>1.1. Employment Status</b>	Employed	23%
	Self-employed	50%
	Unemployed	27%
		Business Ownership Proportions
<b>Business Owner</b>	Yes	50%
	No	50%
		Proportions

ITEM	CATEGORY	PROPORTIONS
<b>1.4 Race</b>	African	100%
		Gender Proportions
<b>1.5 Gender</b>	Male	87%
	Female	13%
		Education status Proportions
<b>1.6 Education Status</b>	Less than Grade 12	3%
	Grade 12 or equivalent	50%
	Certificate Level	20%
	Diploma	7%
	Degree	20%
		Household income Proportions
<b>1.2 Household Income Level</b>	R0 - R54 344	57%
	R54 345 - R151 727	17%
	R151 728 - 363 930	10%
	R363 931 - R631 120	3%
	R631 121 - R863 906	10%
	R863 907 - R1329 844	0%
	R1 329 845+	3%
		Age Group Proportions
<b>Age category</b>	15 - 24 years	10%
	25 - 34 years	27%
	35 - 44 years	27%
	45 - 64 years	30%
	+ 65 years	7%
		Proportions
<b>Age group</b>	Youths	37%
	Elderly	63%

### 5.1.2 Rating Scales and Normalisation

Instruments used for public and official interviews both contained rating questions specific to this research's objectives. The public instrument had ten rating items, 5 per study phenomena (i.e., 5 for rating poverty and 5 for rating unemployment), while there was a single rating question for the officials. The poverty rating items had a scale of 1 to 4, the unemployment rating items had a scale of 1 to 5, and the officials' instruments had a 1 to 10 rating scale. In this case, where scales are different, to allow for comparability, the scales were normalized, that is, all scales were converted to a scale ranging between 0 and 1.

### 5.2 Qualitative Data

Qualitative data was solicited using open-ended questions in both the public and the officials' instruments. These pertain to understanding the constraining challenges encountered by the municipality in its effort toward tackling poverty and unemployment, assuming the 2030 targets are in line with the provincial and national development plans. The other qualitative relates to understanding the thoughts of the public as to what the Municipality needs to consider in facilitating efforts to tackle poverty and unemployment towards the 2030 goals.

### **5.3 Secondary Data: Supplementary**

As supplementary to survey data, this research also used secondary data for FDDM's time series indicators for unemployment and poverty. The data ranged from 2011 to 2022 owing to data availability constraints. The poverty indicator considers the proportion of people living in poverty and for unemployment, it is the proportion of the unemployed (unemployment rate).

### **5.4 Data Exploratory Results**

This subsection presents the analysis procedures conducted, the related output, and the description of the results thereof. The procedures conducted on quantitative data are the normality distribution check, unusual data point check, rating item's reliability test, and feature selection.

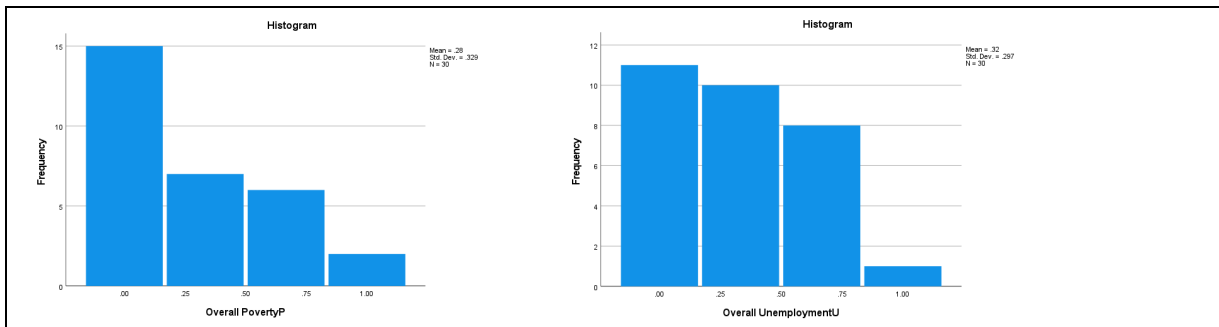
#### **5.4.1 Survey Data**

For all the quantitative analysis in this section except for the normality test, the SPSS's Auto Linear Model, an advanced version of the traditional linear regression was used. The model was chosen owing to its inherent capability of accomplishing most of the data preparation and corrective action, while simultaneously running the final regression. It automatically deals with deviations from key assumptions.

##### *(i) Normality Inspection (Test)*

One assumption the data needs to fulfill is that of being normally distributed. This condition, whether it is fulfilled or not, particularly on the target variable, influences the final choice of the analytical models to be employed for any further analysis. Consequently, in this study, a normality distribution test was conducted on the target variables, that is the overall unemployment rating and overall poverty rating. The results of this test are shown in Figure 3 and Table 5. It can visually be detected that both variables are not normally distributed, rather they are highly skewed to the right. This is supported by the formal test in Table 4 that has the Null hypothesis that the data is normally distributed against the alternative that the data is not normally distributed; where the probabilities of the test statistics are both less than 0.05 for both variables, which implies that we reject the Null hypothesis in favour of the alternative. In the

case of this study, correcting for such was left as a function of the Auto Linear Model as it has inbuilt auto data preparation functionality.



**Figure 3: Histogram for Normality Check**

**Table 5: Normality Tests**

<b>Tests of Normality</b>						
	<b>Kolmogorov-Smirnov<sup>a</sup></b>			<b>Shapiro-Wilk</b>		
	<b>Statistic</b>	<b>df</b>	<b>Sig.</b>	<b>Statistic</b>	<b>Df</b>	<b>Sig.</b>
<b>Overall Poverty Rating</b>	0.301	30	0.000	0.787	30	0.000
<b>Overall Unemployment Rating</b>	0.228	30	0.000	0.839	30	0.000

a. Lilliefors Significance Correction

*(ii) Unusual Datapoints Checks*

This entails checking data for outliers and investigating whether the detected outliers would be influential in the modeling of results. If they happen to be influential, the cases in question can be dropped, but this depends much on the researcher and the context of the research. In the context of this research despite some cases detected as outliers by the statistical models, any rating response is still considered valid. Nonetheless, we proceeded with this test: it was conducted using the Auto-linear Model which auto-detects unusual data points and applies corrective measures automatically. The results in Table 6 show the output with cases picked as outliers for both poverty and unemployment rating instruments.

**Table 6: Outlier Check for overall poverty and unemployment ratings**

<b>Outliers</b>		
<b>Target: Overall Poverty</b>		
<b>Record ID</b>	<b>Overall Poverty Rating</b>	<b>Cook's Distance</b>
27	0.67	0.2
20	1	0.179
<i>Note: Records with large Cook's distance values are highly influential in the model computations. Such records may distort the model's accuracy.</i>		
<b>Outliers</b>		
<b>Target: Overall Unemployment</b>		
<b>Record ID</b>	<b>Overall Unemployment Rating</b>	<b>Cook's Distance</b>
20	0.67	0.449
28	0.67	0.221
15	0.67	0.184
29	0.33	0.167
<i>Note: Records with large Cook's distance values are highly influential in the model computations. Such records may distort the model's accuracy.</i>		

Nkhumeleni et al. (2022) assert that the unemployment rate in South Africa continues to be a significant concern for the government. It is a significant factor contributing to poverty. The primary factor contributing to the unemployment rate in South Africa is the insufficient skills and knowledge necessary for the job market (Maisiri et al., 2019; Maijama'a et al., 2019). Over time, the unemployment rate in South Africa has been steadily rising. Amidst the Covid 19 epidemic, there was a substantial surge in the rate. South Africa achieved the top global ranking for unemployment rate in 2021. The unemployment rate was 34.4 percent for individuals actively seeking employment. However, when included individuals who are not actively seeking employment, the unemployment rate rose to 44.4 percent (Naidoo, 2021). The latest report published by the South African Statistics Office reveals that the current unemployment rate in South Africa stands at 32.9% as of the first quarter of 2023. This figure is significantly higher compared to other nations throughout the globe. The current percentage exceeds NDP's target of achieving a 6% unemployment rate by 29.6% by 2030. This high percentage is a result of the state's high inflation rate, sluggish economic growth, and limited availability of suitable work prospects.

South Africa faces a significant issue of poverty, with 50% of its population living under poverty constraints (Francis and Webster, 2019; Mdluli and Dunga, 2022). In South Africa, poverty was more prevalent during the apartheid era, as the black population was intentionally deprived of equal opportunities to engage in the economic activities of the country. However,

the situation improved somewhat in the post-apartheid era. The South African Statistics in 2017 observed a consistent upward trend in poverty rates in South Africa from 2011. Economic disparity is widely recognised as a major contributor to poverty in South Africa. Francis and Webster (2019) argue that the persistence of poverty and inequality in South Africa can be attributed to the insufficient focus on the existing economic structures of the country and the political reforms that contribute to poverty and inequality within society.

***(iii) Reliability Tests of Rating Items (Cronbach Alpha)***

The poverty rating items, and the unemployment rating items were tested for reliability using Cronbach’s alpha. According to Pallant (2013), the following is a key for interpreting Cronbach’s alpha.

***Table 7: Key to Interpretation of the Cronbach's Alpha***

<b>Cronbach's Alpha</b>	<b>Internal consistency</b>
Above 0.9	Excellent
0.8 - 0.9	Good
0.7 - 0.8	Acceptable
0.6 - 0.7	Questionable
0.5 - 0.6	Poor
Less than 0.5	Unacceptable

For this study, the poverty items’ Cronbach’s Alpha is 0.754 while that for unemployment alpha is 0.796. These scores are acceptable based on the key in Table 5 and are considered reliable and yield the expected internal consistency.

***(iv) Feature Selections***

Feature Selection is a data mining technique for determining the important independent factors to include in analytical models like regression models. Many algorithms do accomplish this, in this study, one within the Auto Linear Model was considered. This study conducted feature selection on poverty rating items and unemployment rating items. There were four items for poverty and four items for unemployment that the research used. The Auto Linear Model algorithm within SPSS was used to conduct this feature selection. As mentioned earlier, the model has auto functionality to correct for outliers, thus possibly the non-normality, and determining the cutoff points demarcating unimportant and important features. Features that

are not important are automatically dropped off in the final reported output. Tables 8 and 9 represent the features picked as important in driving ratings for poverty and unemployment. The results present the coefficients, significant probabilities, and critical to this study, the importance scores for each of the selected features. The importance scores help with the ranking of the feature.

**Table 8: Feature Selection for Poverty**

<b>Target: Poverty and Hunger Rating</b>			
<b>Model term</b>	<b>Coefficients</b>	<b>Sig. Probability</b>	<b>Importance Scores</b>
Intercept	0.78	0.00	
Promote gender equality	-0.28	0.01	0.55
Achieve universal primary education	-0.42	0.02	0.45

The four features used to measure poverty ratings were eradicating extreme poverty and hunger, achieve universal primary education, promote gender equality and improving health service. The features that were rated with significance were the need to promote universal education as means to address poverty and the promotion of gender equality.

**Table 9: Feature Selection for Unemployment**

<b>Target: Unemployment</b>			
<b>Model term</b>	<b>Coefficient</b>	<b>Sig. Probability</b>	<b>Importance Scores</b>
Intercept	0.02	0.64	
Upgrading infrastructure	0.65	0.00	0.65
Limiting local bureaucracy	0.48	0.00	0.36

The features used to measure unemployment ratings ranged from limiting local bureaucracy, upgrading infrastructure, provision of training and skills programmes and information, and ensuring law and order. The features that were rated with significance were upgrading infrastructure and limiting local bureaucracy.

#### **5.4.2 Progress Rating (Normalised Mean Scores)**

This subsection presents the progress ratings deriving from features identified as important for either poverty or unemployment rating. This entails normalized rating mean scores ranking, and on supplementary secondary data, determining the basis points change. On the part of qualitative text analysis, thematic areas deduction, and coding were conducted.

**(i) Poverty Target Rating**

Table 10 presents the mean rating on overall poverty as rated by all participants, which is rated at 28% (0.28) along with its related important features. Universal primary education is rated at 37% (0.37) with an importance score of 0.452 while promoting gender equality is highly rated at 77% (0.77) and bearing the most important score of 0.548.

**Table 10: Normalised Mean Score Rating and Importance Scores for Selected Poverty Rating Features**

	<b>Normalised Mean Score Rating</b>	<b>Importance Scores</b>
<b>Overall Poverty</b>	<b>0.28</b>	
Universal Primary Education	0.37	0.452
Promoting Gender Equality	0.77	0.548

A frequency in the themes of the responses were that to address household poverty, local government needs to empower women. One the participants was raising that "in comparison to male counterparts, when a women is empowered through a job opportunity, social grant funding, or resources to start a business, they are likely to fully take care of their family and all dependents with minimal resources contrary to what we men prioritise". Any poverty agenda must prioritise women as they constitute seventy percent of the global impoverished population. Approximately two-thirds of the global illiterate population consists of women. Furthermore, all women have additional obstacles to their economic and social welfare, such as the gender pay disparity and the higher likelihood of holding precarious employment positions.

Another participant stated that "for any government to address poverty, they need to educate the youth" another supported that "for any municipality to lessen the poverty, its citizens need to be educated so that they can create innovative ideas on how to rescue the nation out of the challenges they face". Education is a highly effective means of escaping poverty, mostly due to its significant correlation with economic advancement. Poverty is sustained, to some extent, by inequality. Various systemic hurdles, including as physical ability, religion, race, and caste, act as compounding factors that further marginalise individuals already experiencing extreme poverty. Education is an inherent entitlement for every individual, and when customised to

address the distinct requirements of marginalised populations, it can serve as a powerful tool to dismantle the structural obstacles that perpetuate the disadvantage of specific groups.

Education and training are crucial for establishing the fundamental concepts of a democratic developmental state. The likelihood of achieving the necessary national social development objectives is minimal (Akoojee, 2016). The NDP explicitly acknowledges the distinctive qualities of the circumstance it is responding to. The process of rectifying previous injustices necessitates, among other factors, enhancing the substandard level of education that the majority of black individuals have received (Fourie, 2018). It has been asserted that the presence of inequality in South Africa's education system extends beyond post-secondary institutions to include basic education and vocational training. To address this issue, a robust framework that ensures equal access to sustainable livelihoods and productive employment is necessary. This is further intensified by the fact that tertiary education in South Africa yields very high benefits, leading to a cycle of advantage that perpetuates inequality. Moreover, there is evidence indicating that post-secondary education predominantly excludes individuals from low-income backgrounds. Specifically, over 80% of students eligible to pursue a degree come from the highest two income groups (Francis and Webster, 2019). The pervasiveness of corruption in South Africa's public sector has become a hindrance to the nation's development agenda following 25 years of democracy.

**(ii) Unemployment Target Rating**

Table 11 presents the normalized means rating on overall unemployment, which is rated at 32% (0.32), slightly higher than the poverty rating, along with its related important features. Upgrading infrastructure is rated at 30% (0.3) with the bigger importance score of 0.645. Limiting bureaucracy is rated at 23% (0.23) with an importance score of 0.355.

**Table 11: Normalised Mean Score Rating and Importance Scores for Selected Unemployment Rating Features**

	<b>Normalised Mean Score Rating</b>	<b>Importance Scores</b>
<b>Overall Unemployment</b>	<b>0.32</b>	
Upgrading Infrastructure	0.30	0.645
Limiting local Bureaucracy	0.23	0.355

A frequent rating to create an enabling environment to address unemployment was on limiting local bureaucracy. Most participants alluded to the high level of corruption in local government: “Opportunities are only for those that are politically connected and their families”; “Our municipalities have the capacity to address the challenges but the money is used for the wrong things”; “the ruling party does not care about the people of this community, they only want to drive nice cars at the expense of the people”. Excessive corruption has a detrimental impact on the growth of employment. Conversely, when there are not enough job opportunities available, government officials who engage in rent-seeking behaviour become more inclined to accept bribes from job seekers. This leads to a continued prevalence of illegal actions among public officials.

A few other participants echoed that infrastructure challenges impede the efforts to create an enabling environment that can address unemployment challenges. “Our municipality is full of old infrastructure that is why there is no hope of an environment that can create new jobs”. Inadequate infrastructure slows and can even reverse economic growth, leading to unemployment, crime, and urban deterioration. It has the potential to exacerbate urban conflicts by amplifying disparities among ethnic or income groups, as well as between long-time residents and recent immigrants. Furthermore, it can cultivate a widespread sense of dissatisfaction that depletes a city's vitality and spirit.

Infrastructure development is categorised as part of the state-owned enterprises in South Africa. The government's financial support for State-Owned Enterprises (SOEs) rose by R51.5 billion in 2018. The government allocated R50 billion to Eskom, R1 billion to Denel, and R6.2 billion to South African Airlines (SAA). The bailouts provided to state-owned enterprises (SOEs) have had a detrimental impact on the growth of the local economy. State-owned enterprises (SOEs) are unable to support the progress of infrastructure projects as a result of pervasive corruption and poor financial governance. According to various reports, including the NDP, the Diagnostic Report, and the Infrastructure Report Cards from 2006, 2011, and 2017 (SAICE 2006; 2011; 2017), a significant portion of South Africa's infrastructure, especially in the areas of health, water, sanitation, and secondary and tertiary highways, is in a state of disrepair. These issues arise due to various factors, including insufficient funding to manage, plan, and maintain infrastructure assets; a scarcity of qualified resources that undermines institutional capacity; and a dearth of appropriate technical solutions for infrastructure-related matters such as preparation, supply, creation, construction, maintenance, and utilisation (Rust et al., 2021).

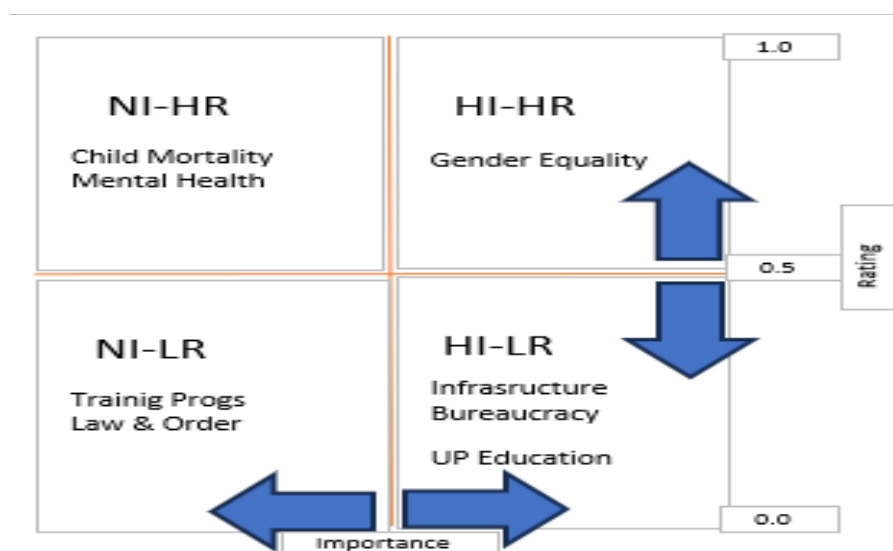
Townships are a fundamental component of the South African business environment, despite being created during the apartheid period. The enduring effects of apartheid are evident in townships as a result of neglect, inadequate funding, overcrowding, remoteness from urban areas, and a profound deficiency in infrastructure and essential supplies. Approximately 60% of the unemployed population resides in townships and informal settlements. Townships are intricate and interconnected, with poverty and middle-class neighbourhoods coexisting. The government has been endeavouring to stimulate the economy while simultaneously enhancing employment opportunities through the establishment of small businesses and the generation of jobs in townships. Nevertheless, this process is hindered by other issues, such as the absence of necessary infrastructure (Cant, 2017). Efficient infrastructure and valuable national resources contribute to poverty reduction and stimulate economic growth through the maintenance of municipal infrastructure. Adequate infrastructure is an essential element of a conducive environment for investment and livelihoods, promoting economic growth, reducing poverty, and enhancing the provision of healthcare and other services.

Part of the primary objectives of the NDP is to achieve a corruption-free state by eliminating all forms of corruption and corrupt behaviours. This concept appears to be swiftly transforming into a mere fantasy. South Africa, similar to numerous other countries that have shifted from an autocratic to a democratic government, has not been exempt from the rise and pervasiveness of corrupt practices and other illicit behaviours. There is a growing occurrence and evidence of the widespread problem of corruption and other actions driven by self-interest, especially among those in positions of political power (Lekubu and Sibanda, 2021).

The insufficiency and ineffective nature of infrastructure have been identified as hindrances to socioeconomic progress in many regions of the nation (Aiyetan and Das, 2021). The significance of infrastructure development in South Africa's economic recovery strategy and future growth prospects is widely acknowledged. Notwithstanding the persistent increase in public debt and the need to rescue state-owned firms, infrastructure spending has declined across all government levels in recent years (Ramokgopa, 2021; Thusi et al., 2023b). In their study Makhathini et al. (2020) reported that South African Finance Minister Tito Mboweni expressed concern in his 2019 budget about state-owned businesses (SOEs) posing a significant threat to the economy and hindering infrastructure development due to their substantial liabilities.

### (iii) Poverty and Unemployment Items' Importance-Rating Matrix

Figure 4 presents the Importance-Rating matrix. The matrix is based on the normalised mean score ratings for each of the rating items and the importance-scoring and ranking as determined by the Auto Linear Model.



**Figure 4: Poverty and Unemployment Items' Importance-Rating Matrix**

Source: Author's Own

Based on the rating and the importance, the shown four quadrants were yielded and are defined as follows:

- The area below the horizontal line (labeled 0.5) represents a low rating (LR) that signifies negligible to no progress, and the area above the same line represents an acceptable high rating (HR) that signifies considerable to significant progress.
- The left side of the middle vertical line represents a zone of no importance (NI), while the right side of the same line represents a zone of importance (HI).

Following the above-bulleted points, the consequent four quadrants, and in this study, are described as follows.:

- Quadrant HI-LR: a zone of high importance but lowly rated. This zone is of utmost priority attention.
- Quadrant HI-HR: a zone of high importance but highly rated. This zone is of second priority attention.
- Quadrant NI-HR: a zone of no importance but highly rated. This zone is of trivial attention.
- Quadrant NI-LR: a zone of high importance but lowly rated. This zone is of trivial attention.

From the Matrix, it is established that areas of utmost priority for enabling the curbing of poverty and unemployment to catalyse the attainment of 2030 NDP targets are around infrastructure, curtailing bureaucracy, and pushing for total universal primary education.

### 5.4.3 Qualitative Data

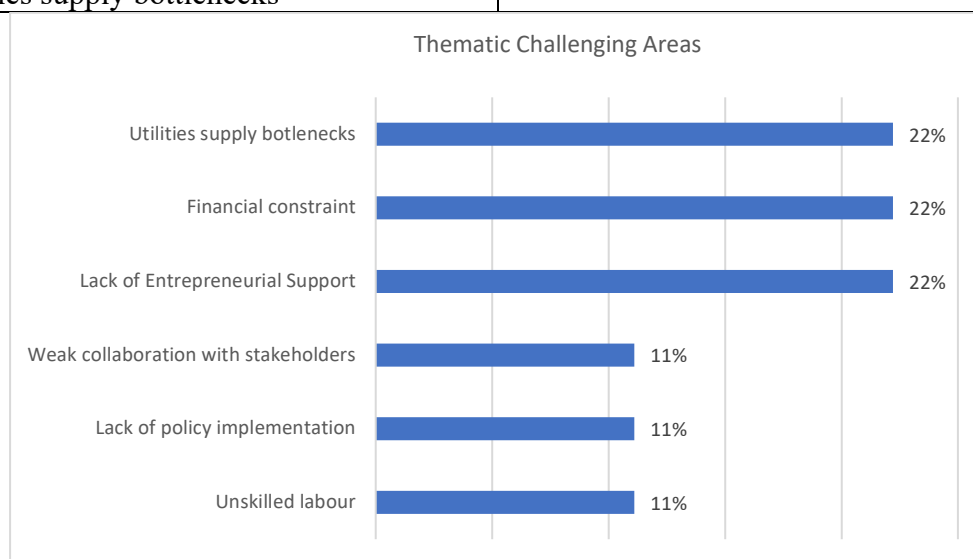
This section presents results from the qualitative data analysis based on the textual responses to open-ended questions. Textual analysis was conducted on two items, one on challenges with responses from officials and the second one on recommendations to municipalities with responses from the public. In both instances, themes/ areas of focus were deduced from textual responses and coded to allow for frequency and ranking.

#### (i) Officials’ Responses to Challenges

Table 12 and Figure 5 present the outcome of the textual analysis of the responses from the four officials, 6 themes were deduced, and their relative occurrence is depicted in Figure 5.

**Table 12: Identified Thematic Challenging Areas**

	Proportions
Unskilled labour	11%
Lack of policy implementation	11%
Weak collaboration with stakeholders	11%
Lack of Entrepreneurial Support	22%
Financial constraint	22%
Utilities supply bottlenecks	22%



**Figure 5: Identified Thematic Challenging Areas**

Lack of entrepreneurial support, financing constraints, and utilities have equal frequencies at 22% while unskilled labour, lack of policy implementation, and lack of collaboration of stakeholders all have an equal appearance at 11% apiece.

From the frequent themes deducted in the responses from the officials, it appears that there is minimal progression even from a government perspective on the efforts done to meet the NDP targets. Some of the challenges raised by officials were as follows:

“We need cooperation between us as a municipality, provincial government departments and the private sector. Provision is there but no planning and commitment with private stakeholders are acknowledged”.

“Challenges we face are provision of land for business to operate and not all businesses are able to get access and because of the land issues, services like water and electricity become a challenge. As much as municipality we are trying, there’s reluctance from community that if they register their businesses, they will be forced the pay for tax”.

“For people to access better services, we as government to budget better to address these constraints because people are unable to afford basics because of high levels of poverty and unemployment”.

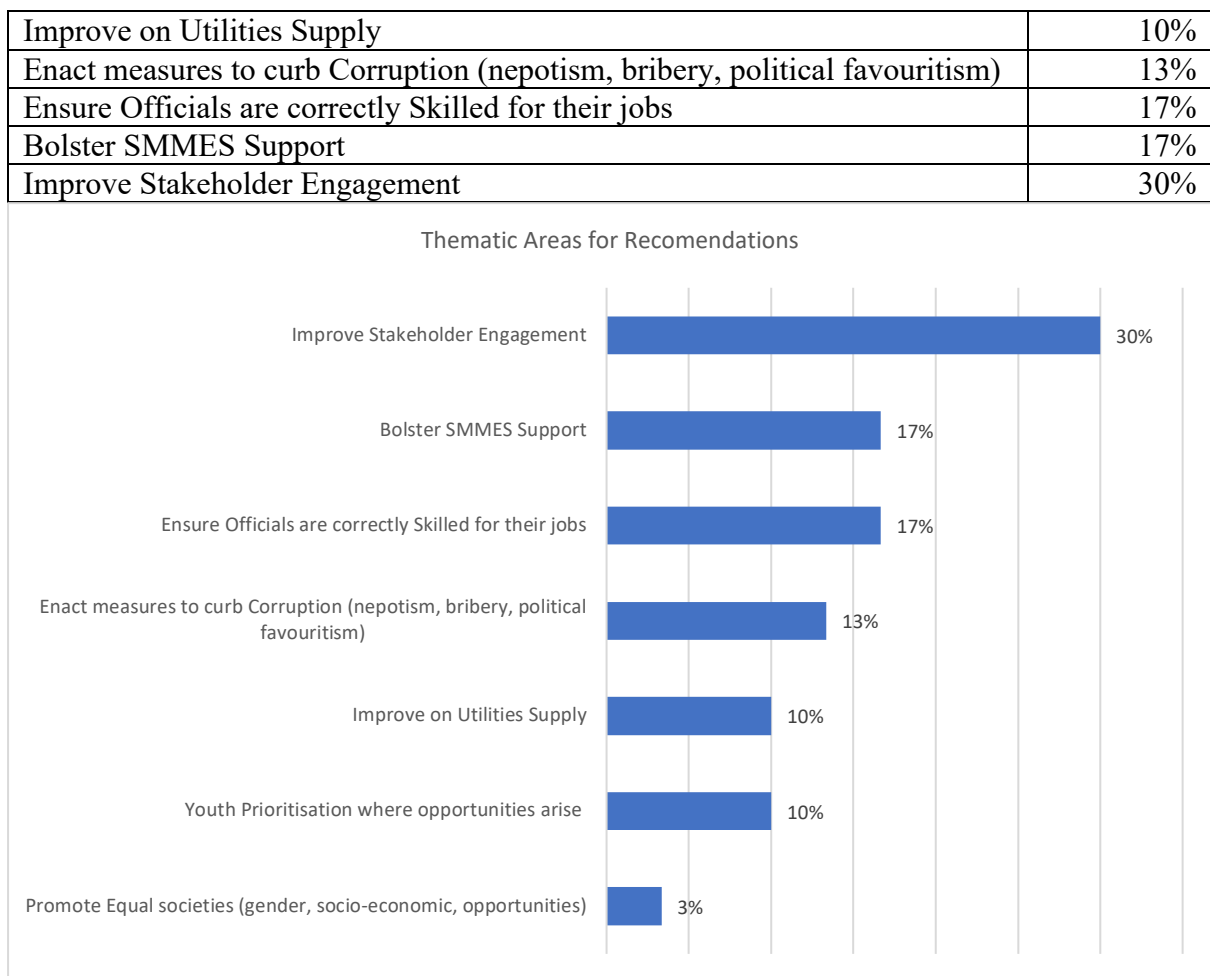
“The province can attempt to assist, but maladministration on government resources. Tenders given to people who fail to implement rural maintenance. Proper training is needed for officials. Cadre deployment is wrong because there’s a mismatch and compromise on skills”.

**(ii) Responses on Recommendations to Municipalities**

Table 13 Figure 6 present the outcomes of the textual analysis. Out of the textual responses from the 30 public respondents, 7 themes were deducted, and their relative occurrences as shown in Figure 6.

**Table 13: Identified Thematic Areas for Recommendations**

	Proportions
Promote Equal societies (gender, socio-economic, opportunities)	3%
Youth Prioritisation where opportunities arise	10%

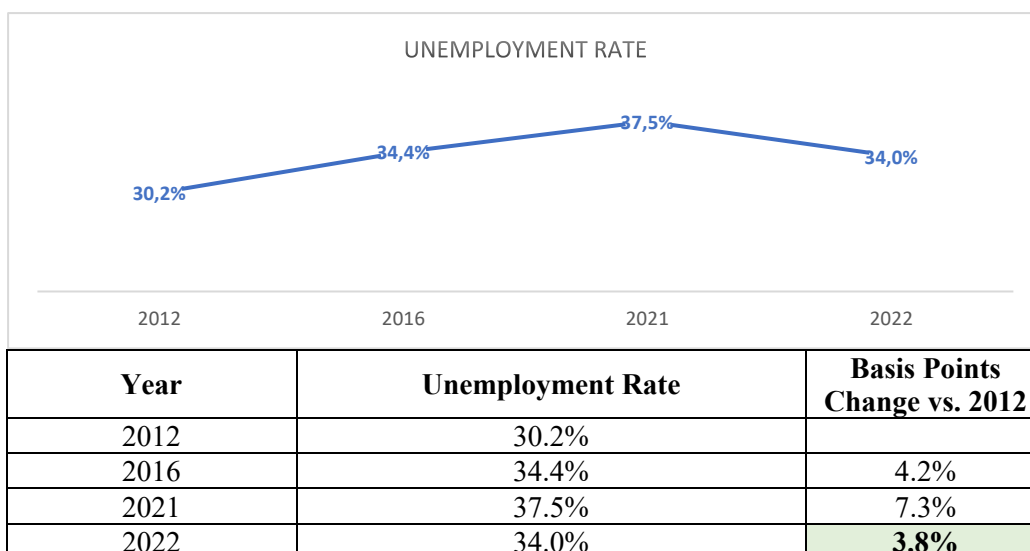


**Figure 6: Identified Thematic Areas for Recommendation**

Improving stakeholder engagement appeared the most at 30% while bolstering the fostering of SMMEs and having correctly skilled government/municipality officials are a tie on the second position at 17% a piece. Other themes are enacting measures to curb corruption at 13%, improving utilities supply (10%), prioritizing youth where opportunities arise (10%) and promoting an equal society (3%).

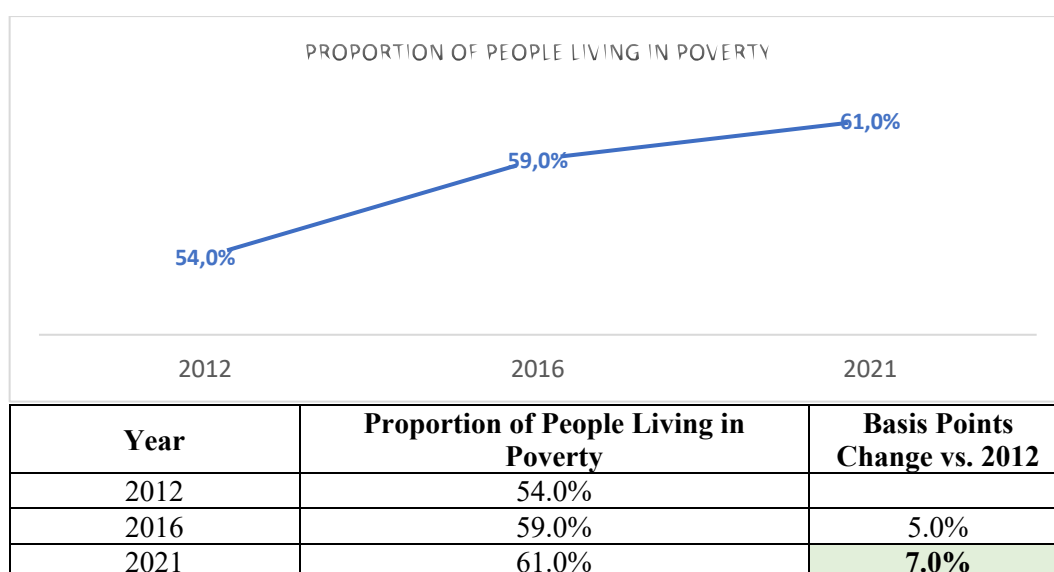
### 5.5 Secondary Data: Supplementary

Unemployment and poverty indicators were collected covering from the time the NDP vision 2030 was adopted (2012) to the most current period where there is data. Consequently, there is data from 2011 to 2022 for unemployment and from 2011 to 2021 for poverty indicators.



**Figure 7: Trended Unemployment Rate**

Figures 7 and 8 present the data for these two indicators, it is observable that for Fezile Dabi district Municipality over the years from the setting of provincial and national targets of lowering unemployment and poverty in 2012, these two indicators worsened, with numbers rising instead of dropping.



**Figure 8: Proportion of People Living in Poverty**

The government and ordinary citizens are still greatly concerned about unemployment and poverty. The present levels of poverty and unemployment in South Africa are significantly more severe than the projections made by the NDP. There is a subtle indication that the administration will not succeed in attaining the NDP 2030 projections for these two social

problems. The prevalence of these socio-economic challenges is increasing year, however there is a noticeable lack of efforts to tackle them. The presence of corruption, inadequate health and education systems, and insufficient infrastructure development are intensifying the problems of unemployment and poverty in South Africa.

The primary role of developmental local government is to effectively tackle national development difficulties, foster development prospects, and facilitate the achievement of national developmental objectives (Van de Waldt, 2015). This provides additional proof that implementing developmental local governance leads to the establishment of a local developmental state. The primary objective of the local developmental state is to alleviate the escalating triple difficulties of unemployment, poverty, and inequality by allocating the required capacity and resources, which constitute the fundamental aspect of the developmental state. The structural component of a developmental local government requires the state to use its resources and political administrative powers to achieve a desired outcome. However, the South African local government has faced challenges in effectively implementing this concept due to capacity issues and a lack of development planning (Hofisi and Mbeba, 2013).

Development planning should be aligned at all three spheres of government. Currently the local government planning instruments for implementation are for five year terms while the provincial and national plans have long-term lags of fifteen to thirty years. Van de Waldt (2015) established a clear connection between the developmental state and the developmental local government. He emphasised that the primary role of the local developmental state is to enhance the government's ability to address national developmental issues. Mathebula (2016) disputed the idea that South African local governments can effectively serve as the architects of the progressive state due to the inherent capacity challenges they face. Consequently, he inferred that local government hinders the progress of the developing state. Although this perspective is valid, it implies that enhancing the local government's capabilities could expedite the government's aspirations for state development. In addition, it is important to recognise that local government serves as a supplementary framework for the aspirations of the developing state, rather than being the primary creator of those aims. The national government retains its role as the primary creator, with auxiliary systems provided by provincial and municipal governments.

## **5.6 Research Findings**

This section presents the findings of this research's questions.

### **5.6.1. Extent to which FDDM is enabled to reach its developmental mandate as espoused in the NDP**

The study found that FDDM has not made recognizable progress in the quest to attain the 2030 targets implied, in its instance, of zero poverty and unemployment rate between 6% and 20%. Its failure is attributable to poor performance in identified critical thematic areas of promoting universal primary education, upgrading infrastructure, and eliminating bureaucracy. The poor performance in these areas can be linked mainly to lack of skilled labour, weak stakeholder engagement, financial constraints, and sometimes failure to induce SMMEs. As seen in the literature some of the most successful developmental states had a powerful, competent, and insulated economic bureaucracy. The bureaucracy issues raised in FDDM were not pro-development which postulates that the misrepresentation of the bureaucracy results in high levels of red tapes.

### **5.6.2 Findings on: What progress has the municipality made in addressing poverty and Unemployment?**

#### **(i) Degree of Progress vs 2030 Targets for Poverty**

This study has established that two important factors out of the four considered herein drive ratings on the overall progress made by the municipality in mitigating poverty toward 2030 targets. While the Municipality did not have its target and given that there is supposed to be a synergy and collaboration of effort across the spheres of government, this study used an implied target for the Municipality. The implied target for poverty for 2030 is zero, this is justified since the national government is targeting zero and the Free State Provincial Government is also targeting zero; what this implies is that every local municipality also needs to target zero if the target of the higher sphere of government is to be realised. Relative to this target of zero poverty, the municipality is overall rated low at 0.28. This low rating is at the back of the low rating on its important feature, that is, the Promotion of Universal primary Education at 0.37, which falls within the unacceptable rating zone of the importance-rating matrix. This lower rating implies that the public considers the municipality to have failed, in other words, evidence of progress is hardly a testimonial to the residents. This is confirmed by secondary data where

people living in poverty have increased from 54% in 2012 to 61% in 2021, representing 7% basis points rise. This supports the low rating by residents.

## **(ii) Degree of Progress vs 2030 Targets Unemployment**

This study established that FDDM did not have set targets for unemployment following the adoption of the NDP Vision 2030 in 2012. Nevertheless, an implied target was established given how the different spheres of government ought to be functioning harmoniously and in consultation. Given that the NDP the National Government targets 6% in 2030 from 29% in 2012, and the Free State province targets 6% in 2030 from 32% in 2012, it follows that if the national and provincial targets are to be realised, the same target must be achieved by all local municipalities. Consequently, this study views the municipality target to lie between 6% and 20%. Based on this target, FDDM was overall rated low at 32% on its progress. This low rating is at the back of the low rating on important thematic areas of upgrading infrastructure and eliminating bureaucracy and red tape, both falling within the unacceptable rating zone of the importance-rating matrix. Same with the poverty front, evidence of progress in catalyzing curbing unemployment is hardly testimonial to the residents. From secondary data, the unemployment rate has risen from 30.2% in 2012 to 34% in 2022. The lower rating and the increase in unemployment imply a failure by the municipality on this front and evidence of no meaningful progress to date.

### **5.6.3 Findings on What challenges has the municipality faced to address poverty and unemployment.**

This research, through its qualitative component as seen in the analysis results, identified six problematic/challenging thematic areas which are deemed to be constraining factors to combating poverty and unemployment in FDDM. These are:

- Unskilled labour,
- Lack of policy implementation,
- Weak collaboration with stakeholders,
- Lack of Entrepreneurial Support,
- Financial constraint,
- Utilities supply bottlenecks.

#### **5.6.4 Findings on what are the driving Strategies for mitigating poverty and unemployment.**

Outcomes of the qualitative and quantitative sections of the survey yield insights into what the municipality ought to pay attention to improve the situation. Based on a combination of the normalized mean scores rating and the feature importance scores the following is established:

##### **For Poverty:**

Given that promoting universal primary education is rated low, important factors of poverty strategies that can ensure achievement of the universality of primary education are considered part of the key drivers.

##### **For Unemployment:**

The two features considered important are both rated low. This implies that for a quick win on this front, the FDDM may need to focus on these two, upgrading infrastructure and eliminating red tape as key strategic drivers. On both fronts, drawing from thematic areas raised on challenges and further on recommendations, based on the occurrence of the following appear key as well: Improving stakeholder engagements. Bolstering SMMEs support and having appropriately skilled officials employed in municipalities.

#### **5.7 Implications of the findings**

While the NDP is highly sophisticated, it lacks a crucial element that experts and civil society have been advocating for: a comprehensive implementation strategy. In addition, the government should permit a methodical and efficient execution of the plan to guarantee the achievement of its objectives. The NDP is a comprehensive strategy formulated by diverse segments of society, including the commercial sector, with lofty goals. Hence, the private sector bears some accountability for the insufficient advancement in executing the plan. In contrast to previous versions, the NDP incorporates a review process to evaluate the plan's progress in attaining the specified aims. The political terrain in South Africa has undergone significant transformations since 2012, not to mention the persistent obstacles at the local level. Hence, the NDP must take into account the ongoing economic and social issues that the country is facing. The IDP and NDP are closely connected in addressing the developmental goal of local government and advancing the planning discourse to new levels, while policy frameworks

provide guidance for planning processes. Municipalities and provinces depend on the theoretical and practical aspects of modern planning, while ensuring that these advancements are implemented in a socially responsible way to improve service delivery. It is crucial to understand the socio-economic background of development planning, which has shifted from a state of underdevelopment to aligning with the national strategic goals of the FSGDS and the NDP. This is of utmost importance in the current planning age. It is said that theory without practice is unproductive and practice without theory lacks foresight.

## **Chapter 6: Conclusions and Recommendations**

### **6.1 Introduction**

This chapter provides a concise overview of the study and its overall comprehension of the role of local government in a developmental state. This study aimed to investigate the extent to which the NDP has progressed in achieving the 2030 target for poverty and unemployment in Fezile Dabi District Municipality (FDDM). To answer this question, survey data was collected from 30 public respondents and 4 municipality officials. Secondary data on poverty and unemployment indicators for FDDM as supplementary was collected and analyzed. This chapter is organised in a way that reflects the study's intentions, the methods used to attain the objectives, and the resulting findings. The study subsequently derives crucial recommendations from the findings.

The overall objectives of this study were to:

- Assess the extent to which Fezile Dabi District Municipality has reached its developmental mandate espoused in the NDP;
- Assess the progress FDDM has made in addressing poverty and unemployment;
- Assess the factors hindering FDDM in addressing poverty and unemployment
- Assess the driving strategies mitigating poverty and unemployment in FDDM

In this context, the concept of the developmental state has served as a fundamental foundation for comprehending the government's role in promoting economic and social progress. This literature study examined the progression of the developmental state theory, analysed its fundamental characteristics, explored case studies from East Asia and other regions, and assessed the applicability of this idea in present-day global development. While the concept originated in East Asia, this study revealed that it has found applicability in diverse global contexts, offering valuable lessons for countries seeking to pursue inclusive and sustainable development in the 21st century.

The study conducted a secondary literature review that examined the intricate relationship between local government and the local development state, with a particular focus on its

relevance to South Africa. Utilising a wide array of academic sources, this study clarified the fundamental ideas, theoretical structures, and practical consequences within the realm of local governance, developmental states, and national development plans. It revealed that assessments of the effectiveness of developmental strategies aimed at eliminating poverty and unemployment are more comprehensive and necessitate examining factors beyond numerical indicators, such as the institutional and governance features of local governments.

Methodologically, this study utilised survey and in-depth interview data given to measure progress of the NDP in alleviating poverty and unemployment. This study employed a non-probability sampling strategy. The purposive method was appropriate for this research as the researcher conducted surveys with thirty (30) community leaders, members, and beneficiaries. Additionally, the researcher had planned to interview five (5) government officials who are actively engaged in local economic development within Fezile Dabi, representing all four local municipalities in the district. However, only four (4) officials were able to participate.

The quantitative data analysis was conducted using SPSS. Descriptive statistics were employed to summarise demographic features and critical factors pertaining to employment and poverty. In addition, inferential statistics were used to investigate associations and correlations.

The recommendations of this study are derived from the researcher's findings, which are given in the data analysis chapter utilising tables and graphs to enhance comprehension of the observed patterns and trends in the data. Integrating quantitative and qualitative findings was crucial in gaining a thorough understanding of the progress made towards long-term goals of reducing poverty and unemployment. Quantitative data demonstrated statistical correlations between certain variables, whereas qualitative data provided contextual understanding of the underlying causes for these correlations.

## **6.2 Recommendations**

1. The initial set of proposals about the present operational structure for executing the NDP pertains to performance indicators. The recommendation is that performance metrics should be suitable for addressing the societal concerns listed by the NDP. The performance indicators should closely align with the responsibilities of the relevant sphere or agency responsible for service delivery, and help in achieving the national

goals. It is essential to have well-defined performance indicators to ensure accurate reporting, appraisal, and auditing. This proposal is also connected to the requirement of having data available, which is necessary for the creation of a performance indicator. An institution is obligated to assume complete accountability for reporting on a performance indicator and must be capable of providing substantiation for the outputs that have been delivered.

2. The second set of recommendations pertains to target setting, emphasising that targets should be established by considering past trends and anticipated future conditions for the demand or supply of services. When there is no existing baseline, it is necessary to develop one by initiating the measurement of results or determining values based on the elements that influence the output. Targets must be precise and quantifiable. When establishing goals, it is recommended to utilise a numerical value or percentage, as this is essential for the purpose of monitoring.
3. The third recommendation is that local municipalities need to be encouraged to set clear targets for social and economic challenges that are identified as priority areas in the NDP. These targets are to be set in line with provincial and national targets. This will ensure that achievement of targets at a lower level necessitates and implies the achievement of targets at higher levels. Targets also allow continuous monitoring and evaluation and where possible the avoidance of losing track.
4. The fourth recommendation entails integrating all NDP initiatives into the current operations of government departments and breaking down these efforts into short- and medium-term plans at all levels of government.
5. Lastly FDDM needs to pay attention and if possible, prioritising the promotion of universal primary education, upgrading and establishing new infrastructure, elimination of bureaucracy and corruption, and bolstering SMMEs support. All this ought to be planned and implemented precursored by extensive stakeholder engagement. This is critical to enhance the public's buy-in and pooling of resources from the civil and private sectors.

## **6.5 Conclusion**

Key recommendations have arisen from the discussion. These include the importance of providing basic services (utilities), the transformation that occurs when local communities participate in the IDP processes will eliminate the disconnect between local government and its people, the need for local economic development as a means of empowerment should be enhanced and policy planning should involve a bottom-up approach where the framework will be implementable, and the necessity of financial planning to support indicators that have a direct bearing on the set national targets needs to be emphasised. Ultimately, these recommendations contribute to the promotion of good governance in service delivery enhancing the “network”. By integrating a stringent people-centered principle in the development agenda of the local sphere of government, a more comprehensive strategy can be achieved in promoting socially inclusive development and addressing poverty and unemployment in Fezile Dabi. The government should stimulate the economy by investing in infrastructure, as such investments have the capacity to create job opportunities by necessitating the involvement of labourers in approved projects. Infrastructure possesses the capacity to stimulate new employment creation. The government must allocate financial resources to prioritise the education and training sector, skills development, youth empowerment, health sector, and social services. This would encourage youth engagement in decision-making and facilitate their entry into the employment market. Evaluating progress (monitoring) is a crucial factor that can provide decision-makers with information regarding the success or ineffectiveness of the present initiatives, policies, programmes, and strategies used to reduce the high unemployment rate and eliminate poverty.

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## **Appendix A: Participant Information Sheet**



### **Government Officials**

Dear Sir / Madam

My name is Nokuthula Chakane. I am a Master's student in Management in Governance (Development & Economics) at the University of the Witwatersrand, Johannesburg. My supervisor is Prof. IB Khambule I am conducting a research study to assess the extent to which Fezile Dabi is enabled to reach its developmental mandate of poverty and unemployment reduction under the auspice of the NDP 2030 vision through local economic development. The study title is Assessing the National Development Plan's Progress in Addressing Poverty and Unemployment in Fezile Dabi Municipality.

I am inviting you to take part in an interview. If you decide to take part, your participation in this research study will last about an hour. The interview will take place at a venue convenient to you during or after work hours.

With your permission, I would like to audio record the interview. This data will be stored in a password locked laptop and will be deleted after 1 year. Only the researcher will have access to the data.

During the research activity, I will need to ask for some personal information about you, including your demographic information.

The interview will be confidential and anonymous. When I share the results of the research study, I will not include your name or anything else that could identify you.

If you decide to take part in the research study, it should be because you want to volunteer. You do not have to take part. You can stop being in the study at any time. You do not have to answer any questions if you do not want to. You will not get any direct benefits if you choose to join the research study. You will not lose any services, benefits or rights you would normally have if you decided not to join. Taking part in the research study will not cost you anything. You will not be paid for being in this research study.

The risks for this research study are no more than what happens in everyday life. OR Some of the questions asked may make you feel sad or upset. If this happens, I will stop the interview and continue another time. If you need some support or counselling services following the interview, these are available free of charge at Lifeline Free State. The counselling can be done telephonically and the contact details for the counselling service are 057 357 2746/ 0861 322 322.

This research study will be written up as a research report. If you would like to receive a summary of this report, I will be happy to send it to you.

If you have any questions during or afterwards about this research study, feel free to contact me or my supervisor on the details listed below. If you have any concerns or complaints about the ethical procedures of this research study, you are welcome to contact the University Human Research Ethics Committee (Non-Medical), telephone +27(0) 11 717 1408, email hrecnon-medical@wits.ac.za.

Yours sincerely,

Researcher:

Nokuthula Chakane, 472845@students.wits.ac.za, 0725422769

Supervisor:

Prof Isaac B Khambule, ib.khambule@wits.ac.za, 011 717 3807



## **Appendix B: Participant Information Sheet**

### **Survey Questionnaire & Focus Group**

Dear Sir / Madam

My name is Nokuthula Chakane. I am a Master's student in Management in Governance (Development & Economics) at the University of the Witwatersrand, Johannesburg. My supervisor is Prof. IB Khambule I am conducting a research study to assess the extent to which Fezile Dabi is enabled to reach its developmental mandate of poverty and unemployment reduction under the auspice of the NDP 2030 vision through local economic development. The study title is Assessing the National Development Plan's Progress in Addressing Poverty and Unemployment in Fezile Dabi Municipality.

I am inviting you to answer a questionnaire. If you decide to take part, your participation in this research study will last about an hour. The research activity will take place at a venue convenient to you after work hours.

With your permission, I would like to audio record the focus group. This data will be stored in a password locked laptop and will be deleted after 1 year. Only the researcher will have access to the data.

During the research activity, I will need to ask for some personal information about you, including your biographical information.

The focus group interviews cannot be either confidential or anonymous during the data collection because you will be in a room with other participants. When I share the results of the research study, I will not include your name or anything else that could identify you.

If you decide to take part in the research study, it should be because you want to volunteer. You do not have to take part. You can stop being in the study at any time. You do not have to answer any questions if you do not want to. You will not get any direct benefits if you choose to join the research study. You will not lose any services, benefits or rights you would normally

have if you decided not to join. Taking part in the research study will not cost you anything. You will not be paid for being in this research study.

The risks for this research study are no more than what happens in everyday life. OR Some of the questions asked may make you feel sad or upset. If this happens, I will stop the interview and continue another time. If you need some support or counselling services following the interview, these are available free of charge at Lifeline Free State. The counselling can be done telephonically and the contact details for the counselling service are 057 357 2746/ 0861 322 322.

This research study will be written up as a research report. If you would like to receive a summary of this report, I will be happy to send it to you.

If you have any questions during or afterwards about this research study, feel free to contact me or my supervisor on the details listed below. If you have any concerns or complaints about the ethical procedures of this research study, you are welcome to contact the University Human Research Ethics Committee (Non-Medical), telephone +27(0) 11 717 1408, email hrecnon-medical@wits.ac.za.

Yours sincerely,

Researcher:

Nokuthula Chakane, 472845@students.wits.ac.za, 0725422769

Supervisor: Prof Isaac B Khambule, ib.khambule@wits.ac.za, 011 717 3807



## Appendix C: Consent Form

### Government Officials

Title of project: Assessing the National Development Plan's Progress in Addressing Poverty and Unemployment in Fezile Dabi Municipality

Name of researcher: Nokuthula Chakane

I, ....., agree to participate in this research project.

I agree to the following:

(Please circle the relevant options below)

The research study was explained to me. I understand what this study is about. YES NO

I understand that I can volunteer to take part in the study and will not receive any payment for my participation YES NO

I agree that the interview may be audio recorded YES NO

I agree that direct quotations from my interview be used by the researcher in their research report      YES      NO

I agree that my participation will remain anonymous (my name will not be used by the researcher in their research report      YES      NO

I undertake to give a true representation of my perspective and my experience to the best of my abilities.      YES      NO

..... (signature)  
..... (name of participant)  
..... (date)

..... (signature)  
..... (name of researcher/person seeking consent)  
..... (date)

## Appendix D: Consent Form



### Survey Questionnaire & Focus Group

Title of project: Assessing the National Development Plan's Progress in Addressing Poverty and Unemployment in Fezile Dabi Municipality

Name of researcher: Nokuthula Chakane

I, ....., agree to participate in this research project.

I agree to the following:

(Please circle the relevant options below)

The research study was explained to me. I understand what this study is about.	YES	NO
--	-----	----

I understand that I can volunteer to take part in the study and will not receive any payment for my participation	YES	NO
---	-----	----

I agree that the survey questionnaire part C will be done in the form of a focus group may be audio recorded	YES	NO
--	-----	----

I agree that direct quotations from my focus group responses be used by the researcher in their research report	YES	NO
---	-----	----

I agree that my participation will remain anonymous (my name will not be used by the researcher in their research report)      YES      NO

I undertake to give a true representation of my perspective and my experience to the best of my abilities.      YES      NO

..... (signature)  
..... (name of participant)  
..... (date)

..... (signature)  
..... (name of researcher/person seeking consent)  
..... (date)

## APPENDIX E: SURVEY QUESTIONNAIRE

### QUESTIONNAIRE FOR SMALL BUSINESSES, COMMUNITY MEMBERS AND LEADERS

Please answer all the questions even if you think the questions do not apply to you. Check the alternative that best applies or fill in the blanks where appropriate. Please respond based on your own judgement regardless of what you think others expect or what is socially acceptable.

Unique respondent number:

Date of interview:

#### PART A: BACKGROUND INFORMATION

##### 1. Demographic information

Municipality:

Age:

Employment Status:

1. Employed	2. Self-employed	3. Unemployed
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Household Income level:

1. R0 – R54 344	2. R54 345 – R151 727	3. R151 728 – 363 930	4. R636 931 – R631 120	5. R631 121 – R863 906	6. R863 907 – R1329 844	7. R1329 845+
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Individual Income level:

1. R0 – R54 344	2. R54 345 – R151 727	3. R151 728 – 363 930	4. R636 931 – R631 120	5. R631 121 – R863 906	6. R863 907 – R1329 844	7. R1329 845+
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Race:

1. African	2. White	3. Coloured	4. Indian/Asian
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Gender:

1. Male	2. Female	3. Non- Binary	4. Prefer not to say
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Education Level:

1. Less than Grade 12	2. Grade 12 or equivalent	3. Certificate	4. Diploma	5. Degree	No Schooling
-----------------------	---------------------------	----------------	------------	-----------	--------------

NB! If you're a community member in business (Please respond to this part)

2. Indicate below the primary type of business/sector your company is involved in (Please only circle the closest or fill in other):

1.1	Manufacturing	
1.2	Property development (estate agent)	
1.3	Professional services	
1.4	Mining and engineering	
1.5	Building and construction	
1.6	Catering / Hospitality	
1.7	Clothing and textiles	
1.8	Health care & Pharmaceuticals	
1.9	Printing & Publishing	
1.10	Child Care	
1.11	Financial services	
1.12	Energy services	
1.13	Water services	

1.14	Leisure & Tourism	
1.15	Retail	
1.16	Motor industry	
1.17	Electronics	
1.18	Education & Training	
1.19	Information Technology & Computers	
1.20	Consulting	
1.21	Pest control	
1.22	Telecommunications	
1.23	Other (describe)	

2. How long has the business been in operation?

(Tick whichever is applicable)

2.1	1 – 3 years	
2.2	4 – 7 years	
2.3	8 – 10 years	
2.4	11 – 20 years	
2.5	Over 20 years	

3. How long has the business been in Fezile Dabi?

(Tick whichever is applicable)

3.1	1 – 3 years	
3.2	4 – 7 years	
3.3	8 – 10 years	
3.4	11 – 20 years	
3.5	Over 20 years	

4. How many people does the business employ, including the owner?

(Tick whichever is applicable)

4.1	1 person only	
-----	---------------	--

4.2	2 – 5 people	
4.3	6 – 10 people	
4.4	11 – 15 people	
4.5	More than 15 people	

5. What was the gross income for your business in the last financial year?

(Tick whichever is applicable)

5.1	Less than R50 000	
5.2	R50 001 – R150 000	
5.3	R150 001 – R300 000	
5.4	R300 001 – R500 000	
5.5	More than R500 000	
5.6	Unable to disclose	

**PART B: PROGRESS OF MUNICIPALITIES IN TACKLING POVERTY AND UNEMPLOYMENT.**

1(a). On a scale of 1-5 rate the quality of services the Municipality renders to address poverty in your locality? (Where 1 = poor and 5 = excellent)

1	2	3	4	5
---	---	---	---	---

1 (b). Please give a reason for the choice of your rating

1 (c) On a scale of 1-4 please rate the level of effectiveness in which government creates an enabling environment in the attainment of the NDP goals to address poverty in your locality (Where 1 = poor and 4 = excellent) – (rate each enabling environment factor)

	Level of effectiveness			
	4	3	2	1
Eradicate extreme poverty and hunger				
Achieve universal primary education				
Promote gender equality				
Reduce child mortality				

Improve mental health				
-----------------------	--	--	--	--

2. On a scale of 1-5 please rate the extent to which the Municipality has endeavoured in creating an enabling environment in your locality to fight unemployment? (Where 1 = poor and 5 = excellent) – (rate each enabling environment factor)

Limiting local bureaucracy	1	2	3	3	5
Upgrading infrastructure	1	2	3	3	5
Provision of training and skills programmes and information	1	2	3	3	5
Ensuring law and order	1	2	3	3	5

2. On a scale of 1-5 please rate the quality of goods and services (i.e electricity/water connection support; issuance of business permits; database of businesses in the area; website promotion); provided by the local municipality within Fezile Dabi District Municipality for resolving disputes (with suppliers, competitors, customers, clients, neighbouring businesses, etc)?

1	2	3	4	5
---	---	---	---	---

3 (a). Do you think the Municipality has the capacity to develop the local economy with the resources they have?

1. Yes	2. No
--------	-------

3 (b) Give a reason for your choice in 3(a)

4. In this section you will be asked about your knowledge and experience with FDDM's Local Economic Development

From your experience in Fezile Dabi rate the support you know rendered around the following (tick all that apply)

4.1 Knowledge of FDDM services to support small business

1. Very poor	2. Poor	3. Didn't know the service was available	4. Good	5. Very good
--------------	---------	--	---------	--------------

4.2 Knowledge of FDDM promotion to you about subsidies available to start a business in FDDM

1. Very poor	2. Poor	3. Didn't know the service was available	4. Good	5. Very good
--------------	---------	--	---------	--------------

3.3 Opportunities available to support small businesses

1. Very poor	2. Poor	3. Didn't know the service was available	4. Good	5. Very good
--------------	---------	--	---------	--------------

3.4 Clear local by-laws governing small businesses in the area

1. Very poor	2. Poor	3. Didn't know the service was available	4. Good	5. Very good
--------------	---------	--	---------	--------------

## PART C: ECONOMIC LEARNING OPPORTUNITIES

1. Do you participate in any economic/community forums given by the municipality?

If, Yes: What are the benefits?

If, No: Why not?

2. Do you receive any information on work opportunities/small business opportunities/help to work in the area?

If, Yes: What kind of information do you receive? (Adverts/Funding/procurement, etc)

If, No: What do you think FDDM should do to avail the information?

3. Does FDDM provide regular information sessions on by-laws governing small businesses/informal traders?

3.1 In your opinion how do you think the information should be disseminated?

3.2 Are the laws flexible to enable you to conduct your business freely?

4. Do you think it is necessary for the municipality to address issues on poverty and unemployment in the community?

Why do you think so?

5. Do you know about the National Development Plan?

If, Yes: What are the benefits?

If, No: Why not?

6. Any concluding remarks / recommendation on what the Municipality can do to meet the NDP targets?

END

Thank you for participating in this interview.

## APPENDIX F: INTERVIEW GUIDE QUESTIONNAIRE FOR GOVERNMENT OFFICIALS & EXPERT

Unique respondent number:

Date of interview:

Municipality:

1. NDP Vision Implementation	
1.1 On a scale of One (1) to Ten (10) How would you score your municipality/local government on its attempts at achieving the targets of the National Development Plan (NDP)?	
1.2 Do economic policies such as the NDP have direct impact on Local Economic Development? Elaborate	
1.3 Is the NDP able to address to the triple challenges in Fezile Dabi while simultaneously meeting the targets it sets out?	
1.4 Is there any alignment of the planning in the municipality with the provincial plans (FSGDP) and national plans (NDP)	
1.5 How has the municipality aligned its development strategies/policies to the NDP?	
1.6 What are the challenges facing your municipality in the transformation and provision of services that can reduce poverty and unemployment?	
1.7 How would you assess the various constraints impeding the NDP from realizing its objectives specifically to reducing poverty and unemployment?	
1.8 In your opinion why do you think the relevant departments are failing to meet the targets set out in the plan?	

2. LED FRAMEWORK CORE PILLARS	
2.1 Which of the following pillars have been/or are being implemented by your municipality (select all the applicable)	
Building diverse & innovation-driven local economy	
Developing an inclusive local economy	
Developing learning and skillful economy	
Enterprise development and support	
Economic governance and infrastructure	

Strengthening local system of innovation	
--	--

<b>3. GOVERNANCE</b>
3.1 How is LED institutionally structured in your municipality? (Organogram and staffing structure)
3.2 How do you go about organizing LED in your municipality?
3.3 Is LED seen as a crosscutting issue within your municipality? Elaborate
3.4 How do you go about LED planning? Is it within the IDP Framework and NDP target?
3.5 How do you go about making LED planning and implementing an inclusive process?

<b>4. LED IMPLEMENTATION AND RESOURCING</b>
4.1 What problem does the municipality have with regards to implementing its LED strategy/plan? Why do you think these problems exists?
4.2 Is the municipality able to implement all the activities set out in the LED strategy/plan? Explain
4.3 How does the municipality involve the community in the implementation of its LED strategy/plan? Explain
4.4 In what way does the municipality currently resource the implementation of the LED strategy/plan? Explain
4.5 How had the municipality resourced its LED strategy/plan in the past and how does it see new ways of resourcing the strategy/plan in the future?
4.6 In what way do regulations and legislations hinder or support implementation?

END

Thank you for participating in this interview.

## APPENDIX G: ETHICAL APPROVAL



### **SCHOOL OF GOVERNANCE ETHICS COMMITTEE**

**CONSTITUTED UNDER THE UNIVERSITY HUMAN RESEARCH ETHICS COMMITTEE (NON-MEDICAL)**

**CLEARANCE CERTIFICATE: WSG-2023-100**

**PROJECT TITLE: Assessing the National Development Plan's Progress in Addressing Poverty and Unemployment in Fezile Dabi Municipality**

<b><u>INVESTIGATOR</u></b>	Nokuthula Chakane
<b><u>SCHOOL/DEPARTMENT OF INVESTIGATOR</u></b>	School of Governance
<b><u>DATE CONSIDERED</u></b>	23 October 2023
<b><u>DECISION OF THE COMMITTEE</u></b>	Approved unconditionally
<b><u>RISK LEVEL</u></b>	Minimal Risk

**EXPIRY DATE** Date of submission of the Research Report

**ISSUE DATE OF CERTIFICATE** 11 December 2023


**CHAIRPERSON** *Rekgotsotse Chikane*  
Rekgotsotse Chikane

cc: Supervisor: Prof Isaac B. Khambule

### **DECLARATION OF INVESTIGATOR**

To be completed in duplicate and **ONE COPY** returned to the Chairperson of the School/Department ethics committee.

I fully understand the conditions under which I am authorized to carry out the abovementioned research and I guarantee to ensure compliance with these conditions. Should any departure be contemplated from the research procedure as approved I/we undertake to resubmit the protocol to the Committee.

  
\_\_\_\_\_  
Signature

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PLEASE QUOTE THE PROTOCOL NUMBER ON ALL ENQUIRIES

## APPENDIX H: TURNITIN REPORT

### Assessing the NDP's Progress in Addressing Poverty and Unemployment in Fezile Dabi Municipality - Nokuthula Chakane.docx

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