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## THE EFFICACY OF POLICY AND LEGAL FRAMEWORK FOR COOPERATIVE GOVERNANCE AND LOCAL ECONOMIC DEVELOPMENT (LED) IN SMALL TOWNS IN A SELECTED REGION IN SOUTH AFRICA

### **Abstract**

The paper reports on a study investigating the efficacy of policy and legal framework for cooperative governance and LED to facilitate and coordinate responses to socio-economic concerns in the selected small towns in South Africa. The policy and legal framework place the onus for development on the local municipalities and urge the municipalities to partner with other stakeholders such as the business and the civil society to manage and respond to socio-economic concerns within the municipalities. The purpose of this paper is to review the ‘efficacy of the policy and legal framework’ to facilitate ‘cooperative governance’ and ‘LED’, specifically in six municipalities in the Western Cape Province, South Africa. Data were collected from government officials, private and civil sector through three data collection instruments, namely, document review, interviews and focus group discussions. The key findings from the study are mixed. The policy design and implementation were established problematic in multifarious ways. However, the findings also provide a glimpse of hopes in matters of public accountability by providing policy guidelines aimed at promoting accountability amongst government role-players. Given the backdrop, some recommendations are provided in this paper. This paper provides feedbacks for policy makers and implementers on the performance of policy and legal framework that informs the cooperative governance of local economies, specifically in small towns, to establish as to what is effective to replicate in form of good practice and what is under-performing for possible review. This assist in improving the understanding of the context that may inhibit or

enable stakeholders in taking full advantage of collaborative-led developmental interventions to further peoples' lives and to enhance their opportunities to partake in matters of development in their municipalities.

**Keywords:** Cooperative governance, LED, Policy, legal framework, collaboration, socio-economic

**JEL:** DO4, H83, I31

## Introduction

For the past two decades South Africa government have introduced a plethora of policy interventions to assist local government in fulfilling their constitutional and legislative obligations of development and service delivery. Prominent among these interventions in this context are Integrated Sustainable Rural Development Strategy (ISRDS) of 2000, the National Spatial Development Perspective (NSDP) [RSA, 2005], the Accelerated Shared Growth Initiative of South Africa (AsgiSA) of 2005, the New Growth Path (NGP) of 2010 and the National Planning Commission: Vision 2030 [NPC, 2011]. These policies provide strategies and directions on developmental trajectories to achieve sustainable economic growth in the country and improve the socio-economic well-being of the individuals. Moreover, the advent of intergovernmental relations framework in 2005 galvanised government efforts to promote and facilitate intergovernmental relations, providing for mechanisms and procedures to support sub-national spheres of government [DPLG, 2005]. The naissance of the national Local Economic Development (LED) framework in 2006 and the policy framework for public participation in 2007 was a further step towards institutionalising grassroots development in South Africa. National Framework sets out policy guidelines on LED issues and the roles of the three tiers of government in facilitating and promoting LED as it relates to intergovernmental relations. The 2007 policy on public participation promotes inclusive public engagement and participation of all stakeholders, *including the private sector and civil society* in developmental matters within the municipalities. This was reinforced by the emergence of the 2018–2028 national LED framework which was adopted in 2017. The framework aimed to re-imagine the role of state and non-state in generating prosperity. It echoes the imperativeness of effective intergovernmental coordination between government and non-governmental sectors, as a means to an end.

It is a concern that even when there had been several interventions, municipalities in South Africa continued to under-perform [Ngobese, 2018]. Stemming from minister Mkhize's [Department of CoGTA, 2019] oral response to national assembly as part of the governance cluster, a lot of work has been done in various municipalities to ensure turnaround. Despite these interventions, several municipalities across the country are still underperforming [Fiscal and Financial Commission, 2018; National Treasury, 2019]. The question is—why?

The minister maintains that failure of office bearers, senior management and officials to develop, implement and monitor effective system and processes of

internal control, including corrective measures is a major factor contributing to this decline [Department of CoGTA, 2019]. The persistent quest for a solution on how to turnaround the poor situation in local municipalities in the country, especially in small towns remains unabated.

Beshi and Kaur [2020] acknowledge transparency and accountability as fundamental variables of good governance capable of influencing the level of public trust in local government. Beshi and Kaur [2020] maintained that accountability obliges the government, private sector and the civil society to focus on developing clear objectives, effective policy implementation strategies, as well as monitoring and reporting mechanisms aimed at improving efficiency and sustainability of initiatives. The question is: what characterised the dynamic design and implementation of strategies, policies, systems and processes that promotes accountability in cooperation governance aimed at improving system management and responsiveness of local authority to socio-economic concerns within municipalities? These realities underpin the rationale for the study. This paper starts by providing a brief discussion on the importance of LED and cooperative in the municipal sphere, then presents discourses on policy and legal framework for LED and cooperative governance. Research method used in the study, and the emanated key finding from the study are clearly presented in the study. Moreover, the future area of research as well as the limitation of the study is also mentioned in the paper. Finally, the paper concludes with suggestions for addressing the study's found flaws.

## I. Literature review

The importance of LED and cooperative governance in the municipal sphere cannot be overemphasised. LED is broadly associated with concerns of local control, use of local resources and locally determined intervention designed to create employment opportunities and to promote development [Nel, 2001; Nel et al., 2007]. LED contributes to the revitalisation of the local economy and the enhancement of local government fiscal efficiency [Beyer et al., 2003]. Phago [2004] asserts that LED initiatives are not charitable endeavours but intend to inject the local economy with innovative business means such as community self-help services and entrepreneurial initiatives. LED present unique collaborating opportunities for inclusive representation and participation of local government, business and civil society in addressing matters of local concerns.

Given the complexities of the 21<sup>st</sup> century, policymakers and development practitioners are increasingly perceptive to comprehend what mode of governance and forms of intervention might facilitate post-shock recovery (such as post COVID-19 and other economic woes) and protect local economies from future economic crises and unprecedented transformation [Bristow, Healy, 2014]. These realities have paved way for the emergence of multi stakeholders' approach of addressing multi-dimensional challenges that cannot be addressed by municipalities alone. Given the expanded power afforded to the municipalities, they alone can

simply not succeed in the quest for successful LED, but that cooperative governance is an essential, if not irreplaceable components in this quest. Drawing from the notion of the World Bank [2014: v], cooperative governance is conceptualised as multi-stakeholder initiative and practice, combining diverse actors *vis-à-vis*, public, private and civil society to address matters of mutual concern for better and sustainable outcomes. Fundamentally, the key stakeholders are brought together with the hopes of facilitating cooperation and exchange while meaningfully bargaining over concerns of shared ideas and values.

In contextualising cooperative governance for LED through the lens of resilience, this study focuses mainly on the abilities of policies, strategies, systems and processes to foster cooperative governance regime adaptive to dynamic contextual drivers and internal processes, and sustainably allow for new development trajectories. Put simply, the ability of policy and legal framework in promoting shared capacity for local governance to cope with external socio-economic shocks [Adger, 2000; Somers, 2009]; successfully recover developmental pathways from shocks to its economy [Hill et al., 2008]; promote pluralistic adaptation to dynamic situations through mutual initiatives; and improve human ability to perceive change and influence future pathways. Arguably, cooperative governance is endowed with potential to improve system management and responsiveness to socio-economic challenges within municipalities to achieve sustainable appropriate development policy objectives aimed at sustainably developing its society. Provided this background this paper attempt to consider cooperative governance and LED as linked and nested and to integrate collaborative values in managing LED for change and sustainability.

### **1.1. Policy and legal framework for LED and cooperative governance**

Policy and legal framework articulate the theory and practice of LED in South Africa. These policies provide strategies and directions on developmental trajectories to achieve sustainable economic growth in the country and improve the socio-economic well-being of the individuals. The national policies serve as a benchmark to formulate the provincial growth and development strategies (PGDS) and LED strategies at local government.

Sections 152(c) and 153(a) of the Constitution [RSA, 1996] afforded expanded power to local government to promote social and economic development and provide basic needs to the community [RSA, 1996]. Seemingly, the Constitution does not clearly define the specific role and responsibility of the national government in LED matters. Given LED policy guidelines of 2005, the role of the national government is described as coordinator of public policies and investment programmes [DPLG, 2005a]. Provided this portfolio, the national government was charged with the responsibility of the overseer of LED strategies and investment in LED projects. The 2006 LED framework assigned the provincial government the responsibilities for encouraging and creating the enabling conditions for local action to emerged

and be sustained in municipalities [DPLG, 2006]. The roles and responsibilities of the provincial government on matters of LED are as follows:

- To establish LED fora to execute the national LED Forum's activities and set-up resolute LED units in the provincial government.
- To coordinate and assume responsibilities for allocated resources from national to provincial government and ensuring that these are aligned with the priorities of Integrated Development Plans (IDPs).
- To implement PGDS coherent with the national development plan.
- To assist the municipalities in building their capacities to undertake and implement LED strategies.

The PGDS is a custodian of prioritised areas for growth and development within the province. The PDGS guides the policy and development planners involved in LED to locate prioritised areas for growth and development within the province and thus utilise it to enrich the contents to LED policies regarding localisation. Koma [2014] discloses that the need for a synergy between the PGDS and LED policies are required to facilitate, amongst other things, the Integrated Development Planning between the provincial and local sphere of government, with due cognisance of the districts growth and development strategies and to ensure that the objectives of intergovernmental relations are achieved.

The district municipality was accorded the responsibilities of managing, coordinating, implementing, and monitoring various capacity building within the district and across the local municipalities [Davis, 2006]. Atkinson et al. [2003] are of the view that the role of district Municipalities on matters of LED remains ambiguous and unresolved regarding which "tier" of sub-national government (district or local) should be the primary developmental tier, and where major policy decision is to be taken.

Regarding the local municipalities, the 2006 LED framework conferred on local government the following core roles and responsibilities:

- To provide leadership and direction in policymaking (cutting red tape, improving the business environment).
- To administer policy, programmes, and LED projects.
- To be the main initiator of economic development through public spending, regulatory powers and promotion of industry, small business development, social enterprises, and cooperatives [DPLG, 2006].

Given the provisions of local government Municipal Systems Act [Republic of South Africa, 2000], the issue of an IDP features prominently amongst the diverse legislated LED key functions and responsibilities for local government. As a result, the IDP became a compulsory activity for local governments [Nel, Rogerson, 2005b; Rogerson, 2011]. This phenomenon, as maintained by scholars [Toerien, 2005; Rogerson, 2011] made South African local authorities to become the wardens of economic growth in their respective jurisdictions. The IDP process, comprising of LED components, is fundamental for the delivery of developmental tasks by the local government.

It can therefore be acknowledged that the three tiers of government are assigned a distinctive but mutually responsive portfolios on matters of LED. As contained

in the policy framework for intergovernmental relations, the objectives of the intergovernmental relations framework act [Republic of South Africa, 2005] are to provide a framework for the three spheres of government to promote and facilitate intergovernmental relations within the required established structures, and to provide for mechanisms and procedures to facilitate the settlement of IGR disputes. IGR requires that the three spheres of government work in partnership and constantly communicate with one another. Now the question is about the ability of IGRFA in promoting effective collaborations and partnerships between the three spheres of government in South Africa. Given the literature of Kahn, Madue and Kalema [2011] the South African Interim Constitution of 1993 did not provide clear guidance on IGR or how it would function, and that there was a lack of clarity regarding the form IGR would take. Some other scholars argue that IGR is centrally driven from the national government, and local government can give inputs through IGR structures [Botha et al., 2015; Brown, 2020]. The scholars maintained that even the IGR structures are merely consultative.

One of the overarching arguments underpinning this paper is that, for municipalities to succeed in establishing themselves as developmental local government structures, capable of responding to the socio-economic concerns within the municipalities, they need to have the ability to successfully manage LED in a cooperative manner with relevant stakeholders. There is really a need to promote inclusive development strategies, where the representation and participation of all relevant stakeholders provides a viable and complementary alternative to the traditional bureaucratic governance mechanism. Imperatively, the need for the government, private, and civil sectors to collaborate towards efficient local governance becomes apparent. As buttressed by Meyer [2013; 2014] the bedrock of local governance improved performance regarding LED is through cooperation and partnership between government, private sector and local communities.

Section 152(1)(e) of the 1996 Constitution of the Republic of South Africa encourage the involvement of communities and community organisations in matters of local governance. The emergence of the *Municipal Structures Act* [RSA, 1998]; *Municipal Systems Act* [RSA, 2000] and the *Municipal Finance Management Act* [RSA, 2003] tended to galvanise the provisions of the constitution on public participation on matters of local governance. National Policy Framework on public participation was introduced in 2007 as a further move to institutionalise public participation in local governance in South Africa. The policy promotes inclusive public engagement and participation of all stakeholders, *including the private sector and civil society* in developmental matters within the municipalities. In furtherance, the country's dominant neoliberal economic strategy on growth and poverty, the National Growth Path (NGP) and National Development Plan encourages effective involvement of communities and civil society organisations in the development process of their community.

Consequently, all government departments inclusive of local government are required to formulate comprehensive public participation strategy within the framework of cooperative and integrated governance. According to South African Legislative Sector [2013] and South Africa Local Government Association

(SALGA) [2013], the overarching principle of public participation means, stakeholders affected by the decision or action of the public authority have the right to be consulted and to contribute to that decision. Municipalities are therefore obliged to encourage the involvement of communities and community organisations in local governance.

These provisions dictate how a municipality operationalises both its political and administrative functionalities. Local municipalities are legally required to consult with local communities while encouraging and supporting active and meaningful community participation in the design, implementation, and monitoring of Integrated Development Plan (IDP). The IDP is a product of the Integrated Development Planning Process of municipalities in which LED is a component. The IDP is an interactive and participatory process which requires the involvement of several stakeholders. It is widely regarded as a plan that facilitates and drives all planned development initiatives that occur within a given municipal space. Imperatively, IDPs remain the developmental blueprints for municipalities where the needs and priority matter of the community are reviewed.

According to Dawson [2014], several specific sector policies and legislation were embedded in the principle of public participation, requiring structures and systems aimed to provide opportunities for citizens to be involved in decision-making as manifested in the proliferation of structures such as the *ward committee*, *advisory panels*, *community development workers*, *focus groups*, *fora* and *sector groups*. As mentioned by Maphazi et al. [2013] these structures and systems are complemented by community *izimbizo* (*outreach programmes*) and *Masithethisane* (*come let us talk together*) programmes, all geared to promote the involvement of communities and community organisations in local governance. Given this plethora of policies and legal frameworks aimed to promote cooperative governance, that informs and fosters local economic development, the question is: How are things on the ground? What have we learned?

Dawson [2014] argues that despite the available plethora of enabling policies and frameworks, providing the legality for non-state participation in local governance issues, the top-down implementation and the technical nature of the processes preclude the communities from effective participation. Experience indicates that the implementation of the legislative framework raises questions regarding true commitment to a participatory government [SALGA, 2003; Mathekga, Buccus, 2006]. Dawson [2014] further maintains that local officials often subjugate participation to a mere compliance exercise rather than an opportunity to empower community members, who know the needs of the community best, to participate in decision-making actively.

## 2. Research design and methodology

This study adopted an interpretive research design and specifically used a case study approach. The research is located within the interpretive and constructivist

paradigm, which reflects on definitions and pursues to understand the context and each case by using a range of qualitative approaches [Babbie, Mouton, 2001]. Employing interpretive research design assists the researchers to understand the dynamics of policies and legal frameworks promoting cooperative governance, that informs and fosters local economic development specific to small rural towns in the Western Cape in their natural settings, and construct meanings that individual attached to their experiences [Esterberg, 2002; Jones, 2002; Denzin, Lincoln, 2005].

In attempting to study the above-noted dynamics, a case study of six local municipalities were identified. These municipalities are Hessequa municipality (HM), Kannaland municipality (KM), Oudtshoorn municipality (OM), Mossel Bay municipality (MBM), Swellendam municipality (SM) and Theewaterskloof municipality (TKM). A mix of factors were taken into consideration that assisted in an informed decision on the choice of municipalities suitable for comparative study. There appears to be no significant difference in the local economy of the six municipalities chosen, which are characterized by informal small businesses. The latter was another concern in the study, relating to concerns of inclusive participation of the business, civil society and government in the local governance and system management of LED within a municipality. The need to be able to match economic similarities between these comparing cases was another impetus for the selected municipalities.

The grading of municipalities was used to determine the comparability of the six selected municipalities. The municipal demographics and municipal total income were used to determine the grading of the six selected municipalities (as there appears to be no available compiled list of municipal grading). The government gazetted document on the determination of grading for municipalities [Department of CoGTA, 2017] was employed as a guide. As contained in the document, the grading of a specific municipality is determined by a combination of points allocated for the total population within the municipality in conjunction with the allocated points to the municipality for total municipal income. Put simply, the grading system is based on populations and total income of municipals. As established in the study, there were not many differences in the grades of the selected municipality which were predominantly Grade 4 except KM and TM ranked Grade 3 and 5, respectively. The decision to include these two municipalities as comparable cases was based on economic ground.

Another important reason for the choice of these municipalities was to fill the existing gap that most of the research on LED were mostly concentrated on the eight metro municipalities in South Africa, such as the City of Cape Town, Buffalo City in East London, Ekurhuleni Metropolitan municipality (East Rand), City of eThekweni (Durban), Mangaung Municipality (Bloemfontein) and Nelson Mandela Metropolitan Municipality (Port Elizabeth), without acknowledging and researching on the peculiarities involved in the local governance of the local economy of intervening towns. Given the fundamental feeders' role of these towns towards the economic development of the cities, most often than not these towns are socio-economically tied to that of the cities. Imperatively, the researcher considered it

necessary to explore the dynamics of collaborative governance of LED in these towns, aimed at improving the responsiveness and system management of socio-economic concerns within the selected six municipalities.

Data were collected from government officials, private and civil sector through three data collection instruments, namely, document review, interviews and focus group discussions. The document review is complemented by data from interviews and focus groups discussion. Semi-structured interviews were conducted with 24 key informants drawn from the six municipalities; District offices (Eden and Garden route); Western Cape Department of Economic Development and Tourism (DEDAT); Department of Cooperative governance and Traditional Affairs (CoGTA); NGOs/CBOs and business chambers in the District Municipalities. Specifically, the participants were: Executive Mayors and Councillors; LED and IDP staff; Officials of DEDAT, CoGTA and Salga; and Representatives of business and civil society.

Focus group discussions were facilitated with sixteen (16) participants which mostly involved the participation of the Mayors and the Mayoral committees of Hessequa and Theewaterskloof municipalities, and IDP staff of Garden Route (Eden) district municipality in George. Twenty (20) documents were analysed in the study to systematically assess the policy and legal framework that informs cooperative governance for LED in the selected six municipalities in the Western Cape. These were a mixture of relevant policy documents and implementation strategy documents retrieved from the public domain of the municipality, government department and public agencies. The predominant numbers of these documents were the municipality's IDP and the municipality's LED strategy and implementation plan. These were a mixture of relevant policy documents and implementation strategy documents.

The method of analysis chosen for this study to analyse the transcripts and organisational documents was a data-driven inductive approach of qualitative methods of thematic analysis aimed to identify patterns in the data employing thematic codes. Atlas.ti 8.4.14™ software package was employed to extract, compare, explore, and aggregate the data to delineate the relationships amongst emerging themes.

### 3. Findings and discussions

This section of the paper presents discussions on the key findings of the study as it relates to the efficacy of policy and legal framework for cooperative governance and LED in small towns in South Africa to coordinate responses to socio-economic concerns in the selected towns. The policy and legal framework place the onus for development on the local municipalities and urge the municipalities to partner with other stakeholders such as the business and the civil society to manage and respond to socio-economic concerns within the municipalities. Given the research conducted (empirical and non-empirical). The key findings from the study are

mixed. It falls into two broad thematic areas, namely, policy design issues and poor implementation. The policy design was established problematic in multifarious ways, *vis-à-vis*, poor articulation of roles and responsibilities of key role-players in the existing policy and legal framework, outdated policy and legal framework, fragmented and misaligned policy and legal framework; and lack of policy and legal framework assessment mechanism to establish how the policy and legal framework is doing on the ground. Poor policy implementation is also part of the results in this context. However, the findings also provide a glimpse of hopes in matters of public accountability especially amongst government role-players by providing policy guidelines for promoting accountability through performance assessment tools such as Key Performance Areas/Indicators (KPA and KPIs).

### 3.1. Policy design issues

The design of the policy and legal framework for the collective governance of local economies in local municipalities was levelled with various pitfalls concerning the articulation of roles and responsibilities of key role-players, policy update, policy assessment mechanism, and the extent to which it aligns to other sectoral plans and expenditures of municipalities and other government spheres.

The study findings revealed that the policy and legal framework for LED and its associated framework fail to articulate the specific roles and responsibilities of the key role-players, especially that of the business sector and the civil society. This assertion can be observed in the following quotes:

To date, the policy and legislative framework at national level do not define the roles and responsibilities of role-players. At a provincial level, I can say yes to some extent. [D1]

To my understanding, the policy should be able to define the roles and responsibilities of the state, business and civil society in such a manner to act as checks-and-balances. [D24]

Both business and civil sectors are increasingly involved in matters of development within the local community. The private sector is becoming the lead player in the deployment of resources for LED, such as capital, technology, and human resources. As argued in previous studies, this paper maintained that the private business with the shared value for the business and the society, can create entrepreneurial opportunities, contribute to technology transfer and develop local industries [Krishna, 2011]. The civil society emerged as a strategic partner in the development process as they pursue to develop an alternative way of facilitating economic development and creating public value through emerging initiatives in their localities [Ghaus-Pasha, 2004; Oduro-Ofori, 2011; Mutabwire, 2012].

Barely enough can be achieved consequently by all key role-players (state, private and civil society) on matters of local development without the provision of enabling statutes that delineate the roles and responsibilities of the respective key role-players. Extant literature has argued that failures to define roles and

responsibilities of key role-players consequentially lead to duplication of roles and responsibilities [Greijing, 2017; Kahika, Karyeija, 2017]. A requirement to promote accountability amongst the LED key role-players is the extent to what the role-players are made known of their respective roles and responsibilities and where they might overlap [Barrett, 2000; Ryan, Walsh, 2004]. This paper maintained that one could not be held accountable for something not appropriately defined in the first case. Still on this context, although the findings reveal that most of the participants (especially the municipal staff) believed in the ability of the policy to promote accountability through the application of KPIs, but in reality, it is rarely conducted effectively.

Another concern is that employing KPIs is difficult to enforce specifically in collaborative endeavours of this nature of LED, where participatory is voluntary. Employing KPIs to promote accountability becomes less effective in an endeavour where roles and responsibilities of role-players are not defined. A concern of ambiguity of policy and legal framework is created, as established in this study as fragmented and uncoordinated, resulting in duplications of roles and responsibilities. Although the municipalities are statutorily required to develop and aligned their developmental strategies to those of other departments and spheres of government, the study established that most of the development plans at a municipal level, specifically, some locally defined priorities are difficult to be properly aligned to those of other spheres of government as epitomised below by some quotes comments made by the respondents:

To date there is a lack of policy, legislation and planning arrangements from national. And there is disjuncture between national and provincial government, leading to ad hoc planning and insufficient resource allocation to promote local economic development. [D1]

The study findings confirm three other extant studies based on their argument that it is practically proved impossible for municipalities to link their IDPs to national or provincial department plans [Ambert, Feldman, 2002; IDASA, 2008; Robino, 2009]. As maintained by Robino [2009: 256], the reason could be ascribed to disparities in time horizon as line departments hold various time horizons for their plans. Various consultants are often contracted to design sectoral plans, which consequentially impact negatively on inter-sectoral integration of plans.

The study findings reveal that the LED policy and legal framework emerge as outdated. This assertion can be observed in the quotes below:

The LED and Tourism policy and strategy is outdated. [D13]

From my assessment, the introduced policy levers have been ineffective and cannot claim to positively impact on growth and development objectives. [D4]

The biggest challenge is the national government legislation. We are talking about a document that has not been modified since 2006. It's a rigid document conducted by a bureaucrat that don't know what business all is about. [FG4]

The policy and legal framework influence the way local authorities conduct matters of local development. Given the enactment dates of the various policies, IGRA in 2005; national LED framework in 2006; policy on public participation in 2007. The 2006 National LED framework was designed as a five-year framework aimed to provide support to the development of local economies through an integrated approach, comprising both the state and non-state alike. Paradoxically, LED strategies and implementation plans at local municipalities during the time of this study were still fundamentally based on national framework which came into effect fourteen years ago. Although a revised framework was adopted in 2017, not much has changed in the selected municipalities regarding their LED strategies and implementation plans. As maintained by Rogerson [2014], since the preparation and release of South African's National LED framework in 2006, the context for the planning of LED changed considerably in several critical dimensions, for example, the NGP launched by Zuma in 2009, the NDP 2030 released 2012, by the National Planning Commissions [NPC, 2011].

According to Rogerson [2014], LED's role is barely mentioned in the NDP. The analytical concern is the relevance of these policy documents, encountering modern realities. The high pace and scale of advancement in high-tech, specifically in digital, robotics, and automatic applications are profoundly reshaping individuals' personal and professional life. It poses a great challenge to public policymaking and implementation in matters of development. Several processes and structures in public entities, developed over the last few centuries, would soon become obsolete and irrelevant [Agarwal, 2018]. With the emergence of Artificial Intelligence (AI) technologies, where machines can perform some tasks traditionally and exclusively performed by humans, brought a new dimension to humanity. AI holds significant promise for public sector undergoing a transformation with robotic and automation, changing the provision of public services.

Public sector procurement of AI-powered technologies presents challenges concerning legal liability, where a decision taken by an algorithm harms someone's life. Following these complexities of the modern era, the credibility and relevancy of the national framework and its associated strategies in the wake of the 4<sup>th</sup> industrial revolution is questioned. The ability of these policies and strategies to support the development of a resilient and sustainable local economy in a contemporary era characterised by automatic and robotics applications occasioned by 4IR, is put to question. Although it was established in the study that some selected six municipalities reviewed their LED strategies, some municipalities are still employing their outdated LED strategies and implementation plans.

The study findings revealed the concern of policy assessment mechanism to monitor and assess the performance of the policy and legal framework. This can be observed in the following synthesised quote below:

As it pertains to mechanisms for monitoring and evaluating policy performance, no device has been investigated and developed to do this. [D1]

The complexity of modern government beckons the usage of effective policy assessment mechanism within the LED policy and legal framework to provide both institutional and sectoral guidance for assessing the usefulness and relevance of the framework in the ground. This would also enable the stakeholders to consult and synchronise the policy and be able to resolve any inconsistencies or conflicts in either the policy development or implementation. To monitor and evaluate LED legal policy and framework, the study chose to advocate for an integrated approach whereby the LED key stakeholders (government/state, private and civil society) would be prominently and actively involved throughout the process.

The study identified that no formal mechanisms were established with clear guidance for the arbitration of LED policy and legal framework, not to mention the ability of the assessment mechanism to formulate sub-national positions on policy options and to resolve conflicts of interests. This renders it difficult to provide reports or feedbacks on policy performance to establish what is effective to replicate in form of good practice and what is under-performing for review.

The findings also provide a glimpse of hopes in matters of public accountability especially amongst government role-players by providing policy guidelines for promoting accountability through performance assessment tools such as Key Performance Areas/Indicators. However, it remains to be seen how these performance assessment tools of KPAs/KPIs could be effective in promoting accountability in cooperative governance endeavours where authority and responsibilities are shared, and participation of role-players is voluntary. This orientation can be observed in the quotes below:

There are some measures in term of our KPAs, where you need to be accountable. [D6]

Policy promotes accountability through its various measuring devices and measurement (KPI). In practice, it is a box tick exercise without real commitment and strong leadership from senior leaders. [D11]

For accountability, informed policymaking, and improved governance of LED, three complementary actions are required, such as, monitoring, analysis, and reporting. Monitoring to collect evidence about how the policy is doing on the ground, justifying the data through analysis and reporting to the policymakers and the public. The challenge, as established in the study, is the absence of an articulated monitoring and evaluation (M&E) policy framework in the selected municipalities. Consequently, this background hinders the ability of the system to access updated information on the performances and effectiveness of policies crucial for accountability and learning.

As rightly maintained by Ryan and Walsh [2004], a need exists for such a framework and reporting mechanism for collective initiatives. Collecting and analysing evidence about the impacts of LED policy and its associated strategies on addressing the socio-economic concerns within the local municipalities, and reporting to the

state, policymakers and the public as the case may be, is imperative in assessing how policies are performing and most importantly to policymakers in re-prioritising and refining policy development instruments and objectives for local municipalities.

### 3.2. Policy implementation

The majority of the participants acknowledged the challenge of poor implementation of LED policies and legal framework. This theory can be observed in the ensuing quotes:

How this is practised on the ground, has not been effective, and can be attributable to a number of reasons such as lack of stakeholder collaboration/networking skills, communication challenges. [D1; D6; D14 and D24]

The complexities of unintended outcomes of LED policy and legal framework attributable to poor implementation cannot be overemphasised. Uncontestably, these outcomes were unintended by policymakers. The analytical interrogation in this context is about what is behind the breakdown. As contained in the World Bank [2011] policy brief on South Africa, the reasons were as follows: a sharp focus on delivery targets, defined as outputs rather than outcomes (for example, the number of new set-up business, rather than the number of successful new business), financial resources, weak institutions for LED implementation and inadequate capacities.

The concern of capacity shortage is echoed in the discourse of several scholars [Maserumule, 2008; Rogerson, 2009; Khambule, Mtapuri, 2018; Kroukamp, Cloete, 2018; Luthuli et al., 2019; Ntaopane, Vermeulen, 2019] as a plausible reason for the failure of municipalities, specifically low resourced, small towns municipalities to succeed in LED matters. Van der Heijden [2008] maintains that the latter outcome evolves in an increasing trend towards the production of low-quality LED plans marked by a project focus, unrealistic targets, an inability to identify the drivers of local development and poor implementation. The same findings were observed in the principal investigator's [Kamara, 2015] previous study:

- LED was not fully integrated with other functional departments in the municipality, rendering LED practices in the two municipalities confined to the LED units in the municipalities.
- Ambiguities in LED policy and strategy as there were contrarily perspectives of what LED is and unique perspectives of how it should happen.
- Minimal reporting and M&E prepared to provide feedback and support.

More often, local government outsourced jobs to consultants, but without adequate in-house expertise to ensure that the work is done to standard [Watermeyer, Phillips, 2020]. The management of programmes lose its effectiveness when outputs and outcomes on programmes are not measured. Therefore, the importance of monitoring and evaluation are critical for LED interventions in local municipalities [Kamara, 2015; Kamara, Leonard, Haines, 2017].

## 4. Future studies

Provided the importance of the proposed outcome measurement framework/model evolving from this study, aspire to improve the design, implementation, and assessment of LED-based cooperative governance. Subsequent/future research can be conducted to establish common outcome indicators based on the constructed framework in this study. Future research can be conducted to determine whether the methodology exhibited in this study would produce the desired results when evaluated in comparable towns.

## 5. Limitation of the study

Focus group discussions with Mayors and Mayoral committee members could only be held in three of the six selected local municipalities. The reason is their lack of willingness to participate in the focus group discussions. This presents the strength of the triangulation outcomes. An alternative focus group was held with municipal officials at the affected municipalities' district offices. Participants provided suitable insights into their views and experiences of LED and cooperative governance in the three local municipalities concerned. Relevant documents were reviewed pertaining to the theory and practice of LED and cooperative governance in the three affected municipalities.

## 6. Conclusion and recommendations

This paper provides an overview of LED policy and legal framework by reviewing their definitions and strategies and their applications, and by critically assessing its conceptual coherence and their utility to promote development in local municipalities through collaborative endeavours. Given the expanded role of municipalities regarding grassroots development, policy and legal framework urge the municipalities to partner with other stakeholders such as the business and the civil society to improve the system management and responsiveness to local needs within the municipalities. The study contends that the non-impressive derivatives of policy design and implementation, relating to promoting collective local governance of development within municipalities, provided an impetus for its assessment. The dialectic between theory, policy formulation and practice of LED and cooperative governance within the six municipalities is discussed in the paper. Therefore, the paper concludes by providing the following recommendations:

- a) LED Policy and legal framework to be reviewed

The study established LED policy and legal framework as outdated in encountering the realities and complexities of contemporary local government development

concerns. The existing LED national framework, IGRA and Policy on public participation should be reviewed and this should continually be carried out at least every five years to reflect the complexities of contemporary development concerns in a global and local context. Therefore, a reviewed policy framework and strategy for LED is one of the key determinants of success in collaborative governance for LED. The reviewed policy and legal framework should also incorporate the concerns for roles and responsibilities of role-players, policy integration and coordination.

b) Clearly defined roles and responsibilities of role-players

The policy and legal framework should articulate the specific roles and responsibilities of role-players, municipality, private and civil society. This helps to mitigate the concerns of the laissez-faire approach commonly associated with implementation and thus promotes accountability among role-players. The Government should continue its orthodox role of providing an enabling environment for the functions of the entire system and activities, while the private sector generates jobs and income; use its resources and expertise to strengthen governance, monitoring and evaluation mechanisms. The civil society should improve on the delivery of services and mobilise individuals and community to engage actively in matters of shared developmental goal. The inclusion of civil society in the governance of development management becomes imperative as they pursue to play the active roles of shaping norms, laws, policies and tends to challenge traditional notions of representation, accountability, and legitimacy [Weiss et al., 2013: 13].

c) Assigned roles to match role-player's strength and capabilities

Policy and legal documents should ensure that assigned roles and responsibilities are consistent/compatible with the strengths and abilities of the role-player. This would help to minimize incapacity problems which often lead to poor implementation, as observed in the study.

d) Integration and coordination mechanism of policy and legal framework

Reported cases of fragmented and uncoordinated approach could be reduced by introducing measures aimed at facilitating policy alignment and coordination towards achieving better efficiency. Such mechanism that can enhance the process through which the trio share knowledge and information and the role-players having defined responsibilities, so that they could take joint decisions aimed at achieving a greater common goal.

e) Monitoring and Evaluation of policy and legal framework

There is a need for increased monitoring and evaluation capability to provide feedback on how well the policy and legal framework is working on the ground. Adequate budgetary provision set aside for the assessment of the policy and legal framework aimed at identifying cases of good practice which have to be replicated and areas of deficiencies that need to be improved.

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