

**THE IMPACT OF LOCAL ECONOMIC DEVELOPMENT PROJECTS FUNDED  
BY THE DEPARTMENT OF HEALTH AND SOCIAL DEVELOPMENT ON  
POVERTY ALLEVIATION IN BAKENBERG AREA OF MOGALAKWENA  
MUNICIPALITY, LIMPOPO PROVINCE**

**BY**

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**A MINI- DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE  
REQUIREMENTS FOR THE MASTERS DEGREE IN DEVELOPMENT IN THE  
FACULTY OF MANAGEMENT AND LAW**

**AUGUST 2011**

## DECLARATION

I, the undersigned, hereby declare that the dissertation submitted to the University of Limpopo for the degree of Master of Development has not previously been submitted by me for a degree at this or any other university, and that it is my own work in design and execution.

SIGNATURE.....

DATE.....

## **ACKNOWLEDGEMENTS**

I would like to give my sincere gratitude to all the people who have supported me in my studies for my Masters Degree in Development.

I firstly want to express my gratitude to my Supervisor, Dr T. Moyo, for guiding me throughout my studies. Thank you Dr Moyo, and may God bless you for your excellent supervision.

Secondly, I thank my family, my wife, Ruth Motlagomang Tjale, in particular, who motivated me to register this study, and sacrificed most of her time in support of my studies.

Lastly, I want to convey my sincere gratitude to District Manager of the Waterberg Department of Health and Social Development, Mr R C. Machaba, for giving me permission to study for my degree in block training with the University of Limpopo. I really want to thank you for your support.

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## **ABBREVIATIONS AND ACRONYMS**

AIDS :	Acquired Immune Deficiency Syndrome
ASGISA:	Accelerated Shared Growth Initiative Strategy of South Africa
BBBEE:	Broad Based Black Economic Empowerment
CDP :	Community Development Practitioners
CDW :	Community Development Worker
DHSD :	Department of Health and Social Development
DPLG:	Department of Provincial and Local Government
DTI :	Department of Trade and Industry
EPWP:	Expanded Public Works Programme
GDP:	Gross Domestic Product
GEAR :	Growth Employment and Redistribution
HIV :	Human Immunodeficiency Virus
IDP:	Integrated Development Planning
ISRDS:	Integrated Sustainable Rural Development Strategy
LED:	Local Economic Development
LIBSA:	Limpopo Business Support Agency
NEA:	Non Economically Active
NFYP:	Ninth Five Year Plan
OECD:	Organisation for Economic Cooperation and Development
PGDS:	Provincial Growth and Development Strategy
PRS:	Poverty Relief Strategy
RDP:	Reconstruction and Development Programme
REED:	Rural Economic and Enterprise Development
SMMEs :	Small, medium and micro-enterprises
UNDP:	United Nations Development Programme

## **ABSTRACT OR EXECUTIVE SUMMARY**

The study investigates the impact of LED projects funded by the DHSD on poverty alleviation in the Bakenberg area of the Mogalakwena Municipality. The DHSD established more than ten different types of projects in the area to alleviate poverty in the local area. The Bakenberg area is part of the Mogalakwena Municipality and is characterized by high poverty rate and unemployment. It is also regarded as one of the rural areas of the Municipality.

The study used a case study methodology and a mixture of quantitative and qualitative research designs. The stratified random sampling method with a sample size of sixty (60) was used to collect data from various projects in the six categories. Data were collected by using the unstructured face-to-face interview method. The data were then analysed using the Moonstats Windows 14.0 to describe frequency tables, plotted pie and bar graphs for the quantitative study and the thematic method of analysis for the qualitative study.

The key findings of the study were based on core issues, such as the profiles of the respondents that indicated that the majority of the research participants were females. Most of the LED projects had a problem of marketing their products, and this needed urgent attention. LED projects make an impact on job creation, sustainable livelihoods and social capital among project members and their communities. The study recommends that committed individuals who take part in poverty alleviation should be considered for funding rather than to provide state grants only to groups of people. Resources such as transport should be provided to projects in local areas to access any type of market. LED projects should install palisade and electric security fences around projects to prevent theft within the projects. The study also recommends that a stipend of R500 should be paid to each youth who joins the LED projects to encourage the youth to participate in LED projects.



## **CHAPTER ONE**

### **RESEARCH PROBLEM**

#### **1.1 Introduction/Background**

Since 1994, the South African government has introduced various initiatives to eradicate poverty and to improve poor people's lives. Some of the initiatives to mention a few, were to establish LED projects, especially in rural areas. The Reconstruction and Development Programme (1994) indicates how the disadvantaged poor people especially women and the youth, can access funds to reconstruct their own lives through poverty alleviation initiatives. In 1998, the LED strategy was put in place to guide government, parastatals, private, businesses, and Municipalities about how the LED strategy can be used appropriately to alleviate poverty in the rural areas. The Department of Health and Social Development has established sixteen (16) projects in the Bakenberg area, on which ten (10) were concentrated for this study. Most of these projects have a membership of five and ten.

Despite the intervention by the Department of Health and Social Development (DHSD) in the Limpopo Province through the establishment of various types of Local Economic Development (LED) projects to alleviate poverty, there are still challenges about LED projects funded by the Department, especially concerning their impact on poverty alleviation in the Bakenberg area of the Mogalakwena Municipality. The Mogalakwena Municipality has a population of 298 440 (Stats SA, 2001). One of the key social problems facing the Municipality is poverty because the unemployment estimates vary between 45% and 70% of the economically active population between the ages of 15 and 64 years (Mogalakwena IDP 2008/2009:85). Women, especially rural women, form the greatest number affected by the lack of job opportunities as well as other social problems. The majority of the population also relies on social grants from pensioners (Mogalakwena IDP 2008/2009:85). The rate of unemployment is more than that of the Province and the country as whole, which means that the Municipality, especially in the Bakenberg area, has to address the challenge. This largely explains why the DHSD established LED projects.

The key objectives of the Department are:

[T]o ensure household food security through the establishment of food production projects in the communities with a particular focus on households affected by HIV and AIDS, and to support the establishment of women's production companies or co-operatives that improve the economic viability of rural households through the support of income generating opportunities for women.

(DHSD, 2004:1).

The intervention of the DHSD to reduce the high unemployment rate, the dependency on social grants, joblessness, and reduction of HIV/AIDS related diseases through LED projects, the poverty rate is still unacceptably high in the Bakenberg area. Over 40% of people in South Africa reported to be unemployed and this includes the Bakenberg area (Statistics South Africa, 2006: ). *The Constitution of the Republic of South Africa Act no.108 of (1996:81-82)*, has put in place an LED strategy which encourages local community members to initiate various projects, in order to alleviate poverty and to develop the economy at the local level. According to the *South Africa Yearbook 2005/2006 (543-544)*:

[T]he eradication of poverty is the highest priority in government's efforts to build a better life for all, in addition to the provision of social assistance, the Department of Social Development, also manages the poverty relief programme which aims to assist communities at local level in a range of developmental projects.

All these LED projects were created to alleviate poverty, in the Bakenberg area as well.

## **1.2. Situation Analysis**

The Bakenberg local area is one of the rural areas of the Mogalakwena Municipality characterized by a high poverty rate, unemployment and other socio-economic problems. The area was earmarked for various developmental projects to improve living conditions of the people.

The Department of Health and Social Development has also established sixteen (16) various LED projects since 1998 to intervene in alleviating poverty in Bakenberg area, but poverty still continues to be a challenge in the area. This investigation about the

impact of LED projects on poverty alleviation in Bakenberg is of the utmost importance to be able to recommend strategies to solve the challenges of poverty faced by people in this area.

The Mogalakwena Municipality has a population of 298 440, of which 102 303 is the population estimates for the Bakenberg area (StatsSA, 2001 and Mogalakwena IDP 2008/2009).

### **1.3. Statement of the Problem**

Despite a number of poverty alleviation projects established by the DHSD as an intervention strategy, to socio-economic problems such as poverty, the high unemployment rate, and the dependency on social grants, most people in the Bakenberg area of Mogalakwena still live under bread line, and most of the people depend on social grants for survival. Those who do not have access to social grants, often do crime, or have un-protected sex to get money to survive. Such actions, however, contribute to a high prevalence of HIV and AIDS in the area. The Mogalakwena IDP (2008/2009:87) notes the high prevalence of HIV and AIDS in Mogalakwena area by indicating that:

HIV and AIDS prevalence rates for Waterberg District increased from approximately 5% in 1996 to 14% in the Waterberg District municipality and 9,6% in the Mogalakwena area in 1999, where after the survey results showed a further increase in 2000 to 10,3% respectively in Mogalakwena local municipality.

Some other projects have collapsed after funding from the Department had been exhausted. Many of these LED projects were established since 1998, but most of them are not yielding positive results. According to the DHSD monthly report of October 2006, “among 30 various projects in the whole of the Mogalakwena Municipality assessed, only 12 projects are indicating some signs of sustainability and the number is very much lower to bring about local economic growth in the Municipality”.

Other project members have chosen to resign from the projects since they have been working on projects from 8h00 am to 17h00 pm per day, without getting any benefit from the projects. Many People suffer from hunger and poverty while they are working for the LED projects.

The DHSD has already established more than ten LED projects around the Bakenberg area to deal with poverty alleviation, but it seems as if they do not yield positive results for the rural poor people. It seems poor rural people have been pushed into Local Economic Development projects by government officials to groups of ten people to access funding from the government. Poor local communities have been enticed by huge amounts of funds pumped into communities by the state before the establishment of LED projects.

Leedy (1989) mentions that “a research problem constitutes the heart of the research project,” while Mayne and Stuart (2001:16) emphasize that “having performed your preliminary study and demarcated the problem, you are now in a position to make a statement of the research problem (often referred to as the statement of the problem).” What actually makes the Bakenberg poverty situation worse is that some other projects were allocated with additional funding with the aim to render the projects sustainable to improve the people’s lives, but presently, most rural people of Bakenberg are still living in poverty; they are without jobs or income, hence poverty has not been alleviated.

#### **1. 4. Aim of the Study**

The aim of the study was to investigate the impact of LED projects funded by the DHSD in the area of poverty alleviation in communities in the Bakenberg area.

#### **1.5. Significance of the Study**

The study has contributed data to solve current problems found in LED projects funded by the DHSD and added new knowledge about LED projects to make a strong impact on poverty alleviation in the Bakenberg area. The study has suggested some new strategies to alleviate poverty in local areas. Moreover, it has investigated the impact of LED projects on poverty, emphasizing micro level of job creation for the poor people at the local level where they are staying, especially those who are directly working in the projects to sustain their lives, and to cover a gap whereby more micro level aspects of LED were not sufficiently investigated, especially for households, job creation, sustainable livelihoods, and empowerment of women and the youth.

## **1.6. Study Objectives**

The objectives of the study were as follows:

- 1.6.1 To review the LED projects introduced and implemented by the DHSD in the Bakenberg area;
- 1.6.2. To analyse the impact of those LED projects in terms of poverty alleviation on the communities in the Bakenberg area;
- 1.6.3. To suggest policy actions or other strategies as may be deemed necessary.

## **1.7. Research Questions**

A number of research questions were posed for the study:

- What is the socio-economic status of the Bakenberg communities?
- How many LED projects are available in Bakenberg?
- What kind of LED projects are initiated by the DHSD, and who are the beneficiaries?
- What kind of support do the LED projects get from the Local Municipality?
- How do community and project members perceive the LED projects?
- What impact have the LED projects made in terms of:
  - i. Job creation;
  - ii. Sustainable livelihoods;
  - ii. Empowerment of children, women and the youth?
- What key factors explain the performance of the LED projects?
- How sustainable are the projects?

The above questions posed for the study are for both qualitative and quantitative because the study describe the status of LED projects in the area and to solicit the ideas of beneficiaries with regard to the impact of the LED projects. The quantitative method was used to describe the study sample and to examine if there were any relationships between some of the study variables, for example, the relationship between the projects and job creation, women empowerment, social capital, and sustainable livelihoods.

## 1.8 Definition of Concepts

The following terms are defined to have the following meanings for the purposes of this study:

**Poverty:** “Poverty equals to human suffering. Although this suffering may be relative, it is still an undesirable state to live in and often goes hand in hand with other social pathologies and deviant behaviour” (De Wet, 2005:3). Zaiman (2007:2) says that “Poverty is apparent to the human eye and is profiled by shacks, homelessness, unemployment, casualised labour, poor infrastructure and a lack of access to basic services”. Poverty in the broadest sense implies a lack of resources for reasonably comfortable living, but in the extreme sense it implies that the means for mere subsistence, such as food and shelter are lacking (Social auxiliary work training manual, 1997: 129).

**Poverty Alleviation:** It is the programme that entrusts state resources to communities to undertake and dictate development for themselves by themselves. The programme emphasizes access to economic opportunities for specific targeted groups and the establishment of local structures that are able to identify, own and manage the ongoing implementation of development initiatives in the community. It is also a government’s efforts to build a better life for all” (*South Africa Yearbook, 2005/2006:544*).

**Development:** Development is “the process of change that occurs in human society, consisting of economic growth and changes in the systems of values” (Weitz, 1986:20). Zaiman (2003:7) explains that “Development is about the way in which positive change is accomplished. It is an attempt to change the living conditions in order to have a better standard of living. Development is therefore focused on people who are lacking in knowledge, skills and resources and therefore unable to improve their living conditions”.

Development as being generally used in the South African context of community development implies that a specific community (racially based geographical area) is in a state of under development, but, under development in relation to what? It is obvious

that some or other state of development must act as a norm in this regard, especially in the context of the development of communities, (Cupido, 2007: 25-26).

**Community Development:** According to Smith (2006:5), “it is a process of collective action by the local community to bring about development (change) by building the capacity of people so that they themselves will improve their quality of life and wellbeing.”

**Community Empowerment:** It is “the empowerment of people through building of their capacity. By standing together, people feel empowered and feel they can achieve their objectives. These actions bring people to the awareness that collectively they can exercise their will and this creates a feeling of autonomy and adequacy amongst them” (Smith, 2006:29).

**Sustainable development:** This term refers to “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (Smith, 2006:23).

**Sustainable livelihoods:** “refers to capacity, abilities, strengths, assets, activities and strategies of households to define and to solve their own problems. It emphasizes the capacity, strengths and resources of households to cope with difficult conditions” (Smith, 2006:9).

**RDP:** “RDP stands for Reconstruction and Development Programme, which is an integrated, coherent socio-economic policy framework” (Griessel, 1994:1). Its main aim was to address the imbalances of the past created by the apartheid government which mostly affected Black people, especially women in rural areas.

**LED:** “Local Economic Development is about local people working together to achieve sustainable economic growth and development for the benefit of all people in the local area” (Kroukamp, 2006:2). Fosler (1991) defines LED “as the process of creating wealth

through the organised mobilisation of human, physical, financial, capital and natural resources in a locality. The aim of local economic development ultimately is to produce higher standards of living, improve the quality of life, alleviate poverty, create more and better jobs, advance skills and build capacity for sustained development in the future”.

**Local Community:** This term indicates that “the local Community can be regarded as a living environmental system with a variety of sub-systems, i.e social, economic, ecological, human and institutional” (Smith, 2006:11).

**IDP:** Integrated Development Planning is “a process through which Municipalities prepare a strategic development plan for a five year period” (Swartz, 2007:52).



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

Chapter two addresses issues around poverty alleviation through Local Economic Development initiatives especially projects funded by the DHSD in the Limpopo Province. “South Africa is characterized by high levels of poverty, especially in rural areas. Approximately 70% of South Africa’s poor people live in rural areas, and about 70% of the rural residents are poor. Their incomes are constrained because the rural economy is not sufficiently vibrant to provide them with remunerative jobs or self-employment opportunities. The cost of living is high because they have to spend relatively more on basic social services such as food and water, shelter, energy, health, education, transport and communications services than people in urban areas.” (Devs 813-Land Use & Agricultural Development Study Manual:7). It is estimated by Statistics South Africa (2006) that “over 40% of people of South Africa reported to be unemployed.” This figure included the Bakenberg area.

In Limpopo Province there are currently many poor people, a high unemployment rate, high dependency on social grants due to poverty, especially in the rural areas such as Bakenberg (Stats SA, 2001).

To develop robust and inclusive local economies one needs high levels of intergovernmental co-ordination, not only between national government departments, but through all spheres of government. Although national government departments have strategies and resources for schemes to enhance and stimulate local economies, there is an urgent need to invest in the infrastructure and systems to address communication failures reflected in the fact that those targeted by these programmes are not aware of the opportunities that exist (DPLG 2000:24). The DPLG of 2000 is supported by the Municipal Systems Act, no.32 of 2000. In terms of Section 26 of the Act, local authorities must compile IDPs that must reflect the long-term vision of the local authority, including its Local Economic Development objectives. It can thus be deduced

that local authorities have no option but to design strategies to promote Local Economic Development in an effort to effectively alleviate poverty.

#### 2.1.1 LED in South Africa: Policy Framework

*The Constitution of the Republic of South Africa*, Act no.108 of 1996 section 153(a) emphasizes the fact that “a Municipality must structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community and to promote the social and economic development of the community.” The above section of the constitution serves as the foundation of the local economic development policy and other related policies such as the RDP which emphasizes and promote a better life for all people in poor rural communities, by developing their own social and economic life.

When emphasizing the Reconstruction and Development Programme for promoting job opportunities and the eradication of poverty, Griessel (1994:18) indicates that “the democratic government must play a leading role in building an economy which offers to all South Africans the opportunity to contribute productively. All job creation programmes shall cater particularly for women and the youth.” Poverty affects millions of people, the majority of whom are females living in the rural areas. It is estimated that there are at least 17 million people trying to survive below the minimum living level in South Africa, and of these at least 11 million live in rural areas (Griessel, 1994:14). These millions include poor people who live in extreme poverty in rural areas of the Bakenberg area. Griessel emphasizes on building local economies to solve the problems of poverty that mostly affect women and the youth in the rural areas. Women and youth should be on the main stream of economy in the local areas. All this initiatives mentioned by Griessel to alleviate poverty should be led by the government.

Mudau (2002:1) refers to a case study at the greater Thohoyandou Municipality aimed at emphasizing sound ethics as a key factor in the quality of governance at the local structures to make LED effective. Unethical governance costs society much more than money, as it leads to a lack of trust and confidence in government, and consequently in a

lack of participation or involvement in government and development affairs. Sound ethics for local government structures will make all people to participate effectively in making LED effective in alleviating poverty in the local areas. Mudau emphasizes sound ethics as the driving force for the good governance in the local areas that can ultimately make LED effective. Sound ethics will conscientise people who are interested in local development initiatives to have clear understanding that good governance of LED projects emanates from sound ethics. Mydral (1968:24) “emphasize policy-makers who pronounce development strategies targeting production, incomes and standards of living, the preconditions for production and growth and the prevailing attitudes towards life and work are often left out”. Work ethics are emphasized to fulfil the goals of intervention to poverty at the local area.

Davis and Marais (2006:18) state that “particular constraints in respect of governance issues can be identified: Although some form of LED portfolio committees exist in some local authorities, their roles are not well defined. Limited incentives schemes are available to private sector investment”. The two authors emphasize on governance and management of LED projects that more focus in terms of governance is given to private owned projects than LED projects that are funded and supported by the state. Gran (1995:22) in turn believes that increasing the influence of the poor on their own living conditions will stimulate, more than anything else, their willingness to take responsibility and make sacrifices. These views resulted in a change of perceptions about the poor and the formulation of strategies for addressing poor target groups”. The target groups are defined as ‘people unable to command sufficient resources to satisfy basic needs’ (Todaro & Smith, 2003:10). Gran emphasize ownership of the development projects in the local areas by the poor people themselves, so that they can be more responsible about local economic development taking place within their local communities.

According to Abrahams (2003:1), LED in South Africa is based on local government. To achieve the goal of developing sustainable settlement, local authorities need to have a comprehensive understanding of the different social and economic dynamics operating within their area, to address developmental backlogs and plan for future socio-economic

requirements. Integrated Development Planning (IDP) was largely a reaction to the outdated and inappropriate planning that was taking place at local level. Abrahams (2003:188) further maintains that “LED involves the use of local resources, ideas and skills to stimulate economic growth and development. Also central to some LED approaches is the theme of endogenous development, which stresses the use and potential of local human, physical and institutional resources.” DPLG (2000a) says “LED is an outcome stemming from local initiative and driven by local stakeholders.” Abrahams put more emphasis on the understanding of the social and economic dynamics by all stakeholders who are working within the local authorities. Councillors, CDW’s, traditional leaders and government Officials should understand first the challenges and the needs of the poor people before they can start with poverty alleviation initiatives. This will make them to know the relevant approach that they will be applying, in making sure that ‘first thing first’ principle is applied in dealing about the needs of the poor people in the local area.

The White paper on Local Government (1998:v) states that “the local government is the sphere of government that interacts closest with communities, is responsible for the services and infrastructure so essential to people’s well being, and is tasked with ensuring growth and development of communities in a manner that enhances community participation and accountability.” The powers and functions of local government should be exercised in a way that has a maximum impact on the social development of communities - in particular meeting the basic needs of the poor - and the growth of the local economy. Through its traditional responsibilities (service delivery and regulation), local government exerts a great influence over the social and economic well-being of local communities. Municipalities therefore need to have a clear vision of the local economy, and work in partnership with local businesses to maximize job creation and investment on this regard. The empowerment of marginalized and disadvantaged groups is a critical contribution to social development.

White Paper on Local government (1998:18-19) states that “developmental local government must provide a vision and leadership for all those who have a role to play in

achieving local prosperity. One of the most important methods for achieving greater co-ordination and integration is Integrated Development Planning (IDP). IDP provides powerful tools for municipalities to facilitate integrated and co-ordinated delivery within their locality.”

Rogerson (2002a) in turn remarks that, “ the argument is that local governments are strategically well placed to deal with poverty alleviation and that one of their core functions should be to manage those local projects that aim to address inequalities between citizens.” While Abrahams, (2003:192) states that “the provision of infrastructural services, for instance, is seen as pivotal to promoting LED and is also an important step in terms of poverty alleviation, since access to municipal services expands the asset base of the poor”. Rogerson and Abrahams state that the local governments are there to ensure that poverty is alleviated through local projects. What the two authors mean is that, local governments must be more visible to the poor and disadvantaged people to deliver services including local economic development in their areas. The study has also investigated the vision of the Mogalakwena Municipality with regard to support to LED projects funded by DHSD in the Bakenberg area, and to check whether the Municipality does provide Municipal basic services or not, to expand the asset base of the poor people in the area, thereby alleviating poverty.

#### 2.1.2 Department of Health and Social Development and LED in Limpopo

The DHSD in Limpopo has brought poverty relief through the establishment of LED projects. The *White Paper on Social Welfare* (1997:18) states that “poverty is often accompanied by low levels of literacy and a lack of capacity to access economic and social resources. The Welfare Department’s Developmental Social Welfare Programmes will build this capacity, facilitate access to resource systems through creative strategies, and promote self-sufficiency and independence. Local authorities will be encouraged to make provision for the development of infrastructures and facilities for services, such as electricity, water, sanitation, transport, recreation facilities, economic development projects, and job creation programmes.” Despite the fact that the Department has endeavoured to reduce poverty through initiating projects, the intervention seems to be

insufficient, based on the progress reports from Department. The monthly report of October 2006 states that “among 30 various projects in the whole of the Mogalakwena Municipality assessed, only 12 projects are indicating some signs of sustainability and the number is very much lower to bring about local economic growth in the municipality”. These clearly indicate the failure of the local economic development projects initiated by Department, because not even half of 30 projects were successful in the Municipality.

Kroukamp (2006:22-28) states that “twelve years after the end of the apartheid era and efforts by government to identify particular strategic objectives to strengthen local government capacity, the reality is that the local economy is still characterized by a massively differential access to resources. Local authorities thus face an enormous task as there is a huge backlog to access basic services. The focus should, therefore, be on building local communities that present economic opportunities for all inhabitants. The success rate of LED has been fairly limited. Despite the fact that the projects financed by means of the LED fund had made a contribution to human development, only a limited number of these projects would actually survive the initial phase, during which funding occurred.” Kroukamp supports Rogerson and Abrahams’ views about the local governments that need to be more visible to the poor people to deliver services including local economic development in their areas, to ensure that poverty is alleviated through local economic development projects. It is also the case with the Bakenberg area that has a unique historical background different from other areas in Limpopo or in Gauteng. Its poverty is caused by various causes. The area was and is still regarded as one of the rural areas within the Mogalakwena Municipality with high poverty rate and inequality as well as a high unemployment rate.

Kroukamp (2006:30) furthermore states:

‘The LED initiatives were mainly linked to the LED Fund and had limited long term economic benefits for the local communities. It is therefore important that local authorities will adjust their mindsets and adapt to the need to support and encourage a wider and more vibrant concept of what the local economy is, should be, and can be. This is necessary to eradicate poverty by generating more jobs, free up fiscal resources for poverty reduction programmes and reduce the risk of financial crises.’

Poverty was not alleviated based on the fact that LED initiatives were based on LED funding rather than taking the needs of the local people into consideration. *South Africa Yearbook (2005/2006:544)* states that “On the other hand, the Poverty Relief Programme entrusts state resources to communities to undertake and dictate development for themselves by themselves. The PRP emphasizes access to economic opportunities for specific targeted groups and the establishment of local structures that are able to identify, own and manage the ongoing implementation of development initiatives in the community.”

## **2.2. Theoretical Link between LED and Poverty Alleviation**

### **2.2.1 General introduction on different theoretical approaches to the link between LED and poverty.**

The eradication of poverty is the prime basis of sustainable development and the successful accomplishment of LED, (Rogerson, 2002). Internationally, nationally, provincially and locally LED has projects as a tool to deal with poverty alleviation. Numerous studies have been conducted on LED and poverty alleviation, but the problem is that there is no major impact on poverty, job creation, and empowerment of women and the youth in terms of skills development. Some studies are optimistic that LED will work, while others state that LED is not commonly used so that more focus should be on community development approaches to deal with poverty in local areas.

There are many LED initiatives across the country while the evidence of their success to alleviate poverty is limited. This underpins the importance of the current study. In Limpopo Province, 77% of the population are living below the poverty line. This is the highest figure of all the nine provinces (Limpopo LED Discussion Paper Programme, July 2007:1). This means that Limpopo is known as one of the poorest provinces in South Africa. Many local Municipalities in Limpopo have strategies to deal with poverty, but there is no evidence of any effective impact they had.

### 2.2.2 Debate on the link between LED and poverty.

The World Bank (1980) has revised its poverty programmes in lieu of macro-economic measures and the proposed three-prong approach that consists of three aspects. Two of these aspects have had an explicit impact on income poverty. The first was directed at the productive use of the poor's most abundant asset that focuses on labour-intensive technologies for creating better opportunities for employment. The second approach focuses on direct assistance to those worst off who could not be reached through other programmes. The World Bank emphasizes the macro-economic measures that focus on labour-intensive technologies to make impact on income poverty. The problem is that the poor people at the local level are not considered if the micro economic measures are left behind.

Martuniseen (1989:302), Lipton and Maxwell (1992 a) maintain that 'support of labour intensive production, indicated that it is an option that could lead to a full realization of the potential abilities of the poor'. Since the inception of the EPWP in May 2004, it had a major impact on job creation for most South Africans in that 1 077 801 job opportunities had been created before the scheduled 31 March 2009 (*South Africa Yearbook 2008/2009*:154). Martuniseen (1989:302), Lipton and Maxwell (1992 a) support the idea of labour-intensive through the program of EPWP that was introduced in May 2004. However, poverty still remains very high in the country, especially in Limpopo Province. Rural areas really need effective local economic development to improve the bad conditions of the poor people in the local areas.

According to the World Bank (2001) 'the success of LED requires economic, environmental and social renewal, and it is for this reason that LED plans need to interlink with poverty alleviation strategies and should, to a large extent, include disadvantaged and excluded groups.' This means that LED depends upon the three aspects that are linked to economic, environmental and social renewal to alleviate poverty. The World Bank of 2001 put more emphasis on economic, environmental and social renewal, that need to be linked with poverty strategies to alleviate poverty. The social renewal where the values and norms within the society are renewed, poor people



understand their importance for being members of the communities where they belong, and the promotion of social capital that lead to social networking can assist to alleviate poverty and economic growth in the communities.

On the other hand, the DEVS 813-Land Use and Agricultural development study manual:10-11 defines LED as ‘a functional area within which economic activity, infrastructure, social facilities and human settlement patterns dictate the viability of governmental interventions. The Spatial Development Initiatives (SDI) approach has provided valuable experiences on spatial development on a larger scale, which can be used in LED. LED in the rural context includes diversifying the economic base, building backward and forward linkages, ensuring basic standards of health and safety through the provision of basic infrastructure and services, maximizing job creation and building on the inherent potential of local areas.’

Nel et al. (2004:1-4) emphasize that the concept of LED was well established in countries such as Europe, North America as well as in Latin American countries such as Brazil and parts of South East Asia. However, these local level initiatives often have a limited understanding of economic development built into them. Nel et al. (2004:5) further indicate ‘sustainable livelihoods for rich and poor to give a good introduction to the concept of LED. There is also a divide between urban planners and rural development agencies. The former tends to suffer from urban bias, often neglecting the interdependencies between urban centres and their rural hinterlands, whereas the latter are essentially concerned with development at a village level, ignoring the importance of small and medium size towns in the provision of services. Both rural and urban planners lack a full understanding of LED and its rural-urban connectivity’. Nel emphasizes that LED is well established in developed countries such as Europe, North America and in Brazil, while in other developing countries such as Africa, the understanding of LED in the local areas is limited. The effectiveness of the LED is more experienced in developed countries than in developing countries such as South Africa, Mozambique etc. Nel also emphasize on Sustainable livelihoods whereby the poor people within the local communities use their own available assets to cope with difficult situations and alleviate

poverty in their local areas. The problem with Sustainable livelihoods is that it considers both the rich and the poor in both rural and urban in alleviating poverty, whereas LED focuses only on the poor disadvantaged people living at the deep rural areas.

Contrary to Nel et al (2004), World Bank (2001 a) defines LED as ‘a process in which partnerships are established between local governments, the private sector and community based groups in order to manage existing resources for job creation as well as the stimulation of local economies.’ The author emphasizes the fact that poverty can be alleviated through LED when there is private public partnership in the local communities. Poverty needs inter-developmental forum where all the relevant stakeholders are committed in bringing economic development to alleviate poverty in the local areas. Harvey (1989:7) supports this idea of the World Bank (2001) by indicating that ‘ central to the new local entrepreneurialism is the notion of Public-Private Partnerships, in which traditional local boosterism is integrated with the use of local government powers to try and attract external sources of funding, new direct investments or new employment sources.’

When addressing a women`s day celebration at Vryheid, President Jacob Zuma recently told the nation that,

The government`s priority of turning rural areas into thriving centers of development should have a positive impact on women. He continued to say that ideas by women to foster local economic development and job creation must be nourished and brought to life by government and the private sector (Hadebe, 2009). The president emphasized support and empowerment to all women who take initiative through local economic development to alleviate poverty in the rural areas.

The World Bank (2003:5) further emphasizes the usefulness of Public Private Partnership in dealing with poverty alleviation by stating that “LED is the process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation”.

Rogerson (2000) indicates that ‘the most prominent current initiatives suggest that LED in South Africa clearly tends to be an urban-focused activity.’ Rogerson (2005:45) points out that,

‘LED’s links with big business are fairly restricted and do not promote access to integrated and open markets, and reference thereto only relate to a specific sector in which possible employment creation could take place or to the link between training and the requirements of the market, thus a major obstacle in poverty alleviation and encouraging growth, and no specific attempts are made to build the management capacity of emerging entrepreneurs.

Whereas ‘applied LED initiatives range from market-led initiatives pursued in the large cities to draw in big business, to build sports stadiums and convention centres and to re-image cities in the global era, through to small scale, but carefully targeted poverty relief, training and job creation schemes which focus on areas such as crafts, sewing, and brick-making etc’ (Rogerson, 1997 & 2000; and Nel, 2001). The authors emphasize the fact that LED is more experienced in big cities to access market from the big businesses. These could be one of the obstacles why LED is not effective in the local areas because of lack of marketing of the LED projects. According to Meyer-Stamer (2003), ‘LED should focus on markets and that competitive business and community development interventions should be used to deal with social problems.’

In South Africa, LED tends to have a more distinctive pro-poor orientation and the degree of national state endorsement of local level action is particularly noteworthy (Rogerson, 2003 and Nel, 2001). In its operation, LED can either have a pro-poor focus (i.e., seeking poverty alleviation) as encouraged by the DPLG, or a pro-growth focus (i.e., seeking economic growth), as encouraged by the Department of Trade and Industry (Tomlinson, 2003).

Rogerson (2002) contrast to the pro-poor stance adapted by the DPLG, that ‘the view espoused by the DTI which links LED more firmly to mainstream economic development to small business promotion in particular’. Nevertheless, the disappointments associated with a decade of policy initiatives to support the Small, Medium and Micro-Enterprises

(SMME) economy are reluctantly being acknowledged by National government ( Nel, 2002). Tomlison (2003) has examined the reality of policy conflicts in the country and argues that, in contrast with international experience, South Africa`s focus on small business and poverty relief only parallels international experience in terms of community-based LED and not on more mainstream varieties. Within the same context he has also found that LED is being marginalized by a lack of available resources, the dominance of large scale state interventions, such as, new programmes for industrial development zones, the narrow conceptualization of what LED is, and the rather unfortunate reality that “LED is increasingly being used by central government to shift on to local government some of the responsibilities for dealing with unemployment and poverty (Tomlison, 2003:113).

Marais and Botes (2006:9) mention the emphasis on the Local Economic Development fund that was established in 1999 to financially support local authorities on a project basis over a five-year period in local development initiatives as part of the poverty alleviation strategy of government. Some research also relates many of the problems experienced in respect of income generation and LED to institutional confusion in South Africa (Tomlison, 2003:120). The development fund emphasized by Marais and Botes can work in other communities, while in others cannot work. The main issue is that the poor communities need to be committed and own their development before they can be allocated with funds. Millions of money have already been given to the poor people to do LED projects to alleviate poverty, but all in vain.

The World Bank (1999) furthermore indicates that,

‘The assistance of the Bank in poverty alleviation and community development in Romania by approving a 10 million US dollar social development fund project loan to alleviate poverty at the community level, and to support community-driven-development by strengthening local organization. The loan is the first of two adaptable program loans totaling 20 million US dollars that the Bank plans to provide over the next four years to support the social development fund program. Adaptable program lending is a new investment approved by the Bank.’

Grameen Foundation emphasizes the use of micro finances and innovative technology to fight poverty. The Foundation also indicates that global poverty can be alleviated by

bringing opportunities to the world's poorest people with small loans and financial services, to help mostly women to start business and escape poverty through 55 Micro Finance Institution (MFI) partners. The poor are given the tools to fight poverty with micro finance to lift themselves out of poverty. The poor should learn about micro finances as it has been proven to be one of the most sustainable poverty fighting method (([WWW.End poverty.Org](http://WWW.Endpoverty.Org))).

The World Bank (2002) has indicated that,

LED interventions, be they market-led or market critical, tend to have a focus on achieving set goals related to economic growth and empowerment. In order to achieve such goals, support agencies conventionally pursue a fairly definable range of programmes. The most common programmes include the following:

1. Encouraging local business growth;
2. Support for new enterprises;
3. Improving the local investment climate;
4. The promotion of inward investment;
5. The provision of both hard and soft infrastructure;
6. Sector support for identified lead sectors;
7. Area targeting to address unique challenges;
8. Poverty reduction to ensure equity; and
9. Regeneration endeavours in areas subject to economic change.

In support of these views provided by the World Bank (2002), the World Bank (2008) in support of poverty alleviation in Sergipe, stated that the Bank supported state integrated projects to alleviate rural poverty. Such projects should be aimed at expanding social and economic opportunities for the poor in the rural areas of the state, through greater access to basic socio-economic infrastructure. The programme seeks to generate productive activities through local associations and cooperatives to boost the income of small farmers in Sergipe.

The Rural Development Framework (thriving rural areas), compiled by the Rural Development Task Team and the Department of Land Affairs in 1997, states that 'building local economic development and rural livelihoods requires close consideration of job creation opportunities in several sectors, obstacles for development, poor rural-urban linkages, migration remittances, unemployment and restrictions on women' (South

Africa, 1997). World Bank 2002, World Bank 2008 and Department of Land Affairs, 1997 put more emphasis on the development of the local areas to ensure that the poor people have access to socio-economic infrastructure to create more jobs and boost the income of the small farmers in the rural areas. When jobs are created at the local rural areas, migration of the poor people from the rural areas into the urban areas will be limited.

Everratt and Zulu (2000:2) emphasize the following crucial points impacting on LED and poverty alleviation projects:

- ‘The tension between a participative and community based approach to development, and treasury requirements of spending.
- The growing need on the government departments to spend, show results and avoid roll-overs.
- Challenges facing rural development and anti-poverty programmes from gender quotas to institutional arrangements.’

Wilson and Ramphela (1989:14) indicate clearly that ‘Poverty is like illness. It shows itself in different ways in different historical situations, and it has diverse causes. Treatment generally requires careful diagnosis.’

### **2.3. LED and Poverty Alleviation: Review of the Evidence**

According to the UNDP Millennium Goals project (2005:9), Sub-Saharan Africa is the epicentre of crisis, with continuing food insecurity, a rise of extreme poverty, stunning high child and maternal mortality, and large numbers of people living in slums. UNDP (2005:6) furthermore states that ‘poverty increases the risks of conflict through multiple paths. Poor countries are more likely to have weak governments, making it easier for would-be rebels to grab land and vital resources. Resource scarcity can provoke population migrations and displacement.’ However, East and South-East Asia have made tremendous progress towards achieving many goals, especially in reducing income poverty, hunger and gender inequality (UNDP, 2005:32).

International and national experience does however suggest that simply initiating LED is no guarantee for success. In many instances, LED interventions across the world have not lived up to expectations. Indeed, there is an observable trend across many developed countries for LED initiatives to be based increasingly upon promoting localities as centres of consumption rather than of production activities (Harvey, 1989; Britton, 1991; and Agarwal, 1999). South African evidence indicates that LED has experienced mixed fortunes in practice, and in addition, the government's LED Fund which has supported targeted LED poverty relief projects, is now also being questioned (Nel, 2001).

In Tanzania, the poverty reduction strategy (PRS) is anchored within a macroeconomic framework designed to raise the GDP growth rate while maintaining macroeconomic stability. It focuses on reducing income poverty and on enhancing human capabilities, survival, and well-being. Reduction of income poverty is to be achieved through rural/agricultural development and export growth (OECD, 2002:60-61). It is clearly indicated that in Tanzania the LED approach is done like in developed countries such as Europe, North America. The reduction of poverty strategy is driven by the macro economic measures of the country than the micro economic measures at the local poor areas.

Van Empel (2007:1-2), commenting on LED in Mozambique, emphasizes that,

‘Economic and social needs are one. In Mozambique working out poverty is hard. Natural disasters, HIV/AIDS and other hardships put severe strains on people's ability to generate a decent income. LED agency, Sofala, looks into ways to decrease people's vulnerability to such risks by linking social protection to economic development. Sofala would like to address the risks of natural disaster to which the rural population is exposed through social protection measures. Social protection is further emphasized as a set of public and private measures that seek to provide income security in case of illness, old age, unemployment, death of the breadwinner or other hardship and prevent or alleviate poverty.’ Van Empel emphasizes that economic and social needs are one, and they should go together when poverty is alleviated. However, social protection is the most important aspect in Mozambique to bring impact in poverty alleviation especially when a person is old, unemployed.

The Organization for Economic Co-operation and Development-OECD (2002: 39) states that,

‘In South East Asia like India and China, the Ninth Five Year Plan was formulated, i.e., from 1997-2002 in India, and from 1996-2000 in China which served as the heart of the economic development of both two countries to raise living standards to that of a fairly comfortable life with poverty practically eradicated and expedite the formulation of a modern enterprise system and establish a socialist market economy. The main objectives of the NFYP of the two countries being the following:

- Priority to agriculture and rural development with a view to generate productive employment and eradication of poverty.
- Accelerating the growth rate of the economy with stable prices.
- Ensuring food and nutritional security for the vulnerable section of society.
- Ensuring environmental sustainability of the development process through participation of people.
- Empowerment of women and socially disadvantaged groups ( e.g minorities).
- Promoting and developing the lowest unit of local self government at district, block and village level, cooperatives, etc.
- Strengthening efforts to build self reliance.
- Continuously raise the people`s living standards in both urban and rural areas.

The NFYP of India and China was mainly meant to develop their country`s economy and eradicate poverty to make sure that there is an improvement in the people`s living standards, food security and economic growth.

According to Mohapi (2005:2), the impact of LED on employment creation at Seshego Industrial site has been a failure in the post-apartheid era since 1994. He states that LED needs were fully exploited, since the industrial site used to be vibrant with hundreds of people being employed in the past, but now the area has been deserted. This is surprising given that LED emphasizes the utilization of all buildings available in a specific area for socio-economic reasons such as employment generation. Mohapi furthermore states that the integration of relevant key stakeholders specializing in LED, and the development of SMMEs in the Polokwane Municipal area, should be a stepping stone to ensure success.



The study conducted by Marais et al (2002:4) regarding the evaluation of local economic development projects in the Free State province reveals that 'LED has indeed become well established in the country and the province, at least as a concept, an ideal, or something to work towards. However, a series of key blockages are impeding the widespread and successful implementation of LED at all levels. While some noteworthy LED successes have been achieved across the country, there are key constraints related to shortages of funds, staff skills and resources, particularly at local government level. Additionally, government and various resources have established that LED is not living up to expectations. There seems to be confusion regarding its definition and application. Furthermore, there is confusion regarding the purpose of LED, and whether LED is purely about poverty relief or whether it is about encouraging economic growth.'

Meyer-Stamer (2003: 4) supports this idea about the confusion of LED's definition by arguing that 'LED in South Africa tends to be confused and highly selective. Adding to this the limited capacity and experience local governments tend to have in terms of promoting economic development, it is unlikely that LED will make much of a difference.'

Unfortunately, the recent assessment by Marais et al (2002: 5) indicates that 'LED is not trouble-free and many obstacles exist which prevent LED from meeting the needs of the poor, laying an effective growth path and fulfilling the expectations made of it. Marais et al (2002: 5) mention that, 'in general, the business sense of projects was limited. Marais et al, and Meyer-Stamer emphasize that LED needs inter-development forum of the relevant stakeholders to ensure that LED become successful at the local areas, because currently local development projects are failing to make impact on poverty alleviation, and most of the projects do not have a business sense.

The widespread failure of many LED projects is starting to emerge and indicates the limitations of their approaches. As has been observed recently, it appears that the results have generally been disappointing (Hindson, 2003:4) with capacity and resource

constraints being the key hindrances in many local authority areas (Nel, 2001). The two authors clearly indicate that LED projects have failed to alleviate poverty in the rural areas based on the limitations of their approaches.

When conducting an evaluation of 16 LED projects in the Free State province, Marais, Botes and Maishoane (2002:6) and Ingles (2003) contributed to the national survey of LED projects that has shown that ‘only a small percentage of those in the Free State have the potential to become financially viable. The community development practitioners have reached the same conclusion with regard to the income-generating projects of the Department of Social Development in the Free State.’

Nel and Rogerson (2005:15-20) emphasize that ‘the pro-poor LED in South Africa’s cities is based on policy and practice. In recent years, attempts to respond to market failure and to address the employment and development needs of the poor, who tend to be bypassed by the market, have become prominent concerns in global discourse. 25,8% of households live in informal accommodation, 19,6% of all households have no income, and unemployment stands at 38,28% in South Africa’s cities. Nevertheless, numerous obstacles have been encountered, such as, a poor understanding of local economies, support for unsustainable community projects, and capacity and resource constraints. The pro-poor LED is embedded in the practice of South Africa’s leading urban centres and has revealed what could be described as disappointing results. The findings uphold Rogerson’s early assertion that pro-poor LED is more entrenched in policy than it is in practice. Despite the fact that addressing poverty is central to the economic and LED vision of many municipalities, in reality, attaining this goal is constrained by factors such as staff and funding shortages and the absence of poverty reduction targets.

On the other hand community participation in planning and design is limited, assets are provided to groups that have already organized themselves, often around economic activities, and who may not necessarily represent the poorest of the poor. Fast tracking obliges implementers to focus on assets construction and delivery, and limits or disregards the time needed.

(Mothapo 2003:24)

Susan et al (2005:53) emphasize on LED, with public works and poverty relief as the major issues on the urban policy agenda for some time. The new poverty agenda pushes the idea that income transfer alone, through subsidies and short term jobs, will be inadequate to address the underlying causes of poverty and inequality in Cape Town. The new poverty agenda emphasizes poverty relief through the Expanded Public Works Programme (EPWP), although assessment of EPWP outcomes is not possible as the city has no effective monitoring and evaluation of poverty relief system. Susan et al (2005:53) further emphasize that ‘good poverty reduction programmes are those that can be rolled out at a scale that will make a dent in the urban poverty problem and that can be sustained through time. Implied in this is that the government will be able to embrace and drive such anti-poverty projects.

Kwaw (2000:42) notes that,

‘The current level of poverty, the geo-political and geographical environments, and individuals involved in the projects constitute a threat to a successful implementation of the income poverty programmes. In addition, fundamental questions need to be asked concerning the commitments of the relevant departments and the roles of community workers in the programme.’

Martinussen (1997:301) supports Kwaw by stressing that ‘a special development strategy for the poor must be worked out, and this should be made for, in co-operation with, the target group if it is to break out of poverty and exclusion and achieve decisive improvements.’

According to Evertt and Zulu (2000:13), the ‘1994-2000 Period was marked by differing implementation strategies and policy shifts, and for the purposes of this essay, the failure to integrate delivery across government and parastatals was and is a major problem facing government. The ISRDS is based on an explicit acknowledgement of this failure.’ The question remains whether government is aware of the problems of successfully implementing the local economic and anti-poverty plans but the technocrats and beneficiaries still fail to achieve the expected outcomes’ (Evertt and Zulu 2000:20). Marais et al (2002:10) found that, ‘despite the fact that the projects financed by means of

the LED fund had made a contribution to human development, only a limited number of these projects would actually survive the initial phase, during which funding occurred, and the success rate of LED has been fairly limited.’ This is supported by the DPLG (2005:21) which states that some of the LED projects were sustainable, did provide jobs and can currently be continued, provided that they register as normal legal entities under the company or corporate legislation. However, the majority of the projects could only survive with continued infusions of public money.

In an evaluation by Nel et al (2004), it was found that ‘the most successful projects were those driven by the private and community sectors, that managing LED through local authorities created various managerial and financial problems, that partnership formation was limited, and that the most successful projects were tourism-related and linked to international markets.’ Most of the projects in Bakenberg area are funded by the state and entrusted to poor communities rather than private sector, and the projects are mainly agricultural and baking related rather than tourism and they are not linked to the international market.

Kroukamp (2006:26) supports the above statement by mentioning that ‘ it is thus evident that LED is based on the building of local economies through various initiatives as well as alleviating the levels of poverty that exist within South African local communities. To determine the extent of the latter, it is important to put poverty in South Africa in context.’ The evidence that is brought by Kroukamp is that poverty was not addressed based on South African context, but some other poverty relief strategies might have been copied from other developed countries to be applied in the country to alleviate poverty, hence, those strategies are not effective at the local areas.

An overview of LED literature furthermore suggests that very few of the small scale and community-based employment creation projects have resulted in financially viable projects that assist in job creation beyond a specific grant period (Nel 1999:114; Kheira Management 2002:8; and Marais, Botes and Mosothoane, 2002:42).

### 2.3.1 Assessing Impact of LED on Poverty Alleviation

Abrahams (2003:195) provides a typical example of the Mangaung Municipality IDP process in Bloemfontein, Free State Province, as one of the most successful studies on LED in South Africa. The Municipality has 43 wards and 200 Ward committee members participated in the IDP. Approximately 10 000 citizens attended the planning meeting in their wards in the Mangaung Municipality in 2002. This extensive ward planning process resulted in a greater involvement of the local community and enhanced their influence on the resource allocation system. Ward plans were formed and integrated into the higher planning process, the IDP of the Mangaung Local Municipality. This will assist the researcher to investigate the LED plans of the Mogalakwena Municipality and check whether its IDP has anything planned for projects and people around Bakenberg. The study will also compare the Mogalakwena IDP with that of Mangaung for ward plans and the participation of important people.

The Limpopo LED Programme (2007:1) states that ‘the objectives of the Limpopo LED programme are specifically pro-poor growth. The objective of this intervention is to reduce poverty through pro-poor growth. It approaches this through the following:

- Defining what pro-poor growth is;
- Reviewing published research evidence on pro-poor growth;
- Reviewing the approach of the Limpopo LED programme from a pro-poor growth perspective; and
- Presenting information on South Africa regarding pro-poor growth. The focus is on how locally to achieve poverty reduction from growth rather than from addressing the issue of macro economic growth and stability. However, it quickly becomes apparent that the promotion of LED cannot be separated from the National initiative, policies and budgeting and there local effect.’

On the other hand, the Limpopo Provincial Growth and Development Strategy (2004-2014: 17) states that ‘the demographic and economic profile of the Province suggests that urgent programmes of action against poverty are required. These include, first, redirecting the current poverty alleviation and eradication interventions to target income

generation and job creation as primary objectives, within the context of linkages with other Provincial development programmes. Second, it entails establishing a dedicated institutional structure for poverty eradication. This requires a suitable organizational structure with a longer term identity and authority. Thirdly, it needs to identify, describe and concentrate on Provincial poverty pockets for maximum impact. This implies that programmes such as BBBEE, Land Reform and SMME development are required to facilitate the economic participation by the people, in this context one should take cognizance of the large number of women.’ The PGDS emphasizes poverty alleviation and job creation because most of the people in the Province are unemployed, lack proper skills and live in extreme poverty. These include people around the Bakenberg area.

Despite the fact that the province has experienced the economic growth of 4,1% in 2004, which indicates that the Province has contributed much when compared to the eight Provinces towards the 4,7% economic growth of the whole South Africa, people are still trapped in poverty and a lack of jobs, which are delaying the economic progress of the Province, (PGDS 2004-2014).

During his state of the Province Address, the former Premier of Limpopo Province, Honorable Sello Moloto, also raised concern that the economy of Limpopo has been growing at a rate double that of the national average, while joblessness and abject poverty persist (PGDS, 2004-2014:19). The main reasons why the Province is experiencing joblessness and poverty while the economy is growing are that it focuses on the macro economy of the Province. The focus should have been on the micro economy, thus targeting poor people at the rural local areas. Most strategies were influenced by the South African economic strategy of the Growth Employment and Redistribution (GEAR). GEAR concentrated on the macro-economic activities of the country as a whole, which ultimately ignored poor people in the poor communities who lack vital resources to develop themselves and alleviate poverty among themselves at the local areas.

When studying the Mogalakwena Local Municipality LED Strategy (2006:2), it has been noticed that the goal of the municipality LED Strategy is to formulate a Local Economic Development strategy based on newly identified development needs, opportunities and comparative advantages to inform and guide the Municipality to facilitate development, unlocking the latent economic development potential, encouraging private sector investment and create economic development and job opportunities for the poor.’ The LED strategy of the Municipality must be linked to the IDP of the municipality to be able to address the gaps that might occur especially in the deep rural areas such as in Bakenberg. The following are a few of the objectives that have been identified based on the goals of the Mogalakwena Municipality LED strategy:

- To identify micro level business opportunities;
- To identifying financing sources and investment options that could enhance practical implementation;
- To emphasise local job creation, alleviation of poverty and redistribution of opportunities and wealth;
- To focus explicitly on opportunities for SMME development in all economic sectors; and
- To achieve skills transfer as part of the interaction with the client by utilizing known approaches such as counterpart training.

(Mogalakwena Municipality LED Strategy, 2006:3)

The Bakenberg area is part of the Mogalakwena Municipality and is regarded as rural. Most of the people are poor because they cannot afford to pay for basic services such as water, electricity, and food for survival. Unemployment is very high due to poverty. The DHSD has established projects to alleviate poverty in the area, but until now most of the people, especially women and the youth are jobless. ‘For most people, work is the primary source of income. In South Africa, as elsewhere, the proximate cause of much poverty lies in the fact that the wages earned by men and women for the work they do are insufficient to cover basic needs for themselves and their dependants’ (Francis and Ramphele, 1989:54).

According to Mothapo (2003:1), in the case study conducted in the Capricorn Municipality, the Limpopo Province has implemented many LED projects that failed to address poverty problems, and were also not sustainable. The only projects that are sustainable are usually started or have long been started by informed sections of the population, not the intended beneficiaries. Hence these projects are not addressing the objective of improving the standard of living of their beneficiaries, whereas LED is part of the programme designed to address poverty and further sustainable economic growth.

#### **2.4. Conclusion**

This Chapter has explained different views from various authors based on theoretical debate on the impact of LED on poverty alleviation, especially in the rural areas. Most of the studies were concentrated on the macro intervention of LEDs towards poverty alleviation, of which the poorest of the poor in the rural local areas participating in LED initiatives or projects, were not included in the macro intervention strategies on poverty alleviation. The Chapter also explained various factors in LED that either contribute positively or negatively towards poverty alleviation.

Numerous studies have been conducted on LED and poverty alleviation, but the problem is that there is no major impact on poverty, job creation, and empowerment of women and the youth in terms of skills development. Some studies are optimistic that LED will work, while others state that LED is not commonly used so that more focus should be on community development approaches to deal with poverty in local communities or areas.

Although there is evidence of LED in South Africa, and based on the above high percentage of unemployment in Mogalakwena Municipality, especially in rural areas such as Bakenberg, the study do agree with the literature done that there is a gap that needs to be covered. More micro level aspects of LED were not sufficiently investigated, especially for households, job creation, sustainable livelihoods, and empowerment of women and the youth. More evidence of LED in South Africa is based on macro level aspects of LED especially in the cities than micro level in the local areas.



Rogerson (2002) supports the above statement by indicating that ‘despite this analysis and recognition by many of the role of LED in poverty alleviation, the theme of poverty alleviation and LED is not a strong focus in the LED literature, although the broader development literature underscores the importance of local government in initiating poverty alleviation programmes.’

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

The research methodology that has been used for the study is a case study methodology to study the impact of LED projects funded by the DHSD on poverty alleviation in Bakenberg area. The study was largely a qualitative study, although a quantitative design was also used for some aspects of the study, for example the analysis of respondent profiles, and when data were analyzed Moonstats Window 14.0 was used to describe frequency tables, plotted pie and bar graphs on the quantitative study and while the thematic method of analysis was used for the qualitative study.

The case study methodology that was used, outlined the research problem concerning the high incidents of poverty in the Bakenberg area, despite the DHSD`s intervention in alleviating poverty by establishing LED projects. The objectives and key research questions of the study were investigated through the questionnaires used by the researcher.

The research methodology presented the research design that was qualitative in nature, and dictated the population that was broken down into the primary and secondary population. Under the primary population there were LED project and their beneficiaries, whereas under the secondary population there were different stakeholders such as community development workers, agricultural extension officers, community development officers, Municipal councillors, and traditional leaders.

The population consisted of one hundred and ninety-seven (197) respondents from which a sample size of sixty (60) was drawn, using the stratified random sample. The rationale for using the stratified random sampling was to randomly select research respondents for the study so that the respondents were from all six categories of projects that were available, e.g poultry, upholstery, sewing, bakery, gardening, and abattoir.

The study used interviews and non-participatory observation methods to collect data from the LED project members and other stakeholders on the impact of LED projects on poverty alleviation in the Bakenberg area, and used thematic analysis mainly to analyse data collected from the research field.

### **3.2 Research Methodology**

A case study methodology was used to study the impact of LED projects funded by DHSD on poverty alleviation in the Bakenberg area, because it enables an in-depth understanding and gives a researcher a chance to study real life situations. Another reason why the study used a case study was that “case studies are distinguished from experiments in that they are not conducted in controlled conditions and are not specifically designed for comparison. Case studies are distinguished from surveys in that they are primarily designed to investigate specific cases in depth” (David and Sutton, 2003: 111). The advantage of using a case study was that there were many LED projects under the six different categories in the local area. Mayne and Stuart (2001:9) call a case study “a descriptive research in which a specific situation is studied either to see if it gives rise to any general theories, or to see if existing general theories are borne out by the specific situation” while Collins and Noblit (1979) refer to a case study as a field study for policy analysis and note as additional strengths of the case study design as field studies are better able to assess social changes” such as extreme poverty, overpopulation including the impact of LED projects on poverty in Bakenberg to improve the quality of life among people.

### **3.3 Research Design**

The study used both the qualitative and quantitative designs. The rationale for using the qualitative method was to assess the impact of LED projects on poverty alleviation. It is an in-depth method that enables the researcher to study real life situations experienced by project beneficiaries and indirect beneficiaries who are living around the projects such as traditional leaders or indunas, Chief, community development workers, and councillors, thus enabling the researcher to have a broader understanding of the impact of poverty alleviation projects in the Bakenberg area. The advantage of applying the qualitative

method was that a case study can be also used to investigate the impact of LED projects on poverty. Creswell (2003:18) indicates that ‘a qualitative approach is one in which the inquirer often makes knowledge claims based primarily on constructivist perspectives, and uses strategies of inquiry such as narratives, phenomenologies, ethnographies, grounded theory studies or case studies to collect open-ended, emerging data with the primary intent of developing themes from the data. A case study type of research methodology was used in this qualitative design to study the impact of LED projects funded by DHSD on poverty alleviation in the Bakenberg area. The methodology enabled the researcher to have an in-depth understanding, and have a chance to study real life situations of project members within the projects. The quantitative method was also used, especially when data were analyzed using the Moonstats Window 14.0 to describe frequency tables, plotted pie and bar graphs on the quantitative study and the thematic method of analysis for the qualitative study.

### **3.4 Study Area**

The study was based at the Bakenberg area in the Mogalakwena Municipality, where the impact of ten (10) LED projects funded by the DHSD on poverty alleviation was studied. The main reason for selecting the Bakenberg area for the study was that the Bakenberg area consists mainly of poor people who are unemployed and dependent upon social grants for survival, and who still live under the poverty line as compared to other areas of the Mogalakwena Municipality. The Bakenberg area had a population of 102 303 people (Mogalakwena IDP 2008/ 2009). Most of the people were still poor, unemployed and lived under the poverty line. The Mogalakwena Municipality LED Strategy (2006:30) further indicates that ‘unemployment in Mogalakwena was measured at 20,4%, 17% in Waterberg District Municipality, 21,6 for the Province, and 24,0 for South Africa in 2006. The Non Economic Active (NEA) population in these areas were measured at 57,1% compared to a lower NEA of 42,3% for the whole South Africa in 2006’ whereas there were LED projects for alleviating poverty in the whole Mogalakwena Municipality in general, and the Bakenberg area in particular .

Ten projects were studied or investigated to analyse their impact on poverty around the Bakenberg area. Bakenberg is an area situated sixty (60) kilometers North-West of Mokopane town under the Mogalakwena Municipality in the southern part of Limpopo Province, where it constitutes one of the six local municipalities of the Waterberg District Municipality. The area map of where the study was conducted was attached to the appendix. The Municipality consisted of thirty-two (32) wards while the study focused on six (06) wards falling under the Bakenberg area, namely, Wards 07, 08, 09, 10, 11, and 15.

### 3.5 Population

The population of the study consisted of both the primary and the secondary population, and the size of the population was one hundred and ninety-seven (197). One hundred and forty-three (143) of the population came from the primary population. The main reason for having a primary population was that project members were the relevant people who had information about LED projects, and understood what poverty alleviation was all about, and what it mean to them as members of the projects. The primary population in this regard concentrated on LED project members and the indirect project members, while fifty-four (54) came from the secondary population that concentrated on various stakeholders who were interviewed in the study. The primary population is clearly indicated in the table below:

**TABLE 3.5.1 PRIMARY POPULATION FROM SIXTEEN LED PROJECTS**

<b>CATEGORY</b>	<b>NAME OF PROJECT</b>	<b>NO OF BENEFICIARIES</b>
1.Poultry = 06	Masipa project	10
	Malokong project	10
	Cleremont project	08
	Masebe project	10
	Monare project	10
	Rooiwal women project	10
	<b>SUB TOTAL</b>	<b>58</b>
2. Bakery = 02	Dikoroneng project	08
	Ratanang bakery project	10
	<b>SUB TOTAL</b>	<b>18</b>
3. Sewing = 02	Harmabu clothing project	10
	Kopanong kwakwalata project	07
	<b>SUB TOTAL</b>	<b>17</b>

4. Gardening = 04	Phatsane project	08
	Ditlotswane project	09
	Lekgorong project	08
	Bosele project	07
	<b>SUB TOTAL</b>	<b>32</b>
5. Upholstery = 01	Dinoko-Paulos project	06
	<b>SUB TOTAL</b>	<b>06</b>
6. Abattoir = 01	Mamorule Chicken abattoir project	12
	<b>SUB TOTAL</b>	<b>12</b>
<b>Six Categories</b>	<b>16 projects</b>	<b>143</b>

The primary population table above indicates that there are 16 LED projects funded by DHSD with a total number of 143 direct project beneficiaries, and indirect beneficiaries or family members of the project members but who were not working directly in the LED projects. The LED projects were regarded as the primary population because the research investigation was concerned with, to check the impact of projects on poverty alleviation in the local area. The direct and indirect project beneficiaries were the main elements of the population who contributed towards the general conclusion of the investigation. The LED projects that were investigated were those funded by the DHSD, and they were in six categories.

The first category was poultry. Under this category there were six projects, i.e Masipa poultry project that was situated at Ga-Masipa Village, Malokong Poultry Project situated at Malokong Village, Masebe Poultry Project situated at Skuilpad Village, Cleremont project situated at Cleremont Village, Rooiwal women project situated at Rooiwal Village, and Monare project situated at Ga-Monare Village.

The second category was bakery, where two projects were investigated, namely, Dikoroneng Bakery project situated at Harmansdal Village and Ratanang bakery project situated at Segole Village.

The third category was sewing with two projects, namely, Harmabu clothing project at Harmansdal Village and Kopanang Kwakwalata project situated at Kwakwalata Village.

The fourth category was gardening with four gardening projects, namely, Bosele project at ga-Rapadi Village, Phatsane project at Skuilpad Village, Ditlotswane project at Ditlotswane Village, and Lekgorong project situated at Dipichi Village.

The fifth category was upholstery. Here only one project called Dinoko Paulos Project at Ga-Paulose Village.

The sixth category was abattoir with only one project called Mamorule Chicken Abattoir at Ga-Masipa Village.

The secondary population of the study consisted of fifty-four (54) stakeholders, which is indicated clearly in the below table:

**TABLE 3.5.2 SECONDARY POPULATION FOR STAKEHOLDERS**

<b>STAKEHOLDERS</b>	<b>TOTAL</b>
1. Agricultural extension officers	04
2. Community development officers	08
3. Community development workers	08
4. Municipal councillors	08
5. Traditional leaders	26
<b>TOTAL</b>	<b>54</b>

- **Agricultural extension officers:** these government officials assist the LED projects with technical skills in agricultural related projects such as poultry and gardening. The officers visit the projects to support them, and train them about how the project members could implement projects effectively and efficiently in the rural areas.
- **Community development officers:** These officers work directly with the projects by monitoring the projects according to all stages of a project. They also assist projects to manage and monitor the allocated budget given to them by the department. The community development head of DHSD in the Bakenberg area has to ensure that all the LED projects that were approved for financial assistance in the local area, were recorded in the LED project database and allocated funds to all approved projects.

- **Community development workers:** These are the Municipal officers who represent the local Municipality with regard to development issues in the local areas, and work according to wards. They always ensure that services such as electricity and water are provided to all people, especially vulnerable people. Community development workers do visit the LED projects to advise project members on how to access Municipal services.
- **Councillors:** They are chairpersons of Municipal wards as elected by their communities. They also form part of LED stakeholders and serve as major stakeholders in LED initiatives. They monitor the progress of projects within their wards and intervene where there are complaints among LED project members. They also give support to projects in terms of the supply of electricity and water.
- **Traditional leaders:** The leaders include indunas and the chief of the Bakenberg area. These leaders are the gate-keepers into the Villages, and their duties are to provide land to LED projects to operate in alleviating poverty. The traditional leaders serve as one of the main stakeholders in LED projects funded by the DHSD. They monitor improvements brought about by LED within their Villages or local areas. Most of the projects are located on the land owned by the traditional authority such as the chief of Bakenberg.

In this study the above-mentioned stakeholders were regarded as the secondary population because they were not working directly in the LED projects. They sometimes come once or twice a week to monitor progress within the projects and to give support where it was necessary. Without the advice given by the secondary population, the investigation could not be done accurately.

Supporting the above statement about a population, Welman et al (2005:52) clearly indicate that “population is the study object which consists of individuals, groups, households, organizations like schools, companies, churches, government departments, human products like houses, articles, events (e.g elections, court cases.” Mayne and Stuart (2001:34) support Welman et al by indicating that a population is any group that is



the subject of research interest. The information about the above population was obtained from the Municipality Integrated Development Plan of 2008/2009 (IDP), and the Local Economic Development database from the local Municipality.

### 3.6 Sample Selection Method and Size

The study used stratified random sampling under the probability type of sampling. The rationale for the selection of this method of sampling was to randomly select research LED projects for the study from all six categories of projects mentioned in the population to study the impact of LED projects funded by DHSD on poverty alleviation in the Bakenberg area. The advantage of using stratified random sampling was that the researcher was able ‘to select in advance to represent particular social groups or strata within the sample and in particular proportions (often based on prior knowledge or estimations of the distribution of those strata within the target population.’ (David and Sutton, 2003: 371). When defining sampling, De Vos et al (2002:199) maintain that “a sample is a small portion of the total set of objects, events or persons that together comprise the subject of the study.” Mayne and Stuart (2001:34) support De Vos that samples must be representative of the population being studied, otherwise no general observations about the population can be made from studying the sample. Therefore, with reference to the population, the study selected the sample size of sixty (60) broken down into primary and secondary. Thirty participants were from LED projects who served as primary to the study, i.e. direct project members and indirect project members, especially members of the families of the project owners, while 30 came from various stakeholders who participated in the research investigation, and who were also regarded as secondary stakeholders. The sample was broken down as follows:

**TABLE 3.5.3 PRIMARY SAMPLING FROM TEN LED PROJECT MEMBERS**

<b>CATEGORY</b>	<b>NAME OF PROJECT</b>	<b>NO.OF BENEFICIARIES</b>
1.Poultry = 04	Malokong project	03
	Cleremont project	03
	Masebe project	03
	Rooiwal women project	03
	<b>SUB TOTAL</b>	<b>12</b>
2. Bakery = 02	Dikoroneng project	03
	Ratanang bakery project	03

	<b>SUB TOTAL</b>	<b>06</b>
3. Sewing = 01	Harmabu clothing project <b>SUB TOTAL</b>	03 <b>03</b>
4. Gardening = 01	Ditlotswane project <b>SUB TOTAL</b>	03 <b>03</b>
5. Upholstery = 01	Dinoko-Paulos project <b>SUB TOTAL</b>	03 <b>03</b>
6. Abattoir = 01	Mamorule chicken abattoir project <b>SUB TOTAL</b>	03 <b>03</b>
<b>Six Categories</b>	<b>10 projects</b>	<b>30</b>

This table indicates that out of sixteen (16) LED projects, ten (10) were randomly selected for the study, and thirty (30) individual project members were also selected randomly for the interviews. Two project members from each project were interviewed, while one indirect project beneficiary who came from the families of the project owners, and who were not working directly in the projects were also interviewed. After the interview of the primary LED participants, secondary stakeholders were interviewed.

The following 30 secondary stakeholders mentioned in the below table were interviewed:

**TABLE 3.5.4 SECONDARY SAMPLING FOR STAKEHOLDERS**

<b>STAKEHOLDERS</b>	<b>TOTAL</b>
1. Agricultural extension officers	02
2. Community development officers	05
3. Community development workers	06
4. Municipal councillors	06
5. Traditional leaders	11
<b>TOTAL</b>	<b>30</b>

The main reason why secondary stakeholders were interviewed for the study was that they give support to projects, because they are staying closer to the projects and work with the projects in their departmental work programmes. The stakeholders are outlined below to supplement the above table of stakeholders sampling:

- Two agricultural extension officers assisting in technical skills of the agricultural related projects: The agricultural extension officers also monitor how the LED

projects are running their daily agricultural activities, and guide them to produce good marketable products and link the projects with relevant markets.;

- Five community development officials of the DHSD who are responsible for the day to day monitoring of the projects: The CDO`s of the DHSD do visit the projects and provide support about funding, training and linking of the LED projects to other economic opportunities;
- Six community development workers from the local municipality: The CDW`s provide guidance to communities and projects about how to access government and Municipal services. In this case, the CDW`s go door to door within the villages to guide people with government and Municipal service rendering;
- Six municipal councillors: The councillors provide support to the developmental projects under their wards, and give necessary guidance to communities and projects about how to access Municipal services;
- One chief of the Bakenberg area: The chief acts as an overseer to all indunas under his or her jurisdiction, to ensure that indunas are allocating sites to all developmental projects in their villages in a proper way ; and
- Ten indunas or headmen of the Villages where the LED projects are located: The indunas assist the individuals and groups of people with site allocation to initiate projects and businesses within the communities.

Out of this sample size, the investigation of the impact of LED projects funded by the DHSD in Bakenberg area on poverty alleviation was conducted to make general conclusion at the end of the study.

### **3.7 Data Collection Methods**

The methods used to collect data were interviews and non-participatory observation. The unstructured face-to-face interview method was used because the study was a qualitative type of investigation. The study used interview method because the method involves a one-on-one verbal interaction between the researcher and a respondent. According to Mayne and Stuart (2001:49):

One area where researchers need to use interviews rather than questionnaires would be getting information from people who cannot read and write. The advantage of the interview over a questionnaire is that the

researcher can ask the respondent to clarify unclear answers and can follow up on interesting answers. Lastly, respondents can answer the questionnaire at times that are suitable to them, and the respondents may not be inhibited in answering sensitive questions.

Primary data were collected from project beneficiaries, indirect beneficiaries and stakeholders at the field with regard to the impact of LED projects on poverty alleviation at the Bakenberg area, using the interview method. The primary data were collected during December 2009 and January 2010. The area consisted of sixteen projects, of which ten were selected for the study, in which project beneficiaries, indirect beneficiaries, indunas, the chief, the head of DHSD in Bakenberg, councillors, community development officers, community development workers, and agricultural extension officials were interviewed. The interview for all sixty research participants was based mainly on key issues such as how long the project members had been working in the project, and whether they were benefiting from working in the projects. The researcher wanted to know about their income or share in the projects, and whether it was enough to buy basic needs for their families. He also found out about job creation brought about by the LED projects, namely whether those jobs created were decent jobs or not. Interviews were used to find out about the empowerment brought about by the projects to women and the youth, and whether there was a difference that the LED projects created in the lives of project members in the form of alleviating poverty in the local area. The interview method was also used to establish the challenges experienced by project members within the LED projects.

The secondary data of the study were obtained from annual reports of the DHSD, published studies on LED in Limpopo and the department of local government policies.

The study used non-participatory observation to observe the daily activities of project beneficiaries in the projects to find out whether those activities were contributing positively or negatively to poverty alleviation. The researcher spent time seeking permission to observe the following kinds of behaviour within the LED projects: to check the management of the project, whether the management committee was adequate and

knowledgeable to run the projects, and also to check whether they knew what they were supposed to do in the projects. Observation was also done to check on project members' financial skills and control in the project to avoid misuse of project funds. Punctuality and commitment of project members were also observed by the researcher. Gender representation was observed to check whether the project members were gender sensitive or not. Observation was done on working conditions of the project members to establish whether they were satisfied with the working conditions or not. Observation was done to check the adherence to policies of the project and other related matters that were performed by project members, like to come to work very late and knocking off earlier than the expected time-off. All the above-mentioned patterns of behaviour can ultimately contribute positively or negatively to the impact of LED projects on poverty alleviation in the Bakenberg area. The observation was done during interview sessions of direct project beneficiaries, during December 2009 and January 2010. The observation of the projects indicated that most of the project members came to work on time and knocked off at the expected time-off. In the poultry projects, the members had divided themselves into two groups to provide themselves with a week-off. One group worked for seven days, thereafter another group relieved the group that had worked for seven days, and continued to work also for seven days like the first group.

'Before all of the above instruments can be used to collect data, there are certain important preliminaries to do such as giving a description of the survey and the reasons for it. Meetings with community leaders, a public meeting addressed by one of the survey organisers, and letters to the selected respondents are probably the most popular and effective ways of achieving the required foreknowledge among the population area, and so their approval' (Lury and Casley 1989:109-110). Prior visits to the Bakenberg area were made to meet the community leaders and all participants who took part in the research.

During the data collection, the researcher managed to inform the respondents about the potential harm, namely, that respondents have a choice to withdraw from participating in a research if they are not satisfied with anything in the research process. The researcher

also indicated competency when collecting data for the study. Out of the 20 LED direct beneficiaries, only 18 members were interviewed. The two beneficiaries were not interviewed because Dikoroneng bakery project was closed during the visit and the project members were not available around their homes. Ten out of eleven traditional leaders were interviewed, and only one induna was not interviewed because the leader did not have any interest to further participate in the research, since there was leadership struggle or conflict within the community. The community was divided and did not know exactly who their induna or leader was. Seven out of the ten indirect beneficiaries were interviewed. Three people were not interviewed because Mamorule project, Dinoko Paulos upholstery, and Dikoroneng Bakery Project were not functional or operational. The total number of respondents who participated in the study was fifty-one (51).

### **3.8 Data Analysis**

The study used basic descriptive statistics for the quantitative aspects of the study. Most of the information was analyzed using qualitative thematic analysis and Moonstats for Windows 14.0 to examine the significance of LED projects and their relationship to poverty alleviation in Bakenberg area, and the indication of various patterns that depict the relationship between the two was determined when conducting a survey. The main reason why a thematic analysis was used in the study was that data were analyzed by theme. This type of analysis is highly inductive, that is, the themes emerge from the data and are not imposed upon it by the researcher. In this type of analysis, the data collection and analysis take place simultaneously. The background reading can form part of the analysis process, especially if it can help to explain an emerging theme (Dawson, 2007:120). When analyzing data, one must ensure that one is able to do those things one intended to do (Babbie, 1990 in De Vos, 1998:187). Before the actual analysis can be done, the following preliminaries should be carried out to qualify the research data:

- *Recording data*

In this study data collected from the field were recorded accurately in an arch-level file that provided information storage, data modification and statistical analysis to avoid distortion of the information. During the recording of the data, issues such as the number

of questionnaires that were completed, and how many were not completed, and valid reasons why some interviewees were not interviewed were recorded clearly. This activity was to ensure that the raw data were well managed by the researcher until the final report had been finalized or published.

- *Correcting for errors*

After the recording of data, some errors committed during the collection of the data were checked and corrected especially from the research instruments, so that the final report matched the information collected during the data collection. The corrected errors were clearly indicated for the purposes of the final research report. The questionnaires for the councillors of Ward 09 and Ward 11 were completed incorrectly since the councillors completed the form as interviewers, and this was corrected as the interviewer was the present researcher.

- *Data verification*

The results of the study were communicated to all stakeholders who participated in the research, to verify the consolidation of all the views provided by them during the research process. The feedback was done in a stakeholders set up meeting. The affected departments such as DHSD, department of agriculture and the local Municipality were also invited to come and verify the findings about their area, so that they could improve or change some strategies or policies of poverty alleviation in the local area.

- *Categorization of themes, patterns and coding*

The data analysis of the study was done through the categorization of themes from the questionnaires, patterns and coding. For some tables were used and for others frequency tables, or bar graphs and pie charts to depict the relationship between LED Projects funded by the DHSD and poverty alleviation in the Bakenberg local area.

### **3.9. Ethical Considerations**

Ethics involves a heavy reliance on the idea of ought, namely, what ought to be done when carrying out development research or writing (Desai and Potter, 2006: 25). In the study the issue of poverty in the local area of Bakenberg was a very emotional and

touching issue, hence the following ethics were adhered to: All the respondents, namely the councilors, community development workers, traditional leaders, agricultural extension officials, community development practitioners, heads of the DHSD, and LED project members, as well as indirect beneficiaries who participated in the investigation were not harmed emotionally when collecting data; especially the poor project members who are suffering because of poverty while working in the projects.

Since the emotions of the respondents were respected during the research process, most of the respondents were cooperative during the interview sessions. For those who failed to honour interview appointments, another date and time were rescheduled to accommodate them instead of denying them an opportunity to be interviewed. The Private and confidentiality of the research participants` information were respected, and their names were not divulged without their permission to protect them so that they would remain anonymous in the study, and to avoid unnecessary conflicts that might appear after disclosing the information. Deception or empty promises were at all times avoided by the researcher during the research process. The participants were not promised cash or money to encourage them to give their responses. The researcher explained the importance of the study to the participants, and encouraged them to actively participate since the results of the study could have some impact to poverty alleviation in the local area through recommendations that were made at the end of the investigation. The findings of the research will not be published without the permission of the respondents. The researcher indicated to the respondents that their responses would be kept confidential, and the findings would not be published without their consent. If it needs to be published, consultation in the form of a gathering of all stakeholders who participated in the research will be done to get permission first from the participants.

The ethical procedures included obtaining informed consent form from the participants by letting them sign an informed consent form, that serves as an agreement between the two parties and to assure them that the information that they had provided would be used according to the above ethical considerations. The consent form is attached in the appendix.



## **CHAPTER FOUR**

### **PRESENTATION AND INTERPRETATION OF FINDINGS**

#### **4.1 Introduction**

The main objective of this chapter is to present the findings from the field research on the experiences of the respondents in terms of the impact of local economic development projects funded by the DHSD on poverty alleviation in the Bakenberg area. The study has also concentrated on the local or micro level type of intervention by LED projects. The key findings of the study are presented based on key issues such as the profile of the respondents who were interviewed, the performance of various types of LED projects, and the impact of LED projects on poverty alleviation. The impact was measured in terms of income generation, sustainability of projects, empowerment of women and the youth, job creation, development of social capital, governance of the LED projects and the influence of gender, age, educational qualification and marital status of the beneficiaries on the impact of projects on poverty alleviation.

The main objectives of the study were:

- To review the LED projects introduced and implemented by the DHSD in the Bakenberg area;
- To analyze the impact of those LED projects in terms of poverty alleviation on the communities in Bakenberg; and
- To suggest policy actions or other strategies as may be deemed necessary.

The study was guided by key statements such as the following:

- The socio-economic status of the Bakenberg communities, especially those who are staying around the projects;
- The number of LED projects available in Bakenberg;
- The kind of LED projects initiated by the DHSD, and the beneficiaries who benefited from the projects;
- The kind of support provided to LED projects by the local municipality;

- The way the LED projects are monitored by government officials such as community development officers of the DHSD;
- The impact made by LED projects in terms of job creation, sustainable livelihoods, social capital and empowerment of children, women and the youth; and
- The factors that explain the performance of the LED projects as well as the sustainability of the LED projects established in Bakenberg.

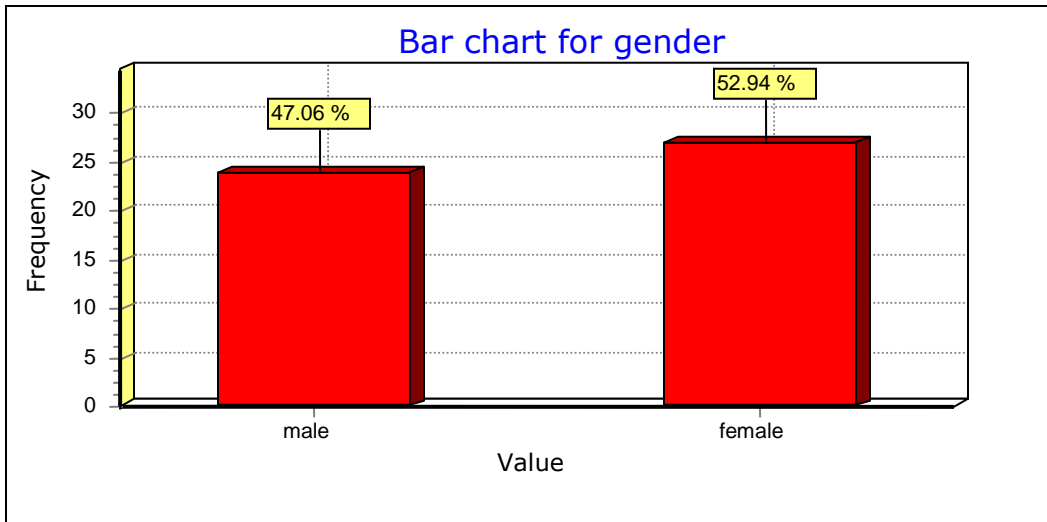
The study used the qualitative method to describe the status of LED projects in the area and to solicit the opinions of beneficiaries with regard to the impact of the projects. The quantitative methods were used to describe the study sample and to examine if there were any relationships between some of the study variables, for example, the relationship between the projects and job creation, women empowerment, and sustainable livelihoods. The chapter is structured as follows:

## **4.2 Profile of Respondents**

### **4.2.1 Gender**

The sample of 51 consisted of 27 (52.94%) females and 24 (47.06%) males. The government encourages more women participation in economic development projects since they are a previously disadvantaged group in South Africa, and most of these women are poor, especially in the rural areas such as Bakenberg. The findings express the commitment by government to empower more women on LED projects. Stratified random sampling means you categorize projects and then randomly select projects for the study. The sample for this study had more females than males. This is not surprising given the dominance of women in the rural population. It also reflects a common trend that in South Africa, because women are the majority of the poor (May, 1998), they are more likely to participate in poverty alleviation projects. The bar chart below indicates the findings.

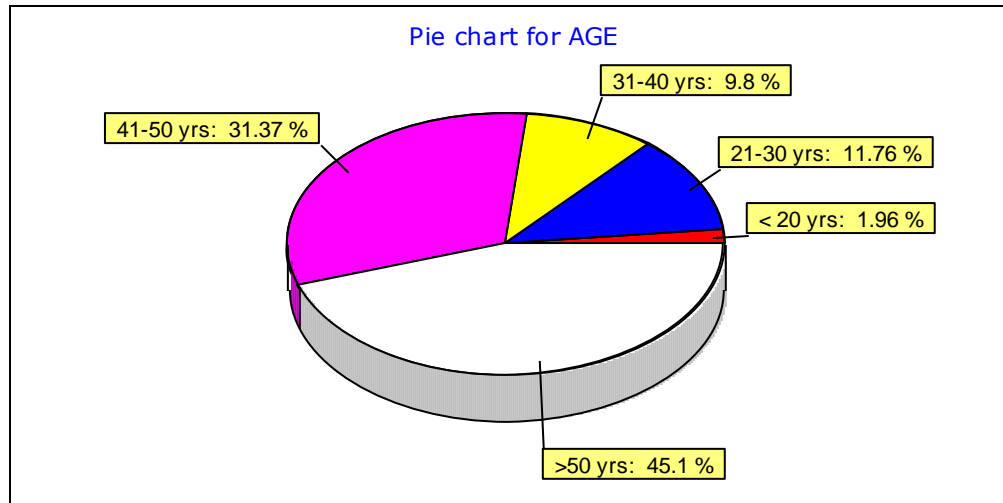
Figure 4.1 Bar chart for gender



#### 4.2.2 Age

In terms of age, the majority of the respondents were older than 50 years. (45.1%) representing 23 respondents. Only 1.96% (1) of the respondents was below 20 years of age. The second highest percentage was 31.37% (16 respondents). About 11.76% (6) of the respondents were aged between 21-30 years. Sixteen of the respondents (31.37%) were between 40 -50 of age. The participation of the youth was found to be poor on local economic development projects, because they do not see LED projects as a way of creating jobs. They usually pursue other careers such as mining, transportation and others. The failure to solve the age challenge will ultimately lead to the collapse of the LED projects in future. The study by Malope and Malapisane (2006:40) confirms the results on poor youth participation since it indicated that there was only a 9% participation in the Babirwa District compared to 27% adult participation in LED projects. The chart below indicates the findings of this study.

Figure 4.2 Pie chart for age

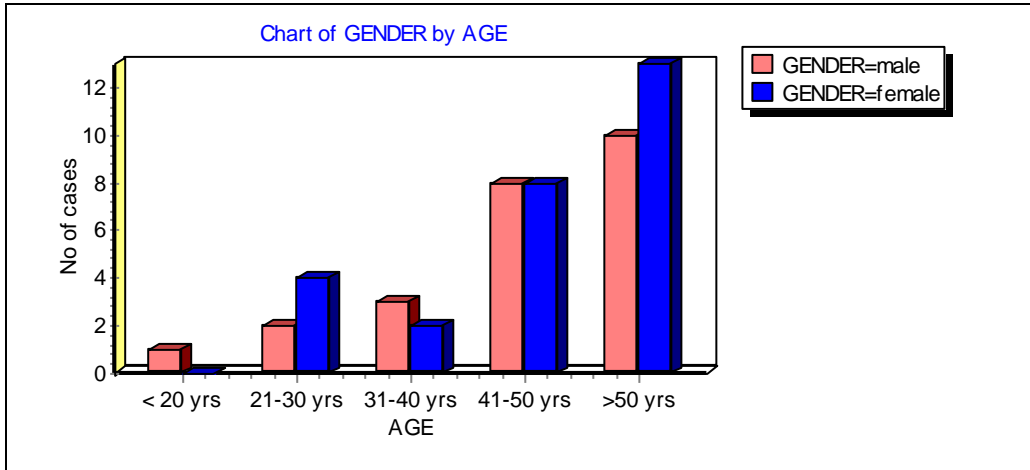


The mean age of the respondents was 44 years. The mean is the average value for the variable i.e

$$\begin{aligned} \text{Mean} &= \frac{\sum X}{N} \\ &= \frac{2242}{51} \\ &= 44 \end{aligned}$$

As has been explained in Figures 4.1 and 4.2, from the majority of 23 respondents, only 13 were female and 10 were male. The respondent below 20 years was a male, while female respondents who were dominating were between 21-30 years. The male respondents who were dominating females were between 31-40 years, because males who are youth and economically active between these ages have no other alternative job to do, and rather join the projects than to stay at home, as compared to their female counterparts under the same ages who have an alternative income of receiving child support grant from the government. 9.8% is a small percentage that indicates poor participation of the youth in the LED projects.

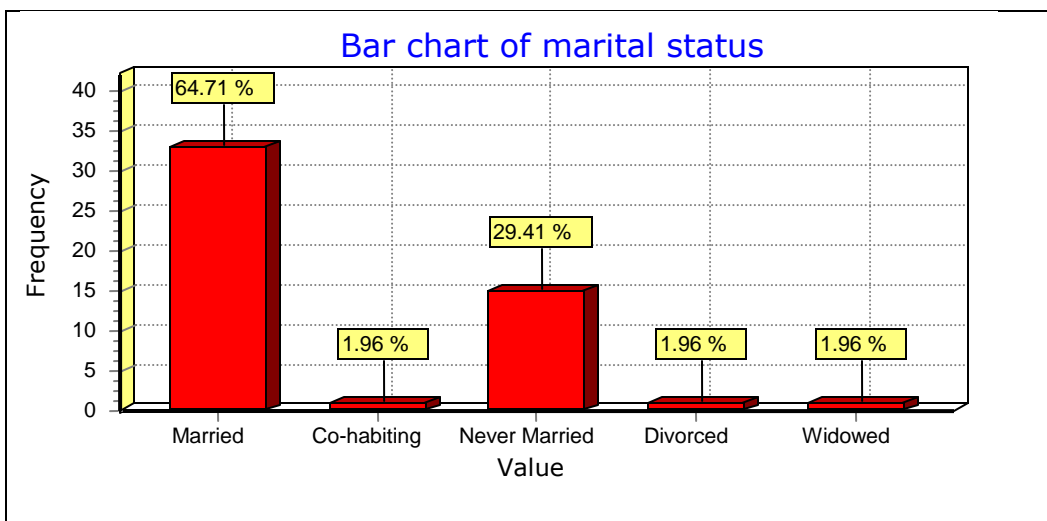
Figure 4.3 Chart of gender by age



#### 4.2.3 Marital status of the respondents

Figure 4.4 indicates that the value "Married" was obtained in 33 cases, which is 64.71% of the cases. It was followed by 15 cases, representing the value "Never married", which were 29.41% of the cases. The figure also indicates that the other three cases, co-habiting, divorced, as well as widowed had 1 case each, which is 1.96% each. The figure below represents the cases of marital status.

Figure 4.4 Bar chart for marital status of respondents



#### 4.2.4 Dependents of the respondents

Table 4.2 Frequency table for dependents

Value	N	%	Cum. %
<3	14	27.45	27.45
4	15	29.41	56.86
5	10	19.61	76.47
6	4	7.84	84.31
>7	6	11.76	96.08
None	1	1.96	98.04
7	1	1.96	100.00
<b>TOTAL</b>	<b>51</b>	<b>100.00</b>	

Missing cases: 0

Frequency tabulation is a listing of the values or scores and how frequently they occur. The values are in the "Value" column and the number of cases obtaining each value in the "N" column. The "%" column shows the number of cases as a percentage. For example, in the table above the value "None" was obtained by 1 case, which is 1.96% of the cases. The value with more dependents (15) is the second, which represent 29.41% of the cases. This is an indication that the majority of the respondents especially the direct beneficiaries of LED projects, have more responsibility in their households. Most of them support their dependents with food, shelter and clothes.

#### 4.2.5 Number of years in the LED projects

About 21 (41.18%) of the respondents had spent more than seven years on LED projects. These respondents came from the poultry and bakery projects. They were able to work and received good salaries every month. Beneficiaries under the two categories benefited more than those in other categories of projects such as gardening, sewing, upholstery, and abattoir projects, because they had more years of experience working in the poultry and bakery projects than project members in the other categories of projects. The two categories of projects were producing food such as chickens and bread that serve as stable

food for most of the people. Project members with below four years of experience on the LED projects were represented by 1 case, which is 1.96% of the cases. Those project members who are less than four years experience came from the abattoir and upholstery categories. This group of beneficiaries did not come to work every day in a week since they were not receiving enough wages from the projects. Those who had five and six years experience were project members who came from gardening and sewing projects. The gardening category followed after the bakery projects in terms of economic opportunities, and they were followed by sewing category after gardening. The project beneficiaries realized the importance of being project beneficiaries because they were receiving better wages to sustain their household livelihoods. The analysed data confirmed that those projects where members have participated for more than six years appeared to generate more benefits for the members in terms of regular wages. On the other hand, the projects where members had a lower number of years did not appear to generate as many benefits to the members.

Table 4.3 below indicates that the value "none" was obtained by 24 cases, which represents 47.06% of the cases. "None" represented the respondents who were not direct beneficiaries on the LED projects.

Table 4.3 Frequency table for number of years on LED projects

<b>Value</b>	<b>N</b>	<b>%</b>	<b>Cum. %</b>
4 yrs	1	1.96	1.96
5 yrs	2	3.92	5.88
6 yrs	3	5.88	11.76
>7 yrs	21	41.18	52.94
None	24	47.06	100.00
<b>TOTAL</b>	<b>51</b>	<b>100.00</b>	

Missing cases: 0

#### 4.2.6 Educational qualification of the respondents

Table 4.4 indicates the value "No education" obtained by 2 cases, which is 3.92% of the cases. The majority (16) of the respondents had passed their Grade 12, while the majority of the members were found in bakery, poultry and gardening. Some of the

projects with beneficiaries who had passed Grade 12 were sustainable, and their bookkeeping and financial management were very good because they could read, write and speak for their projects with confidence. About 15 of them were between Grades 7-11. These cases were represented by 31.37% and 29.41%, respectively. Only 5 (9.8%) of the cases had graduate qualifications. Project members who were graduates were found in poultry projects, hence the income was higher than in other projects because of the expertise brought by the graduates that ultimately improved the daily performance of the poultry projects and made them sustainable. Eleven (21.57%) of the respondents had between Grades 1-6. The majority of the projects were not affected by illiteracy because the members were educated, hence the projects were running well, irrespective of the challenges they were experiencing. The table below illustrates the findings on the educational qualifications of the respondents.

Table 4.4 Frequency table for Education

<b>Value</b>	<b>N</b>	<b>%</b>	<b>Cum. %</b>
Grades 1-6	11	21.57	21.57
Grades 7-11	15	29.41	50.98
Grade 12	16	31.37	82.35
Graduates	5	9.80	92.16
No Education	2	3.92	96.08
7	2	3.92	100.00
<b>TOTAL</b>	<b>51</b>	<b>100.00</b>	

Missing cases: 0

#### 4.2.7 Cross tabulation of age by education

Table 4.5 above shows that, 0 cases obtained a value of "<20yrs" for age and a value of "Grades1-6" for Education. The four respondents had graduate qualifications, and they were aged between 41-50 years, while only one was aged between 31-40 years.



Table 4.5 Cross tabulation of age by Education.

<b>AGE</b>	<b>&lt; 20 yrs</b>	<b>21-30 yrs</b>	<b>31-40 yrs</b>	<b>41-50 yrs</b>	<b>&gt;50 yrs</b>	<b>Total</b>
Education						
Grades 1-6	0	0	0	2	9	11
Grades 7-11	0	1	2	4	8	15
Grade 12	1	5	2	6	2	16
Graduates	0	0	1	4	0	5
No Education	0	0	0	0	2	2
7	0	0	0	0	2	2
<b>Total</b>	<b>1</b>	<b>6</b>	<b>5</b>	<b>16</b>	<b>23</b>	<b>51</b>

Missing: 0

The cross tabulation of gender by education shows how many cases with particular values on one variable had particular values on another variable. Here the possible values for gender are listed across the top of the table, while the possible values for education are listed along the left side of the table. The numbers inside the table are the frequencies, i.e. the number of cases that had a particular value for gender and education. Ten (10) females had education levels between grades 1-6 and their male counter parts was only 1. There were five female graduates with no male counter part.

A study by Malope and Malapisane (2006:40) indicated that the respondents with no formal education were 37%, primary education 43%, secondary education 14% and university education 1%. The study by Masiteng and Van der Westhuisen (2001:79) affirms poor participation by graduates on LED activities since the study recorded that 50% of dairy farmers in the North Eastern Free State had no formal education. The low literacy level resulted in several complexes and demanding problems during the implementation of long-term plans and programmes.

Table 4.6 Cross tabulation of gender by education

	Male	Female	Total
-----			
EDUCATION			
Grades 1-6	1	10	11
Grades 7-11	12	3	5
Grade 12	9	7	16
Graduates	0	5	5
No Education	0	2	2
7	2	0	2
-----			
<b>Total</b>	<b>24</b>	<b>27</b>	<b>51</b>
-----			

Missing: 0

### 4.3 Description of LED Projects

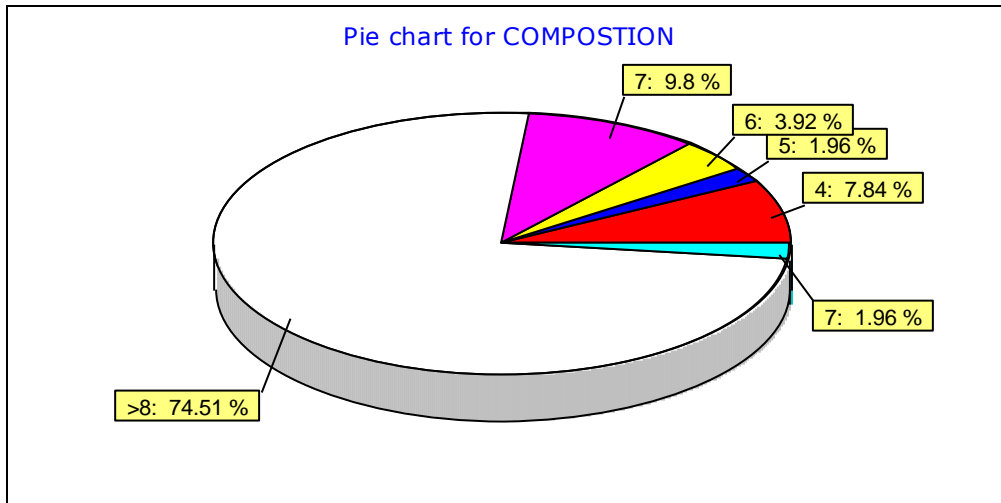
#### 4.3.1 Project establishment

All the respondents agreed that the LED projects were established by groups rather than individuals because most of the projects realized the need for establishing the projects and how to apply for state grants. The realization of a joint need, helps them to coordinate the projects and have a management committee to lead them.

#### 4.3.2 Composition of project members

The following pie chart indicates the composition of the respondents. Figure 4.5 indicates that the value of above 8 memberships was obtained by 38 cases, which is 74.51% of the cases. The value that had a composition of 4 members had 4 cases, which is represented by 7.84%. Those that had a composition of 7 members had 9.8%, 6 members (3.92%) and 5 members (1.96%). The majority of respondents indicated that most of the LED projects especially poultry had an adequate committee of 08 members because these categories of projects had more members working in the poultry projects. Bakery projects consisted of 07 committee members, gardening projects composed of 06 members, while sewing projects have 05 members because some of the project members had withdrawn from the project as committee members due to a delay of the sewing projects to generate income to enable to pay salaries for their members. The upholstery projects had a committee of 04 members while the abattoir category had 07 members because project members in this category do had high hopes that they could receive better salaries than in any of the other types of projects if it was function well.

Figure 4.5 Pie chart for composition of project members



#### 4.3.3. Positions held on the LED projects

In all the LED projects, seven had chairpersons, which is 13.73% of the cases. There were additional members in 12 cases, which represent 23.53% of the cases. In Table 4.7, the value "N/A" was represented by 22 cases, which is 43.14% of the cases representing the indirect beneficiaries of the respondents. The findings clearly indicate that the majority of LED projects are effective and functional, based on the fact that they have executive committees to lead and take decisions for the projects' success to alleviate poverty.

Table 4.7 Frequency table for position

Value	N	%	Cum. %
Chairperson	7	13.73	13.73
Vice-Chair	2	3.92	17.65
Secretary	5	9.80	27.45
Vice-Secr.	1	1.96	29.41
Treasurer	2	3.92	33.33
Additional	12	23.53	56.86
N/A	22	43.14	100.00
<b>TOTAL</b>	<b>51</b>		<b>100.00</b>

Missing cases: 0

#### 4.3.4 Governance and management of projects

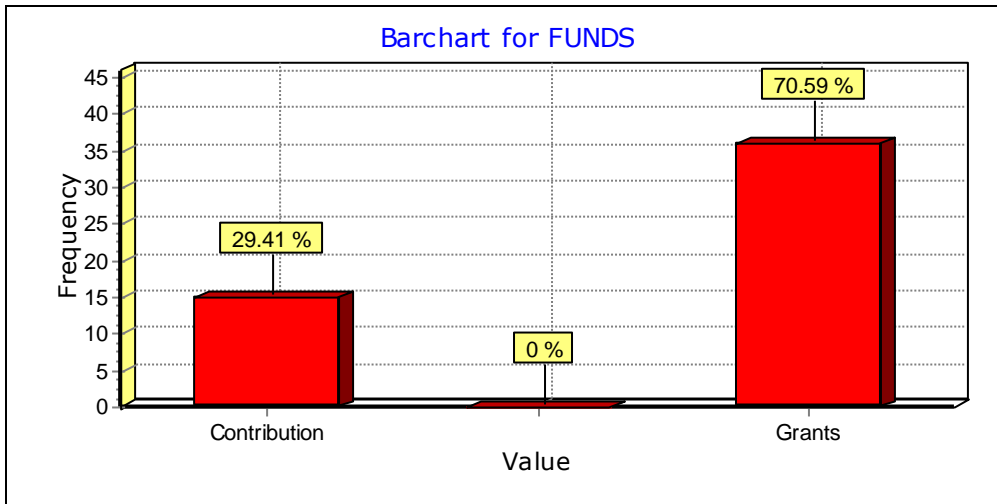
All the respondents agreed that committees were available to run the day-to-day activities of the projects. These committees differed in the composition from project to project. Most of the poultry projects had stable committees of 8 that were managing the projects because most of the beneficiaries under this category were committed women, hence the projects were contributing significantly to poverty alleviation. A transfer of skills was also experienced in the projects where members had tasks to do for the project were exchanging these tasks every quarter to capacitate one another in different activities within the projects. The situation of governance in the bakery and gardening projects was different from the poultry projects. The committees in these categories were stable, but projects were sometimes led by committees that were incomplete, while others were without secretaries or chairpersons due to their withdrawal from the projects. The management of projects in sewing and upholstery was also different from other categories already mentioned, because their committees are consisted of 5 while others had 4 to lead the projects. Their performance on poverty alleviation was different from the performance of the poultry, bakery and gardening projects. The management of the abattoir project had not yet been realized since the project was not operating during the investigation.

#### 4.3.5 Project implementation

##### *4.3.5.1 Funds*

Figure 4.6 presents frequencies on the sources of funding for the projects. About 71% of the respondents depended on the DHSD grant. Very few projects were using their own contribution (29%). The high dependence on grants is a cause for concern because this is not sustainable in the long-term. Most of the LED projects received funds in the form of grants from government. Both new and old projects were funded through grants and this created dependency on the government. The challenge should be sustainability of the projects in the near future, especially after government funds have been stopped.

Figure 4.6 Bar chart on funding of projects



#### 4.3.5.2 Access to water

Table 4.8 Frequency table for access to water

Value	N	%	Cum. %
Yes	50	98.04	98.04
No	1	1.96	100.00
<b>TOTAL</b>	<b>51</b>	<b>100.00</b>	

Missing cases: 0

Fifty of the respondents indicated that they had access to water, which represents 98.04% of the cases. Only 1 respondent (1.96%) had no access to water in the project. The DHSD had assisted the projects by drilling boreholes for water provision. The only project that did not have access to water was a newly funded-established Project that was still in the process of implementation during the investigation.

#### 4.3.5.3 Training

About 96.08% of the respondents actually confirmed that they had received training, which is represented by 49 cases, and 2 respondents said no in response. This is represented by 3.92%. The majority of the respondents, especially the project beneficiaries had attended various training sessions relevant to their projects such as

pattern and design as well as upholstery. That is why the projects were still functioning even though they were challenged by insufficient income generation.

Figure 4.7 Pie chart for training



#### 4.3.5.3.1 Type of training

The majority of the respondents (19) attended training on upholstery, which represents 37.25% of the cases. The value "ALL OF THE ABOVE" had 15 cases, which represents 29.41% of the cases. Some of the respondents had received training on customer service, and book keeping. This represents 1.96% of the cases which is one case on each. The training was provided by various service providers such as LIBSA that assisted projects in production, bookkeeping, upholstery, uniform making, pattern and design, while department of agriculture assisted in technical training related to agriculture such as chicken and vegetable production. The training assisted the projects to have a better understanding of what they were producing and how to keep their books to run their projects effectively. Table 4.9 below indicates the findings.

Table 4.9 Frequency table for type of training

<b>Value</b>	<b>N</b>	<b>%</b>	<b>Cum. %</b>
Upholstery	19	37.25	41.18
Uniform making	2	3.92	3.92
Pattern and design	6	11.76	52.94
Customer service	1	1.96	5
Bookkeeping	1	1.96	56.86
All of Above	15	29.41	86.27
Other	6	11.76	98.04
None	1	1.96	100.00
<b>TOTAL</b>	<b>51</b>	<b>100.00</b>	

Missing cases: 0

#### 4.3.5.3.2 Cross tabulation of gender by the type of training

The cross tabulation gender by the type of training indicates that men were in the majority on upholstery. They had 17 cases and women 2 cases. Women were found to have attended all of the trainings as it appears on the chart in Figure 4.8 which represents 13 women and only 2 men cases. Figure 4.8 reflects the findings. Figure 4.8 indicates that 17 males had attended training on upholstery compared to 1 female. 1 male and 1 female attended training on uniform making. Pattern and designing training was only attended by 6 females and no males, while bookkeeping and customer service was attended by 1 male and 1 female respectively. Those who attended all the trainings were 13 females and 2 males.

Figure 4.8 Chart of Gender by type of training

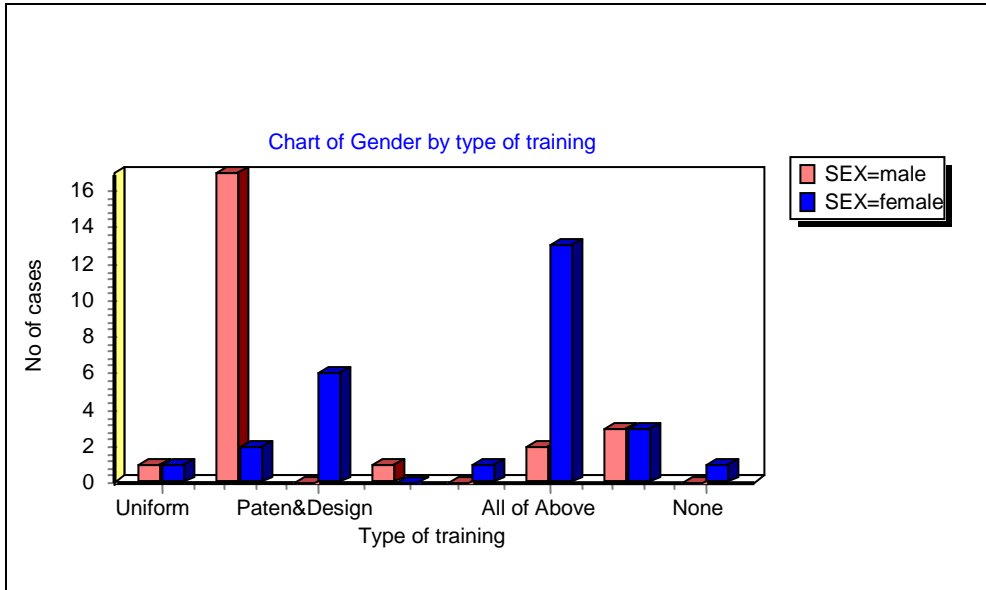


Table 4.10 Chi-square test

-----  
 Chi-square = 28.83  
 p = 0.0002  
 df = 7

Caution: 12 cells have expected frequencies smaller than 5. The result of the chi-square test should therefore be interpreted with caution.  
 -----

The chi-square test shows if there is a relationship between two categorical variables. The  $p$  value tests if the relationship is statistically significant. Here, the probability value ( $p$ ) is smaller than 0.01, which means that there is a 99% or higher probability that there is a statistically significant relationship. "gender and type of training" are statistically significantly related at the 1% level (Chi-square=28.83; df=7; p=0.000)."

#### 4.3.5.4 Land ownership

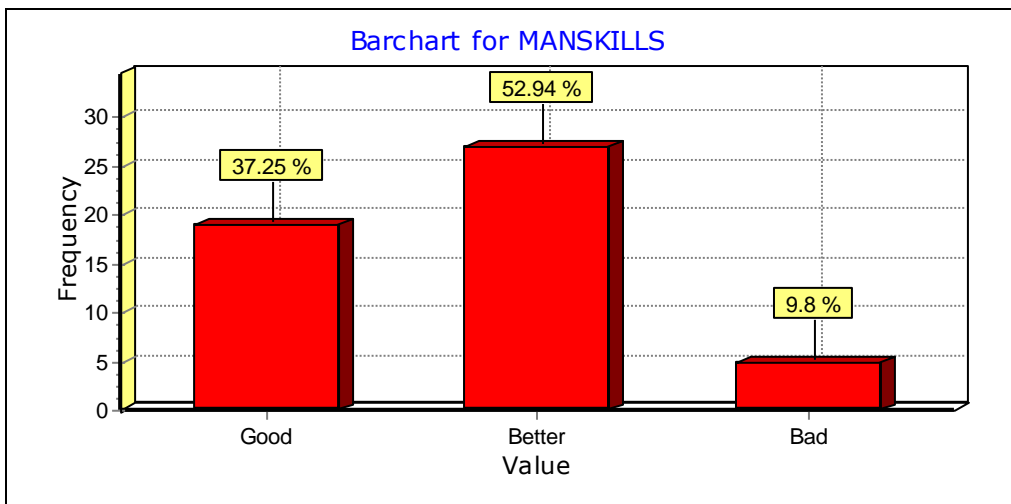
All the respondents indicated that they had acquired the land they were using from local chiefs and how they were holding a legal PTO (Permission To Occupy) document. The chart below shows that 51 of the respondents agreed to the sentiments, which represented 100% of the respondents. The indication here is that LED projects are highly supported by the traditional authorities in terms of land. This contributes to their success.



#### 4.3.5.5 Management skills

Figure 4.9 indicates that the value "better" from the chart obtained 27 cases, which represents 52.94% of the cases. The value "Bad" was indicated in 5 cases, which is 9.80% of the cases. This means that project members had better management skills at the time of the study than before they joined the LED projects. Skills transfer in poultry, abattoir and gardening projects had been accomplished where the beneficiaries were learning from one another, especially in the production and the use of chemicals such as pesticides, the use of fertilizers and how to prepare land for plantation. In the bakery, sewing and upholstery projects, skills were transferred among the members especially in customer services and bookkeeping, but when it came to baking and how to use technology, especially baking machines, the beneficiaries should be trained first before the project started operating. The good management of projects was achieved first in the poultry projects, secondly by bakery projects, and better on the third and fourth categories, namely, gardening and sewing projects, and badly managed on the fifth and the sixth categories, namely, upholstery projects the abattoir project.

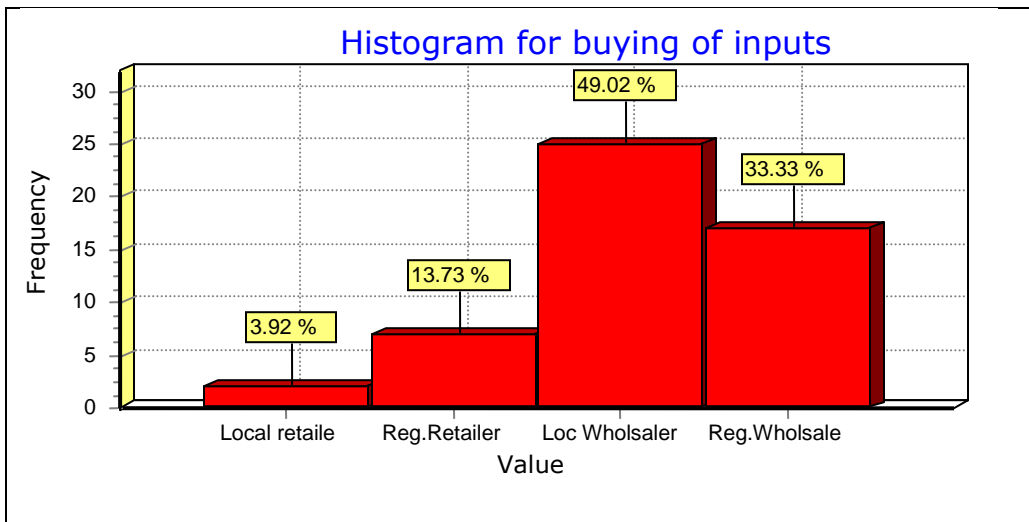
Figure 4.9 Management skills of the respondents



#### 4.3.5.6 Buying of inputs

From the histogram below the value "local whole sellers" was indicated in 25 cases, which represent 49.02% of the cases. "Regional wholesale" obtained 17 cases, which is 33.33% of the cases. This indicates that the respondents preferred to buy their inputs from the local whole sellers rather than any other suppliers mentioned. The value local retailers scored the lowest percentage 3.92% cases because of price hikes. The projects that were buying from local wholesalers were poultry, bakery, gardening and abattoir projects. These projects received a sufficient income because respondents did not have to travel buy their materials such as seedlings, fertilizers, chicks, sawdust, and baking ingredients, whereas in sewing projects they buy their materials from regional wholesalers that cost them more for transport and ultimately affected the projects` income and salaries of the sewing project members. Last were upholstery projects that were buying from the local retailers where they were experiencing high price hikes, that also affected their income.

Figure 4.10 Buying of inputs

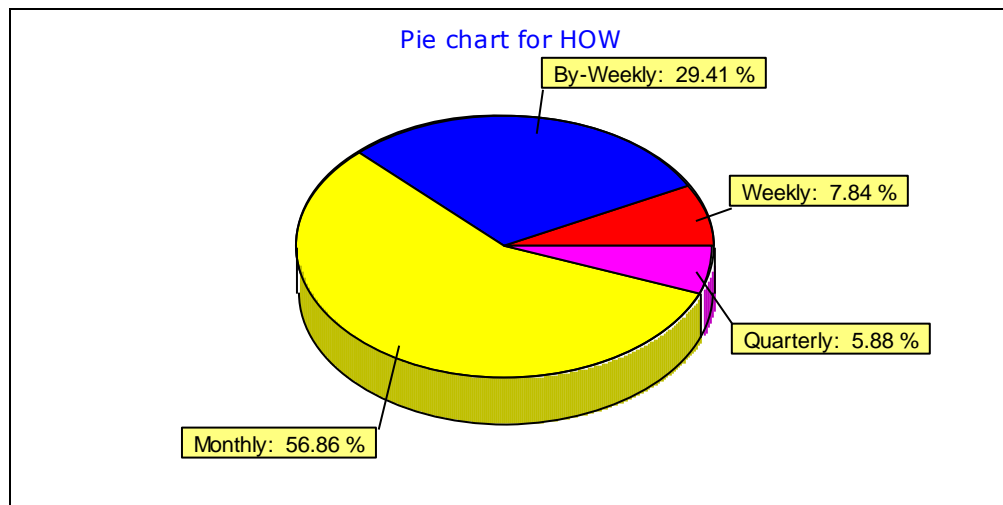


#### 4.3.6 Monitoring of LED projects

Figure 4.11 below indicates that the value "Quarterly" was obtained in 3 cases, which represent 5.88% of the cases. Monthly monitoring had 29 cases, which represents 56.86% of the cases. Bi-weekly monitoring had 15 cases and weekly monitoring 4 cases, which represent 29.41% and 7.84% of the cases, respectively. The minority of the

respondents who confirmed that their projects were monitored quarterly were those who were neither direct nor indirect project members, and who were not aware as to how many times the projects were monitored because they were not working in the projects. The majority of the respondents who confirmed that their projects were monitored monthly, were referring to poultry, bakery and gardening projects because they were able to indicate elements of sustainability and commitment of the project members in the projects. Bi-weekly monitoring was done to check progress in sewing and upholstery projects since the membership was not stable, because some other members sometimes withdrew from the projects during the month due to insufficient salaries. Weekly monitoring was done to abattoir project. Weekly monitoring can assist better since projects challenges were dealt with on a weekly basis.

Figure 4.11 Pie chart for how project monitoring was done

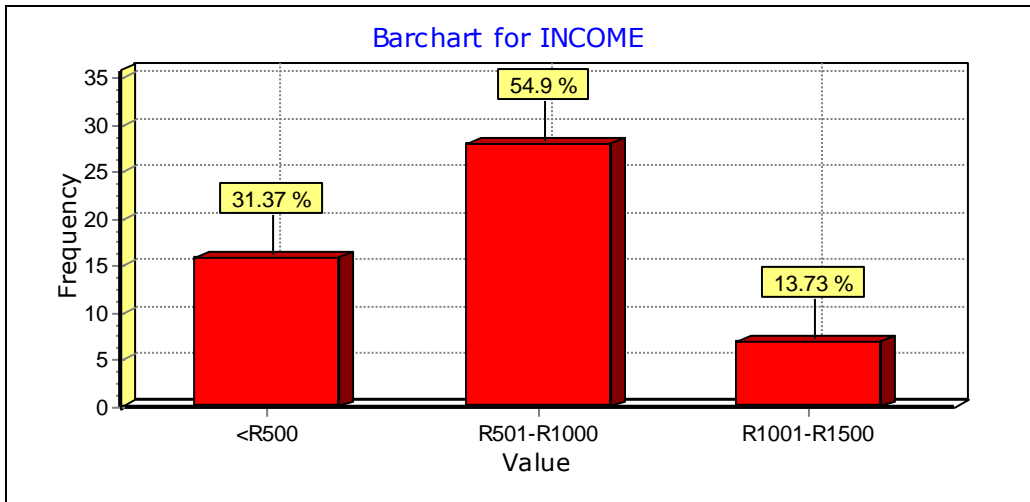


#### 4.3.7 Income

The bar chart below reveals that the value of "R1001-R1500" was obtained in 7 cases, which represent 13.73% of the cases. The majority of the respondents (28) obtained an income of between R501-R1000, which represent 54.9% of the cases. The value "<R500" was obtained in 16 of the respondents, which are 31.37% of the cases. LED project members were earning an income that enabled them to buy their basic needs such as, food, shelter, clothes, and school fees for the kids. Observation showed that the respondents were able to buy televisions and radios with the income received from the

LED projects. The 13.73% who received an income of between R1001-R1500 was from poultry projects because they were receiving a higher income than other types of projects. Bakery, gardening and sewing project members received between R500-R1000, whereas upholstery and abattoir project members received <R500 or nothing because other project was not functioning during the research investigation. Figure 4.12 below indicates the findings.

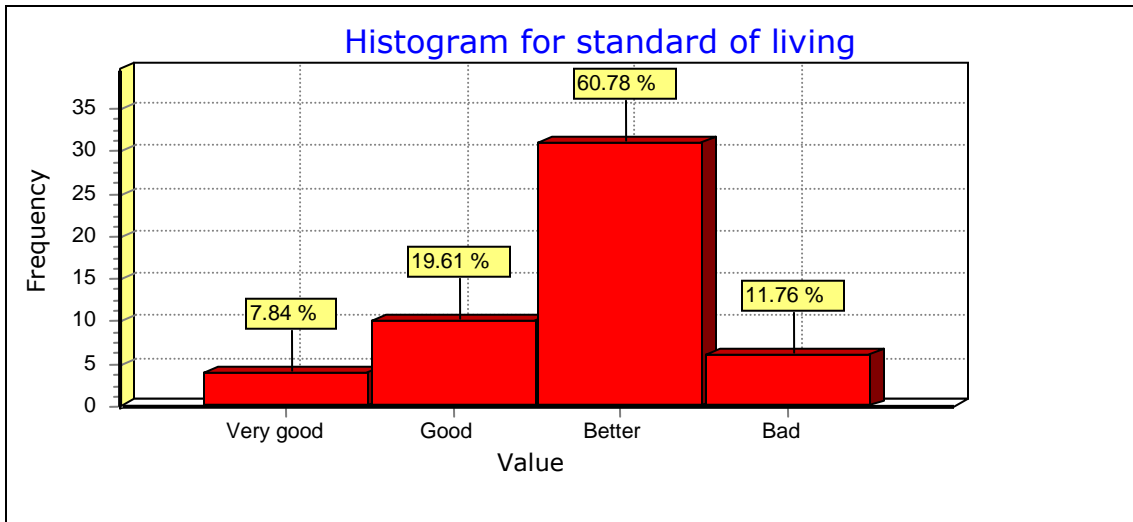
Figure 4.12 Bar chart for income



#### 4.3.7.1 Standard of living

Thirty-seven of the respondents showed that the standard of living was better at the time of the research than in the past. This represents 60.78% of the respondents. About 10 of the respondents feels that the standard of living is good now than then. They were able to earn a monthly income which they could use to fulfil their basic needs. The value "Bad" was scored in 6 cases, which represent 11.76% of the cases. The following histogram indicates the findings:

Figure 4.13 Histogram for standard of living



#### 4.3.7.2 Life sustenance through LED projects

Table 4.12 Frequency table for life sustenance

Value	N	%	Cum. %
Strongly agree	22	43.14	43.14
Agree	20	39.22	82.35
Undecided	1	1.96	84.31
Disagree	7	13.73	98.04
Strongly disagree	1	1.96	100.00
<b>TOTAL</b>	<b>51</b>	<b>100.00</b>	

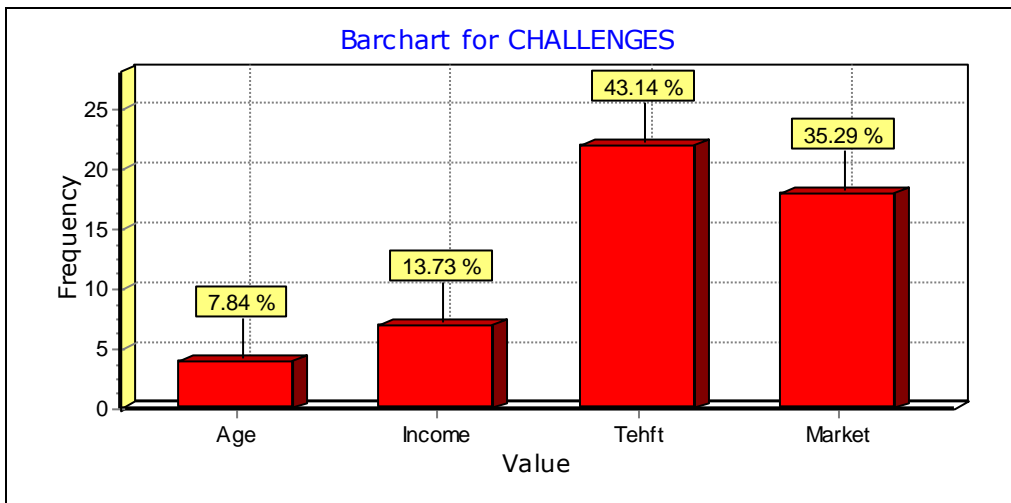
Missing cases: 0

The respondents were able to sustain their lives through the LED projects as has been shown by the majority cases on "strongly agree" namely 22 cases 43.14%, and "agree" 39.22% with 20 cases. The lowest number of cases were "undecided and strongly disagree", which both had 1 case each, which represents 1.96% of the cases each. The term of the projects depends upon the sustainability of the projects. When the projects are more sustainable, the lives of the poor people will be significantly improved. The majority of respondents indicated that the LED projects were sustaining the lives of the poor people in the projects and in the communities around Bakenberg area.

#### 4.3.8 Challenges

The value theft from the figure tops all the other cases by being rated in 22 cases, or (43.14%). The lowest value was age with 4 cases, representing 7.84% of the cases. The value "age" from the bar chart indicates that there is poor participation on the side of the youth, which is worrying for the sustainability of the LED projects. About 35.29% (18) of the respondents indicated markets as their main challenge. Income was also indicated by 13.73% (7) of the respondents. The challenge of theft was especially experienced in poultry and gardening projects because the two categories of projects are normally located outside the Villages from where they are staying, while there are no security guards to look after the projects for 24 hours. Bakery, sewing and upholstery projects are challenged by age and a lack of participation by the youth, while in the poultry projects a few of the youth participated although they were not actively in the projects. The challenge of marketing affected all types of LED projects in the area, hence, the salaries received by the beneficiaries did not satisfy them at all.

Figure 4.14 Bar chart for challenges



#### 4.4 The Impact of LED Projects on Poverty Alleviation

Table 4.13 below indicates that those that strongly agreed that LED projects did alleviate poverty were 23 cases, which represent 45.10% of the cases. It is important to note that cumulatively, 82% indicated that LED projects had alleviated poverty. The value "Strongly disagree" was obtained in 1 case, representing 1.96% of the cases. The

cumulative percentage column shows what percentage of cases obtained a value equal to or less than the value. The least of the cases with the value "strongly disagree" that the LED projects did really alleviate poverty was 1, which represents 1.96% of the cases. The majority of the respondents who strongly agreed that the LED projects were alleviating poverty were referring to three categories of projects, the first being poultry projects with the highest impact on poverty alleviation, followed by bakery projects and thirdly by gardening projects. Sewing projects were the fourth and upholstery projects fifth. The minority of the respondents who strongly disagreed with the statement that LED was alleviating poverty were referring to the sixth category, namely, abattoir project, since it was not operating during the investigation and no impact was already made by this category. The table below shows the values and frequencies.

Table 4.13 Frequency table for poverty alleviation

<b>Value</b>	<b>N</b>	<b>%</b>	<b>Cum. %</b>
Strongly agree	23	45.10	45.10
Agree	19	37.25	82.35
Undecided	2	3.92	86.27
Disagree	6	11.76	98.04
Strongly disagree	1	1.96	100.00
<b>TOTAL</b>	<b>51</b>	<b>100.00</b>	

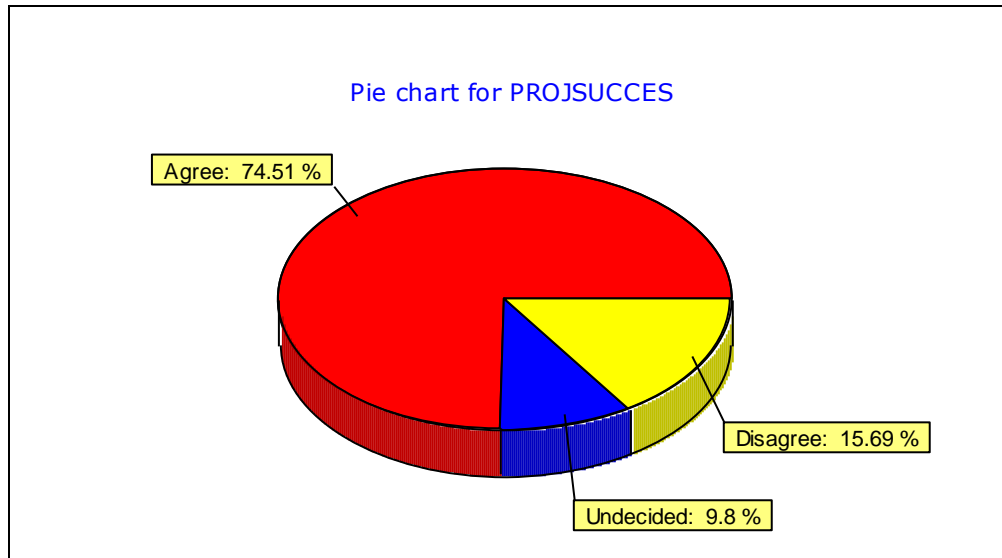
Missing cases: 0

#### 4.4.1 Success of LED Projects

Figure 4.15 indicates that about 38 of the respondents agreed on the success of the projects, which represents 74.51% of the cases. The value "Disagree" on the success of the LED projects was indicated by 8 cases, which are 15.69% of the cases. The lowest percentage was 9.8% of the cases, or 5 respondents. The majority of respondents who strongly agreed that LED projects were successful referred to poultry projects as the first category of projects where most of the beneficiaries were receiving better monthly salaries, followed by bakery projects, while gardening projects were number three, sewing projects been fourth in revealing the success of projects in poverty alleviation.

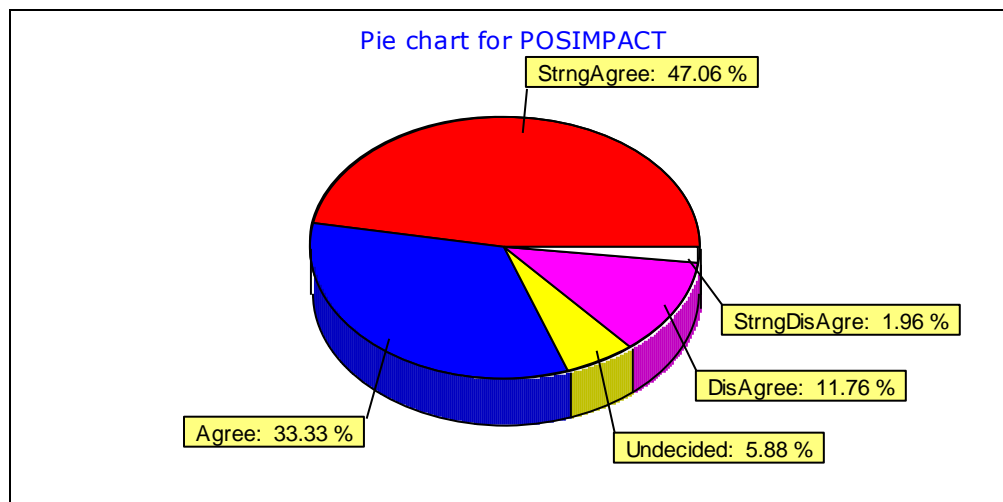
The respondents who were undecided and strongly disagreed on the success of the projects on poverty alleviation mentioned upholstery projects as fifth, and the abattoir project that was not operating. Figure 4.15 reveals the findings.

Figure 4.15 Pie chart for project success



About 47.06% (24) of the respondents strongly agreed that the LED projects had a positive impact in the lives of the poor people because more jobs were created, people were able to get a monthly income. They could also send their children to school and they were able to fulfil their basic needs. Only 1 respondent "strongly disagreed" and represents 1.96% of the cases. Figure 4.16 shows the findings.

Figure 4.16 Pie chart for positive impact





#### 4.4.2 Number of jobs created

Table 4.14 Frequency table for Number of jobs created

Value	N	%	Cum. %
1	10	19.61	19.61
2	8	15.69	35.29
3	4	7.84	43.14
4	3	5.88	49.02
5	6	11.76	60.78
None	20	39.22	100.00
<b>TOTAL</b>	<b>51</b>	<b>100.00</b>	

Missing cases: 1

According to table 4.14 more jobs had been created as a result of the LED projects. Value number 1 indicates that more than 10 (19.61%) jobs were created, followed by value number 2 with 8 (15.69%) jobs created, value number 5 with 6 (11.76) while the lowest number of jobs were created by values number 3 and 4 with 7.84% and 5.88%, respectively. Eighty jobs were created since the establishment of the LED projects. Most of the jobs in the LED projects were created by poultry projects because they are in the majority in the area, followed by bakery projects, followed by gardening projects, while the lowest number of jobs were created by sewing and upholstery projects. The last category of projects, which is the abattoir, did not create any jobs for the local people of Bakenberg since it was not operating during the investigation.

#### 4.4.3. Socio-economic status of the poor

Table 4.15 Frequency table for socio-economic status

Value	N	%	Cum. %
Strongly agree	24	47.06	47.06
Agree	16	31.37	78.43
Undecided	3	5.88	84.31
Disagree	7	13.73	98.04
Strongly disagree	1	1.96	100.00
<b>TOTAL</b>	<b>51</b>	<b>100.00</b>	

Missing cases: 0

The majority of the respondents (24) which represents 47.06% strongly agreed with the fact that the LED projects had actually improved the socio-economic status of the poor. Cumulatively, 78% agreed that the socio-economic status of the poor had improved where poor people had secure jobs and a monthly income, even though the income was not satisfactory. The majority of respondents also indicated that social capital among themselves as poor people had increased at the time of the study. Most of the LED project members were able to live together with trust in the projects and were giving other financial reports to one another to build trust. They had also acquired new ideas and skills with regard to economic opportunities from one another, as to how to improve selling of their products and to access markets for their projects. The study by Putnam (1993 a) describes social capital as referring “to features of social organisation, such as networks, norms, and trust, that facilitate coordination and cooperation for mutual benefit. Social capital enhances the benefits of investment in physical and human capital.” Putnam (1993 a) further showed that “areas in Italy with low levels of social capital had lower levels of government efficiency, lower levels of satisfaction with government, and slower rates of economic development than did provinces with high levels of social capital.”

Under social capital, the LED project beneficiaries were receiving wages of which enabled them to join community investment clubs and burial clubs to help one another pay for funerals of the death of their next of kin.

Table 4.16 Frequency table for job creation

<b>Value</b>	<b>N</b>	<b>%</b>	<b>Cum. %</b>
Strongly agree	24	47.06	47.06
Agree	18	35.29	82.35
Disagree	7	13.73	96.08
Strongly disagree	2	3.92	100.00
<b>TOTAL</b>	<b>51</b>	<b>100.00</b>	

Missing cases: 0

Table 4.16 indicates that the value "strongly agree" (on whether the LED projects did create jobs) had the majority of the cases (24), which represent 47.06% of the cases. The values "agree" shows 18 cases, "disagree" 7, and "strongly disagree" only 2 cases, which both represent 35.29%, 13.73% and 3.92% of the cases, respectively.

#### 4.4.4. Youth participation on LED projects

According to table 4.17 there was poor participation by the youth on LED projects. Thirty seven of the respondents disagreed on participation of the youth on LED projects, which represents 72.55% of the respondents. The reason behind the poor participation of the youth was that young people need jobs that can quickly provide them with enough salaries. About 5 respondents agree on youth participation and 6 respondents strongly disagree on youth participation on LED projects which represents 11.76% of the respondents. The poor participation of youth is cause for concern because it jeopardizes the sustainability of the LED projects in future. The table below reflects the findings.

Table 4.17 Frequency table for YOUTH PARTICIPATION

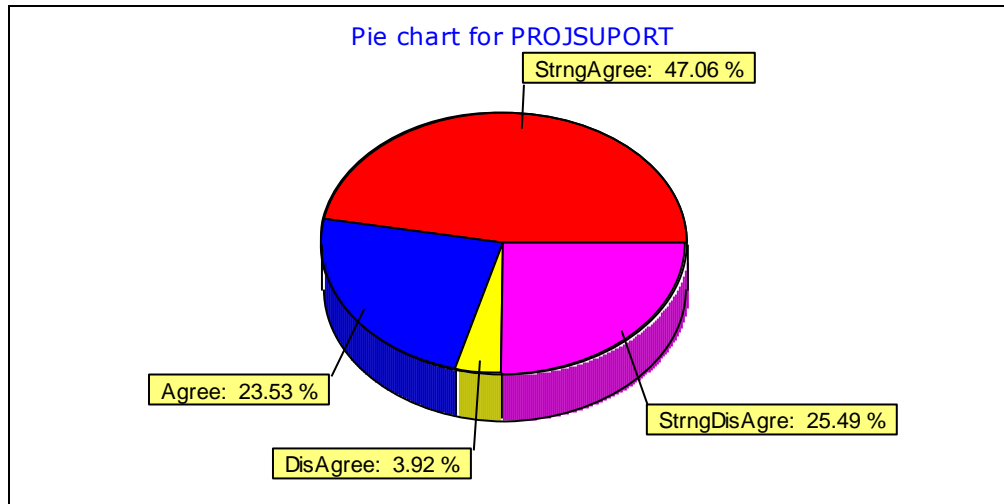
<b>Value</b>	<b>N</b>	<b>%</b>	<b>Cum. %</b>
Agree	5	9.80	9.80
Undecided	3	5.88	15.69
Disagree	37	72.55	88.24
Strongly disagree	6	11.76	100.00
<b>TOTAL</b>	<b>51</b>	<b>100.00</b>	

Missing cases: 0

#### 4.4.5 Project support

About 47.06% of the respondents strongly agreed that they were receiving the support they needed from the local Municipality, which was represented by 24 cases. The value "strongly disagree" had 13 cases, which represents 25.49% of the cases. The lowest value was "disagree" with 2 cases, representing 3.92% of the cases. The support received by projects from the local municipality is mostly based on advice to the projects to access better market for their products, and to link projects to relevant service providers in terms of training.

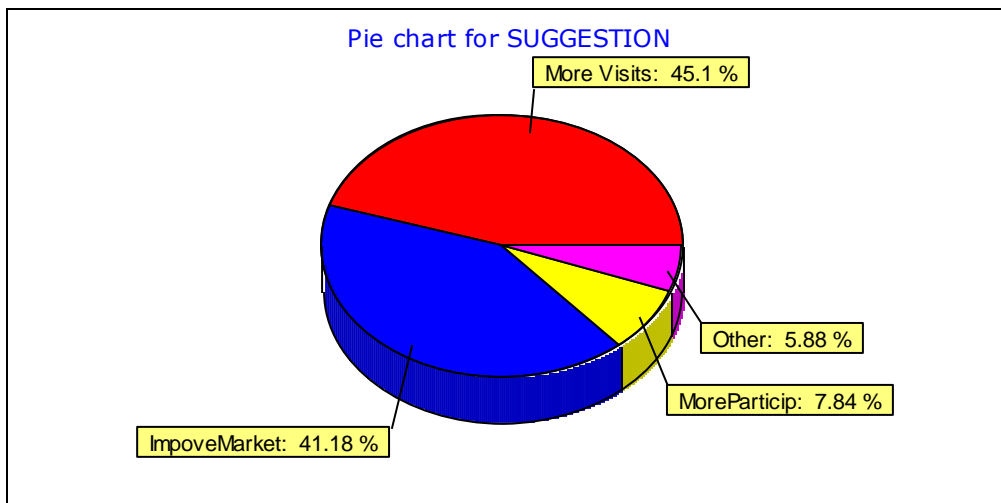
Figure 4.17 Pie chart for project support



#### 4.4.6. Suggestions

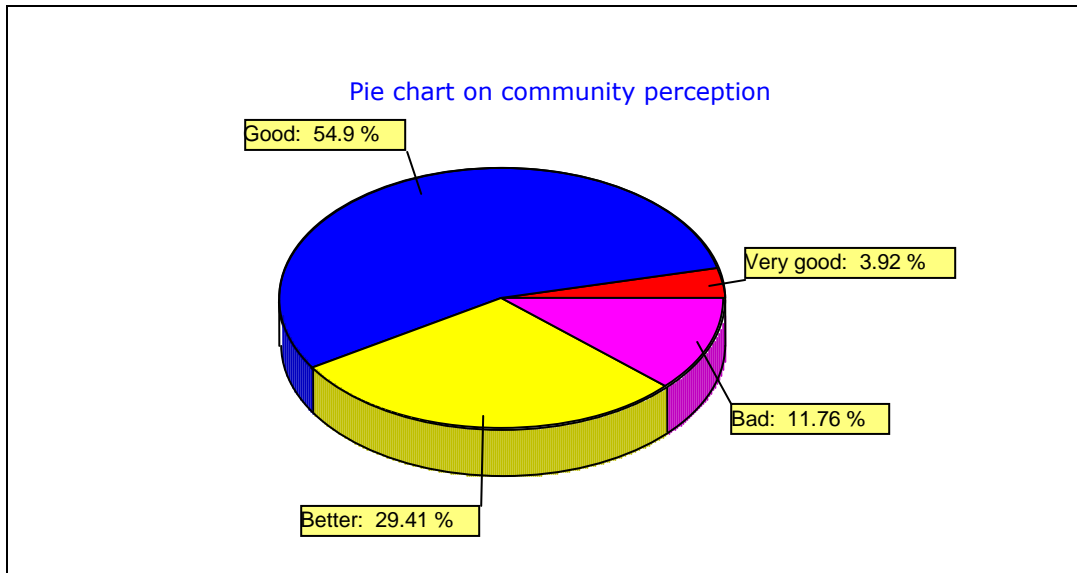
Figure 4.18 suggests that there should be more visits by government officials, there should be more improved market access and that there should be more participation in these projects. This is indicated by the following cases as shown from the pie chart; 23, 21 and 4; which represent 45.1%, 41.18% and 7.84%, respectively.

Figure 4.18 Table for suggestions



#### 4.4.7 Perception of the community towards the LED projects

Figure 4.19 Community perceptions towards the projects



The value “good” on the chart reveals the number of the respondents who had a positive perception towards the LED projects, it is represented by 54.9% (29) of the respondents, while the value "Bad" was given in 6 (11.76%) of the cases. The majority of respondents seemed to confirm that LED projects are good to alleviate poverty in the rural areas. The few respondents who did not seem to agree to the statement refer to projects that are not making a sufficient income to benefit their beneficiaries.

### 4.5 Synthesis of the Findings

#### 4.5.1 Governance

All the LED projects indicated that they had committees which were responsible for day-to-day activities of the projects. These projects also had different compositions which ranged from a membership of 4 to a membership of above 8 members.

#### 4.5.2 Economic aspects

The study revealed that the LED projects were making an impact in terms of job creation in the area. They also indicated that, because of the establishment of LED projects, members were earning income monthly. The income they were earning as indicated in Figure 4.12, was between R500 and R1500. About 13.73% of the respondents were

earning an income between R1001 to R1500 monthly. The LED projects have thus succeeded in bringing people together to work as a group (participatory approach), sharing thoughts, earning an income, and being able to fulfil the basic needs such as, food, shelter, clothes and school fees for the kids. By observation, people were able to buy televisions and radios with the income received from the LED projects.

#### 4.5.3 Social aspects

The community had shown a positive perception towards the LED projects. The LED projects also created jobs to the jobless within the local communities. The level of social capital in the communities where the LED projects are located had improved. Social networks, norms and mutual trust among the community members had improved because of the LED project beneficiaries, who were receiving wages of which enabled them to join community investment clubs and burial clubs to help one another pay for funerals of the death of their next of kin.

#### 4.5.4 Support from government

The respondents indicated that they were receiving the required support from both the local municipality and other government departments such as agriculture and social development. Officials paid regular visits to the projects to monitor and advise to the project beneficiaries.

#### 4.5.5 Financial assistance on projects

The respondents mentioned that they were receiving financial assistance from government in the form of grants. Those that did not get funds from government indicated that they managed to contribute money towards the establishment of the LED projects.

#### 4.5.6 Age, education and gender

From the cross tabulations, it is clear that "gender and age" were not statistically significantly related. The cross tabulation of "gender by education" of the respondents shows that females were more educated than their male counterparts. From the cross

tabulation of "age by education" the respondents who acquired the highest education were between 41-50 years, while only one was between 31-40 years.

#### 4.5.7 Marketing

The respondents had a problem to market their products. This is one of the areas in which the respondents need urgent attention. They have requested the government to assist in that regard.

#### 4.5.8 Perception of the community towards LED projects

The perception of the community towards the LED projects is positive. They come to buy their products and they do not vandalize their projects.

#### 4.5.9 Youth participation on LED projects

The youth participation on LED projects is poor. This is a cause for the concern on the sustainability of LED projects. Age in the LED projects can also create major problems in the near future since most of the projects are consist of beneficiaries who are too old to run the projects effectively, and sustainability of the projects will not be realised unless the youth are encouraged to participate in the projects.

## CHAPTER FIVE

### CONCLUSION AND RECOMMENDATION

#### **5.1. Introduction**

The main objective of the study was to investigate the impact of LED projects funded by the DHSD in the Bakenberg local area on the alleviation of poverty, and to check whether the LED projects were making any impact on poverty in the Bakenberg local area, and to cover a gap whereby more micro level aspects of LED were not sufficiently investigated, especially for households, job creation, sustainable livelihoods, and empowerment of women and the youth.

. The study also aimed at evaluating the main factors such as job creation, sustainable livelihoods, social capital and empowerment of both women and the youth that had led to poverty alleviation through projects. Finally, the study investigated whether those factors had been achieved by the LED projects or not, since the study has concentrated on the local or micro level type of intervention by LED projects on poverty alleviation.

Although the DHSD had intervened to resolve poverty alleviation through the establishment of LED projects, poverty continued to increase, hence the study was necessary with the main aim of investigating their impact on poverty alleviation, especially those projects funded by the DHSD in the area.

The main objectives of the study were:

- To review the LED projects introduced and implemented by the DHSD in Bakenberg area;
- To analyze the impact of those LED projects in terms of poverty alleviation on the communities in Bakenberg; and
- To suggest policy actions or other strategies as may be deemed necessary.

The study was also guided by key questions such as the following:

- The socio-economic status of the Bakenberg communities, especially those who are staying around the projects;
- The number of LED projects available in Bakenberg;



- The kind of LED projects initiated by the DHSD, and the beneficiaries who were benefiting from the projects;
- The kind of support provided to LED projects by the local Municipality;
- The way the LED projects WERE monitored by government officials such as community development officers of the DHSD;
- The impact made by the LED projects in terms of job creation, sustainable livelihoods, and empowerment of children, women and the youth; and
- The factors that explained the performance of the LED projects as well as the sustainability of the LED projects established in Bakenberg.

Using a mix of quantitative and qualitative research methods, stratified random sampling was used to collect data from various projects in six categories. Data were collected using the unstructured face-to-face interview method because the method involves a one-on-one verbal interaction between the researcher and the respondent. Data were collected from different categories of the study sample: LED project beneficiaries, indirect project beneficiaries, community development officers, agricultural extension officers, community development workers, Municipal councillors and traditional leaders. The results of the study are presented in section 5.2

## **5.2 Key Findings**

The key findings which emerged from the study are the following:

### **5.2.1. LED projects in the Bakenberg area**

The LED projects that were investigated were those funded by the DHSD, and were in six categories. The first category was poultry, with six projects, namely, Masipa Poultry Project situated at Ga-Masipa Village, Malokong Poultry Project situated at Malokong Village, Masebe Poultry Project situated at Skuilpad Village, Cleremont Project situated at Cleremont Village, Rooiwal Women Project situated at Rooiwal Village and Monare Project at ga-Monare Village.

The second category was bakery, with two projects, namely, Dikoroneng Bakery Project at Harmansdal Village and Ratanang Bakery Project situated at Segole Village.

This was followed by the third category, sewing, that had two Projects, namely, Harmabu Clothing Project at Harmansdal Village and the Kopanang Kwakwalata Project situated at Kwakwalata.

The fourth category was gardening, with four gardening projects, they were, Bosele Project situated at Ga-Rapadi Village, Phatsane Project situated at Skuilpad Village, Ditlotswane Project situated at Ditlotswane Village, and Lekgorong Project at Dipichi Village.

This was followed by the fifth category, upholstery, that had only one project called Dinoko Paulos project situated at Ga Paulose Village

Finally, sixth category was abattoir, with one project called Mamorule Chicken Abattoir situated at GaMasipa Village. This category was chosen for the study because it was funded by the DHSD as one of the LED projects to improve the market for poultry projects, and to maximize their profit.

#### 5.2.2 Profile of beneficiaries on gender, age, education qualification, and number of years in experience in LED.

In terms of gender majority of the respondents in the LED projects were females. This indicates that government also encourages women participation in economic development projects. From the cross tabulations, "gender and age" were not statistically significantly related. The cross tabulation of "gender by education" of the respondents has shown that females were more educated than their male counterparts. The cross tabulation of "age by education" of the respondents revealed that the respondents who had acquired the highest educational qualifications were between 41-50 years. Only one was aged between 31-40 years.

In terms of years of experience of project members in the LED projects, the value "None" was obtained by the majority of the respondents. None represented the respondents who

were not direct beneficiaries of the LED projects. Most of the respondents who were direct beneficiaries had more than seven years experience in the LED projects, while a few had experience of five and less than five years and took a fairly long time to utilize their allocated grants. They tended to delay progress within the projects.

#### 5.2.3 Governance and management of projects

The study found that projects were governed by committees that were effective and ultimately contributed to the success of the LED projects. These committees were responsible for the day-to-day activities of the projects.

#### 5.2.4. Marketing of LED projects

The findings indicate that the majority of respondents had a problem of marketing the products of the projects because the market was not sufficient since most of the projects depended only on local communities to sell their products due to a lack of transport. This is one of the areas where LED projects need urgent attention. They requested the government to assist in that regard.

#### 5.2.5. Income generated from projects and distribution

The respondents confirmed that the LED projects had made an impact in terms of job creation in the area. They also indicated that, because of the establishment of the LED projects, they were earning income monthly. The income they were earning as indicated on Figure 4.12 was between R500 and R1500. About 13.73% of the respondents were earning an income between R1001 to R1500 monthly. The LED projects have thus managed to gather people to work as a group (participatory approach), sharing their thoughts, earning income, and being able to access the basic needs such as food, shelter, clothes and school fees for the kids. By observation, people were able to buy television sets and radios with the income received from the LED projects.

#### 5.2.6 Job creation

According to the research findings, the majority of jobs were created by LED projects in the local area of Bakenberg. Poultry projects were the first category to create jobs, while

bakery projects being the second in job creation. Third were gardening projects, fourth sewing projects, and with upholstery and abattoir projects being the last.

#### 5.2.7 Empowerment

The findings of the study indicated that the majority of women who were working in the LED projects were empowered. Most of the projects consisted of females, which indicates that the government encourages women to take part in the economic development in their own local areas. Although women are empowered by LED projects, the youth seem not to be empowered by the projects because youth participation in LED projects was poor. The reason for the poor participation was that the youth need jobs that can provide them with quick money to receive as salaries at the end of the month. This is cause for concern on the sustainability of the LED projects. The majority of project members are very old, and this can affect the membership of the projects in the near future since young people do not show sufficient interest in LED projects.

#### 5.2.8 Sustainability of LED projects

The current study indicated that projects are sustainable, because the majority of respondents confirmed that project beneficiaries were able to sustain their lives through the projects. Although the projects are currently sustainable, their sustainability cannot be guaranteed in the next ten or fifteen years, because of the poor participation of the youth in LED projects. This is also cause for concern when the older project members pass on, there will be no people to replace them, and this can cause projects to collapse. The findings indicated that the majority of the respondents strongly agreed to the fact that the LED projects have actually improved the socio-economic status of the poor. The poor are now having secure jobs and a monthly income to sustain their livelihoods in their households, with the income they received, they were able to access the basic needs such as food, shelter, clothes and school fees for the kids. Observation showed that the people were able to buy television sets and radios with the income received from the LED projects.

### 5.2.9 Social capital in LED projects

The majority of the respondents also revealed that social capital had been strengthened as networking and people were working more closely together. LED project members are thus able to live together with trust within the projects through giving one another financial reports to reinforce mutual trust. They also acquire new ideas and skills with regard to economic opportunities from one another, such as how to improve their selling of products and access markets for their projects. The beneficiaries receive wages which they can join community investment clubs and burial clubs, to help one another during funeral arrangements of the death of their next of kin.

### 5.3. Concluding statements of the study

In order to arrive to the following conclusion, it is imperative to consider the results that emanated from the data analysis:

1. The investigation findings indicate that there is a positive impact of LED projects on poverty alleviation in the local areas such as Bakenberg;
2. According to the findings, LED projects are sustainable and most successful in the Bakenberg area.
3. The research findings also indicate that effective job opportunities were created by the LED projects for the local poor people;
4. The research results also reveal that the socio-economic conditions and the sustainable livelihoods of the poor people within the Bakenberg area have improved now than sine when LED projects were established;
5. The study found that social capital of the poor people in the LED projects was strongly developed, and ultimately strengthened the social capital within the community as a whole;
6. The objective of empowerment for young people was not achieved by the projects based on the fact that young people are not interested, and they are very unwilling to participate in LED projects. Only women were empowered;
7. The findings revealed that most of the projects have a problem of marketing their products, and this area needs urgent attention; and

8. The research findings show that LED projects have a bigger challenge of a high theft rate than other challenges such as the age of project members, income and marketing.

#### **5.4 Recommendations**

The findings of the investigation clearly indicate that LED projects funded by the DHSD are currently more successful in alleviating poverty in the local areas than at the beginning. But as long as factors such as a lack of empowerment of the youth, theft and marketing are not addressed by projects in local areas, projects will collapse in future and jeopardize the chances of further development of some projects that have already indicated success in poverty alleviation. To further alleviate poverty by 2015 as required by the Millennium Goals through LED projects in the local areas, the following recommendations have to be taken into consideration to influence poverty alleviation strategies:

##### **5.4.1 Funding**

Government, especially the DHSD, has to review funding of the vulnerable poor people in the form of projects or a group of ten and above to alleviate poverty. The strategy should be changed to include committed individuals with regard to funding. It is a fact that if individuals can be funded, because they already have small businesses or spazas at the corners of the streets in their local areas, will expand those small businesses and spazas into big factories or firms that can create more jobs with attractive salaries to hire more young people who are discouraged by the LED projects to participate in such undertakings. The recommendation will assist the DHSD to get capable, skilled and energetic individuals, to lead the firms and be able to take decisions to make their firms grow bigger, and be able to alleviate poverty in the local area. The study recommends that project members could start savings schemes for re-investment into the projects that will reduce dependence on grants from DHSD.

##### **5.4.2 Marketing of LED projects**

Government to ensure the availability of resources such as transport at the local areas, to enable projects to access any type of market. All types of projects, either funded by the state or private persons, require transport to improve their marketing strategies. There is

also a need to enhance LED project members`marketing skills and access to market information.

#### 5.4.3 Job creation by LED projects

Although LED projects have a number of created jobs for the jobless in the local area of Bakenberg, most of the jobs were created by poultry, bakery and gardening projects. Other types of projects, such as sewing, upholstery and abattoir projects, created fewer jobs for the local people. The study thus recommends that all projects that will be funded by government should in future have a project manager who is independent, to be incorporated into each project to assist with the feasibility of the project, its implementation, monitoring and evaluation as well as the progress of the projects, to ensure that projects are successful and are creating more decent jobs that pay beneficiaries the salaries that will satisfy them to alleviate poverty. If the recommendation can be implemented, the public-private partnership will be a promoted.

#### 5.4.4 Income generation and distribution within LED projects

The research findings indicated that project members were receiving the minimum of R500 and a maximum of R1 500, which is something that project members take homes. These salaries were not enough for the project members to support their families. The study therefore, recommends that projects should consider other additional activities to the main objective of the project to maximize the project`s income. For example, if the project is a poultry project, it should consider egg-production as an additional activity. If the project is a bakery project, it should consider selling cold drinks and juices as an additional activity to the bakery project. These additional activities will maximize the income of the projects and ultimately increase the salaries of the project beneficiaries.

#### 5.4.5. Sustainability of projects

The research reveals that LED projects are sustainable in the Bakenberg area. Although they are sustainable, age can affect the sustainability of the projects since the projects consisted of older people. The study thus recommends that young people should be encouraged to take part in the projects to resolve this problem, by giving young people an

allowance of plus minus R500 each month for working in the projects, because young people do not want to work and get nothing at the end of the month.

#### 5.4.6 Security of LED projects against theft/crime

In order to fight against the high percentages of theft in the projects, the study recommends that government should ensure that all LED projects that are funded, should be provided with more funds to install palisades and electric security fences that are more effective than installing wire fences that are weak and get destroyed by criminals who come and steal from the projects. Again, all LED projects should register with certain security companies to guard their projects day and night.

#### 5.4.7 Youth participation in the LED projects

The research findings indicated that participation by the youth is limited because they do not have an interest in working in the LED projects. The study recommends that the youth should be empowered and encouraged to participate in the LED projects through giving them stipends of R500 each month to encourage them to work in the projects. If these can be done, it can assist in resolving the challenges of sustainability of the projects in future.

#### 5.4.8 Future research

Although the research on the impact of LED on poverty alleviation has been successfully conducted, there are gaps such as youth development through LED initiatives, youth development in the rural areas that have not been fully researched in this study, hence the study recommends further research on the impact of LED on youth development issues.

### **5.5. CONCLUSION**

Since the intervention by DHSD in Limpopo through the establishment of LED projects in the Bakenberg area to reduce poverty, there are more chances with regard to poverty alleviation in the local Bakenberg area. Although there is still a prevalence of poverty, poverty is not as rife as when the LED initiatives were introduced. The main reason for the high poverty rate by then was that more micro level intervention of the impact of



LED was not sufficiently investigated in the Bakenberg area, and hence there was a gap that needed to be filled on households, job creation, sustainable livelihoods, and empowerment of women and youth to address the local socio-economic problems experienced in the local communities of Bakenberg.

The poor people, especially women have benefited from the projects through jobs created by the projects and income sharing at the end of the month. Most of the women were empowered by the projects to run them like businesses. The LED projects funded by the DHSD seem to alleviate poverty at the micro level of the communities in the local areas. Despite the improved standard of living and poverty alleviation at the local level in Bakenberg, there are still challenges such as that the youth are still unemployed and lack an income to sustain their lives, while there are LED projects in their local areas. The main reason behind this is that the youth are not interested in LED projects because of the low income sharing that does not satisfy their needs.

Finally, the investigation added more knowledge with regard to the impact that the LED projects funded by DHSD have on poverty alleviation.

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- 1 < 3
- 2 4
- 3 5
- 4 6
- 5 > 7

7. Name of project.....

8. Location of project (place and municipality).....

9. Years of operation in the LED projects (*please circle the correct answer*)

- 1 < 3
- 2 4
- 3 5
- 4 6
- 5 >7

10. What is your position in the LED project? (*please circle the correct answer*)

- 1. Chairperson
- 2. Vice-chairperson
- 3. Secretary
- 4. Vice-secretary
- 5. Treasurer
- 6. Additional member

11. Formal education (*please tick*)

1	2	3	4	5	6
No education	Grades 1-6	Grades 7-11	Grades 12	graduate	Post graduate

**B. MANAGERIAL ASPECTS OF THE LED PROJECT**

12. Who established/started the LED project?

1	2	3	4	5	6
Chief / Induna	Government	Individuals in the community	Group of people	Private organisation	Other

13. Does the project have a committee? YES/ NO.....

14. How many people compose the committee?

- 1. <3
- 2. 4-5
- 3. 5
- 4. 6
- 5. 7

15. Who monitor and evaluate the project?

1	2	3	4	5
Traditional leaders	Private organisation	Government Officials	Municipal officers	Other

16. How is the project monitored?

- 1 Once per week
- 2 By-weekly
- 3 Monthly
- 4 Quarterly
- 5 Other

17. What factors explain the success or failure of the LED project?

.....  
.....  
.....

18. Challenges (*please circle the relevant answer*)

- 1. Age barrier
- 2. Income
- 3. Theft
- 4. Market
- 5. Other

19. How are funds of the project allocated? (*please circle the correct answer*)

- 1 Contribution
- 2 Donors
- 3 Grants from Department
- 4 Other

### C. SUSTAINABILITY OF THE LED PROJECT

How sustainable is the project?

.....  
.....  
.....

21. Does the project have any link with the market? Yes/ No.....

22. If yes, name the type of market linkage

.....  
.....  
.....

23. How do managerial skills affect the LED project in the Bakenberg area?

	1	2	3	4	5
Response	Very good	Good	Better	Bad	Very bad

24. How much do you earn per month, in the form of profit sharing?

1	2	3	4	5	6
0-R500	R500-1001	R1001-1500	R1500-R2000	R2000-R5000	>R6000

25. Do you agree that the project has been successful?

	1	2	3	4	5
Response	Strongly agree	Agree	Undecided	Disagree	Strongly disagree

26. How do you perceive the LED project in terms of poverty alleviation?

1	2	3	4	5
Very good	Good	Better	Bad	Worst

27. Where do you purchase project material? (*please circle the correct answer*)

- (1) Local retailers
- (2) Regional retailers
- (3). Local wholesalers
- (4) Regional wholesalers

28. Land ownership type:

1	2	3	4	5
Title deed	Permission to occupy	Rental	Community property association	Other

**D. IMPACT OF LED PROJECTS ON ALLEVIATING POVERTY IN BAKENBERG AREA.** (*please rank Questions 29-33 by making your cross in the following statements below*)

29. The LED project has alleviated poverty in the area?

	1	2	3	4	5
Response	Strongly agree	Agree	Undecided	Disagree	Strongly disagree

30. The LED projects have improved the socio-economic status of the poor in the area?

	1	2	3	4	5
Response	Strongly agree	Agree	Undecided	Disagree	Strongly disagree

31. The LED projects have created jobs in the area?

	1	2	3	4	5
Response	Strongly agree	Agree	Undecided	Disagree	Strongly disagree

32. The poor people in the projects were able to sustain their lives?

	1	2	3	4	5
Response	Strongly agree	Agree	Undecided	Disagree	Strongly disagree

33. The LED projects get support from the local municipality?

	1	2	3	4	5
Response	Strongly agree	Agree	Undecided	Disagree	Strongly disagree

34. Make suggestions to improve on the challenges (*please circle the correct answer*)

1. Regular visits
2. Improve market flow
3. Reduce theft
4. More participation
5. Other

35. Do you agree that young poor people are empowered by the LED projects

	1	2	3	4	5
Response	Strongly agree	Agree	Undecided	Disagree	Strongly disagree

36. The LED projects impact positively on poverty alleviation?

	1	2	3	4	5
Response	Strongly agree	Agree	Undecided	Disagree	Strongly disagree

#### E. TRAINING

37. Did you receive training at some stage? (*circle yes or no*)

1. yes
2. no

38. Type of training:

1. Uniform
2. Upholstery
3. Pattern design
4. Book-keeping
5. Project management
6. Other...i.....ii.....  
.....iii.....

#### F. RESOURCES

39. Do you have access to water for the LED project? Yes/ No.....

40. What type of water supply (*please circle the relevant answer*)

7. Community water
8. Borehole
9. River
10. Other

41. Does the LED project have access to electricity? Yes/ No.....

42. Standard of living now than then? *(please circle the correct answer)*

- 11. Very good
- 12. Good
- 13. Better
- 14. Bad
- 15. Worse

**THANK YOU VERY MUCH FOR YOUR TIME AND COOPERATION**

**APPENDIX B**

**UNIVERSITY OF LIMPOPO CONCENT FORM TO BE SIGNED BY BOTH THE RESEARCHER AND THE RESPONDENT**

**TOPIC: THE IMPACT OF LED PROJECTS FUNDED BY THE DEPARTMENT OF HEALTH AND SOCIAL DEVELOPMENT ON POVERTY ALLEVIATION IN THE BAKENBERG AREA OF MOGALAKWENA MUNICIPALITY, LIMPOPO PROVINCE**

**QUESTIONNAIRE:**

1. This questionnaire is designed to investigate the impact of LED projects funded by the Department of Health and Social Development on poverty alleviation in the Bakenberg local area. The aim of this questionnaire is primarily to determine your views on LED as a means of developing and improving the lives of poor people in the local areas.
2. Kindly assist in this investigation by answering all the questions in an objective manner.
3. Your honest response will assist in making viable recommendations on the impact of LED on poverty alleviation.
4. Your response will be treated as confidential.

Thank you.

Respondent`s signature:.....Date.....

Researcher`s signature.....Date.....