LED Strategy 2022-2027

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SENQU MUNICIPALITY

Contents

Abbreviations

LED Local economic Development

GDP Gross domestic Product

IMF International Monetary Fund

1. Chapter One
1.1. Introduction to South African Economy

South Africa is a different country from that in the previous Local Economic Development (LED) Strategy. The economy has been devastated by the impact of the Covid 19 epidemic. The economy was already in recession prior to the Covid 19 epidemic and this just added to the pressure.

The National Treasury Economic Outlook foresaw that South Africa's economy would grow" by 5.1 per cent in 2021, following a 6.4 per cent contraction in 2020. Domestic economic activity recovered more rapidly than anticipated in the 2021 Budget, supported by international demand and higher commodity prices. Structural constraints in the domestic economy are expected to slow the recovery. Inadequate electricity supply, combined with pandemic-induced job losses, will continue to limit the speed and durability of the recovery and long-term growth. Global factors, including higher and more persistent inflation and associated changes in monetary policy, along with changes in commodity prices, add to uncertainty about the medium-term outlook. The rollout of vaccines continues to support improved global and domestic activity. However, access to vaccinations remains skewed between and within countries, inhibiting broader vaccine coverage and raising concerns about the emergence of more aggressive variants of COVID-19. Although South Africa has opened up free vaccinations to a large portion of its population, the take-up of vaccinations has been slow. As a result, future waves of the pandemic pose risks to communities and economic activity. Over the medium term, economic and fiscal policy balance the need to restore jobs and support businesses, protect vulnerable groups, and implement a series of reforms needed to promote faster GDP growth. Debt stabilisation will also support recovery by reducing the cost of capital. Collectively, these interventions will support confidence, investment and job creation – and a more resilient, equitable and competitive economy (National Treasury 2021,p10-11)".

This outlook seems positive, however there are many factors which will have an impact on the economy that require many structural reforms. The PwC firm believes that the main factors influencing South Africa's economy in 2022 are likely to be" load-shedding, lockdown restrictions, municipal coalitions and fiscal spending, global economic growth and supply chain challenges. They expect the GDP to " grow by between 1.5% and 3% in 2022, but the pace of jobs recovery continues to be slow, the debt bill high and the outlook for the year is "uncertain at best". "The National Treasury expects average real GDP growth of 1.7% a year for 2022 to 2024 (Arnoldi, 2021)". The International Monetary Fund (IMF) believes that despite possibly achieving growth of 5% in 2021, revised from 4% previously, South Africa is unlikely to maintain this momentum into 2022. The IMF believes that Sub Saharan Africa region will grow by 3.7% in 2021 which is the slowest recovery in the world in comparison to advanced markets that will grow by more than 5%, and other emerging markets and developing countries are set to grow more than 6% (Omarjee,Oct 2021).

PwC expects the global economy to grow by 4.5% in 2022, which bodes well for export-oriented industries, but Europe has been experiencing a resurgence of Covid-19 infections with the threat of lockdowns. The international supply chain crisis is still an issue and has contributed to elevated inflation in major economies caused by strong demand and supply constraints across many industries (Arnoldi, 2021).

The rising cost of fuel is creating additional economic demand for consumers as well as rising food costs like chicken.

The risk of the fiscal deficit remains, which at 7.8% of GDP this year is at least down from an estimate of 9.3% announced in February. Government has however indicated that it plans on decreasing consolidated spending by 2.5% in 2022/23 to R2.075-trillion. Inflation-adjusted fiscal spending will be cut by 2.5% in 2022/23, which should help to improve the fiscal deficit (Arnoldi, 2021).

"On the policy side, the South African Reserve Bank (SARB) is planning to increase the repo rate to pre-pandemic levels by mid-2024. The Monetary Policy Committee has given guidance that the repo rate should rise to 5.17% by December 2022, increasing to 6.04% by the close of 2023 and 6.75% at end-2024 (Arnoldi, 2021)".

Risks related to Covid-19 include the emergence of the Omicron variant and the resultant international travel bans. Other risks to the economy include it not having reduced its energy intensity in 2020, and its dependence on fossil fuels for electricity generation which "poses higher physical and transitional risks associated with climate change. While the US, European Union and the UK pledged to mobilise an initial amount of R130-million over three to five years to decarbonise South Africa's energy systems, Eskom is already more than R400-billion in debt and cannot take in more in transition finance (Arnoldi, 2021) ".

Additionally, PwC highlights long-term economic growth challenges to South Africa being expropriation without compensation, corruption, crime risks, low skills level and its dependence on imports (Arnoldi, 2021).

The OECD believe that the following reforms are necessary:

- Competition and regulation: Remove barriers to competition and lift regulatory restrictions
- Competition and regulation: Reduce barriers to entrepreneurship
- Infrastructure: Improve infrastructure to boost growth
- Education and skills: Raise quality and equity in education
- Environmental policy: Green energy policy to limit environmental impact (OECD,December 2021).

1.2. What is LED?

What is local economic development? The South African Department of Co-operative Governance and Traditional Affairs (COGTA) defines it as "an approach towards economic development which allows and encourages local people to work together to achieve sustainable economic growth and development thereby bringing economic benefits and improved quality of life for all residents in a local municipal area (COGTA, May 27, 2016)".

GIZ has through its LOCATI programme established the following principles in underpinning LED. These are as follows:

• Create favourable locational factors, i.e. qualities which make your place a good place to do business.

• Promoting business. Businesses can be enticed to come to the area through reduced tariffs etc but not by creating unfair competition for existing businesses.

• Make local markets work better by "creating places and opportunities to match supply and demand, as well as to discover, propagate and promote new business opportunities."

Principles are proposed to ensure that an LED Strategy has the outcome which it seeks by:

• Establishing the difference between LED and community development. "LED is about creating functioning markets that encourage competitive businesses. Community development is about solving social problems (health, housing, education, neighbourhood), and it involves principles such as solidarity and support for the weak and marginalised."

• Introducing "clear market and business focus in LED. Conceptualise black empowerment and the promotion of emerging entrepreneurs from this perspective. Addressing market failure is the appropriate way to stimulate business opportunities, not by subsidising potential entrepreneurs or entertaining them with shallow training courses."

• Realising the opportunities involved in the better utilisation of local resources. Use the business skills of experienced businesspersons to strengthen the capabilities of emerging entrepreneurs?

• "Instead of encouraging the creation of ineffective LED Fora, persuade local stakeholders to look for specific project ideas that are quickly implementable and will make a difference for local businesses. Encourage local stakeholders to establish a governance structure only when there is something to be governed, i.e. when some practical projects are under way."

• "Involving both the public and the private sector in LED." It must be a partnership (JGDM LED Strategy, 2014: 4-8)".

"The Department of Provincial and Local Government has identified the following as key principles underlying LED:

- Poverty and unemployment are the main challenges facing South Africa. LED strategies must prioritise job creation and poverty alleviation
- LED must target previously disadvantaged people, marginalised communities and geographical regions, black economic empowerment enterprises and SMMEs to allow them to participate fully in the economic life of the country
- There is no single approach to LED. Each locality may develop an approach that is best suited to its local context
- LED promotes local ownership, community involvement, local leadership and joint decision making
- LED involves local, national, and international partnerships between communities, businesses and government to solve problems, create joint business ventures and build local areas
- LED uses local resources and skills and maximizes opportunities for development
- LED involves the integration of diverse economic initiatives in an all-inclusive approach to local development
- LED relies on flexible approaches to respond to changing circumstances at local, national and international level (ETU)

1.3. Structural Issues in the economy

"The White paper on National strategy for the development and promotion of small business in South Africa 20 March 1995 highlighted that different policies are required to support the different type of SMME's. The first of these is the "survivalist enterprises are activities by people unable to find a paid job or get into an economic sector of their choice. Income generated from these activities usually falls far short of even a minimum income standard, with little capital invested, virtually no skills training in the particular field and only limited opportunities for growth into a viable business." Poverty and the attempt to survive are the main characteristics of this category of enterprises. Support strategies should primarily help these people - a large percentage of whom are women to get out of this sector.

Micro-enterprises are very small businesses, often involving only the owner, some family member(s) and at the most one or two paid employees. They usually lack 'formality' in terms of business licenses, value-added tax (VAT) registration, formal business premises, operating permits and accounting

procedures. Most of them have a limited capital base and only rudimentary technical or business skills among their operators. However, many micro- enterprises advance into viable small businesses.

Small enterprises constitute the bulk of the established businesses, with employment ranging between five and about 50. The enterprises will usually be owner-managed or directly controlled by the owner-community. They are likely to operate from business or industrial premises, be tax-registered and meet other formal registration requirements. Classification in terms of assets and turnover is difficult, given the wide differences in various business sectors like retailing, manufacturing, professional services and construction.

Medium enterprises constitute a category difficult to demarcate vis-a-vis the "small" and "big" business categories. It is still viewed as basically owner/manager-controlled, though the shareholding or community control base could be more complex. The employment of 200 and capital assets (excluding property) of about R5 million are often seen as the upper limit.

South Africa's has a legacy of big business domination, constrained competition and unequal distribution of income and wealth. The small business sector is seen as an important force to generate employment and more equitable income distribution, to activate competition, exploit niche markets (both internally and internationally), enhance productivity and technical change, and through all of this stimulate economic development. SMME's face constraints such as the legal and regulatory environment confronting SMMEs, the access to markets, finance and business premises (at affordable rentals), the acquisition of skills and managerial expertise, access to appropriate technology, the quality of the business infrastructure in poverty areas and, in some cases, the tax burden.

In addition to sector-specific differences of constraints, the legacy of apartheid constitutes an important factor in the inability of black- owned or -controlled small enterprises to face business development constraints. For decades, if not centuries, the majority of South Africans were deprived of viable business opportunities in the following ways: a) Bantu Education restricted opportunities for the acquisition of technical and professional skills by black people; b) there was total absence of entrepreneurial education or sensitising for young people in a way that could encourage them to enter business and acquire a culture of entrepreneurship; c) apartheid confined the majority of the African people to homeland areas which were not only the poorest in terms of living standards and business opportunities, but also lacked a dynamic business environment; d) even outside the homelands the system of apartheid made it impossible for black would-be-entrepreneurs to participate in business apprenticeships and partnerships with more established (non-black-owned/controlled) enterprises; e) racially segregated residential areas, enforced through the Group Areas Act, not only uprooted millions from the places of residence and business, but also led to large capital losses and virtually destroyed the fabric of black small enterprises; f) segregation increased the distance between black residential

and working areas, thereby increasing the cost and risk of conducting business; g) the drastic curtailment of property ownership rights of blacks made it impossible for them to acquire assets that could serve as collateral for loan financing; it also excluded blacks from the long-run process of capital accrual and growth through rising property values and share prices; h) apartheid left no real space for the business involvement of black women; marriage laws reduced women to unions with no contractual capacity at all; even though marriage laws have changed, customary law remains intact and there are cultural, behavioural and attitudinal constraints which affect women's participation in business, particularly in rural areas. There are also restrictions in terms of access to land."

A discussion paper developed by Ecsecc in January 1998 highlights the following constraints and investment issues:

- Infrastructure investment as a way of providing employment and developing SMME's
- Infrastructure investment for women to improve their lives
- Removal of apartheid planning desegregation
- Infrastructure investment to drive LED and create multiplier effects
- Pricing of infrastructure services
- Municipal incentives to attract investment and develop LED
- Placement of infrastructure. To cut costs municipalities tend to place infrastructure further apart in poorer areas which does not assist the population.
- Access to land
- Access to markets
- Short term work
- Quality of Work and development of skills
- Wage levels
- Support to small scale farmers especially irrigation
- Utilisation of social capital
- LED people driven planning

"It has long been said that local communities often do not recognize their development assets and often inappropriate strategies in local planning processes are copies from elsewhere. In small town areas municipalities often are not focused on economic potential simply because of the overwhelming problems such as addressing basic needs which leads to a (misguided) focus on poverty alleviation projects rather than sustainable and viable business opportunities (Nel, 2017). Local innovation is an important opportunity for the promotion of local knowledge products but also as a key factor in local industry development (Lawrence et al p.148)".

1.4. Trends

Trends in the economy that will have an impact on the LED strategy are as follows:

- The green economy. A move away from fossil fuels
- Farming sustainably taking into account the environment
- Doing business in an ethical manner
- Corporate social responsibility towards your community
- Utilising technology especially amongst SMME's
- Selling online
- Increased use of social media to sell products
- Niche production
- Organic produce
- Buy locally
- Networking of small businesses
- Working from home

Chapter 2: Overview of Senqu Municipality

2.1. Location

Senqu Municipality (EC 142) is a landlocked, mountainous to undulating area adjoined to the west and east respectively, by the JGDM municipalities of Walter Sisulu and Elundini. It shares its northern border with Lesotho and the Free State Province, while the Chris Hani Municipalities of Sakhisizwe and Emalahleni lie to the south. Map 1 Senqu Municipality Locality Map Source: Demarcation Board 2017 Senqu extends over 7329.5km2 , making it the second largest municipal area in the District. The Senqu Local Municipality is comprised of a portion of the former Cape Border region as well as the former Transkei Sterkspruit/Herschel magisterial district, which is now designated as traditional authority land, accounting for almost one quarter of municipal land, and is home to the majority of the local population. Senqu is essentially rural in nature – developed urban land accounts for little over one percent of municipal land – and claims no major urban economy, although it is home to the administrative seat of the JGDM, being the town of Barkly East (including Nkululeko, Fairview, Lulama Hlanjwa). Other towns include Sterkspruit, the major urban node of the area, and Lady Grey (including Transwilger, Kwezi Naledi). Senqu's major rural hamlets are Rhodes (incorporating Zakhele) and Herschel, together with and 85 remote rural villages situated in the foothills of the Maluti Mountains and Southern Drakensberg range including Rossouw. (Senqu IDP 2011)

Map 1 Senqu Municipality Locality Map
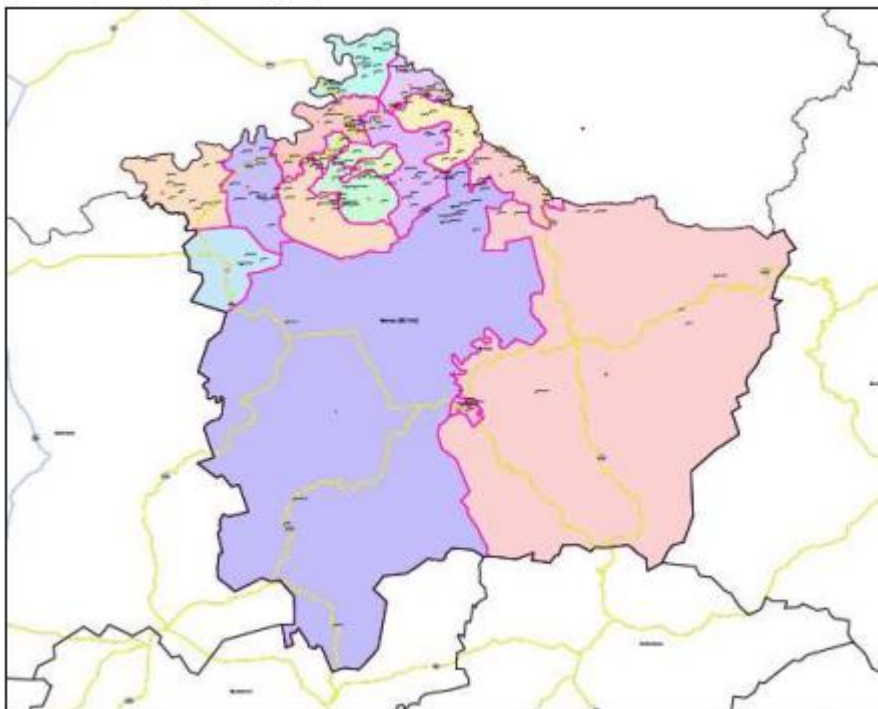
Source: Demarcation Board 2017

2.2 Demographics

TABLE 1. TOTAL POPULATION , 2011-2020 [NUMBERS PERCENTAGE]

	Senqu	Joe Gqabi	Eastern Cape	National Total	Senqu as % of district municipality	Senqu as % of province	Senqu as % of national
2011	137,000	357,000	6,740,000	52,000,000	38.5%	2.0%	0.26%
2015	141,000	371,000	7,010,000	55,500,000	38.0%	2.0%	0.25%
2020	147,000	391,000	7,360,000	59,800,000	37.7%	2.0%	0.25%
Average Annual growth							
2010-2020	*0.74*%	*0.98*%	*0.98*%	*1.59*%			

Source: IHS Markit Regional eXplorer version 2142

Senqu Municipality has an estimated total population of 147 000 people which is 0.2% of South Africa's total population in 2020. Between 2010 and 2020 the population growth averaged 0.74% per annum as compared to the national average of 1.59%. This is projected to rise to 0,89% between 2020-2025. It accounts for 37.7% of the total population in the Joe Gqabi District Municipality, with the Elundini being the most populous region.

Senqu's population is projected to grow at an average annual rate of 0.9% from 147 000 in 2020 to 154 000 in 2025.

TABLE 2. POPULATION PROJECTIONS, 2020-2025 [NUMBERS PERCENTAGE]

	Senqu	Joe Gqabi	Eastern Cape	National Total	Senqu as % of district municipality	Senqu as % of province	Senqu as % of national
2020	147,000	391,000	7,360,000	59,800,000	37.7%	2.0%	0.25%
2021	149,000	395,000	7,430,000	60,600,000	37.7%	2.0%	0.25%
2022	150,000	398,000	7,500,000	61,500,000	37.7%	2.0%	0.24%
2023	151,000	402,000	7,570,000	62,300,000	37.7%	2.0%	0.24%
2024	153,000	406,000	7,630,000	63,100,000	37.7%	2.0%	0.24%
2025	154,000	409,000	7,700,000	63,900,000	37.7%	2.0%	0.24%

Source: IHS Markit Regional eXplorer version 2142

CHART 1.   POPULATION PYRAMID - 2020 VS. 2025 [PERCENTAGE]

Population structure
Senqu, 2020 vs. 2025
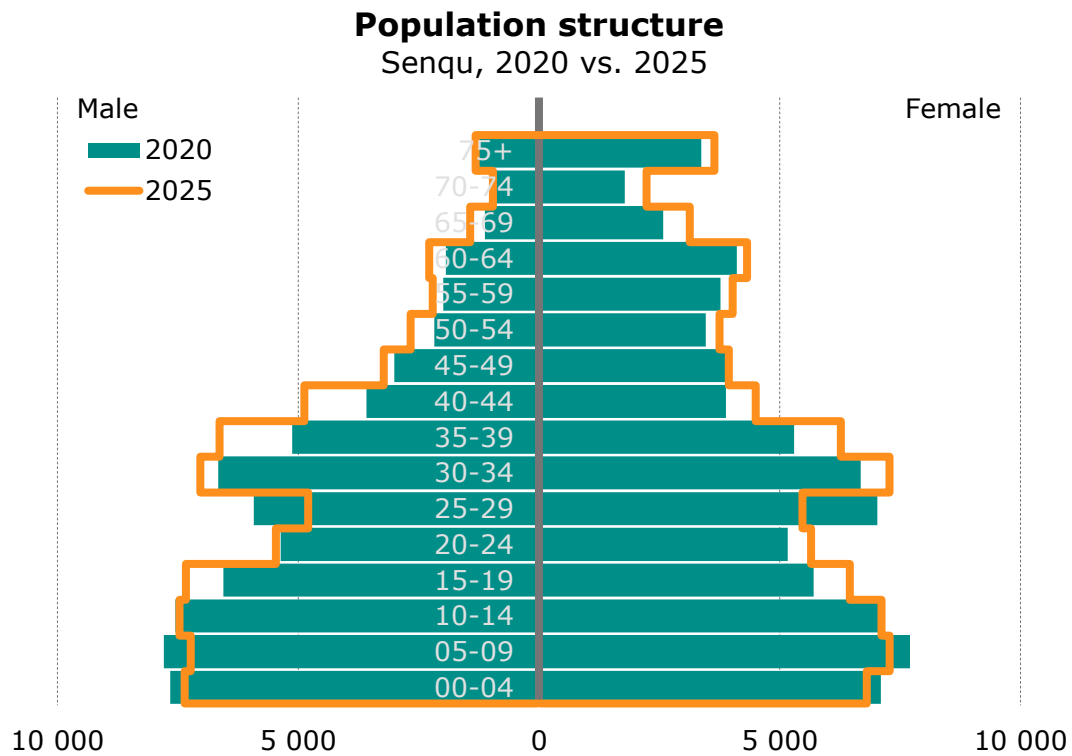
The population pyramid indicates a decrease in births in 2025 and a slight increase in the age 5 to age 9 population. There will be an increase in ages 30 to 75 and a decrease in ages 25 to 29. The implication of this for planning is that the population is aging with a decrease in births. This means that infrastructure planning must accommodate this and ensure that the infrastructure provided meets the needs of older people. The worrying decrease from ages 20-29 means that one is losing your younger working population which is generally quite an innovative sector.

TABLE 3.   POPULATION BY GENDER - 2020 [NUMBER].

	Male	Female	Total
Senqu	68,713	78,705	147,419
Elundini	73,265	78,416	151,681
Walter Sisulu	44,842	46,881	91,723
Joe Gqabi	**186,820**	**204,002**	**390,822**

Source: IHS Markit Regional eXplorer version 2142

The female population tends to be larger than the male population which is in line with national and international population figures whereby females are more than males. It was 87.3 males per 100 females in 2020 or 53.39% females to 46,61% of males. This is probably due to males leaving to search for work outside the municipality.

TABLE 4. POPULATION BY POPULATION GROUP, GENDER AND AGE - 2020 [NUMBER].

	African		White		Coloured	
	Female	**Male**	**Female**	**Male**	**Female**	**Male**
00-04	6,960	7,520	26	24	96	97
05-09	7,580	7,670	38	39	80	68
10-14	7,030	7,440	49	36	93	75
15-19	5,570	6,410	25	27	91	98
20-24	5,080	5,210	21	28	55	87
25-29	6,920	5,740	35	55	73	56
30-34	6,560	6,470	32	31	75	77
35-39	5,160	4,980	72	46	55	58
40-44	3,760	3,450	42	55	72	47
45-49	3,750	2,850	62	78	60	59
50-54	3,340	2,060	68	53	50	61
55-59	3,710	1,880	50	75	8	30
60-64	4,060	1,870	27	53	18	0
65-69	2,510	1,080	53	24	13	9
70-74	1,720	939	42	26	23	20
75+	3,280	1,240	90	47	8	23
Total	**77,000**	**66,800**	**730**	**697**	**869**	**863**

Source: IHS Markit Regional eXplorer version 2142

In 2020, the Senqu population is predominantly African with 97.56% African, 0.97% White, 1.18% Coloured and 0.30% Asian. The largest age group is age 5 to 9, followed by age 0 to 4 years. The majority of the population fall between the ages of 0 to 34 which makes the population youthful.

Number of Households by Population Group

In 2020, the Senqu Local Municipality comprised of 42 200 households with an average annual growth rate of 0.88% from 2010 to 2020. This is up from 38 600 in 2010.

TABLE 5. NUMBER OF HOUSEHOLDS - 2010-2020 [NUMBER PERCENTAGE]

	Senqu	**Joe Gqabi**	**Eastern Cape**	**National Total**	**Senqu as % of district municipality**	**Senqu as % of province**	**Senqu as % of national**
2010	38,600	98,200	1,710,000	14,100,000	*39.3%*	*2.3%*	*0.27%*
2011	39,100	99,500	1,730,000	14,400,000	*39.3%*	*2.3%*	*0.27%*
2015	40,800	105,000	1,810,000	15,700,000	*38.9%*	*2.3%*	*0.26%*
2020	42,200	109,000	1,880,000	17,000,000	*38.6%*	*2.2%*	*0.25%*

Source: IHS Markit Regional eXplorer version 2142

97.2% of households are African with 1,3 % being white, Coloured 0,9% and Asian 0,6 % in 2020. The fastest growing household population group are Asian between 2010 and 2020 at 7.80%.

HIV+ and AIDS estimates

TABLE 6. NUMBER OF HIV+ PEOPLE - 2010-2020 [NUMBER AND PERCENTAGE]

	Senqu	Joe Gqabi	Eastern Cape	National Total	Senqu as % of district municipality	Senqu as % of province	Senqu as % of national
2010	17,000	42,900	785,000	6,340,000	39.7%	2.2%	0.27%
2015	18,700	47,700	861,000	7,110,000	39.1%	2.2%	0.26%
2020	20,500	52,500	939,000	7,970,000	38.9%	2.2%	0.26%
Average Annual growth							
2010-2020	*1.87*%	*2.05*%	*1.81*%	*2.31*%			

Source: IHS Markit Regional eXplorer version 2142

In 2020, 20 500 people in the Senqu Local Municipality were infected with HIV which reflects an increase at an average annual rate of 1.87% since 2010. The number of infections in the Eastern Cape Province increased from 785,000 in 2010 to 940,000 in 2020. In 2020, the number of people with HIV represented 0.18% of the total population of the entire local municipality.

Chapter 3: Legislative and Policy Mandate

Local economic development is one of the powers and functions of local government which is derived from the Constitution of South Africa Act 108 of 1996. This power and function is elaborated upon and promoted in other pieces of legislation which shall be discussed below.

1.1.National Policy Frameworks

a) The Constitution of the Republic of South Africa Act 108 (1996)

The Constitution of the Republic Section 152 outlines the following objectives of local government.

" 1 (a) to provide democratic and accountable government for local communities;

(b) to ensure the provision of services to communities in a sustainable manner;

(c) to promote social and economic development;

(d) to promote a safe and healthy environment;

and (e) to encourage the involvement of communities and community organisations in the matters of local government."

Section 153 states that " A municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1)."

The implication of this for Senqu Municipality is that it must provide infrastructure, promote social and economic development in an ecological sustainable manner and most importantly involve the community in all its planning decisions.

b) The White Paper on Local Government (1998)

This introduces the concept of "developmental local government", defined as: "Local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of their lives."

c) The Municipal Systems Act 32 (2000)

The Act makes integrated development planning compulsory and legislates a number of key LED functions, roles and responsibilities. The aim of the Act is : "To provide for the core principles,

mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities." (JGDM LED Strategy, 2014:12)

d) White paper on National strategy for the development and promotion of small business in South Africa 20 March 1995

The white paper outlines the issues facing the SMME sector of South Africa. It has the primary objective of creating an enabling environment for small enterprises within which SMMEs would " themselves accept responsibility for the operation, growth and progress of their enterprise". The national framework would need to be "complemented with programmes developed and implemented at regional and local level".

In addition to primary objective , five more specific objectives are developed:

- Facilitating greater equalisation of income, wealth and economic opportunities by strengthening of the labour-absorptive process, redressing of discrimination with respect to blacks' as well as women's access to economic opportunities and power, and the facilitation of growth in black and small enterprises in rural areas.
- Creating long-term jobs by upgrading "the skill level of SMME operators, strengthen the use of appropriate, modern technologies and boost the capacity to create long-term jobs.
- Stimulating economic growth by addressing obstacles that prevent small enterprises from contributing to overall growth".
- Strengthening the cohesion between small enterprises by helping them "to network more effectively in order to jointly address development obstacles, take up opportunities and to build collective efficiency.
- Level the playing fields between bigger and small business through a support strategy to ensure market opportunities, regulations and competitive structures don't favour larger enterprises and enterprises in urban areas and create co-operation and interaction of these segments of the economy.
- "Over and above these objectives, the national strategy also aims to enhance the capacity of small business to comply with the demands facing South Africa's modernising economy and the challenges of increasing international competition"

Ten key principles underlying the government's national small-business strategy

1. The strategy is based on a joint vision for big, medium and small business in South Africa.
2. All the segments of the small business sector - survivalist, micro-, small and medium enterprises - need attention.

3. The business efficiency and competitiveness of the whole small enterprise sector has to be developed, with due recognition of social, financial and other compliance standards relevant to an internationally competitive economy.
4. An integrated support strategy has to give attention to both the supply and demand side of small business activities.
5. Black advancement in the enterprise sector is a key factor in all spheres of the strategy; special emphasis also falls on other marginalised or disadvantaged groups.
6. The scarcity of public funds demands careful prioritisation of support programmes and the skilful matching of different resources.
7. Support policies will be sector-focused and targeted with application of public funds and full recognition of the market orientation of our economy.
8. The institutional framework for small business support has to be restructured in order to reflect the evolving institutional diversity, the provincial thrust of policy implementation and effective bottom-up and top-down co-operation and co-ordination.
9. Ultimate responsibility for the national strategy rests with the Department of Trade and Industry
10. The private enterprise sector, co-operatives, NGOs. business associations and foreign assistance programmes all have a critical role to play in an integrated small business strategy.

The paper places huge emphasis on SMME's being compliant, innovative, utilising new technology and networking amongst themselves to become competitive with larger firms. There is stress placed on them paying for the services they receive i.e. "fee for service culture" . It was acknowledged that SMME's needed much support which should come from organised business organisations and NGO's. However these need to be capacitated and strengthened as they had financial and capacity constraints. SMME's were encouraged to join a business related association. The current tax system needed overhauling to support SMME development.

e) National Small Business Act 102, 1996

The Act provides for the establishment or the National Small Business Council and the Ntsika Enterprise Promotion Agency; and to provide guidelines for organs of state in order to promote small business in the Republic.

The National Small Business Council is established to "represent and promote the interests of small business and advise the national, provincial and local spheres of government on social and economic policy that promotes the development of small business."

The Ntsika Enterprise Promotion Agency are "to expand, co-ordinate and monitor the provision of training, advice, counselling and any other non-financial services to small business in accordance with the National Small Business Support Strategy and to improve the general understanding of the public regarding small business' contribution to the South African economic growth, job creation and welfare.

f) The Integrated Sustainable Rural Development Strategy (ISRDS) of the DPLG now COGTA.

The strategy seeks to "attain socially cohesive and stable communities with viable institutions, sustainable economies and universal access to social amenities, able to attract skilled and knowledgeable people, equipped to contribute to their own and the nation's growth and development." The main focus was on rural development.

g) The Accelerated and Shared Growth Initiative for South Africa (AsgiSA).

The overarching objectives are to:

Reduce the unemployment rate from 30% to 15% by 2014;

Reduce poverty from one-third to one-sixth of the population by 2014;

Increase the annual GDP growth rate from the then average of 3% to 4,5% per year for the period 2005 to 2009 and to 6% for the period 2010 to 2014. This target should create a sustainable annual growth rate of 6%. (JGDM 2014:13).

This is done by focussing on:

Macro-economic issues o Infrastructure of Education and skills

Sector development strategies o Second Economy, and small, medium and micro enterprise (SMME) development governance and public administration.

h) The Joint Initiative on Priority Skills Acquisition Mandate (JIPSA)

JIPSA was launched in 2006, in support of AsgiSA, to identify solutions to the major skills shortages.

i) The Strategic Plan for the Department of Agriculture, Forestry and Fisheries (2013/14 to 2017/18)

It has the following goals:

o SG 1 Increased profitable production of food, fibre and timber products by all categories of producers

o SG 2: Sustained management of natural resources

o SG 3: Effective national regulatory services and risk management systems

o SG 4: A transformed and united sector

o SG 5: Increased contribution of the sector to economic growth and development

o SG 6: Effective and efficient governance (JGDM 2014:14-15)

j)The New Growth Path

This is the South African Government's job creation and economic development strategy adopted in April 2011. It aims to grow employment by 5 million jobs by 2020, with most of these jobs coming from the private sector. The two key variables which will affect the target are the rate of economic growth which should be between 4% and 7% and the employment intensity of that growth. The initial job drivers which have been identified are as follows:

 1. Public investment in infrastructure,

2. Targeting more labour-absorbing activities across the main economic sectors, agriculture and mining value chains, manufacturing and services,

3. Opportunities in the knowledge and green economies,

4. Leveraging social capital in the social economy and the public services,

5. Fostering rural development and regional integration.

An overview of these job drivers and specific support measures is provided in the table below:

#	Job Driver	Activities and [Jobs]	Support Measure	Jobs
1	Infrastructure:-	- Energy, transport, water & communications; - Construction of infrastructure, operation, maintenance & manufacture.	- Public investment - Skills development - Prevent non-competitive pricing - Procure local inputs - Renewable energy - Labour based production	250,000
2	Main Economic Sectors:-	- Agricultural smallholder schemes [300,000] - Agro-processing [145,000] - Farming upgrades [660,000] - Mining [140,000] - Manufacturing [350,000] - Tourism services [250,000] - Cultural industries	- Restructuring land reform - Review mineral rights regime, lower input costs - Refocus beneficiation strategy - Manufacturing support (IPAP 2) - Tourism marketing, training - Cultural industry support	1,845,000
3	Knowledge & Green Economy:-	- Green economy manufacturing [80,000] - Green construct, operation, maintenance [220,000] - Environmental protection and biofuels - Knowledge intensive sector, ICT, education, healthcare, mining, pharmaceuticals, biotechnology [100,000]	- Integrated Resource Plan for electricity (IRP2) - Appropriate RE pricing policies - Recycling schemes - New technology to SME - Support R&D and tertiary education - Improve broadband access & cost	400,000
4	Social capital and public services:-	- Promote not-for-profit activity, co-ops, NGO's etc [260,000] - Improve public service health, education, policing [100,000] - Increased state procurement from social bus	- Address HIV/AIDS challenge - Promote co-operatives - Develop social economy linkages and support	360,000
5	Spatial & rural development	- Rural development programmes [500,000 HH's] - Support small scale agriculture - Increased exports to SADC [150,000] - Improved regional logistics with "Smart Ports" and road & rail integrated		650,000
	Total Jobs created by 2020			3,505,000

The microeconomic package involves targeted measures to control inflationary pressures and support competitiveness and increased equity, which in turn makes the macroeconomic strategy sustainable and viable. It includes reforms in policies on skills, competition, industry, small business, the labour market, rural development, African integration and trade policy. It consists of ten programmes to control inflationary pressures and inefficiencies combined with more pro-active strategies to support an inclusive economy, social equity and regional development. The 10-point microeconomic package prioritizes the development and implementation of:

❑ Active industrial policy

❑ Rural development policy

❑ Competition policy

❑ Stepping up education and skill development

❑ Enterprise development: promoting small business and entrepreneurship; eliminating unnecessary red tape

❑ Broad-based Black Economic Empowerment (BBBEE)

❑ Labour policies

❑ Technology policy

❑ Developmental trade policies

❑ Policies for African development

The NGP recognises the role of an effective, developmental state in achieving broad-based employment growth and raise the issues of what the role of the state should be, the market and key market players outside of the state, and social mobilisation and dialogue.

    k)   National Development Plan (Vision 2030)

This is a detailed blueprint for how the country can eliminate poverty and reduce inequality by the year 2030 by attaining a decent standard of living such as Housing, water, electricity and sanitation; Safe and reliable public transport; Quality education and skills development; Safety and security; Quality health care; Social protection; Employment; Recreation and leisure; Clean environment and Adequate nutrition. (Ecsecc 2017:4) The broad objectives are:

i Providing overarching goals for what we want to achieve by 2030.

ii Building consensus on the key obstacles to us achieving these goals and what needs to be done to overcome those obstacles.

iii Providing a shared long-term strategic framework within which more detailed planning can take place in order to advance the long-term goals set out in the NDP.

iv Creating a basis for making choices about how best to use limited resources.

The six pillars are as follows:

• Uniting all South Africans around a common programme to achieve prosperity and equity

• Promoting active citizenry to strengthen development, democracy and accountability

• Bringing about faster economic growth, higher investment and greater labour absorption

• Focusing on key capabilities of people and the state

• Building a capable and developmental state

• Encouraging strong leadership throughout society to work together to solve problems

"Actions that will lead to the growth of the economy and reduction of unemployment include:

• Reduce the cost of living for poor households and costs of doing business through microeconomic reforms.

• Remove the most pressing constraints on growth, investment and job creation, including energy generation and distribution, urban planning etc.

• Offer a tax incentive to employers to reduce the initial cost of hiring young labour market entrants. Facilitate agreement between employers and unions on entry-level wages.

• Give a subsidy to the placement sector to identify, prepare and place matric graduates into jobs.

• Business and labour to develop their own proposals to reduce youth unemployment.

The NDP has identified economic Infrastructure as the basic requirement for the growth of the economy. Although infrastructure does not directly produce goods and services it plays an important role in development by facilitating production in primary, secondary and tertiary economic activities by creating positive external economies. A number of actions have been proposed to grow the country's economy through the improvement of the economic infrastructure, these include:

• Increasing access to water

• Resolving maintenance refurbishment backlogs in the water and electricity infrastructure

• Expanding transport networks and systems

• increased access to communications technologies, in particular broadband.

The improvement of the economy of rural areas is one of the goals of the NDP. The main objective with regard to the creation of an inclusive rural economy is create a balance in the development of both the rural and urban areas by maintaining their interdependence and support of each other. According to the NDP, the following actions should enable the government to create an inclusive rural economy

• Rural economies will be activated through improved infrastructure and service delivery, a review of land tenure, service to small and micro farmers, a review of mining industry commitments to social investment, and tourism investments

• Create tenure security for communal farmers, especially women, investigate different forms of financing and vesting of private property rights to land reform beneficiaries that does not hamper beneficiaries with a high debt burden.

Key Economic Development issues for Local Government

• Develop flexible human settlements, responsive to changing locations of work (such as available rental stock, and good and affordable public transport systems).

- Reduce the cost of living in relation to food, transport, education, health and other basic services

- Government procurement should help reduce racial patterns of ownership of wealth and income

- Lowering the costs of transport and logistics and investing in remedies to address spatial divides

- Reduce red tape

- Focus on infrastructure that promotes efficiency in the economy and reduces costs for business and for individuals (Molemole LED Strategy)."

l)   The National Spatial Development Perspective (NSDP)

The primary emphasis is to reconfigure spatial relations and implement spatial priorities that meet the Constitutional directives of providing basic services and alleviating poverty and inequality. The Joe Gqabi District is generally characterised by medium environmental resource sensitivity and by low human need and economic activity. As outlined in the District LED Strategy (UKDM 2009), the District and local municipalities (LMs) should focus on encouraging the expansion of smaller rural nodes to create a critical mass for development, which should in turn focus on specialising in key services unique to the area. Social investment, including social transfers and skills development, together with basic infrastructural services, are recommended – a coordinated development response, notably to human need, may be evidenced in the Integrated Sustainable Rural Development Programme (ISRDP).

m). The National Framework for LED in South Africa 2006-2011

The Framework identifies LED as a Key Performance Area (KPA) for local government and sets out the roles and responsibilities of government in terms of LED. Framework strategies include:

❑ Improve good governance, service delivery, public and market confidence in municipalities through an alignment of national, provincial and local programmes;

❑ Identify and exploit competitive advantage – more balanced development informed by a better understanding of local economic opportunities and constraints, achieved through spatial development planning and exploiting district (and metro) comparative and competitive advantages; ❑ Intensify enterprise support – SEDA should be the key vehicle for localised enterprise support;

❑ Sustainable Developmental Community Investment Programming, including building community and strong use of local procurement. Local government is responsible for direct policy making (i.e. by-laws, proper rezoning of land, administering policy programmes and projects, initiating economic development programmes).

 In promoting LED the primary focus of local government is to: provide infrastructure and quality services; manage spatial policies; ensure land use regulation and the administration of development

applications; manage service tariff policies; market the area; and manage a progressive property tax system.

"The adopted revised 2018-2028 National Framework for Local Economic Development is built upon the achievements and lessons gained in the implementation of the 2006-2011 LED Framework. The 2018-2028 LED Framework sets out an expanded vision for LED which identifies with high levels of certainty what needs to be done in order to move towards a more successful form of LED, which is underpinned by the need to advance and deepen our understanding of LED and its function in national, regional development, and growth in South Africa.

The National LED Framework provides a vision for the planning and implementation of LED in South Africa. It delivers a guide to various sectors about the role they can play in driving innovation-led Local Economic Development.

The 2018-2028 National Framework for LED reveal how Science, Technology and Innovation (STI) and other forms of innovation will be used to achieve better development outcomes and identify systemic interventions, which can improve the performance of LED. It emphasizes that LED is a territorial approach to development, an inclusive and innovative process, and should result in stronger local economies

The framework is anchored on six Core Policy Pillars that will influence the design, development and implementation of LED:

- Building diverse & innovation-driven local economies;
- Developing inclusive economies;
- Developing learning and skilful economies;
- Enterprise development and support;
- Economic governance and infrastructure;
- Strengthening local systems of innovation.

Implementation of the National Framework for Local Economic Development:

The Integrated Township Economic Development Programme:

The Revised National framework for Local Economic Development identifies the creation of inclusive economies as one of its key pillars – with a view to integrate township economies into the mainstream economic landscape.

In order to respond to the problems of high unemployment and poverty in townships, township economies have been identified as a critical vehicle to drive the South African economy to upward trajectory. The construction of this programme will be anchored on the following strategic pillars:

- Spatial Transformation of township economies.
- Mapping and profiling of townships.
- Exemption incentives for township economies.
- Image enhancement of township economies.
- Investment strategies of township economies.
- Eco-systems for township economies.
- Economic Infrastructure and technology development.

The R61 Regional Corridor Development Initiative

In the Revised National Framework for Local Economic Development one of the pillars that feature in the Framework talks to diverse and innovative economies, which also proposes the promotion of regional LED approach. The R61 is a provincial route in SA that connects Beaufort West with Port Shepstone via Graaff-Reinet, Queenstown, Mthatha and Port Edward within the Eastern Cape the route covers Alfred Nzo, OR Tambo and Chris Hani District Municipalities.

There are numerous programs and initiatives that have made significant progress, for instance, the revitalization of industrial parks in Mthatha and Komani, the Agri-Parks programme led by the Department of Rural Development and Land Reform, and the Department of Trade and Industry (DTI)-led programme of the Wild-Coast Special Economic Zone (SEZ).

Revitalisation of distressed mining towns and labour sending areas

DCOG through the office of the Director-General signed a grant agreement for Tirelo-Bosha Public Service Improvement Grant, supported by the Belgian Development Agency. The fund was part of DCOG's programme for the implementation of the "Revitalisation of distressed mining towns and labour sending areas, through capacity building of frontline municipal officials.

The primary objective of the project was to develop a tailor-made Municipal Mining Guideline document that provides basic guidance for municipal frontline officials to be able to engage successfully with their stakeholders and management., in order to strengthen partnerships with mining houses in their jurisdiction (COGTA 2020) ".

n) Broad-Based Black Economic Empowerment Act (No. 53 of 2003)

The Act aims to substantially increase the number of black (African, Coloured, Indian) people who have ownership and control of new and existing enterprises, and the number of black people in executive and senior management positions. Among the B-BBEE socio-economic strategies, the following are particularly relevant to this Plan: Preferential procurement; and investment in black owned or managed enterprises.

o) National Small Business Act (No. 12 of 1996)

The Act provides a classification for SMMEs. The definition of a small business, according to Act, provides for micro, very small, small and medium enterprises, by major economic classes, according to employment, turnover and gross asset value.

p) Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises (2007)

This targets support to priority areas and sectors as well as broadens support programmes and streamlining of support institutions.

National policies identified as relevant to entrepreneurship and small business development include the National Industrial Policy Framework, which supports ASGISA and provides strategic direction for industrial development (intensification and diversification into value-adding, labour-absorbing, knowledge economy) together with key public sector principles with respect to the design and implementation of industrial and sector policies. Other supportive national policies include: ASGISA; B-BBEE; the Micro-economic reform strategy; the Draft Regional Industrial Development Strategy; National strategy for the development and promotion of franchising in SA; Strategic framework on gender and women's economic empowerment; National youth enterprise strategy; Co-operatives policy and development draft strategy; and the Draft strategy framework for forestry enterprise development. South African Co-operatives Act (No. 14 of 2005) sets out legislation supporting co-operatives' development in South Africa.

q)The South African Economic Reconstruction and Recovery Plan 2020

The South African Economic Reconstruction and Recovery Plan has three phases:

Engage and Preserve - which includes a comprehensive health response to save lives and curb the spread of the pandemic;

Recovery and Reform - which includes interventions to restore the economy while controlling the health risks;

Reconstruct and Transform - which entails building a sustainable, resilient and inclusive economy.

In terms of the Plan, the following priority interventions will be made:

• Aggressive infrastructure investment;

• Employment orientated strategic localization, reindustrialization and export promotion;

• Energy security;

• Support for tourism recovery and growth;

• Gender equality and economic inclusion of women and youth;

• Green economy interventions;

• Mass public employment interventions;

• Strengthening food security;

• Macro-economic interventions

To ensure the successful implementation of the Plan, the following key enablers will be put in place: • Resource mobilisation;

• Regulatory changes, a supportive policy environment and enabling conditions for ease of doing business;

• Building a capable state;

• Social compacting;

• Skills development;

• Economic diplomacy and further integration into the African continent

The end goal is to pursue and infrastructure led economic reconstruction and recovery with investment in infrastructure that will stimulate the various sectors of the economy.

To support economic reconstruction and recovery, the following structural reforms will be implemented:

• Modernizing and reforming network industries and associated state owned enterprises;

• Re-orienting trade policies and pursuing greater regional integration to boost exports, employment and innovation;

• Lowering barriers to entry to make it easier for businesses to start, grow, and compete;

• Supporting labour-intensive sectors such as tourism and agriculture to achieve more inclusive growth;

• Creating greater levels of economic inclusion, including through addressing high levels of economic concentration;

• Addressing the weak job-creating capacity of the economy;

• Boosting education and skills development;

• Promoting greater beneficiation of raw materials;

• Addressing racial, gender and geographical inequalities which hamper deeper economic growth and development.

Specific short, medium and long-term interventions required to strengthen key sectors of the economy will also be made. The collective impact of these sectoral interventions are intended to bring South Africa back on course towards the targets set in the National Development Plan; Vision 2030. These include: • Growing the economy at a rate of 5,4%; • Reducing the unemployment rate to 6%; • Increasing investment as a share of GDP to 30%; • Reducing inequality as measured by the Gini Coefficient to 0.60; and • Total eradication of poverty. It is acknowledged that the attainment of Vision 2030 and these targets have been made more difficult by the COVID-19 crisis.

3.2.Provincial Policy Framework

a) The Eastern Cape Vision 2030

The vision is intended to mobilise all citizens and sectors of the Eastern Cape around a common vision. It sets the development agenda and priorities for the next 15 years (2015-2030), building on the Provincial Growth and Development Plan (PGDP) of 2004-2014. The plan addresses the following priorities: i Redistributive, inclusive and spatially equitable economic development and growth ii Quality Health iii Education, Training & Innovation iv Institutional Capabilities .

This set of priorities gives rise to the following five goals of the Vision 2030 PDP:

Goal 1: A growing, inclusive and equitable economy which seeks to ensure a larger and more efficient provincial economy; more employment; and reduced inequalities of income and wealth. Goal 2: A healthy population through an improved health care system for the Eastern Cape.

Goal 3: An educated, innovative citizenry.

Goal 4: Vibrant communities who make their own decisions un reliant on government.

Goal 5: Capable, conscientious and accountable institutions. This goal seeks to build capable, resilient and accountable institutions to enable and champion rapid inclusive development.

b) Spatial Development Plan (SDP)

The SDP sets out broad framework for the investment of public funding and management of development in the Eastern Province. The following principles are therefore adopted:

o A focus on developing nodes and areas where economic opportunities and resources exist, or where such opportunities can be stimulated

o Investment should be targeted into areas where the economic opportunities and returns are greatest

o Inter-departmental investment linkages should be identified in order to maximize benefits and achieve a coordinated effort

o Social expenditure on basic infrastructure for basic needs should be specified as spin-offs from economic development investments, wherever possible.

c) The Eastern Cape Industrial Strategy

The focus is on key economic sectors, namely: Agro-processing (especially biofuels), Forestry and timber industries, Tourism and cultural industries, Business process outsourcing (BPO), Construction ,Chemicals, Metals processing, Auto sector, Clothing and textiles

d) Eastern Cape Rural Development Strategy

The strategy asserts that "rural development must be a process where people are involved in creating a different society, an inclusive process of animating self-organisation. Rural Development must thus be premised on mobilisation and organisation of people within communities. Government systems and structures must support such forms of organisation and create an environment where people's own development and organisation can thrive." (Draft Eastern Cape Rural Development Strategy: pp 9). The pillars of the Rural Development Strategy are:

- o Land reform,
- o Agrarian transformation and food security,
- o Non-farm rural economy,
- o Infrastructure,
- o Social and human development
- o Enabling environment

With particular reference to the development of the local economy in Joe Gqabi DM, the Strategy seeks to:

- Facilitate the acceleration of land redistribution for sustainable rural development;
- Reduce the barriers to economic development due to land tenure
- Facilitate access to tenure security that creates socio-economic opportunities for people living and working on farms and in communal areas;
- Facilitate access to rights in land, including land ownership and sustainable development;
- Provide an environment which is pro-poor and LED-enabling:
- Provide efficient state land management that supports social and economic development;

- Accelerate participation, equity and productivity in agricultural development
- Facilitate and support access to markets and distribution channels for rural farmers
- Provide water and sanitation infrastructure to rural
- Facilitate accelerated access to energy
- Co-ordinate and ensure access to quality services
- Create economic opportunities for sustainable livelihoods through non-farm activities, including Agro-processing, Forestry, Marine and in-land fisheries ,Tourism and Other LED and small-scale initiatives
- Improve rural roads, transport and logistics network

e) The Eastern Cape Provincial Industrial Development Strategy (PIDS)

PIDS has 3 strategic imperatives:

Economic Growth: Increasing economic growth through strengthening of existing sectors and investment into new high potential industrial sectors, coupled with state investment in infrastructure. ·

Labour Absorption: Improved labour absorption through skills development, especially for the youth, and through spatial spread of sectors, especially manufacturing industry.

Job Retention: The net retention of existing jobs through the development of sectoral industrial policies and strategies and through the utilization of bridging and retraining strategies in declining industries.

Six priority sectors have been identified: Ago-processing ,Petro-chemicals , Automotive ,Tourism ,Capital goods, Green industries – renewable energies

f) Eastern Cape Jobs Strategy

Has 5 pillars, namely: ·Retain existing jobs, Stimulate new jobs in priority sectors ,Build our social economy ,Increase the pace of Provincial economic infrastructure investments in critical areas ,Radically improve our skills development processes.

Similar to other strategies, the Jobs Strategy highlights the following areas of comparative advantage for the Eastern Cape.

In Senqu, there is scope to consider the development of aquaculture – especially trout – in the District (JGDM LED Strategy, 2014:18)

g) The Eastern Cape Tourism Master Plan 2009-2014

The plan highlights 8 areas of intervention which are critical when seeking to grow the tourism sector in the Eastern Cape, namely: · Tourism product development · Tourism marketing · Human resource development · The development of tourism relevant infrastructure · Transformation of the tourism sector · Tourism research and information · Tourist safety and security · Management of the tourism sector .

3.3.District Policy Framework

a) The JGDM LED Strategy 2014

The strategy has the following goals: ❑ Goal 1: Grow priority sectors namely agriculture (including Forestry), agro-processing, trade and tourism (Maintain current agricultural employment levels; Grow employment in trade) ❑ Goal 2: Improve government capacity (Allow for only 12% vacancy rate in all government institutions situated in JGDM) ❑ Goal 3: Stimulate economic growth through government and private sector investment (Maintain current levels of government investment in JGDM to 2012, increasing to 2% annually between 2012 and 2014; Match provincial economic growth rate ultimately reaching a 4-5% growth rate) ❑ Goal 4: Environmental sustainability (Ensure that at least 10% of critically endangered, endangered and vulnerable vegetation is formally conserved) These goals and objectives are aligned into five strategic pillars, with associated programmes and projects, as follows: Infrastructure Investment; Institutional Development; Investment Promotion; Sector Development; and Environmental Management. Further, the LED Strategy argues that, in order to realise the District vision and objectives, it is essential that an environment conducive to growth be created which involves activities that both tackle constraints boost economic activity.

b) The 2007 District GDS Summit

The summit was convened following the National GDS, in June 2003, and the Eastern Cape Job Summit, in February 2006, resulting in the GDS agreement, signed by key stakeholders, in line with the national framework, notably ASGISA. The GDS Agreement is based on eight key anchor projects, or priority programmes, which are in turn informed by, and related back to, the District IDP, targeted driving growth and development in the District over the next five to ten years. The eight anchor programmes are: ❑ The timber cluster development programme ❑ Maximizing tourism potentials in the District area ❑ Development programme for maximizing agricultural potentials ❑ Eradication of backlogs in water and sanitation ❑ Service upgrading in primary and secondary towns, key rural nodes and mobility corridors ❑ Improvement of access and linkages to basic services to support the economy ❑ Creation of a secure social safety net ❑ Governance and administration development programme.

c) The District IDP

The IDP is directed towards the JGDM's vision of "An improved quality of life for all residents" and its mission to "Fight poverty through stimulating the economy and by meeting basic needs, improving service delivery quality and capacitating government and communities within a sustainable environment." The IDP aims to change the economic direction of the District, to bring in more investment to the area, thereby impacting on poverty through job retention as well as job creation. The IDP looks at the District economy as a whole and aims for a collective effort across sectors, departments and spheres. An integral component of the IDP is the District SDF. Both the IDP and SDF are very closely aligned to the PGDP, as well as being informed by the District GDS and the Rural Development Strategy.

D) The 2009 District Tourism Marketing and Development Plan

The plan is directed towards the vision "To develop the district to become a leading tourist destination where all tourists can experience its unique natural and cultural heritage in a secure and unspoiled environment, and where the tourism sector operates in a coordinated, integrated and all-inclusive manner for the benefit of all citizens." Accordingly, the Plan's tourism mission is to: o Provide an enabling environment in which the District tourism industry can thrive and as a result benefit all citizens within the District. o Facilitate and coordinate the management and development of the tourism sector in the District in conjunctions with all key tourism stakeholders. o Source appropriate funding for desired tourism development projects. o Ensure institutional alignment of tourism plan with other programme and policy documents. o Strategically invest in the sector in order to enhance the value of tourist attractions within the District, by providing adequate infrastructure and promoting the District as a tourism destination. To achieve this vision and mission, the Plan focuses on five areas, with associated objectives, of: Tourism product development; Marketing and branding; Infrastructure development; Human resource development; and the Creation of an enabling environment.

d) The Southern Drakensberg Development Strategy

The overarching goal of the Southern Drakensberg Development Strategy is to improve the quality of life of individuals in the eastern portion of the District, while the Strategy's primary objective is to investigate the opportunity to sustainably unlock the region's economic potential while further aiming to strengthen the environmental sustainability of IDPs and SDFs and addressing key structural and systems issues inhibiting the economic potential of the area (JGDM LED Strategy2014: 23- 24)

3.4. Local municipal policy

a) The IDP

The municipal IDP highlights that the main sectors which are capable of growth are the agricultural industry particularly the wool industry and niche agricultural products like stone fruit production. The second industry is that of tourism which is focussed on self-drive options. Adventure tourism , adventure events and snow skiing (Senqu IDP 2022-2027)

b) The SDF

The SDF identifies areas of natural beauty and that are environmental sensitive that must be protected such as the mountain passes alpine environment, Tiffindell ski resort and Lammergeir nature reserve (Senqu SDF 2017)

c) The Responsible Tourism Plan

The responsible tourism plan has the following pillars: Infrastructure Support Base • Product Development and Transformation • Marketing the Destination • Collaborative Institutional Functioning • Monitoring and Understanding the Tourism Economy. The emphasis in the plan is on improving the existing tourism infrastructure, packaging products and experiences , creating structures, promoting existing events and creating others and lastly constantly gathering and analysing data on tourists in the area (Senqu Responsible Tourism Plan, 2018).

Chapter 4 The economy of Senqu Municipality

4.1 Introduction

The economy of Senqu Local Municipality is in decline as is that of South Africa. However the hope is that the Covid recovery plan will assist in stimulating the growth of the economy.

4.2. Gross Domestic Product by Region (GDP-R)

Gross Domestic Product by Region (GDP-R) represents the value of all goods and services produced within a region, over a period of one year, plus taxes and minus subsidies.

TABLE 7.   GDP - 2010-2020 [R BILLIONS, CURRENT PRICES]

	Senqu	Joe Gqabi	Eastern Cape	National Total	Senqu as % of district municipality	Senqu as % of province	Senqu as % of national
2010	2.1	6.5	211.6	2,748.0	32.1%	0.99%	0.08%
2011	2.3	7.1	226.0	3,023.7	32.1%	1.01%	0.08%
2012	2.6	8.1	252.3	3,253.9	32.3%	1.03%	0.08%
2013	2.9	8.8	273.2	3,540.0	32.4%	1.04%	0.08%
2014	3.1	9.6	293.6	3,805.3	32.5%	1.06%	0.08%
2015	3.4	10.3	316.3	4,049.9	32.5%	1.06%	0.08%
2016	3.6	11.0	334.4	4,359.1	32.5%	1.06%	0.08%
2017	3.8	11.7	358.6	4,653.6	32.6%	1.07%	0.08%
2018	4.0	12.3	375.5	4,873.9	32.6%	1.06%	0.08%
2019	4.1	12.6	387.4	5,077.6	32.7%	1.06%	0.08%
2020	4.0	12.3	378.1	4,973.0	32.6%	1.06%	0.08%

Source: IHS Markit Regional eXplorer version 2142

Senqu Municipality GDP has grown from 2.1 billion in 2010 to a GDP of R 4 billion in 2020 and contributed 32.63% to the Joe Gqabi District Municipality GDP of R 12.3 billion in 2020 up from 32.12% in 2010. The Senqu Local Municipality contributes 1.06% to the Eastern Cape economy. Although it would seem as though there has been a growth, it must be remembered that the value of the rand has declined over the same period.

TABLE 8.   GROSS DOMESTIC PRODUCT (GDP) - 2010-2020 [CONSTANT 2010 PRICES]

	Senqu	Joe Gqabi	Eastern Cape	National Total
2010	3.6%	2.7%	2.4%	3.0%
2011	4.7%	5.1%	3.7%	3.3%
2012	3.8%	2.9%	2.0%	2.2%
2013	2.1%	2.1%	1.4%	2.5%
2014	2.6%	2.3%	1.3%	1.8%
2015	1.6%	1.1%	0.8%	1.2%
2016	0.1%	-0.1%	0.7%	0.4%
2017	1.3%	0.9%	0.6%	1.4%
2018	0.2%	0.3%	0.6%	0.8%
2019	0.2%	-0.1%	0.0%	0.2%
2020	-5.9%	-6.3%	-6.7%	-7.0%
Average Annual growth 2010-2020	*1.03*%	*0.79*%	*0.41*%	*0.64*%

Source: IHS Markit Regional eXplorer version 2142

When one looks at constant prices the growth in 2020 of -5.9 % is higher than the -6.7%, GDP growth of the Eastern Cape Province's and that of South Africa. The longer-term average growth rate for Senqu (1.03%) is slightly higher than that of South Africa (0.64%). The economic growth in Senqu peaked in 2011 at 4.69%.

TABLE 9.   GDP - JOE GQABI DISTRICT MUNICIPALITY, 2010 TO 2020, SHARE AND GROWTH

|	2020 (Current prices)	Share of district municipality	2010 (Constant prices)	2020 (Constant prices)	Average Annual growth
Senqu	4.00	*32.63*%	2.12	2.35	*1.03*%
Elundini	2.48	*20.20*%	1.41	1.45	*0.29*%
Walter Sisulu	5.79	*47.16*%	3.06	3.33	*0.84*%

Source: IHS Markit Regional eXplorer version 2142

Senqu Municipality is second highest contributor to the JGDM GDP. It has had a higher average annual growth than other municipalities in JGDM of 1.03 %.

Economic Growth Forecast

It is expected that Senqu Local Municipality will grow at an average annual rate of 2.37% from 2020 to 2025. The average annual growth rate in the GDP of Joe Gqabi District Municipality and Eastern Cape

Province is expected to be 1.98% and 2.51% respectively. South Africa is forecasted to grow at an average annual growth rate of 2.69%, which is higher than that of the Senqu Local Municipality.

TABLE 10. GROSS DOMESTIC PRODUCT (GDP) - SENQU, JOE GQABI, EASTERN CAPE AND NATIONAL TOTAL, 2010-2025 [AVERAGE ANNUAL GROWTH RATE, CONSTANT 2010 PRICES]
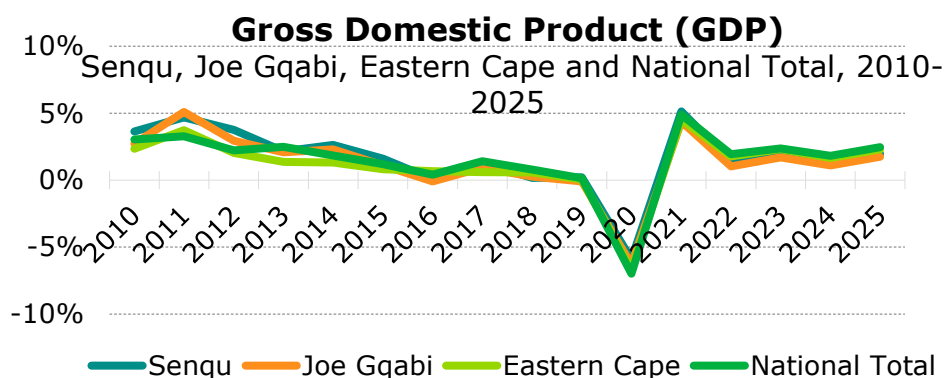
In 2025, Senqu's forecasted GDP will be an estimated R 2.64 billion (constant 2010 prices) or 33.6% of the total GDP of Joe Gqabi District Municipality. The ranking in terms of size of the Senqu Local Municipality will remain the same between 2020 and 2025, with a contribution to the Joe Gqabi District Municipality GDP of 33.6% in 2025 compared to the 33.0% in 2020. At a 2.37% average annual GDP growth rate between 2020 and 2025, Senqu ranked the highest compared to the other regional economies.

TABLE 11. GROSS DOMESTIC PRODUCT (GDP) - REGIONS WITHIN JOE GQABI DISTRICT MUNICIPALITY, 2010 TO 2025, SHARE AND GROWTH

	2025 (Current prices)	Share of district municipality	2010 (Constant prices)	2025 (Constant prices)	Average Annual growth
Senqu	5.67	*33.35%*	2.12	2.64	*1.47*%
Elundini	3.37	*19.81%*	1.41	1.55	*0.65*%
Walter Sisulu	7.96	*46.84%*	3.06	3.67	*1.21*%

Source: IHS Markit Regional eXplorer version 2142

Gross Value Added by Region (GVA-R)

The Senqu Local Municipality's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its *value added* produced in the local economy.

Definition: Gross Value Added (GVA) is a measure of output (total production) of a region in terms of the value that was created within that region. GVA can be broken down into various production sectors.

The summary table below puts the Gross Value Added (GVA) of all the regions in perspective to that of the Senqu Local Municipality.

TABLE 12. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - SENQU LOCAL MUNICIPALITY, 2020 [R BILLIONS, CURRENT PRICES]
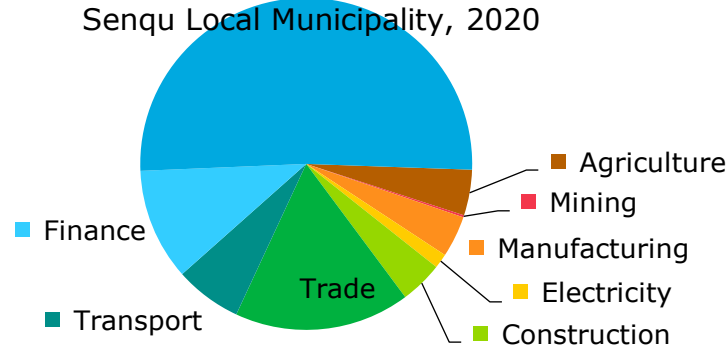
	Senqu	Joe Gqabi	Eastern Cape	National Total	Senqu as % of district municipality	Senqu as % of province	Senqu as % of national
Agriculture	0.2	0.5	6.3	119.6	29.9%	2.6%	0.14%
Mining	0.0	0.0	0.5	371.9	47.3%	1.5%	0.00%
Manufacturing	0.1	1.0	43.5	573.4	15.3%	0.3%	0.03%
Electricity	0.1	0.1	9.1	167.2	36.5%	0.6%	0.03%
Construction	0.2	0.4	10.9	140.2	41.7%	1.4%	0.11%
Trade	0.6	2.1	65.7	655.2	29.8%	0.9%	0.09%
Transport	0.2	0.8	27.0	396.4	30.9%	0.9%	0.06%
Finance	0.4	1.3	61.8	879.5	30.0%	0.6%	0.05%
Community services	1.9	4.8	111.1	1,125.3	38.5%	1.7%	0.17%
Total Industries	**3.6**	**11.0**	**335.8**	**4,428.7**	**33.0%**	**1.1%**	**0.08%**

Source: IHS Markit Regional eXplorer version 2142

In 2020, the community services sector is the largest within Senqu Local Municipality accounting for R 1.86 billion or 51.2% of the total GVA in the local municipality's economy. The sector that contributes the second most to the GVA of the Senqu Local Municipality is the trade sector at 17.1%, followed by the finance sector with 10.9%. The sector that contributes the least to the economy of Senqu Local Municipality is the mining sector with a contribution of R 7.4 million or 0.20% of the total GVA.

Gross Value Added (GVA) by broad economic sector

Senqu Local Municipality, 2020

Source: IHS Markit Regional eXplorer version 3143

The community sector, which includes the government services, is generally a large contributor towards GVA. When looking at all the regions within the Joe Gqabi District Municipality, it is clear that the Senqu contributes the most community services towards its own GVA, with 38.46%, relative to the other regions within Joe Gqabi District Municipality. The Senqu contributed R 3.64 billion or 32.96% to the GVA of Joe Gqabi District Municipality. The region within Joe Gqabi District Municipality that contributes the most to the GVA of the Joe Gqabi District Municipality was the Walter Sisulu with a total of R 5.16 billion or 46.73%.

CHART 3. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - SENQU, ELUNDINI AND WALTER SISULU, 2020 [PERCENTAGE COMPOSITION]

Gross Value Added (GVA) by broad economic sector

Senqu Local Municipality, 2020
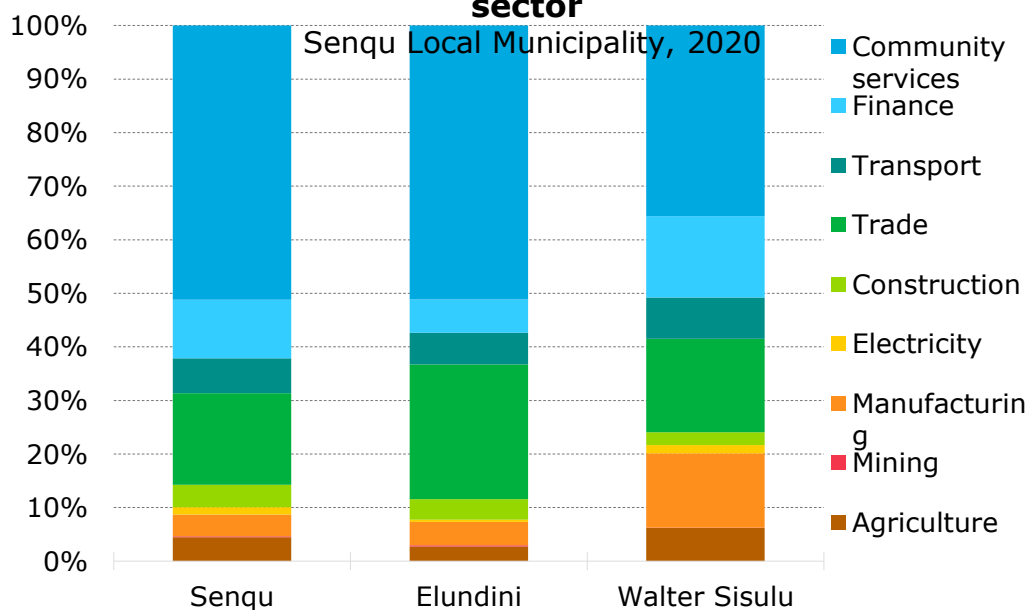
Source: IHS Markit Regional eXplorer version 2142

1.   *Historical Economic Growth*

For the period 2020 and 2010, the GVA in the finance sector had the highest average annual growth rate in Senqu at 2.18%. The industry with the second highest average annual growth rate is the community services sector averaging at 1.25% per year. The construction sector had an average annual growth rate of -1.13%, while the electricity sector had the lowest average annual growth of -2.69%. Overall a negative growth existed for all the industries in 2020 with an annual growth rate of -5.39% since 2019.
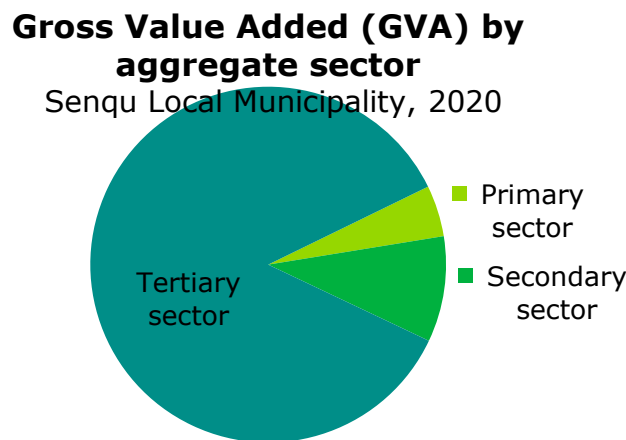
TABLE 13. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - SENQU LOCAL MUNICIPALITY, 2010, 2015 AND 2020 [R MILLIONS, 2010 CONSTANT PRICES]

	2010	2015	2020	Average Annual growth
Agriculture	68.4	86.6	76.4	*1.11*%
Mining	10.4	9.7	11.2	*0.74*%
Manufacturing	81.2	90.0	80.7	*-0.06*%
Electricity	18.6	16.8	14.2	*-2.69*%
Construction	100.7	118.9	89.9	*-1.13*%
Trade	346.1	419.1	389.7	*1.20*%
Transport	139.0	165.0	141.9	*0.21*%
Finance	218.3	271.0	270.8	*2.18*%
Community services	973.5	1,083.3	1,101.8	*1.25*%
Total Industries	**1,956.2**	**2,260.4**	**2,176.6**	*1.07*%

Source: IHS Markit Regional eXplorer version 2142

The tertiary sector contributes the most to the Gross Value Added within the Senqu Local Municipality at 85.7%. This is significantly higher than the national economy (69.0%). The secondary sector contributed a total of 9.6% (ranking second), while the primary sector contributed the least at 4.7%.

CHART 4. GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR - SENQU
LOCAL MUNICIPALITY, 2020 [PERCENTAGE]

**Gross Value Added (GVA) by
aggregate sector**
Senqu Local Municipality, 2020

■ Primary
sector

■ Secondary
sector

Tertiary
sector

Source: IHS Markit Regional eXplorer version

The following is a breakdown of the Gross Value Added (GVA) by aggregated sector:

2.   Primary Sector

The primary sector consists of two broad economic sectors namely the mining and the agricultural
sector. The following chart represents the average growth rate in the GVA for both of these sectors in
Senqu Local Municipality from 2010 to 2020.

CHART 5. GROSS VALUE ADDED (GVA) BY PRIMARY SECTOR - SENQU, 2010-2020 [ANNUAL
PERCENTAGE CHANGE]

**Gross value added (GVA) by primary
sector**
Senqu, 2010-2020

━━ Agriculture   ━━ Mining

Source: IHS Markit Regional eXplorer version
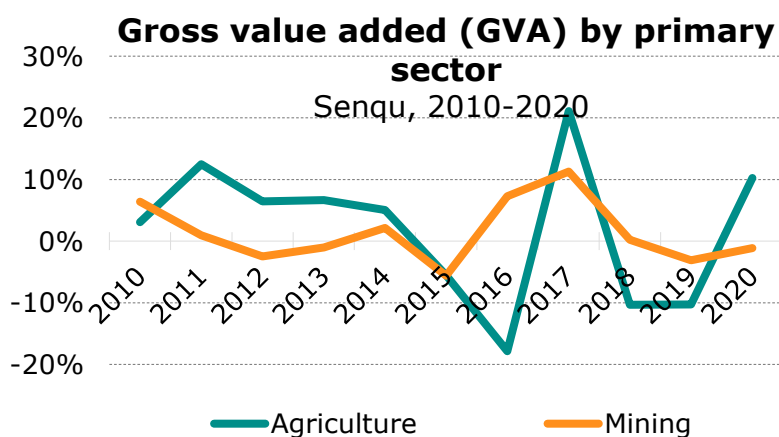
Between 2010 and 2020, the agriculture sector experienced the highest positive growth in 2017 with an
average growth rate of 21.1%. It is evident for the mining sector that the highest positive growth rate
also existed in 2017 and it experienced a growth rate of 11.3% which is lower than that of the agricultural
sector. The agricultural sector experienced the lowest growth for the period during 2016 at -17.9%,
while the mining sector reaching its lowest point of growth in 2015 at -5.6%. Both the agriculture and
mining sectors are generally characterised by volatility in growth over the period.

3.   Secondary Sector

The secondary sector consists of three broad economic sectors namely the manufacturing, electricity and the construction sector. The following chart represents the average growth rates in the GVA for these sectors in Senqu Local Municipality from 2010 to 2020.

CHART 6. GROSS VALUE ADDED (GVA) BY SECONDARY SECTOR - SENQU, 2010-2020 [ANNUAL PERCENTAGE CHANGE]

Gross value added (GVA) by secondary sector
Senqu, 2010-2020

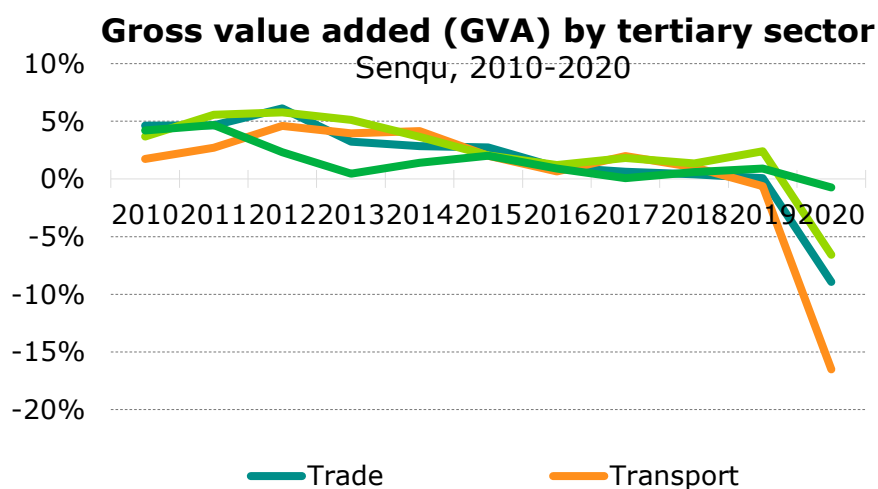Source: IHS Markit Regional eXplorer version 2142
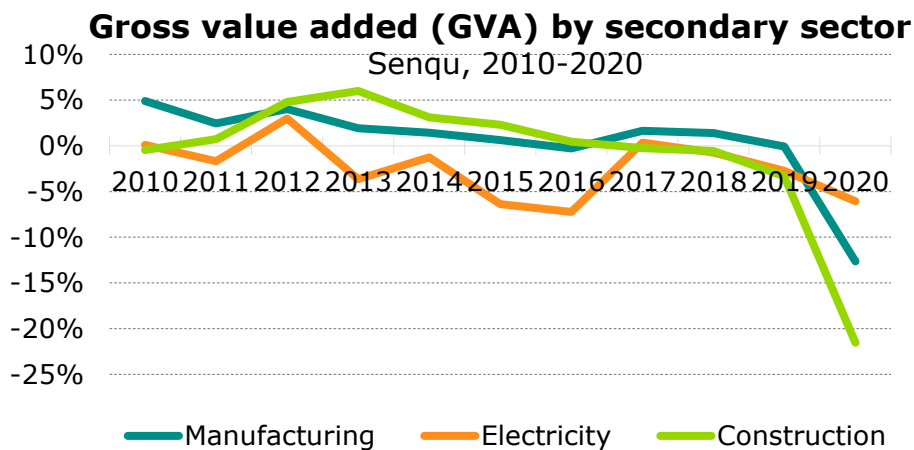
Between 2010 and 2020, the manufacturing sector experienced the highest positive growth in 2010 with a growth rate of 4.9%. The construction sector reached its highest growth in 2013 at 6.0%. The manufacturing sector experienced its lowest growth in 2020 of -12.6%, while construction sector also had the lowest growth rate in 2020 and it experiences a negative growth rate of -21.5% which is higher growth rate than that of the manufacturing sector. The electricity sector experienced the highest growth in 2012 at 3.0%, while it recorded the lowest growth of -7.2% in 2016.

4.   Tertiary Sector

The tertiary sector consists of four broad economic sectors namely the trade, transport, finance and the community services sector. The following chart represents the average growth rates in the GVA for these sectors in Senqu Local Municipality from 2010 to 2020.

CHART 7.   GROSS VALUE ADDED (GVA) BY TERTIARY SECTOR - SENQU, 2010-2020 [ANNUAL
             PERCENTAGE CHANGE]

Gross value added (GVA) by tertiary sector
Senqu, 2010-2020

Source: IHS Markit Regional eXplorer version 2143

The trade sector experienced the highest positive growth in 2012 with a growth rate of 6.1%. It is
evident for the transport sector that the highest positive growth rate also existed in 2012 at 4.6% which
is lower than that of the manufacturing sector. The finance sector experienced the highest growth rate
in 2012 when it grew by 5.8% and recorded the lowest growth rate in 2020 at -6.6%. The Trade sector
also had the lowest growth rate in 2020 at -8.9%. The community services sector, which largely consists
of government, experienced its highest positive growth in 2011 with 4.7% and the lowest growth rate in
2020 with -0.7%.

5.   *Sector Growth forecast*

The GVA forecasts are based on forecasted growth rates derived from two sources: historical growth
rate estimates and national level industry forecasts. The projections are therefore partly based on the
notion that regions that have performed well in the recent past are likely to continue performing well
(and vice versa) and partly on the notion that those regions that have prominent sectors that are forecast
to grow rapidly in the national economy (e.g. finance and telecommunications) are likely to perform well
(and vice versa). As the target year moves further from the base year (2010) so the emphasis moves
from historical growth rates to national-level industry growth rates.

TABLE 14. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - SENQU LOCAL MUNICIPALITY, 2020-2025 [R MILLIONS, CONSTANT 2010 PRICES]

	2020	2021	2022	2023	2024	2025	Average Annual growth
Agriculture	76.4	79.7	76.4	76.3	77.7	79.5	*0.79*%
Mining	11.2	12.7	12.2	11.6	11.2	10.9	*-0.38*%
Manufacturing	80.7	85.2	87.4	89.6	90.5	92.1	*2.67*%
Electricity	14.2	14.6	15.0	15.4	15.8	16.2	*2.78*%
Construction	89.9	90.4	92.7	95.3	97.8	100.7	*2.30*%
Trade	389.7	418.9	433.0	447.5	454.1	463.6	*3.53*%
Transport	141.9	152.5	157.6	162.1	165.4	169.6	*3.63*%
Finance	270.8	277.3	286.7	294.4	301.8	310.8	*2.80*%
Community services	1,101.8	1,156.3	1,154.4	1,168.6	1,179.2	1,199.3	*1.71*%
Total Industries	**2,176.6**	**2,287.7**	**2,315.3**	**2,361.0**	**2,393.6**	**2,442.8**	*2.33*%

Source: IHS Markit Regional eXplorer version 2142

The transport sector is expected to grow fastest at an average of 3.63% annually from R 142 million in Senqu Local Municipality to R 170 million in 2025. The community services sector is estimated to be the largest sector within the Senqu Local Municipality in 2025, with a total share of 49.1% of the total GVA (as measured in current prices), growing at an average annual rate of 1.7%. The sector that is estimated to grow the slowest is the mining sector with an average annual growth rate of -0.38%.

TABLE 15. GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR - SENQU LOCAL MUNICIPALITY, 2020-2025 [ANNUAL GROWTH RATE, CONSTANT 2010 PRICES]
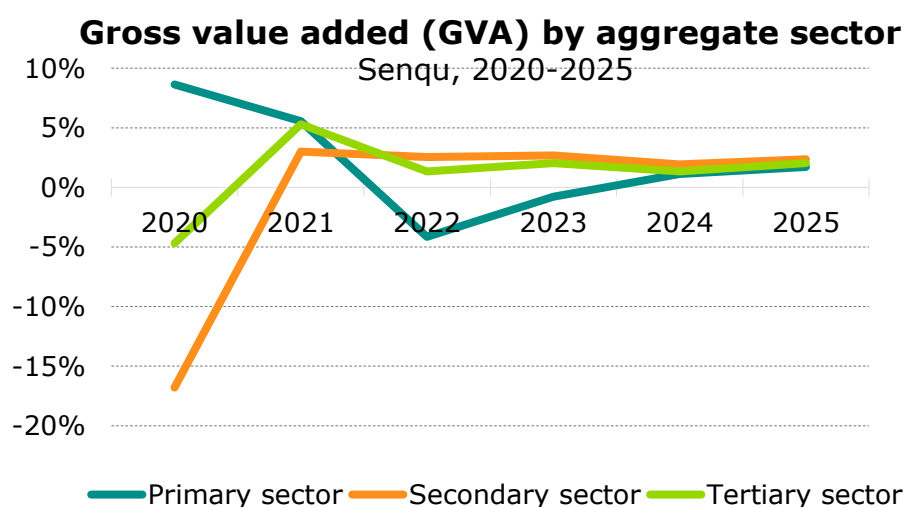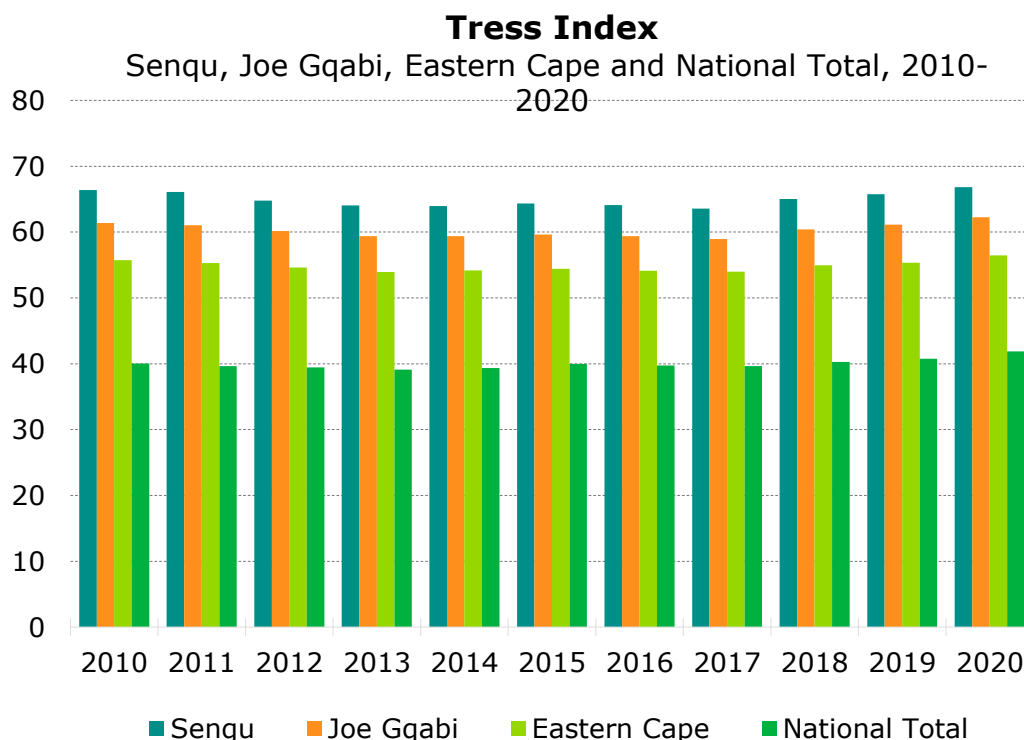

Source: IHS Markit Regional eXplorer version 2142

The Primary sector is expected to grow at an average annual rate of 0.64% between 2020 and 2025, with the Secondary sector growing at 2.50% on average annually. The Tertiary sector is expected to grow at an average annual rate of 2.39% for the same period.

> *Based on the typical profile of a developing country, we can expect faster growth in the secondary and tertiary sectors when compared to the primary sector. Also remember that the agricultural sector is prone to very high volatility as a result of uncertain weather conditions, pests and other natural causes - and the forecasts presented here is merely a long-term trend rather than trying to forecast the unpredictable weather conditions.*

6.   **Tress Index**

Definition: The Tress index measures the degree of concentration of an area's economy on a sector basis. A Tress index value of 0 means that all economic sectors in the region contribute equally to GVA, whereas a Tress index of 100 means that only one economic sector makes up the whole GVA of the region.

CHART 8.   TRESS INDEX - SENQU, JOE GQABI, EASTERN CAPE AND NATIONAL TOTAL, 2010-2020 [NUMBER]

Tress Index
Senqu, Joe Gqabi, Eastern Cape and National Total, 2010-2020

■ Senqu   ■ Joe Gqabi   ■ Eastern Cape   ■ National Total

In 2020, Senqu's Tress Index was estimated at 66.8 which are higher than the 62.2 of the district municipality and higher than the 62.2 of the province. This implies that - on average - Senqu Local

Municipality is less diversified in terms of its economic activity spread than the province's economy as a whole.

The Senqu Local Municipality has a concentrated community services sector.

The more diverse an economy is, the more likely it is to create employment opportunities across all skills levels (and not only - for instance - employment opportunities that cater for highly skilled labourers) and maintain a healthy balance between labour-intensive and capital-intensive industries. If both economic growth and the alleviation of unemployment are of concern, clearly there need to be industries that are growing fast and also creating jobs in particular the lower skilled categories. Unfortunately, in practice many industries that are growing fast are not those that create many employment opportunities for unskilled labourers (and alleviate unemployment).

7.   **Location Quotient**

Definition: A specific regional economy has a comparative advantage over other regional economies if it can more efficiently produce the same good. The location quotient is one way of measuring this comparative advantage.

If the location quotient is larger than one for a specified sector within a region, then that region has a comparative advantage in that sector. This is because the share of that sector of the specified regional economy is greater than the same sector in the national economy. The location quotient is usually computed by taking the percentage share of the sector in the regional economy divided by the percentage share of that same sector in the national economy.

CHART 9.   LOCATION QUOTIENT BY BROAD ECONOMIC SECTORS - SENQU LOCAL MUNICIPALITY AND SOUTH AFRICA, 2020 [NUMBER]
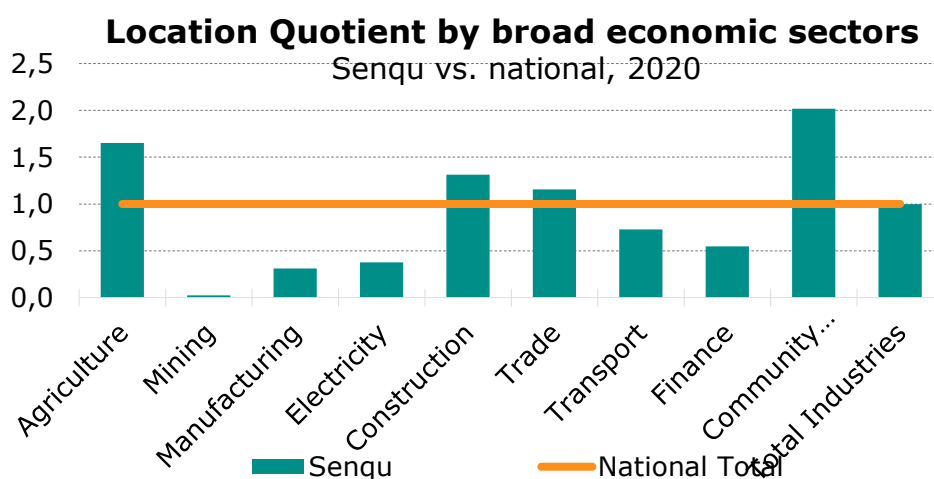
Source: IHS Markit Regional eXplorer version 2143

For 2020 Senqu Local Municipality has a very large comparative advantage in the community services sector. The agriculture sector also has a very large comparative advantage. The construction also has a comparative advantage when comparing it to the South Africa economy as a whole, although less

prominent. The Senqu Local Municipality has a comparative disadvantage when it comes to the mining and manufacturing sector which has a very large comparative disadvantage. In general mining is a very concentrated economic sector. Unfortunately the Senqu Local Municipality area currently does not have a lot of mining activity, with an LQ of only 0.0242.

8.   **Labour**

The labour force of a country consists of everyone of working age (above a certain age and below retirement) that are participating as workers, i.e. people who are actively employed or seeking employment. This is also called the economically active population (EAP). People not included are students, retired people, stay-at-home parents, people in prisons or similar institutions, people employed in jobs or professions with unreported income, as well as discouraged workers who cannot find work.

TABLE 16. WORKING AGE POPULATION IN SENQU, JOE GQABI, EASTERN CAPE AND NATIONAL TOTAL, 2010 AND 2020 [NUMBER]

	Senqu		Joe Gqabi		Eastern Cape		National Total	
	2010	2020	2010	2020	2010	2020	2010	2020
15-19	15,700	12,300	39,300	31,700	713,000	614,000	5,220,000	4,730,000
20-24	14,100	10,500	34,900	28,700	657,000	552,000	5,350,000	4,780,000
25-29	10,400	12,900	27,200	35,700	542,000	672,000	4,780,000	5,460,000
30-34	8,720	13,300	22,400	34,700	445,000	630,000	3,900,000	5,580,000
35-39	8,020	10,400	21,300	27,800	427,000	515,000	3,420,000	4,800,000
40-44	6,460	7,460	17,400	20,200	367,000	414,000	2,810,000	3,740,000
45-49	5,770	6,880	15,600	18,500	322,000	384,000	2,520,000	3,180,000
50-54	5,110	5,640	13,800	15,300	277,000	322,000	2,150,000	2,570,000
55-59	4,310	5,760	11,500	15,100	214,000	285,000	1,750,000	2,270,000
60-64	3,890	6,040	10,100	15,300	178,000	246,000	1,410,000	1,900,000
Total	**82,500**	**91,300**	**213,000**	**243,000**	**4,140,000**	**4,630,000**	**33,300,000**	**39,000,000**

Source: IHS Markit Regional eXplorer version 2142

The working age population in Senqu in 2020 was 91 300, increasing at an average annual rate of 1.02% since 2010. For the same period the working age population for Joe Gqabi District Municipality increased at 1.30% annually, while that of Eastern Cape Province increased at 1.13% annually. South Africa's working age population has increased annually by 1.60% from 33.3 million in 2010 to 39 million in 2020.

The graph below combines all the facets of the labour force in the Senqu Local Municipality into one compact view. The chart is divided into "place of residence" on the left, which is measured from the population side, and "place of work" on the right, which is measured from the business side.

CHART 10. LABOUR GLIMPSE - SENQU LOCAL MUNICIPALITY, 2020

Labour Glimpse

Place of Residence   Senqu Local Municipality, 2020   Place of Work

Source: IHS Markit Regional eXplorer version 2142
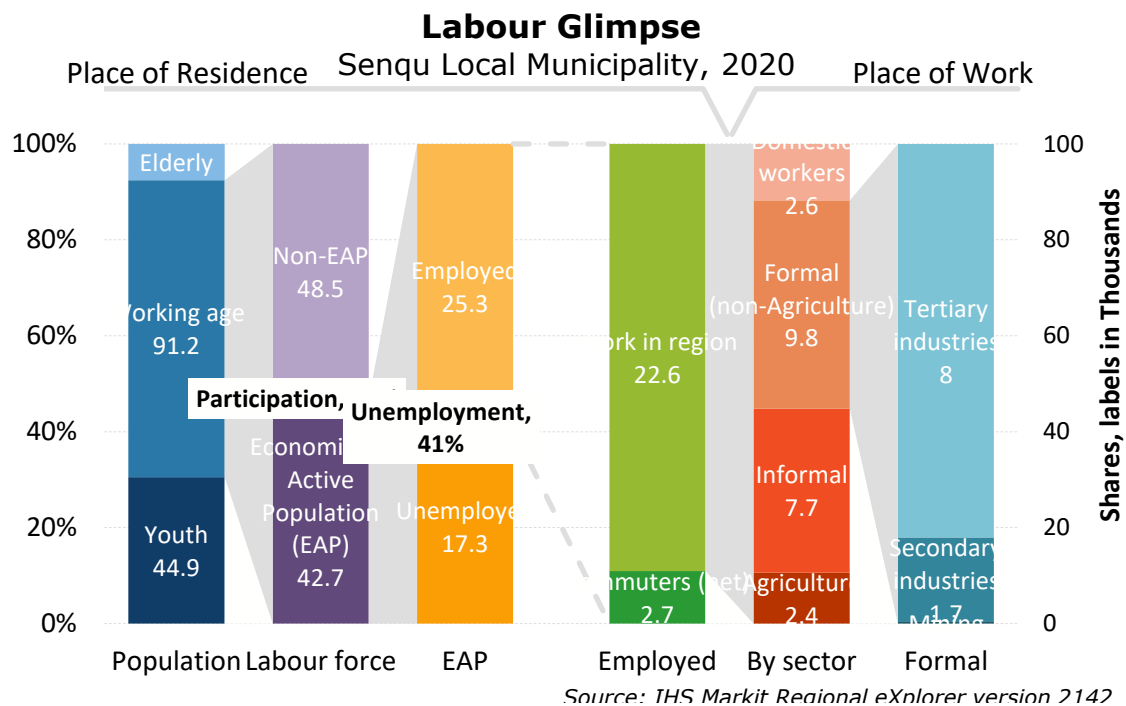
Reading the chart from the left-most bar, breaking down the total population of the Senqu Local Municipality (147 000) into working age and non-working age, the number of people that are of working age is about 91 300. As per definition, those that are of age 0 - 19 (youth) or age 65 and up (pensioners) are part of the non-working age population. Out of the working age group, 46.8% are participating in the labour force, meaning 42 700 residents of the local municipality forms currently part of the economically active population (EAP). Comparing this with the non-economically active population (NEAP) of the local municipality: fulltime students at tertiary institutions, disabled people, and those choosing not to work, sum to 48 500 people. Out of the economically active population, there are 17 300 that are unemployed, or when expressed as a percentage, an unemployment rate of 40.6%. Up to here all the statistics are measured at the place of residence.

On the far right we have the formal non-Agriculture jobs in Senqu, broken down by the primary (mining), secondary and tertiary industries. The majority of the formal employment lies in the Tertiary industry, with 8 060 jobs. When including the informal, agricultural and domestic workers, we have a total number of 22 600 jobs in the area. Formal jobs make up 43.5% of all jobs in the Senqu Local Municipality. The difference between the employment measured at the place of work, and the people employed living in the area can be explained by the net commuters that work outside of the local municipality.

In theory, a higher or increasing population dividend is supposed to provide additional stimulus to economic growth. People of working age tend to uphold higher consumption patterns (Final Consumption Expenditure, FCE), and a denser concentration of working age people is supposed to decrease dependency ratios - given that the additional labour which is offered to the market, is absorbed.

9. **Economically Active Population (EAP)**

The economically active population (EAP) is a good indicator of how many of the total working age population are in reality participating in the labour market of a region. If a person is economically active, he or she forms part of the labour force.

Definition: The economically active population (EAP) is defined as the number of people (between the age of 15 and 65) who are able and willing to work, and who are actively looking for work. It includes both employed and unemployed people. People, who recently have not taken any active steps to find employment, are not included in the measure. These people may (or may not) consider themselves unemployed. Regardless, they are counted as discouraged work seekers, and thus form part of the non-economically active population.

TABLE 17. ECONOMICALLY ACTIVE POPULATION (EAP) - SENQU, JOE GQABI, EASTERN CAPE AND NATIONAL TOTAL, 2010-2020 [NUMBER, PERCENTAGE]

	Senqu	Joe Gqabi	Eastern Cape	National Total	Senqu as % of district municipality	Senqu as % of province	Senqu as % of national
2010	29,200	81,900	1,760,000	18,000,000	*35.6%*	*1.66%*	*0.16%*
2011	29,700	82,400	1,770,000	18,300,000	*36.0%*	*1.68%*	*0.16%*
2012	30,300	84,200	1,800,000	18,700,000	*36.0%*	*1.68%*	*0.16%*
2013	32,000	88,600	1,870,000	19,400,000	*36.1%*	*1.71%*	*0.17%*
2014	34,300	94,900	1,970,000	20,200,000	*36.2%*	*1.75%*	*0.17%*
2015	36,300	100,000	2,050,000	20,900,000	*36.3%*	*1.77%*	*0.17%*
2016	38,200	105,000	2,140,000	21,500,000	*36.3%*	*1.79%*	*0.18%*
2017	40,200	111,000	2,230,000	22,100,000	*36.3%*	*1.80%*	*0.18%*
2018	41,200	114,000	2,290,000	22,400,000	*36.3%*	*1.80%*	*0.18%*
2019	42,900	118,000	2,370,000	22,800,000	*36.3%*	*1.81%*	*0.19%*
2020	42,700	118,000	2,380,000	22,200,000	*36.3%*	*1.79%*	*0.19%*

Average Annual growth

2010-2020	*3.88*%	*3.70*%	*3.06*%	*2.13*%

Source: IHS Markit Regional eXplorer version 2142

Senqu Local Municipality's EAP was 42 700 in 2020, which is 28.99% of its total population of 147 000, and roughly 36.28% of the total EAP of the Joe Gqabi District Municipality. From 2010 to 2020, the average annual increase in the EAP in the Senqu Local Municipality was 3.88%, which is 0.184 percentage points higher than the growth in the EAP of Joe Gqabi's for the same period.

CHART 11. EAP AS % OF TOTAL POPULATION - SENQU AND THE REST OF JOE GQABI, 2010, 2015, 2020 [PERCENTAGE]

EAP as % of total population
Joe Gqabi, 2010, 2015, 2020
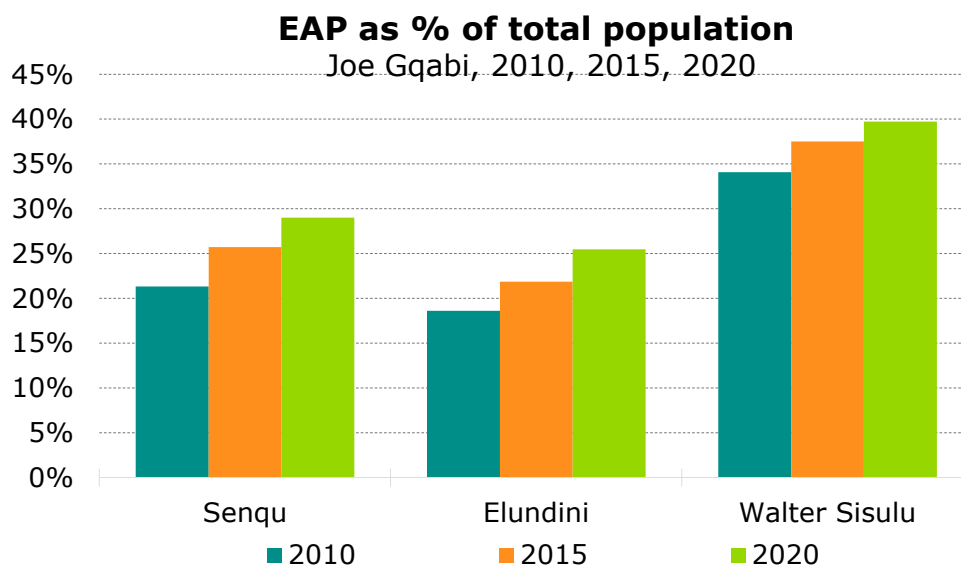
Source: IHS Markit Regional eXplorer version 2142

In 2010, 21.3% of the total population in Senqu Local Municipality were classified as economically active which increased to 29.0% in 2020. Compared to the other regions in Joe Gqabi District Municipality, Walter Sisulu Local Municipality had the highest EAP as a percentage of the total population within its own region relative to the other regions. On the other hand, Elundini Local Municipality had the lowest EAP with 25.5% people classified as economically active population in 2020.

10.   *Labour Force participation rate*

Definition: The labour force participation rate (LFPR) is the Economically Active Population (EAP) expressed as a percentage of the total working age population.

The following is the labour participation rate of the Senqu, Joe Gqabi, Eastern Cape and National Total as a whole.
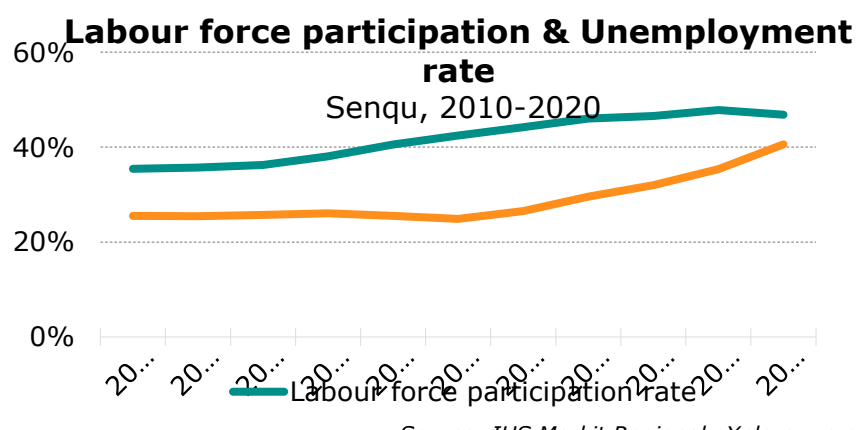
TABLE 18. THE LABOUR FORCE PARTICIPATION RATE - SENQU, JOE GQABI, EASTERN CAPE AND NATIONAL TOTAL, 2010-2020 [PERCENTAGE]

	Senqu	Joe Gqabi	Eastern Cape	National Total
2010	35.4%	38.4%	42.6%	54.1%
2011	35.7%	38.1%	42.2%	53.9%
2012	36.3%	38.5%	42.6%	54.3%
2013	38.0%	40.2%	43.9%	55.2%
2014	40.5%	42.6%	45.7%	56.6%
2015	42.4%	44.3%	47.0%	57.7%
2016	44.2%	46.0%	48.6%	58.8%
2017	46.0%	47.8%	50.2%	59.5%
2018	46.6%	48.3%	50.8%	59.4%
2019	47.8%	49.5%	52.0%	59.4%
2020	46.8%	48.5%	51.4%	57.0%

Source: IHS Markit Regional eXplorer version 2142

The Senqu Local Municipality's labour force participation rate increased from 35.42% to 46.83% which is an increase of 11 percentage points. The Joe Gqabi District Municipality increased from 38.40% to 48.49%, Eastern Cape Province increased from 42.57% to 51.42% and South Africa increased from 54.14% to 57.03% from 2010 to 2020.The Senqu Local Municipality labour force participation rate exhibited a higher percentage point change compared to the Eastern Cape Province from 2010 to 2020. The Senqu Local Municipality had a lower labour force participation rate when compared to South Africa in 2020.
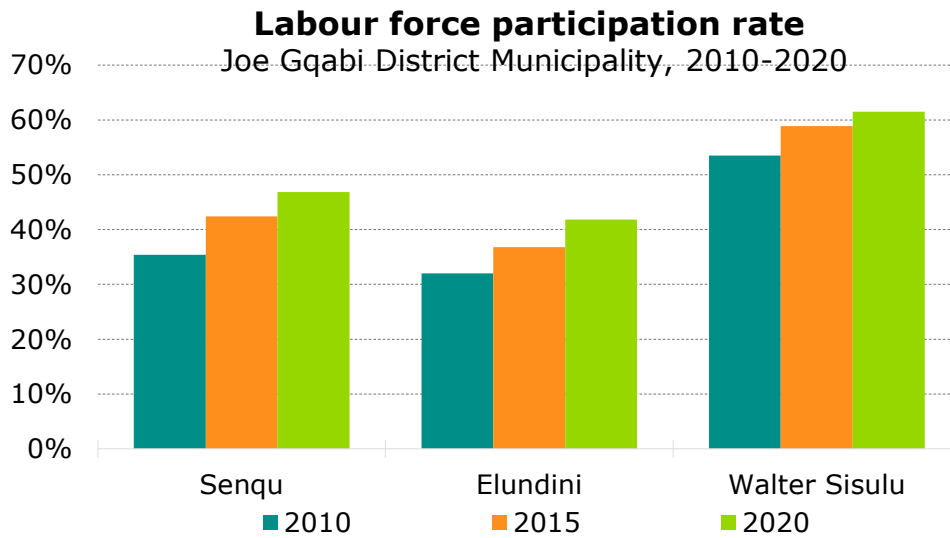
CHART 12. THE LABOUR FORCE PARTICIPATION AND UNEMPLOYMENT RATES - SENQU LOCAL MUNICIPALITY, 2010-2020 [PERCENTAGE]

In 2020 the labour force participation rate for Senqu was at 46.8% which is significantly higher when compared to the 35.4% in 2010. The unemployment rate is an efficient indicator that measures the success rate of the labour force relative to employment. In 2010, the unemployment rate for Senqu was

25.5% and increased overtime to 40.6% in 2020. The gap between the labour force participation rate and the unemployment rate decreased which indicates a negative outlook for the employment within Senqu Local Municipality.

CHART 13. THE LABOUR FORCE PARTICIPATION RATE - SENQU AND THE REST OF JOE GQABI, 2015 AND 2020 [PERCENTAGE]

Labour force participation rate
Joe Gqabi District Municipality, 2010-2020

Source: IHS Markit Regional eXplorer version 2142

Walter Sisulu Local Municipality had the highest labour force participation rate with 61.5% in 2020 increasing from 53.5% in 2010. Elundini Local Municipality had the lowest labour force participation rate of 41.8% in 2020, this increased from 32.0% in 2010.

11.   **Total Employment**

Employment data is a key element in the estimation of unemployment. In addition, trends in employment within different sectors and industries normally indicate significant structural changes in the economy. Employment data is also used in the calculation of productivity, earnings per worker, and other economic indicators.

Definition: Total employment consists of two parts: employment in the formal sector, and employment in the informal sector

TABLE 19. TOTAL EMPLOYMENT - SENQU, JOE GQABI, EASTERN CAPE AND NATIONAL TOTAL,
2010-2020 [NUMBERS]

	Senqu	Joe Gqabi	Eastern Cape	National Total
2010	19,400	60,900	1,260,000	13,500,000
2011	19,700	61,300	1,260,000	13,700,000
2012	20,100	62,300	1,270,000	14,000,000
2013	21,100	65,100	1,310,000	14,500,000
2014	22,800	70,100	1,370,000	15,100,000
2015	24,200	74,200	1,430,000	15,600,000
2016	24,900	76,400	1,470,000	15,900,000
2017	25,200	77,100	1,480,000	16,100,000
2018	24,900	76,500	1,470,000	16,300,000
2019	24,700	75,500	1,460,000	16,300,000
2020	22,600	69,300	1,380,000	15,600,000
Average Annual growth				
2010-2020	*1.57*%	*1.30*%	*0.95*%	*1.42*%

Source: IHS Markit Regional eXplorer version 2142

In 2020, Senqu employed 22 600 people which is 32.63% of the total employment in Joe Gqabi District Municipality (69 300), 1.64% of total employment in Eastern Cape Province (1.38 million), and 0.15% of the total employment of 15.6 million in South Africa. Employment within Senqu increased annually at an average rate of 1.57% from 2010 to 2020.

TABLE 20. TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - SENQU AND THE REST OF JOE GQABI, 2020 [NUMBERS]
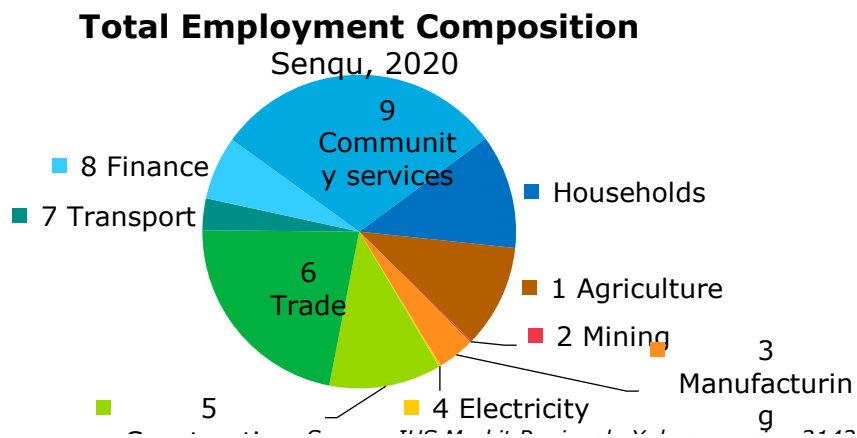
	Senqu	Elundini	Walter Sisulu	Total Joe Gqabi
Agriculture	2,410	2,140	3,010	7,552
Mining	32	12	41	86
Manufacturing	871	783	1,200	2,852
Electricity	44	112	99	254
Construction	2,620	3,460	2,540	8,611
Trade	4,990	4,280	4,830	14,094
Transport	744	965	903	2,612
Finance	1,480	1,570	2,340	5,393
Community services	6,770	6,250	7,170	20,188
Households	2,660	1,510	3,490	7,659
Total	**22,600**	**21,100**	**25,600**	**69,302**

Source: IHS Markit Regional eXplorer version 2142

Senqu Local Municipality employs a total number of 22 600 people within its local municipality. The local municipality that employs the highest number of people relative to the other regions within Joe Gqabi District Municipality is Walter Sisulu local municipality with a total number of 25 600. The local municipality that employs the lowest number of people relative to the other regions within Joe Gqabi District Municipality is Elundini local municipality with a total number of 21 100 employed people.

In Senqu Local Municipality the economic sectors that recorded the largest number of employment in 2020 were the community services sector with a total of 6 770 employed people or 29.9% of total employment in the local municipality. The trade sector with a total of 4 990 (22.1%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 32.5 (0.1%) is the sector that employs the least number of people in Senqu Local Municipality, followed by the electricity sector with 43.5 (0.2%) people employed.

Total Employment Composition
Senqu, 2020

12. Formal and Informal employment

Total employment can be broken down into formal and informal sector employment. Formal sector employment is measured from the formal business side, and the informal employment is measured from the household side where formal businesses have not been established.

Formal employment is much more stable than informal employment. Informal employment is much harder to measure and manage, simply because it cannot be tracked through the formal business side of the economy. Informal employment is however a reality in South Africa and cannot be ignored.

The number of formally employed people in Senqu Local Municipality counted 14 900 in 2020, which is about 65.86% of total employment, while the number of people employed in the informal sector counted 7 720 or 34.14% of the total employment. Informal employment in Senqu increased from 6 250 in 2010 to an estimated 7 720 in 2020.

Formal and informal employment by sector
Senqu, 2020
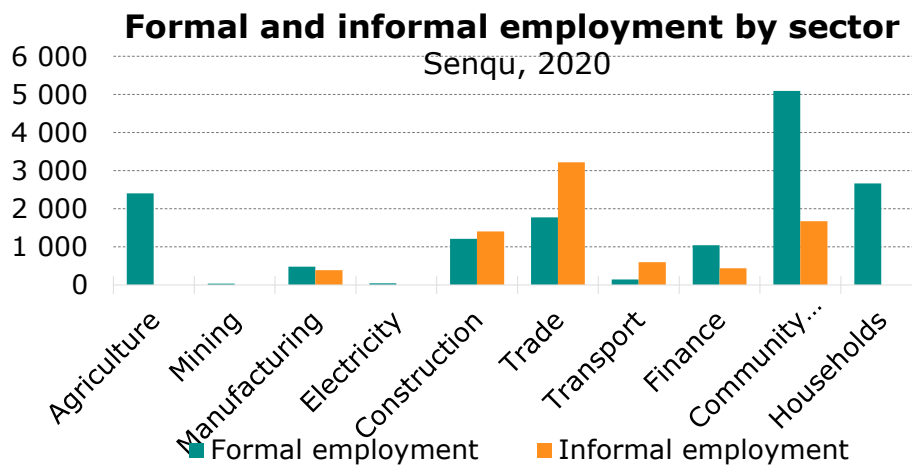
Source: IHS Markit Regional eXplorer version 2143

Some of the economic sectors have little or no informal employment:

Mining industry, due to well-regulated mining safety policies, and the strict registration of a mine, has little or no informal employment. The Electricity sector is also well regulated, making it difficult to get information on informal employment. Domestic Workers and employment in the Agriculture sector is typically counted under a separate heading.

In 2020 the Trade sector recorded the highest number of informally employed, with a total of 3 210 employees or 41.62% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The Manufacturing sector has the lowest informal employment with 389 and only contributes 5.04% to total informal employment.

	Formal employment	Informal employment
Agriculture	2,410	N/A
Mining	32	N/A
Manufacturing	482	389
Electricity	44	N/A
Construction	1,210	1,410
Trade	1,780	3,210
Transport	147	597
Finance	1,040	439
Community services	5,090	1,680
Households	2,660	N/A

Source: IHS Markit Regional eXplorer version 2142

The informal sector is vital for the areas with very high unemployment and very low labour participation rates. Unemployed people see participating in the informal sector as a survival strategy. The most desirable situation would be to get a stable formal job. But because the formal economy is not growing fast enough to generate adequate jobs, the informal sector is used as a survival mechanism.

13.   Unemployment

Definition: The unemployed includes all persons between 15 and 65 who are currently not working, but who are actively looking for work. It therefore excludes people who are not actively seeking work (referred to as discouraged work seekers).

The choice of definition for what constitutes being unemployed has a large impact on the final estimates for all measured labour force variables. The following definition was adopted by the Thirteenth International Conference of Labour Statisticians (Geneva, 1982): The "unemployed" comprise all persons above a specified age who during the reference period were:

- "Without work", i.e. not in paid employment or self-employment;
- "Currently available for work", i.e. were available for paid employment or self-employment during the reference period; and
- "Seeking work", i.e. had taken specific steps in a specified reference period to seek paid employment or self-employment. The specific steps may include registration at a public or private employment exchange; application to employers; checking at worksites, farms, factory gates, market or other assembly places; placing or answering newspaper advertisements; seeking assistance of friends or relatives; looking for land.

TABLE 22. UNEMPLOYMENT (OFFICIAL DEFINITION) - SENQU, JOE GQABI, EASTERN CAPE AND NATIONAL TOTAL, 2010-2020 [NUMBER PERCENTAGE]

	Senqu	Joe Gqabi	Eastern Cape	National Total	Senqu as % of district municipality	Senqu as % of province	Senqu as % of national
2010	7,460	20,400	492,000	4,490,000	36.6%	1.52%	0.17%
2011	7,540	20,400	499,000	4,590,000	37.0%	1.51%	0.16%
2012	7,790	21,200	521,000	4,710,000	36.7%	1.49%	0.17%
2013	8,330	22,800	553,000	4,870,000	36.6%	1.51%	0.17%
2014	8,750	23,900	579,000	5,070,000	36.6%	1.51%	0.17%
2015	9,020	24,700	597,000	5,320,000	36.5%	1.51%	0.17%
2016	10,100	27,700	652,000	5,700,000	36.6%	1.55%	0.18%
2017	11,900	32,500	736,000	6,020,000	36.6%	1.62%	0.20%
2018	13,200	36,000	798,000	6,130,000	36.6%	1.65%	0.21%
2019	15,200	41,600	895,000	6,480,000	36.5%	1.70%	0.23%
2020	17,300	47,600	985,000	6,660,000	36.4%	1.76%	0.26%

Average Annual growth

2010-2020	**8.81**%	**8.84**%	**7.20**%	**4.01**%			

Source: IHS Markit Regional eXplorer version 2142

In 2020, there were a total number of 17 300 people unemployed in Senqu, which is an increase of 9 880 from 7 460 in 2010. The total number of unemployed people within Senqu constitutes 36.44% of the total number of unemployed people in Joe Gqabi District Municipality. The Senqu Local Municipality experienced an average annual increase of 8.81% in the number of unemployed people, which is better than that of the Joe Gqabi District Municipality which had an average annual increase in unemployment of 8.84%.

TABLE 23. UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - SENQU, JOE GQABI, EASTERN
CAPE AND NATIONAL TOTAL, 2010-2020 [PERCENTAGE]

	Senqu	Joe Gqabi	Eastern Cape	National Total
2010	25.5%	24.9%	27.9%	24.9%
2011	25.4%	24.7%	28.2%	25.1%
2012	25.7%	25.2%	28.9%	25.1%
2013	26.0%	25.7%	29.6%	25.2%
2014	25.5%	25.2%	29.4%	25.2%
2015	24.9%	24.7%	29.2%	25.5%
2016	26.5%	26.3%	30.5%	26.4%
2017	29.6%	29.4%	33.0%	27.2%
2018	32.0%	31.7%	34.9%	27.4%
2019	35.4%	35.2%	37.8%	28.4%
2020	40.6%	40.4%	41.4%	29.9%

Source: IHS Markit Regional eXplorer version 2142

In 2020, the unemployment rate in Senqu Local Municipality (based on the official definition of
unemployment) was 40.57%, which is an increase of 15 percentage points. The unemployment rate in
Senqu Local Municipality is higher than that of Joe Gqabi. Comparing to the Eastern Cape Province it
can be seen that the unemployment rate for Senqu Local Municipality was lower than that of Eastern
Cape which was 41.36%. The unemployment rate for South Africa was 29.93% in 2020, which is an
increase of -5 percentage points from 24.93% in 2010.

CHART 16. UNEMPLOYMENT AND UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - SENQU
LOCAL MUNICIPALITY, 2010-2020 [NUMBER PERCENTAGE]
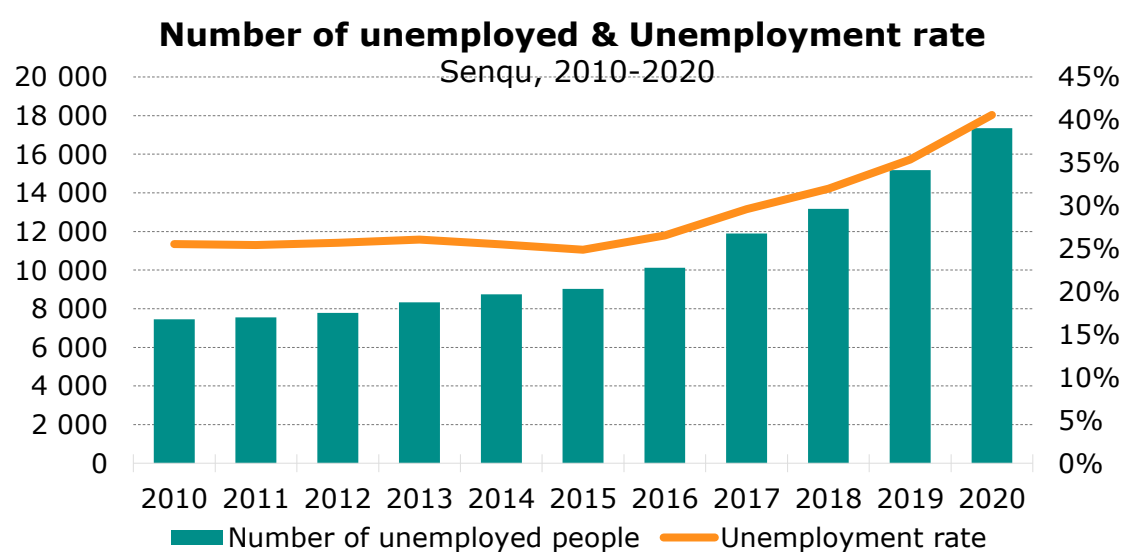
Source: IHS Markit Regional eXplorer version 2142

When comparing unemployment rates among regions within Joe Gqabi District Municipality, Elundini Local Municipality has indicated the highest unemployment rate of 48.9%, which has increased from 31.2% in 2010. It can be seen that the Walter Sisulu Local Municipality had the lowest unemployment rate of 31.2% in 2020, this increased from 18.1% in 2010.

CHART 17. UNEMPLOYMENT RATE - SENQU AND THE REST OF JOE GQABI, 2010, 2015 AND 2020 [PERCENTAGE]

Unemployment rate
Joe Gqabi, 2010, 2015 and 2020
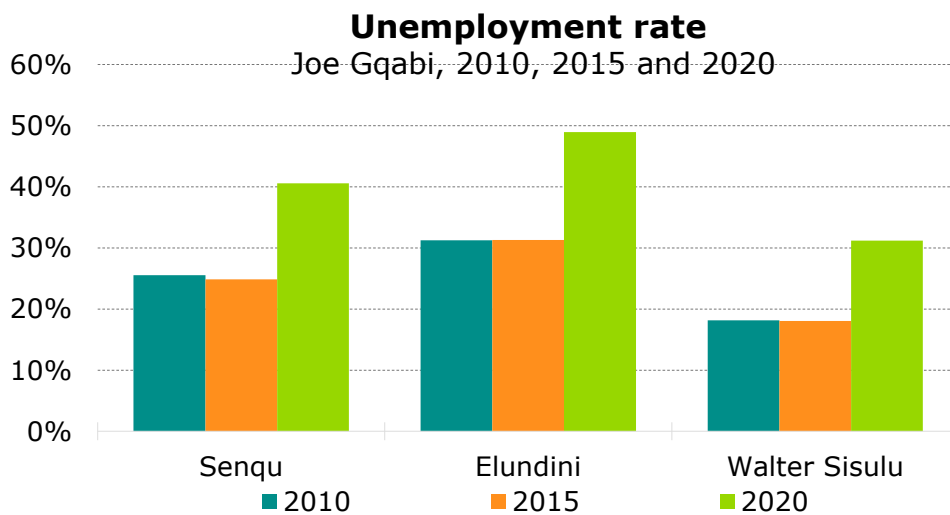
Source: IHS Markit Regional eXplorer version 2142

14.   Income and Expenditure

In a growing economy among which production factors are increasing, most of the household incomes are spent on purchasing goods and services. Therefore, the measuring of the income and expenditure of households is a major indicator of a number of economic trends. It is also a good marker of growth as well as consumer tendencies.

15.   Number of Households by Income category

The number of households is grouped according to predefined income categories or brackets, where income is calculated as the sum of all household gross disposable income: payments in kind, gifts, homemade goods sold, old age pensions, income from informal sector activities, subsistence income, etc.). Note that income tax is included in the income distribution.

Income categories start at R0 - R2,400 per annum and go up to R2,400,000+ per annum. A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. These income brackets do not take into account inflation creep: over time, movement of households "up" the brackets is natural, even if they are not earning any more in real terms.
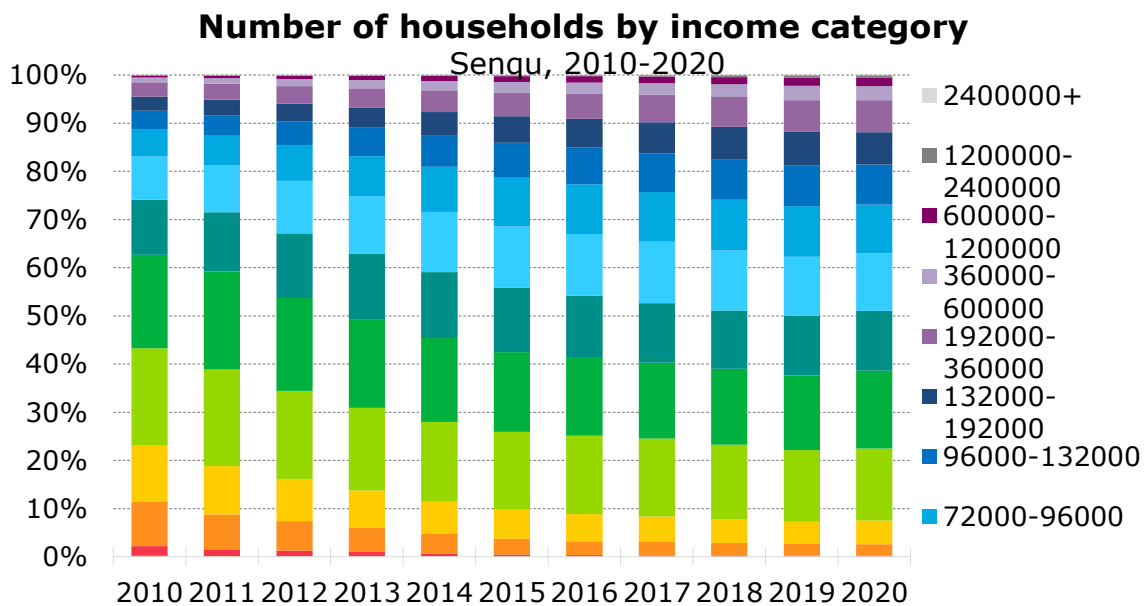
TABLE 24. HOUSEHOLDS BY INCOME CATEGORY - SENQU, JOE GQABI, EASTERN CAPE AND NATIONAL TOTAL, 2020 [NUMBER PERCENTAGE]

	Senqu	Joe Gqabi	Eastern Cape	National Total	Senqu as % of district municipality	Senqu as % of province	Senqu as % of national
0-2400	4	11	167	1,760	*39.4%*	*2.6%*	*0.25%*
2400-6000	89	226	3,620	34,900	*39.4%*	*2.5%*	*0.25%*
6000-12000	1,000	2,490	38,800	340,000	*40.2%*	*2.6%*	*0.29%*
12000-18000	2,030	5,070	79,600	663,000	*40.1%*	*2.6%*	*0.31%*
18000-30000	6,270	15,700	240,000	1,840,000	*39.9%*	*2.6%*	*0.34%*
30000-42000	6,720	17,100	254,000	1,860,000	*39.3%*	*2.6%*	*0.36%*
42000-54000	5,190	13,200	208,000	1,620,000	*39.3%*	*2.5%*	*0.32%*
54000-72000	5,010	12,900	212,000	1,750,000	*38.8%*	*2.4%*	*0.29%*
72000-96000	4,220	11,000	184,000	1,590,000	*38.4%*	*2.3%*	*0.27%*
96000-132000	3,470	9,180	160,000	1,480,000	*37.8%*	*2.2%*	*0.23%*
132000-192000	2,810	7,640	142,000	1,430,000	*36.7%*	*2.0%*	*0.20%*
192000-360000	2,770	7,750	165,000	1,840,000	*35.8%*	*1.7%*	*0.15%*
360000-600000	1,230	3,630	91,900	1,170,000	*33.8%*	*1.3%*	*0.10%*
600000-1200000	735	2,450	70,800	974,000	*30.0%*	*1.0%*	*0.08%*
1200000-2400000	200	730	22,900	310,000	*27.3%*	*0.9%*	*0.06%*
2400000+	24	96	3,290	44,900	*24.7%*	*0.7%*	*0.05%*
Total	**41,800**	**109,000**	**1,880,000**	**17,000,000**	***38.2%***	***2.2%***	***0.25%***

Source: IHS Markit Regional eXplorer version 2142

It was estimated that in 2020 22.50% of all the households in the Senqu Local Municipality, were living on R30,000 or less per annum. In comparison with 2010's 43.26%, the number is about half. The 30000-42000 income category has the highest number of households with a total number of 6 720, followed by the 18000-30000 income category with 6 270 households. Only 4.4 households fall within the 0-2400 income category.

CHART 18. HOUSEHOLDS BY INCOME BRACKET - SENQU LOCAL MUNICIPALITY, 2010-2020 [PERCENTAGE]

Number of households by income category
Senqu, 2010-2020

Legend:
- 2400000+
- 1200000-2400000
- 600000-1200000
- 360000-600000
- 192000-360000
- 132000-192000
- 96000-132000
- 72000-96000

Source: IHS Markit Regional eXplorer version 2142

For the period 2010 to 2020 the number of households earning more than R30,000 per annum has increased from 56.74% to 77.50%. It can be seen that the number of households with income equal to or lower than R6,000 per year has decreased by a significant amount.

16.   **Annual total Personal Income**

Personal income is an even broader concept than labour remuneration. Personal income includes profits, income from property, net current transfers and net social benefits.

Definition: Annual total personal income is the sum of the total personal income for all households in a specific region. The definition of income is the same as used in the income brackets (Number of Households by Income Category), also including the income tax. For this variable, current prices are used, meaning that inflation has not been taken into account.

TABLE 25. ANNUAL TOTAL PERSONAL INCOME - SENQU, JOE GQABI, EASTERN CAPE AND NATIONAL TOTAL [CURRENT PRICES, R BILLIONS]

	Senqu	Joe Gqabi	Eastern Cape	National Total
2010	2.2	6.5	153.6	1,843.3
2011	2.4	7.2	167.7	2,033.0
2012	2.7	8.0	187.1	2,226.5
2013	3.0	8.8	204.3	2,412.1
2014	3.2	9.5	219.5	2,590.6
2015	3.5	10.4	239.3	2,794.9
2016	3.8	11.1	255.4	2,990.4
2017	4.2	12.1	277.7	3,226.5
2018	4.5	13.0	294.4	3,413.7
2019	4.7	13.7	309.1	3,584.3
2020	4.6	13.4	302.0	3,508.3
Average Annual growth				
2010-2020	*7.66*%	*7.48*%	*6.99*%	*6.65*%

Source: IHS Markit Regional eXplorer version 2142

Senqu Local Municipality recorded an average annual growth rate of 7.66% (from R 2.22 billion to R 4.64 billion) from 2010 to 2020, which is more than both Joe Gqabi's (7.48%) as well as Eastern Cape Province's (6.99%) average annual growth rates. South Africa had an average annual growth rate of 6.65% (from R 1.84 trillion to R 3.51 trillion) which is less than the growth rate in Senqu Local Municipality.

CHART 19. ANNUAL TOTAL PERSONAL INCOME BY POPULATION GROUP - SENQU AND THE REST OF JOE GQABI [CURRENT PRICES, R BILLIONS]
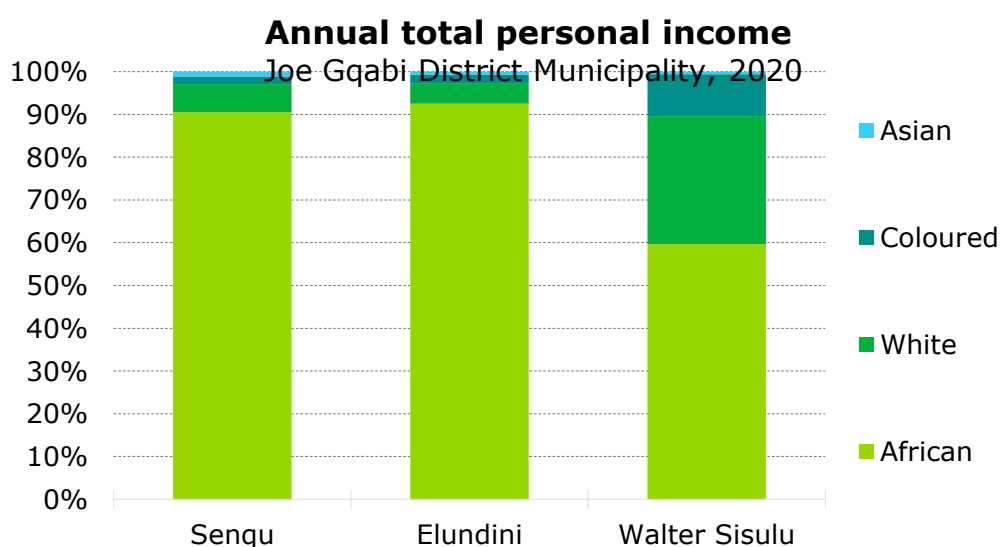
Source: IHS Markit Regional eXplorer version 2142

The total personal income of Senqu Local Municipality amounted to approximately R 4.64 billion in 2020. The African population group earned R 4.2 billion, or 90.51% of total personal income, while the White population group earned R 306 million, or 6.60% of the total personal income. The Coloured and the Asian population groups only had a share of 1.77% and 1.12% of total personal income respectively.

TABLE 26. ANNUAL TOTAL PERSONAL INCOME - [CURRENT PRICES, R BILLIONS]

|	Senqu	Elundini	Walter Sisulu
2010	2.22	2.02	2.29
2011	2.43	2.20	2.53
2012	2.72	2.44	2.84
2013	2.98	2.65	3.13
2014	3.23	2.86	3.40
2015	3.54	3.10	3.71
2016	3.81	3.30	3.96
2017	4.18	3.62	4.33
2018	4.48	3.88	4.62
2019	4.72	4.08	4.89
2020	4.64	4.01	4.79
Average Annual growth			
2010-2020	*7.66*%	*7.08*%	*7.64*%

Source: IHS Markit Regional eXplorer version 2142

When looking at the annual total personal income for the regions within Joe Gqabi District Municipality it can be seen that the Walter Sisulu Local Municipality had the highest total personal income with R 4.79 billion which increased from R 2.29 billion recorded in 2010. It can be seen that the Elundini Local Municipality had the lowest total personal income of R 4.01 billion in 2020, this increased from R 2.02 billion in 2010.

17.   **Annual per Capita Income**

Definition: Per capita income refers to the income per person. Thus, it takes the total personal income per annum and divides it equally among the population.

Per capita income is often used as a measure of wealth particularly when comparing economies or population groups. Rising per capita income usually indicates a likely swell in demand for consumption.

CHART 20. PER CAPITA INCOME - SENQU, JOE GQABI, EASTERN CAPE AND NATIONAL TOTAL, 2020 [RAND, CURRENT PRICES]

Annual per capita income (Rand, current prices)
Senqu, Joe Gqabi, Eastern Cape and National Total,
2010, 2015, 2020

Legend: ■ 2010 ■ 2015 ■ 2020
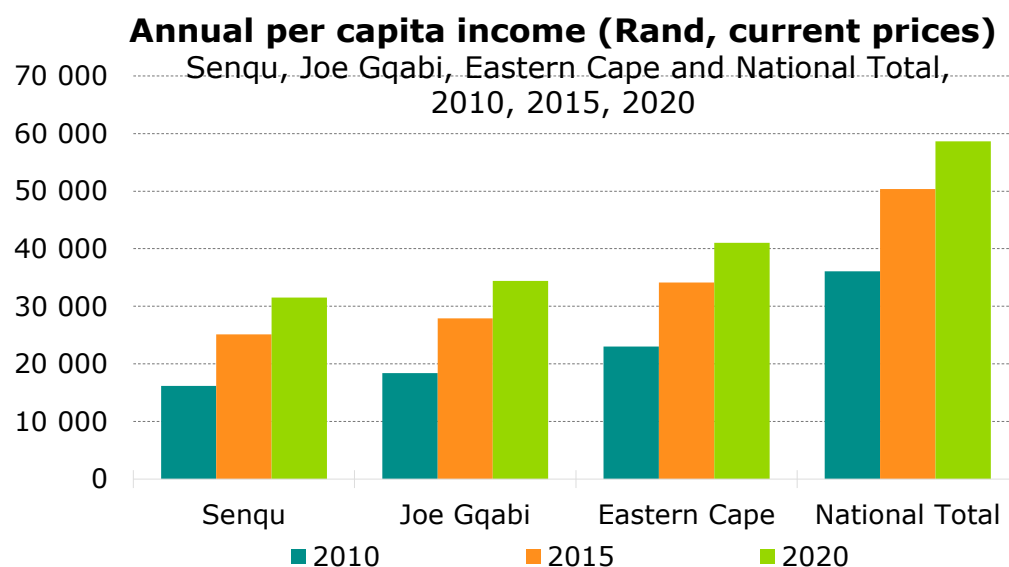
The per capita income in Senqu Local Municipality is R 31,500 and is lower than both the Eastern Cape (R 41,000) and of the Joe Gqabi District Municipality (R 34,400) per capita income. The per capita income for Senqu Local Municipality (R 31,500) is lower than that of the South Africa as a whole which is R 58,700.

CHART 21. PER CAPITA INCOME BY POPULATION GROUP - SENQU AND THE REST OF JOE GQABI DISTRICT MUNICIPALITY, 2020 [RAND, CURRENT PRICES]

	African	White	Coloured
Senqu	29,200	215,000	47,500
Elundini	25,000	N/A	48,400
Walter Sisulu	37,800	241,000	47,600

Walter Sisulu Local Municipality has the highest per capita income with a total of R 52,200. Senqu Local Municipality had the second highest per capita income at R 31,500, whereas Elundini Local Municipality had the lowest per capita income at R 26,400. In Senqu Local Municipality, the White population group has the highest per capita income, with R 215,000, relative to the other population groups. The population group with the second highest per capita income within Senqu Local Municipality is the Coloured population group (R 47,500). Some of the population groups - where there are less than 1,000 people living in the area were excluded from the analysis.

18.   **Index of Buying Power**

Definition: The Index of Buying Power (IBP) is a measure of a region's overall capacity to absorb products and/or services. The index is useful when comparing two regions in terms of their capacity to buy products. Values range from 0 to 1 (where the national index equals 1), and can be interpreted as the percentage of national buying power attributable to the specific region. Regions' buying power usually depends on three factors: the size of the population; the ability of the population to spend (measured by total income); and the willingness of the population to spend (measured by total retail sales).

TABLE 27. INDEX OF BUYING POWER - SENQU, JOE GQABI, EASTERN CAPE AND NATIONAL TOTAL, 2020 [NUMBER]

	Senqu	Joe Gqabi	Eastern Cape	National Total
Population	147,419	390,822	7,360,699	59,809,786
Population - share of national total	0.2%	0.7%	12.3%	100.0%
Income	4,643	13,441	302,047	3,508,339
Income - share of national total	0.1%	0.4%	8.6%	100.0%
Retail	1,557,574	4,229,519	86,566,731	1,049,668,438
Retail - share of national total	0.1%	0.4%	8.2%	100.0%
Index	0.00	0.00	0.09	1.00

Source: IHS Markit Regional eXplorer version 2142

Senqu Local Municipality has a 0.2% share of the national population, 0.1% share of the total national income and a 0.1% share in the total national retail, this all equates to an IBP index value of 0.0015 relative to South Africa as a whole. Joe Gqabi has an IBP of 0.0042, were Eastern Cape Province has and IBP index value of 0.089 and South Africa a value of 1 relative to South Africa as a whole. .

The considerable low index of buying power of the Senqu Local Municipality suggests that the local municipality has access to only a small percentage of the goods and services available in all of the Joe Gqabi District Municipality. Its residents are most likely spending some of their income in neighbouring areas.

Index of buying power
Senqu, 2010-2020

Source: IHS Markit Regional eXplorer version 2142
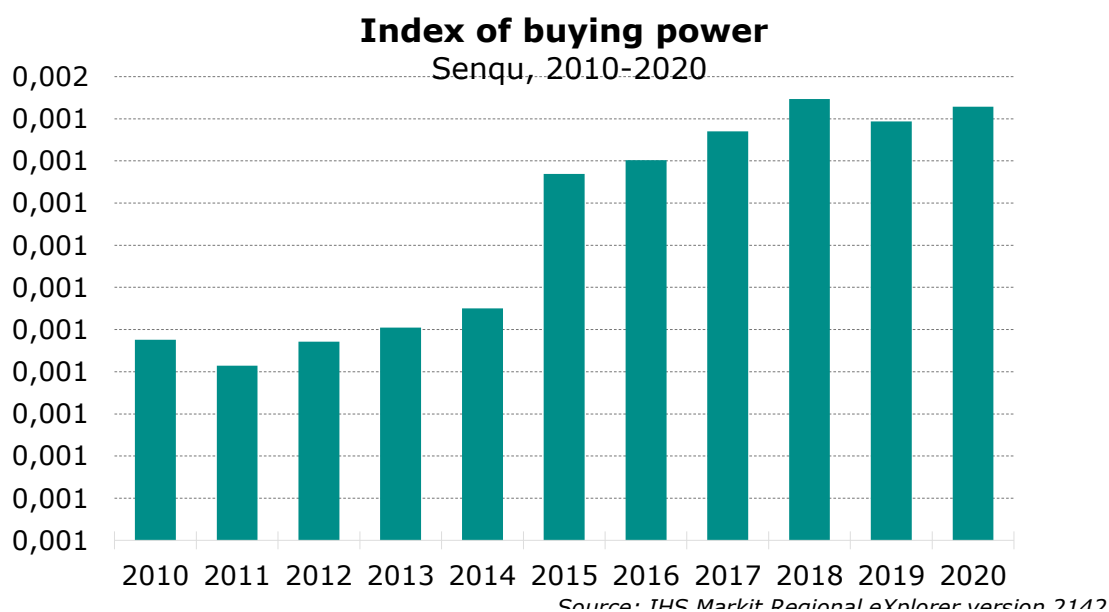
Between 2010 and 2020, the index of buying power within Senqu Local Municipality increased to its highest level in 2018 (0.001489) from its lowest in 2011 (0.001363). Although the buying power within Senqu Local Municipality is relatively small compared to other regions, the IBP increased at an average annual growth rate of 0.78%.

19.   **Development**

Indicators of development, like the Human Development Index (HDI), Gini Coefficient (income inequality), poverty and the poverty gap, and education, are used to estimate the level of development of a given region in South Africa relative to the rest of the country.

Another indicator that is widely used is the number (or percentage) of people living in poverty. Poverty is defined as the deprivation of those things that determine the quality of life, including food, clothing, shelter and safe drinking water. More than that, other "intangibles" is also included such as the opportunity to learn, and the privilege to enjoy the respect of fellow citizens. Curbing poverty and alleviating the effects thereof should be a premise in the compilation of all policies that aspire towards a better life for all.

20.   **Human Development Index (HDI)**

Definition: The Human Development Index (HDI) is a composite relative index used to compare human development across population groups or regions.

HDI is the combination of three basic dimensions of human development: A long and healthy life, knowledge and a decent standard of living. A long and healthy life is typically measured using life expectancy at birth. Knowledge is normally based on adult literacy and / or the combination of enrolment

in primary, secondary and tertiary schools. In order to gauge a decent standard of living, we make use of GDP per capita. On a technical note, the HDI can have a maximum value of 1, indicating a very high level of human development, while the minimum value is 0, indicating no human development.

CHART 23. HUMAN DEVELOPMENT INDEX (HDI) - SENQU, JOE GQABI, EASTERN CAPE AND NATIONAL TOTAL, 2010, 2015, 2020 [NUMBER]

Human Development Index (HDI)
Senqu, Joe Gqabi, Eastern Cape and National Total, 2010, 2015, 2020
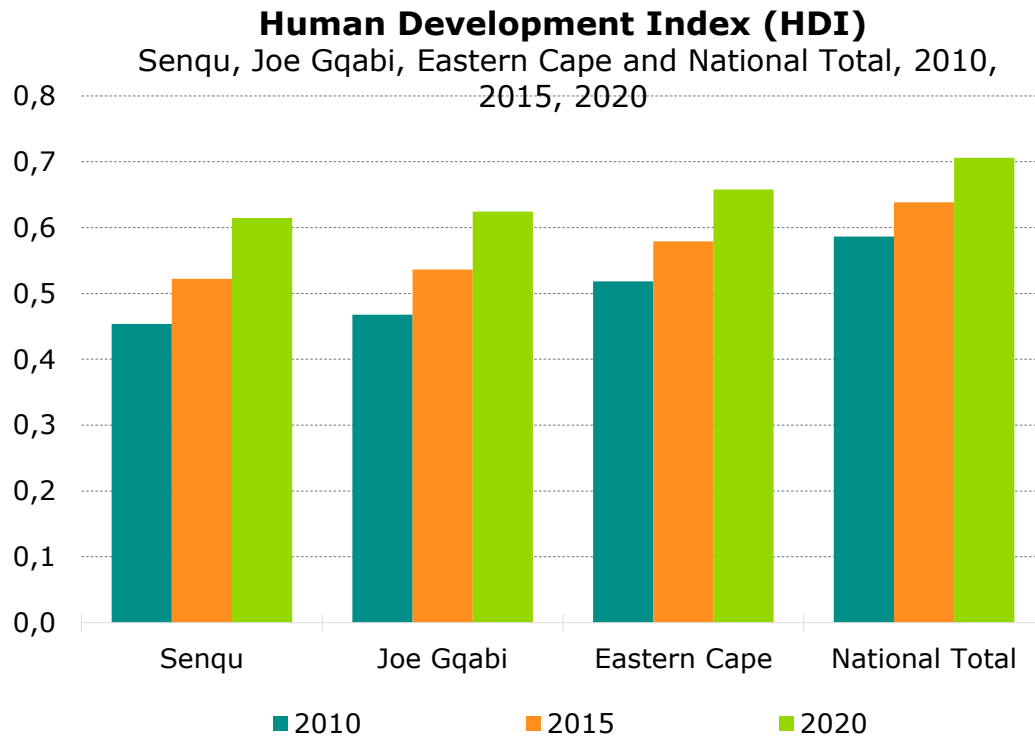
Source: IHS Markit Regional eXplorer version 2142

In 2020 Senqu Local Municipality had an HDI of 0.614 compared to the Joe Gqabi with a HDI of 0.625, 0.658 of Eastern Cape and 0.706 of National Total as a whole. Seeing that South Africa recorded a higher HDI in 2020 when compared to Senqu Local Municipality which translates to worse human development for Senqu Local Municipality compared to South Africa. South Africa's HDI increased at an average annual growth rate of 1.88% and this increase is lower than that of Senqu Local Municipality (3.08%).

Human development Index (HDI)
Joe Gqabi District Municipality, 2020

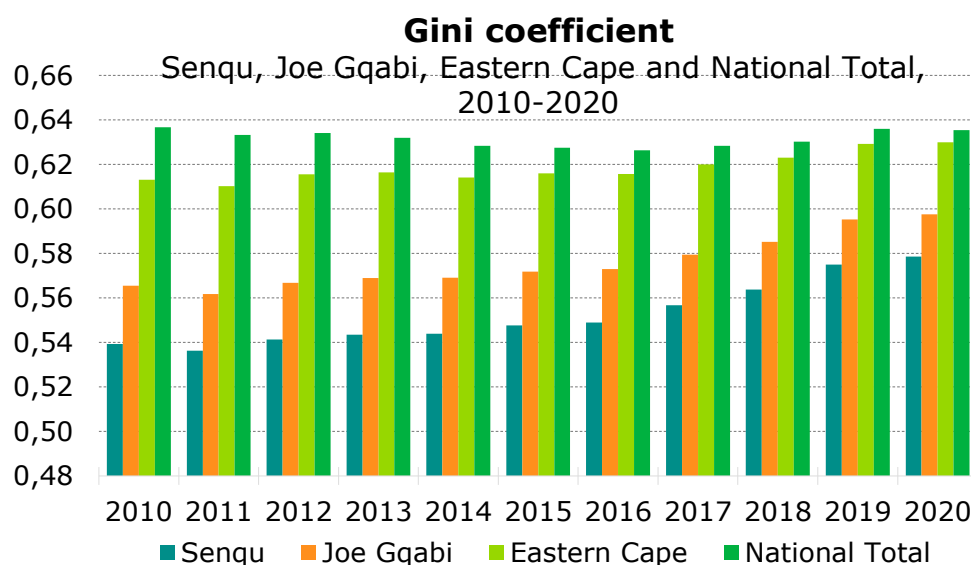Source: IHS Markit Regional eXplorer version 2142
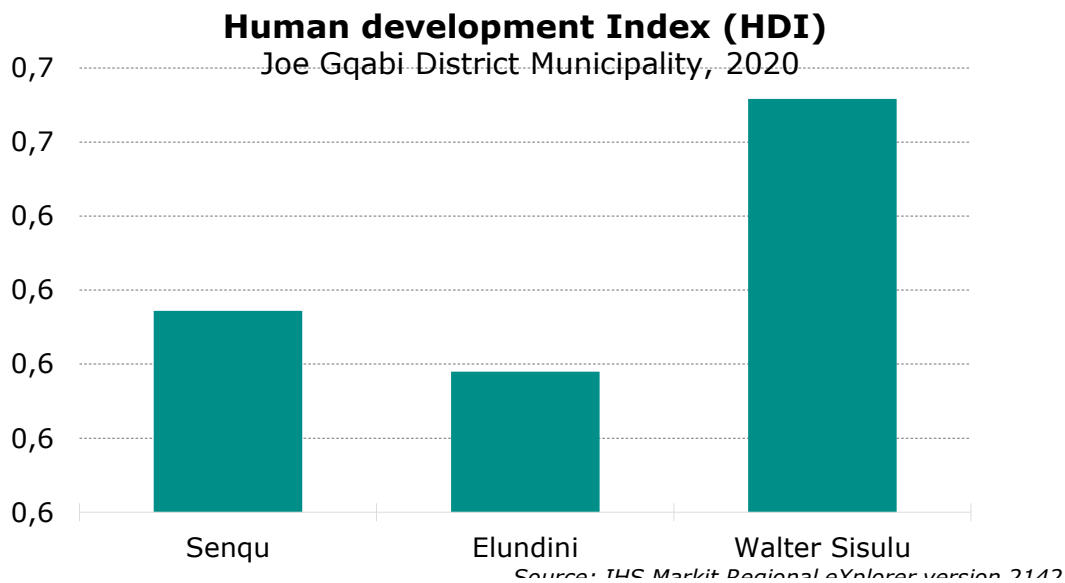
In terms of the HDI for each the regions within the Joe Gqabi District Municipality, Walter Sisulu Local Municipality has the highest HDI, with an index value of 0.672. The lowest can be observed in the Elundini Local Municipality with an index value of 0.598.

21.   **Gini Coefficient**

Definition: The Gini coefficient is a summary statistic of income inequality. It varies from 0 to 1.

If the Gini coefficient is equal to zero, income is distributed in a perfectly equal manner, in other words there is no variance between the high and low income earners within the population. In contrast, if the Gini coefficient equals 1, income is completely inequitable, i.e. one individual in the population is earning all the income and the rest has no income. Generally this coefficient lies in the range between 0.25 and 0.70.

CHART 25. GINI COEFFICIENT - SENQU, JOE GQABI, EASTERN CAPE AND NATIONAL TOTAL, 2010-2020 [NUMBER]

Gini coefficient
Senqu, Joe Gqabi, Eastern Cape and National Total, 2010-2020

■ Senqu ■ Joe Gqabi ■ Eastern Cape ■ National Total

Source: IHS Markit Regional eXplorer version 2142

In 2020, the Gini coefficient in Senqu Local Municipality was at 0.579, which reflects a increase in the number over the ten-year period from 2010 to 2020. The Joe Gqabi District Municipality and the Eastern Cape Province, both had a more unequal spread of income amongst their residents (at 0.598 and 0.63 respectively) when compared to Senqu Local Municipality.

TABLE 28. GINI COEFFICIENT BY POPULATION GROUP - SENQU, 2010, 2020 [NUMBER]

	African	White
2010	0.51	0.46
2020	0.56	N/A
Average Annual growth		
2010-2020	*1.00*%	N/A

Source: IHS Markit Regional eXplorer version 2142

There is only enough data for the African population group within the Senqu Local Municipality it can be seen that the Gini coefficient of the African population group increased with an average annual growth rate of 1.00% from 2010

2010.

Gini coefficient
Joe Gqabi District Municipality, 2020

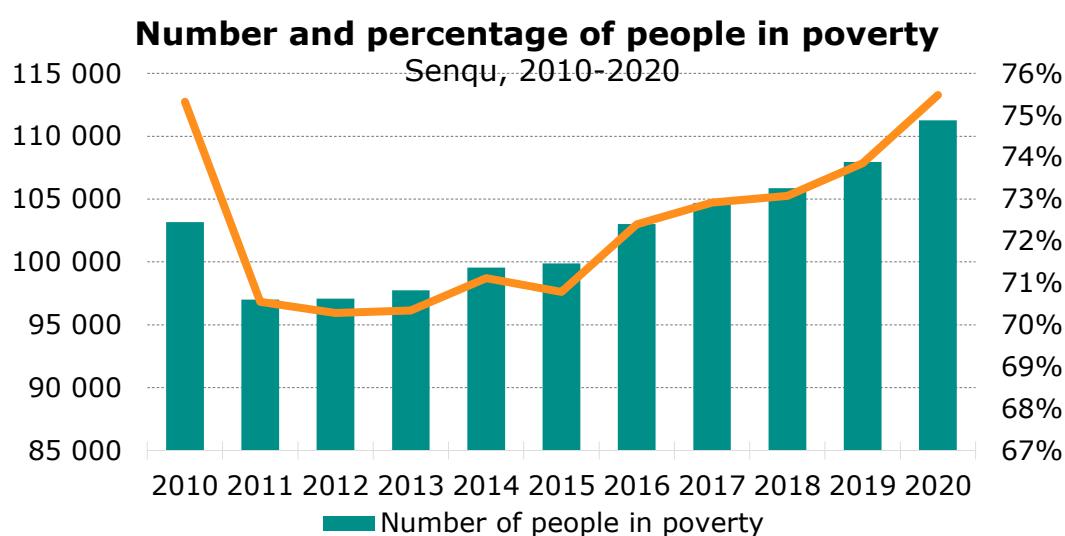Source: IHS Markit Regional eXplorer version 2143
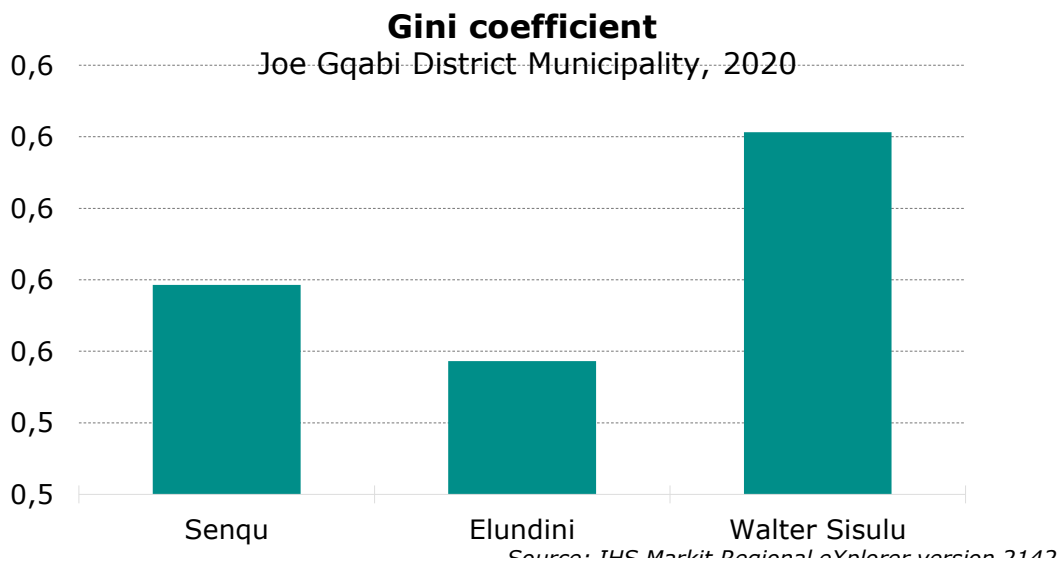
In terms of the Gini coefficient for each of the regions within the Joe Gqabi District Municipality, Walter Sisulu Local Municipality has the highest Gini coefficient, with an index value of 0.621. The lowest Gini coefficient can be observed in the Elundini Local Municipality with an index value of 0.557.

Poverty

Definition: The upper poverty line is defined by StatsSA as the level of consumption at which individuals are able to purchase both sufficient food and non-food items without sacrificing one for the other. This variable measures the number of individuals living below that particular level of consumption for the given area, and is balanced directly to the official upper poverty rate as measured by StatsSA.

Number and percentage of people in poverty
Senqu, 2010-2020

Source: IHS Markit Regional eXplorer version 2142

In 2020, there were 111 000 people living in poverty, using the upper poverty line definition, across
Senqu Local Municipality - this is 7.87% higher than the 103 000 in 2010. The percentage of people
living in poverty has increased from 75.32% in 2010 to 75.48% in 2020, which indicates a increase of -
0.159 percentage points.

TABLE 29. PERCENTAGE OF PEOPLE LIVING IN POVERTY BY POPULATION GROUP - SENQU,
2010-2020 [PERCENTAGE]

	African	White	Coloured
2010	76.6%	1.4%	52.9%
2011	71.8%	0.7%	48.1%
2012	71.5%	0.7%	48.4%
2013	71.6%	0.6%	48.9%
2014	72.3%	0.8%	50.0%
2015	72.0%	1.2%	50.2%
2016	73.6%	1.9%	51.6%
2017	74.1%	2.4%	52.1%
2018	74.2%	2.6%	51.7%
2019	75.0%	2.8%	52.2%
2020	76.6%	3.7%	54.0%

Source: IHS Markit Regional eXplorer version 2142

In 2020, the population group with the highest percentage of people living in poverty was the African
population group with a total of 76.6% people living in poverty, using the upper poverty line definition.
The proportion of the African population group, living in poverty, decreased by -0.00414 percentage

points, as can be seen by the change from 76.64% in 2010 to 76.64% in 2020. In 2020 3.68% of the White population group lived in poverty, as compared to the 1.37% in 2010.

CHART 28. PERCENTAGE OF PEOPLE LIVING IN POVERTY - SENQU AND THE REST OF JOE GQABI DISTRICT MUNICIPALITY,2020 [PERCENTAGE]

Percentage of people living in poverty
Joe Gqabi District Municipality, 2020

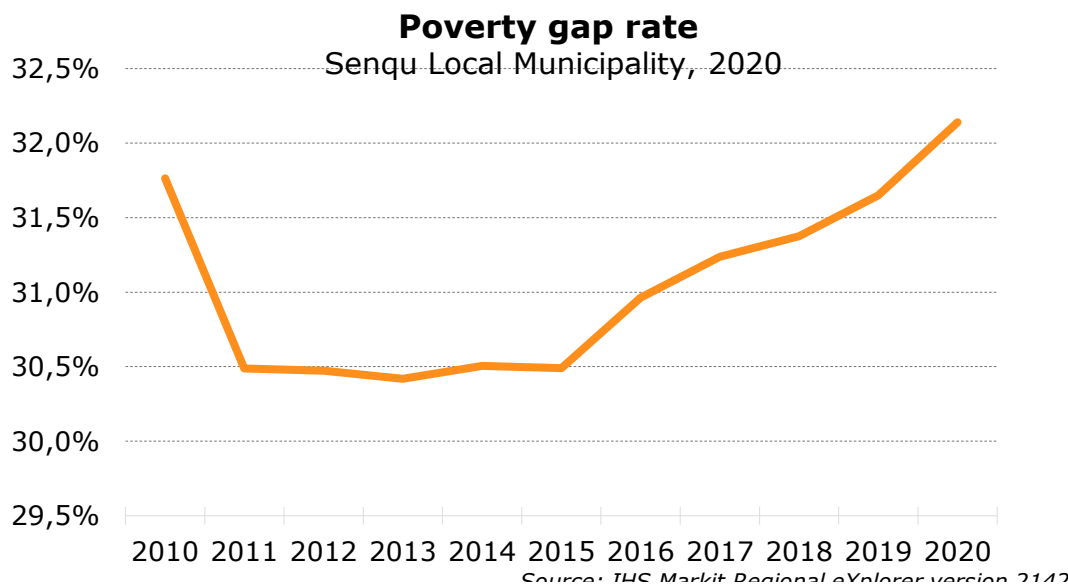
Source: IHS Markit Regional eXplorer version 2142
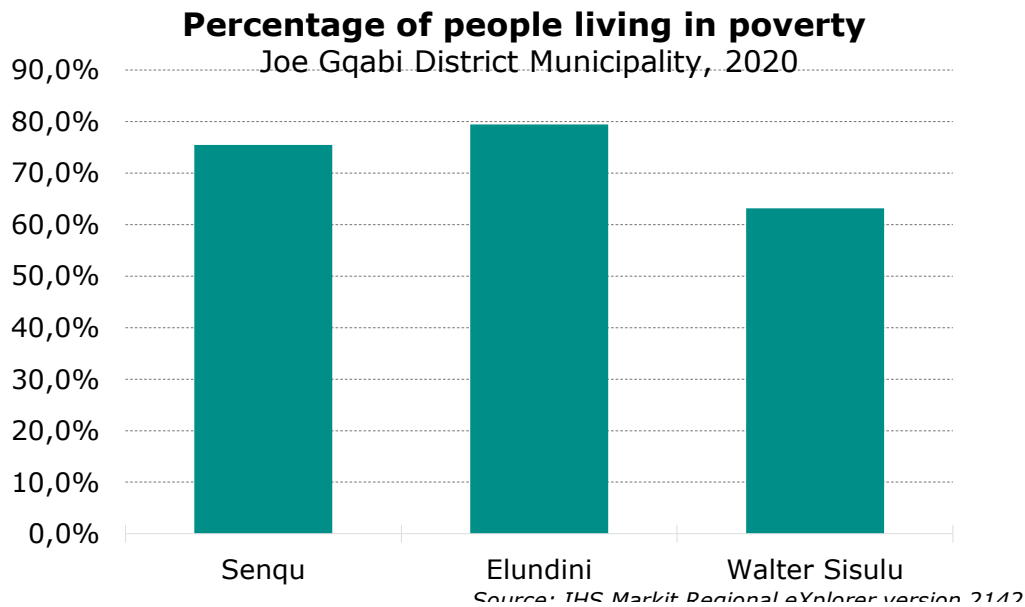
In terms of the percentage of people living in poverty for each of the regions within the Joe Gqabi District Municipality, Elundini Local Municipality has the highest percentage of people living in poverty, with a total of 79.4%. The lowest percentage of people living in poverty can be observed in the Walter Sisulu Local Municipality with a total of 63.1% living in poverty, using the upper poverty line definition.

Poverty Gap Rate

Definition: The poverty gap is used as an indicator to measure the depth of poverty. The gap measures the average distance of the population from the poverty line and is expressed as a percentage of the upper bound poverty line, as defined by StatsSA. The Poverty Gap deals with a major shortcoming of the poverty rate, which does not give any indication of the depth, of poverty. The upper poverty line is defined by StatsSA as the level of consumption at which individuals are able to purchase both sufficient food and non-food items without sacrificing one for the other.

It is estimated that the poverty gap rate in Senqu Local Municipality amounted to 32.1% in 2020 - the rate needed to bring all poor households up to the poverty line and out of poverty.

TABLE 30. POVERTY GAP RATE BY POPULATION GROUP - SENQU LOCAL MUNICIPALITY, 2010-2020 [PERCENTAGE]

Poverty gap rate
Senqu Local Municipality, 2020

In 2020, the poverty gap rate was 32.1% and in 2010 the poverty gap rate was 31.8%,it can be seen that the poverty gap rate increased from 2010 to 2020, which means that there were no improvements in terms of the depth of the poverty within Senqu Local Municipality.

CHART 29. POVERTY GAP RATE - SENQU LOCAL MUNICIPALITY AND THE REST OF JOE GQABI, 2020 [PERCENTAGE]

Poverty gap rate
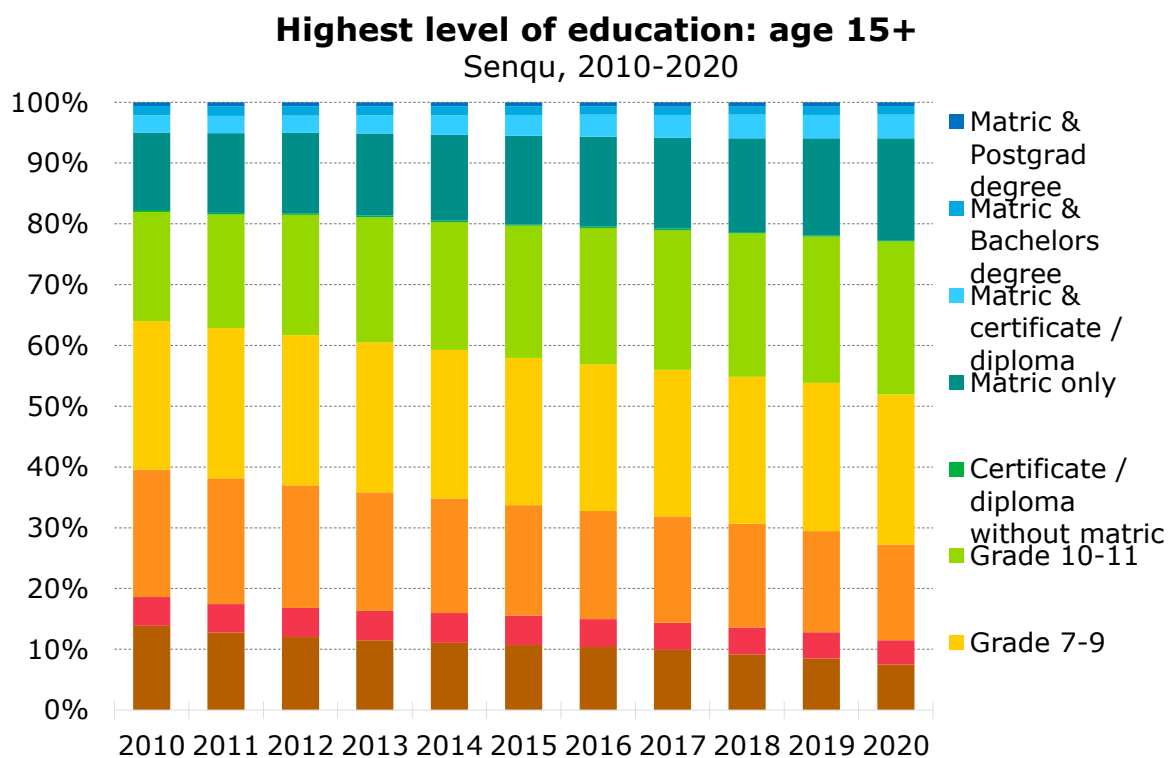### Joe Gqabi District Municipality, 2020
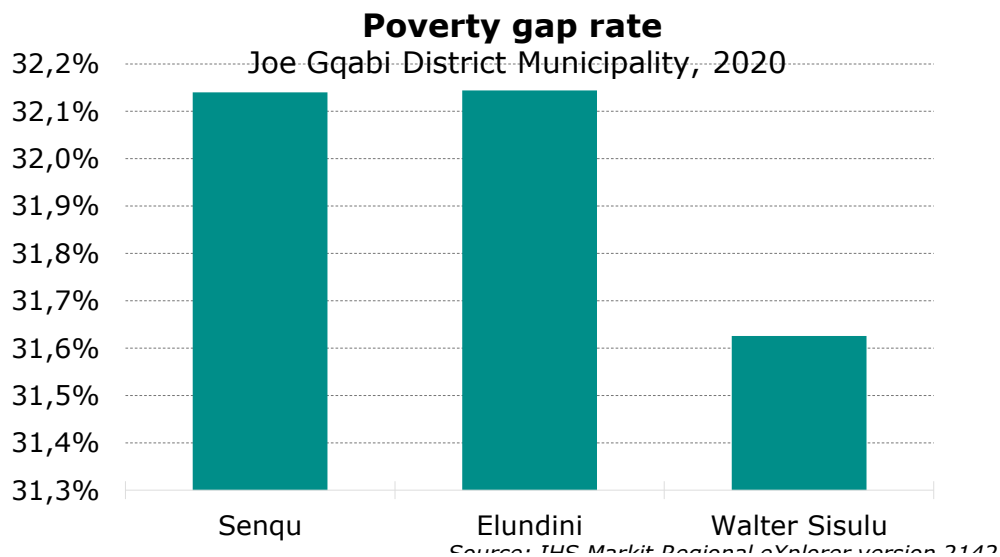
In terms of the poverty gap rate for each of the regions within the Joe Gqabi District Municipality, Elundini Local Municipality had the highest poverty gap rate, with a rand value of 32.1%. The lowest poverty gap rate can be observed in the Walter Sisulu Local Municipality with a total of 31.6%.

Education

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Educating is important to the economic growth in a country and the development of its industries, providing a trained workforce and skilled professionals required.

The education measure represents the highest level of education of an individual, using the 15 years and older age category. (According to the United Nations definition of education, one is an adult when 15 years or older. IHS uses this cut-off point to allow for cross-country comparisons. Furthermore, the age of 15 is also the legal age at which children may leave school in South Africa).

CHART 30. HIGHEST LEVEL OF EDUCATION: AGE 15+ - SENQU LOCAL MUNICIPALITY, 2010-2020 [PERCENTAGE]

Highest level of education: age 15+
Senqu, 2010-2020

Legend:
- Matric & Postgrad degree
- Matric & Bachelors degree
- Matric & certificate / diploma
- Matric only
- Certificate / diploma without matric
- Grade 10-11
- Grade 7-9

Within Senqu Local Municipality, the number of people without any schooling decreased from 2010 to 2020 with an average annual rate of -4.44%, while the number of people within the 'matric only' category, increased from 9,810 to 15,100. The number of people with 'matric and a certificate/diploma' increased with an average annual rate of 4.77%, with the number of people with a 'matric and a Bachelor's' degree increasing with an average annual rate of 0.54%. Overall improvement in the level of education is visible with an increase in the number of people with 'matric' or higher education.

TABLE 31. HIGHEST LEVEL OF EDUCATION: AGE 15+ - SENQU, JOE GQABI, EASTERN CAPE AND NATIONAL TOTAL, 2020 [NUMBERS]

	Senqu	Joe Gqabi	Eastern Cape	National Total	Senqu as % of district municipality	Senqu as % of province	Senqu as % of national
No schooling	6,770	15,700	248,000	1,810,000	43.1%	2.7%	0.37%
Grade 0-2	3,580	8,900	111,000	551,000	40.2%	3.2%	0.65%
Grade 3-6	14,200	37,700	530,000	2,900,000	37.8%	2.7%	0.49%
Grade 7-9	22,300	62,100	1,020,000	6,020,000	35.9%	2.2%	0.37%
Grade 10-11	22,700	56,600	1,160,000	9,480,000	40.1%	2.0%	0.24%
Certificate / diploma without matric	174	594	14,800	197,000	29.4%	1.2%	0.09%
Matric only	15,100	42,100	1,030,000	12,100,000	35.9%	1.5%	0.13%
Matric certificate / diploma	3,520	10,000	236,000	2,570,000	35.0%	1.5%	0.14%
Matric Bachelors degree	1,250	4,180	133,000	1,720,000	29.8%	0.9%	0.07%
Matric Postgrad degree	564	2,000	57,200	848,000	28.2%	1.0%	0.07%

Source: IHS Markit Regional eXplorer version 2142

The number of people without any schooling in Senqu Local Municipality accounts for 43.07% of the number of people without schooling in the district municipality, 2.73% of the province and 0.37% of the national. In 2020, the number of people in Senqu Local Municipality with a matric only was 15,100 which is a share of 35.90% of the district municipality's total number of people that has obtained a matric. The number of people with a matric and a Postgrad degree constitutes 29.82% of the district municipality, 0.94% of the province and 0.07% of the national.

CHART 31. HIGHEST LEVEL OF EDUCATION: AGE 15+, SENQU, ELUNDINI AND WALTER SISULU 2020 [PERCENTAGE]

Highest level of education: age 15+
Joe Gqabi, 2020

Source: IHS Markit Regional eXplorer version 2142
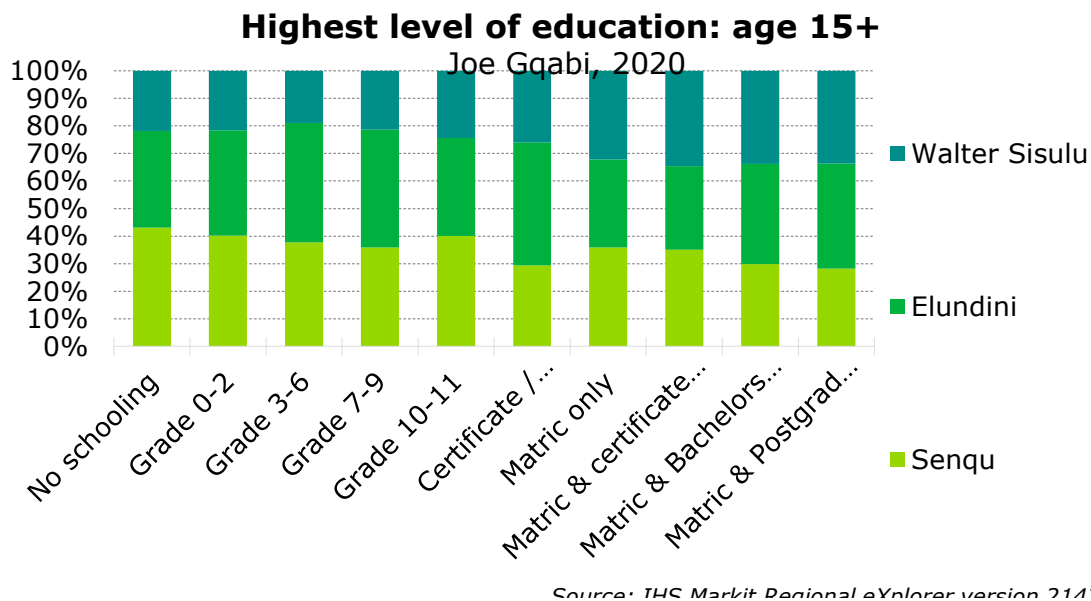
Functional literacy

Definition: For the purpose of this report, IHS defines functional literacy as the number of people in a region that are 20 years and older and have completed at least their primary education (i.e. grade 7).

Functional literacy describes the reading and writing skills that are adequate for an individual to cope with the demands of everyday life - including the demands posed in the workplace. This is contrasted with illiteracy in the strictest sense, meaning the inability to read or write. Functional literacy enables individuals to enter the labour market and contribute towards economic growth thereby reducing poverty.
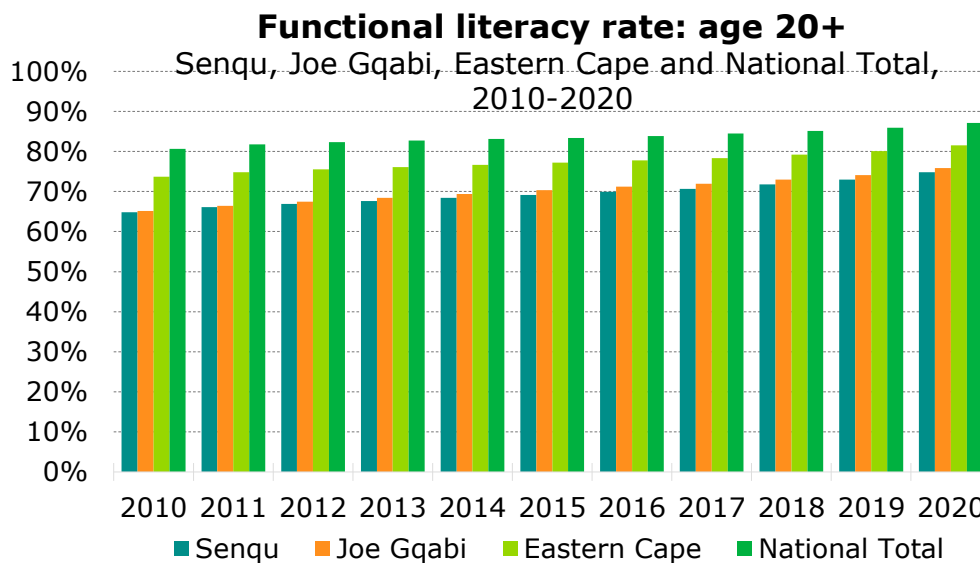
TABLE 32. FUNCTIONAL LITERACY: AGE 20+, COMPLETED GRADE 7 OR HIGHER - SENQU LOCAL MUNICIPALITY, 2010-2020 [NUMBER PERCENTAGE]

	Illiterate	Literate	%
2010	32,580	60,029	64.8%
2011	31,660	61,673	66.1%
2012	31,083	62,878	66.9%
2013	30,543	63,921	67.7%
2014	30,099	65,124	68.4%
2015	29,630	66,486	69.2%
2016	29,192	67,846	69.9%
2017	28,797	69,287	70.6%
2018	28,001	71,347	71.8%
2019	27,247	73,569	73.0%
2020	25,774	76,678	74.8%
Average Annual growth			
2010-2020	*-2.32*%	*2.48*%	*1.45*%

Source: IHS Markit Regional eXplorer version 2142

A total of 76 700 individuals in Senqu Local Municipality were considered functionally literate in 2020, while 25 800 people were considered to be illiterate. Expressed as a rate, this amounts to 74.84% of the population, which is an increase of 0.1 percentage points since 2010 (64.82%). The number of illiterate individuals decreased on average by -2.32% annually from 2010 to 2020, with the number of functional literate people increasing at 2.48% annually.

Functional literacy rate: age 20+

Senqu, Joe Gqabi, Eastern Cape and National Total, 2010-2020

■ Senqu ■ Joe Gqabi ■ Eastern Cape ■ National Total

Source: IHS Markit Regional eXplorer version 2142

Senqu Local Municipality's functional literacy rate of 74.84% in 2020 is lower than that of Joe Gqabi at 75.87%, and is lower than the province rate of 81.53%. When comparing to National Total as whole, which has a functional literacy rate of 87.11%, it can be seen that the functional literacy rate is higher than that of the Senqu Local Municipality.

A higher literacy rate is often associated with higher levels of urbanization, for instance where access to schools is less of a problem, and where there are economies of scale. From a spatial breakdown of the literacy rates in South Africa, it is perceived that the districts with larger cities normally have higher literacy rates.

CHART 33. LITERACY RATE - SENQU LOCAL MUNICIPALITY AND THE REST OF JOE GQABI
DISTRICT MUNICIPALITY,2020 [PERCENTAGE]

Functional literacy rate
Joe Gqabi District Municipality, 2020

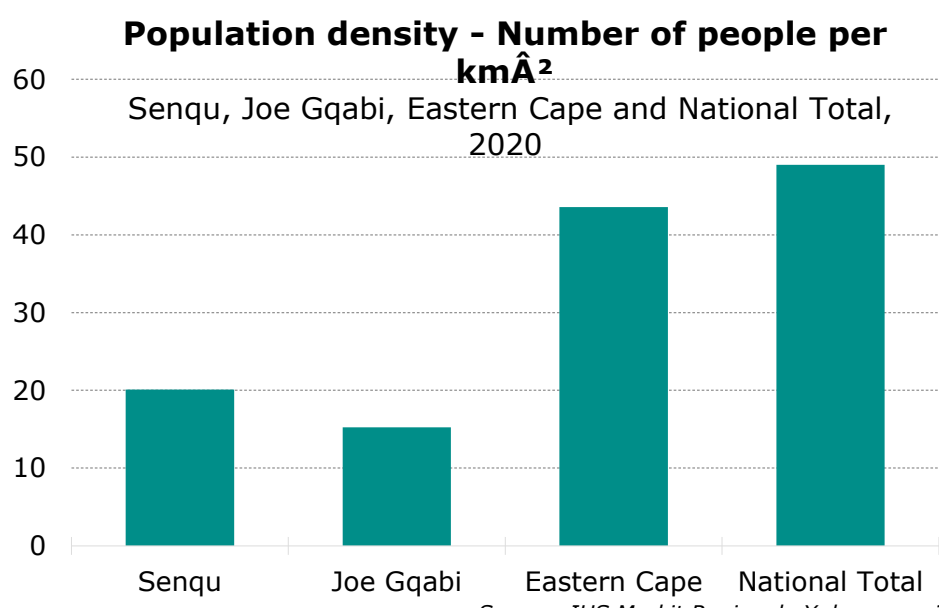*Source: IHS Markit Regional eXplorer version 2143*
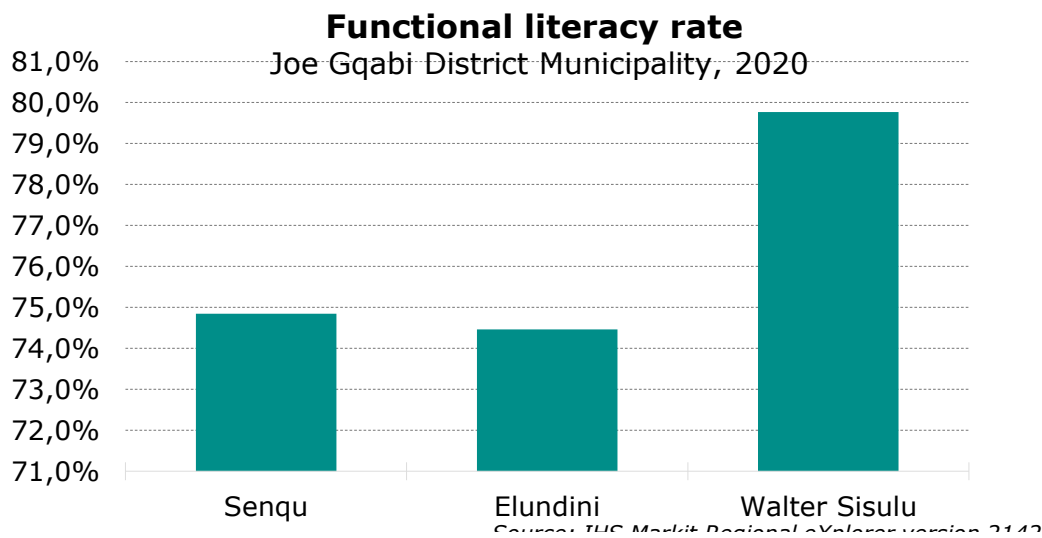
In terms of the literacy rate for each of the regions within the Joe Gqabi District Municipality, Walter Sisulu Local Municipality had the highest literacy rate, with a total of 79.8%. The lowest literacy rate can be observed in the Elundini Local Municipality with a total of 74.5%.

Population Density

<u>Definition:</u>   Population density measures the concentration of people in a region. To calculate this, the population of a region is divided by the area size of that region. The output is presented as the number of people per square kilometre.

Population density - Number of people per kmÂ²
Senqu, Joe Gqabi, Eastern Cape and National Total, 2020

Source: IHS Markit Regional eXplorer version 2142

In 2020, with an average of 20.1 people per square kilometre, Senqu Local Municipality had a higher population density than Joe Gqabi (15.3 people per square kilometre). Compared to Eastern Cape Province (43.6 per square kilometre) it can be seen that there are less people living per square kilometre in Senqu Local Municipality than in Eastern Cape Province.

TABLE 33. POPULATION DENSITY - SENQU AND THE REST OF JOE GQABI, 2010-2020 [NUMBER OF PEOPLE PER KM]

	Senqu	Elundini	Walter Sisulu
2010	18.69	27.64	5.95
2011	18.76	27.82	6.05
2012	18.85	28.01	6.15
2013	18.96	28.23	6.26
2014	19.10	28.49	6.36
2015	19.25	28.77	6.46
2016	19.41	29.06	6.56
2017	19.59	29.35	6.66
2018	19.76	29.65	6.75
2019	19.94	29.94	6.83
2020	20.11	30.22	6.91
Average Annual growth			
2010-2020	*0.74*%	*0.90*%	*1.51*%

Source: IHS Markit Regional eXplorer version 2142

In 2020, Senqu Local Municipality had a population density of 20.1 per square kilometre and it ranked highest amongst its piers. The region with the highest population density per square kilometre was the Elundini with a total population density of 30.2 per square kilometre per annum. In terms of growth, Senqu Local Municipality had an average annual growth in its population density of 0.74% per square kilometre per annum. The region with the highest growth rate in the population density per square kilometre was Walter Sisulu with an average annual growth rate of 1.51% per square kilometre. In 2020, the region with the lowest population density within Joe Gqabi District Municipality was Walter Sisulu with 6.91 people per square kilometre. The region with the lowest average annual growth rate was the Senqu with an average annual growth rate of 0.74% people per square kilometre over the period under discussion.

Using population density instead of the total number of people creates a better basis for comparing different regions or economies. A higher population density influences the provision of household infrastructure, quality of services, and access to resources like medical care, schools, sewage treatment, community centres, etc.

CHART 35. POPULATION DENSITY - SENQU AND THE REST OF JOE GQABI DISTRICT MUNICIPALITY, 2020 [NUMBER OF PEOPLE PER KM]

Population Density - Number of people per kmÂ²
Joe Gqabi District Municipality, 2020

Source: IHS Markit Regional eXplorer version 2142
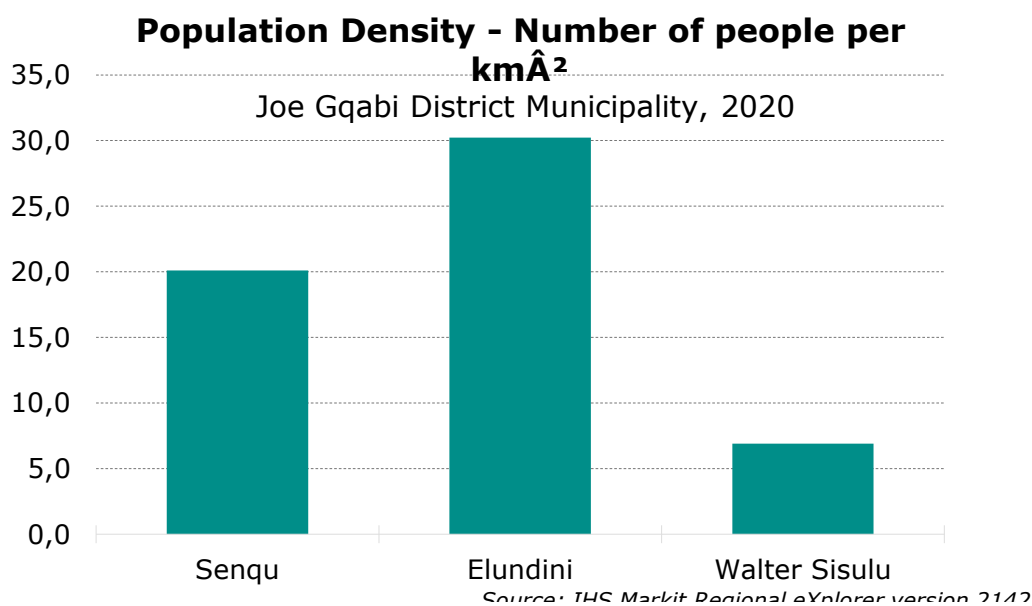
In terms of the population density for each of the regions within the Joe Gqabi District Municipality, Elundini Local Municipality had the highest density, with 30.2 people per square kilometre. The lowest population density can be observed in the Walter Sisulu Local Municipality with a total of 6.91 people per square kilometre.

Crime

The state of crime in South Africa has been the topic of many media articles and papers in the past years, and although many would acknowledge that the country has a crime problem, very little research has been done on the relative level of crime. The media often tend to focus on more negative or sensational information, while the progress made in combating crime is neglected.

IHS Composite Crime Index

The IHS Composite Crime Index makes use of the official SAPS data, which is reported in 27 crime categories (ranging from murder to crime injuries). These 27 categories are divided into two groups according to the nature of the crime: i.e. violent crimes and property crimes. IHS uses the (a) Length-of-sentence and the (b) Cost-of-crime in order to apply a weight to each category.

Overall crime index

Definition: The crime index is a composite, weighted index which measures crime. The higher the index number, the higher the level of crime for that specific year in a particular region. The index is best used by looking at the change over time, or comparing the crime levels across regions.

CHART 36. IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - SENQU LOCAL MUNICIPALITY, 2010/2011-2020/2021 [INDEX VALUE]

Overall, Violent and Property Crime Index
Senqu, 2010/2011-2020/2021
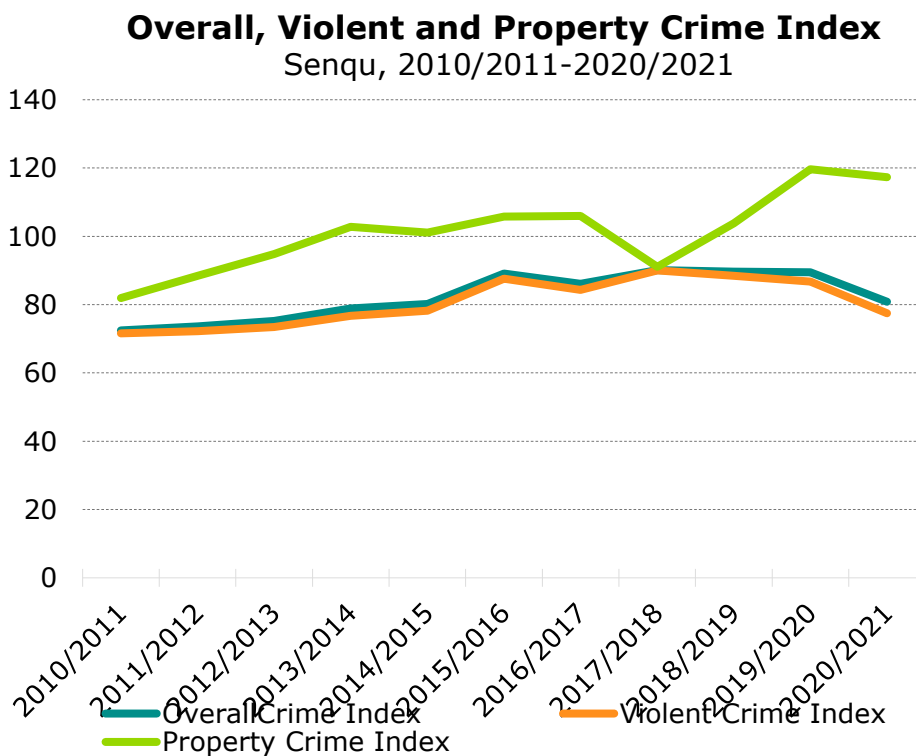
Source: IHS Markit Regional eXplorer version 2142

For the period 2010/2011 to 2020/2021 overall crime has increase at an average annual rate of 1.10% within the Senqu Local Municipality. Violent crime increased by 0.80% since 2010/2011, while property crimes increased by 3.65% between the 2010/2011 and 2020/2021 financial years.

TABLE 34. OVERALL CRIME INDEX - SENQU LOCAL MUNICIPALITY AND THE REST OF JOE GQABI, 2010/2011-2020/2021 [INDEX VALUE]

	Senqu	Elundini	Walter Sisulu
2010/2011	72.45	66.66	155.59
2011/2012	73.62	66.26	160.96
2012/2013	75.21	71.39	149.96
2013/2014	78.87	70.16	148.33
2014/2015	80.15	67.72	145.05
2015/2016	89.09	75.17	134.85
2016/2017	86.09	73.00	139.82
2017/2018	90.11	73.16	128.83
2018/2019	89.70	72.84	120.65
2019/2020	89.52	62.82	109.82
2020/2021	80.83	61.78	98.01
Average Annual growth			
2010/2011-2020/2021	*1.10*%	*-0.76*%	*-4.52*%

Source: IHS Markit Regional eXplorer version 2142

In 2020/2021, the Walter Sisulu Local Municipality has the highest overall crime rate of the sub-regions within the overall Joe Gqabi District Municipality with an index value of 98. Senqu Local Municipality has the second highest overall crime index at 80.8, with Elundini Local Municipality having the third highest overall crime index of 61.8. Senqu Local Municipality has the second lowest overall crime index of 80.8 and the Elundini Local Municipality has the lowest overall crime rate of 61.8. The region that decreased the most in overall crime since 2010/2011 was Walter Sisulu Local Municipality with an average annual decrease of 4.5% followed by Elundini Local Municipality with an average annual decrease of 0.8%.

Overall, Violent and Property Crime Index
Senqu, Joe Gqabi, Eastern Cape and National Total, 2020/2021
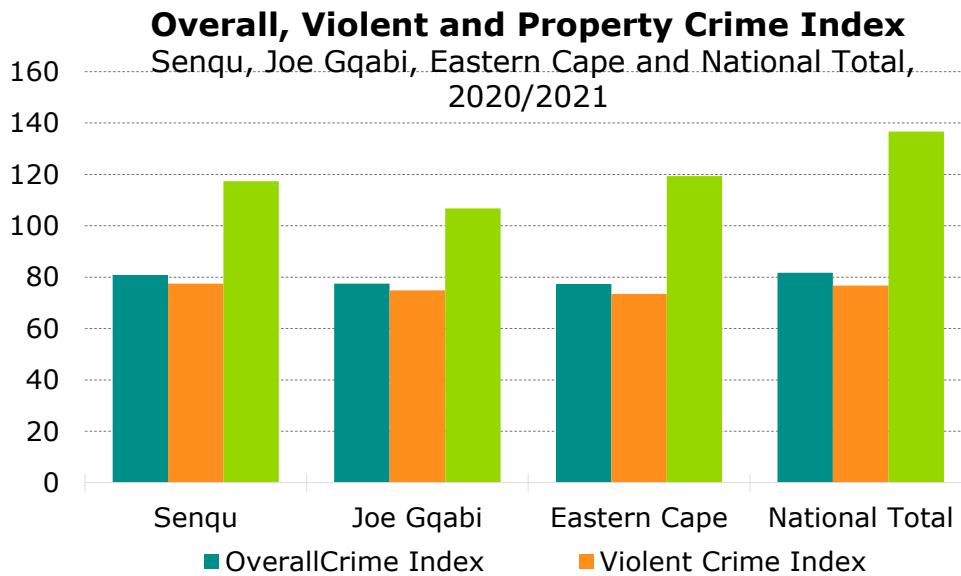
Source: IHS Markit Regional eXplorer version 2142

From the chart above it is evident that property crime is a major problem for all the regions relative to violent crime.

International Trade

Trade is defined as the act of buying and selling, with international trade referring to buying and selling across international border, more generally called importing and exporting. The Trade Balance is calculated by subtracting imports from exports.

Relative Importance of international Trade

In the table below, the Senqu Local Municipality is compared to Joe Gqabi, Eastern Cape Province and South Africa, in terms of actual imports and exports, the Trade Balance, as well the contribution to GDP and the region's contribution to total national exports and imports.

TABLE 35. MERCHANDISE EXPORTS AND IMPORTS - SENQU, JOE GQABI, EASTERN CAPE AND NATIONAL TOTAL, 2020 [R 1000, CURRENT PRICES]

	Senqu	Joe Gqabi	Eastern Cape	National Total
Exports (R 1000)	0	2,448	92,643,509	1,394,345,999
Imports (R 1000)	8,599	122,534	73,918,938	1,109,458,999
Total Trade (R 1000)	8,599	124,982	166,562,447	2,503,804,998
Trade Balance (R 1000)	-8,599	-120,085	18,724,570	284,887,001
Exports as % of GDP	0.0%	0.0%	24.5%	28.0%
Total trade as % of GDP	0.2%	1.0%	44.0%	50.3%
Regional share - Exports	0.0%	0.0%	6.6%	100.0%
Regional share - Imports	0.0%	0.0%	6.7%	100.0%
Regional share - Total Trade	**0.0%**	**0.0%**	**6.7%**	**100.0%**

Source: IHS Markit Regional eXplorer version 2142

The merchandise export from Senqu Local Municipality amounts to R 0 and as a percentage of total national exports constitutes about 0.00%. The exports from Senqu Local Municipality constitute 0.00% of total Senqu Local Municipality's GDP. Merchandise imports of R 8.6 million constitute about 0.00% of the national imports. Total trade within Senqu is about 0.00% of total national trade. Senqu Local Municipality had a negative trade balance in 2020 to the value of R 8.6 million.
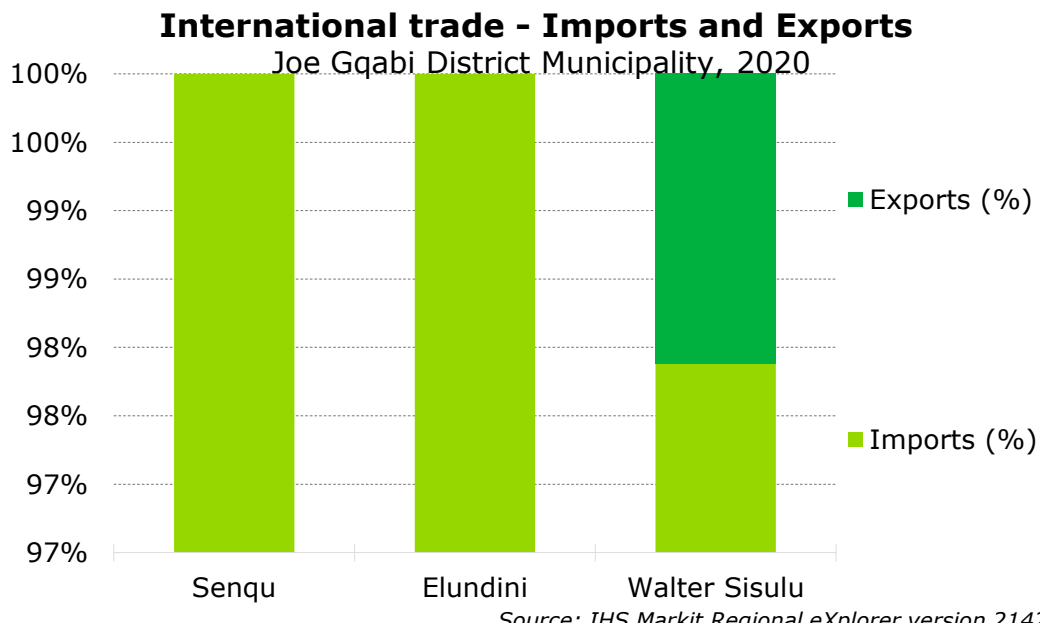
CHART 38. IMPORT AND EXPORTS IN SENQU LOCAL MUNICIPALITY, 2010-2020 [R 1000]

Source: IHS Markit Regional eXplorer version 2142

Analysing the trade movements over time, total trade increased from 2010 to 2020 at an average annual growth rate of 70.81%. Merchandise exports decreased at an average annual rate of 0.00%, with the highest level of exports of R 4.24 million experienced in 2014. Merchandise imports increased at an average annual growth rate of 70.81% between 2010 and 2020, with the lowest level of imports experienced in 2013.

CHART 39. MERCHANDISE EXPORTS AND IMPORTS - SENQU AND THE REST OF JOE GQABI, 2020 [PERCENTAGE]

International trade - Imports and Exports
Joe Gqabi District Municipality, 2020
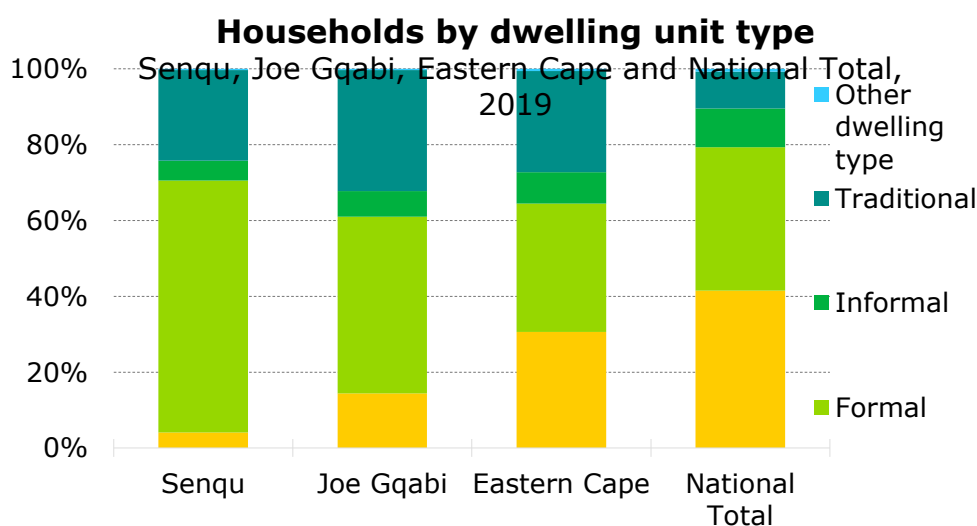

Source: IHS Markit Regional eXplorer version 2142

When comparing the Senqu Local Municipality with the other regions in the Joe Gqabi District Municipality, Walter Sisulu has the biggest amount of international trade (when aggregating imports and exports, in absolute terms) with a total of R 115 million. This is also true for exports - with a total of R 2.45 million in 2020. Elundini had the lowest total trade figure at R 966,000. The Elundini also had the lowest exports in terms of currency value with a total of R 0 exports.

Chapter 5: Infrastructure Provision
Household Infrastructure

Household by Dwelling Type

CHART 40. HOUSEHOLDS BY DWELLING UNIT TYPE - SENQU, JOE GQABI, EASTERN CAPE AND NATIONAL TOTAL, 2019 [PERCENTAGE]

Households by dwelling unit type
Senqu, Joe Gqabi, Eastern Cape and National Total, 2019

Source: IHS Markit Regional eXplorer version 2142

Senqu Local Municipality had a total number of 1 760 (4.12% of total households) very formal dwelling units, a total of 28 300 (66.45% of total households) formal dwelling units and a total number of 2 210 (5.19% of total households) informal dwelling units.

TABLE 36. HOUSEHOLDS BY DWELLING UNIT TYPE - SENQU AND THE REST OF JOE GQABI, 2019 [NUMBER]

	Very Formal	Formal	Informal	Traditional	Other dwelling type	Total
Senqu	1,757	28,345	2,213	10,180	161	42,656
Elundini	3,634	9,948	4,874	24,065	91	42,612
Walter Sisulu	10,628	13,560	455	1,346	97	26,086
Total Joe Gqabi	**16,020**	**51,854**	**7,543**	**35,590**	**348**	**111,355**

Source: IHS Markit Regional eXplorer version 2142

The region within the Joe Gqabi District Municipality with the highest number of very formal dwelling units is Walter Sisulu Local Municipality with 10 600 or a share of 66.34% of the total very formal dwelling units within Joe Gqabi. The region with the lowest number of very formal dwelling units is

Senqu Local Municipality with a total of 1 760 or a share of 10.97% of the total very formal dwelling units within Joe Gqabi.

CHART 41. FORMAL DWELLING BACKLOG - NUMBER OF HOUSEHOLDS NOT LIVING IN A FORMAL DWELLING - SENQU LOCAL MUNICIPALITY, 2009-2019 [NUMBER OF HOUSEHOLDS]

Formal dwelling backlog
Senqu, 2009-2019

Source: IHS Markit Regional eXplorer version 2143
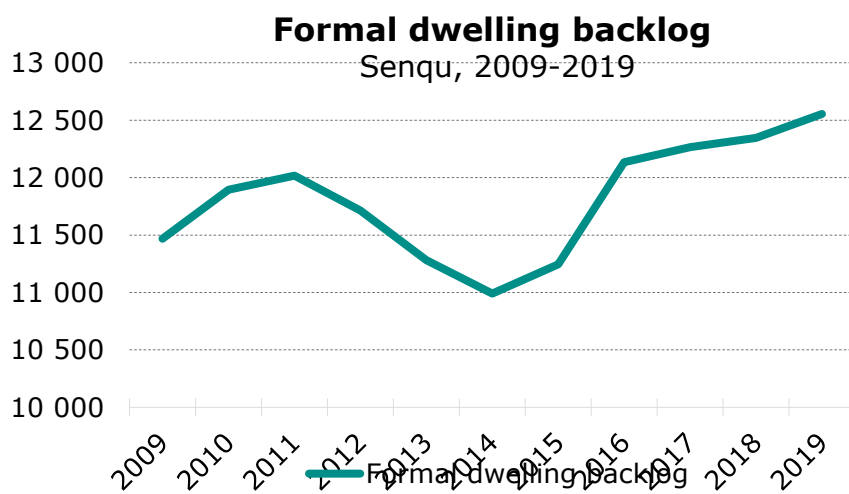
When looking at the formal dwelling unit backlog (number of households not living in a formal dwelling) over time, it can be seen that in 2009 the number of households not living in a formal dwelling were 11 500 within Senqu Local Municipality. From 2009 this number increased annually at 0.91% to 12 600 in 2019.

The total number of households within Senqu Local Municipality increased at an average annual rate of 1.17% from 2009 to 2019, which is higher than the annual increase of 1.96% in the number of households in South Africa.

Household by Type of Sanitation

Sanitation can be divided into specific types of sanitation to which a household has access. We use the following categories:

- **No toilet** - No access to any of the toilet systems explained below.
- **Bucket system** - A top structure with a seat over a bucket. The bucket is periodically removed and the contents disposed of. (Note: this system is widely used but poses health risks to the collectors. Most authorities are actively attempting to discontinue the use of these buckets in their local regions).
- **Pit toilet** - A top structure over a pit.
- **Ventilation improved pit** - A pit toilet but with a fly screen and vented by a pipe. Depending on soil conditions, the pit may be lined.

- **Flush toilet** - Waste is flushed into an enclosed tank, thus preventing the waste to flow into the surrounding environment. The tanks need to be emptied or the contents pumped elsewhere.

CHART 42. HOUSEHOLDS BY TYPE OF SANITATION - SENQU, JOE GQABI, EASTERN CAPE AND NATIONAL TOTAL, 2019 [PERCENTAGE]
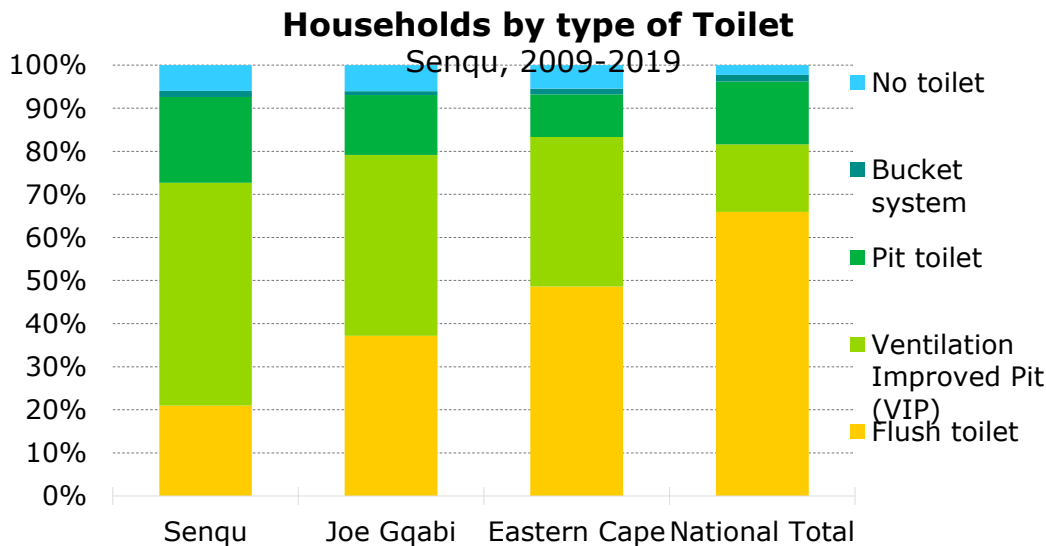
Households by type of Toilet
Senqu, 2009-2019

Source: IHS Markit Regional eXplorer version 2142

Senqu Local Municipality had a total number of 8 940 flush toilets (20.96% of total households), 22 100 Ventilation Improved Pit (VIP) (51.73% of total households) and 8 490 (19.91%) of total households pit toilets.
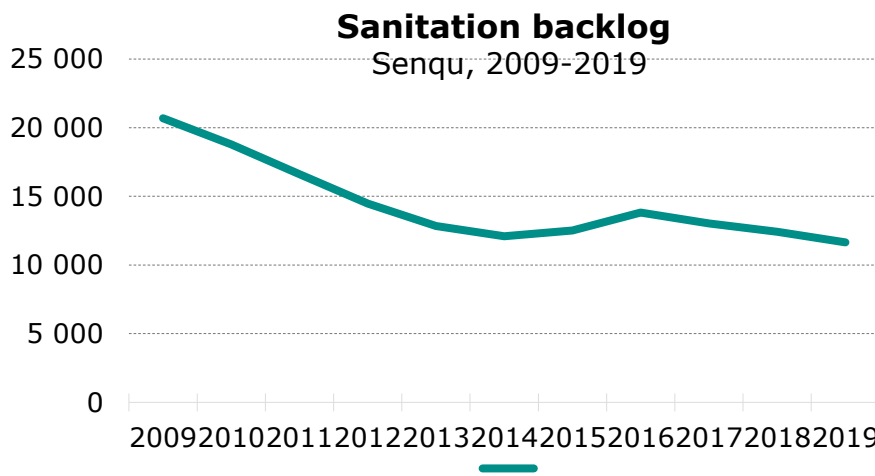
TABLE 37. HOUSEHOLDS BY TYPE OF SANITATION - SENQU LOCAL MUNICIPALITY AND THE REST OF JOE GQABI, 2019 [NUMBER]

	Flush toilet	Ventilation Improved Pit (VIP)	Pit	Pit toilet	Bucket system	No toilet	Total
Senqu	8,939	22,065		8,491	623	2,538	42,656
Elundini	9,010	23,632		6,673	83	3,214	42,612
Walter Sisulu	23,439	1,098		262	299	989	26,086
Total Joe Gqabi	**41,388**	**46,795**		**15,425**	**1,005**	**6,741**	**111,355**

Source: IHS Markit Regional eXplorer version 2142

The region within Joe Gqabi with the highest number of flush toilets is Walter Sisulu Local Municipality with 23 400 or a share of 56.63% of the flush toilets within Joe Gqabi. The region with the lowest number of flush toilets is Senqu Local Municipality with a total of 8 940 or a share of 21.60% of the total flush toilets within Joe Gqabi District Municipality.

Sanitation backlog
Senqu, 2009-2019

Source: IHS Markit Regional eXplorer version 2142

When looking at the sanitation backlog (number of households without hygienic toilets) over time, it can be seen that in 2009 the number of Households without any hygienic toilets in Senqu Local Municipality was 20 700, this decreased annually at a rate of -5.58% to 11 600 in 2019.

Households by Access to water

A household is categorised according to its main access to water, as follows: Regional/local water scheme, Borehole and spring, Water tank, Dam/pool/stagnant water, River/stream and other main access to water methods. No formal piped water includes households that obtain water via water carriers and tankers, rain water, boreholes, dams, rivers and springs.

CHART 44. HOUSEHOLDS BY TYPE OF WATER ACCESS - SENQU, JOE GQABI, EASTERN CAPE
AND NATIONAL TOTAL, 2019 [PERCENTAGE]
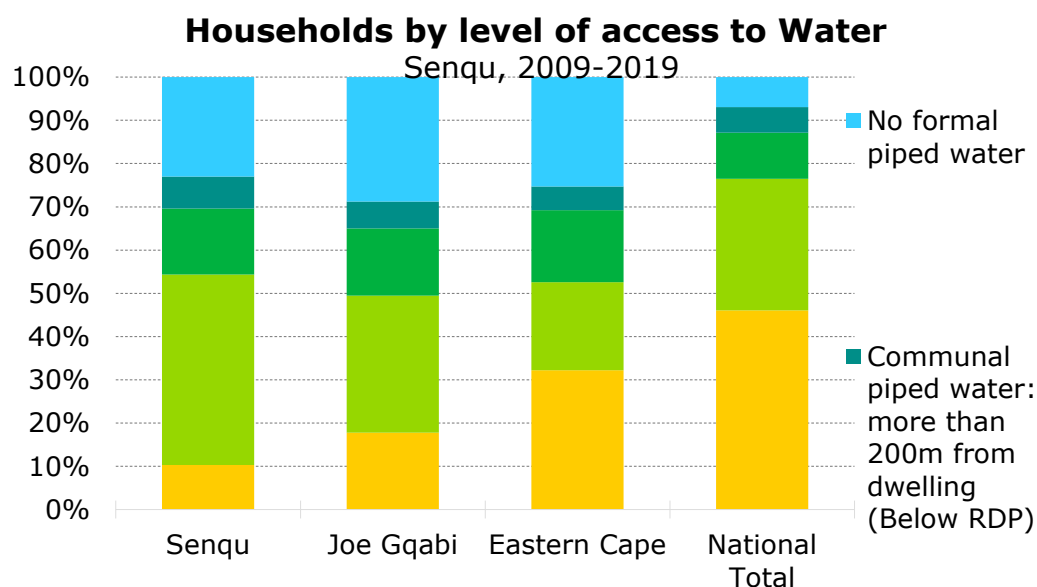
Households by level of access to Water
Senqu, 2009-2019

Source: IHS Markit Regional eXplorer version 2142

Senqu Local Municipality had a total number of 4 400 (or 10.33%) households with piped water inside
the dwelling, a total of 18 800 (43.99%) households had piped water inside the yard and a total number
of 9 810 (22.99%) households had no formal piped water.

TABLE 38. HOUSEHOLDS BY TYPE OF WATER ACCESS - SENQU AND THE REST OF JOE
GQABI, 2019 [NUMBER]

	Piped water inside dwelling	Piped water in yard	Communal piped water: less than 200m from dwelling (At RDP-level)	Communal piped water: more than 200m from dwelling (Below RDP)	No formal piped water	Total
Senqu	4,405	18,765	6,531	3,148	9,807	42,656
Elundini	5,420	3,604	8,853	3,004	21,732	42,612
Walter Sisulu	9,995	12,921	1,861	840	469	26,086
Total Joe Gqabi	**19,820**	**35,290**	**17,246**	**6,992**	**32,007**	**111,355**

Source: IHS Markit Regional eXplorer version 2142

The region within the Joe Gqabi District Municipality with the highest number of households that have
piped water inside the dwelling is the Walter Sisulu Local Municipality with 10 000 or 50.43% of the

households. The region with the lowest number of households that have piped water inside the dwelling is the Senqu Local Municipality with a total of 4 400 or 22.23% of the households.

CHART 45. WATER BACKLOG - SENQU LOCAL MUNICIPALITY, 2009-2019 [NUMBER OF HOUSEHOLDS BELOW RDP-LEVEL]

Water backlog
Senqu, 2009-2019
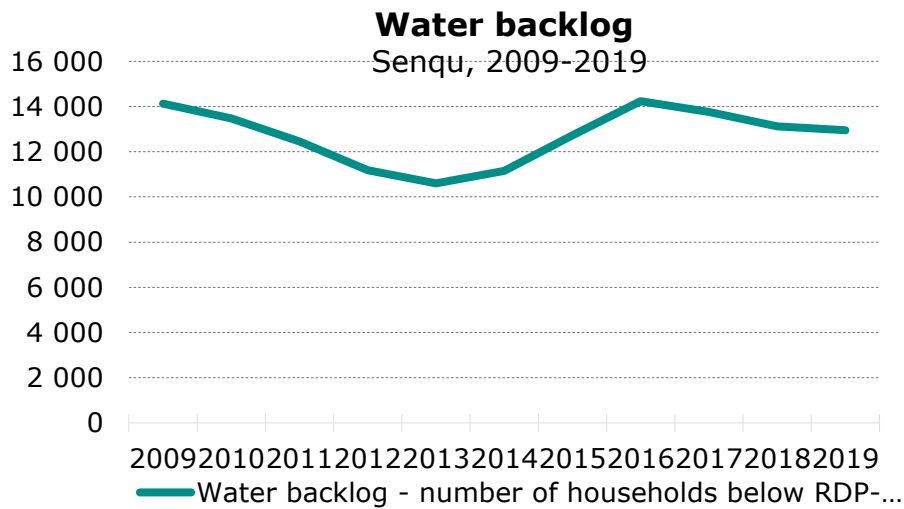
Water backlog - number of households below RDP-...

When looking at the water backlog (number of households below RDP-level) over time, it can be seen that in 2009 the number of households below the RDP-level were 14 100 within Senqu Local Municipality, this decreased annually at -0.86% per annum to 13 000 in 2019.

Households by Type of Electricity

Households are distributed into 3 electricity usage categories: Households using electricity for cooking, Households using electricity for heating, households using electricity for lighting. Household using solar power are included as part of households with an electrical connection. This time series categorises households in a region according to their access to electricity (electrical connection).

Households by electricity usage
Senqu, 2009-2019

Source: IHS Markit Regional eXplorer version 2142

Senqu Local Municipality had a total number of 2 650 (6.21%) households with electricity for lighting only, a total of 37 600 (88.09%) households had electricity for lighting and other purposes and a total number of 2 430 (5.70%) households did not use electricity.

TABLE 39. HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION - SENQU AND THE REST OF JOE GQABI, 2019 [NUMBER]

	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
Senqu	2,647	37,576	2,433	42,656
Elundini	7,854	25,451	9,307	42,612
Walter Sisulu	838	23,350	1,898	26,086
Total Joe Gqabi	**11,340**	**86,377**	**13,638**	**111,355**

Source: IHS Markit Regional eXplorer version 2142

The region within Joe Gqabi with the highest number of households with electricity for lighting and other purposes is Senqu Local Municipality with 37 600 or a share of 43.50% of the households with electricity for lighting and other purposes within Joe Gqabi District Municipality. The region with the lowest number of households with electricity for lighting and other purposes is Walter Sisulu Local Municipality with a total of 23 400 or a share of 27.03% of the total households with electricity for lighting and other purposes within Joe Gqabi District Municipality.

Electricity connection
Senqu, 2009-2019

Source: IHS Markit Regional eXplorer version 2142

When looking at the number of households with no electrical connection over time, it can be seen that in 2009 the households without an electrical connection in Senqu Local Municipality was 9 170, this decreased annually at -12.42% per annum to 2 430 in 2019.

Households by Refuse Disposal

A distinction is made between formal and informal refuse removal. When refuse is removed by the local authorities, it is referred to as formal refuse removal. Informal refuse removal is where either the household or the community disposes of the waste, or where there is no refuse removal at all. A further breakdown is used in terms of the frequency by which the refuge is taken away, thus leading to the following categories:

- Removed weekly by authority
- Removed less often than weekly by authority
- Removed by community members
- Personal removal / (own dump)
- No refuse removal

CHART 48. HOUSEHOLDS BY REFUSE DISPOSAL - SENQU, JOE GQABI, EASTERN CAPE AND
NATIONAL TOTAL, 2019 [PERCENTAGE]
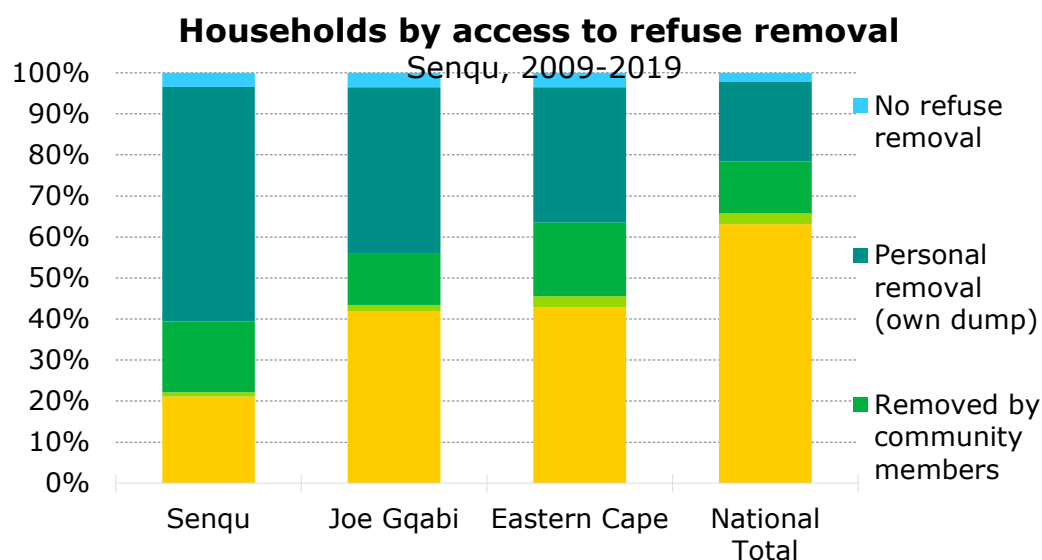
Households by access to refuse removal
Senqu, 2009-2019

Senqu Local Municipality had a total number of 9 020 (21.16%) households which had their refuse removed weekly by the authority, a total of 431 (1.01%) households had their refuse removed less often than weekly by the authority and a total number of 24 400 (57.22%) households which had to remove their refuse personally (own dump).

TABLE 40. HOUSEHOLDS BY REFUSE DISPOSAL - SENQU AND THE REST OF JOE GQABI, 2019
[NUMBER]

	Removed weekly by authority	Removed less often than weekly by authority	Removed by community members	Personal removal (own dump)	No refuse removal	Total
Senqu	9,025	431	7,333	24,407	1,461	42,656
Elundini	14,711	751	5,513	19,336	2,302	42,612
Walter Sisulu	22,964	476	1,243	1,269	133	26,086
Total Joe Gqabi	**46,700**	**1,657**	**14,089**	**45,012**	**3,896**	**111,355**

Source: IHS Markit Regional eXplorer version 2142

The region within Joe Gqabi with the highest number of households where the refuse is removed weekly by the authority is Walter Sisulu Local Municipality with 23 000 or a share of 49.17% of the households where the refuse is removed weekly by the authority within Joe Gqabi. The region with the lowest

number of households where the refuse is removed weekly by the authority is Senqu Local Municipality with a total of 9 020 or a share of 19.32% of the total households where the refuse is removed weekly by the authority within the district municipality.

CHART 49. REFUSE REMOVAL - SENQU LOCAL MUNICIPALITY, 2009-2019 [NUMBER OF HOUSEHOLDS WITH NO FORMAL REFUSE REMOVAL]
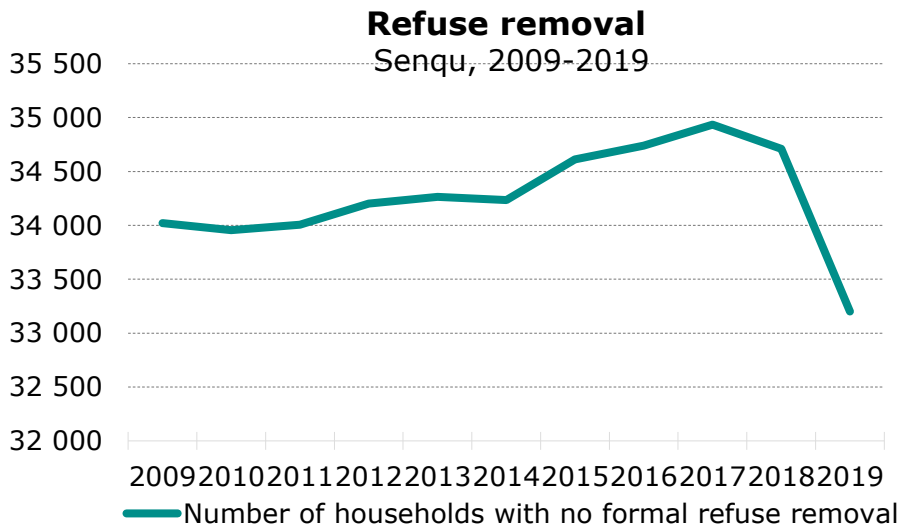
Refuse removal
Senqu, 2009-2019

Number of households with no formal refuse removal

Source: IHS Markit Regional eXplorer version 2142

When looking at the number of households with no formal refuse removal, it can be seen that in 2009 the households with no formal refuse removal in Senqu Local Municipality was 34 000, this decreased annually at -0.24% per annum to 33 200 in 2019.

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Chapter 6: Methodology

6.1 Introduction

The methodology utilised in the development of the LED was as follows:

- Phase 1: Desktop study of legislation and national and provincial LED documents including SMME and tourism and study of various municipal LED, SMME and tourism strategies and plans
- Phase 2: Meetings with various stakeholders and meeting of LED Strategy Steering Committee
- Phase 3: Development of draft LED Strategy
- Phase 4: Development of Final LED Strategy
- Phase 5: Adoption of Final LED Strategy.

6.2 Phase 1

A study was done of various LED, tourism and SMME' studies and legislation. Lessons were then compiled. Lastly a study was done of various municipal LED, tourism and SMME strategies and relevant information utilised.

6.3 Phase 2

Meetings were held with tourism stakeholders on the 27th May 2022 in Rhodes with the RTIC, 7 June 2022 with Women in tourism in Barkly East, 17 May with Qhimirha tourism association, 24 May with the Chairperson of Lady Grey CTO. Wartrail /New England CTO cancelled on the 10th June , 9th June 2022 with the Sterkspruit CTO and lastly on the 15th June 2022 with various tourism stakeholders attending the NDT CTO training.

Meeting were held with SMME's on the 1st June 2022 in Sterkspruit, 2nd June 2022 in Barkly East, 3 June 2022 and on the 14th June 2022 with Farmers in Sterkspruit.

Meetings were held with the LED Strategy Steering Committee on the 18th March 2022 and 26th May 2022.

Information received from SMME's

- Need for more SMME and hawker infrastructure such as stalls
- Greater assistance for the development of those involved in arts and crafts like singers, move producer, clothing designers etc
- Need for seed capital

- The Municipality needs to be stronger in ensuring compliance. Hawkers have licences but other people can come with a bakkie and trade for days without any liscencing. The Municipality should utilise its EPWP people to control those who are not compliant
- More enforcement is required from EHP's regarding expired foodstuffs in rural areas
- EHP's need to train especially caterers and those who run creches on how they can meet legislation
- There is a need for seed capital from the Municipality
- The Municipality must ensure that it provides surety in tenders for tenderers to be able to procure goods
- The Municipality must assist SMME's with applications to understand forms
- There is a need for skills development especially for food preparation and handling
- The Municipality must pay SMME's timeously
- The Municipality must ensure that caterers are rotated
- The cost of a plate for caterers must be raised
- The Municipality must assist with business licences. The time take to issue licences takes too long.
- The Municipality must assist with distributing information about funding opportunities.
- Taxi operators allow people to trade without licences in the taxi rank in Sterkspruit and demand that those with licences must pay licence fees.

Information received from farmers:

- The Municipality must assist with the provision of fodder in winter months
- They must be given assistance with equipment like tractors and ploughs
- More shearing sheds must be built
- More stock dams are needed
- The access roads to lands must be fixed
- They need access to markets

Information received from Tourism stakeholders:

- Route tourism must be developed such as Qhimirha dinosaurs route. Routes must be associated with tourism products such as a dinosaur logo on food stuffs
- Fly fishing is becoming important to Barkly East as a tourism attraction and the national championships are coming and maybe even the international flyfishing. Could the Municipality work with them to clean up the illegal rubbish dumps on the river banks and train guides to utilise for fly fishermen?
- Look at the development and packaging of tourism products and form routes
- Skills development is needed
- Assistance is needed with social media advertising for tourism owners
- Heritage routes are needed and a project to capture local history which is not recorded orally
- Tourist attractions need to be captured and listed
- Roads to tourism sites must be fixed
- VIC sites. Need to train ambassadors at garages and advertise therein.

- Lady Grey dam road needs to be fixed, braai sites and swimming hole, ablution facilities and steps be fixed
- Need grading
- Need sewerage lines in Sterkspruit and assistance with water for Guesthouses in Sterkspruit during water cuts. More information on cuts from JGDM
- More awareness and information days
- Need more parks and braai areas for locals to be able to meet in a safe place
- Need event list
- Must have CTO's tours so aware of attractions
- CTO visits to other CTO's
- Festival required
- Need to promote area through organised self drive tour with media.
- Need signage for attractions and B&B's . Signs on the R 58 but amalgamated on 1 sign. Need street signage and names. Must be registered so appear on google.

6.4 Phase 3 to 5

A draft tourism and LED strategy/plan were developed and submitted to the Standing committee for comment. A final plan was developed and presented to Council for comment. Thereafter the plan will incorporate comments and be sent to Council for adoption.

Chapter 7: LED Strategy

7.1. Vision

A Leading Rural Municipality with a viable and modern Economy.

7.2. Mission

To create partnerships which will facilitate the development of appropriate organisations, skills and infrastructure to promote economic development of the area.

7.3 Objectives and strategies

Objective 1: To grow the local economy by 3 % by 2027

Strategy 1: To attract 2 main investments by 2027

Objective 2: To increase employment by X % in 2027

Strategy 1:   Engage appropriate stakeholders on how to develop appropriate skills for the modern economy

Strategy 2:   Development of an SMME strategy

Strategy 3:   Development of SMME's Hubs

Strategy 4:   Facilitate the development of organisations to mentor and assist emerging businesses.

Strategy 5:   Utilise more labour intensive methods in capital infrastructure projects

Objective 3: Stimulation of the rural economy

Strategy 1:   Facilitate the development of access to market for emerging farmers with appropriate stakeholders

Strategy 2:   Facilitate the maintenance of the most important rural roads for farmers

Strategy 3:   Facilitate the access for emerging farmers to machinery

Strategy 4:   Engage appropriate stakeholders on how to improve mobile phone coverage and increase data speeds

Objective 4: Development of investor friendly and attractive urban areas

Strategy 1:   Develop a redtape reduction strategy to reduce business turnover time on applications

Strategy 2:   Development of legally compliant businesses

Strategy 3:   Utilisation of the green economy

7.4 SWOT Analysis

STRENGTHS	WEAKNESS
• Gateway to Lesotho and Free State • Scenic Beauty • R 58 maintenance (good tar network) • Good wool production • Electricity supply greater than demand • Good governance – clean audit • Government departments in Sterkspruit for employment • Quick access to N6	• Cellphone reception • Radio reception • Business and tourism organisations not fully functional • Low data speeds • Poor maintenance of roads • Poor road linkages • Vandalism • Lack of business and residential sites • High cost of electricity in rural areas especially 3 phase • Tertiary institutions not offering relevant courses • High red tape • Limited SMME infrastructure • No personal incentive to move from informal businesses to formal businesses • Limited compliance with legislation • Haphazard marketing of the area • Poor branding • Limited hawker infrastructure • Limited tourism infrastructure • Commonage plan not implemented leading to overgrazing • Poor access to agricultural machinery • Can't sell land to people in the state • Poor veld and animal management
OPPORTUNITIES	THREATS
• Peach production – stone fruits • Orange river scheme • EPWP projects to improve LED infrastructure • Many state owned buildings to be developed for skills centres • Many Grade 12 educated youth • Green energy production possibilities • Recycling • Niche home security agricultural projects such as chilies	• Municipality not maintaining municipal assets • Rising unemployment • Vandalism • Drought • Poor road maintenance • Limited Compliance and enforcement of legislation and municipal bylaws

7.5 Projects linked to objectives

Objective 1: To grow the local economy by 3 % by 2027

Strategy 1: To attract 2 main investments by 2027

Strategy 2: To facilitate the growth of organised structures per sector such as business chambers that will allow networking to occur within the sector

Objective 2: To increase employment by X % in 2027

Strategy 1:   Engage appropriate stakeholders on how to develop appropriate skills for the modern economy

Strategy 2:   Facilitate the development of organisations to mentor and assist emerging businesses.

Strategy 3:   Poverty alleviation by :

- Utilising more labour intensive methods in capital infrastructure projects.
- Utilising more labour intensive methods in general service delivery. Training needs to be provided which will impart skills to participants that can be utilised for own employment opportunities.

Strategy 4:   Implementation of an SMME strategy

The strategy has the following objectives:

1) % Increase in compliant SMME's
2) Increase in local procurement from SMME's to X%
3) Capacity development
4) Red tape reduction

Objective 1: % Increase in compliant SMME's

Project 1: bi-annual roadshows with SARS and DEDEA around issues like tax compliance and registration of companies in terms of the Companies Act.

Project 2: training of LED staff on how to register companies.

Project 3: implementation and training on municipal by-laws. Utilisation of more municipal officials as peace officers. This may include EPWP workers to report breaking of bylaws,

Project 4: Municipal bylaw bi-annual campaign.

Objective 2: Increase in local procurement from SMME's to X%

Project 1: Bi- annual update of SMME database

Project 2: Annual identification of SMME Sector procurement and setting of targets. Tenders need to be aligned to this to ensure that they benefit local SMME's. The supply chain policy must be amended to reflect this.

Project 3: Annual Alignment of Senqu LED SMME database with Finance procurement database

Project 4: 30 % usage of SMME's in infrastructure projects. This project exists but the 30 % procurement must clearly defined as to what it is entailed and it must be monitored to ensure that SMME's are being utilised from the municipal area. Technical Services must also indicate what projects will be allocated annually for the 30 % and provide quarterly reports.

Project 5: Payment of all SMME's within 30 days of receiving invoices. Quarterly reports

Objective 3: Capacity development

Project 1: Annual training programme developed with partners on financial and business management skills. It will also acquaint them with health and hygiene regulations as well as food safety for retail and other compliance regulations particularly in the tourism sector

Project 2: Bi- annual tender training and supplier days in October and April.

Project 3: Financial assistance to SMME's of seed capital capped at R 5000 per applicant. Annual application

Project 4: Financial surety for SMME's who win Senqu tenders so that they procure goods and services

Project 5: Issuing of business licences with different categories. Currently the Municipality only provides business licences in accordance with the business act

Project 6: Facilitation of the development of sector specific structures.

Project 7: Development of SMME's hubs and hawker structures

Objective 4: Red tape reduction

Project 1: Integrated red tape reduction programme to ease access to land and municipal services such as licences.

Objective 3: Stimulation of the rural economy

Strategy 1:   Facilitate the development of access to market for emerging farmers with appropriate stakeholders

Strategy 2:   Facilitate the maintenance of the most important rural roads for farmers

Strategy 3:   Facilitate the access for emerging farmers to machinery

Strategy 4:   Engage appropriate stakeholders on how to improve mobile phone coverage and increase data speeds

Objective 4: Development of investor friendly and attractive urban areas

Strategy 1:   Develop a redtape reduction strategy to reduce business turnover time on applications

Strategy 2:   Development of legally compliant businesses

Strategy 3:   Utilisation of the green economy

Objective 5: To promote the development and growth of meetings, incentives, conferences and events (MICE) in the Municipality

Projects

- Categorise and map cultural/ fauna/heritage/ historical/geological archaeological attractions in the district for route development
- Facilitate the upgrading and development of memorial/recreational/heritage sites/museums
- Develop one large tourism event
- Provide financial assistance to existing events

Objective 6: To promote the development of visitor information centres

Projects

- Budget for annual funding for tourism offices run by the private sector
- Facilitate the development of information areas throughout the Municipality

Objective 7: To implement a holistic marketing and branding strategy for all tourism owners in the municipality

Projects

- Implement a branding and marketing strategy for the Municipality to resurrect the EC Highlands brand
- Promote the usage of the brand amongst tourism owners
- Promote the usage of the brand at ECPTA
- Develop and package tourism products and routes
- Marketing at trade shows, expos (i.e. Indaba) and outdoor shows
- Facilitate tourism marketing by encouraging coordinated marketing effort by all tourism organisations and product owners

Objective 8: To promote, develop and maintain tourism infrastructure and sites

Projects

- Develop a relationship with cellphone operators and internet providers to increase data speeds and connectivity in the area
- Develop and maintain existing municipal tourism infrastructure
- Prioritise main tourist routes and develop a relationship with DORT to maintain these routes regularly
- Annual community awareness campaigns to ensure tourism safety and prevent vandalism

Objective 9: To foster strong tourism structures and networks

Projects

- Facilitate the development of CTO's
- Assist CTO's in the marketing of their products
- Tourism awareness campaigns amongst product owners about tourism funding, compliance and assistance

- Monitor tourism sector trends and provide tourism product owners with this information (e.g. demand trends)
- Organise training & capacity building sessions for municipal officials and relevant training for tourism owners with relevant partners
- Facilitate and support registered tour guides and tour operators.
- Undertake experiential learning opportunities for students of tourism.
- Coordinate mentorship opportunities between established and new enterprises.
- Develop a relationship with surrounding CTO's and route brands to promote knowledge of different tourism products on offer

Chapter 8 Implementation Plan

8.1 Implementation of the Tourism Plan

Objective	Project	Activity	Year
Objective 1: To promote the development and growth of meetings, incentives, conferences and events (MICE) in the Municipality	Categorise and map cultural/ fauna/heritage/ historical/geological archaeological attractions in the district for route development	Categorise and map the attractions	2022
		Develop routes based on the attractions	2023
		Develop marketing material	2024
	Facilitate the upgrading and development of memorial/recreational/heritage sites/museums	Identify these sites	2022
		Upgrade one site annually	2023
	Provide financial assistance to existing events	Provide financial assistance to existing events	Ongoing
	Develop one large tourism event	Development of a concept document	2022-2027
		Hold event annually in September	
Objective 2: To provide for the development of visitor information centres	Budget for annual funding for tourism offices run by the private sector	Determine the types of VIC and how best to implement them	2022
	Facilitate the development of information areas throughout the Municipality	Fund the VIC	2023
Objective 3: To develop a holistic marketing and branding strategy for all tourism owners in the municipality	Implement a branding and marketing strategy for the Municipality to resurrect the EC Highlands brand	Develop the EC Highlands marketing brand for Senqu Municipality	2022
			2022

Objective	Project	Activity	Year
		Social media training	
	Promote the usage of the brand amongst tourism owners	Meet with tourism product owners and discuss how to utilise the brand	2023
	Promote the usage of the brand at ECPTA	Meet with ECPTA and get them to use EC Highlands rather than N6	2023
	Develop and package tourism products and routes	Develop and package tourism products and routes	2023
		Training for product owners on product development with relevant partners	Annually
		Look at annual signage for routes and tourism product owners	2024 onwards
	Marketing at trade shows, expos (i.e. Indaba) and outdoor shows	Marketing at trade shows, expos (i.e. Indaba) and outdoor shows	Ongoing
		Look at new types of marketing apart from printed media	2023
		Arrange media tours	2024
Objective 4 : To promote, develop and maintain tourism infrastructure and sites	Develop a relationship with cellphone operators and internet providers to increase data speeds and connectivity in the area		2022
	Develop and maintain existing municipal tourism infrastructure	Work with relevant municipal	Annually

Objective	Project	Activity	Year
		sector departments to ensure maintenance programmes	
	Annual community awareness campaigns to ensure tourism safety and prevent vandalism	Develop relationship with SAPS	Annual
	Prioritise main tourist routes and develop a relationship with DORT to maintain these routes regularly	Prioritise main tourist routes and get Council buy in	2022
Objective 5: To foster strong tourism structure and networks	Facilitate the development of CTO's		Ongoing
	Assist CTO's in the marketing of their products	Social media training	2022
	Tourism awareness campaigns amongst product owners about tourism funding, compliance and assistance	Assist tourism establishments to gain access to funding through quarterly information session Promote tourism grading Promote compliance	Annual
	Monitor tourism sector trends and provide tourism product owners with this information (e.g. demand trends)		Ongoing
	Organise training & capacity building sessions for municipal officials and relevant training for tourism owners by partnering with relevant institutions	Develop annual training schedule	Annual
	Facilitate and support registered tour guides and tour operators.		Annually

Objective	Project	Activity	Year
	Undertake experiential learning opportunities for students of tourism.	Develop a partnership with FET for learning opportunities	2022
	Develop a relationship with surrounding CTO's and route brands to promote knowledge of different tourism products on offer		Annual
	Coordinate mentorship opportunities between established and new enterprises.		Annual

8.2 Implementation of the SMME Strategy

Objective	Project	Activity	Year
Objective 1: % Increase in compliant SMME's	Project 1: bi-annual roadshows with SARS and DEDEA around issues like tax compliance and registration of companies in terms of the Companies Act.		Bi-annual roadshows
	Project 2: training of LED staff on how to register companies.		Dec 2022
	Project 3: implementation and training on municipal by-laws. Utilisation of more municipal officials as peace officers. This may include EPWP workers to report breaking of bylaws		2023-2027
	Project 4: Municipal bylaw bi-annual campaign		Bi-annual
Objective 2: Increase in local procurement from SMME's to X%	Project 1: Bi- annual update of SMME database		Bi-annual
	Project 2: Annual identification of SMME Sector procurement and setting of targets. Tenders need to be aligned to this to ensure that they benefit local SMME's. The supply chain policy must be amended to reflect this.		Annual
	Project 3: Annual Alignment of Senqu LED SMME		Annual

Objective	Project	Activity	Year
	database with Finance procurement database		
	Project 4: 30 % usage of SMME's in infrastructure projects. This project exists but the 30 % procurement must clearly defined as to what it is entailed and it must be monitored to ensure that SMME's are being utilised from the municipal area. Technical Services must also indicate what projects will be allocated annually for the 30 % and provide quarterly reports.		2022
	Project 5: Payment of all SMME's within 30 days of receiving invoices. Quarterly reports		Quarterly
Objective 3: Capacity development	Project 1: Annual training programme developed with partners on financial and business management skills. It will also acquaint them with health and hygiene regulations as well as food safety for retail and other compliance regulations particularly in the tourism sector		Annual
	Project 2: Bi- annual tender training and supplier days in October and April.		Bi-annual
	Project 3: Financial assistance to SMME's of seed capital capped at R 5000 per applicant. Annual application		2023 onwards
	Project 4: Financial surety for SMME's who win Senqu tenders so that they procure goods and services		2023
	Project 5: Issuing of business licences with different categories. Currently the Municipality only provides business licences in accordance with the business act		2023
	Project 6: Facilitation of the development of sector specific structures.		Ongoing
	Project 7: Development of SMME's hubs and hawker structures		2023 onwards
Objective 4: Red tape reduction	Project 1: Integrated red tape reduction programme		2022

Objective	Project	Activity	Year
	to ease access to land and municipal services such as licences.		

8.3 Implementation of the LED Strategy

Objective	Project	Activity	Year
Objective 1: To grow the local economy by 3 % by 2027	Strategy 1: To attract 2 main investments by 2027	Identification and packaging of products	2022 Yearly reports on meeting with investors
	Strategy 2: To facilitate the growth of organised structures per sector such as business chambers that will allow networking to occur within the sector		Quarterly
Objective 2: To increase employment by X % in 2027	Strategy 1: Engage appropriate stakeholders on how to develop appropriate skills for the modern economy	Concept development	2022
	Strategy 2: Facilitate the development of organisations to mentor and assist emerging businesses.	Concept development	2022
	Strategy 3: Poverty alleviation by : Utilising more labour intensive methods in capital infrastructure projects. Utilising more labour intensive methods in general service delivery. Training needs to be provided which will impart skills to participants that can be utilised for own employment opportunities.	Concept document	2023
Objective 3: Stimulation of the rural economy	Strategy 1:Facilitate the development of access to market for emerging farmers with appropriate stakeholders	Meet with DRDAR	2022
	Strategy 2:Facilitate the maintenance of the most important rural roads for farmers	Farmers meetings	2022
	Strategy 3:Facilitate the access for emerging farmers to machinery	Meet with DRDAR	2022
	Strategy 4:Engage appropriate stakeholders on how to improve mobile		2022

Objective	Project	Activity	Year
	phone coverage and increase data speeds		
Objective 4: Development of investor friendly and attractive urban areas	Strategy 1:Develop a redtape reduction strategy to reduce business turnover time on applications		2022
	Strategy 2: Development of legally compliant businesses		Ongoing
	Strategy 3:Utilisation of the green economy	Concept developed	2023
		Implementation	2024 onwards

Chapter 9: Structures

9.1 Introduction

An LED Strategy is meant to be implemented through its LED Forum. This forum should be formulated of all sector departments, stakeholders and headed by the Portfolio Councillor LED. The LED Forum has not been functioning optimally as many persons do not attend as they do not see the relevance

of the structure. The Municipality also suffers because many of the structures which normally exist in organised business such as Farmers Associations and Business Chambers do not exist.

9.2 Implementation Structure

The LED Forum must be restructured to operate and meet quarterly. All members of the forum will be allocated a task as per the implementation plan and reports in the meeting will be as per the implementation plan.

9.3 Funding requests

The LED Unit always receives request for financial assistance. There will no longer be assistance given for catering and transport unless it is linked to an awareness event as per the LED strategy, SMME support and Tourism Plan.

There will be annual adverts for applications for seed funding. This will be capped at R 5000. Applicants will have to be legally compliant with CIPC, SARS documentation and municipal business liscencing and town planning legislation. They will have to have a business plan, live in the area, have been operating for a minimum of 6 months, provide financials and references.

9.4 Conclusion

It must be recognised that local economic development is not a stand alone issue. It is cross cutting and requires the involvement of a variety of stakeholders. Communication and constant communication and collaboration is key to the success of the successful implementation of the Led Strategy.

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