

## **The influence of policy formulation on socio-economic development in selected municipalities of emerging economies**

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### **Abstract**

Policymaking is a critical but very broad and complex process that every organisation and government requires to undertake. Problems emerge when stakeholders converge to formulate and implement policies that their roles and responsibilities would overlap which would lead to bureaucratic bottlenecks that would hinder service delivery resulting in protests that are characterised by the destruction of property, fatalities leading to the disruption of economic development. The KwaZulu-Natal (KZN) province in South Africa has been identified as the second highest with communities that are likely to embark on service delivery protests. Hence, this study sought to examine the role of stakeholders in policymaking and implementation particularly at the local spheres in four selected municipalities of KZN. A mixed-method research design was adopted in which interviews and questionnaires were utilised to collect data from various key stakeholders. The study was guided by four objectives in which objective one investigated the influence of policy formulation on socio-economic development. The overall findings showed a significant influence of policy formulation on socio-economic development. The second objective in terms of the impact of policy implementation on socio-economic development revealed contradictory results in different municipalities. The third objective on how policy evaluation has influenced socio-economic development the findings did not reflect any significant impact in these municipalities with findings from the Dr. Dlamini Zuma Municipality suggesting that political interference is a major hinderance to socio-economic development. Study findings on the fourth objective showed that policymaking activities have significant impact on service delivery in all the selected municipalities. The study found that policymaking in South Africa is hampered by the limited stakeholder participation. For this reason, the study recommends the need for government policies and regulations to be flexible enough to allow the stakeholders to actively participate in the policymaking process.

### **Introduction and background of the study**

The local sphere of government is regarded as the cornerstone of democracy. This is because local government, as the word 'local' suggests, forms the main, regular and close contact that the citizens have with their government. In this respect, the South African Constitution makes it clear that the municipalities as a level of government play a crucial role in the life of every citizen (Municipality Act, 2016) particularly at the local level of government. It is through the citizens' experience with municipal service delivery that they can judge the effectiveness of their government. In cases when the citizens are not satisfied with the services they receive, they are likely to engage in service delivery protests.

Policymaking is a vital process in every government worldwide. It is a very broad, complex and continuous process that shapes different activities and human behaviours. Policymaking ranges from microeconomic policies, financial policies, trade policies, health policies, education policies, market policies, labour policies to public policies or government policies (Wallace, Pollack & Young, 2015). According to Gumede (2015), policymaking involves addressing pressing needs facing citizens or a country through various means such as legislation, decision making and stakeholder's engagement. It is important to note that policymaking is crucial to the stability of every government in the world.

For instance, through economic policy, the Congress of the United States controls the economy and the Military and plays pivotal role in the world economies. Some Military elites also play crucial roles in policymaking on the civilians as witnessed in some South American States (Dror, 2017). Policymaking in Britain is majorly determined by the House of Lords and the House of Commons, and the adoption of a regional policy and economic policy have helped to create unity among member nations (Dorey, 2014). In China, political and economic policies made by the Communist Party have continued to see the country close to being the next world power nation (Friedberg, 2012). Through political and economic policies, India was able to move from a Single Party system to a Coalition government, and the economic reforms helped in the liberalisation of the economy (Ziegfield, 2012).

Similar outcomes have been identified in some African countries. For example, Ghana achieved about five percent economic growth annually through its policy on the Structural Adjustment Programme. Moreover, Botswana has been one of the few African countries to have achieved continuous economic growth with an average growth of five percent per year for the past three decades due to economic policy (Conteh & Ohemeng, 2009). Since 1993, South Africa has witnessed a tremendous transformation in areas of politics, policies, social and economics (Ogbazi, 2013). According to Roux (2012), the success of any government is measured in terms of quality services and policies.

South Africa has a long and unpleasant history with service delivery protests that have often resulted in damage to property, assaults and killings (Hlongwane & Nzimakwe 2018; Ngcamu 2019). In a period of six months alone (1 August 2020 to 31 January 2021) the South African Police Service (SAPS) Incident Registration Information System (IRIS) reported that there were 909 protest actions that took place despite the pandemic period. The Institute for Security Studies (ISS) attributed this high number of protests to socio-economic weaknesses in South Africa which it said are an indication of poor policy implementation (Martin 2021). Ngcamu (2019) and Thondhlana, Shackleton and Blignaut (2015) equate poor policy implementation to non-participation of stakeholders in decision-making and state that this is one of the challenges hampering service delivery. Of particular concern for this study is that the Municipal IQ (2019), a body that monitors protests, identifies KwaZulu-Natal as the second highest province after Gauteng where protests were likely to occur in South Africa. These alarming negative experiences with service delivery at the local sphere of government indicate a need for the investigation of the area of governance in KwaZulu-Natal. In this context, governance is understood to refer to the governments' involvement of citizens as critical stakeholders on policy formulation on the allocation of quality goods and services (Kaufmann, 2021).

Against this backdrop, there is a dire need to investigate the extent to which stakeholder involvement in policy formulation at municipality level could help alleviate socio-economic issues in KwaZulu-Natal. Therefore, the objective of the study is to examine the influence of

policy formulation on socio-economic development at the localised sphere of government in KwaZulu-Natal.

The aim of the study is to investigate the role of stakeholders in the formulation of public policy in relation to socio-economic development at the four selected municipalities in the province of KwaZulu-Natal, South Africa.

## Literature review

Socio-economic challenges in this context can be described as the social and economic conditions that could influence policymaking. Socio-economic challenges are global issues that have initiated public policy reforms. Socio-economic factors range from poverty, corruption, agriculture (Kayode, Arome & Anyio, 2014), education, security, land (Zhou & Zvoushe, 2012) to mention few. Extant literatures have advanced various socio-economic challenges that have necessitated the formulation or implementation of policies. Howlett (2014) examines how failure in innovation policy and climate change demanded the need for change in policymaking. Liu, Fang and Li (2013) investigate key issues of land use in China where they found that current land policies are addressing specific issues but with parallel implementation. The authors argue for a framework that incorporates all the policies on land. In similar vein, Kayode et al. (2014) explore the rising rate of unemployment in Nigeria, the socio-economic and political implications. The authors found that socio-economic problems such as corruption, poverty, infrastructural decay, and lack of good governance are the predominant factors causing unemployment. The authors suggest effective policy formulation to aid agriculture, entrepreneurship, education system and the power sector. Zhou and Zvoushe (2012) review the how the interplay of socio-economic dimensions influenced policy decisions in Zimbabwe. The authors demonstrated that the spirit and mindset of policy decisions reflect the prevailing macro dynamics. In South Africa, Bayat, Louw and Rena (2014) empirically investigate the impact of socio-economic factors on the performance of high school learners in Western Cape Province. The authors indicate that socio-economic factors such as, household level factors, neighbourhood factors, safety and security and hunger are the collective factors playing major roles in the underperformance of schools. The authors call for policy reforms on the educational system, to improve the quality of education in the country.

It is worthy of note that most of the studies on how socio-economic factors initiate policymaking in South Africa are either case-study or quantitative based (Reddy, 2016). A mixed method approach (quantitative and qualitative) in addressing how socio-economic factors influence policymaking in KwaZulu-Natal, South Africa remains elusive.

According to Gumede (2015), policymaking is the process whereby the pressing needs facing citizens are addressed by the government through various means such as legislation, decisions-making and stakeholders' engagement. Gumede (2015) postulates that the South African government has since 1998 played a critical role in policy-making, leading to active developmental state. The author notes that the effectiveness of public policy depends on the various contributions of the stakeholders towards the formulation and implementation process. But the role of stakeholders at the local spheres in South Africa especially in KwaZulu-Natal has attracted a lot of criticism because of poor service delivery to the masses.

Recent history has shown that policies that are formulated without the involvement of critical stakeholders are doomed to fail. This creates a serious financial and developmental problem as funds would have been utilised to invest in a project that ultimately fails to generate

any income. A case in point is the anti-apartheid Red Location Museum complex in Nelson Mandela Bay which was built to commemorate the lives of anti-apartheid stalwarts such as the first black president, Nelson Mandela. The museum was built with the hope that it would contribute to economic development in the area by creating jobs and bringing in visitors. The museum opened in 2005 in a black township called New Brighton found in Port Elizabeth, now Gqeberha, after about twelve years of a consultative process. Despite the museum initially receiving national and international prominence, it was soon forced to close when local communities who felt left out during the consultative process prevented museum staff and members of the public from entering the building. Local communities felt that they had not been consulted as stakeholders and the project did not address their immediate basic needs such as housing (Gavin 2017). This one example is a lesson to all that brilliant policies with great intentions may fail if the formulation stage did not involve all critical stakeholders. More concerning is that such failure contributes to wastage of millions of rands in a country with limited resources.

Tsheola and Sebola (2012) state that the numerous service delivery protests which occurred in South Africa after the demise of apartheid which caused civil disturbances, injuries, deaths and damages to government properties is an indication that the country's policies are unacceptable. Most of the protests emanated from the neighbourhood of the poor or vulnerable. South Africa has witnessed different forms of protests arising from dissatisfactions over government policies. Police confrontations, road blockades, destruction of properties and lootings are ways of expressing grievances with government policies particularly at the local spheres (Booyesen, 2012). Also, political infighting, and conflicts between political leaders and management stakeholders in local government in South Africa has had adverse effect on municipal service delivery (Reddy, 2016). This has been described as overlapping of roles among the stakeholders (Madumo, 2014). Political leaders have been frequently criticised for failing to promote policy change as successive government discourages policy continuity. Similarly, decision making at the local sphere may be influenced by councillors' term in office, as they aim to satisfy personal agendas before exiting the office.

Numerous studies have attributed the dysfunctionality of government policies in South Africa to lack of implementation and poor representation of the residents. For example, Reddy (2012) opines that poor appointment of stakeholders, failure to pass municipal budgets, and failure to engage local communities and address their demands are some of the shortcomings hampering local government delivery. In similar vein, Booyesen (2012) suggests that the accountability of councillors and representation of the citizens at the local government require some investigations. Local government has been the sphere of political interference with devastating consequences, particularly for service delivery (Reddy, 2016).

Yet, the South Africa government through the National Development Programme (NDP) remain committed to structural transformation and sustainable development through various strategic policies that are South Africa-centric. Some of which are the New Growth Path (NGP) and), aimed at reducing the rate of unemployment, elimination of poverty and reduction of inequality. But a critical issue in realising these objectives within the stipulated time lies with the implementation, evaluation and competence of the key stakeholders (Zarenda, 2013) particularly at the local spheres.

Extant literatures revealed that ten percent of South Africans are still living without electricity (Jarbandhan et al., 2018) which is against the 2006 Local Government Election manifesto of electricity for all households by 2012. This is consistent with the unemployment



rate that stood at a worrying 34.9% in the second quarter of 2021 (Statistics South Africa, 2021). Residents in township, rural areas and informal settlements languish below the official poverty line (Nkoana, 2016) because of increase in poverty rate from 16.5% in 2010 to 18.9% in 2014 (World Bank, 2020).

It is worthy of note that there is dearth of research on the role of stakeholders on policymaking as regard implementation at the selected municipalities in KwaZulu-Natal, South Africa. Besides, Rensburg and de Beer (2011) argue that there is insufficient research study on how public problems associated with policymaking are resolved at the localised sphere of government. Furthermore, the reason for the slow local economic development at the selected municipalities in KwaZulu-Natal is yet unknown. If this study is not conducted, it may be difficult to identify the problems among stakeholders as regards policymaking within the municipalities. Also, the problems associated with poor economic development at the selected municipalities may not be resolved if this study is not conducted.

### **Theoretical framework – the functional theory**

Functional theory, also known as either structural functionalism or functionalism, as founded and developed by various scholars such as Herbert Spencer (1820-1903) is associated with interrelated structures and their function as part of the whole. It is used in a variety of disciplines such as politics, psychology, sociology, engineering, architecture and planning. Within social sciences which is the focus of this study, it views society as made up of social systems. The social systems in different societies are made up of sub-systems whose function is to perform certain duties, yet they cannot function independently of other aspects or systems because they influence one another and this is important for stability and development in society. Along the same view, Loyal and Malešević, (2021: 19) define social systems to refer to “the patterned interdependence and interrelationships that exist between individuals, groups, institutions, organisations and other social structures and as such operate as a relatively coherent whole.” Some of these critical sub-systems in the form of different institutions that contribute to the maintenance of a healthy society are government, economic, political, family, cultural systems, education and religion (Crossman, 2020; Izuogu, 2019). For instance, the function of education is to provide knowledge and skills in society. Yet, education requires families to produce children that will attend schools as much as parents need schools to provide formal education for their children. Equally important, for schools to function, they depend on financial support from parents and government in the form of fees or tax contributions made by society. And through education, government, business and the education system can obtain skilled employees to efficiently perform certain functions. Families equally need government support in terms of services but for a government to exist it requires political participation by families who put officials into power with the expectation that they will function well and provide service delivery. In this sense, functionalist theory views society like the human body that requires its various components to function together and properly for it to have a healthy balance. This implies that without one of the parts of the body, the other parts cannot function well. From these perspectives, it can be argued that each part of the body needs to be in a state of equilibrium, or balance (Izuogu, 2019). The functional theory regarding public policymaking suggests that policymakers should involve all key stakeholders and views when formulating policies. Renn and Schweizer (2009: 177) describes this approach as a participatory exercise which is necessary if one is to address the complex functions of society that require the input of different constituencies. The authors clarify that the main objective in adopting the participatory exercise is to ensure that important information, perspectives and all knowledge camps are included in

decision-making. Renn and Schweizer (2009: 177) further list the three major functional goals that need to be borne in mind during this process, which are:

- to collect all the necessary knowledge to solve a problem;
- to avoid political paralysis by demonstrating openness to all stakeholders; and
- to secure smooth implementation of the decision-making process.

The functionalist approach is in this regard goal-directed which helps provide clear guidelines for policymaking process. Maija and Maija (2020) applaud the approach as a democratic political activity that deepens citizen participation and promotes inclusiveness as it allows the viewpoints of individuals and groups affected by a decision. There is cooperation and coordination of activities that promote congruence in society. This would no doubt give legitimacy and full acceptance of decisions taken as all the stakeholders will feel acknowledged through their participation. Functional theory is, therefore, suitable for consideration in this study that entails the participation of all relevant stakeholders in policymaking within municipalities to eliminate service delivery protests.

The adoption of functional approach in this study is further made significant to consider by Anderson (1994:5) who emphasises that effective generation of alternatives will be achieved through grassroots participation towards the policymaking process. The author encourages administrators to implement effective methods in making certain that policies are successful in improving the lives of communities. In a manner corresponding to Dye (1998:17), the functional theory explains that policy is a political activity which has five stages, namely: identification of problems, policy formulation, legitimating policy, implementation and evaluation. The process in policymaking is basically inherently embedded in the functional theory of public policy. The functional theory is highly concerned with the patterns of activities or processes in the policymaking (Dye, 1998:7). These activities include, for instance, how social problems are identified, who identify the social problems, why do some social problems achieve the agenda status when others cannot, and other public policymaking phases such as policy formulation, implementation and evaluation. However, functionalist theories have received some criticism due to several shortcomings they pose when not correctly utilised. Castro (2009) notes the following four concerns:

- It is unable to account for social change;
- Its approach is intrinsically conservative;
- It does not consider the causes driving the process of structural and functional differentiation; and
- Its explanations are either tautological or teleological.

In addition to the above, Izuogu (2019) analysis of the Nigerian context reveals several flaws with the functional theory. Firstly, the notion that society has social order is found to be untrue of the Nigerian context where the Islamic group perpetuates lawlessness and disorderly conduct that the government is failing to contain. Secondly, there is no social integration in Nigeria as different sectors of society struggle to get along. Thirdly, the involvement of warring groups in decision making has not yielded the desired results. Fourthly, the functionalists view of deviance, crime and conflict as necessary in society in order to clarify boundaries and acceptable behaviour has instead led to Nigeria being ungovernable due to uncontrollable intergroup, ethnic and religious conflicts. Lastly, the view of religion as integrating and unifying has totally been found to be untrue in the Nigerian contexts due to a high number of religious conflicts (Izuogu (2019). These findings suggest that functionalism cannot be applied across all

different contexts. While it might work in one context, at the same time it might not apply in other situations. Furthermore, the findings expose the theory as idealistic rather than factual.

## Research design

The study employed a mix-method approach to investigate a phenomenon in a specific context such as the selected four municipalities of KwaZulu-Natal in South Africa. Mixed-method researchers have established a significant relationship between mixed methods and pragmatism (Bazeley, 2010; Greene & Caracelli, 2013; Johnson & Gray, 2010; Tashakkori & Teddlie 2010). A pragmatic approach is a means of promoting methodological appropriateness to assist a researcher to increase his or her methodological flexibility and adaptability (Patton, 2012).

According to Greene and Hall (2010), the pragmatic approach has a strong philosophical foothold in the mixed-method or methodological pluralism camps. Thus, pragmatism lies between quantitative and qualitative study. Johnson and Onwuegbuzie (2004) argue that pragmatism can present a big challenge for the mixed methods researcher, with the assumption that pragmatism is eclectic. However, it is recommended that a “mixed methods researcher needs to acknowledge these criticisms and rigorously defend pragmatic approaches and choices” (Tashakkori & Teddlie, 2010:16). The pragmatism was adopted in this study due to a number of reasons. Therefore, pragmatism was chosen because it has strong associations or root from the mixed-methods research. Another important reason why pragmatism was adopted was that it promotes methodological appropriateness to assist the researcher to increase methodological flexibility and adaptability as argued by (Patton, 2012). Furthermore, pragmatism was chosen because it allows the integration of divergent views as in the case of this study. The pragmatism allowed the researcher to integrate the findings from both the qualitative and quantitative study.

Quantitative data were gathered through the administration of questionnaire to the participants, and a follow-up data collection through in-depth interviews from the respondents from the four selected municipalities namely, Umdoni, Ray Konyeni, eThekweni and Dr Nkosazana Dlamini-Zuma in KwaZulu-Natal. The adoption of pragmatism approach helped to harness detailed information both inductively and deductively about the research problem. The pragmatist paradigm helps to reduce the bias associated with the positivist and the subjective view of the interpretivist (Sekaran & Bougie, 2014). Hence, the pragmatism approach is considered the most appropriate for mixed method strategy.

Mixed methods research has been regarded as the “third paradigm” due to the fact that it is a skilful blend of both quantitative and qualitative methods (Jalongo & Saracho, 2016). Mixed method researchers (Creswell & Plano Clark, 2012; Farquhar, Ewing & Booth, 2011; Guetterman, Fetters & Creswell, 2015; Klassen, Creswell, Clark, Smith & Meissner, 2012) have described mixed method research as an approach which combines both quantitative and qualitative methods in one study or multiple phases within a pragmatic philosophical worldview”. A key feature of mixed method research lies in its methodological pluralism, which provides broader perspectives than those offered by mono-method designs.

A mixed method approach provides a better understanding of research problems and complex phenomena than either approach alone (Azorín and & Cameron, 2010). The use of mixed method in this study will allow for the integration of the data. Data integration is at the heart of the mixed method research which allows for collaboration and convergent validation.

Also, the usefulness of mixed method in this study is that it will assist in providing a rationale for testing theories to compete and provide alternatives.

There are 54 municipalities in KwaZulu-Natal, however, the study was conducted in only four of these municipalities. The sample size for this study was drawn from the sampling frame. The sample frame in this study comprises of all the stakeholders involved in policymaking including senior management i.e. (General Manager Corporate Services, General Manager Community Services, General Manager Planning & Development, General Manager Technical Services, General Manager Finance/Chief Executive Officer, Senior Director, Departmental Heads, Deputy/City Manager and Municipal Managers), Councillors, representatives of labour unions. The study will select 526 participants as the same size. The sample size was determined by calculating 5% of the total staff strength from each municipality.

With respect to the qualitative study, a sample size of four participants from each municipality was selected from the top management positions (Mayor, Deputy Mayor, Speaker, and the Chief Whip) making 16 participants for in-depth interviews on policymaking. According to Sekaran and Bougie (2013), for qualitative study, the acceptable sample size should range between 7-30. Therefore, the sample size of 16 participants is enough to gather more needed information from the participants. However, with regards to the quantitative study, 5% of the total number of experienced stakeholders from each municipality was stratified to make a sample size of 53 participants. A sample size of 53 participants is adequate for sufficient information to be gathered as shown from the table 4.2 below.

## **Discussion of the results**

The study investigated the influence of policy formulation on socio-economic development within the localised sphere of government in KwaZulu-Natal. This objective was investigated and achieved via the qualitative and quantitative research. The overall findings showed a significant influence of policy formulation of socio-economic development. The qualitative findings showed that in eThekweni Municipality, policy formulation was done through collection of inputs from stakeholders and community members. Policies are also formulated through different structures of stakeholders and sent to the administration for finalisation. Specific demand from the municipality, which goes for consultation through the stakeholders for deliberation. Policy formulation in uMdoni Municipality started with the identification of the need for policy. Information was also coordinated from different stakeholders, which then went to the management for finalisation before council adoption. In Dr Dlamini-Zuma Municipality, policy formulation was done by taking information from community meetings and portfolio meetings to make a draft policy.

Regarding the influence of policy formulation on socio-economic development, findings from eThekweni Metropolitan Municipality revealed that the EPWP and LED policies have helped the communities to create job opportunities and raise minimum wage of the local people. Findings from Dr Dlamini-Zuma Municipality showed that the LED policy has helped all local SMEs and the EPWP have assisted in the creation of jobs. Research findings from Ray Nkonyeni Municipality revealed similar interest with other municipalities.

Concerning the quantitative study, the correlation coefficient revealed that there was a positive and significant correlation between policy formulation and socio-economic development ( $r = 0.674$ , and  $p < 0.01$ ) in eThekweni Municipality. Moreover, positive and



significant association was also found between policy formulation and socio-economic development ( $r = 0.973$ ,  $p < 0.01$ ; and  $r = 0.997$ ,  $p < 0.01$ ) in uMdoni Municipality and Ray Nkonyeni Municipality respectively.

The findings from this study are supported by previous studies. Imurana et al. (2014) postulate that policy formulation is the second phase of policy process where the policy-makers propose courses of action to address the agenda issues. Imurana et al. (2014) assert that policy formulation goes through a number of processes or stages. Juma and Onkware (2015) claim that policy formulation involves the design and acceptable proposed actions of resolving public problems. Kayode et al. (2014) effective policy formulation to aid agriculture, entrepreneurship, education system and the power sector can help address socio-economic challenges such as unemployment and poverty in Nigeria. Zhou and Zvoushe (2012) review the how the interplay of socio-economic dimensions influenced policy decisions in Zimbabwe. The authors demonstrated that the spirit and mindset of policy decisions reflect the prevailing macro dynamics. In South Africa, Bayat et al. (2014) empirically investigated the impact of socio-economic factors on the performance of high school learners in Western Cape Province. The study indicates that socio-economic factors, such as, household level factors, neighbourhood factors, safety and security and hunger are the collective factors playing major roles in the underperformance of schools. Based on the findings, he calls for policy reforms on the educational system, to improve the quality of education in the country. Hill and Varone (2017) contend that to address societal problems, support governmental institutions and encourage active citizenship, public policies are required. Moreover, extant literatures have shown how policymaking has helped to reduce the level of poverty in European countries such as Poland, Latvia, Hungary, Romania, Scotland and Slovakia (Dwyer, 2008; Anderson, 2013; Simler, 2016). These findings underscore the importance of policy formulation in addressing socio-economic challenges.

Contrary to the above findings, Ndalamba (2019) argues that although policies and laws of socio-economic reform have been introduced in democratic South Africa, socio-economic transformation stills remain a challenge. Brynard (2011) concurs that despite several policies (Broad Based Black Economic Empowerment, Accelerated and Shared Growth Initiative of South Africa) were formulated by the South African government to address unemployment since the transition to democracy in 1994, unemployment has about doubled since 1994.

## **Conclusions**

The study discussed the qualitative and quantitative results that emerged from the study. The findings showed that policy formulation positively impacted socio-economic development in the selected municipalities of KwaZulu-Natal in South Africa. Moreover, the findings showed that policymaking is impacted by several factors, such as finance, stakeholders' roles regarding policies, criticism from the opposition, lack of understanding of the policies, non-alignment of policies with the national legislation, lack of resources and political interference. Concerning the quantitative study, the correlation coefficient revealed that there was a positive and significant correlation between policy formulation and socio-economic development ( $r = 0.674$ , and  $p < 0.01$ ) in eThekweni Metro Municipality. Moreover, positive and significant association was also found between policy formulation and socio-economic development ( $r = 0.973$ ,  $p < 0.01$ ; and  $r = 0.997$ ,  $p < 0.01$ ) in Umdoni Local Municipality and Ray Nkonyeni municipality respectively.

The findings from the eThekweni Municipality revealed that the EPWP and LED policies have helped the communities to create job opportunities and raise minimum wage of

the local people. Furthermore, findings from Dr Dlamini-Zuma Municipality showed that the LED policy has helped all local SMEs and the EPWP have assisted in the creation of jobs. From the Ray Nkonyeni Municipality, the findings revealed similar interest with other municipalities.

## Recommendations

Finance is a major factor affecting policymaking worldwide. This study also confirmed that policymaking in South African municipalities was impacted by inadequate funding. Against this background, the study recommends adequate budgetary allocation to all the municipalities in South Africa. Moreover, the budgetary allocation must be done on timely basis to ensure its effectiveness.

Stakeholders are organisations, group of individuals who impact or are impacted by decisions and regulations by other organisations. The essence of stakeholder participation is to shape policymaking. Unfortunately, this study found that policymaking in South Africa is hampered by stakeholder participation. For this reason, the study recommends the need for stakeholder participation in the policymaking process. Government policies and regulations should be flexible to allow the stakeholders to actively participate in the policy formulation process.

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