LOCAL ECONOMIC DEVELOPMENT IN THE INGWE MUNICIPALITY: 
THE DEVELOPMENT OF A PRO-POOR, TOURISM BASED STRATEGY

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The Ingwe Municipality provides an interesting example of the relationship between Local Government and pro-poor Local Economic Development (LED), for many reasons. In 2003 they were awarded second place in the Kwa-Zulu Natal province for the Vuna Awards, which recognises local government service excellence in South Africa. In 2004, they earned first place in Kwa-Zulu Natal and third place in South Africa for the best local municipality in terms of that award. What does such a small, under-resourced rural municipality have to offer us as we seek to understand the role local government has in promoting pro-poor development in South Africa? More specifically, during this time of increasing focus on improving conditions and opportunities for the poor, what lessons and inspiration does this municipality have to offer other rural municipalities facing similar challenges?

In response to these questions, this chapter will focus on the LED strategy currently being developed by the Ingwe Municipality. Initial assessment will incorporate an overview of the economic conditions within the municipality, focusing on the poverty crisis currently crippling the majority of the population. From this platform, the chapter will progress to identify opportunities available with respect to embracing LED, with specific emphasis on the potential to create a viable tourist industry. The relevant aspects of the current LED strategy will be established, in addition, this document will assess the pro-poor orientation of the strategy and discuss the key lessons learnt that may offer inspiration and insight to other municipalities facing similar challenges.
From the outset it must be acknowledged that the focus of the chapter is on Ingwe’s tourism based LED strategy. Although LED within the municipality extends into smallholder agriculture, construction and potential small-scale industrial opportunities, it is their approach towards creating a tourist industry that has captured interest and set them apart from their contemporaries. The purpose of the chapter is not to provide a comprehensive analysis of all economic development initiatives within the municipality, but rather, through assessing the tourism initiatives, to illustrate the unique lessons Ingwe has to offer. Within the greater context of the responsibility of municipalities to provide economic opportunities and upliftment for the poor, this chapter seeks to document the potential offered by tourism in the context of poverty stricken rural municipalities.

**Introduction to the Ingwe Municipality**

The Ingwe Municipality is situated in the Kwa-Zulu Natal midlands (Figure 1). The municipality is one of the five municipalities forming part of the Sisonke District Municipality. The villages of Donnybrook, Bulwer and Creighton are small local service and commercial centres in the Ingwe area, with Creighton being the capital. The Ingwe Municipality was first established during 2000, following the Municipal Demarcation process. The new municipality incorporated the previous local council of Creighton and the uMsekeli tribal-administered area of Bulwer (Ingwe, 2003).

Creighton falls into the category of a commercial agricultural town. The town developed as a result of the need to service the white commercial farmers living in the broader area. The diversion of manufacturing and commercial functions to larger towns and cities since has however significantly reduced the role and activities of these towns. However, although connections between small rural towns and their hinterlands have weakened, these towns still provide some social and commercial services to the surrounding areas. Important to notice is that the economic decline of many rural towns in South Africa has not been accompanied by population decreases. Job losses on farms due to mechanisation, and corresponding political uncertainties and
unemployment in the cities have resulted in increasing populations in many rural towns. This growth has lead to increased poverty, unemployment and inequality. The challenge to reconstruct small rural towns needs an urgent response and is fundamental to sustainable rural development (Dewar, 1994). In the case of Creighton, despite the presence of successful dairy and timber agricultural operations, the majority of the population do not benefit from these sectors and thus alternative economic opportunities need to be provided. According to the Creighton Farmer’s Association, the huge differentiation between successful commercial farmers and poverty stricken rural farmers is central to the poverty problems experienced within the Municipality (Creighton Farmer, pers. com, 2005).

The greatest challenge facing the Ingwe municipality are the desperate levels of poverty experienced by their people. According to their IDP (Ingwe, 2002), 39% of households receive no income, only 11% of people between the ages of 20 and 65 are employed and 90% of the population are from previously disadvantaged communities who suffer from illiteracy and poverty as a result of the absence of infrastructure and limited opportunities. It is, therefore, no surprise that the IDP recognised poverty reduction as one of their key areas in striving to achieve development. The Municipality has recognised that unless they can facilitate the creation of a sustainable economic base across the municipality, the problem of poverty will continue to increase. As mentioned above, service delivery is a prominent struggle for the municipality. Their hope is that by creating an economic system from the grass roots up, they can provide local people with job opportunities, leading to increased household incomes (Municipal Mayor, pers. com, 2004).

**Population Dynamics**

Ingwe has a large rural population of about 100 000 people, representing 42% of the Sisonke District’s population, who reside in relatively densely populated traditional authority areas under
communal tenure. The eleven traditional authority areas cover approximately 26% of the municipality (Ingwe, 2002).

As with most rural areas in South Africa, the Integrated Development Plan, IDP (Ingwe, 2002) highlights the continued influence of the biased apartheid education system. The lack of good education in the rural areas continues to impact negatively on the level of education in most rural schools. According to the 1996 census, 26% of the population have no education experience and only 2.6% have a Matric (school leaving certificate).

According to the figures gained from the 1996 census, the IDP (Ingwe, 2002) estimates that 47% of those employed in Ingwe are unskilled labourers and 37% were considered as skilled or semi-skilled workers who work within the agricultural, trade and social service sectors. Only 15.6% of the population were considered to be professionals or in senior management positions. In addition to this, the Economic Regeneration Study, ERS, (Ingwe, 2003a) highlights the significant numbers of pensioners within the municipality. The poverty crisis facing the municipality is further illuminated when one considers that according to the 2001 census, 67% of the total labour force is unemployed and 39% of households receive no income at all (Municipal Demarcations Board, 2002). The common national pattern of a stark contrast between the well-serviced urban areas and destitute rural areas prevails within the Ingwe Municipality. The rural areas are generally not provided for by any means, whereas the urban areas experience adequate service and infrastructure provision (Creighton Farmer, pers. com, 2005 and Ingwe, 2002).

**Financial resources**

The new municipality was immediately hindered from its inception in terms of financial viability, as the previous Creighton Transitional Local Council, TLC, although financially sound, had an exceptionally small rates base which only generated R158 000.00 per annum. In addition to this burden, bad debt in excess of R800 000.00 was inherited from
In summary, the major initial challenges to be faced were/are:

- Financial viability
- Large rural population of 170,000 of which 95% are poor
- The need to promote local economic development
- Service provision backlogs
- Limited staff capacity (Ingwe, 2002).

The concurrent challenges of poverty, severe financial and human capital shortages and limited service provision, render the creation of local economic development a particularly complex challenge. How does a municipality engage in creating local economic development when many, if not all, of the required trigger factors are non-existent? In addition to absent catalysts, most rural municipalities in South Africa also face huge obstacles in terms of dealing with backlogs inherited from the Apartheid era (Bond, 2002). This situation is indicative of the scenario facing most rural municipalities in South Africa. It is therefore important that we examine the approach taken by the Ingwe Municipality in terms of how they have attempted to overcome these obstacles to development.

**Economic Sector Analysis**

The three small towns of Bulwer, Creighton and Donnybrook service the Ingwe municipality. Despite the area’s fairly strong backward and forward linkages with the larger commercial areas of Underberg, Ixopo and Pietermaritzburg, the three service centres do not provide an adequate or sustainable economic base for the municipality on their own. Without the external linkages, the small towns would be unsustainable. This is evident in the heavy dependence on migratory work. Due to extremely limited employment and economic opportunities, most families, especially within the rural areas, are reliant on external sources of employment. However, in response to the
broader national and provincial decline in economic opportunities, there has been a growth in the informal sector as people struggle to find alternative livelihood strategies (Ingwe, 2003a).

The current employment sectors that dominate are farming (30%) and social services (20%). Current economic practices are heavily reliant on the well-established commercial farming sector. The dominant commercial farming practices are semi-intensive beef, dairy, potatoes and timber. The dominant agricultural activity in the traditional settlement areas is cattle ranching. However, as is often the case, returns are limited due to overgrazing and soil erosion. Other forms of subsistence farming include maize, potato, vegetable and dry bean farming (Ingwe, 2002).

It is important to note that the products from the softwood sawmills are sold outside the municipality and thus there is limited local beneficiation. The hardwood timber is also processed at pulp mills and timber treatment plants outside the local municipality (LED Councillor, pers. com, 2003).

**Embracing Local Economic Development in Ingwe**

The responsibility of promoting and creating Local Economic Development in the municipality belongs to one of the four councillors from the Executive Committee. Since 2000, this responsibility has expanded to include a LED steering committee, and, in January 2005, an official position, LED and Tourism Manager, was incorporated into the Municipality’s employment organogram. The position was advertised in regional and local newspapers and twenty-nine applicants were interviewed by the Council. As a result of a full council resolution, the previous LED Executive member was selected and hired for the position. The contract stands for five years (Municipal Mayor, pers. com, 2004). This position is extremely significant because it is the beginning of protecting the responsibility of LED from political instability. While the responsibility of developing and maintaining
economic development initiatives within the municipality remains that of a political figure, the long-term sustainability of strategies and projects are threatened by changes in political rule. At present, the strongest political party in Ingwe is the IFP. However, should power shift towards the ANC in the 2005 municipal elections, councillor positions are most likely to change. The LED Councillor played an essential role in promoting LED within the municipality. His transference from a political position in the Executive Council to a permanent staff position, guarantees his involvement in co-ordinating LED irrespective of political changes.

In keeping with the principles set out in the Municipal Systems Act 32 of 2000, the Ingwe Municipality undertook their first Integrated Development Plan (IDP) in 2002. The IDP was instrumental in initiating the current expansion of LED within the Municipality (Municipal Mayor, pers. com. 2003). Ingwe has been faithful in ensuring that IDP reviews took place in both 2003 and 2004.

In response to the reality that 90% of the Ingwe population are from previously disadvantaged communities who suffer from illiteracy and poverty as a result of the absence of infrastructure and opportunities, the Ingwe Municipality’s IDP (Ingwe, 2002) identified poverty alleviation as one of the major challenges facing the municipality. Inherently linked to this challenge, is that of economic development. The municipality’s commitment to local economic development was also spurred on by their commitment to the Municipal Systems Act’s call to create ‘developmental local government’ as well as by the concern about the dire poverty levels experienced by the majority of the Ingwe population (LED Councillor, pers. com, 2004 and Municipal Mayor, pers. com, 2004).

In response to the IDP’s strong emphasis on the need for LED within the municipality, an Economic Regeneration Study, ERS, was completed in March 2003. The process was out-sourced to SiVest Consultants and through their research, relevant community members and stakeholders were interviewed,
The ERS provided a general analysis of the municipality in terms of demographics, infrastructure and service provision. It also provided an analysis of the current economic situation, including an evaluation of current development initiatives existing both within the municipality and within the greater district. In response to these analyses, the ERS provided a SWOT analysis of the economic development potential for the municipality. Tourism was identified as having potential for successful economic expansion due to the natural and cultural resources available to the municipality. The results from the IDP and the ERS combined, substantially influenced the LED strategy adopted by the municipality.

The ERS (Ingwe, 2003a) suggested objectives, strategies and projects the municipality could embark on in terms of their LED strategy. Through further consultation with the municipality, it was decided that the opportunities listed below presented the greatest potential for LED in the region:

- Biodiversity, Cultural and Historical Tour
- Potatoes and Cabbages Farming
- Carpet weaving at Centecow

The Council decided that these projects were deemed to be those with the highest potential to promote economic regeneration in the area. These projects were to be viewed as catalysts for economic growth and development by creating an environment conducive to economic growth. These projects should open the doors to greater opportunities as well as encouraging a culture of entrepreneurship amongst the people of Ingwe. The ERS concluded by providing comprehensive business plans for these three LED initiatives. Central to each business plan was the need for steering committees in the development and management of each project. Following the ERS, the municipality has taken the initiative to produce further business plans for their various LED projects (LED Councillor, pers. com, 2004).
As noted below some 229 jobs have been created to date, albeit that most are short-term in nature. Given how the initiatives are still largely being established and how small the municipality is, this is a significant achievement.

**Vision for economic development in the municipality**

During the initial IDP process, the following vision for the Ingwe Municipality was formulated:

“The Ingwe Municipality will strive to promote a quality social and economic environment that is sustainable and competitive while providing opportunities for all residents to grow and prosper. It will seek to achieve this by strengthening the unique social, economic and environmental potentials of the Local Municipal area while protecting the natural resources base for succeeding generations” (Ingwe, 2002).

The municipality’s commitment to economic development was founded on the understanding that employment provision had to occur through the diversification of the local economy, which would allow for a progressive transfer of capacity and opportunity to previously disadvantaged people within the municipality. The high priority placed on economic development was further emphasised by the formulation of a specific economic development vision, namely:

“To promote economic diversification and investment in the Ingwe Municipality. This should be based on sound economic development policy and a marketing strategy that focuses upon the key economic sectors within the Ingwe Local Municipality” (Ingwe, 2002).

As discussed above, the major economic activities in the region consist of timber-related and dairy agriculture. According to local businessmen, these sectors, combined with the natural resources available in the area, could provide opportunities for economic growth through industrial expansion – especially in the areas of Creighton and Donnybrook that
are serviced with efficient rail services (Donnybrook businessman, pers. com, 2005), and through partnerships with the larger timber corporations such as Mondi and Sappi (Tourism businessman, pers. com, 2004). The Municipality may also have a role to play in reducing mechanisation and promoting labour-intensive activities, especially through partnerships with contractors. In addition to this, the municipality has an important function to play in terms of bridging the gap between the location of people and work opportunities (Tourism businessman, pers. com, 2004). However, a constraint is that many of the current economic activities are related to already existing markets and thus it is difficult to create alternative beneficiation projects that would result in additional employment opportunities (Ingwe, 2004).

The IDP (Ingwe, 2002) therefore emphasised the need for economic diversification and expansion if sustainable economic growth was to be achieved. The diversification of agriculture and tourism were identified as the main opportunities for local economic development.

**Tourism**

The Ingwe Municipality currently has the opportunity to create a tourism industry that is globally competitive, environmentally sensitive and integrated in order to promoting socio-economic development, especially within the rural communities (LED Councillor, pers. com, 2003). The international trends towards eco- and cultural tourism provide an excellent opportunity for tourism development to contribute to the creation of sustainable livelihoods within the municipality.

The two rivers, the Umzimkulu and the Umkhomas, flow through the municipality and provide an excellent resource for adventure and sports related tourism. However, the municipality is severely limited in terms of accommodation and infrastructure. In addition to this, the municipality faces stiff competition from the well-established tourist markets
in Underberg and the Midlands Meander. Tourism in Ingwe needs to be well driven in terms of marketing and advertising to combat these challenges (Donnybrook businessman, pers. com, 2005).

Despite these challenges and obstacles, tourism was selected as the foundation for the new LED strategy. Economic opportunities available to rural municipalities are generally limited due to their lack of access to external markets and infrastructure, minimal existing economic activities and limited staff capacity. In terms of services, infrastructure, finance and economic activities, rural areas are normally seriously under-resourced. However, in contrast with their urban counterparts, rural areas possess vast natural resources with enormous potential. For most rural municipalities, the quest to reduce poverty through economic development rests on their ability to manage and use their natural resources to their full potential. As discussed in the previous section, new agricultural developments are severely constrained in Ingwe, especially in terms of benefiting local communities. According to the LED Councillor (pers, com, 2003), Municipal Manager (pers, com. 2003) and Mayor (pers, com. 2004), the most efficient and effective utilisation of Ingwe’s natural resources is through the creation of a tourist industry based on the natural and cultural heritage. In addition to this, tourism is viewed a means of diversifying their economy through the introduction of an industry that will provide new opportunities for job creation. The Municipality acknowledges their responsibility is that of creating an economic environment conducive to employment creation, as opposed to providing individual jobs through specific projects. For this reason, tourism was chosen due to its ability to diversify the local economy and create jobs in multiple sectors.

Community response to LED opportunities
While acknowledging the benefits related to diversifying the economy, it is important that the introduction of a new economic sector is not undertaken to the exclusion of already existing sectors. It was interesting to note that during interviews with community
members, very few acknowledged tourism as a potential avenue through which to promote economic development within the municipality.

The agricultural sector forms the existing base of the economy and thus it is important that the LED strategy deals with the agricultural and tourism sectors as mutually beneficial partners. The Creighton Farmers Association expressed the desperate need for infrastructural developments and technical support for poverty stricken rural farmers, and thus, emphasised the need for the tourism based strategy to also incorporate improving infrastructure and opportunities for these farmers. The municipality is currently committed to improving the road network in order to increase access to tribal areas (Municipal Mayor, pers. com, 2004).

**LED Initiatives**

This section will discuss the main projects currently being developed by the municipality. As stated in the introduction, emphasis will be placed on tourism related initiatives as these are deemed the most important aspect of the municipality’s LED strategy.

**Rail and Mission Tourism**

The most successful aspect of Ingwe’s LED strategy has been their approach to tourism development. Two of the initial projects identified, are the biological, historical and cultural tour and the carpet weaving project, have been initiated into the basis of this strategy. In terms of poverty reduction, the Municipality understands its role to be that of creating an economic environment that will provide employment opportunities as opposed to providing direct jobs. Although in the short term results appear to be elusive, long-term sustainability is the primary aim of the strategy and thus, LED initiatives are geared towards creating opportunities for economic expansion (Municipal Mayor, pers.com, 2004 and LED Councillor, pers. com, 2004). Therefore, in each of the
initiatives described below, the aim is to create opportunities for further employment. At this juncture it is worth noting that the municipality recognises the need to actively market the area and in this respect publishing agreements with magazines such as *Country Life* have ensured that the area is being publicised as a tourism destination. In addition it recently received coverage in another national magazine, *Getaway* (LED Councillor, pers. com, 2004).

**Rail Tourism**

Ingwe aims to create a unique brand of tourism for their municipality, and neighbouring municipalities and districts, based on the concept of rail tourism (LED Councillor, pers. com, 2004). The municipality identified the vast natural resources their municipality has to offer (endemic bird life, wetlands, forests) as a potential tourist attraction and combined this idea with that of rail tourism. They identified the potential of running a tourist railway between Underberg (in the KwaSani Municipality) and Creighton as a potentially unique attraction for the area. In this way, the Ingwe Municipality will be able to tap into the already established tourist sector developed around the Southern Drakensberg World Heritage Site. This project, initially known as the Biodiversity, Cultural and Historical Tour, has since been named the Amakuze Tourism route.

The Amakuze Tourism route will begin with a train ride from the Underberg station, through the Ingwe Municipality to the Creighton station. The tour continues by taxi through the Amakuze tribal areas until its completion back in Underberg. The aim of this tour is to provide tourists with a unique experience of the Amakuze tribal areas that captures its culture, history and natural heritage. In achieving this aim, the return trip incorporates stopovers at the Bhengu Art Centre and Weaving Studio situated at the Centecow Mission as well as visits to scenic waterfalls and bird viewing (Ingwe, 2004d).

This project will initially provide direct jobs for two tour guides and an administrator, but this will increase both directly and indirectly. Employment positions are reserved
specifically for local residents, with a particular emphasis on those previously disadvantaged (LED Councillor, pers. com, 2003). The aim is that as the project grows and expands, more job opportunities will be provided – both directly and indirectly (Ingwe, 2003a).

Competition for tourists requires that a destination possess a significant attraction to draw tourists. Local businessmen recognise that for a small town such as Creighton, this poses both an enormous challenge and a potential (Donnybrook businessman, pers. com, 2005). The vision for the rail tourism initiative is to draw train enthusiasts from around the world to view a unique selection of diesel and steam locomotives operating in the Natal Midlands area. The first step towards attaining this vision required a First World standard railway station. Illustrating their ability to adopt integrated planning techniques and efficient budgeting styles, the municipality decided to capitalize on their station idea and incorporate the desperately needed new municipal offices into the same building. Using the funding acquired by the municipality from the Provincial Poverty Relief Fund (Table 1), the municipality has paid for the buildings and their interior furnishings as well as ensuring that they are fully equipped for the current needs of the municipality. Therefore, “at a time when small railways all over South Africa are closing, the town of Creighton, in the remote south of the province, has just opened a magnificent one” (Voice, 2003:10). This innovative thinking earned Ingwe the following compliment, “The small municipality of Creighton… might have come up with a winning tourist attraction and solved its office accommodation problems” (Natal Witness, 12/03/03). Ingwe were further complimented for their “unconventional thinking needed to address backlogs in development” by KZN Traditional and Local Government Affair’s MEC, Inkosi Nynga Ngubane (Natal Witness, 14/03/03). The Municipality has since also taken the initiative to help the Kwa-Sani municipality to upgrade their Underberg train station (LED Councillor, pers. com, 2004).
In addition to the new buildings, the Municipality has also upgraded the old station building with the intention of creating a coffee shop run and owned by three, previously disadvantaged local women. The Coffee Shop will also accommodate a collection of historical artefacts. These will complement the ambience and contribute toward the success of the enterprise. Two ladies have already been identified as participant in this project. The municipality ran the selection process. Applicants had to prove Ingwe residency, previously disadvantaged status and experience in food / cooking. A short list was compiled for interviews and two ladies were selected. The coffee shop is set to open during February 2005. The old post office, on the same site, is currently being upgraded and will be used as a tourist information centre (Ingwe, 2003). It is also important to note that in order to promote rail tourism a working relationship developed in 2002 with the national tourist passenger rail company, Bushveld Train Safarais to bring occasional tourist trains to Creighton and to enable visitors to utilise the facilities available (LED Councillor, pers. com, 2003).

**Cross-Municipal and Districts developments**

The Ingwe Municipality recognised that a simple train tour through their municipality alone would not provide a sufficient ‘critical mass’ in terms of tourist attractions and the long-term sustainability of their project (Donnybrook businessman, pers. com, 2005 and LED Councillor, pers. com, 2004). Ingwe has, therefore, taken the initiative to extend the concept of rail tourism into the surrounding municipalities through the Sisonke Rail Tourism Project. This project aims to develop a journey that extends throughout the district, crossing over borders into adjacent municipalities. In order to initiate this process, Ingwe have organised funds and initiated the business plans for a similar train tour in the adjacent Ubuhlebezwe Municipality (Ingwe, 2004). Ingwe have also ensured the provision of, and restoration of a Garret GG11 narrow-gauge steam locomotive (a declared national monument) to draw the Alan Paton Express that already operates in the surrounding hills of the Ubuhlebezwe Municipality (Natal Witness, 12/03/03 and Voice, 2003:11). The Sisonke Distinct acknowledges the role of the municipality in...
initiating and driving this project to the extent that it is accepted as Ingwe Municipality’s project despite its District coverage (Sisonke LED Co-ordinator, pers. com, 2004).

The Ingwe municipality have played a substantial role in terms of acquiring rolling stock for the rail tourism project (Table 1). In addition to the Garret GG11 locomotive mentioned above, the municipality has also restored a Class 19D Steam Locomotive No. 2669, donated by Transnet Heritage, for use in the Amakuze Tourism route. Through negotiations with Spoornet, Ingwe were also donated three surplus carriages valued at R200 000 each. Ingwe invested a further R200 000, and the Sisonke District R1,5 million, towards furnishing and refurbishing the carriages. These carriages will be used on the Amakuze Tourism route and will include the following facilities:

- a small kitchen, a bar facility and lounge-style seating;
- standard bench and table seating and
- an observation car.


The Sisonke District has also approved a capital budget of approximately R920 000 for essential maintenance facilities such as an inspection pit, passenger coach shed, locomotive shed, locomotive water point’s at Creighton, Donnybrook and Underberg and a locomotive turning circle at Creighton (Ingwe, 2004). The turning circle requires more funding and thus Ingwe have approached various government departments with business plans for further funding (LED Councillor, pers. com, 2004).

Due to inadequate maintenance, in December 2003 Spoornet issued a notice banning all passenger train operations on all railway lines from Pietermaritzburg, which included the section between Creighton, Donnybrook and Underberg (Ingwe, 2004). In response to this, the Ingwe municipality embarked on negotiations with Spoornet to upgrade the lines and re-instate passenger train status for these lines. Ingwe’s dedication and continuous commitment to strenuous negotiations, was rewarded by Spoornet agreeing...
to upgrade the relevant 120km of line stretching between Creighton and Underberg and re-instating passenger train status (LED Councillor, pers. com, 2005).

Therefore, the municipality has taken the R4million given by Tourism Kwa Zulu Natal (Table 1) towards the Sisonke Railway District Tourism plan, and effectively channelled and administered the funds so that they now have a rail tourism package worth in excess of R20 million (TKZN representative, pers. com, 2004).

Ingwe were also responsible for encouraging KZN Tourism to research rail tourism. The result being that R350 000 has been put aside for research into rail tourism in their 2004/2005 budget (TKZN Representative, pers. com, 2004).

**Gerard Bhengu Art Centre and Weaving Studio**

This LED project is integrated with the Amakuze Tourism Project because the renovated building at the Centocow mission will feature as the highlight of the return trip. In return for the restoration of the building by the municipality, the Catholic Church will not be charging rent for the use of this facility (Catholic Father, pers. com, 2004). The restored building at the Centecow Mission Station will become the Gerard Bhengu Centre and Weaving Studio. The three floor levels will incorporate an eatery serving home cooked food prepared by local women, the weaving studio and craft centre and a collection of Bhengu’s art will be on display (Ingwe, 2004b).

- **Gerard Bhengu Art Centre**

  Research by the Ingwe LED Councillor concerning the history of the Centecow area, led to the discovery of the African artist, Gerard Bhengu. Bhengu worked for a missionary doctor at the mission who recognised his artistic talent and encouraged him to develop his talent further. His initial project was to illustrate a book the doctor wrote on medical history. He was then further encouraged to paint his cultural history. Today these paintings are famous and Bhengu is heralded as one of the most famous South African
artists. The Ingwe Municipality approached the managers of the Killy Cambell Collection at the University of Kwa-Zulu Natal, who have a total of 130 of his paintings. These are being copied by artists from Killy Campbell and made available to Ingwe. The top floor of the Centecow mission station will be dedicated to house his work as a way of celebrating the human endeavour of the mission and the people – their lifestyle, culture and history (Killy Campbell representative, pers. com, 2005 and LED Councillor, pers. com, 2004).

➤ Weaving Studio

The municipality’s vision for the Weaving Studio is to establish a viable and sustainable extension of the Weaver’s Hut project in Donnybrook, resulting in further employment creation, income generation and wealth distribution in the Ingwe Municipal area (Ingwe, 2003a).

The Weaver’s Hut became operational fourteen years ago. It’s primary objective was, and still is, to provide employment and skills development for the upliftment of local poverty-stricken women. This is achieved through the skill of carpet weaving. The success of the carpets’ produced has increased to the extent that earlier this year the Weaver’s Hut was awarded the contract for the Constitutional Court’s new hanging carpet range. It has sustained the families of an average of 25 people over the years. A description of the existing operation can be obtained from their website, www.weavershut.com (Weaver’s Hut owner 1, pers. com, 2004 and Weaver’s Hut owner 2, pers. com, 2004).

The first objective of the new project is the establishment of a locally managed and owned weaving business. The project is primarily aimed at rural woman and is labour intensive, using basic weaving techniques (LED Councillor, pers. com, 2004; Weaver’s Hut owner 1, pers. com, 2004 and Weaver’s Hut owner 2, pers. com, 2004). Twenty women from the local tribal areas will be trained by the owners of the Weaver’s Hut in
the skill of weaving. The municipality is also committed to training the women involved in terms of management and administration skills (Ingwe, 2004a).

The Gerard Bhengu Art Centre and Weaving Studio is seen as the pivot from which other economic opportunities may emerge and grow. It is noted, that the weaving project is not dependant on tourists for its success - rather it will be enhanced by it (LED Councillor, pers. com, 2004).

Further opportunities
The Centocow Mission also envisions opportunities to expand on mission tourism and religious pilgrimages. Centocow forms part of the greater Marrianhill Missions complex and could therefore be incorporated into a missions tourism initiative. The Mission staff believe that the unique combination of European religion and the African traditional way of life creates great potential for tourism, especially as Europeans’ interest in the African way of life increases (Catholic Father, pers. com, 2004). This concept is supported by Tourism Kwa Zulu who aim to promote the experience of the Zulu Culture as well as the unique experience of many diverse cultures living in close proximity (TKZN Representative, pers. com, 2004). Museum Services are eager to support the project because of their current emphasis on creating awareness for the concept of African Museums. It is essential that Ingwe embrace the cultural context of the mission amidst traditional African settlement (Museum Services. pers. com, 2004). The process will also benefit the local people because it can foster community pride as well as protecting their culture and identity (Catholic Father, pers. com, 2004 and Museum Services. pers. com, 2004).

Woodhurst Farming Co-operative
The objective of the project is the establishment of a locally managed and owned farming cooperative that will be responsible for the farming, cropping and harvesting of potatoes and cabbages in the Ingwe Municipality area. The project is aimed
predominantly at the local beneficiaries from the Mjila location who reside adjacent to the site. The farm was bought by the municipality from the previous farmer in 2003 (Ingwe, 2003a).

The project is seen as the first phase of a long-term 20-year vision for growth and expansion. In its formative years only 30 hectares of the 80-hectare farm will be utilized for vegetable production as this portion of the site has existing infrastructure to establish the project within a short space of time. Long term opportunities lie in dry land agriculture like maize, soya bean, timber or even leasing the land for grazing purposes. At present, 30 beneficiaries have been selected. Applicants had to show that they were residents of the Mjila location, that they had been previously disadvantaged and were currently unemployed (Ingwe, 2003 and Mayor, pers. com, 2004).

The project is currently at a stand still due to stalled negotiations between the Department of Land Affairs (DLA), and the Department of Agriculture, who have taken over the project (LED Councillor, pers. com, 2004).

**Thatch Grass Harvesting**

One of the LED projects that commenced in 2000 was the Thatch Grass Harvesting project. Prior to 2000, farmers had an agreement with the rural women that they could harvest the surplus thatch on their farms and halve the harvest with the landowner. However, in 2000 / 2001 the Council approached the Creighton Farmers Association and requested that the farmers allow all their thatch to be harvested by the woman at no charge. The basis of this project was the receipt of grant funding to the amount of R 110 000.00, gained from the Provincial LED Fund, which was utilised to construct a large shed. The construction of this shed was in support of the project and would enable the storage of thatch grass, which occurs in abundance in the Municipality (Ingwe, 2003).
The skill to cut, comb and bundle thatch already existed in the resident African women who live in the area and who are unemployed. An informal partnership was thus established between the local women, the farmers, the municipality and the purchasers and exporters of the product. The shed was utilised seasonally to store thatch grass that had been harvested on farms until such time as the maximum price could be obtained on the local and export markets. During the season when thatch is in short supply, the women are able to sell their stored thatch with a 50% mark-up. During the 2002/2003 financial year, total income earned through the project reached R40 000, which provided each of the eight ladies with R5000 each (LED Councillor, pers. com, 2004).

However, during 2004 the project ceased to exist. The main farmer involved in the project, sold his farm and the result was that other farmers pulled out and the women were unable to harvest thatch. In addition to this, the responsibility of driving the project was transferred from the LED Councillor to the previous municipal technical director. The project has since ceased to exist to function (Municipal Manager, pers. com, 2003).

Assessing the pro-poor orientation of the Ingwe Municipality’s LED strategy

“It was at a local level that apartheid was ... implemented and it is at local level that its eradication will be measured” (Pimstone, 1998:133).

How has the municipality approached LED and how has this influenced community participation?

According to the four variants of LED identified by Nel (2001), the Ingwe Municipality has adopted a formal local government approach to LED. This can be attributed to their commitment to overall government policy goals as a major motivating factor. The municipality’s commitment to creating a permanent staff position, the LED and Tourism Manager, is also evidence of this approach.
In addition to the local government approach, the type of LED being initiated is also characteristic of the top-down approach as identified by Nel (2001). Contrary to popular perception and expectation, the municipality has not engaged in substantial community participation in terms of decision-making processes and ideological developments (Architect, pers. com, 2004, Donnybrook businessman, pers. com, 2005 and Weaver's Hut owner 2, pers. com, 2004). Although steering committees do exist that include all the relevant communities leaders, the LED strategy has been almost entirely driven by the Municipality itself up to this point, although this is set to change as detailed below. Although communities have been informed of activities, they have played little or no role in the decision making processes and thus can claim very little ownership, if any, to the projects at present. Some local stakeholders question whether or not the community even want the opportunities being created such as the weaving studio (Architect, pers. com, 2004; Weaver’s Hut owner 1, pers. com, 2004 and Weaver’s Hut owner 2, pers. com, 2004). Although tribal authorities are represented in the various steering committees, there are concerns that they do not fully understand the implications, nor the importance, of the LED initiatives. Although they are present at the meetings, interviews with various stakeholders indicated that their participation appears limited due to lack of understanding, as well a focus on personal agendas as opposed to community benefits. This reality is illustrated by certain tribal authority officials’ lack of understanding regarding the concept of economic development and its relation to the municipality, as well as limited knowledge concerning the tourism initiatives currently being developed by the municipality.

Initial reactions to this situation are normally characterised by criticism due to the limited nature of community participation. At a broader level Tourism Kwa-Zulu Natal stated that sustainable community development is dependant upon community ownership (TKZN Representative, pers. com, 2004), and Museum Services consider community buy-in and ownership and effective representative structures to be critical for successful initiatives (Museum Services, pers, com, 2004). However, despite the relevance thereof,
the rapid growth and success experienced by the municipality is largely attributed to the driving force of specific individuals (Architect, pers. com, 2004, Municipal Financial Manager, pers. com, 2004, Museum Services, pers. com, 2004 and Weaver’s Hut owner 1, pers. com, 2004). Their ‘top-down’ approach has proven to be essential in terms of providing an effective catalyst for economic development in the municipality and thus, the Ingwe Municipality causes us to perhaps re-evaluate the current disdain with any form of top-down approaches and recognise the value in strong leadership.

The role and fundamental importance of the LED Councillor’s contribution cannot be overlooked when assessing Ingwe’s LED strategy. The success of the municipality in acquiring vast funding and stock resources can be almost entirely attributed to the driving force provided by the LED Councillor. The vision to create a railway and mission tourism brand in the municipality and greater district began with the LED Councillor, and the relatively rapid and substantial progress that the strategy has enjoyed can be almost entirely attributed to his dedication and commitment to transforming a vision into reality. For a rural municipality such as Ingwe where human resources, experience and expertise are seriously lacking, the role of a motivated and competent leader cannot be over-emphasised. The progress made by the Councillor has resulted in the community viewing him as the local champion with respect to LED developments. This was evident by the municipality’s decision to award the position of LED and Tourism manager to the LED Councillor and also indicates the municipality’s acknowledgement of what the position requires in terms of job description and capabilities (Municipal Mayor, pers. com, 2004, Mayor, pers. com, 2004 and Sisonke LED Co-ordinator, pers. com, 2004). His experience and expertise has influenced and inspired those staff members within the municipality. This top down approach has also empowered the municipality in terms of empowering decision makers within the municipality. As staff capacity increases within the municipality, opportunities will emerge for human resource developments to occur in the greater community.
However, the municipality are also aware of their limitations due to limited community involvement and have therefore embarked on developing a strategy for the next five years that incorporates community participation. The process of developing the next step in their strategy will be focussed around community workshops and meetings. This is due to an increased recognition of the role that community members have to play in terms of contributing ideas, concepts and criticism, and in ensuring community ownership of projects. This process is set to begin in March 2005 (LED Consultant, pers. com, 2004).

*What understanding of pro-poor economic development does the Municipality illustrate?*

The Ingwe Municipality’s commitment to promoting economic development in their municipality is founded on their acknowledgement of the their responsibility as a developmental local government as well as their recognition of the extreme levels of poverty experienced within their municipality (Municipal Mayor, pers. com, 2003). Within the municipality, there is a common recognition that economic development incorporates growth of the existing economy through adding value to the existing economy as well as establishing alternative, sustainable economic sectors and opportunities (LED Councillor, pers. com, 2004 and Municipal Mayor, pers. com, 2004.) Within the municipality there is significant recognition that poverty alleviation is not always synonymous with economic growth. Although there is emphasis on the need for economic growth due to the potential concurrent provision of job opportunities, the prevailing understanding is that economic growth does not necessarily meet the needs of the poor nor take their needs into consideration. Their focus on economic development is always on alleviating poverty through the empowerment of the local poor people. The municipality therefore places significant emphasis on job creation. It is through the creation of sustainable employment opportunities through infrastructural expansion and encouraging entrepreneurial thinking that the municipality aims to achieve sustainable economic development (Municipal Mayor, pers. com, 2004,

To what extent has the Municipality illustrated a commitment to pro-poor LED?

As stated in the introduction, the IDP identified the following as their vision statement:

“The Ingwe Municipality will strive to promote a quality social and economic environment that is sustainable and competitive while providing opportunities for all residents to grow and prosper. It will seek to achieve this by strengthening the unique social, economic and environmental potentials of the Local Municipal area while protecting the natural resources base for succeeding generations” (Ingwe, 2002).

With regard to achieving these aims, the municipality’s commitment to promoting pro-poor LED is evident in their strive to develop an environment conducive to economic growth, in their investment in infrastructural improvements and developments and in their support for Small, Micro and Medium Enterprises, SMME’S, and support of Previously Disadvantaged Individuals, PDI’s. The municipality has undertaken housing projects, endeavoured to provide free basic services through co-operation between the municipality and the Sisonke district, the development of an AIDS Awareness campaign, infrastructural and service upgrades and their commitment to promoting economic growth through LED. LED is focused on providing employment opportunities at the individual level in an attempt to have an impact on as many households as possible.

- Promoting an environment conducive to economic growth and expansion
The municipality is committed to promoting economic growth through adding value to existing economic activities, as well as through economic expansion and diversification. This is evident in their approach to their LED policy and tourism sector planning. In terms of their aim to promote sustainable job creation through improving the local business climate, the municipality offers relief of rates with respect to newly established businesses for a period of three years. In addition to this rates rebates offered as a means to attract
inward investment, the sale of Municipal land at favourable prices is also sanctioned (Municipal Mayor, pers. com, 2004).

“Any meaningful economic growth within our Municipality will require the establishment of a new industry. This is fundamentally because the previous industries [dairy and timber agriculture] … are already part of an existing chain of supply of food and fibre to an established market” (Ingwe, 2004c).

The municipality’s commitment to promoting LED is most evident in their attempt to create a third economic sector, tourism. The dominant aspect of their LED strategy is the development of their municipality into a tourist destination through the brands of rail and mission tourism. The municipality has invested significant finance, human capital and planning into developing their tourism based LED strategy (LED Councillor, pers. com, 2004 and Ingwe 2004).

➢ Promoting Infrastructure

We took a strategic decision’, says Ingwe Mayor, ‘We saw an opportunity in railway tourism to create economic benefits for our people. We needed civic offices so it made sense to construct them right here on the railway platform and create an attraction right away” (Voice, 2003: 11)

The most significant infrastructural commitment to date has been the upgrading of the Municipal offices and station as part of the tourism strategy. In addition to the new buildings, the Municipality has also upgraded the old station building with the intention of creating a coffee shop to be run and owned by previously disadvantaged local women. The Coffee Shop will also accommodate a collection of historical artefacts. The old post office, on the same site, has also been upgraded and will be used as a tourist information centre. The municipality has also undertaken the responsibility of acquiring and upgrading a triple story building at the Centecow mission station (Ingwe, 2003). The municipality has also acquired, restored and upgraded two locomotives and three
coaches as indicated in table 1. In addition to this, a partnership with Spoornet insured the upgrading of 120km of railway line as discussed earlier (Ingwe, 2004a).

The municipality has played an instrumental role in terms of acquiring and providing the finances needed for the necessary upgrading and restoration processes required for their various LED projects. The role of the municipality in this regard will be discussed to a greater degree at a later stage. However, in terms of actual expenditure by the municipality to promote LED initiatives, the following pertain:

- Restore Locomotive: R200 000
- Interior re-furbishing and re-furnishing of coaches: R200 000
- Marketing agreement with Country Life Magazine: R120 000
- Thatch Harvesting storage shed: R110 000


The following table illustrates the municipality’s use of their Equitable Share grant from government to promote LED activities and infrastructure for the financial year 2003 / 2004:

<table>
<thead>
<tr>
<th>LED Related services/ activities</th>
<th>Capital Expenditure from Equitable Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attracting investment</td>
<td>R70 000</td>
</tr>
<tr>
<td>Rail Tourism</td>
<td>R 1 000 000</td>
</tr>
<tr>
<td>Hospitality training</td>
<td>R20 000</td>
</tr>
<tr>
<td>Processing Agricultural Products</td>
<td>R50 000</td>
</tr>
<tr>
<td>Tourist Facilities</td>
<td>R500 000</td>
</tr>
<tr>
<td>Farming initiative</td>
<td>R 200 000</td>
</tr>
<tr>
<td>Abbatoir Project</td>
<td>R150 000</td>
</tr>
</tbody>
</table>

(McAllistair, pers. com, 2004)
In addition to the Tourism strategy, the Municipality has also undertaken the building and upgrading of roads, libraries, schools, sports facilities and community halls (Municipal Mayor, pers. com, 2004). The municipality invested 70% of the balance of their Equitable Share - after administration and running costs - towards the construction of much needed new roads in order to increase the number of local communities’ with access to a road network (LED Councillor, pers. com, 2005). In addition to this, the municipality funded the construction of taxi ranks at each primary node. The R500 000 award received at the 2003 Vuna Awards was used to contribute towards the costs of relocating and building the Maliyavuza Primary School as part of a new housing project situated at Creighton. In 2003, the municipality purchased the Creighton Agricultural Hall for community purposes and a similar project involving the construction of a community centre including a municipal library has been commissioned for Bulwer (Ingwe, 2004d).

➢ **Support for SMME’s, PDI’s and emerging businesses**

The Municipality utilizes its Municipal buying power in order to assist SMME’s and to foster the creation of new businesses. Their Procurement Policy is weighted towards the use of local businesses (BEE’s and SMME’s), youth, women and the disabled. The Municipality also ensures contractual obligations to all partners to use local labour, specifically PDI’s (Municipal Mayor, pers. com, 2004 and Municipal Technical Director, pers. com, 2004). The dominant focus of the tourism strategy is the creation of employment opportunities for local women through initiatives such as the station coffee shop, carpet weaving studio and eatery at the Bhengu Art Centre and Weaving Studio. In addition to this, all construction has been awarded to Black Economic Empowerment, BEE, initiatives focusing on youth empowerment specifically (Ingwe, 2003).

*To what extent have outcomes illustrated the pro-poor orientation of policy?*
The process of assessing the extent of which outcomes are evidence of a pro-poor orientated policy is a fairly complex one involving a range of factors. In answering this question posed for Ingwe, initial assessment will also consider a previously functioning LED initiative, the Thatch Harvesting initiative. The majority of Ingwe’s LED strategy has yet to reach implementation stage and thus one needs to consider how previous initiatives functioned. Following this consideration, the analysis will focus on the nature and distribution of jobs created over the past year. A policy is only as effective as its implementation and thus the evidence of Ingwe’s pro-poor orientated policy’s lies in the practical outworking of the nature of job’s created and by the beneficiaries thereof. With respect to evaluating future initiatives and the expected outcomes, analysis will shift to focus on the proposed cost effectiveness of the various initiatives – with emphasis placed on the distribution of profits. Linked to the importance of analysing future initiatives is the proposed monitoring and evaluation system adopted by the municipality. A description of the performance management system adopted and adapted by the municipality illustrates the municipality’s commitment to creating a sustainable strategy that will continue to benefit local people. Finally, this assessment will consider general issues relating to the long-term sustainability of proposed outcomes.

➢ **Thatch Harvesters**

This programme provided a free service, which resulted in financial gains for the local people. The municipality managed the project and the proceeds from the sale of this thatch were paid directly to the women once received. In order to ensure that the local women received the maximum return the municipality did not retain any portion of these profits. However, as mentioned earlier, this project has ceased to function, primarily due to the sale of Councillor LED Councillor’s farm (Municipal Mayor, pers. com, 2004 and LED Councillor, pers. com, 2004)

➢ **Job creation**
Participation in the 2004 Vuna Awards process illustrated the municipality’s success in their pro-poor orientation towards LED. Their success should be seen as encouragement to persevere in equipping their LED with frameworks focusing on the practical aspects of their LED strategy in terms of reaching their aims and goals. The following table, adapted from the 2004 Vuna Awards application (Ingwe, 2004d), illustrates the current practical application of the LED strategy:

**Table 3: Table to show outcomes of the LED strategy for the period of 2003 – 2004 financial year (Ingwe, 2004d)**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contract work</strong></td>
<td></td>
</tr>
<tr>
<td>Total value of contracts awarded</td>
<td>R 5 815 473</td>
</tr>
<tr>
<td>Total value of contracts awarded to SMME’s &amp; BEE’s</td>
<td>R 5 710 473 (98%)</td>
</tr>
<tr>
<td>% of contracted work awarded to women</td>
<td>23%</td>
</tr>
<tr>
<td>% of contracted work awarded to youth</td>
<td>15%</td>
</tr>
<tr>
<td>% of contracted work awarded to the disabled</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Job creation</strong></td>
<td></td>
</tr>
<tr>
<td>Number of jobs created by municipal LED activities</td>
<td>229</td>
</tr>
<tr>
<td>% of these jobs allocated to women</td>
<td>39%</td>
</tr>
<tr>
<td>% of these jobs awarded to youth</td>
<td>36%</td>
</tr>
<tr>
<td>% of these jobs awarded to the disabled</td>
<td>1%</td>
</tr>
<tr>
<td>No of jobs created by municipal capital projects</td>
<td>75</td>
</tr>
<tr>
<td>% of these jobs allocated to women</td>
<td>60%</td>
</tr>
</tbody>
</table>

(jobs are defined as employment for an individual earning minimum age or above, for at least three months)

Despite significant evidence that the municipality is carrying out the aims and goals stated in their Procurement Policy through preference to BEE’s, SMME’s, youth and
women, it is inherently obvious that a major limiting factor in the LED strategy is the low number of permanent jobs created during previous years. In addition to this, the majority of jobs created are contract / short-term employment. Out of the 229 jobs created, 212 were through contract work in short-term housing, roads, halls and school construction projects (Municipal Technical Director, pers. com, 2004). There is an evident need for the creation of more permanent, long-term employment opportunities. Local businessmen recognise that, despite the benefits of contract work, sustainable economic development has to be focused on creating long term employment (Donnybrook businessman, pers. com, 2004). It is evident that despite the strong emphasis on the need for job creation, the municipality has been unable to contribute significant opportunities in this area. The dominant factor is the LED strategy’s focus on creating an environment conducive to economic growth, as opposed to immediate job creation. The municipality has focused on acquiring large amounts of funding and dedicating it to the creation of Ingwe as a tourist destination as opposed to instant job opportunities. Although this process may not provide obvious results in the short term, it is applauded for its potential to create a far more sustainable base from which further economic growth and opportunities can develop in the long term in a more sustainable manner.

- Cost effectiveness of directly-funded LED activities

In terms of evaluating cost-effectiveness of the proposed directly funded activities, the following figures are estimations and projections given in the ERS (2003a).

a) Amakuze Tourism Route

Proposed income generated relies on a fee of R250 per person. This figure was set in comparison with other steam train trips charging R150, but without the added attraction of the mini-bus tour through the tribal areas and incorporating the Gerard Bhengu Art Centre and Weaving Studio visit. The annual income for the tour is based on an estimation of 100 operating days, excluding tours organised through clubs such as
birding and steam enthusiasts. The break-even number for the train is 40 people, the expected number is 60 and maximum capacity is 80 (Ingwe, 2003a).

Based on the assumptions above, the 5-year projections given in the ERS project that profits will range between R116 000 and R146 000. The two tour guides and the administrator will each receive R10 000 in salary for their projected 100 days of work. Each staff member will be given a further R15 000, which will be paid out via a dividend payout. A further 15% of the profits will be retained to build up capital reserves. Further profits ranging between R20 000 and R40 000 will be placed in a trust fund to be used for community development projects for those communities whose members participate in the tour (Ingwe, 2003a).

b) Weaving Studio
The projected figures for the carpet-weaving project at the Gerard Bhengu Art Centre and Weaving Studio are calculated using figures pertaining to the established Weavers Hut. Research into the Weaver’s Hut project has illustrated that all carpets produced are purchased. The following table illustrated projected profits for the various carpets that will be produced, based on an average of 10 weavers:

Table 4: Table showing monthly financial profits projected for the weaving studio (Ingwe, 2003a: 85)

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Costs</th>
<th>Income</th>
<th>Surplus</th>
</tr>
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<tbody>
<tr>
<td>Carpeting wool</td>
<td></td>
<td>(ZAR)</td>
<td>(ZAR)</td>
</tr>
<tr>
<td>1,5 x 1,1m</td>
<td>9</td>
<td>3 460, 50</td>
<td>5 899, 50</td>
</tr>
<tr>
<td>1,8 x 1,2m</td>
<td>3</td>
<td>1 352, 12</td>
<td>2 340, 86</td>
</tr>
<tr>
<td>2  x 1,5m</td>
<td>2</td>
<td>1 350, 00</td>
<td>2 200, 78</td>
</tr>
</tbody>
</table>

Karukul wool
Performance Management Systems – monitoring outcomes

The Municipal Systems Act established a system for local councils to report on their performance. This is achieved through the application of the principles set out in the Performance Management Systems, PMS, and the grading system. Performance is measured according to outcomes and impacts in relation to the priorities set out in each IDP, by their ability to monitor plans and projects, their ability to reach set targets and how effectively each municipality improves and corrects inherited problems. Municipalities are graded according to Key Performance Indicators (KPI’s). KPI’s are given for categories such as service delivery, municipal transformation, institutional development, economic development, and financial viability. Central to all evaluations is the topic of community involvement: has the municipality implemented active involvement, taken heed to opinions, promoted and achieved genuine participation and, through these aspects, created opportunities for genuine empowerment (RSA, 2000).

In terms of monitoring and evaluation, the Ingwe Municipality have adapted the general guidelines set out in the Performance Management System to their specific situation (Annexure 2). With respect to monitoring and evaluating local economic development related to tourism, the two relevant KPI’s are job creation and tourism. The key objective related to job creation is to promote economic growth and development. This will be

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<td></td>
<td>110</td>
<td>262</td>
<td>737</td>
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<td>88</td>
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<td>19</td>
<td>17</td>
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<td></td>
<td>665</td>
<td>897</td>
<td>606</td>
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<td>00</td>
<td>31</td>
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<td>555</td>
<td>632</td>
<td>868</td>
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<td>44</td>
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<td>44</td>
<td>67</td>
<td>23</td>
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<td>274</td>
<td>609</td>
<td>334</td>
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<td>99</td>
<td>70</td>
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<td>17</td>
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<td></td>
<td>234</td>
<td>609</td>
<td>334</td>
<td></td>
</tr>
<tr>
<td></td>
<td>71</td>
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</tbody>
</table>

These figures are based on 10 weavers and thus each woman would earn approximately R2300 each month.

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evaluated according to the number of jobs that are created through the various initiatives and projects. This will be monitored and evaluated quarterly using project reports and wage schedules as the source of information. The current target that the municipality has set is the creation of 75 new jobs for the 2004/2005 financial year.

With respect to the tourism KPI, the dual objectives stated are to develop the railway and mission tourism brands in a manner that compliments existing tourism enterprises in the greater area so that a sustainable tourism industry can be created. Linked to this objective, is the necessity to ensure that the municipality monitors the tourism market and adjusts their products accordingly. The progress and success of the tourism sector will be monitored and evaluated according to endorsements from stakeholders, numbers of tourists and visitors and the experiences shared by tourists. At present, the exact details of how these will be practically measured are still being developed, although the municipality has indicated that this process will operate on a municipal survey format. The municipality will need to ensure that they instil efficient and effective practical measures that ensure the tourism sector is monitored and evaluated closely, especially during the first five years, in order to ensure greater long-term sustainability for the tourism initiatives. Tourism is a highly volatile enterprise and thus, needs to be constantly monitored so that challenges and weaknesses can be identified early.

- **General assessment of long-term sustainability**

Limited human resources threaten the success of the current LED strategies. Limited human skills are possibly the greatest resource threat facing the municipality. Long-term sustainability is heavily dependant on dynamic human resources and thus a huge challenge faces the municipality to invest in their people (LED Consultant, pers. com, 2004). Adult education and skills development aimed at developing entrepreneurs is essential in this extremely under-developed municipality (Donnybrook businessman, pers. com, 2004). The municipality also needs to think in terms of long-term sustainability and invest in the many under-resourced and under-utilised schools in the
region. Opportunities exist for the municipality to subsidise schools with respect to improving the quality of teachers and providing a means for poorer children to continue attending school. This role needs to be viewed as essential to the long-term sustainability of economic development within the municipality (Tourism businessman, pers. com, 2005).

In relation to outcomes versus strategy, the question concerning the sustainability of tourism in Ingwe is essential. This is a contested topic, especially as there is very little experience of tourism within the municipality. On the one hand, the tourism based strategy breeds doubt as to what impact it will have at a grass roots level. The number of actual jobs produced appears to be limited and thus, only a small number of people might benefit from projects. Will it prove to be yet another case of grand ideas benefiting a few, if any (Sisonke LED Co-ordinator, pers. com, 2004; Donnybrook businessman, pers. com, 2005 and Weaver’s Hut owner 2, pers. com, 2004)? In contradiction, others exhibit great confidence in the potential for a thriving tourist market within the Ingwe Municipality (Catholic Father, pers. com, 2004, Tourism businessman, pers. com, 2005 and Museum Services, pers. com, 2004).

Two Rivers Tourism, an NGO working in the Sisonke District, expressed confidence in the potential for tourism to flourish in Ingwe, as well as confidence in the municipality as the primary driving force. The tangible progress evident at the Bhengu Art Centre and Weaving Studio as well as at the Creighton Station and the evident commitment of the Municipality staff towards promoting and supporting tourism development are considered proof of the municipality’s ability to drive an effective LED strategy in the municipality. There is also local confidence in the municipality as being the right organisation to be the driving force of tourism development (Tourism businessman, pers. com, 2005 and Hlanganani Social Welfare Representative, pers. com, 2005).
To what extent does the municipality plan to create future employment opportunities for the poor through their LED strategy and policy?

- **Employment opportunities**

The core focus of Ingwe’s LED strategy is pro-poor development: “LED is the driving principle of the municipality and the creation of sustainable employment with the interest of poverty relief underlining all municipal initiatives” (Municipal Mayor, pers. com, 2004). The following projects have been / are being initiated to provide direct employment opportunities for previously disadvantaged people, specifically women:

- Thatch Harvesting
- Woodhurst Farming co-operative
- Weaving Studio
- Home cooking initiative at the Bhengu Art Centre and Weaving Studio
- Museum and Station coffee shop

The tourism-based strategy will also provide jobs in the form of tour administrators and train drivers. The municipality is in the process of finalising an agreement with a New Zealand volunteer-based company in terms of providing a train driver as well as training opportunities. The New Zealand company will pay for a fully qualified train driver to come and work in Ingwe for two years, during which time he will also train up two local people to take over. The municipality is also seeking to create jobs through the training of tour administrators and guides (Ingwe, 2004d).

With the exception of the Woodhurst Farm and the thatch harvesting projects listed above, all the other initiatives form part of the Tourism based LED strategy. The foundational principle of this strategy is that it is not sufficient to merely create jobs. The municipality recognises that its developmental role requires more than mere job creation - it requires the creation of an environment that will provide opportunities for job creation and empowerment through the establishment of SMME’s (Ingwe, 2004d and LED Councillor,
pers. com, 2004). The municipality aims to create an economic environment in which the local people can be empowered through the establishment of SMME's that they run and manage so that economic growth will be sustainable and will increase exponentially as new opportunities arise (Municipal Mayor, pers. com, 2004).

In order to ensure that the LED strategy maintains its pro-poor focus, all projects are aimed at providing direct employment and indirect employment opportunities for the local people within the municipality. The municipality has already taken steps to ensure that the profits of the various LED projects go directly to the local people. This has been achieved through a process of establishing the institutional nature of each project. After research and consultation with private companies such as SiVEST (Ingwe, 2003a), decisions were made ensuring that individual LED projects (eg: Weaving Studio and the Station Coffee Shop) will have Closed Corporation status. This is a legal entity with a particular number of members with ownership who share in the profits of the business (Ingwe, 2003a). The Municipality has also taken the initiative to acquire external funding from sources such as the LEDF, TKZN and the DBSA, so that initial profits are reaped by the local people and not used to pay back debts (Ingwe, 2003).

The Municipality has formed a Section 21 company, which will be responsible for driving the Rail and Mission Tourism project during its first five years. This will be a non-profit organisation whose entire role will be management and administration.

➢ Policy and Practise

In terms of comparisons between practise and policy, “The major difficulty experienced is the large number of indigent persons within the municipal boundary and the lack of funding to generate sufficient projects to provide jobs for the maximum number of people” (Municipal Mayor, pers. com, 2004). Although policy stresses job creation, tangible results to date are limited as illustrated in table 3. This has been due to the extensive period of planning and design that the municipality have undertaken. It must
be noted that even during the first few years of operation, the tourism based initiative will provide very few jobs.

The Municipality’s greatest strength is also their greatest threat in terms of coherence between policy and practise. Their greatest strength is the LED Officer, who has developed the LED strategy and undertaken the processes necessary to acquire the vast amounts of funding required to date. However, local government finds itself in the thick of political instability and thus his role in the municipality is not secure. During interviews with the various stakeholders, every interviewee commented that should the LED Officer be removed from the process, the entire project would fall apart due to lack of vision, support and commitment, which is currently provided predominantly by the councillor (Architect, pers. com, 2004; Sisonke LED Co-ordinator, pers. com, 2004, Museum Services. pers. com, 2004, Weaver’s Hut owner 1, pers. com, 2004 and Weaver’s Hut owner 2, pers. com, 2004). The project is entirely dependant on the LED Officer continued driving force.

How has the Municipality used partnerships and cross-governmental relations to enhance the success of their LED strategy?

The accomplishments achieved in the tourism based LED strategy, can be largely attributed to the partnerships formed. Success at both the 2003 and 2004 Vuna Awards has assisted the municipality significantly due to the increased publicity and acknowledgement gained from the various stakeholders (Municipal Mayor, pers. com, 2005). The following stakeholders are central to the success of the strategy and illustrate the mutual beneficiation aspect of the partners:

- The Catholic Mission
- The Weaver’s Hut
- Spoorne
- Tourism Kwa-Zulu Natal
District and government departments

- **Catholic Mission**

The Ingwe Municipality and the Catholic Mission have entered into a partnership concerning the use of one of the buildings at the Mission station as discussed above. From the municipality’s perspective, they have acquired the use of a building without having to provide large capital investment. In addition to this, the aspect of mission tourism has been added to their Tourism strategy (LED Councillor, pers. com, 2004).

The Catholic Mission also runs an NGO, Zandla Zothando, which is a community-based organization. The role of the NGO, according to the Catholic Father in charge, is to combat emergency situations by direct involvement with local, poverty stricken people. In comparison, the municipality needs to focus on more long terms strategies that combat the poverty in the area. The municipality needs to use their access to funds and resources to create opportunities for the local people. Whereas the NGO has to gain permission from the Amakhosi (chief) before they can act, the municipality is less constrained from this perspective. It is therefore important that the two organisations work together to provide a holistic solution for the local people (Catholic Father, pers. com, 2004). The continued survival of this NGO is largely connected on the support given by the municipality. The partnership between the NGO and the municipality will open up opportunities for the people through the tourism industry (Municipal Technical Director, pers. com, 2004). This is already evident in the twenty women to be trained for the weaving project and the potential for an eatery run by four local women at the Gerard Bhengu Art Centre and Weaving Studio. Their reasons for buying into the project were based on the potential they saw for promoting economic opportunities for the local people through tourism, the potential for mission tourism to expand and the opportunity for communities to gain a sense of pride in their traditional way of life. The NGO hopes that once the project is functioning, partnerships can be formed between the local people and the municipality in
terms of facilities and opportunities to sell their crafts through the centre at Centecow (Catholic Father, pers. com, 2004)

➢ **Weaver's Hut:**
The weaving studio at Centecow is made possible because of the partnership between the Ingwe Municipality and the Weaver’s Hut. The owners of the Weaver’s Hut (Weaver’s Hut owner 1 and Weaver’s Hut owner 2) have taken on the responsibility of equipping the weaving studio with looms and yarn as well as undertaking the training of the twenty women from the local area. (The cost of training the women is included in the R1, 6 million funding shown in Table 1) Their participation in the project is essential in order to ensure its sustainability. It is crucial that after the women have been trained they are not left in isolation. Once the women have been trained, the Weaver’s Hut will take on the role of marketing the products. The success of the Weaving studio depends on their ability to access capital and external markets, and this ability would be severely limited without the participation of the Weaver’s Hut. At present, from a production point of view, the Weaver’s Hut relies exclusively on the production a few ladies in Donnybrook and thus is severely limited in terms of orders they are able to accept and the rate at which their business can expand. The introduction of the Weaving Studio at Centecow opens the potential for expansion through mutual co-operation. The Weaver’s Hut envisages a future whereby carpet weavers in the region will be able to link together and take on larger orders – especially those for export. This will be essential for the sustainability of the project, especially in terms of growth leading to more employment opportunities (Weaver’s Hut owner 1, pers. com, 2004, LED Councillor, pers. com, 2004 and Weaver’s Hut owner 2, pers. com, 2004).

➢ **Spoornet**
A fundamental partnership formed with respect to the tourism based LED strategy, was that with Spoornet. Through this partnership, the Spoornet donated 3 passenger coaches and have improved 120km of line from Pietermaritzburg to the Creighton region. This is
including the railway branch to Underberg which has also been upgraded to passenger-train standards (LED Councillor, pers. com, 2004). As mentioned earlier, the partnership with Spoornet has been instrumental to the rail tourism project.

➢ **Tourism Kwa-Zulu Natal (TKZN):**
As a result of negotiations with the Ingwe Municipality, TKZN has received R350 000 from the Development Bank of Southern Africa, DBSA, to undertake research and feasibility studies regarding the potential for a provincial Railway Tourism Plan. In addition to this, the Ingwe Municipality received R4 million for the Sisonke District Railway Tourism initiative.

➢ **Inter-governmental Relationships and Partnerships**
With respect to co-operative government, a crucial element that effects Local government is that of intergovernmental relations [Section 41(1)(h)]. The constitution requires that all spheres co-operate with each other in mutual trust and with good faith. This is to be achieved through good relations, assistance and support and through consultations regarding matters of common interest. National and Provincial government are therefore compelled to support and strengthen the capacity of municipalities to perform their functions (Pimstone, 1998, Vil-Nkomo, 1998 and RSA, 1996).

The greatest influence in terms of cross-border relations is that of the Sisonke District Railway Tourism initiative. The Ingwe Municipality recognized that the creation of a tourism based economy in Ingwe, would only be sustainable if it was incorporated into a much larger, cross-border Tourism initiative involving the entire district, and potentially, the province (LED Councillor, pers. com, 2004). The success of rail tourism at a district and provincial level is essential for sustainable tourism in Ingwe.
The relationships that exist between the Sisonke District and the Ingwe Municipality are strained – whereas Ingwe is predominantly IFP, the Sisonke District is ANC (Municipal Mayor, pers. com, 2004, Sisonke LED Co-ordinator, pers. com, 2004 and LED Councillor, pers. com, 2004). In comparison to Ingwe’s in-depth understanding of the relationship between tourism and LED and the potential that exists for employment creation, interview discussions revealed that the Sisonke District has an alleged lack of understanding concerning micro-projects based on LED and tourism. Business plans ‘get lost’ during administration processes and due to political hidden agendas certain projects are favoured over others. This has huge ramifications for Ingwe’s LED strategy in terms of lack of support and funding as well as incompetent dealings with business plans.

The major benefit of co-operation between Ingwe and provincial and national government (and para-statals) has been funding. Considerable capital has been provided through the national and provincial poverty relief funds as indicated in Table 1. At present, the Department of Tourism and Culture are in negotiations concerning funding for the Tourism initiatives in Ingwe. In addition to the Tourism based LED strategy, DEAT has provided R1 million towards the Woodhurst Farm Co-operative (Ingwe, 2003 and LED Councillor, pers. com, 2004). However, in terms of this particular project, the project has failed to taken off due to delays in dealings between government departments such as DEAT and DLA (Mayor, pers. com, 2004).

Economic Development across the Sisonke District has been constrained by political instability between the ANC and IFP, corrupt politicians and limited understanding of economic development and how to implement development that genuinely benefits local people. Sisonke District officials acknowledge that the Ingwe Municipality is leading the way for local economic development within the district, specifically regarding tourism. Whereas the District and other municipality’s are focusing on small, fragmented projects - often incorporated into ‘personal favours’- Ingwe has taken the lead in developing the tourism sector from a relatively macro perspective. Tourism as a District function has been...
further constrained due to racial perceptions that it is a “white business” and therefore, funding is withheld or withdrawn and co-operation is hindered. The District can learn a lot from the Ingwe Municipality who has overcome race issues within their council.

**Key lessons from this case study for policy and practice in SA**

**Accountability and transparency**
In terms of the role that the Ingwe Local Government has played, and will continue to play, in supporting pro-poor LED in their area, a key lesson that can be learnt from Ingwe is the enormous potential that exists when local governments’ remain true to their responsibility to remain accountable and transparent (RSA, 2000). Due to their position as a local government and the resources they are therefore able to access, the municipality has developed an LED strategy worth over R20 million in only four years. Table 1 illustrates the vast resources the municipality was able to access- and, most importantly, account for - due to their standing as a local government (LED Councillor, pers. com, 2004). In a world of rife corruption in politics and government, this example of total accountability and transparency is a lesson for all. Pro-poor strategies will only ever fully achieve pro-poor status if those in power remain accountable and transparent.

**Creating an economic environment as opposed to micro projects**
Local Governments’ need to recognise that creating an environment that supports and enables economic growth should be their primary aim as opposed to investing in small-scale projects. The role of local government is to create an economic environment in which micro economic projects can emerge and succeed. In terms of long-term sustainability and providing pro-poor economic opportunities for the majority of their population, focus has to shift towards a more macro approach that seeks to improve the broader economic environment. The Ingwe Municipality is fast becoming a flagship in terms of this approach. Despite the pressure to quantify numbers of jobs provided, as illustrated in the application manual for the 2004 Vuna Awards, the municipality has
maintained their commitment to developing an economic environment that will provide economic and employment opportunities in the long term. This process requires vast financial resources and thus, in their endeavour to achieve their aims, the Ingwe Municipality has become an inspiration in terms of taking the initiative to raise financial support.

Partnerships with Government departments and stakeholders
Possibly the greatest lesson that can be learnt from Ingwe is the role that local governments can play in terms of accessing funds through governmental/para-statal funding and partnerships. Local Government have access to vast state funds that can be used as capital catalysts. Table 1 illustrates funding acquired by the municipality for their LED strategy through partnerships formed. Most rural municipalities face severe financial shortages and thus require extensive aid from external sources. The process of creating an economic environment that will maintain long-term sustainability often requires extensive initial capital investments. Ingwe has illustrated the benefits of harnessing funds available through various governmental departments. The Ingwe Municipality were one of the first municipalities who benefited from governmental funding support because they embraced the opportunity and took the initiative to develop business plans and apply for funding.

The municipality recognised that alone they could achieve very little on their own and therefore targeted the creation of partnerships. The success of the rail tourism and Gerard Bhengu Art Centre and Weaving Studio initiatives can be largely attributed to the partnerships with Spoornet, the Weaver’s Hut, Museum Services, the Killy Campbell Collection and the Department of Tourism and Culture. It is through these partnerships that the municipality has assured training opportunities, infrastructure, rolling stock, funding and human skills for their projects. Due to the investment from external stakeholders, their projects have a greater chance of long-term sustainability because there are more people committed to ensuring success and because the projects are not
based entirely on local government involvement. The foundation of their LED strategy is multi-faceted and incorporates a diversity of skills, strengths and resources. Without the influence, manpower and time afforded by the municipality and various stakeholders, the area could never have accomplished what they have achieved to date. The reality is that the local people are isolated in almost every sense: geographically, financially and socially. Without the support and initiatives of the municipality and stakeholders, the local people would never have the opportunities that will now be available to them in their local areas (Weaver’s Hut owner 2, pers. com, 2004, Weaver’s Hut owner 1, pers. com, 2004 and Sisonke LED Co-ordinator, pers. com, 2004).

Marketing
Local Government’s have an essential role to play in terms of acting as a catalyst as well as a supporting and maintaining role during the early years of a project’s existence. Rural communities’ ability to market their products are severely limited (Catholic Father, pers, com, 2004 and Weaver’s Hut owner 2, pers. com, 2004). The municipality has ensured a contract with Country Life for two cover stories and adverts in every issue for the next year. In addition to this, the role of the Weaver’s Hut in marketing the woven carpets will surely prove to be invaluable in terms of maintaining sustainability. Through partnerships and governmental relations, local government’s have access to these markets to a far greater extent than other isolated rural communities and this therefore have an essential role to play in terms of promoting sustainable economic growth for the communities.

Research
The Ingwe Municipality has also illustrated the role that local governments’ can play in terms of researching possibilities and funding feasibility studies. Thorough research prior to any development is central to the success and sustainability of the project. Due to the position of a Councillor entirely dedicated to developing LED in the area, extensive research into tourism and economic development, as well as many feasibility
studies, has promoted the development of a LED strategy that has incorporated aspects of long-term sustainability. This process of taking time to research each option has provided many opportunities for the municipality. Firstly, the impressive business plans and feasibility studies were instrumental in securing funding from governmental departments and services such as the poverty relief funds and Tourism Kwa-Zulu Natal. Secondly, the LED strategy has greater potential for long-term sustainability because of the thorough research that has been undertaken concerning each initiative. Other municipalities would be wise to learn from this process of taking time to ensure that the project has realistic potential to provide long-term employment and an environment conducive to future economic growth. This approach has far greater potential for sustainability in comparison to the “quick-fix” job creation projects that have characterised rural development in the past (Ashley and Maxwell, 2001).

Dealing with political instability
Possibly, the greatest weakness of local government’s involvement in economic development is political instability and change. This is especially evident in a situation such as Ingwe where the entire project depends on the continued involvement of one person, the key LED driver. Should he lose his position through the municipal election in 2005 and a change of political power, the entire LED strategy and all the invested time and money, would most probably collapse within a few years. The dependency of LED in Ingwe on him was indicated by the collapse of the thatch harvesting project and the stagnant position of the Woodhurst Farming co-op once he was no longer driving each project. In response to this reality, the Ingwe Municipality have incorporated an official staff position, LED and Tourism Manager, into their municipal organogram. The position will provide more security and stability to the process of developing and maintaining LED in their municipality. This process of moving LED related functions outside of direct politics could prove to be a fundamental success factor for the sustainability of local government controlled LED. This is because a permanent staff position still allows
access to municipal privileges and contacts yet removes, to an extent, the threat of losing key personnel due to changes in political power and political positions.

**Conclusion**

Contrary to trends noted by Rogerson (2001), the Ingwe municipality is achieving success, especially in terms of fulfilling their responsibility as a developmental local government. Rogerson’s (2001) research on rural SMME’s in South Africa illustrated a bleak picture for local governments. The over-riding theme was that of weak and ineffective local government involvement as illustrated by the following general characteristics:

- Few local government plans for local development due to lack of leadership
- Insignificant roles played by local government due to no apparent plans to promote local economic development
- Local governments did not consider issues of local economic development as high-priority
- No strategy developed for SMME development due to lack of knowledge of the subject and isolation from the key role players (Rogerson, 2001).

In comparison to these findings, the Ingwe municipality has demonstrated the huge benefits and progress made associated with dynamic and effective leadership with respect to cultivating a vision for economic development and transforming this vision into practical applications. The Ingwe municipality have embraced their responsibility towards developing LED and have thus, placed LED as an essential priority in their municipal functions.

The Ingwe Municipality has thus illustrated the enormous potential for the role local governments can play in terms of promoting pro-poor LED in their municipalities.
Especially when considering rural municipalities, the role that local government can play in terms of accessing funds, expertise and marketing experience through partnerships cannot be underestimated. If local government can maintain transparency and accountability in terms of a genuine pro-poor focus, LED may prove to be the key to empowerment and poverty relief for the many poverty-stricken communities in South Africa.

The challenge of poverty reduction in rural areas is crucial to the future of South Africa. For many, the extensive problems and obstacles paint a bleak picture for the future. It is for this purpose that stories of hope, such as that of Ingwe, need to be told and the lesson’s learnt incorporated. In 2001 the Auditor-General stated that the “Ingwe Municipality will cease to function should they rely only on their rates raised. Without the annual equitable share grant from government, this entity faces a serious concern risk”. It is, therefore, remarkable to note that despite the odds, in 2003 the Ingwe Municipality was described at Provincial Parliament as “another small municipality that is a shining example” due to their ability to create effective administration and an environment that attracts investment (KZN Provincial Legislature, 15/04/03). Ingwe were further complimented for their “unconventional thinking needed to address backlogs in development” by KZN Traditional and Local Government Affair’s MEC, Inkosi Nynga Ngubane (Natal Witness, 14/03/03).

The experience of the Ingwe Municipality is an inspirational one – it is a story of how a municipality with limited resources is being transformed into a major success story for our country. The case study of Ingwe is instructive with regards to the role that local government can play in fostering economic growth and development as part of their developmental responsibility. Through creatively embracing the challenge as a developmental local government, Ingwe has progressed significantly along the road of maximising social development and economic growth, democratising development and promoting leadership and learning within the municipality.
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Newlands, J. (2005) Owner, Donnybrook Spar, Donnybrook


Killy Campbell representative, Y. (2005) Killy Campbell Institute, University of Kwa-Zulu Natal, Durban
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### Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANC</td>
<td>African National Congress</td>
</tr>
<tr>
<td>BEE</td>
<td>Black Economic Empowerment</td>
</tr>
<tr>
<td>DBSA</td>
<td>Development Bank of Southern Africa</td>
</tr>
<tr>
<td>DEAT</td>
<td>Department of Environment and Tourism</td>
</tr>
<tr>
<td>DLA</td>
<td>Department of Land Affairs</td>
</tr>
<tr>
<td>DPLG</td>
<td>Department of Provincial and Local Government</td>
</tr>
<tr>
<td>ERS</td>
<td>Economic Regeneration Study</td>
</tr>
<tr>
<td>IDP</td>
<td>Integrated Development Plan</td>
</tr>
<tr>
<td>IFP</td>
<td>Inkhata Freedom Party</td>
</tr>
<tr>
<td>KPI</td>
<td>Key Performance Indicator</td>
</tr>
<tr>
<td>KZN</td>
<td>Kwa-Zulu Natal</td>
</tr>
<tr>
<td>LED</td>
<td>Local Economic Development</td>
</tr>
<tr>
<td>LEDF</td>
<td>Local Economic Development Fund</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organisation</td>
</tr>
<tr>
<td>PDI</td>
<td>Previously Disadvantaged Individual</td>
</tr>
<tr>
<td>pers. com</td>
<td>Personal Communication</td>
</tr>
<tr>
<td>PMS</td>
<td>Performance Management System</td>
</tr>
<tr>
<td>SMME</td>
<td>Small, micro and macro enterprises</td>
</tr>
<tr>
<td>SWOT</td>
<td>Strengths, weaknesses, opportunities and threats</td>
</tr>
<tr>
<td>TKZN</td>
<td>Tourism Kwa-Zulu Natal</td>
</tr>
<tr>
<td>TLC</td>
<td>Trans-local Council</td>
</tr>
</tbody>
</table>
Table 1: Funds acquired by and provided by the Ingwe Municipality (Ingwe, 2003, Ingwe, 2004a and LED Councillor, pers.com, 2003 and 2004)

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
<th>Source of Funding</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Railway station and Municipal Offices</td>
<td>R4 million</td>
<td>Provincial Poverty Relief Fund</td>
<td></td>
</tr>
<tr>
<td>Railway station and offices</td>
<td>R600 000</td>
<td>LEDF</td>
<td></td>
</tr>
<tr>
<td>Rail tourism Feasibility study</td>
<td>R250 000</td>
<td>DBSA</td>
<td></td>
</tr>
<tr>
<td>Creighton locomotive</td>
<td>Donated</td>
<td>Transnet Heritage</td>
<td></td>
</tr>
<tr>
<td>Restore Locomotive</td>
<td>R200 000</td>
<td>Ingwe Municipality</td>
<td>Class 19D, No 2669</td>
</tr>
<tr>
<td>Three coaches</td>
<td>Donated</td>
<td>Spoornet</td>
<td>Each coach valued at R200 000 – R600 000 in total</td>
</tr>
<tr>
<td>Interior re-furnishing of coaches</td>
<td>R 200 000</td>
<td>Ingwe Municipality</td>
<td>Sisonke District</td>
</tr>
<tr>
<td>Sisonke district Railway Tourism Plan</td>
<td>R4 Million</td>
<td>Tourism KZN</td>
<td>Upgrading of stations at Ixopo and Underberg, restoration of Coaches, restoration of NGG11 Garret Locomotive</td>
</tr>
<tr>
<td>Upgrade Railway Line</td>
<td></td>
<td>Spoornet</td>
<td>Restoring passenger line status to 120km of railway line</td>
</tr>
<tr>
<td>Centecow Mission Building</td>
<td>R1.6 million</td>
<td>DPLG Poverty relief fund</td>
<td>Restoration of building into Art Centre and Weaving studio</td>
</tr>
<tr>
<td>Country Life Marketing</td>
<td>R120 000</td>
<td>Ingwe Municipality</td>
<td>Two years (2005, 2006) advertising and marketing agreement</td>
</tr>
<tr>
<td>Woodhurst Farm Co-oprative</td>
<td>R1 million</td>
<td>DEAT</td>
<td>Bought farm, establish small scale cabbage and potatoes farms</td>
</tr>
</tbody>
</table>
Annexure 1: Interview Table

<table>
<thead>
<tr>
<th>Name</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mrs L Heiner</td>
<td>Ingwe Municipal Manager</td>
</tr>
<tr>
<td>Mr D Smith</td>
<td>Ingwe LED Executive Councillor</td>
</tr>
<tr>
<td>Mr I Miya</td>
<td>Ingwe Mayor</td>
</tr>
<tr>
<td>Mr Fr McAllister</td>
<td>Ingwe Financial Manager</td>
</tr>
<tr>
<td>Mr S Sithole</td>
<td>Ingwe Technical Director</td>
</tr>
<tr>
<td>Mz N Khumalo</td>
<td>Sisonke District LED and Tourism Co-ordinator</td>
</tr>
<tr>
<td>Mz E Page</td>
<td>Weaver’s hut</td>
</tr>
<tr>
<td>Mr H Watt</td>
<td>Weaver’s Hut</td>
</tr>
<tr>
<td>Mr R Brussoe</td>
<td>Milne Fields Architects</td>
</tr>
<tr>
<td>Mrs Y Killy Campbell representative</td>
<td>Killy Campbell representative</td>
</tr>
<tr>
<td>Mrs D Khumalo</td>
<td>Museum Services Director</td>
</tr>
<tr>
<td>Father Dziuba</td>
<td>Catholic Priest, Centecow Mission</td>
</tr>
<tr>
<td>Name</td>
<td>Organization</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>Mr M Gemmel</td>
<td>Two Rivers Tourism and Button Birding</td>
</tr>
<tr>
<td>Mr M Arnold</td>
<td>Creighton Farmers Ass</td>
</tr>
<tr>
<td>Mr L Khubeke</td>
<td>Tribal Authority</td>
</tr>
<tr>
<td>Mr BL Ndlovu</td>
<td>Tribal Authority</td>
</tr>
<tr>
<td>Mr J Newlands</td>
<td>Donnybrook Spar</td>
</tr>
<tr>
<td>Mrs T Madondo</td>
<td>Hlanganani Social Welfare</td>
</tr>
<tr>
<td>Mr T Kruger</td>
<td>Iyer Rothaug Collaborative Consultants</td>
</tr>
<tr>
<td>Mr E TKZN Representative</td>
<td>Tourism Kwa-Zulu Natal official</td>
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</table>
Annexure 2: Table illustrating the Ingwe Municipality’s PMS for tourism related economic development
<table>
<thead>
<tr>
<th>KPA</th>
<th>KPI</th>
<th>Objective</th>
<th>KPI's Description</th>
<th>Type</th>
<th>Source</th>
<th>Frequency</th>
<th>Base line</th>
<th>Target for period 2004/2005</th>
<th>Resp. Dept.</th>
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</thead>
<tbody>
<tr>
<td>Local Economic</td>
<td>Job Creation</td>
<td>To promote economic growth and development</td>
<td>No. of jobs created through initiatives and capital projects</td>
<td>Output</td>
<td>Project reporting / wage schedules</td>
<td>Quarterly</td>
<td>75</td>
<td>75</td>
<td>LED/ Corporate services</td>
</tr>
<tr>
<td>Development</td>
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<tr>
<td></td>
<td>Tourism</td>
<td>To develop brand based tourism that will compliment existing tourism assets around which a tourism industry can be developed</td>
<td>No. of endorsements from key stakeholders</td>
<td>Process</td>
<td>Local Govn.</td>
<td>Annual</td>
<td>12</td>
<td>14</td>
<td>LED/ Corporate services</td>
</tr>
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<td></td>
<td></td>
<td>No. of tourists using railway initiative</td>
<td>Output</td>
<td>Municipal Survey</td>
<td>Quarterly</td>
<td>0</td>
<td>550</td>
<td>LED/ Corporate services</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No of visitors to missions in Ingwe</th>
<th>Output</th>
<th>Municipal Survey</th>
<th>Quarterly</th>
<th>0</th>
<th>450</th>
<th>LED/ Corporate services</th>
</tr>
</thead>
<tbody>
<tr>
<td>To ensure that the Municipality monitors and adjusts tourism products to the market</td>
<td>Satisfaction levels monitored in respect of tourist expectations</td>
<td>Outcome</td>
<td>Municipal Survey</td>
<td>Quarterly</td>
<td>0</td>
<td>medium</td>
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