

INTEGRATED DEVELOPMENT PLANNING (IDP) AND LOCAL ECONOMIC DEVELOPMENT (LED) IN SOUTH AFRICA: THE POWER-TWINS

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ABSTRACT

The gap for which both integrated development planning (IDP) and local economic development (LED) as municipal interventions have been designed for is to respond to the distortions and the characteristic features of apartheid planning. Those that have left most South African cities, towns and villages with profound developmental challenges. Both the municipal interventions are seen as power-twins without which the country's development agenda can not be achieved. Some of the aspects that explain these municipal interventions as power-twins are their dominance over other municipal programmes and interventions. The two shares a special bond and possess common characteristics that serve as a means with which *integration* at municipal spheres of government can be achieved. This article focuses on the essence of the relationship between the IDP and LED, the conceptualisation and contextualisation of the IDP and LED, the IDP – LED theoretical framework, the link between the IDP and LED and common characteristics between the IDP and LED.

INTRODUCTION

Both the IDP and LED have not developed in a vacuum, but was introduced to complement the orientation of South African municipalities, as well as to respond to the changing expectations of communities (Malefane, 2008 (a): 1). The gap for

which the municipal interventions have been designed to respond, to include addressing the characteristic features of planning that had been a disjunction between the forces determining the location of industry and other employment creating activities, and those underlying the location of the majority of the people (Dass, 1995: 14 & Ndabula, 1997: 10). Local economic development in particular, emerged in response to the reduction of vulnerability by promoting a diversification of the local economic base (Malefane, 2008 (a): 4). The rationale behind this article is to make a meaningful contribution to the discourse, theory and implementation of integrated development planning (IDP) and local economic development (LED) as municipal interventions and development tools. The *first* part of the discussion focuses on the essence for this research and provides a brief motivation for this research. The *second* part provides a brief conceptual analysis of both the IDP and LED as power-twins. The *third* part examines a theoretical framework from which the rest of the discussions would stem. The *fourth* and *fifth* concentrate respectively on the link and common characteristics of both the IDP and LED as municipal interventions.

THE SIGNIFICANCE OF THE RELATIONSHIP BETWEEN THE IDP AND LED

South African cities, towns and villages face profound development challenges (DPLG, 2001:1) that necessitate ways that are proactive, sensitive to and those that bring the poor and the disadvantaged to the centre of development. These challenges are multidimensional in nature and cannot be reduced into a single measure. The challenges include cities that have decaying central business districts, rural areas that are lacking basic infrastructure, and neighbourhoods and townships with few economic opportunities. In all these cases, economic growth and job creation are essential. Both the IDP and LED are set to respond effectively to the multidimensional nature of the challenges that face the country's cities, towns and villages.

Despite the plethora of existing research on both the IDP and LED, little attention has been devoted to the link and common characteristics between the two. This has led to a state in which uncertainties between the two municipal interventions remain unclear. By providing a conceptual analysis of the IDP and LED as power-twins, their theoretical framework, as well as their bond and common characteristics, this article contributes to the body of knowledge in Public and Development Management.

The identification of IDP and LED as power-twins stems from the intensity and role which the two as municipal interventions play in the operations of a municipality. The conceptualisation, for the purpose of this research, considers the nature of the power and cross cutting roles the two interventions have over all municipal functions. Put in simple terms, this means that integrated development planning is not a function of a designated municipal planning department, but a function of all departments in a municipality. Everything that all municipal departments do, including treasury and human resources, have to be guided by the municipality's IDP. As a result, all municipal departments have to be directly involved in the integrated development planning process.

It is not the role of a specific designated department to promote economic development. As in the case of the IDP, all municipal departments should promote economic development, be it in a human resources financial or infrastructure development. This discussion confirms the dominance, in terms of influence of the two municipal interventions as power-twins. They contain both an element that cuts across all municipal departments or sector departments and cannot be implemented by a single department or sector in a municipality.

CONCEPTUALISATION AND CONTEXTUALISATION OF IDP AND LED

Theoretical framework for IDP

The implementation of integrated development planning is supported by various pieces of legislation in South Africa. These policy documents include the *Local Government: Municipal Systems Act, 2000* as amended. The Act requires municipalities to draft and implement IDPs in their areas of jurisdiction. The implementation of IDPs is further supported by the *Constitution of the Republic of South Africa of 1996*, and the *Development Facilitation Act, 1995* that give primacy to the local government sphere as the vehicle for the reconstruction and development of the new society. These acts mandate municipalities to have a developmental focus in their areas of jurisdiction as opposed to sheer provision of services.

The *White Paper on Local Government, 1998* emphasises the significance of this developmental approach. According to the White Paper municipalities have to encourage active participation of communities in both planning and implementation stages of municipal strategies. Further policies that require municipalities to engage in IDP are the *Local Government Transition Act, 1993* and its second amendment in 1996. The Act contends that local government, through the implementation of IDPs, concentrates on key challenges facing their immediate communities.

The *Constitution of the Republic of South Africa, 1996* the *Local Government Municipal Systems Act, 2000*, and the *Local Government Transition Act, 1993* (as respectively amended), enjoin municipalities not only to seek to provide services to all, but to be fundamental in orientation (Gumede, 2001: 20; Kroukamp, 2001: 22; Makgetla, 2001). The IDP is one of the key tools for municipalities to cope with their developmental role. In contrast to the role which planning has played in the past, the IDP is currently seen as a function of municipal management and part of an integrated system of planning and delivery. The IDP has a legal status and supersedes all other plans for local development (Khuzwayo, 1999: 56), and is meant to arrive at decisions on issues such as municipal budgets, land management, economic development and institutional transformation in a consultative, systematic and strategic manner.

An IDP is a framework guiding the activities of agencies from other spheres of government, corporate service providers, non-government organisations (NGOs) and the private sector within a municipal area (SALGA, 2003: 1). All planning for key social, economic and environmental sectors are incorporated in the IDP (IRI, 1998: 4). It is the

main pillar of the budget and the main interface with the community, and has become a pivotal point around which the whole municipality operates. It has been initiated to make municipalities more proactive and sensitive in the way they deliver services and manage their responsibilities. It is a comprehensive and sophisticated planning tool for assessing municipal service delivery and infrastructure development (Malefane, 2005: 108).

Theoretical framework for LED

The *Constitution of the Republic of South Africa*, 1996 is the most important piece of legislation that guides various laws, policy papers and regulatory frameworks. It serves as a foundation in which reference is made to the institutionalisation of LED as a strategic function of municipalities. According to Sections 152(c) and 153(a) of the Constitution, 1996 municipalities must “promote and manage their administration, budgeting and planning processes to give priority to the basic needs of the communities”. The Act further requires the promotion of social and economic development of the communities.

The *Reconstruction and Development Programme (RDP)*, 1995 as an integrated, coherent socio-economic policy framework attempts to mobilise the country's resources toward the final eradication of apartheid by building a democratic, non-racial and non-sexist future for all. The framework, was designed *inter alia* to restructure the economy by addressing serious inherent weaknesses. The framework was also designed to address issues relating to racial and gender inequalities in ownership, employment and skills, past industrial policies that were accompanied by repressive labour practices, neglect of training, isolation from the world economy and excessive concentration of economic power in the hands of the minority. The RDP sees major investment in research and skills development as an appropriate strategy to deal with low productivity and declining employment in the country.

The *Growth Employment and Redistribution (GEAR)* as replaced by the *Accelerated and Shared Growth Initiative (AsgiSA)* emphasises and suggests initiatives to enhance private sector involvement in the operations of municipalities. It sees private and public partnerships as a means towards addressing social economic issues municipalities are faced with. AsgiSA, despite its focus on growth that is driven by the development of priority skills, also focus on sector investment or industrial strategies, the development of second economy interventions and macro-economic issues that are eminent at the municipal sphere of government in South Africa. It views infrastructure development as a potential source of both domestic and international investment, and identifies the role of municipalities in economic development as distinctive.

The *Local Government Transition Act*, 1993 and its 1996 Amendment (RSA, 1993; 1996b) are major post apartheid local government enactments, and both refer to LED as a municipal strategy in promoting economic and social development. The *Local Government Transition Act*, 1993 states that local governments should be open to review by concerned residents and other stakeholders within their municipal jurisdiction. The Act further recognises that municipal transitional arrangements allow for the promotion of economic development and job creation.

The *Local Government: Municipal Systems Act, 2000* (as amended) require municipalities to create and promote economic development and promotes participatory mechanisms that allow for informed municipal decisions and strategies. It considers local economic development as a vehicle towards addressing spatial inequalities that have been created by apartheid planning. The Act further views municipalities as part of the developmental mission and linked to the overall approach to planning and public investment.

The IDP identifies LED as a cross-cutting and interdisciplinary part of municipal operational planning (Malefane, 2005: 131). Local economic development represents a local sphere development process that involves the mobilisation and development of local resources. It is stimulated by the need to tackle local economic and social problems and anticipates managing the processes of economic restructuring (Mosiane, 1999: 5), and is both part of the objectives and larger development process for which municipalities have been established. It is one of the mechanisms available to achieve the goals of a better life for all (Haffajee, 2002: 24; Mears, 1999: 178). The purpose of local economic development (LED) is to build up the economic capacity of a municipal area to improve its economic future and the quality of life for all. It is a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation. Local economic development (LED) offers a municipality, the private sector, the not-for-profit sectors and the local community the opportunity to work together to improve the local economy. It aims to enhance competitiveness and thus encourages sustainable growth. The subsequent discussion of the article points to the bond existing between IDP and LED.

THE LINK BETWEEN IDP AND LED

The link that exists between the IDP and LED is complex. Besides its complexity, the discussion of both municipal interventions as power-twins emerge as an interesting discourse to both municipal development practitioners and researchers. This link is expressed in various pieces of South African legislation. Most notably are the *Constitution of the Republic of South Africa, 1996*, the *White Paper on Local Government, 1998*, the *Local Government: Municipal Systems Act, 2000* and various LED guidelines. These guidelines include the *Commentary on the Policy guidelines for implementing local economic development (LED), 2005* and the paper on *Globalisation and the impact on Local Economic Development, 2002*. As indicated above, the policy framework articulates the IDP as a primary instrument that dominantly intends to promote social and economic development in municipal jurisdictions.

As shown in figure 1, LED is an integral part of the broader strategic plan (IDP) in a municipality. Due to LED's cross-cutting nature of operation, it has a great deal of influence on the role and orientation of all sector departments and therefore represents the major part of the IDP. What this statement means is that although the IDP is incorporative of LED, IDP is not LED, and LED is not IDP. Furthermore, an IDP which does not reflect, or incorporate nor make meaningful reference to future economic activities would be incomplete and a recipe for the failure of development. With reference to the existing

Figure 1: The link between IDP and LED

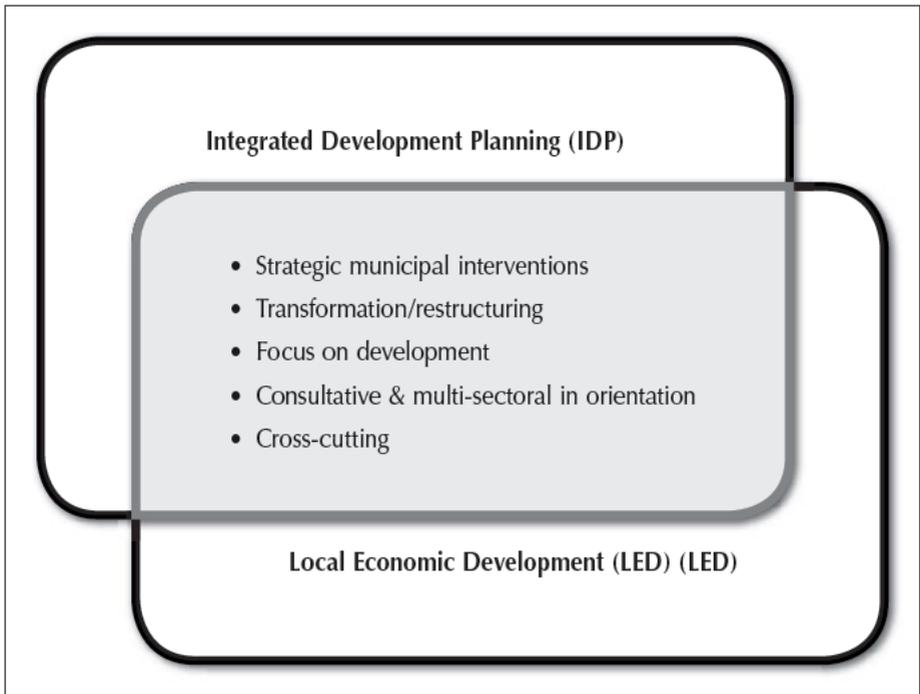


link between the two municipal interventions, it becomes critical to examine the points of commonality between IDP and LED. The discussion of the common characteristics of both municipal interventions follows in the next section.

Common characteristics of the IDP and LED

Integrated development planning and LED share common characteristics. The discussion of the common characteristics of both IDP and LED as municipal interventions add to the discussion of the bond between them. It explains the nature of the power, influence and the dominance they both have over other municipal interventions in South Africa. Apart from the link between the two, in order to refer to the interventions as *twin powers*, there has to be common characteristics between them. The common characteristics, as articulated in this article, serve as a means with which *integration* at municipal levels of government can be achieved. Besides perceived uncertainties often attached to the interventions, they both are local programmes that are strategically set to transform the way in which municipal business had been conducted. The discussion of the common characteristics between the two municipal interventions can be reduced into a diagrammatic representation. Figure 2 below illustrates common characteristics of both the IDP and LED.

Figure 2: Common characteristics of the IDP and LED interventions



As shown in figure 2 above, five common characteristics between both the IDP and LED can be identified. The interventions are both strategic intents; aim at transforming or restructuring the manner in which municipalities had conducted their business; they focus on development; they are consultative and multi-sectoral in orientation and they are both a cross-cutting element of operation in a municipality. Each of these characteristics will be dealt with briefly below.

Strategic municipal interventions

The characteristic feature of the interventions as being strategic, responds to the question on whether it is and how possible it is for municipalities to achieve their development mandate through a simple prayer, and perhaps whether they have the capacity to deliver in time to meet the expectations of their communities. By nature, the strategic characteristic of both the interventions signify the essence of recognising the environment within which municipalities operate and the complex nature of the challenges municipalities are faced with (Malefane, 2008 (b): 4). As a common characteristic between the two interventions, it requires municipalities to be in constant interchange with their internal and external environment by conducting periodic research (cf. Malefane, 2008 (b): 4), assessment of the current reality – situational analysis to inform their plans (Buthelezi, 1998: 37), to organise and structure both human and other resources in such a way that they are

able to complement the nature and intensity of the challenges and to monitor whether such efforts enable municipalities to respond timely to meet the expectations of their communities.

Transformation/ restructuring

Transformation/ restructuring as a common characteristic means that both IDP and LED were ushered in to complement the transformation agenda of the new political dispensation. The interventions are aimed at realising the vision, goals and objectives of the new democracy; (Malefane, 2005: 103); attempt to provide a clear ideological framework for development (SALGA, 2003: 1), and serves as frameworks that assist South African municipalities in their role as agents of change, growth and development. The interventions are set to deal with the distortions of apartheid by providing a catalogue for direct intervention to mitigate problems associated with previous planning approaches (Khuzwayo, 1999:4).

Focus on development

Apart from their role of transformation, the interventions are developmental in nature and orientation. Development is a complex process, but it is mostly used to refer to a state in which people are reaching an acceptable standard of living. It means that people have the basic commodities they need to live. It means that all the people have the right to make choices about their lives and that they have opportunities to improve their living situations (World Bank, 2008: 1). From this definition, it can be deduced that both the IDP and LED are not eventual, but reflect an ongoing process of change that intends to build a strong, open, sophisticated municipal system of government in South Africa. They incorporate a wide variety of developments that range from *hard* services such as water, sanitation, electricity, housing, roads, to *soft* or human development issues such as land reform, poverty alleviation, tourism and wealth.

Consultative and multi-sectoral in orientation

In terms of their consultative and multi-sectoral characteristic, the interventions position both municipalities and various local players (including community members) as active protagonists, rather than passive recipients of external developments (Ndabula, 1997: 10). In addition, the concept of consultative characteristic of both the interventions embrace bottom-up and top-down decision making processes. As opposed to the apartheid planning practices, the consultative nature of both the IDP and LED refrain from considering local players as onlookers in the development of areas in which they live, but accommodates them as major role players. The characteristic feature of the interventions as being consultative, further ensures endogenous processes were local players become active shapers of their own destiny (Davis, 1997: 7). Despite the focus of the municipal interventions on making consultation a common practice, they also embrace multi-institutional systems of operations to deal with local problems. In this way the interventions recognise both the plethora and multi-dimensional nature of the challenges that the municipalities are faced with. In this way the interventions recognise

the need for collaboration, particularly in areas in which capacity does not exist (cf. SALGA, 2003: 3), and where physical resources are minimal.

Cross-cutting operations

The cross-cutting nature of the operations of both the municipal interventions was highlighted in the discussion of the theoretical framework of both IDP and LED. What it means is that through their dominance over all other municipal interventions, both IDP and LED are not functions of a specifically designed municipal department, but that which all the municipal departments have to carry out. Despite the core business that specifies the mandate for each municipal department or sector, their orientation has to be complementary to the two municipal interventions.

CONCLUSION

In the light of the above expositions, it can be concluded that both the IDP and LED are essential municipal developmental tools, without which none of the goals of the South African development agenda will be achieved. The link between the two will enhance the likelihood of achieving the goals of development. Both the interventions are effectively positioned to respond to the distortions and challenges that face municipalities in South Africa. Both the IDP and LED share common characteristics that serve as a means with which integration in municipalities can be achieved. The identification of both the IDP and LED as power-twins explain their powerful influence and dominance over other municipal interventions. The two remain the most powerful strategic, transformational, developmental, consultative and municipal tools that have changed the operations and orientation of municipalities in South Africa.

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