

THE ROLE OF STAKEHOLDERS IN LOCAL ECONOMIC DEVELOPMENT: A  
CASE STUDY OF THE SWAKOPMUND MUNICIPALITY

A THESIS SUBMITTED IN PARTIAL FULFILMENT  
OF THE REQUIREMENTS FOR THE MASTER DEGREE IN BUSINESS  
ADMINISTRATION (MBA)

OF  
THE UNIVERSITY OF NAMIBIA

BY  
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JANUARY 2013

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## DECLARATION

I, Rosina //Hoabes, hereby declare that this mini thesis entitled **The role of stakeholders in local economic development: a case study of the Swakopmund Municipality** is my own original work carried out under the supervision and guidance of Prof. Dr. Ravinder Rena and it has not been submitted elsewhere in fulfilments of the requirements of this or any other award.

Signature:.....

Date:.....

## **DEDICATION**

To my precious late mother, Justine Tsipiri Seibes, for being a brave, loving and caring woman during the most difficult times, especially when I was relying on her during the days of my upbringing.

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**ABBREVIATIONS**

DPLG	Department of Provincial and Local Government
ERC	Erongo Regional Council
GTZ	German Technical Cooperation
LED	Local Economic Development
MEU	Monitoring and Evaluation Unit
MRLGHRD	Ministry of Regional, Local Government Housing and Rural Development
NCCI	Namibia Chambers of Commerce and Industry
NGO	Non-Governmental Organization
PPP	Public-Private Partnerships
SACN	South African Cities Network
SADC	Southern African Development Community
SME	Small and Medium Enterprises

## ACKNOWLEDGEMENTS

I would first and foremost like to thank the Almighty Father for giving me the strength and necessary wisdom to complete this thesis. It is impossible to complete an MBA degree without the help, assistance and moral support of those closest to you.

Therefore, my heartfelt gratitude goes to my dearest husband, Harry Aube //Hoabeb, for his endless support and encouragement during this study. I wish to thank my fellow students for their good spirit and co-operation, especially when we were working together on some joint assignments and during the preparations for examinations. I am also greatly indebted to Dr Hengari, the Director for Namibia Business School, Ms Lovisa Amon, the Course Co-ordinator at NBS and all my lecturers. Thank you all for making me realise my dreams.

Last, but certainly not least, a very special word of appreciation and thanks to Prof. Dr. Ravinder Rena, who was my supervisor for the final Research Paper. I am much indebted to him for his commitment, excellent assistance and guidance during the time I was working on my study.

Windhoek

Rosina //Hoabes

January 2013

**ABSTRACT**

This research investigated the role of stakeholders in the local economic development in the Swakopmund Municipality. The study sought to find out the roles and responsibilities of stakeholders in the local economic development in Swakopmund Municipality. It also further identified the contributing factors affecting the effective participation of stakeholders in local economic development programmes.

The study employed a qualitative approach which relied mainly on semi-structured interviews and document analysis to obtain both primary and secondary data from different institutional actors. Some of them were the Ministry of Regional, Local Government, Housing and Rural Development, Erongo Regional Council (ERC), Municipality of Swakopmund, Namibia Chambers of Commerce and Industry (NCCI) representing Business people, Non-Governmental Organization, Faith-Based Organizations and Investors and Tourist Association of Namibia (TAN). Relevant literature was reviewed to explain the Local Economic Development as well as the roles and responsibilities of stakeholders in Local Economic Development.

The findings of the study revealed that the non-participatory top down approach, lack of communication and consultation among stakeholders resulted in stakeholders not knowing their roles and responsibilities.

On the basis of findings of the study, conclusions were arrived at and recommendations were made to improve communication and consultation between the Ministry, the Municipality and Regional Council as well as between the Municipality of Swakopmund and the stakeholders in its locality. It is argued that proper consultation can prevent a repetition of the present malaise when future legislation is introduced. It will enable the aims and objectives of the legislation to be effectively implemented by the Municipality of Swakopmund.

The research is also considered to be one of the first attempts to establish the role of the stakeholders in Local Economic Development.

Keywords: Local Economic Development, Swakopmund Municipality, Stakeholders, Government of Republic of Namibia

## CHAPTER ONE

### INTRODUCTION AND BACKGROUND

#### 1.1 Introduction

This study investigated the role of stakeholders in local economic development (LED) programmes in the Swakopmund Municipality. A brief background of Swakopmund is necessary to situate the research problem.

Swakopmund is located in the central coastal region of Namibia, 360 km (175 miles) west of Windhoek, Namibia's capital. The geographic location between the Atlantic Ocean and the barren landscapes of the Namib Desert, while housing examples of German colonial architecture makes Swakopmund a pristine seaside resort.

Table 1: Profile of Swakopmund town

Coordinates: <u>22°41'S 14°32'E 22.683°S 14.533°E</u>	
<b>Country</b>	Namibia
<b>Administrative Division</b>	Erongo
<b>Founded</b>	August 4, 1892
<b>Mayor</b>	Rosina //Hoabes
<b>Area Total</b>	181.3 km <sup>2</sup> (70 sq mi)
<b>Population</b>	42,000
<b>Density</b>	193.1/km <sup>2</sup> (500/sq mi)
<b>Time zone</b>	South African Standard Time (UTC+1)

Source: <http://toolserver.org/~geohack/geohack.php?pagename=Swakopmund&params=>

Trading and shipping companies founded branches in Swakopmund. A number of these buildings still exist today. After German South-West Africa was taken over by the Union of South Africa in 1915, all harbour activities were transferred from Swakopmund to Walvis Bay. Many of the Central Government services ceased. Businesses closed down, the number of inhabitants diminished, and the town became less prosperous. However, the natural potential of Swakopmund as a holiday resort was recognised, and this potential has subsequently been developed. Today tourism-related services form an important part of the town's economy (Massmann, 1983:2-3).

The development of Swakopmund started with the movement of the Germans, but because of the apartheid system then in place, the development was skewed. Some areas got more developed than others. The differences in development of suburbs in Swakopmund are testimony of the skewed policy of development. For example, Mondesa has been left behind in terms of infrastructure development (Massmann, 1983:3).

The Ministry of Regional, Local Government and Housing promulgated the Local Economic Development Policy in June 2008 (MRLGHRD, 2008). This research investigated the role of stakeholders in local economic development programmes in the Swakopmund Municipality. In terms of this research, stakeholders are defined as different public and social actors involved in development delivery; the stakeholders include local and regional authorities, offices of Central Government, Tourist Guide

Association of Namibia (TAN) and business representative organisations such as NCCI. (MRLGHRD, 2008:6). On the other hand, Local Economic Development (LED) is defined as a process by which actors within urban areas work collectively with public, business and non-governmental sectors to create better conditions for economic growth, employment generation and community wealth in order to enhance the quality of life for all members of the community (MRLGHRD, 2008:6).

## **1.2 Orientation of the Study**

Prior to independence, the apartheid colonial regime made it impossible for communities and individuals to take initiative to improve their economic and social lives. But in the face of oppression, many Namibians organised themselves to resist the system with a large number of people going into exile to join the armed liberation struggle.

At independence, Namibia was confronted with a situation that was marked by extreme social and economic inequality among individuals, groups of people and regions. Most people did not have access to productive resources, leaving them vulnerable and deprived of using their capabilities (MRLGHRD, 2008).

In Namibia, the concept of sustainable and local economic development emerged in 1997 to redress the inequalities created during the apartheid colonial period. Since then, Namibia emphasised socio-economic aspects in all its development planning

(MRLGHRD, 2008:5). Regional Councils and Local Authorities bear the responsibility of government at its lower tiers for allocating resources and promoting social equity. This required a re-definition of the changing role of government; that of facilitating markets, correcting market failure, promoting economic and political stability, ensuring distributional equity and building on the capacity of communities and civil society to provide goods and services at the local level (MRLGHRD, 2008).

It is against this background that the study is aimed at investigating the role of stakeholders in local economic development programmes, specifically in the Swakopmund Municipality. The study also seeks to find out the roles and responsibility of stakeholders in local economic development programmes.

### **1.3 Statement of the problem**

In 2008 Parliament approved the white paper on local economic development in order to bring services closer to people. The Ministry of Regional and Local Government, Housing and Rural Development set up regional offices, thereby de-centralising service delivery and local economic development to Regional Councils and Local Authority Councils to create commitment and participation. The Ministry of Regional and Local Government, Housing and Rural Development among others also identify the involvement of local people and networks of people and agencies as a key defining feature of local economic development approaches (MRLGHRD, 2008: 6). In 2010 the Swakopmund Municipality adopted the Local Economic Development strategy which is



to identify and define the roles of stakeholders for successful implementation of Local Economic Development in the Swakopmund Municipality (Swakopmund Municipality, 2010:19).

In the process, the roles of stakeholders seem not to be well defined. In some cases, there seems to be overlaps in the roles of the various stakeholders. As a consequence, some programmes are not implemented optimally. Almost no research has been done in this regard.

This study found out the roles and responsibilities of stakeholders in Local Economic Development in Swakopmund Municipality. This study further identified the contributing factors affecting the effective participation of stakeholders in local economic development programmes.

#### **1.4 Research Questions**

The study answered the following main research questions:

- What are the roles and responsibilities of stakeholders in local economic development programmes?
- What are the contributing factors affecting the effective participation of stakeholders in local economic development programmes.

### **1.5 Objectives of the Study**

The objectives of the study were to:

- identify the roles and responsibilities of stakeholders in local economic development programmes in Swakopmund Municipality.
- identify the contributing factors affecting the effective participation of stakeholders in local economic development programmes.

### **1.6 Significance of the Study**

The study will provide a deeper understanding of the contributing factors affecting the effective participation of stakeholders in local economic development programmes in Swakopmund Municipality. The study will offer some possible suggestions to improve the role of stakeholders in local economic development in Swakopmund Municipality and other towns in Namibia. It will also help the decision makers to come up with possible strategies to address some of the problems in the Swakopmund Municipality.

### **1.7 Limitation of the Study**

This study only covers the institutional actors of the following institutions: Ministry of Regional Local Government, Housing and Rural Development, Erongo Regional Council, Swakopmund Municipality, Tour Guide Association of Namibia (TAN), and Namibia Chambers of Commerce and Industry (NCCI) based in Swakopmund due to the

limited time available and financial constraints to complete the study. Since this is a case study, it will be confined to a sample of the population, for the purpose of a thorough and in-depth analysis.

There is limited literature on the role of stakeholders in ‘local economic development’ pertaining to Namibia. Therefore, comparable literature is studied in order to obtain a clearer picture on role of stakeholders in local economic development.

With respect to this kind of investigation, a degree of lack of transparency from some stakeholders in favour of popular answers may be experienced rather than expressing honest opinions; this may negatively affect the findings of the study. Despite these shortcomings, the researcher concludes that the research findings are credible and useful for ameliorating the situation in the Swakopmund Municipality as far as local economic development is concerned.

### **1.8 Definitions of terms:**

Local Economic Development (LED): LED is defined as a process by which actors within urban areas work collectively with public, business and non-governmental sectors to create better conditions for economic growth, employment generation and community wealth in order to enhance the quality of life for all in the community (MRLGHRD, 2008:6).

**Stakeholders:** In terms of this study, stakeholders are defined as different public and social-actors involved in development delivery. They consist of local and regional authorities, offices of Central Government, Tourist Guide association of Namibia (TAN) and business representative organisations such as NCCI (MRLGHRD, 2008:6).

## **1.9 Outline of the Research**

**Chapter One** introduces the study by describing the context of the research, research questions and the research objectives. It also describes the methodologies used to collect data.

**Chapter Two** explains the overview of Local Economic Development by looking at the International experiences, Sub-Saharan Experiences, Southern African Development Community SADC. Finally, stakeholder involvement as the driver of the local economic development is described.

**Chapter Three** describes how different research techniques such as interviews and document analysis were applied to collect data on the role of stakeholders in local economic development in Swakopmund Municipality.

**Chapter Four** provides the analysis of the findings of the research.

**Chapter Five** presents the conclusion of the study and makes recommendations which may contribute to the body of knowledge and inform the policy-makers on how local economic development can improve the lives of people.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2. OVERVIEW OF LOCAL ECONOMIC DEVELOPMENT**

##### **2.1 Introduction**

This chapter starts by outlining international, Sub-Saharan African and Southern African Development Community's experiences of local economic development. Finally, it looks into the stakeholder involvement as the driver of the local economic development.

##### **2.2.1 The International Experience of Local Economic Development**

Bless, Higson-Smith and Kagee (2006) define literature review as the process of obtaining (through reading) any information that has been published and is relevant to the research topic. Issues to be taken cognisance of when undertaking a literature review are: the purpose of the review, the literature sources and the reviewing techniques. Wiersma argues that the review of the literature provides the background and context for the research problem. It should establish the need for the research and indicate that the writer is knowledgeable about the area (Wiersma, 1995:406).

It is important to frame the concept of local economic development and to set out some of the key terms of Local Economic Development (LED), as initially coined by the United Nations Development Programme (UNDP). LED is a locally driven process that

seeks to identify, harness and utilise resources to stimulate the economy and more importantly create new job opportunities in a locality. It is the sum total of the individual contributions of a broad spectrum of the community (local authority, business, labour, non-governmental organisations and individuals) in improving their economic status by combining their skills, resources and ideas (International Republican Institute and National Business Initiative, 1998:2).

Similarly, (Nel, 200:129) define Local Economic development as “essentially a process which local governments and/or community based groups manage their existing resources and enter into partnership arrangements with the private sector, or with each other, to create new jobs and stimulate economic activity in facilitates and enables an improving quality of life.”

Trousdale (2003) defines local economic development as a participatory process where local people from all sectors work together to stimulate commercial activity in order to make a resilient and sustainable economy. Furthermore, he argues that local economic development is a tool to help create sustainable jobs and improve the quality of life for everyone, including the poor and the marginalised. Local economic development encourages the public, private and civil society sectors to establish partnerships and collaboratively find local solutions to common economic challenges. Moreover, the local economic development process seeks to empower local participants in order to effectively utilise business enterprise, labour, capital and other local resources to

achieve local priorities (e.g. promote sustainable jobs, reduce poverty, stabilise the local economy and generate municipal taxes to provide better services) (Trousdale, 2003:86).

Nel (2001) argues that local economic development internationally has emerged as a result of increasing decentralisation of power and decision-making to the local level which came as the result of the neo-liberal era which strived for a reduction in the role of the central state in the economy. Local economic development has also emerged due to economic changes within localities, varying from de-industrialisation to local innovation which requires local leadership initiative, response and direction (Nel, 2001:93).

Morgenrood, (2007) argues that the generic definition adopted is appropriate, it is an “approach towards economic development which allows and encourages local people to work together to achieve sustainable economic growth and development thereby bringing economic benefits and an improved quality of life for all residents in a local municipal area (Morgenrood, 2007:16).

Breitenbach (2006), highlights the fact that the objective of LED “is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which the public, business and the non-governmental sector partners work collectively to create better conditions for economic growth and employment generation” Breitenbach, 2006:9).

The idea that emerges from the variety of definitions is that local economic development is a concept that extends beyond focusing on economic growth. It is about creating development within the locality that improves the quality of life for the citizens. It recognises that a necessary component of this is the provision of employment and the generation of income so that the area can afford desired, improved and necessary services, facilities and infrastructure.

Local economic development is based on the idea that economic development can act as a mechanism for initiating development in the broader sense. This is supported by other descriptions of local economic development, including that by Blakely (1989) which focuses on the role of local economic and employment platform.

The focus is on local development as opposed to regional or national development; municipalities should be seen to be enthusiastic and ambitious in terms of developing their areas. The term “locality” is directly linked to LED as it emphasises both the mobilisation and the pro-activity of local individuals, non-government organisations, business and labour. It is on-going rather than being a single project or a series of steps that have to be undertaken. It means that all the role players and stakeholders in the locality are involved in a diverse range of initiatives addressing a range of socio-



economic development needs. This implies collaboration and responsibility between the public and private sector for the economic development of a region or a location<sup>1</sup>.

Breitenbach (2006) also argues that the three basic themes critical to LED are the importance of entrepreneurship for the economic vitality of a locality, the significance of retaining human capital and reducing out-migration in poorer regions and the potential for inter/intra firm linkages locally. A LED strategy should be an integral part of the broader strategic planning process for a sub-national region, city, town or rural area. Sound LED strategic planning ensures that priority issues are addressed and scarce resources are well targeted (Breitenbach, 2006:9)

Localities globally are playing a critical role in investment, decision making and development and this has been acknowledged by the United Nations Habitat and the World Bank as set out in the recent Report on the State of the World Cities. Simpson, (2009) points out that Economic liberalism and globalisation impacted negatively on economic relations and consequently Caribbean countries had to adjust their markets through liberalising their economies. Local economies exposed to increased competition in an open economy faced several socio-economic challenges, increased unemployment among especially unskilled workers; and closure of small businesses due to lack of

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<sup>1</sup> [www.led.co.za/node/1011](http://www.led.co.za/node/1011)

business knowledge and capital; new technologies; management expertise and marketing tools (Simpson, 2009:3).

A new economic system, “the Third Economic Way”, was proposed for responding to development challenges in the Caribbean and a transformed local government with a strongly enhanced civil society sector was critical to the process. Simpson (2009) points out that “key to the achievement of a third economic sector” is a renewed and vitalised local government as a vital pillar in a new structure of a community governance; it should be a primary official institution, vested with the power and authority to act for this radical and urgent reform of the local government system ... ” (Simpson, 2009:29).

The United Nations Economic and Social Commission for Asia and the Pacific, (2000) has taken significant interest in LED in recent years. It has been noted that, in the wake of the financial crisis of the mid 90s, there was stress placed on decentralisation of systems of governance in order to better promote local economic development. Rather than being dominated by national governments, the new approach has been to formulate and implement economic development strategies regionally and locally (United Nations Economic and Social Commission for Asia and the Pacific, 2000:5).

They further argue that local governments are now being encouraged and supported to promote economic growth in cooperation with the private sector and civil society. The new approach has been summed up by three priorities:

- Greater participation of non-public actors, including private companies, NGOs and community based organisations;
- Decentralisation of national government; and
- Mobilisation of sources of finance, with more emphasis on local economic resources (United Nations Economic and Social Commission for Asia and the Pacific, 2000:5).

According to the United Nations Economic and Social Commission for Asia and the Pacific, the United Nations, together with partners such as the Asian Development Bank, support six strategic principles for LED: decentralisation, partnership, popular participation, capacity building, networks and the use of information and communication technology. It is also noted that the new emphasis falls in line with the Habitat Agenda's 20 key commitments such as support for small and micro enterprises, particularly those developed by women (United Nations Economic and Social Commission for Asia and the Pacific, 2000:1-2)

### **2.2.2 The Sub-Saharan African Experience of Local Economic Development**

Rodriguez-Pose, (2005) states that LED has been assimilated with community or local development and these pro-poor led strategies basically seek to achieve social rather than economic goals. The emphasis seems to be on short term survival and remedial action for addressing social problems as opposed to long term sustainability and development (Rodriguez- Pose, 2005:40).

Rodriguez-Pose, (2005) continues to argue that LED strategies are aimed at economic growth; however, there is also an attempt to address poverty alleviation and greater inclusion of previously excluded groups (Rodriguez-Pose, 2005:40). He further points out that LED strategies that combine a pro-growth with a pro-poor dimension are rare and are generally in countries that are developed, diversified, globally linked and have an urbanised economy. South Africa is a good example of a country that falls in this category.

A UN Habitat study by Simone (2002:18) pointed out that in many African cities, the wide spread insecurities in terms of “tenure livelihood and personal safety has made residents reluctant to invest time and resources into institutionalising a sense of place.” Globally, while many other developing countries have benefitted from globalisation and localisation, economic growth and poverty reduction rates have been slow in African countries. Furthermore, most economic activity has been in the informal sector. The economic Commission for Africa Report (2005) highlights the fact that although the private sector is viewed as not being involved in policymaking, contrary to the expectations, the private sector has been growing; in addition, the number of civil society organisations has also been increasing. These new developments provide an opportunity for credible partnerships as LED can complement and also be an alternative to existing development strategies on the continent. According to Rodriguez-Pose (2005), the benefits are increased participation of local communities, the formulation of

more balanced development strategies, sustainable development and a new strategy for addressing the problems of urban centres and city-regions (Rodriquez-Pose, 2005:75). The Commission for Africa Report, however, states that the majority of these organisations “still suffer from real capacity gaps, poor transparency and lack of accountability (Commission for Africa Report, 2005:145).

### **2.2.3 The Southern African Development Community Experience of LED**

UN-Habitat in<sup>2</sup> defines LED as “a participatory process where local people from all sectors work together to stimulate local commercial activity, resulting in a resilient and sustainable economy. It is a tool to help create decent jobs and improve the quality of life for everyone, including the poor and marginalised. LED encourages the public, private and civil society sectors to establish partnerships and collaboratively find local solutions to common economic challenges. The LED process seeks to empower local participants in order to effectively utilise business enterprise, labour, capital and other local resources to achieve local priorities (e.g. promote quality jobs: reduce poverty: stabilise the local economy generate municipal taxes to provide better services. UN-Habitat in<sup>3</sup> DPLG argues that the Local Government’s role, whether direct or indirect, will determine the institutions arrangements. The Local Government’s role includes strategic formulation and leadership in integrated planning, coordination of local initiatives and other government local economic development activities and provision of

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<sup>2</sup> [www.led.co.za/node/1011](http://www.led.co.za/node/1011)

<sup>3</sup> <sup>1</sup> [www.led.co.za/node/1011](http://www.led.co.za/node/1011)

basic infrastructural services to support SMEs and development of incentives. The latter includes the creation of an enabling environment, improvement of operational efficiency, facilitation of sustainable community projects, and attraction of development funding and dissemination of information (DPLG, 2005:27).

According to Hindson and Vicente (2005), Regional Governments are required to coordinate resources transferred to their departments and to ultimately ensure that the priorities and initiatives at the local level are realised. He further argues that Regional Governments view local economic development as a major delivery area for the local communities, and National Governments have an important role to play in developing the capacity of municipalities to undertake local economic development by supporting them in their programmes (Hindson & Vicente, 2005:33).

SACN (2006) states that Local Authorities, acting in partnership with the national and regional government, and NGOs, should endeavour to enhance the skills base in local communities. This factor will increase productivity as well as have strong distributional benefits in urban societies (SACN 2006: 6-5).

According to DPLG (2005), the development of robust and inclusive local economy requires a high level of intergovernmental co-ordination, between national governments and through all spheres of government local economic development mandate is not well defined in local government legislation and therefore not clearly set out in the regulatory

framework of other relevant sectors. This can also have a significant impact on resourcing levels. It is important that economic policies and strategies, both macro and micro, are clearly understood and articulated so that the key role players and stakeholders can coordinate well (DPLG, 2005:27).

The White Paper on the Local Government Republic of South Africa, (1998) advocates that “Local Government should be committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives” (Republic of South Africa,1998:17).

Namibia adopted the White Paper on Local Economic Development in 2009, the production of which was supported by GTZ (German Technical Cooperation). GTZ are also behind the Local Economic Development Agency (LEDA) being set up within the Ministry to support municipalities in developing LED strategies and processes going forward.

The vision for LED in the White Paper on LED in Namibia acknowledges that national efforts are geared to enhance the conditions for greater global competitiveness in the country. The White Paper asserts that it is at the local and regional levels that opportunities are identified and harnessed. The document asserts that each local area is different and that initiatives rest on the active involvement of local people and the

responsiveness of public and private actors. It does not prescribe any specific action to local players, but aims at creating a common understanding of regional and local economic development as a concept and provides practical examples of initiatives which are drawn from local and international LED practices. The White Paper then provides a framework for local and regional development and adds value to national development initiatives without being prescriptive (GTZ 2008).

### **2.2.3 Stakeholder involvement as the driver of the local economic development**

Developing local partnerships will enable municipalities to achieve much more locally with their own resources, and at the same time to identify and leverage additional resources for development. Municipal partnerships seek to develop a linkage between various local role players and stakeholders that have an interest in LED to ensure that the process is successful and sustainable. The key role players and stakeholders are identified below:

#### **2.2.3.1 National Government**

The MRLGHRD has the responsibility of coordinating the functions of Local Authorities, Regional Councils and Traditional Authorities. The roles that the Government plays include:



- Allocation of developmental budgets (provision of resources for the implementation of projects in line with integrated development planning), which requires the identification of priorities and aligning local and regional with national priorities;
- Drafting of proposals for implementation;
- Initiating employment and income generation opportunities to address challenges emanating from declining economics, retrenchments, and unemployment through economic restructuring and focusing on the creation of business diversity and the identification of top competitive sectors in the economy (focus on identified products);
- Identifying opportunities for capacity building with the training of artisans as a priority;
- Improving communication among stakeholders;
- Harnessing comparative and competitive advantages and marketing and marketing the locality in cooperation with national investment attraction initiatives; and
- Improving the standing of sub-national Government with funding and lending agencies to access resources for development (bankability) (MRLGHRD, 2008:6-7).

According to MRLGHRD, (2008), a Local Economic Development Agency (LEDA) is established and resourced as a unit in the Ministry. It will be guided by a Committee which draws its members from representation of other key Ministries and stakeholder organisations (such as the private sector, Associations of Local Authorities and Regional Councils, Councils of Traditional Leaders, NGOs with the core business in urban and

rural development). This committee will meet bi-annually to advise the LEDA on its facilitative functions and operate a number of sub-committees and or task forces which shall meet on a regular basis. The functions of LEDA include:

- Guiding Local Authorities and Regional Councils in adopting LED plans and programmes, including integrated development planning;
- Improving the functional relationship between Local Authorities, Regional Councils and Council of Traditional Leaders) through the creation of an effective network;
- Sharing of best practices' in LED initiatives;
- Acting as a clearing-house for principles in piloting LED initiatives in selected localities and providing financial and/or technical support and/or facilitating access to financial and technical support;
- Preparing and disseminating LED models (strategies) and tools to stakeholders such as survey forms, plans and policies, and by-laws related to LED;
- Creating awareness and assisting with capacity building at local and regional levels; and
- Assisting with monitoring and measuring LED outcomes and impacts (indicator setting) and adopting a national framework for benchmarking. (MRLGHRD, 2008:22-23).

### **2.2.3.2 Regional Government**

Hindson and Vicente (2005) argue that the Regional or Provisional Councils are required to coordinate resources transferred to their departments and to ultimately ensure that the priorities and initiatives at the local level are realised. Regional/State departments view LED as a major delivery area for the local communities and the Regional/State government has an important role to play in developing the capacity of municipalities to undertake LED by supporting them in their programmes (Hindson and Vicente, 2005:33).

### **2.2.3.3 Local Authorities**

With the promulgation of the Local Authorities Act, Act 23 of 1992, and subsequent Local Authority Council elections in the same year, the foundations were laid for a new local government system in Namibia. The Constitution provides for Local Authorities and Articles 102 and 111 of the Constitution empower Parliament to enact legislation relating to Local Authorities. Article 102 (3) of the Constitution defines Local Authorities to be as follows:

*“Every organ of regional and local government shall have a Council as the principal governing body, freely elected in accordance with this Constitution and the Act of Parliament referred to in Sub-Article (91) hereof, with an executive and an administration which shall carry out all lawful resolutions and policies of such Council,*

*subject to this Constitution and any other relevant laws.”* (Government Gazette No 2, 1990).

The Local Authorities are the third tier of Government in Namibia and their powers, duties and obligations are set out in detail under Section 30 of the Act. The main function of a Local Authority is service delivery, that is, provision of water, maintain and operate a sewerage system, provision of streets and public places and the supply of electricity, and thereby the development of the respective towns. The Local Authorities Act provides for three types of Local Authorities: Municipal Councils, Town Councils and Village Councils. Additionally, there are two classes of Municipal Councils, Part 1 as per Schedule I of the Act, Swakopmund, Walvis Bay and Windhoek, and municipalities as referred to in Part 2 of Schedule I. The difference between Part 1 and Part 2 is that the Part 1 municipalities have greater inherent powers, that is, they are more self-sufficient, compile and approve their own Capital and Running Budgets. All municipalities will in the opinion of the President be able to exercise and perform their responsibilities in terms of the Act and pay out of its own funds the debts incurred. Towns and Villages differ in respect to their ability to finance debt out of their own funds. Additional financial assistance from Government is required and therefore, budgetary approval from the line Ministry is a necessary prerequisite.

Swinburn, Goga and Murphy, (2006) argue that Local authorities are the key actors in the process, as they are instrumental in service provision and implementing local

regulations relevant for enabling effective LED. They can facilitate business development, retention and attraction by marketing local products, offering incentives to supporting small business development and improving infrastructure (Swinburn, Goga and Murphy, 2006:13).

SACN (2006) argues that the Local government functionaries in concert with the local communities, business and government structures at all spheres have to assume responsibility for LED. Economic development has to be nurtured. Consequently, Local Authorities will have to commit considerably more resources to facilitate local and regional development and more specifically develop the capacity of economic development units within local authorities. They can then start matching their strategic objectives of growing the economy with well-resourced economic development programmes. This could then serve as key entry points for localizing national growth policies (SACN, 2006:5-6).

Swinburn et al (2006)., SACN (2006) and DPLG (undated) argue that the Local Authorities have a wide range of regulatory procedures impacting on business. The procedures are:

- Reducing the cost of doing business by streamlining business applications and ensuring that municipal tax and service charges are affordable;

- Analysing the local economy and communicating the complex economic relationships, limitations and advantages to key role players;
  - Undertaking strategic planning which reflects LED priorities;
  - Providing leadership for LED through civil society mobilisation/public participation; networking to create partnerships and projects; developing sector linkages and clustering of economic activity;
  - Coordinating and funding the implementing of LED projects;
  - Ensuring a high standard of service delivery, improving the quality of life and facilitating economic opportunities;
  - Providing incentives (fiscal land development, planning and marketing) to attract private investment and identifying and marketing new economic opportunities;
  - Promoting local business development through procurement policies and re-evaluating land use legislation to identify restrictive conditions, particularly those inhibiting less formal economic activities; and
  - Ensuring an enabling environment for local business through efficient and effective service and infrastructure delivery, and stimulating business growth.
- (Swinburn et al., 2006:14; SACN, 2006:5-6 and DPLG, undated:62).

A key issue in any locality that impacts on the ability of enterprises to be competitive is local governance. Perry (2010) points out that there is some variation in the extent to which local management and administrative process bring together representatives of the

public and private sector, and encourage a collective approach to problem solving and coordinated investment in public infrastructure. (Perry, 2010:31).

SACN (2006) points out that Local Authorities should be creative in terms of developing mechanisms to enhance their business platforms by ensuring that good transport infrastructure is provided, high quality physical locations, reliable urban services and good telecommunication access are available to conduct business. It is important that the local authorities will have to improve communication with the other spheres of government, parastatals and the private sector as many of these are outside local government (SACN, 2006:6).

#### **2.2.3.4 Civil Society**

Swinburn et al (2006) points out that residents must be fully involved in the local development process if successful LED is expected to be driven by the community. DPLG (undated) argues that this will legitimise the process and de-politicise LED projects and ensure long term sustainability. A practical developmental agenda must be adopted by the community. The agenda must focus on realistic and sustainable goals, long term plans and small, visible achievements by involving people; this is key to empowerment (DPLG, undated:64).

Local authorities should:

Increase the effectiveness and efficiency of the process by securing a range of external resources (material, financial), knowledge and experience, often not available within the municipality;

Widen consensus and support for the LED strategy, thereby strengthening the confidence of potential investors and businesses;

Foresee problems by engaging key partners and stakeholders in the process;

Secure community volunteer efforts to support LED implementation programmes. A core group of capable and respected local leaders who are prepared to commit time, priority and believe in LED should be identified (DPLG, undated:64).

DPLG, (undated) states that the incorporation of the low-income and informal economy groups and associations into the local leadership process is important as they have a greater understanding of local economic issues. The active engagement of women in local leadership is critical (DPLG, undated:64).

#### **2.2.3.5 Private Sector/Business**

DPLG, (undated) argues that the private sector/business has a key role to play in LED as they can increase the understanding of the local economy as they have a deeper knowledge of local economic issues and are more likely to be more informed about local



problems and opportunities that could be addressed by the LED strategy (DPLG, undated:65; Swinburn et al., 2006:14).

Swinburn, (2006) further recognises the importance of co-operating with government and civil society. Civil society should organise itself to participate appropriately in building the economy by co-operating with government to create a favourable climate for investment. Civil society should also support small local business development through advisory and linkage mechanism, sub-contracting and tendering, and work on feasible expansion strategies whilst at the same taking cognisance of environmental issues. Opportunities for clustering should be promoted across businesses to enhance competitiveness of local industries. According to Hardingham, (2008) the private sector is critical to unlocking the potential of a locality. It is imperative that local government is able to work in collaboration with the private sector to unlock the potential and transform the local economy into a vibrant and dynamic one. They point out that the challenge in this context is to ensure that local government functionaries are adequately equipped to negotiate, debate and strategise with the private sector around common interest (Hardingham, 2008).

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.1 Research Design**

This research was conducted through the use of qualitative methods. The case study method was used to gain relevant information about the role of stakeholders in local economic development programmes. Peshkin (1993) cited in Leedy and Ormrod (2005) argue that the qualitative method can reveal the nature of certain situations, settings, processes, relationship systems and people. They enable a researcher to gain new insights about a particular phenomenon, develop new concepts or theoretical perspectives about the phenomenon, and/ or discover the problems that exist within the phenomenon. They allow a researcher to test the validity of certain assumptions, claims, theories, or generalisations within real-world contexts. They also provide a means through which a researcher can judge the effectiveness of particular policies, practices, or innovations.

The data were collected by means of semi-structured interviews as well as through document analysis.

### **3.3 Population**

Robson (2002) defines population “as the whole group of people (organisations and objects) that have the characteristic that you want to study; the group of people is a well-defined group of individuals which can be considered as a population” (Robson, 2002:.260).

Therefore, the research population for the study consists of institutional actors from the following institutions: Ministry of Regional Local Government, Housing and Rural Development, Erongo Regional Council, Municipality of Swakopmund, Tour Guide Association of Namibia and NCCI.

### **3.4 Sampling Procedure**

This study used purposive non-probability sampling as purposive sampling strategies are designed to enhance understandings of selected individual’s experience(s). Researchers seek to accomplish this goal by selecting “information rich” cases, which for the purpose of this study are the institutional actors which will provide insight into the research question. The researcher selected interviewees on the basis of their likely ability to contribute to the theoretical understanding of the role of stakeholders in Local Economic Development. Thus, the study targeted a sample of forty-five (45) respondents selected from the institutional actors from the following institutions: MRLGHRD, Erongo Regional Council, Municipality of Swakopmund, Tour Guide Association of Namibia

(TAN) representing tourism sector and NCCI representing business community in Swakopmund and non-Governmental Organisations (NGOs).

Table 2 Summary of the stakeholders interviewed

<b>Stakeholder</b>	<b>Person interviewed</b>	<b>Why they were chosen</b>
Namibia Chamber of Commerce and Industry (NCCI) (Representing Business Community)	The Chairperson and other nine members of Namibia Chamber of Commerce and Industry (NCCI).who were randomly selected	The chairperson of NCCI, Swakopmund branch and the business people were interviewed for the researcher wanted to know their views on the role played by NCCI in Local Economic Development programmes and the roles and responsibilities of stakeholders and how they interact with each other
Swakopmund municipality	Chief Executive Officer and fourteen Senior officials and operational staff members	As any LED unit is responsible for overseeing all LED projects that take place in their municipal space. It was very crucial that an interview be conducted with the CEO and other senior manager from the Swakopmund Municipality in order to fully unpack their role and responsibility in the Development of Swakopmund.
National government (Ministry of Regional, Local Government and housing (MRIGHRD))	Permanent Secretary, Senior Manager of the LED and LED support staff	The Five staff members from Ministry of Regional, Local Government Housing and Rural development (MRLGHRD) were interviewed in order to get their input as they are part of the LED policy development and implementation process.
Erongo Regional Council	Chief Regional Officer, Director Planning and Development Services Chief development Planner Two Development Planners Director of Finance and Administration Deputy Director finance Deputy Director Administration	Ten staff members were interviewed as to get their input on local economic development.

Tourism Association of Namibia (Representing tourism sector)	Five Tourism Operators	Tourism operators were interviewed to ascertain how they are involved in LED in Swakopmund
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### 3.5 Research Instruments

This study used the qualitative research method. The researcher employed multiple instruments and techniques within the qualitative approach of data collection. In the context of the study, the following research instruments were used: semi-structured interviews and document analysis.

#### 3.5.1 Case study

Walker (1980:4) defines a case study as an "...examination of an instance in action. It is a study of particular incidents and events." The case study approach was used because the researcher intends to work on a particular case and was able to collect information that is specific to the particular case (Stake, 1995:4). Through this case study the researcher wanted to gain an in-depth understanding using intensive descriptions and analysis (Meriam, 1998:19). Neuman (1997:31) supports Meriam in this respect and argues that a researcher when gathering information goes in to greater depth to obtain more details on the cases being examined.

Stake (1995:xi) argues that we study a case that is of special interest and we look for detailed interaction within the context in order to understand its activities. Cohen and Manion (1994:50) note that "case studies are a step to action; they begin in a world of action and contribute to it. Their insights may be directly interpreted and put to use..."

Stake (1995:2) in a similar discussion argues that "we do not use case study primarily to

understand other cases but to understand that particular one case under study.” Yin (1989:13) also describes a case study as an empirical inquiry that “investigates a contemporary phenomenon within its real-life context.”

Thus, in this research, the researcher chose a case study as an appropriate methodology because it allows for an investigation of the contemporary phenomenon within its real-life context, it gives space to investigate and focus in more depth. It is an explorative study, which is aimed at getting an in-depth analysis of the LED. Case studies cannot be generalised because they can be subjective.

### **3.5.2 Interviews**

Semi-structured and open-ended questions were used during the collection of data to allow flexibility of the conversation. Merriam argues that the purpose of interviewing is to enter into the other person’s perspective (Merriam, 2001:72).

### **3.5.3 Document Analysis**

Document Analysis involves reading, understanding and exploring the contents of documents written by other authors. It is important to acknowledge that secondary sources were not prepared for the current research, therefore this process “must take into consideration who wrote the document and why” (Kitchin and Tate, 1999:225). Document Analysis is important because it also gives the researcher a general background on the subject that is being studied. Since official records are vital sources of data and are necessary for the purpose of answering the research questions set up in

this research, an analysis was undertaken of documents such as documents on local economic development, Government Gazettes and the White Paper on Local Economic Development and Swakopmund Municipality's LED Strategy.

### **3.6 Data Collection Procedure**

The study employed both primary and secondary data to collect information from the respondents. Face-to-face semi-structured interviews were conducted in which the researcher asked a standard set of questions with one or more tailored to get clarification or probe a person's reasoning. The researcher also made use of an independent person to collect information from Municipality of Swakopmund. This was to remove subjectivity since the researcher is a Councillor and presently serving as a Mayor of the Swakopmund.

A cover letter which explains the background and purpose of the research exercise was distributed by email and fax. Informed consent was obtained from the heads of institutions and selected respondents before data was collected (See Appendix 2).

#### **3.6.1 The Semi-Structured Interview Questionnaire**

In addition to general information, the interview questionnaire consisted of two main parts:

Part 1: Questions for the Council of Swakopmund, Stakeholders and Erongo Regional Council

Part 2: Questions for the National Government/Ministry of Region, Local Government Housing and Rural Development (MRLGHRD)

Questions were phrased in such a way as to gauge the seriousness of the commitment of the respondents from the replies received, as certain questions related directly to each other, but were not directly sequenced to each other. An analysis of the correlation of the answers to the questionnaire points to the validity of the answers received.

Based on the above, the interview schedule was compiled in two sections, with the aim of analysing the results of different institutions and/or group of institutions.

A sample of the interview schedule is attached as Appendix 3 and the Interview Summary sheets as Appendix 4.

### **3.6.2 Conducting the Interviews**

Forty five respondents from different institutions were interviewed at the Ministry of Regional, Local Government, Housing and Rural Development (MRLGHRD), Erongo Regional Council (ERC), Swakopmund Municipality and at the Office of the tourist Association of Namibia (TAN). The interviews were conducted during 02 December 2011 until 31 January 2012 in Swakopmund and in Windhoek respectively.

An interview guide was drawn up and administered to guide the researcher in finding a clear focus. The interviews were designed to assist the researcher to investigate the role of stakeholder in Local Economic Development in the Swakopmund Municipality.

Semi-structured interviews were used to ensure free and rich conversations during which participants could openly explore their thoughts without the fear of being intimidated by



closed questions. Robson argues that “Semi-structured interviews have predetermined questions, but the order can be modified based upon the interviewer’s perception of what seems most appropriate. The wording of questions can be changed and explanations given; particular questions which seem inappropriate with a particular interviewee can be omitted, or additional ones included (Robson, 2002:270).

Bryman and Bell (2007) recommend that "the researcher has a list of questions on fairly specific topics to be covered, often referred to as an interview guide, but the interviewee has a great deal of leeway in how to reply. Questions may not follow exactly in the way outlined on the schedule. Questions that are not included in the guide may be asked as the interviewer picks up on things said by interviewees. Thus, Bryman and Bell (2007:475) describes a semi-structured interview as involving a degree of structure, but adds that interviews also “allowed room to pursue topics of particular interest. The use of a semi-structured interview format enabled the interviewer to probe for more information or detail when something of further interest or relevance was raised (January, 2012). This helps to establish a climate in which the respondents feel comfortable and were able to respond more freely to the questions raised by the researcher. The researcher prepared the interview schedule for guidance in focusing the questions, but did not necessarily dictate how the discussion should go as most of the time questions could be followed up or explored in depth if things were not clear.

The interview schedule was piloted on one volunteer. The idea of piloting the instrument was find out if it was necessary to make some amendments to the instrument in order to

capture the needed information. The piloted interviewee asked for some clarifications, as some of the questions were not clear. The questions were rephrased and with the help of the interviewee, questions were adjusted and became clearer and more understandable.

As the researcher was physically present at the research site, the researcher contacted the individuals targeted for interviews personally in order to secure permission for the use of a tape recorder and to arrange for other logistics. Different dates were set for different interviews based on the interviewees' preferences.

The appointments were made and the time was arranged to get together with the respondents. Some respondents were interviewed after work in their offices whereas others were interviewed during working hours in their offices in their respective work places. In all cases, participants were provided with an information sheet and a consent form to sign at the beginning of each interview as required by the University of Namibia. All participants consented to having their interviews recorded. This technique was utilised in order to increase the effectiveness of the analysis of the information gathered from these meetings. In all cases, all the conversations were tape-recorded and at the same time notes were taken, noting the main ideas mentioned by the interviewees even though this was very difficult to do. Another interview was conducted over the phone and notes were taken. The selected respondents had been identified prior to the commencement of the interview phase.

A basic decision going into the interview process is how to record interview data. Whether one relies on written notes or a tape recorder, it appears to be largely a matter of personal preference. For instance, Patton (1990) says that a tape recorder is "indispensable" (Patton, 1990:348), while Lincoln and Guba, (1985) "do not recommend recording except for unusual reasons" (Lincoln & Guba, 1985:241). Lincoln and Guba, (1985) base their recommendation on the intrusiveness of recording devices and the possibility of technical failure.

Recordings have the advantage of capturing data more faithfully than hurriedly written notes might, and can make it easier for the researcher to focus on the interview. Thus, the tape recorder was useful in the transcription of the interviews, for direct quotations and unique expressions that needed to be captured. Using notes also helped the researcher to put down the feelings, reactions to the experiences as well as what the interviewees expressed through body language, things the tape recorder could not capture.

Some data were also analysed per schedule of institutions that were interviewed. At the same time, any correlation between various aspects addressed in the interview schedule was investigated and analysed.

### **3.6.3 Document Analysis**

A further data collection strategy was the collection of materials and documents. Patton (1987) argues that documents relating to a project under study are rich sources of information. Such as documents which includes all correspondences financial reports,

organisational rules, regulators, minutes of meetings and other official documents.

For the purpose of this research, Swakopmund Municipal LED strategy, Ministry of Regional, Local Government Housing and Rural Development's LED White Paper and related literature were consulted and much valuable information was obtained. This documented evidence provided the researcher with what happened at the Municipality of Swakopmund and also provided further insight into the LED. Document Analysis is also important because documents can provide information and understanding of what is happening at the Municipality. In this study, documentation was used in conjunction with other sources of data.

### **3.7 Data Analysis**

Undertaking data analysis of qualitative data is different from the process involved in analysing quantitative data. Qualitative data analysis involves identifying key themes, trends, ideas and arguments (Gray, 2009). Therefore, the data collected through interviews and documentary sources were analysed with the use of transcription and coding for thematic analysis. In analysing the data, the outcome of the interviews were thoroughly captured, read and transcribed. Content analyses were done by breaking down the content into manageable categories such as phrases, themes or concepts. At the end of analysis the data, patterns of responses occurring were then coded and grouped in terms of relatedness and conclusions were drawn. The data were further presented in diagrams, charts or graphs to specify the various outcomes, views, opinions and suggestions. This process makes data manageable by grouping similar responses (De

Vaus, 2002). Themes are crucial with regard to reflecting views and issues raised by interviewees.

### **3.8 Research Ethics**

A researcher has responsibilities towards fellow researchers, respondents, the public and the academic community. Apart from correct attribution, honesty is essential in the substance of what one writes. Accurate descriptions are required of what was done, how it was done, how the data was obtained and the techniques used to analyse the data collected.

According to De Vaus, (2001), social research should conform to four broad ethical principles, namely, voluntary participation, anonymity, confidentiality and no harm to participants and informed consent. All four of these principles were adhered to by the researcher. Thorough explanation was given to respondents before commencing with interviews.

In order to address ethical issues in the research, the researcher wrote a letter to seek permission from the Heads of various selected institutions in Swakopmund and Windhoek. The researcher also found it important to inform the research participants and give them clear information about the purpose of the research. The draft proposal was also given to the research participants to read through.

At the same time, the researcher also informed the participants about the anonymity of the persons and gave the participants the assurance that no person would be exposed. Thereafter, before starting with the interview, permission was sought from the participants to use the tape recorder. In this research the researcher wanted to be on an 'equal footing' with the research participants and did not want the participants to see the researcher as a Mayor who had come to test them on their knowledge on Local Economic Development. It was therefore very important that the researcher clarified the purpose and intent of the research with them prior to the interviews and subsequent discussions.

### **3.9 Validity and Reliability in Case Study**

In order to ensure validity and trustworthiness the researcher used several sources of information. According to Maxwell (1992:282) "all qualitative researchers agree that not all possible accounts of some individual, situation, phenomenon, activity, text, institution, or program are equally useful, credible or legitimate". In this study the researcher used four strategies to enhance the internal validity. They are as follows:

- Triangulation by using multiple sources of data collection like interviews and document analysis;
- Member checking by sharing interpretations of the study with the respondents to verify the reporting;
- The researcher also clarified and reflected on her intentions throughout, in order to address researcher's bias. (Merriam, 1998:204-206, Maxwell, 1996:93-94); and
- The researcher also collected what is termed by Maxwell (1996:95) as "rich data".

### **3.10 Elimination of Bias**

Gordis, (1996) defined 'bias' as any systematic error in design, conduct or analysis of a study (Gordis, 1996:122). To ensure that there was no bias, the researcher was not involved in explaining and collecting the interview answers from the respondents of the Municipality of Swakopmund since the researcher served as a Councillor and eventually as the Mayor of the town. Therefore, the researcher used neutral volunteers who received the necessary coaching from the researcher to collect the information from the respondents of the municipality.

### **3.11 Conclusion**

In this chapter the researcher described the research design and the various methods that were used to collect the information needed to answer the research questions. Interviews and document analysis were used. Data analysis was also done to be able to report on the recurrent issues.

This study employed a case study methodology which allowed the researcher to choose a specific case which is the role of stakeholders in Local Economic Development at the municipality of Swakopmund. The researcher also considered the ethical issues and also put certain measures in place to ensure that the research would be valid and trustworthy.

The next chapter reports on the research findings from the semi-structured interviews and document analysis.



## **CHAPTER FOUR**

### **DATA ANALYSIS**

#### **4.1 Introduction**

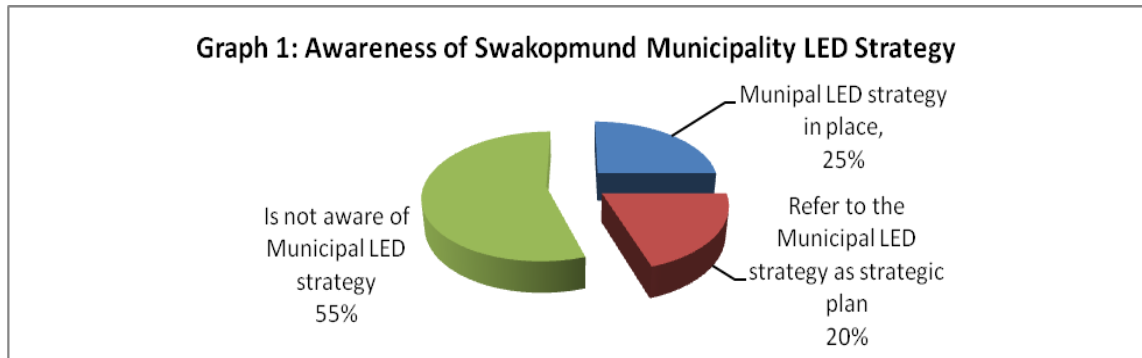
All forty five respondents were interviewed after follow-up phone calls were made by the researcher to those respondents that did not confirm their availability after the letters of request for interview were sent to their respective institutions. Three respondents from the Ministry of Regional, Local Government, Housing and Rural Development were also given an option to answer the same semi-structured questionnaire telephonically, after having received the semi-structured questionnaire due to the fact that they were not available when the researcher visited their work place in Windhoek. Forty respondents were from the Municipality staff members, Erongo Regional Council and other stakeholders while five interviewees were from MRLGHRD. The responses of the former are analysed in Part 1 while those of the latter in Part 2.

## **4.2 Analysis of the Findings**

### **Part 1: All Stakeholders**

#### **Awareness of Municipal LED strategy**

At the time the interviews were conducted (from 02 December 2011 until 31 January 2012), 10 (25%) out of 40 selected interviewees responded that the Municipality has a LED strategy in place, whereas 8 (20%) out of 40 claimed that they were either not aware of the strategy or refer to the LED strategy as a Strategic Plan, which is a separate document than the LED strategy. A total of 30 (55%) of the stakeholders claimed that they were not aware whether the Municipality has got a LED strategy in place or refer to the LED strategy as a Strategic Plan as they were supposed to be part and parcel of the development of LED strategies. This statement is substantiated by the Municipality in the Local Economic Development Strategy that the implementation of the terms of reference to develop a LED strategy for the Municipality commenced with initial briefing sessions held with the leadership of the Municipality as well as with the selected representatives from the stakeholders in September 2007 (Municipality of Swakopmund 2008:3). It seems that the selected representatives of the stakeholders did not include the interviewed stakeholders. This is also an indication that the representatives from the institutions did not share information.

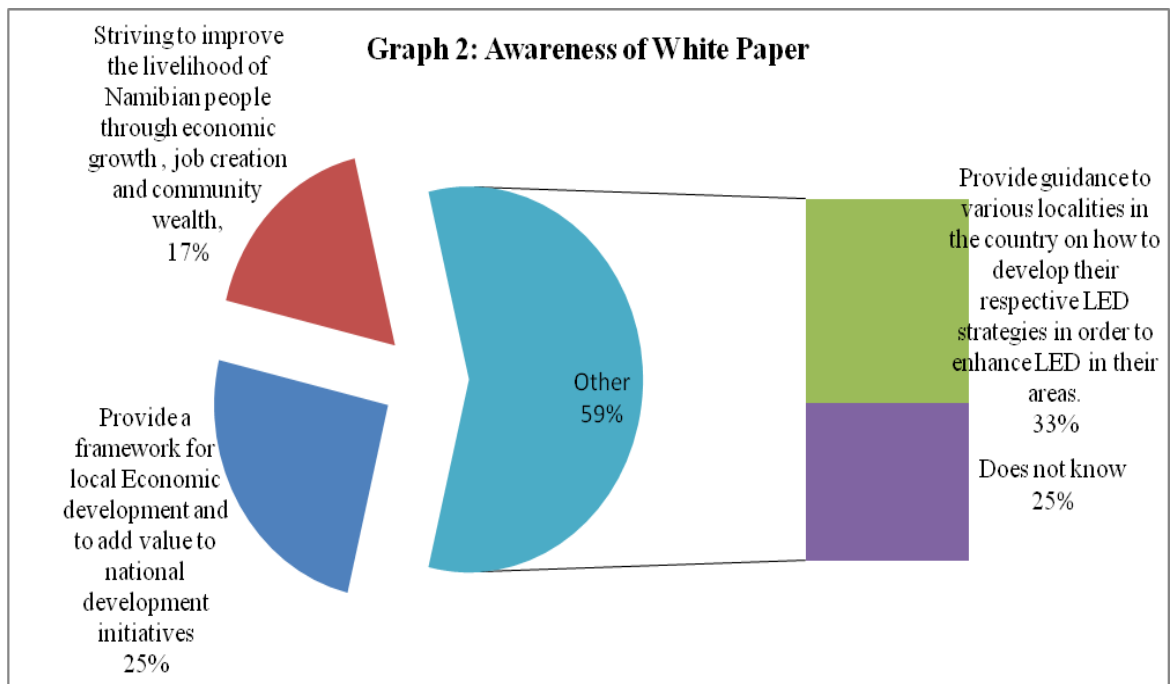


Source: Primary

### **Awareness of LED White Paper**

Only 10 (25%) out of 40 respondents claimed that it will provide a framework for local economic development and that it will add value to national development initiatives. A total of 7 (17.5%) out of 40 claimed that it is striving to improve the livelihood of Namibian people through economic growth, job creation and community wealth. On the other hand, 18 (45%) out of 40 claimed that the Government wanted to provide guidance to various localities in the country on how to go about developing their respective LED strategies in order to enhance LED in their areas. A total of 10 (25%) out of 40 did not know why it was developed. According to the MRLGHRD (2007), the rationale of adopting a White Paper for LED is to improve governance (strengthening institutions at national, regional and local levels and mobilising community involvement). It also is to stimulate the economic development and restructuring (creating jobs, raising incomes and encouraging structuring change and diversification that will make the local economy more sustainable and competitive). Lastly it is to encourage social progress and improving quality of life (improving community facilities and services, combating social

exclusion and conserving and enhancing the environment) (MRLGHRD, 2007:5-7). The indication is that only 17 (42.5%) out of 40 had got an idea what the White Paper is intending to achieve. This shows that there is still much to be done if the LED has to achieve its intended purpose.



Source: Primary

### **Training and workshops held by the MRLGHRD**

All forty respondents felt that the Ministry should have held workshops and training sessions to educate the stakeholders on LED and the reasons why the White Paper was made a law. The MRLGHRD (2007) stressed the importance of the creation of ownership and pride. They further stated that the involvement of local people, communities and their organisations from planning the execution of LED initiatives creates ownership and pride. The saying goes: *‘What we understand, we believe in and*

*what we believe in, we support.* Ownership of initiatives ensures that public action is appreciated and cases of vandalism are drastically reduced (MRLGHRD, 2007:12). Therefore, the involvement of all stakeholders is very crucial for ownership and for the laws to be implemented successfully. Prior communication of the need for the new legislation was completely absent. This resulted in incorrect inferences being drawn by some stakeholders and the first signs of resistance became evident (Cloete & Wissink 2000). This led to the unsuccessful implementation of the strategy and non-compliance of the stakeholders.

### **Stakeholder participation in the compilation of the LED White Paper**

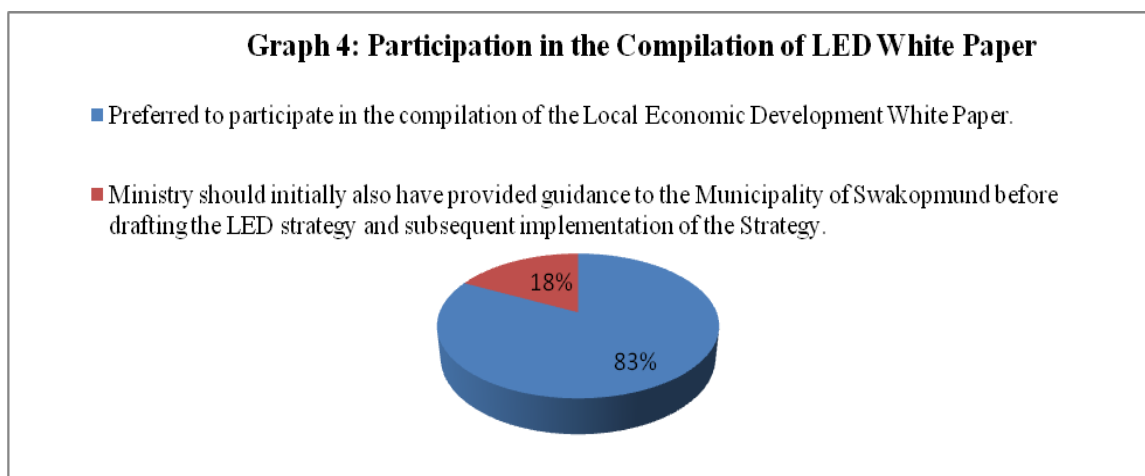
Although 33 (83%) made it clear that they would have preferred to participate in the compilation of the Local Economic Development, a total of 7 (17%) were of the opinion that the Ministry should initially also have provided guidance to the Municipality of the Swakopmund before drafting the LED strategy and subsequent implementation of the strategy.

The processes that were followed represent a typical top-down approach in the implementation as Kotze (1997) argues. The stakeholders did not participate in the LED initiative in Swakopmund since they did not know their role in the strategy. The South African Constitution expressly makes provision for co-operation between the different tiers of government (Burns, 1999). Although the Namibian Constitution does not expressly refer to co-operative government, it does provide for delegation of government

authority to different levels of government, that is regional and local authorities, and thus the principles of co-operative government must be followed (Von Alten, 2003).

Consultations with stakeholders had taken place very successfully in the past, for example with the amendment of Local Authorities Act of 2003, where all stakeholders were invited to attend a three-day workshop in Windhoek. Local authorities attended a number of workshops related to the proposed implementation of the decentralisation policy. Also, lately, extensive discussions between local authorities and central government regarding the Local Authority Reform Paper were held in the region. This is a good example of what needs to be done.

Ways and means should be developed on how Local Authorities should communicate with their stakeholders.



Source: Primary

**Implementation of LED by Chief Executive Officers**

The Chief Executive Officers from the Municipality of the Swakopmund and the CRO of the Erongo Regional Council and all heads of institutions replied in affirmative that it is ultimately their responsibility as the heads of the institutions to ensure proper understanding of the content and of implementation of the Local Economic Development. Despite this, all heads of institutions were not involved in the drafting of the LED strategies of Swakopmund Municipality.

**Request for assistance with respect to the implementation of the policy**

All the respondents claimed that they would have preferred to get the assistance from higher authorities in either the interpretation and/or the implementation of the White Paper, because of the lack of capacity at local authority level and also the complexity of the White Paper. Nevertheless, only three (3) respondents from the Municipality and one (1) staff member from the Erongo Regional Council attended the workshops on LED conducted by the Ministry. It is true that the Ministry cannot be expected to visit all the regions to satisfy the needs of all stakeholders in LED, but it could be better to have road shows or hearings to solicit the views of stakeholders and to share the information with the stakeholders.

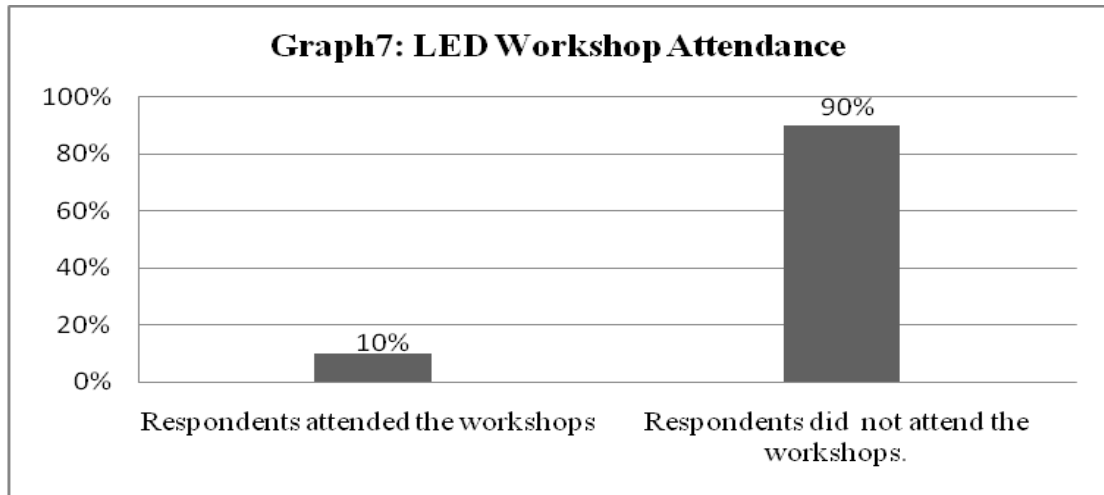
### **Invitation of all stakeholders to LED workshop**

The interviewees from the Municipality claimed that only Local Authorities and Regional Councils were invited to LED workshops. Only 3 out of 15 respondents from the Municipality of Swakopmund and only 1 out of 10 respondents from Erongo Regional Council attended the workshops. Therefore only 4 (10%) out of 40 of the respondents attended the workshop on LED; 36 (90%) out of 40 respondents claimed that they were not actually invited and did not attend these workshops.

Senior officials at the Ministry that were interviewed claimed that it is the responsibility of a given Local Authority to brief its stakeholders after attending these workshops. The Ministry claimed that their responsibility is to facilitate the training of stakeholders by Local Authorities and Regional Councils. To substantiate this claim, MRLGHRD (1998) argues that Regional Councils and Local Authorities bear the basic responsibility of government as its lower tiers for allocating resources and promoting social equity and building on the capacity of communities and civil society to provide goods and services at the local level (MRLGHRD, 1998:3).

The MRLGHRD (1998) further states that the involvement of local people and networks of people and agencies is a key defining feature of LED approaches (MRLGHRD, 1998:8). Therefore, it is very important that Local Authorities and Regional Councils bring the stakeholders on board through working with them and also to capacitate them to be able to take their rightful place as stakeholders.

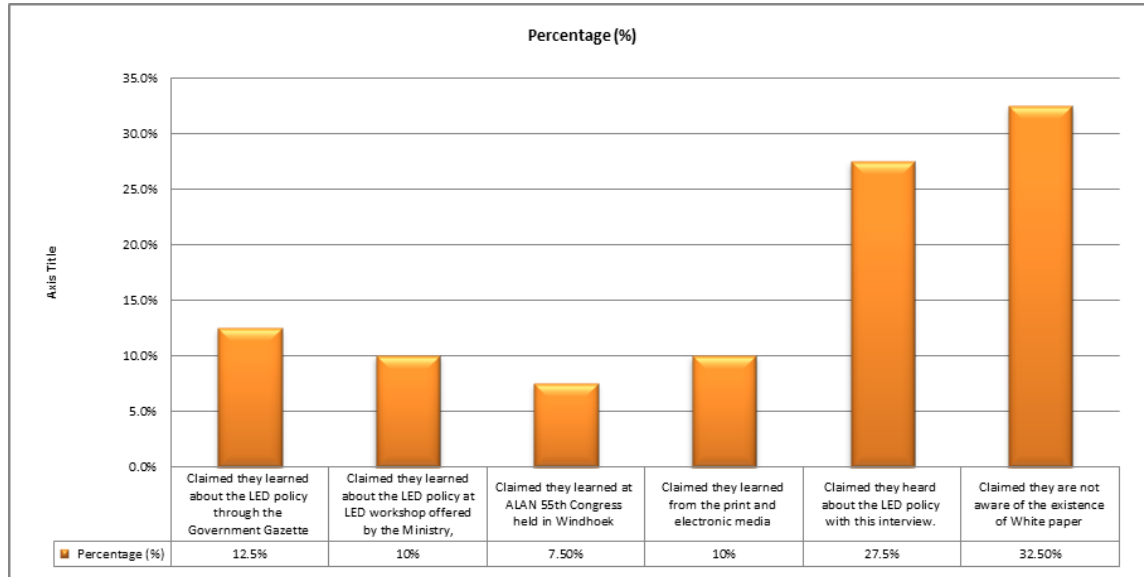




Source: Primary

#### **Awareness of LED White paper**

Only 5 (12.5%) respondents out of 40 claimed that they were informed about the new LED policy through the Government Gazette but were unable to give the researcher the Government Gazette Number and year of publication. Only 4 (10%) respondents out of 40 claimed that they learned about the LED policy at LED workshops conducted by the Ministry. A small number of 3 (7.5%) out of 40 learned at the ALAN 55<sup>th</sup> Congress held in Windhoek from 21-23 July 2011, and 4 (10%) out of 40 learned about it from the print and electronic media. A total number of 11 (27.5%) out of 40 only heard of the LED policy from this while 13 (32.5%) out of 40 were not informed through any means. This indicates that the stakeholders were not involved in the process of drafting the White Paper.

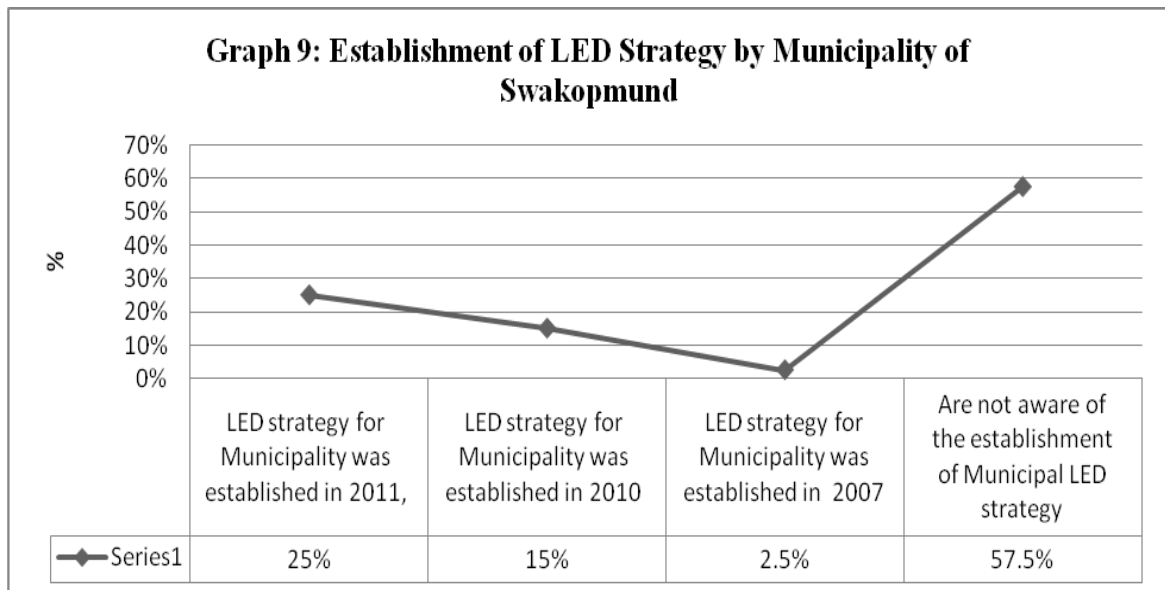
**Graph 8: Awareness of LED White paper**

Source: Primary

### **Establishment of LED strategy by the Municipality of Swakopmund**

A total of 10 (25%) out of 40 respondents said that the LED strategy for Municipality was established in 2011, whereas 6 (15%) out of 40 respondents said in 2010. Only 1 (2.5%) out of 40 respondents said that it was established in 2007. All the 10 (100%) respondents from Erongo Regional Council indicated that they got their own strategic plan and are not sure when the Municipality established their strategies. A total of 10 (100%) out of 10 respondents from NCCI did not have strategic plans; neither did they know about the council's LED strategy. A total of respondents 23 (57.5%) out 40 did not know whether the Municipality established the Municipal LED strategies.

A total of 11 (27.5%) respondents out of 40 gave the researcher conflicting years as when the LED strategy was developed by the Municipality. These responses showed that the respondents had no information about the establishment of the LED strategies. Some respondents referred to the LED strategies as the Strategic Plan of the Municipality. What was also interesting was that the conflicting years of establishment of the Municipal LED strategy was given by the employees of the Municipal Council themselves.



Source: Primary

### **Stakeholders involvement in drafting the Municipal LED strategy**

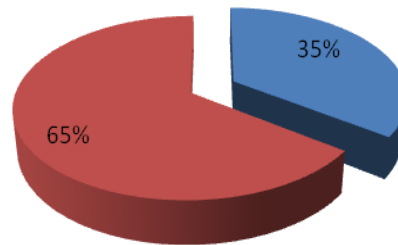
Only 1 (2.5%) out of 10 respondents from Erongo Regional Council, 12 (80%) out of 15 from the Municipality and 1 (2.5%) out of 10 from NCCI attended the workshop on strategy development initiated by the Municipality of Swakopmund and facilitated by the Urban Trust of Namibia (UTN). This means that only 14 (35%) respondents attended

the workshop on strategy development; MRLGHRD staff members were not invited and did not attend the workshop. A total of 26 (65%) out of 40 respondents did not attend the workshop on strategy development. This shows that the stakeholders were not fully represented at the workshop. This is also substantiated by the comment made by five senior employees from the Municipality that the private sector involvement was limited despite the invitation and encouragement to attend the workshops.

According to the Municipality of Swakopmund (2007), the strategy development process which was to be participatory and consultative in nature, was intended to chart a proactive and facilitative role for the Municipality towards stimulating local economic development. It further states that the facilitation of a participatory and consultative process should involve stakeholders in developing a LED Strategy (Municipality of Swakopmund, 2007:4). Therefore, it is important for the Municipality to have full representation of all stakeholders when conducting important workshops like the LED strategy development for Swakopmund.

**Graph 10: Involvement in drafting the of Municipal LED strategy**

■ Attended the workshop on strategy development



Source: Primary

### **Municipal funding Local Economic Development Strategies**

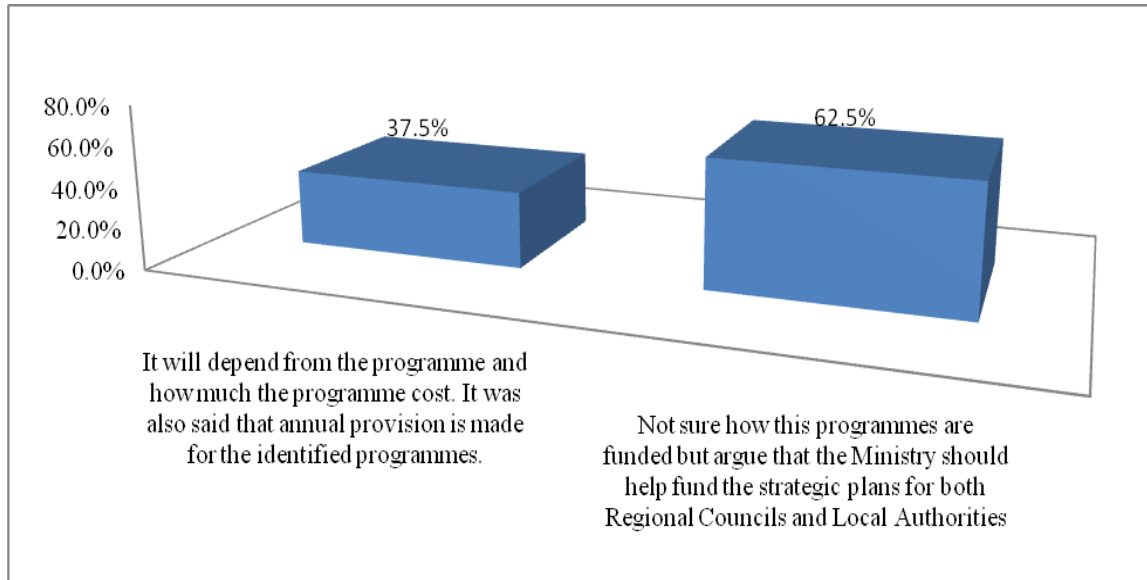
All respondents claimed that the LED strategies are budgeted for by the Municipality of Swakopmund but also added that the Ministry should fund Municipalities for the purpose of implementing LED strategies. Lastly, donor funding can also be solicited. The MRLGHRD, (2008) states that as much as possible, Local Authorities and Regional Councils should mobilise funding for LED initiatives locally within their respective stakeholder network. For long-term programmes that require regular funding, Local and Regional budgets shall reflect these priorities and should be motivated through LED plans and integrated development plans.

It also further states that Local Economic Development Agency (LEDA) based at the MRLGHRD shall create linkages with the Development and Equity Fund and augment this with financial resources earmarked for local and regional LED initiatives

(MRLGHRD, 2008:24). The Municipality of Swakopmund (2010), is committing itself by saying that the annual budgets should demonstrate its commitment through time-frames and resources allocated to effect the enabling environment necessary for achieving the targeted local economic development success (Municipality of Swakopmund, 2010:39).

### **Money Allocation**

All 15 (37.5%) respondents from the Swakopmund Municipality responded to this question. They said that it will depend on the programme and how much the programme will cost; it was difficult to give a specific amount. It was also said that annual provision is made for the identified programmes. The Erongo Regional Council, together with the other stakeholders, 25 (62.5%) in number, were not sure how the programmes were funded but argued that the Ministry should help fund the strategic plans for both Regional Councils and Local Authorities. The Municipality (2010) argues that they should demonstrate its commitment through time-frames and resources allocated to effect the enabling environment necessary for achieving the targeted local economic development success (Swakopmund Municipality, 2010:39).

**Graph 12: Money Allocation Graph**

Source: Primary

### **Roles of Stakeholders in LED**

Only 7 (15%) respondents said that labour intensive projects should be introduced on a continuous basis in the implementation of local economic strategies. A total of 8 (18%) responded that the business community in Swakopmund should be told of the resources and projects that are annually available for them to participate in order to uplift the living standards of the local community. A total of 14 (31%) of respondents requested the Municipality of Swakopmund to initiate and facilitate the process of Local Economic Development. On the question of citizens, 16 (36%) respondents requested the Municipality of Swakopmund to act as an enabler and to create an enabling environment, and to introduce policies and regulations that are equitable and treat all citizens fairly.

The results indicated how little the stakeholders know their roles and responsibilities and calls for wider consultations and/or even public hearings on this very important White Paper.

The Municipality of Swakopmund, (2010) acknowledges that the Municipality should have the institutional capacity to drive the LED strategy. The Municipality should also have a participatory action plan and implementation. Such action planning sessions should involve all relevant stakeholders in their locality.

The Municipality should also create an enabling environment and an economic development plan (Municipality of Swakopmund, 2010:38-39). The South African cities network, (2006) argues the dynamic implementation of National and Provisional/State policies and instruments is key to promoting LED. If these policies have been developed with a view to promoting long-term sustainable employment through economic and enterprise creation, retention and development, then the local authorities need to ensure that they have the necessary capacity to take full advantage of these opportunities. Local authorities, acting in partnership with the national and provisional government, and NGOs should endeavour to enhance the skills base in local communities. This factor tends to increase productivity as well as having strong distributional benefits in urban societies (SACN, 2006:5-6). It is imperative that the opportunities and competitive advantage of their locality is made readily available to local people in useful and accessible forms (DPLG, 2005:29). According to Harrison et al., (2003) the leadership



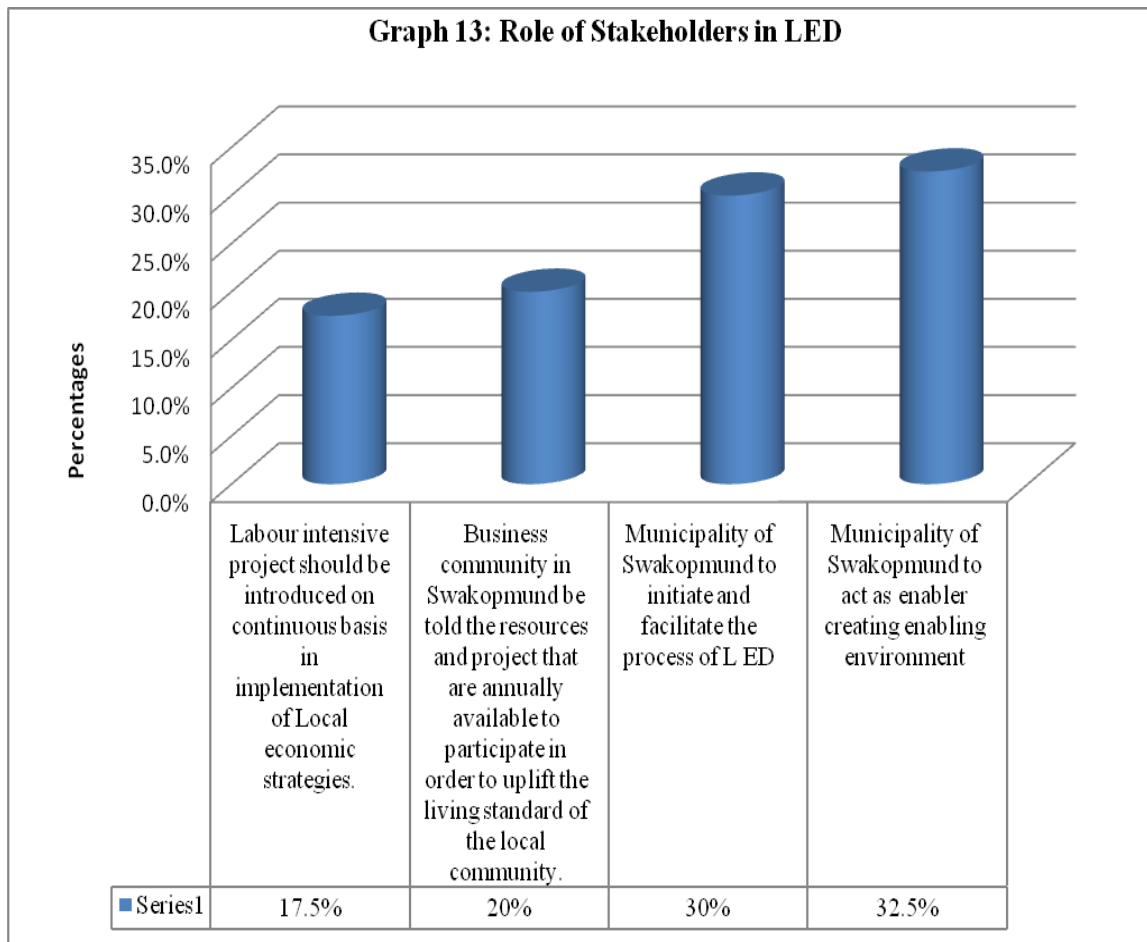
role of the Municipality in LED is quite marked given its developmental mandate and new redefined socio-economic context in which it has to operate internationally (Harrison, et al., 2003:178).

He further stressed that Local Government's role may include policy formulation and leadership in integrated development planning and spatial planning, collation and interpretation of economic intelligence, coordination of local initiatives and other government LED activities, provision of basic infrastructural services, support to SMMEs, accessible local procurement processes and development of incentives. The latter includes the creation of an enabling environment, improvement of operational efficiency, facilitation of sustainable community projects, and attraction of development funding and dissemination of information (DPLG, 2000:27).

MRLGHRD (2008) argues that the private sector is an engine of economic growth. In order to respond to private sector needs and demands, strategic partnerships shall ensure that public sector policies and plans respond to needs and demands and are properly integrated in all planning so that products and business operation in the local environment serve the local customer better (MRLGHRD, 2008:7).

In order to redress the situation, all respondents said that regular consultative meetings should take place between the Municipality and stakeholders. The Municipality of Swakopmund should also initiate and facilitate the process. Swinburn, Goga and Murphy, (2006) argue that Local Authorities are key actors in LED as they are

instrumental in service provision and implementation of local regulations relevant for enabling effective LED. They can facilitate business development, retention and attraction by marketing local products, offering incentives to support business expansion, providing education and training, supporting small business development and improving infrastructure (Swinburn, Goga & Murphy, 2006:13).



Source: Primary

### **Challenges experienced by the stakeholders in participating in Local Economic Development programmes**

All respondents identified the lack of consultation, communication, sharing of information and Monitoring and Evaluation as the major challenges faced by stakeholders in Swakopmund. Only 15 staff members of the municipality claimed that there is no genuine interest from the side of the stakeholders when invited to attend meetings arranged by the Municipality. It is crucial that if development is to take place for the benefit of all stakeholders, support should come from all sectors of the town.

The Municipality and the Private Sector need to learn to have proper consultation about any development that takes place in Swakopmund. There is need to inform people on how they can get involved and benefit from such development, because consultation and communication are essential in bringing on board all stakeholders to ensure success of policy. The consultation of key stakeholders ensures that their inputs are taken into account when it comes to policy development, implementation, monitoring and evaluation of a project. Ackron (undated) advocates for more than just consultation in LED. He argues that it is important in the LED process to go beyond mere consultation on developmental matters as required by legislation and to achieve the ideal of full and ongoing participation by all stakeholders in generating and assimilating a common community vision and working constructively to achieve that vision. Their feedback is vital to ensure accuracy in further development of the policy and it also shows how they react to policy objectives and that will determine whether the policy is accepted or not.

Therefore, it is crucial that individuals within each target group need to know why the policy is under consideration, how it may impact on them, and why they are being consulted. Exclusion of Local Authority councillors from the workshop by the Ministry was seen as challenges since they are ultimate decision makers and do approve the budget for development projects.

Swakopmund Municipality and the LED forum will need to constantly look at what needs to be done to remove obstacles identified as part of the local economic assessment. It is important for the Municipality of Swakopmund to establish necessary linkages with other regional and central Government agencies; this could significantly complement their efforts to create a conducive environment for business development in Swakopmund.

## **Part 2: National Government/MRLGHRD**

### **LED policy to safeguard local municipalities LED units**

All 5 out of 5 (100%) respondents of the Ministry said that there is a Local Economic Policy in place that safeguards the LED units in Municipalities. The MRLGHRD, (2008) noted that LED is not an isolated strategy but needs to be placed within a supportive national framework. They further said that there are a number of national policies and Acts of Parliament that have a direct bearing on the White Paper on LED, such as Vision

2030 and the National Development Planning Plans (NDPs), Local Authority and Regional Councils Act, the Decentralisation Policy and Enabling Act, (MRLGHRD, 2008:7).

### **Consultation between the MRLGHRD with Municipalities on the implementation of LED projects**

All the 5 (100%) respondents of the Ministry said that the annual thematic workshops are being held where stakeholders are given an opportunity to share best practices among themselves. They further stated that the Ministry uses that platform to consult with the Local Authorities.

### **Funding of Municipalities**

All the 5 (100%) respondents of the Ministry said that the LED Strategy developed by the Municipalities can be funded through Medium Expenditure Framework, Development Partners and through budgets, but it was clearly stated by one of the senior staff that the Local Authorities should actually request if they need services from the Ministry through Local Economic Development Agency (LEDA).

According to the MRLGHRD (2008) the Local Economic Development Agency should act as clearing house for principles in plotting LED initiatives in selected localities and providing financial and/or technical support and/or facilitating access to financial and technical support (MRLGHRD, 2008:21).

### **Intervention of Ministry of Regional and Local Government, Housing and Rural Development in LED programmes at the local level**

All the 5 (100%) respondents from the MRLGHRD responded that they had not yet intervened in any LED but can do so if they are requested by the Municipality which needs their services. They further stated that they can only intervene if they had been involved in the drafting of the Local Economic Development strategy of a particular municipality but insisted that they could only do that if it was in their mandate.

### **Monitoring and evaluation unit at the MRLGHRD**

The two senior managers mentioned that there is a dedicated Monitoring and Evaluation Unit (MEU) within LEDA. The unit looks into all the LED projects in order to ensure that they lead to desired outcomes. In an effort to justify the lack of monitoring and evaluation of the LED policy implementation, one of the MRLGHRD's senior managers from the LED support division stated that LEDA does not just go into monitoring, but expected the Municipalities and Regional Councils to request the service in order to be rendered. Hague, Weakly, Crespin and Jasko argue that the monitoring and evaluation process is used by organisations as a tool for judging results in terms of performance and specific achievements. They are used to enhance learning, improve decision-making, and hold actors accountable (Hague, Wakely, Crespin and Jasko, 2006). According to the MRLGHRD (2008), there is a need for evaluation of the effectiveness of different LED methods and tools in order to increase accountability and demonstrate the value for

money of public spending and adjust the initiatives in line with what works best. They further argued that the evaluation is particularly important in the process of policy exchange because it allows recipient areas to assess the extent to which proposed approaches have been successful elsewhere and to gauge why in this way recipient areas can make informed choice on what to adopt (MRLGHRD, 2008:24). Hague, Wakely, Crespin, and Jasko (2006) argue that firstly, monitoring enables the LED programme to proactively determine necessary adjustments in terms of activities, schedules and resource allocation, thus ensuring that the programme remains on track. Secondly, it serves an important accountability function by requiring resource expenditure to be justified.

Monitoring and evaluation is more effective when it is done by people who are engaged with LED rather than by outsiders, the so called neutral actors who are unfamiliar with the conditions that come during and after planned interventions (Hague et al., 2006). Therefore, Swakopmund Municipality, supported by the MRLGHRD, should assess and measure the impact of LED projects in order to allow for the assessment of which LED projects or instruments are working and which ones are failing. This assessment will help municipalities to choose projects and instruments which best realise LED objectives (Nel, 1997). It will assist the Municipality to target its resources effectively and to avoid wasting time and resources on projects which do not effectively realise the development objectives. Davis and Rylance (2005) contend that LED monitoring and evaluation

processes need not be overly bureaucratic and that they should not contain vague procedures.

### **Promotion skills and equip local municipalities with resources to ensure that LED projects succeed**

All the 5 (100%) respondents said that the Ministry offers annual workshops to the Local Authorities and Regional Councils where issues are discussed and best practices are shared. Through these workshops, staff members of Local Authorities and Regional Councils are equipped to be able to implement LED Strategies.

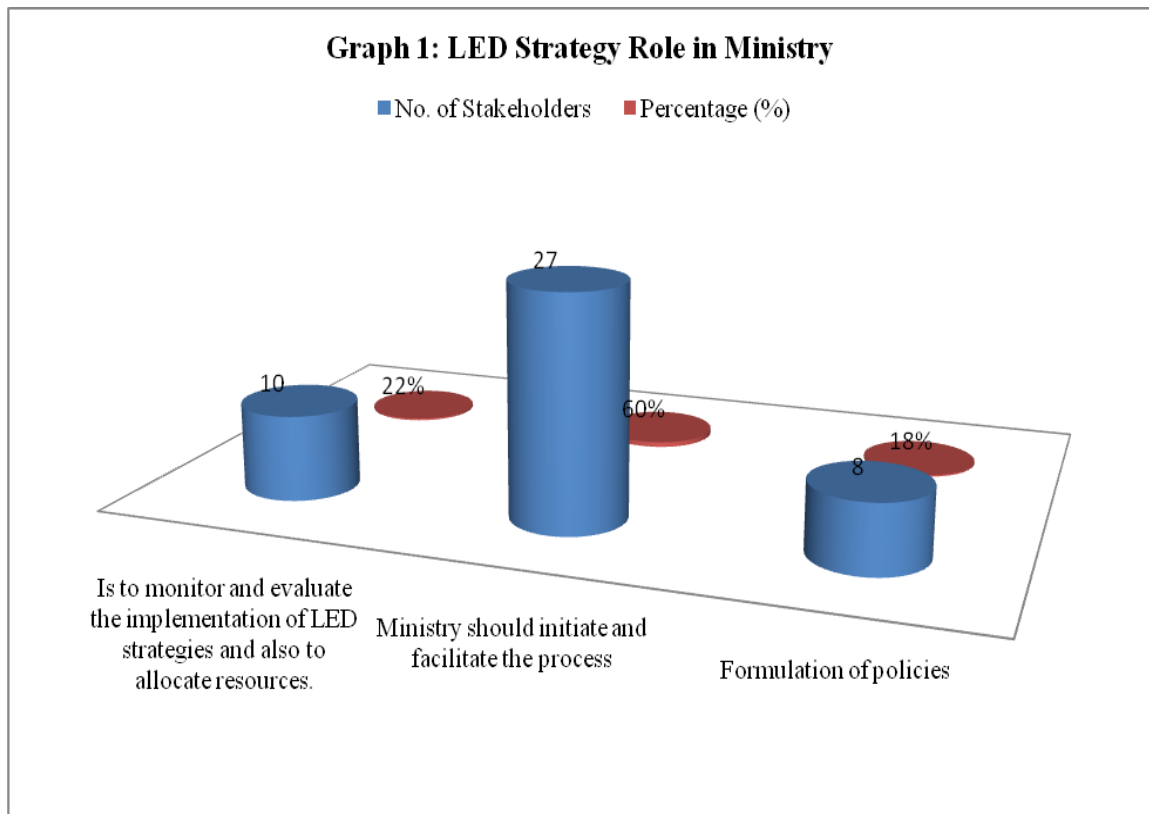
### **Roles of Ministry in Local Economic Development**

The roles of the Ministry were cited by 10 (22%) out of 45 respondents (inclusive of the Ministry staff members). The roles are to monitor and evaluate the implementation of LED strategies as well as to allocate resources, both human and financial, to the Local Authorities for service delivery. Only 8 (18%) out of 45 respondents argued that the policy formulation is also the responsibility of the Ministry. A total of 27 (60%) out of 45 said that the Ministry should actually initiate and facilitate the process of LED implementation at the local level.

According to the MRLGHRD (2008), the roles of government are to allocate development budgets, drafting of proposals for implementation, initiation of employment and income generation opportunities to address challenges emanating from



declining economies, retrenchments and unemployment. This should be done through economic restructuring and focusing on the creation of business diversity and the identification of top competitive sectors in the economy, identification of opportunities for capacity building with the training of artisans as a priority, improving communication among stakeholders and improving the standing of sub-national Government with funding and lending agencies to access resources for development (MRLGHRD, 2008:7).



## **CHAPTER FIVE**

### **CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Conclusions**

The aim of the research was to investigate the role of stakeholders in local economic development (LED) using the Municipality of Swakopmund as the town of the case study.

The non-participatory, alternatively not inclusive approach that was followed by the Ministry in compiling and introducing the Local Economic Development policy seems to be the major contributing factor why the stakeholders seem not to be aware of their roles and responsibilities.

Exclusion of elected councillors from participating in the LED workshops offered by the Ministry in order for them to own the programme is lacking. These issues are very sensitive and need to be approached with great circumspection.

The absence of meaningful communication between the main stakeholders led to a lack of awareness and understanding of the LED. The lack of communication also led to stakeholders not knowing their roles and responsibilities. The staff of Ministry should attend LED strategy development workshops arranged by the Municipality to give the Municipality support.

Since Swakopmund Municipality has got a different LED strategy on top of their Strategic Plan, this could raise the financial impact on the Municipality due to its limited budget. The Ministry should allocate additional funds to the Municipality to be able to capacitate all stakeholders that need to be involved in the successful implementation of the LED.

To promote transparency in the system and protect and safeguard the right to question decision-making are principles of the democratic system. These principles are best introduced by a bottom-up approach in order to include all the relevant stakeholders. These principles are lacking both from the Ministry and the Municipality of Swakopmund.

Although Chief Executive Officer and the other heads of departments seemed to be aware of their responsibility to comprehend and implement the LED policy, many did not seem to be able to translate this awareness into action. The research indicates a lack of capacity and a dependency syndrome and this can only be addressed if all stakeholders receive training workshops aimed at their understanding of their roles and responsibilities in implementing the Local Economic Development.

Although opportunity was provided to submit inputs to the Municipality, only handful of the people could be reached. Most stakeholders could not comprehend the regulations regarding the implementation of the LED. Policy-making and implementation is not a once off exercise, but an on-going process; but the bulk of the concerns raised could have been overcome by taking the relevant stakeholders on board in a participatory bottom-up dialogue prior to promulgation.

## **5.2 Recommendations**

On the basis of the research findings, the following recommendations have been made with respect to two main areas of responsibility.

There must be an improvement of communication and consultation between the Ministry, Regional Council and the local authorities as well as the manner of how to

compile and implement the proposed policy. All stakeholders should be included and their roles and responsibilities clearly stipulated. The policy making must started at the grassroots level to satisfactorily replace the top-down approach and to result in a participatory bottom-up approach between the relevant stakeholders with the government adopting the role of facilitator. When policies are introduced without the knowledge and participation of stakeholders. They are unable to implement policies effectively.

#### **5.2.1 Recommendations concerning the Ministry**

The implementation of new or amended legislation should not proceed without systematic appraisals of the most feasible alternative strategies, taking into account the costs and benefits involved for all stakeholders and the optimum degree of stakeholder participation.

The aim of better policy-making is to produce better policies resulting in better public services. This is achieved by constructive communication between the respective parties, participation and pursuing greater transparency. Thus, better policy-making will result in securing public confidence. Other benefits include the importance of maintaining unity of execution and implementation across the different tiers of government as well as

amongst local authority leaders and officials' contributions ([www.cabinet-office.gov.uk](http://www.cabinet-office.gov.uk), Bullock et al., 2001).

To achieve the above, the communication system between the Ministry, Regional Council and the Local Authorities needs to be improved in line with the participatory bottom-up approach. It is proposed that staff and stakeholders attending the workshop be obliged to report back to the institution which they represent since no feedback is given to the institutions. In addition, direct links by electronic means should be established for this purpose. Important information requiring an input or response should always be accompanied by a return date. Should the date lapse, the Ministry should conclude that no contribution is forthcoming; alternatively, no response means consent. This easy methodology could be the responsibility of the Personal Assistant to the Permanent Secretary.

Once the need is identified for amendments to the legislation it should be circulated and shared with all relevant stakeholders beforehand. After the incorporation of the comments from the stakeholders, the draft proposal should then be circulated to all stakeholders for final comments and input to all stakeholders. After this, it forms the basis for the draft bill and the White Paper to be submitted to the National Assembly for the first reading.

The Minister should establish whether after extensive discussions had taken place, the need for training workshops is still required. This assessment will be needs- driven, i.e. to determine which local authorities require assistance, and therefore cost and potential time saving by targeting only those in need. The Ministry should monitor progress of implementation in order to identify problems at an early stage and to assist with the resolving of these problems.

The law-making process can be improved if consultation policies with relevant stakeholders and other interested parties become the norm before the bill is introduced in Parliament. If public debate proves to be too cumbersome, the vehicle of selected Parliamentary committees would be a good alternative. Such committees could be convened by the relevant Minister to make inputs and to comment on the proposed legislation. In an e-world the hierarchies of committees, and with that the cumbersome process of meetings, would then fall away and this could be an effective and efficient method for ensuring timely responses and contributions ([www.cabinet-office.gov.uk](http://www.cabinet-office.gov.uk)), (Bullock, et al., 2001).

High priority should be accorded to capable staff recruitment and training programmes to create and strengthen service delivery commitment and capacity.

### **5.2.2 Recommendations concerning the Municipality**

The first thing to note is that Local Authorities are much more in direct contact with the citizens in their areas of jurisdiction than the national government. Secondly, they collect and accumulate funds directly from the rate paying community and are therefore directly accountable to their constituencies for spending and costs.

It is evident in this research that stakeholders were not part and parcel of the development of both the White Paper developed by the Ministry and the LED strategy developed by the Municipality of Swakopmund. The stakeholders did not know their roles and responsibilities.

The Municipality should always consult the stakeholders in the area of its jurisdiction. They should be inclusive, fair and involve all stakeholders in policy-making to promote transparency and buy-in from the stakeholders in their localities.

It is only through collaborative planning that conflicts can be minimised and that plans of developments are discussed and approved by all stakeholders through dialogue. Through communication and consultation, people can be given an opportunity to voice



out their major concerns regarding issues that affect their lives. Healey (1996) and Innes (1998) argue that the exchange of views by different stakeholders allows for the building of capacity to allow for informed insight into each actor's interests thereby fostering informed decision making that incorporates diverse interests. It is important in the PPP process to go beyond mere consultation on LED matters. There is need to achieve the full and on-going participation by all stakeholders in generating and assimilating a common community vision and working constructively to achieve that vision in the common interest (Healey, 1996:96; Innes, 1998:54).

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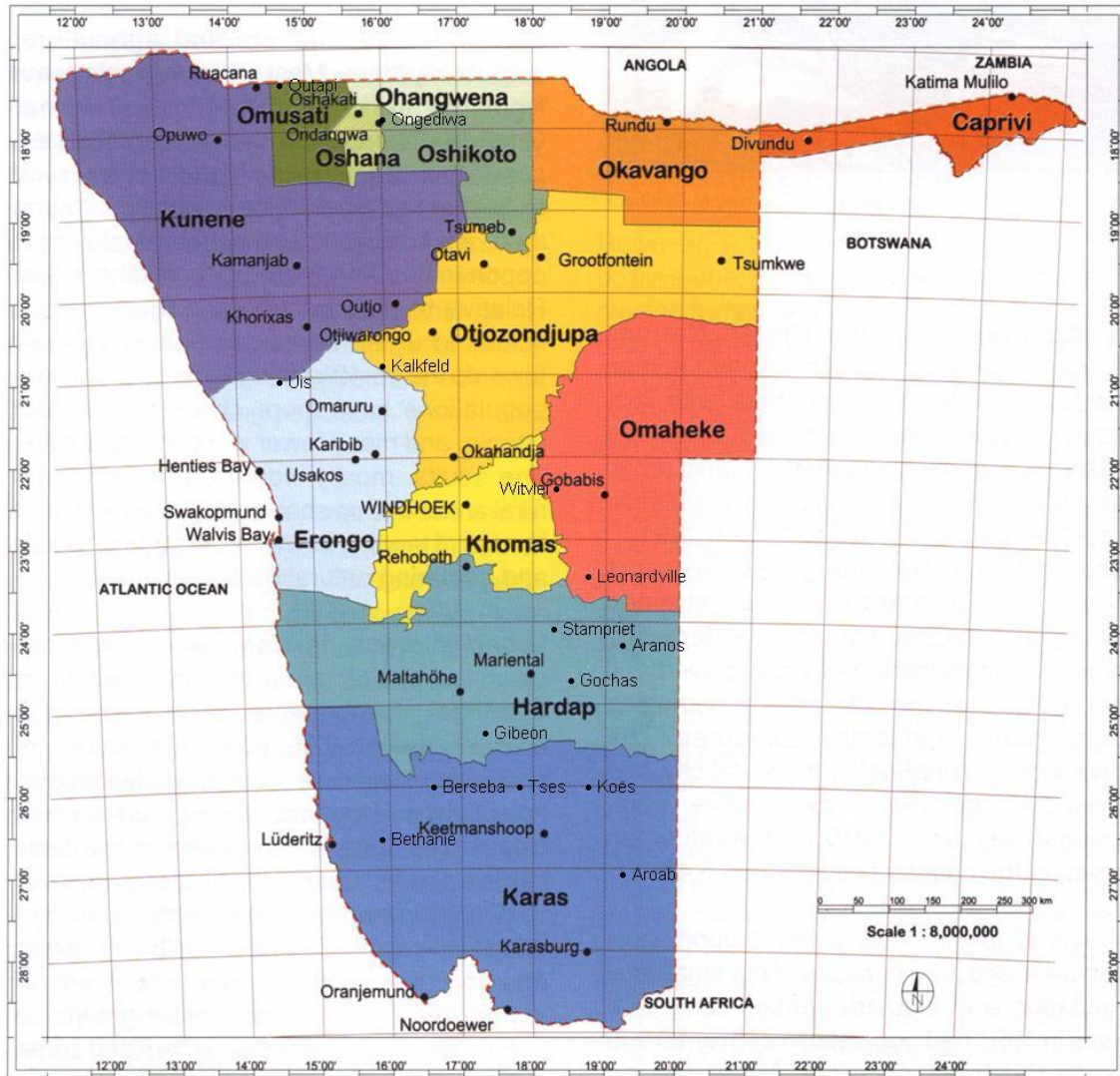
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## Appendix 1: Map of Local Authorities and Regional Councils



### Regions and Towns

Okavango	Otjozondjupa
Caprivi	Omaheke
Kunene	Erongo
Ohangwena	Khomas
Omusati	Hardap
Oshana	Karas
Oshikoto	

- Border  
 • Local Authority

Source:

Various Government Gazettes published by the Government of Namibia.

Ministry of Lands, Resettlement and Rehabilitation  
 Division of Survey and Mapping  
 1:250000 maps.

© National Remote Sensing Centre 1997

### Schedule of Local Authorities in Namibia

Municipalities	Towns	Villages
<b>Part 1:</b>	Arandis	Aranos
<u>Swakopmund</u>	Eenhana	Aroab
Walvis Bay	Katima Mulilo	Berseba
Windhoek	Khorixas	Bethanie
	Lüderitz	Gibeon
<b>Part 2:</b>	Okakarara	Gochas
Gobabis	Ondangwa	Kalkrand
Grootfontein	Ongwediwa	Koës
Henties Bay	Opuwo	Kamanjab
Karibib	Oshakati	Leonardville
Karasburg	Outapi	Maltahöhe
Keetmanshoop	Rehoboth	Stampriet
Mariental	Rundu	Tses
Okahandja		Uis
Omaruru		Witvlei
Otavi		
Otjiwarongo		
Outjo		
Tsumeb		
Usakos		

## Appendix 2: Consent Form

### Introduce the interview

My name is Rosina //Hoabes, I am studying at Namibia Business School, University of Namibia (UNAM). I am conducting a research for my Masters of Business Administration.

I have used my judgment to choose some respondents to be in this part of the study, and you were selected

I am trying to understand the role as a stakeholder in local economic development programmes in the Swakopmund

I have some questions that I wish to ask you about your involvement

**ALL INFORMATION THAT YOU PROVIDE WILL BE  
CONFIDENTIAL.**

Consent Questions	Yes	No
Do you understand the purpose of the study, and what will be required of you if you agree to take part?	1	2
Do you understand that at any time you may withdraw from this study without giving a reason?	1	2
Do you understand that this study is in no way linked any government organisation?	1	2
Do you agree to take part in this study?	1	2

VERBAL CONSENT: I, the interviewer/field worker, confirm that the respondent gave consent to be interviewed.

Signature of the interviewer/field

worker.....

### Appendix 3: Structured Interview Schedule

General Information	
1) Name of the Institution:	Status:
2) Name (Optional)	

Part 1:All Stakeholders	<b>Answer</b>
1) Does the Municipality have a LED Strategy in place to guide you?	
2) Do you know what the Government wants to achieve with this white paper?	

3) Would you have preferred all stakeholders inclusive of ERC to have played an active part in the compilation and or drafting of the Local Economic white paper?	
4) Would you support that the Ministry should have held workshops and training sessions prior to the white paper became law?	
5) The C.E.O /Head of Institution is responsible to ensure proper understanding of the role of the stakeholders is the statement correct?	
6) Did the Municipality request any assistance with respect to the implementation of the regulations?	
7) Did all stakeholders attend the workshops on Local Economic Development offered by the Ministry?	
8) How did you get to know about the new Local Economic Development white paper?	
9) When did the Municipality establish the Local Economic Development strategy?	
10) Where all stakeholders inclusive of ERC involved in Drafting of the Strategy?	
11) How does the Municipality fund Local Economic Development strategies?	
12) How much money is allocated and what is the time line?	
13) What roles do local Business Associations/Municipality play in local economic development and how can these be strengthened?	
14) What are the challenges experienced by the stakeholders/Municipalities in participating in Local Economic Development programmes and how can it be solved?	

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<b>Part 2: National Government/MRLGHRD</b>	<b>Answer</b>
1) Which LED policy guard local municipalities LED Units?	
2) How often does the Ministry consult with municipalities in order to ensure that they have fewer problems when implementing LED projects?	
3) How are the Municipalities funded?	
4) Does the Ministry ever intervene in implementation of LED programmes at the local level?	
5) Does the Ministry have a monitoring and evaluation unit that look into all the LED projects in order to ensure that they lead to desired outcomes?	
6) What has the Ministry done to promote skills and equip municipalities with resources to ensure that LED projects succeed?	
7) What are the roles of the Ministry in local economic development and how can these be strengthened?	

#### Appendix 4: Interview Questionnaire Summary Sheets

##### Part1: All Stakeholders

<b><u>Question 1</u> Does the Municipality have a LED Strategy in place to be guided?</b>	<b>No. of Stakeholders</b>	<b>Percentage (%)</b>
Municipal LED strategy in place	10	<b>25%</b>
Refer to the Municipal LED strategy as strategic plan	8	<b>20%</b>
Is not aware of Municipal LED strategy	22	<b>55%</b>
<b>TOTAL</b>	<b>40</b>	<b>100%</b>

<b><u>Question 2</u> Do you know what the Government wants to achieve with this white paper?</b>	<b>No. of Stakeholders</b>	<b>Percentage (%)</b>
Provide a framework for local Economic development and to add value to national development initiatives	10	25%
Striving to improve the livelihood of Namibian people through economic growth , job creation and community wealth,	7	17.50%
Provide guidance to various localities in the country on how to develop their respective LED strategies in order to enhance LED in their areas.	13	32.50%
Does not know	10	25%
<b>TOTAL</b>	<b>40</b>	<b>100%</b>

<b><u>Question 3</u></b> Would you support that the Ministry should have held workshops and training sessions prior to the white paper became law?	<b>No of Stakeholders</b>	<b>Percentage (%)</b>
Workshops and training important	40	100%

<b><u>Question 4</u></b> Would you have preferred all stakeholders inclusive of ERC to have played an active part in the compilation and or drafting of the LED white paper?	<b>No. of Stakeholders</b>	<b>Percentage (%)</b>
Preferred to participate in the compilation of the Local Economic Development White Paper.	33	82.5%
Ministry should initially also have provided guidance to the Municipality of Swakopmund before drafting the LED strategy and subsequent implementation of the Strategy.	7	17.5%
<b>TOTAL</b>	<b>40</b>	<b>100%</b>

<b><u>Question 5</u></b> Responsibility of Chief Executive Officers and Head of Institutions	<b>No. of Stakeholders</b>	<b>Percentage (%)</b>
The Chief Executive Officers from the Municipality of Swakopmund, the CRO of the Erongo Regional Council and all the head of institutions interviewed stated that it is ultimately their responsibility as the head of the institutions to ensure proper understanding of the content and	4	100%



of implementation of the Local Economic Development.		
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<b><u>Question 6</u> Did the Municipality request any assistance with respect to the implementation of the White Paper Policy?</b>	<b>No. of Stakeholders</b>	<b>Percentage (%)</b>
Preferred assistance from higher authority	40	100%

<b><u>Question 7</u> Did the (MRLGHRD) invite all stakeholders inclusive of Regional Councils to attend the workshops on LED offered by the Ministry?</b>	<b>No. of Stakeholders</b>	<b>Percentage (%)</b>
Respondents attended the workshops	4	10%
Respondents did not attend the workshops.	36	90%
<b>TOTAL</b>	<b>40</b>	<b>100%</b>

<b><u>Question 7</u> Did the (MRLGHRD) invite all stakeholders inclusive of Regional Councils to attend the workshops on LED offered by the Ministry?</b>	<b>No. of Stakeholders</b>	<b>Percentage (%)</b>
Respondents attended the workshops	4	10%
Respondents did not attend the workshops.	36	90%

<b>TOTAL</b>	<b>40</b>	<b>100%</b>
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<b><u>Question 8</u> How did you get to know about the new LED white paper</b>	<b>No. of Stakeholders</b>	<b>Percentage (%)</b>
Claimed they learned about the LED policy through the Government Gazette	5	12.5%
Claimed they learned about the LED policy at LED workshop offered by the Ministry,	4	10%
Claimed they learned at ALAN 55th Congress held in Windhoek	3	7.50%
Claimed they learned from the print and electronic media	4	10%
Claimed they heard about the LED policy with this interview.	11	27.5%
Claimed they are not aware of the existence of White paper	13	32.50%
<b>TOTAL</b>	<b>40</b>	<b>100%</b>

<b><u>Question 9</u> When did the Municipality of Swakopmund established the LED strategy</b>	<b>No of Stakeholder</b>	<b>Percentage (%)</b>
LED strategy for Municipality was established in 2011,	10	25%
LED strategy for Municipality was established in 2010	6	15%
LED strategy for Municipality was established in	1	2.5%

2007		
Are not aware of the establishment of Municipal LED strategy	23	<b>57.5%</b>
<b>TOTAL</b>	<b>40</b>	<b>100%</b>

<b><u>Question 10</u> Were all stakeholders inclusive of ERC/Ministry involved in drafting the Municipal LED strategy?</b>	<b>No. of Stakeholders</b>	<b>Percentage (%)</b>
Attended the workshop on strategy development	14	35%
Did not attend the strategy development workshop from Swakopmund	26	65%
<b>TOTAL</b>	<b>40</b>	<b>100%</b>
<b><u>Question 11</u> How does the Municipality fund Local Economic Development Strategies?</b>	<b>No. of Stakeholders</b>	<b>Percentage (%)</b>
All respondents claimed that the LED strategies are budgeted for by the Municipality of Swakopmund	40	100%
Ministry should also fund Municipalities for the purpose of implementing LED strategies, donor funding can also be solicited	40	100%

<b><u>Question 12</u> How much money is allocated and what is the time line?</b>	<b>No. of Stakeholders</b>	<b>Percentage (%)</b>
It will depend from the programme and how much the programme cost. It was also said that annual provision is made for the identified programmes.	15	37.5%

Not sure how this programmes are funded but argue that the Ministry should help fund the strategic plans for both Regional Councils and Local Authorities	25	62.5%
<b>TOTAL</b>	<b>40</b>	<b>100%</b>
<b><u>Question 13</u> What roles do local business associations/Municipalities play in local economic development and how can these be strengthened?</b>	<b>No. of Stakeholders</b>	<b>Percentage (%)</b>
Labour intensive project should be introduced on continuous basis in implementation of Local economic strategies.	7	17.5%
Business community in Swakopmund be told the resources and project that are annually available to participate in order to uplift the living standard of the local community.	8	20%
Municipality of Swakopmund to initiate and facilitate the process of L ED	12	30%
Municipality of Swakopmund to act as enabler creating enabling environment	13	32.5%
<b>TOTAL</b>	<b>40</b>	<b>100%</b>

## Part 2: National Government/MRLGHRD

<b><u>Question 1</u> Which LED Policy guard local municipality units</b>	<b>No. of Stakeholders</b>	<b>Percentage (%)</b>
LED Policy in place	5	100%
<b>TOTAL</b>	<b>5</b>	<b>100%</b>
<b><u>Question 2</u> How often does the Ministry consult with Municipalities in order to ensure that they have fewer problems when implementing LED projects?</b>	<b>No. of Stakeholders</b>	<b>Percentage (%)</b>
Annual thematic are held for stakeholders.	5	100%
<b>TOTAL</b>	<b>5</b>	<b>100%</b>

<b><u>Question 3</u> How are the Municipalities funded for LED Strategies?</b>	<b>No. of Stakeholders</b>	<b>Percentage (%)</b>
Municipalities can be funded through Medium Expenditure Framework	5	100%
<b>TOTAL</b>	<b>5</b>	<b>100%</b>

<b><u>Question 4</u> Does the Ministry ever intervene in the implementation of LED programmes</b>	<b>No. of Stakeholders</b>	<b>Percentage (%)</b>
Ministry has not as yet intervened in Implementation of LED programmes	5	100%
<b>TOTAL</b>	<b>5</b>	<b>100%</b>

<b><u>Question 5</u> Does the Ministry have a monitoring and evaluation unit that look in to all the LED projects in order to ensure that they lead to desired outcomes?</b>	<b>No. of Stakeholders</b>	<b>Percentage (%)</b>
There is a dedicated Monitoring and Evaluation unit within the MRLGHRD	5	100%
<b>TOTAL</b>	<b>5</b>	<b>100%</b>

<b><u>Question 6</u> What has the Ministry done to promote skill and equip municipalities with resources to ensure that LED projects succeed?</b>	<b>No. of Stakeholders</b>	<b>Percentage (%)</b>
Annual workshops are held	5	100%
<b>TOTAL</b>	<b>5</b>	<b>100%</b>

<b><u>Question 7</u> What are the roles of the Ministry in local economic development?</b>	<b>No. of Stakeholders</b>	<b>Percentage (%)</b>
Is to monitor and evaluate the implementation of LED strategies also to allocate resources.	10	22%
Ministry should initiate and facilitate the process	27	60%
Formulation of policies	8	18%
<b>TOTAL</b>	<b>45</b>	<b>100%</b>