



LAINGSBURG MUNICIPALITY



# LOCAL ECONOMIC DEVELOPMENT AND TOURISM STRATEGY (2021- 2026)

## ACRONYMS AND ABBREVIATIONS

BBBE	Broad-Based Black Economic Empowerment
CKDM	Central Karoo District Municipality
IDP	Integrated Development Plan
LED	Local Economic Development
LTO	Local Tourism Operator
NDP	National Development Plan
PACA	Participatory Appraisal for Competitive Advantage
PPPFA Act	Preferential Procurement Policy Framework Act, 2000
SDF	Spatial Development Framework
SWOT	Strength, Weakness, Opportunities and Threats
WCTD Framework	Western Cape Tourism Development Framework

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## Abbreviations

<b>BBBE</b>	Broad-Based Black Economic Empowerment
<b>CKDM</b>	Central Karoo District Municipality
<b>IDP</b>	Integrated Development Plan
<b>FPL</b>	Food Poverty Line
<b>LEDS</b>	Local Economic Development Strategy
<b>LTO</b>	Local Tourism Operator
<b>NDP</b>	National Development Plan
<b>NTSS</b>	National Tourism Sector Strategy
<b>TDP</b>	Tourism Development Plan
<b>PSG</b>	Provincial Strategic Goals
<b>PPPFA Act</b>	Preferential Procurement Policy Framework Act, 2000
<b>SDF</b>	Spatial Development Framework
<b>SMME</b>	Small, Medium and Micro Enterprises (
<b>SWOT</b>	Strength, Weakness, Opportunities and Threats
<b>WCG</b>	Western Cape Government Game Changer
<b>WCTD Framework</b>	Western Cape Tourism Development Framework

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## **EXECUTIVE SUMMARY**

Laingsburg is the least populated municipal area, in the Central Karoo, and makes the smallest contribution to the District GDP. However, Laingsburg's role as a service centre within the hierarchy of settlements has an important link to the development of rural Regions and promoting economic development. But promoting economic development in a small town faces a major dilemma. It is against this background that Laingsburg municipality has embarked on a process to review the 2019 Local Economic Development Plan (LED) and Tourism Strategy.

The purpose of the Local Economic Development Plan (LED) is to collate all economic information and investigate the coordinated and integration options and opportunities available to broaden the economic base of the municipal area. This information is packaged as a strategic implementation framework in order to address the creation of employment opportunities, investment and business development and the resultant positive spin-off effects throughout the district economy. Furthermore the LED also aimed to ensure that Laingsburg municipality facilitate the creation of an appropriate enabling environment, conducive to economic development and investment.

The LED strategy is based on the overall vision outlined in the IDP. As part of the IDP process it is required from the local municipality to do a situational analysis. The primary data in this document has been obtained through a combination of a series of engagements between Laingsburg Municipal officials, District Municipality, Provincial Government and SALGA. These engagements with stakeholders provide the most relevant information and provide guidelines for best practice.

This strategy is being adopted at a critical point in time- during the COVID19 pandemic and the establishment of a "new normal". The global economy has been shocked by the pandemic, resulting in massive job losses and business closure- and Laingsburg Local Municipality has not been excluded. Shifts in the way businesses work, where people work, how business takes place, business operations, a need for increased digitisation, the needs of consumers, marketing and in just about every aspect of the economy have taken place, presenting the need to relook at how LED is undertaken.

## **SECTION 1: INTRODUCTION AND BACKGROUND**

As part of its local government mandate, the Laingsburg Local Municipality has embarked on a process to develop a new LED Strategy for Laingsburg municipal area. The aim of this process is to provide the Laingsburg Local Municipality, the private sector and the local community the opportunity to develop a planning guide that promotes economic growth, facilitates job creation and addresses poverty within the area.

The purpose of the LED Strategy is to interrogate available economic information in an integrated and coordinated manner to identify opportunities that can broaden the economic base of Laingsburg municipal area. These opportunities are then packaged into an implementation framework which sets out guidelines as to how existing economic potential can be utilised to generate positive spin-offs for the local economy.

### **1.1 Concept of Local Economic Development (LED)**

In the literature there are many definitions of Local Economic Development (LED). Meyer defines LED as the process with which local government or community-based organisations engage to stimulate or maintain business activity and/or employment. The key role local government has to play in LED can also be found in the definition of Scheepers and Monchusi who define LED as a process managed by municipalities in accordance with their constitutional mandate to promote social economic development.

The World Bank describes development economics as a process to improve quality of life, especially of the poor. This calls for higher incomes but also other important aspects such as better skills and education, higher standards of health and nutrition, cleaner environment, equal opportunities, individual freedom and rich cultural life, leading to less poverty.

In conclusion, LED has become a global concept that is generally used to address poverty and create employment in urban and rural areas. LED is not a standalone discipline, it is outcome and strongly interrelated and dependent upon municipal transformation and organisational development, basic service delivery, municipal financial viability and management and good governance and public participation, (Meyer: 2014).

### **1.2 Goals and Objectives**

The overall goal of the LED study is as follows:

1. To develop a credible Local Economic Development Strategy (LEDS) that investigates economic development opportunities in the Laingsburg municipal area.
2. Key issues that need to be addressed include:
  - support improvements in quality of life and broadening the tax base
  - the eradication of poverty through infrastructure development, sustainable job creation, skills training and enhancement, economic development as well as diversification of the economic base for effective investment
3. Provide a linkage with the SDF to identify the growth nodes;
4. Determine the critical factors needed for project implementation;
5. Develop the findings and identified interventions into a strategic document that can be adopted by the council;
6. Develop a prioritization model for the outcomes of the sector potential analysis; and
7. Link the LEDS action plan to the institutional arrangement of the Economic Development unit to ensure execution and appropriate roles and responsibilities

### **1.3 Methodology**

The methodology used in achieving the objectives outlined above is illustrated in Figure 1. This methodological approach presents the logical order of actions followed to develop the Laingsburg LED Strategy.

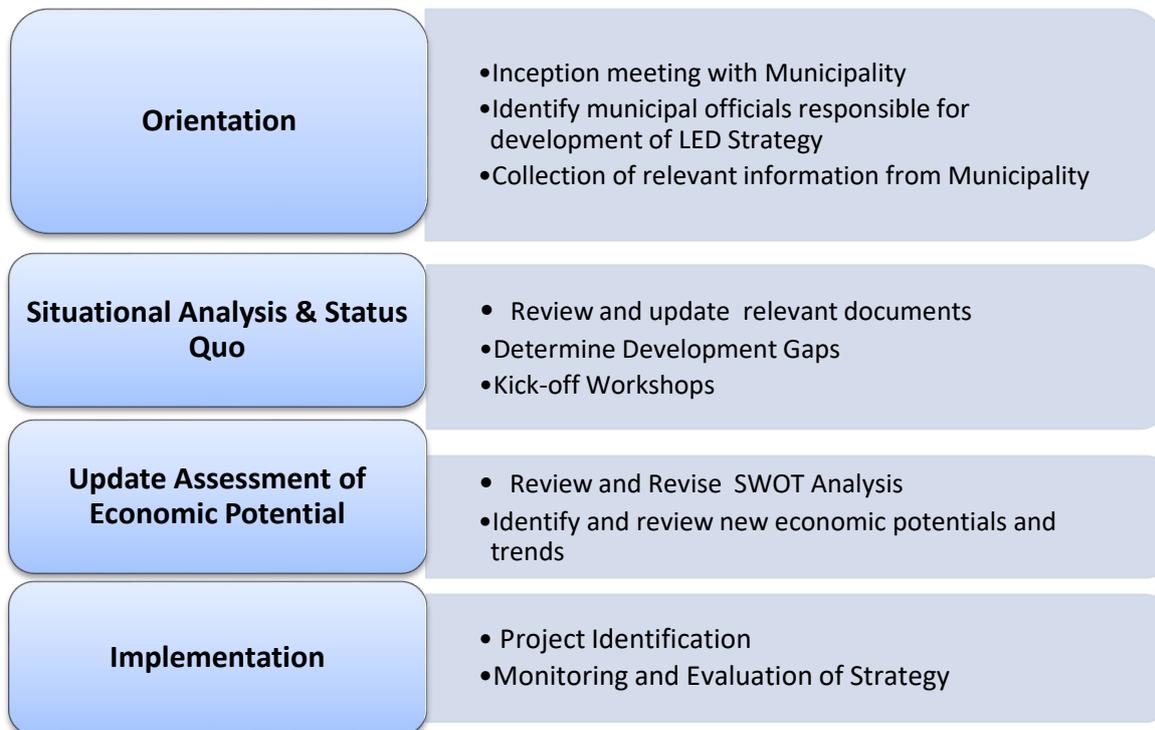


Figure 1: Stakeholder Engagement

### 1.3.1 Collection of Data

As mentioned above, this strategy aim to answer questions that will assist the municipality to stimulate economic growth. The following questions were formulated to the assist the municipality;

- ❖ Where are we now?
- ❖ Where do we want to go?
- ❖ How do we get there?
- ❖ What are obstacles to local economic development?
- ❖ How can we achieve economic growth? ( Small Business for innovation, private investment and job creation)
- ❖ What do business people think about the economic prospects of our area? ( public private approach: seize comparative economic advantages)

The Laingsburg Local Economic and Tourism Strategy has been compiled through primary and secondary data. The Economic Outlook Section through data from:

- ❖ Municipal Economic Outlook and Review
- ❖ Provincial Economic Outlook and Review
- ❖ Interaction with key stakeholders

- ❖ Statistical Data
- ❖ Spatial Development Framework
- ❖ CKDM LED Strategy
- ❖ IDP and Municipal LED Strategy

### Stakeholders Engagements

Date	Session
	Stakeholders

### 1.3.2 Structure of the Report

<b>Section 1</b>	<b>Provides the introduction and background of the LED &amp; Tourism Strategy, and sets the objectives of the LED and methodology to be followed</b>
<b>Section 2</b>	Policy context provides a range of national, provincial and local legislations and policies applicable to local economic development and how these legislations and polices will impact local economic and tourism development in Laingsburg
<b>Section 3</b>	Provides an overview of the development enablers such as population and education, the challenges they pose and opportunities they present to Laingsburg economic development
<b>Section 4</b>	Provides an overview of Laingsburg municipal area’s economy by considering the functioning of the economy
<b>Section 5</b>	This section identifies the economic potential of Laingsburg, by using the SWOT analysis process. It further identifies catalytic economic opportunities
<b>Section 6</b>	Provides an overview of Laingsburg tourism sector
<b>Section 7</b>	Identifies the various economic development projects

## SECTION 2: POLICY CONTEXT

In developing an appropriate Local Economic Development (LED) and Tourism framework for Laingsburg Municipality, it is essential to make reference to relevant policies at a local, provincial and national level. By reviewing the relevant policies, one can contextualize the environment in which the LED framework will exist and more importantly, provide guidelines and targets that will direct the LED framework in an appropriate manner. This will also ensure

that the LED policy which is developed aligns with National and Provincial Policy and Local initiatives. Since the advent of democracy in 1994, the South African Government has taken the deliberate stance as a developmental state. This has meant taking deliberate measures in ensuring that the socio-economic challenges of today, are remedied through structural and progressive policy and legislative interventions. Against this backdrop, South Africa has produced a world-class, progressive legal framework, supported by developmental policies aimed at creating a more equal society, eliminating poverty and drastically reducing unemployment. Whilst this is true of South Africa in general, it is pointedly true of economic development specifically.

There is a clear constitutional framework supported various Acts of Parliament that govern the powers of municipalities, competency areas and governance responsibilities. The following section provides an overview of the legislative and policy framework within which Local Economic Development must take place. It examines overarching national priorities, Local Government prescripts and economic development specific laws and policies.

Finally, the legislative and policy analysis undertaken herein, looks at legislation, policy and related prescripts both from a driver perspective (informing what must be done) as well as from an enabler perspective (informing how various support mechanisms have been put in place to support LED).

This section looks at the over-arching legislation, and the general legislation applicable to municipalities and their operations. It furthermore reflects on the effect of each piece of legislation on the development of this LED strategy.

## 2.1 Summary of Legislations

National Government Legislation	
	Objective of Government
<b>The Constitution of the Republic of South Africa (Section 152)</b>	<ul style="list-style-type: none"> <li>• To provide democratic and accountable government for local communities;</li> <li>• To ensure the provision of services to communities in a sustainable manner;</li> <li>• To promote social and economic development;</li> </ul>

	<ul style="list-style-type: none"> <li>• To promote a safe and healthy environment; and</li> <li>• To encourage the involvement of communities and community organizations in the matters of local government</li> <li>• To contribute to balanced industrial development</li> </ul>
<b>The Municipal Finance Management Act (Act no. 56 2003)</b>	<p>The Municipal Finance Management Act, 2003 (MFMA) aims to;</p> <ul style="list-style-type: none"> <li>• Modernise the budget and financial management practices in municipalities in order to maximize the capacity of municipalities to deliver services to all their residents, customers and users.</li> <li>• It also aims to put in place a sound financial governance framework, by clarifying and separating the roles and responsibilities of the executive mayor or committee, non-executive councillors and officials</li> </ul> <p><b><i>With regard to the development of this strategy, this Act will influence primarily the development of the institutional arrangements and the implementation plan. The MFMA also informs the funding and capitalization of the proposed LED programmes</i></b></p>
<b>Intergovernmental Relations Framework Act (Act no. 13 of 2005)</b>	<p>The Intergovernmental Relations Framework Act (2005) facilitates co-ordination in the implementation of policy and legislation between national Government, provincial Government and Local Government, and all organs of state within those governments.</p> <ul style="list-style-type: none"> <li>• Coordination usually takes place through formal intergovernmental meetings linked to specific sectors and the budget process. It promotes coherent Government, effective provision of services, monitoring implementation of policy and legislation and realisation of national priorities.</li> </ul> <p>With regard to the development of this strategy, this Act will influence primarily the development of the institutional arrangements, the Monitoring and Evaluation Framework as well as the implementation plan</p>
<b>Economic Development Specific Legislative Analysis</b>	
<b>Broad-Based Black Economic Empowerment (Act 53 of 2003)</b>	<p>The Broad Based Black Economic Empowerment Act (2003), as amended, mandates all spheres of Government and the private sector to promote the achievement of the Constitutional right to equality, increase broad-based and effective participation of black people in the economy and promote a higher growth rate, have increased employment</p>

	<p>and more equitable income distribution, and establish a national policy on broad-based black economic empowerment, so as to promote the economic unity of the nation, protect the common market, and promote equal opportunity and equal access to Government services.</p> <ul style="list-style-type: none"> <li>• With regard to the development of the Laingsburg LED Strategy, this piece of legislation is significant in reference to the procurement practices of the municipality, especially in the arena of SMME development and preferential procurement</li> </ul>
<p><b>The Preferential Procurement Policy Framework Act, 2000 (PPPFA Act)</b></p>	<p>The Preferential Procurement Policy Framework Act, 2000 (PPPFA Act) was enacted to give effect to section 217 (3) of the Constitution which requires that “National legislation must prescribe a framework that allows for a) categories of preference in the allocation of contracts; and b) the protection or advancement of persons, or categories of persons, disadvantaged”.</p> <ul style="list-style-type: none"> <li>• The PPPFA allowed for the implementation of a procurement policy providing organs of state to have preference in awarding contracts for the protection and/or advancement of persons or categories of persons disadvantaged by unfair discrimination.</li> <li>• These include small business, black people and people of colour, youth, women, people with disabilities, black people living in rural or underdeveloped areas or townships, co-operatives owned by black people, and black people who are military veterans.</li> <li>• The PPPFA gives effect to the B-BBEE Act</li> </ul>

## 2.2 Government plans and policies relating to LED

### 2.2.1 The National Development Plan (NDP)

The National Development Plan (“NDP”) is South Africa’s blue print development plan. It provides a broad strategic framework to guide key policy choices and actions. The plan presents a long- term strategy to increase employment and broaden opportunities through the active intervention of government via various policy instruments.

Whilst the NDP does not refer specifically to or focus on Local Economic Development, it does however focus on the broader economic growth principles that would by implication require Local Authorities to align their economic development initiatives to the plan

This LED strategy, in its development has ensured that these specific focus areas of the NDP are given effect in a manner that is both sustainable and practically implementable.

### 2.2.2 The Medium Term Strategic Framework

This Medium Term Strategic Framework (MTSF) is Government’s strategic plan for the 2019-2024 administrative term. It reflects Governments’ commitment to implement the National Development Plan Vision 2030.

The MTSF serves as a package of interventions and programmes that will achieve outcomes that ensure success in achieving Vision 2030 and the seven electoral priorities adopted by government. It is the principal guide to the allocation of resources across all spheres of government, and is the mechanism through which all five-year strategic plans, integrated development plans and annual plans across government will be aligned to ensure policy coherence, alignment and coordination across all government departments.

The 2019-2024 MTSF is the second five-year implementation phase of the NDP, with seven electoral priority areas as follows:

Seven Priority Areas of the MSDF	
<b>Priority 1:</b>	Building a capable, ethical and developmental state
<b>Priority 2:</b>	Economic transformation and job creation
<b>Priority 3:</b>	Education, skills and health
<b>Priority 4:</b>	Consolidating the social wage through reliable and quality basic services
<b>Priority 5:</b>	Spatial integration, human settlements and local government

<b>Priority 6:</b>	Social cohesion and safe communities
<b>Priority 7:</b>	A better Africa and world

Table 2: Seven Priority Areas

Laingsburg municipality must ensure alignment to all the above Strategic Focus Areas of the MTSF, particularly strategic focus area numbers one and two, namely, economic transformation and rural development.

### 2.2.3 The New Growth Path

The New Growth Path (2011) represents Governments’ framework for economic policy and is the driver of the country’s jobs strategy. It places decent work (more and better jobs) at the center of the fight against inequality and identifies sectoral and policy jobs drivers. The following is a summary of the New Growth Path policy position;

The Five New Growth Path Job Drivers	
<b>1.</b>	Public investment in infrastructure to create direct jobs in construction and maintenance & indirect jobs through economic delivery. Most public infrastructure related jobs will be derived from the construction of houses, public works and transport with a multiplier effect into the manufacture of components for construction

2.	Target labour sectors absorbing activities in main economic sectors Agriculture, mining, manufacturing and services sectors offer the best opportunity to generate extensive labour absorbing jobs
3.	Maximize opportunities in new economic sectors The green economy and knowledge economy present job creation opportunities in manufacturing, construction, recycling related to renewable energy technologies, research and development
4.	Leverage social capital in the social economy and public services Government has made a commitment to set targets for public employment by a way of youth brigades, public and community works programmes and internships
5.	Foster rural development and regional integration Through the provision of public infrastructure and housing in rural areas, support for small scale agriculture and small business support

Table 3: New Growth Path Job drivers

The above five jobs drivers are supported and enabled by a rigorous policy framework designed to control inflationary pressures, support regional development, reduce the cost of capital and support inclusive growth. Local Authorities must identify and implement programmes related to the above NGP jobs drivers to the extent possible within the context of their mandate and within the broader Provincial and National initiatives.

#### 2.2.4 The Youth Accord

On 8 April 2013, youth leaders, business, labour, Government and the community representatives signed the New Growth Path Youth Development Accord, symbolic of a collective resolve to work together to promote youth development in South Africa. The Accord is one in a series of social pacts that are intended to help achieve the New Growth Path goal of five million new jobs by 2020.

#### 2.3 Provincial Strategic Plan (2019-2024)

The only sustainable way to reduce poverty is by creating opportunities for growth and jobs. This insight informed PSP 2019-2024, which sought to shift resources and energy into creating a context for growth and job opportunities without compromising the state's ability to deliver better outcomes in health, education and social development, and while refocusing efforts to promote social inclusion. The Western Cape Government has identified the five Provincial Strategic Goals (PSGs) to deliver on its vision and to help realise the objectives of the NDP over its five-year term. See Figure 2: The 5 PSGs:



Figure 2: The Five Provincial Strategic Goals (2019-2024)

Provincial Government Legislation	
	Objective of Government
<b>Western Cape Provincial Spatial Development Framework (2014)</b>	<p>In 2014 the Western Cape Government adopted the Provincial Spatial Development Framework (PSDF).</p> <ul style="list-style-type: none"> <li>• Its purpose is to address the lingering spatial inequalities that persist as a result of apartheid’s legacy – inequalities that contribute both to current challenges (lack of jobs and skills, education and poverty, and unsustainable settlement patterns and resource use) and to future challenges (climate change, municipal fiscal stress, food insecurity and water deficits).</li> <li>• The PSDF provides a shared spatial development vision for both the public and private sectors and serves as the guide to all sectoral considerations with regard to space and place.</li> <li>• The PSDF serves to guide the location and form of public investment and to influence other</li> </ul>

	investment decisions by establishing a coherent and logical spatial investment frame work
<b>One Cape 2040</b>	<p>One Cape 2040 is a deliberate attempt to stimulate a transition towards a more inclusive and resilient economic future for the Western Cape region. It is a vision and strategy for society, rather than a plan of government, although all three spheres of government are essential for implementation. It does not replace any existing statutory plans required of either the province or municipalities. It is rather intended as a reference point and guide for all stakeholders to:</p> <ul style="list-style-type: none"> <li>• Promote fresh thinking and critical engagement on the future.</li> <li>• Provide a common agenda for private, public and civil society collaboration.</li> <li>• Help align government actions and investment decisions.</li> <li>• Facilitate the necessary changes that needs to be made to adapt to (rapidly) changing local and global contexts.</li> <li>• Address development, sustainability, inclusion and competitiveness imperatives.</li> </ul>
<b>Western Cape Tourism Development Framework- WCTD Framework</b>	<p>The WCTD Framework provides for the destination vision and strategy for tourism in the Western Cape and is the high-level sector strategy for tourism.</p> <ul style="list-style-type: none"> <li>• The WCTD Framework ensures joint planning, budgeting and implementation between the three spheres of government in the first instance and all of their social partners in the second instance.</li> <li>• The WCTD Framework has defined targets and outcomes that need to be achieved over a ten-year timeframe. It is a living and dynamic document, with research constantly being added to the evidence base and analyses being adjusted as circumstances change. There will be a major review on a five-year basis</li> </ul>
<b>Western Cape Infrastructure Framework (2013)</b>	<p>The Western Cape Infrastructure Framework aligns the planning, delivery and management of infrastructure provided by all stakeholders (national government, provincial government, local government, parastatals and the private sector).</p>

<b>Western Cape Green Economy Strategy Framework (2014)</b>	The aim of the framework is to position the Western Cape as the lowest carbon province in South Africa and the leading green economic hub of the African continent.
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Table 4: Provincial Legislations

Local Frameworks	
	Objective of Government
Central Karoo District SDF	
Central Karoo LED	
Laingsburg SDF	
Laingsburg IDP	

Table 5

## SECTION 3: DEVELOPMENT ENABLERS

### 3.1 Brief Background of Laingsburg Municipal Area

Laingsburg is the entry point to Central Karoo District if driving from Cape Town along N1 to Johannesburg. The municipality borders two Western Cape districts, the Cape Winelands District and the Eden District. The municipality also borders the Northern Cape Province on the northern side of the municipality connecting the municipality to Sutherland. The municipality of Laingsburg as per the Demarcation Board covers the following areas:

- ❖ Laingsburg, Matjiesfontein, Vleiland, and 250 Farms
- ❖ The population of the municipal area is 9 473 and has a total number of 2862 households that live in the municipal area.
- ❖ The biggest part of the population falls within the age group of 15-35 and is mostly unemployed or works on a seasonal basis

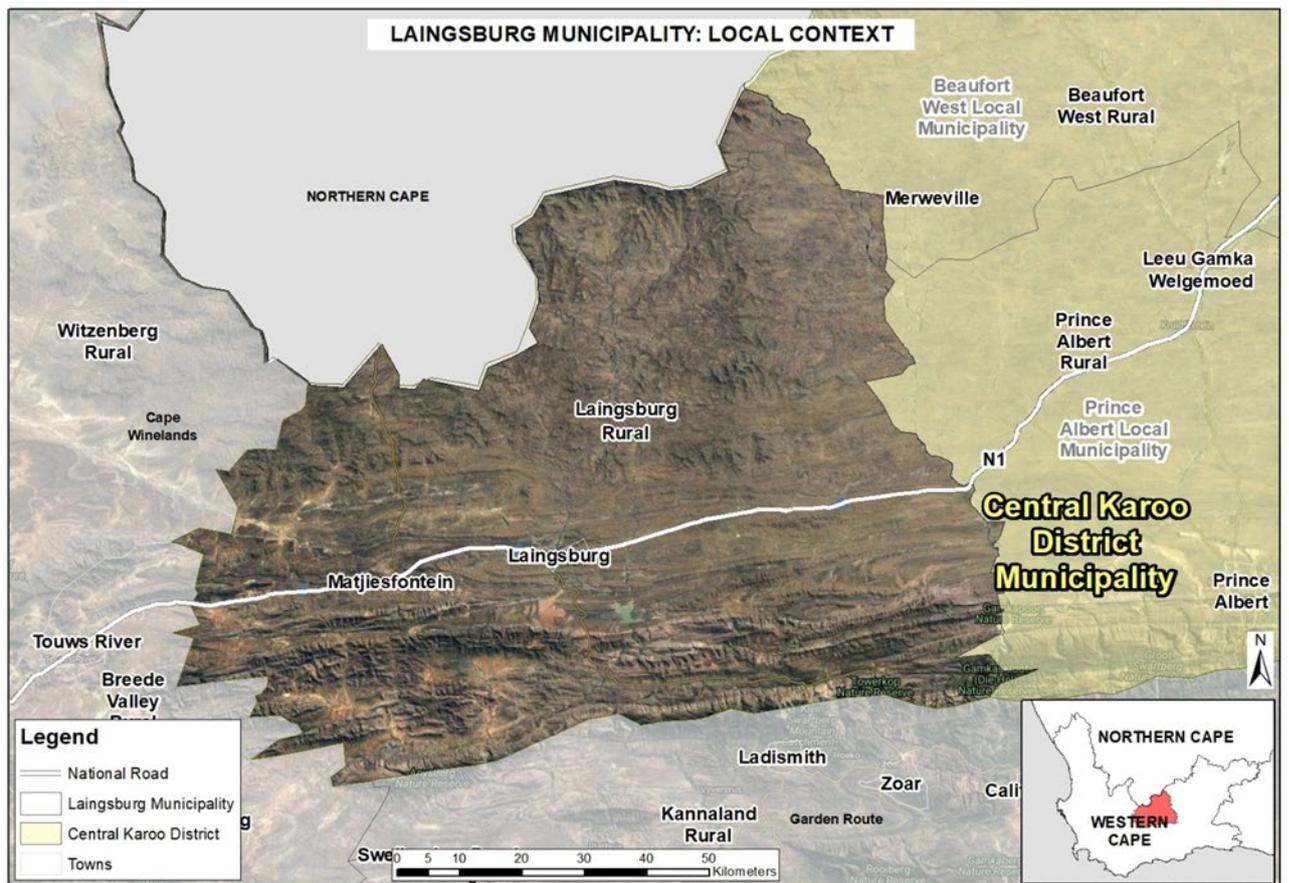


Figure 3: Laingsburg Municipal area

### 3.2 Laingsburg Settlement Profile

The table below lists the settlements with the role of each, their economic base and locational advantages

Area	Neighbourhood and Settlements	Settlement Classification	Economic Base	Locational Advantage
<ul style="list-style-type: none"> <li><b>Laingsburg Town</b></li> </ul>	Bergsig, Goldnerville, Bodorp, Onderdorp, Nuwedorp and Moordenaars Karoo Farms	Secondary Regional Service centre	Economic hub	Regional Connection, Via N1 and railway
<ul style="list-style-type: none"> <li><b>Matjiesfontein</b></li> </ul>	The Village, Lokasie Konstabel and the Witteberge farms	Rural Settlement	Isolated Tourist destination	Railway Connection
<b>Vleiland</b>	Vleiland and Klein Swartberg areas	Farm homestead	Farm community	Remote, Yet a Accessible

				Via tarred and gravel roads, well maintained
--	--	--	--	--

Table 6: Laingsburg Municipal Settlement Function

### 3.3 Development Enablers

The following section considers the dynamics and trends of the Laingsburg municipal area’s demographics and social environment so as to inform forward planning. Population and education are important enablers of economic and social development. Population growth, population ageing and decline, as well as migration affect virtually all development objectives that are on top of national, provincial and local agendas. They affect economic development, income distribution, poverty and complicate a government’s efforts to ensure access to health, education, housing and basic services.

Therefore, the section considers a selection of demographic factors that are likely to enable the economic development of the Laingsburg municipal over the next five years

#### 3.3.1 Laingsburg Demographic Profile

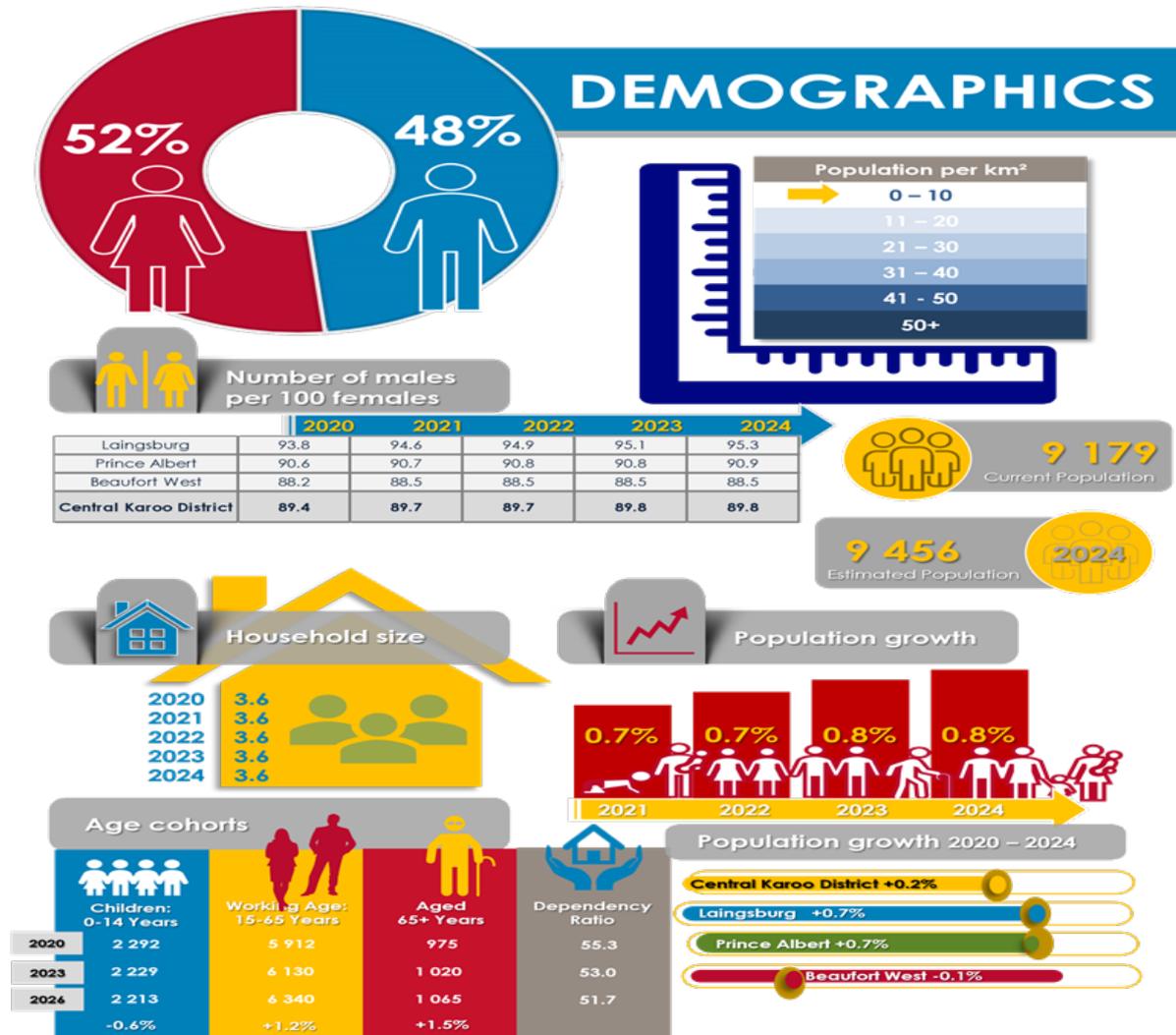


Figure 4: Population Overview (Source SEP 2020)

The population of Laingsburg is 9 179 people in 2020, making it the smallest municipal population in the Central Karoo District (CKD). This total is expected to grow to 9 456 by 2024, equating to an average annual growth rate of 0.7 per cent

The overall sex ratio (SR) depicts the number of males per 100 females in the population. There are slightly more females than males in the municipal area with a ratio of 52 per cent (females) to 48 per cent (males) The SR for Laingsburg increases slightly year on year towards 2024 which could be attributed to a wide range of factors such as an increase in female mortality rates as well as the potential inflow of working males to the municipal area.

The largest share of the municipal area’s population is between 35 and 64 years old (32.7 per cent), followed by those aged between 15 and 34 years (31.4 per cent). The large number of people who are between 35 and 64 years is proportionally related to the small share of children between the ages of 0 and 14 years. The municipal area has proportionally more people who are older than 65 (10.4 per

cent) compared with the District (8.8 per cent) but proportionally fewer children (25.4 per cent) compared with the District (29.5 per cent). In Laingsburg, the dependency ratio decreased from 56.9 in 2020 to 51.7 in 2026. *A lower dependency ratio implies less pressure on social systems and the delivery of basic services.*

Household size refers to the number of people per household. The actual size of households in Laingsburg remained unchanged between 2020 and 2024. Contributing factors to a stagnation in household size growth could include, but are not limited to, lower fertility rates, occurrences of divorce, ageing population, etc.

### **3.3.2 How this impact Economic Development and Planning**

Population dynamics matters for sustainable economic development. Population growth, population ageing as well as migration and immigration affect virtually all development objectives that are on top of a Municipality's agenda. They affect consumption, production, employment, income distribution, poverty and social protections, including pensions; they also impact revenue collection.

Whether population transition benefits economic development depends largely on policies and strategies that are in force.

Population transition in Laingsburg will;

- Impact the labour force
- The higher proportion of the ageing population may increase pension and healthcare costs,
- While the smaller child and youth population will have future labour market implications.
- Change household's consumption patterns  
Impact the Housing Market ( population aging, will cause a drop in house prices, because more houses are unoccupied)
- Reduced property revenue base
- Create opportunity for immigrant workers to compensate for the shortfall in labour force

### **3.4 Education Attainment**

Education remains one of the key drivers to improve the local economy, and there is an increase requirement for matriculates for employment and youth empowerment programs. According to the SEP 2020 report, Laingsburg's matric pass rate impressively increased from 80.6 per cent in 2018 to 100 per cent in 2019. This is an excellent achievement for the area,

given its rural nature. Better results could improve access to learners to higher education to broaden their employment opportunities.

### 3.4.1 Skill Based and Employability

Education and skills are the pathways to employability. Figure 3 below, gives an overview of the changes in employment by skill levels in the Laingsburg municipal area between 2010 and 2020.

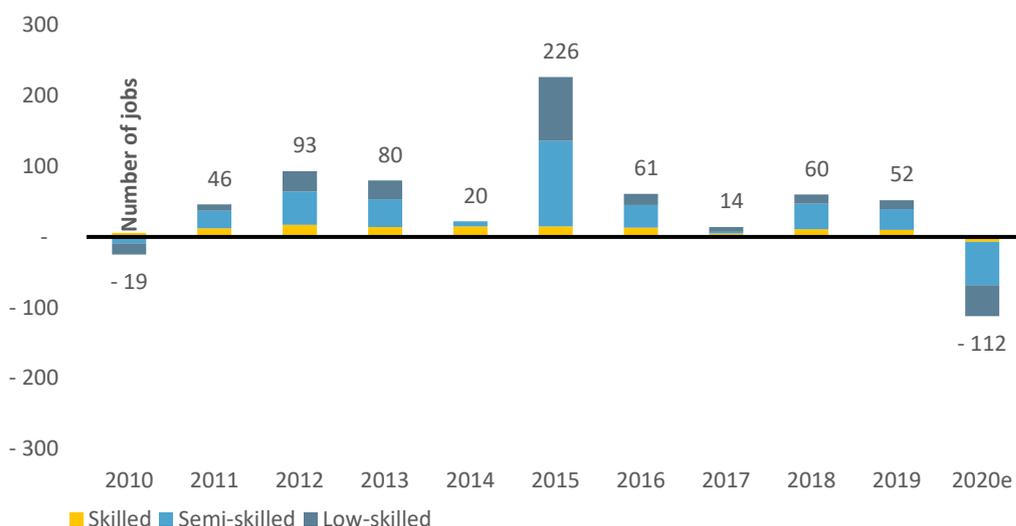


Figure 5 Laingsburg employment growth by skill levels (MERO 2021)

Between 2010 and 2020, the economy of the Laingsburg municipal area created the most employment in 2015. Most of the positions were for semi-skilled (121 jobs) and low-skilled (90 jobs) workers, with only a few jobs created for skilled workers (15 jobs). Drought conditions in 2018 resulted in a significant decrease in work opportunities in the municipal area in the following years. It is estimated that 112 formal jobs were lost in 2020, with 61 semi-skilled workers, 44 low-skilled workers and seven skilled workers losing their jobs.

### 3.4.2 Skills level per Sector

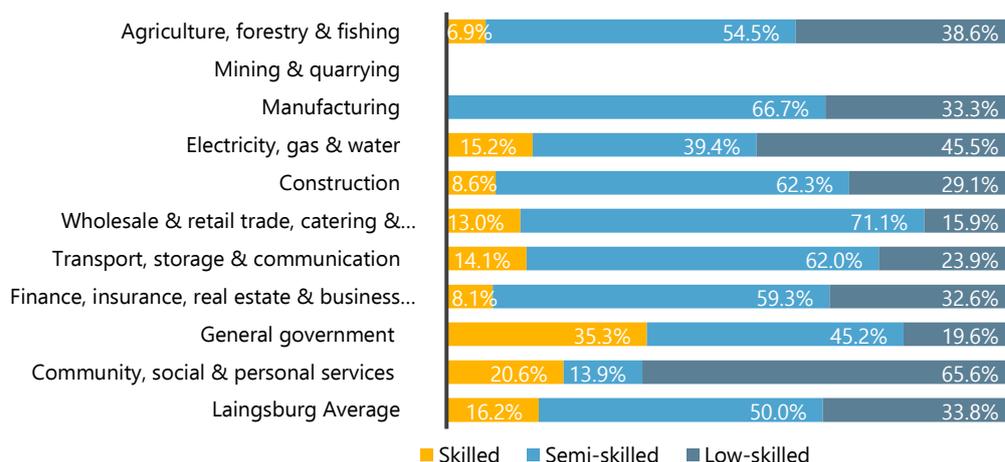


Figure 6 Laingsburg skills level per sector 2019 (MERO 2021)

Figure 4, illustrates sectoral employment by skill levels. In the Laingsburg municipal area, semi-skilled workers made up the bulk of employed workers (50.0 per cent). Low-skilled workers accounted for 33.8 per cent of all workers, while the remainder was made up of skilled workers (16.2 per cent). The trade (13.0 per cent), construction (8.6 per cent), agriculture, (6.9 per cent), and finance (8.1 per cent) and electricity, gas and water (15.2 per cent) sectors accounted for a below-average portion of skilled labour force in the municipal area. Notably, the general government sector accounted for the largest share (35.3 per cent) of skilled workers across all the sectors in the Laingsburg municipal area.

The shortage of skills could be related to the municipal area’s low literacy levels, resulting in a low-skilled population. The Municipality should focus on skills development programmes to improve the population’s skill levels (MERO 2021).

### 4.3.3 How this impact Economic Development and Planning

Laingsburg is the smallest municipality in S.A with the least economic growth potential. Therefore, development of human capital should be one of the municipal strategic development goals. *Human capital is referred to as a process involving training, education and professional initiatives to improve the knowledge, skills, abilities, values and social assets that will lead to employee job satisfaction and performance while improving economic performance...*

- Educational System must produce matriculates/ graduates who not only have technical skills but also non-technical skills (employability skills).
- Current data focus only on the quantity of schools( the percentage of people completed grade 12 or tertiary and not on its quality)
- Need to address the gap between mere school attainment and cognitive skills of the population
- Need to create a Skills Map Model to chart future labour demand in Laingsburg, and make sure that the education sector produce students with skills that will meet the demand

## SECTION 4: ECONOMIC OVERVIEW OF LAINGSBURG

Development of an economic strategy requires assessment of the current functioning of the economy and understanding how the economy changed over recent years. This section starts by providing an overview of the performance and structure of the economy. How the current condition of the economy will impact future economic development is also considered

### 4.1 Performance and Structure of Laingsburg's Economic

Figure 4, illustrates portrays the sectoral contribution of the Laingsburg municipality to GDP and employment in the local municipality in 2019.

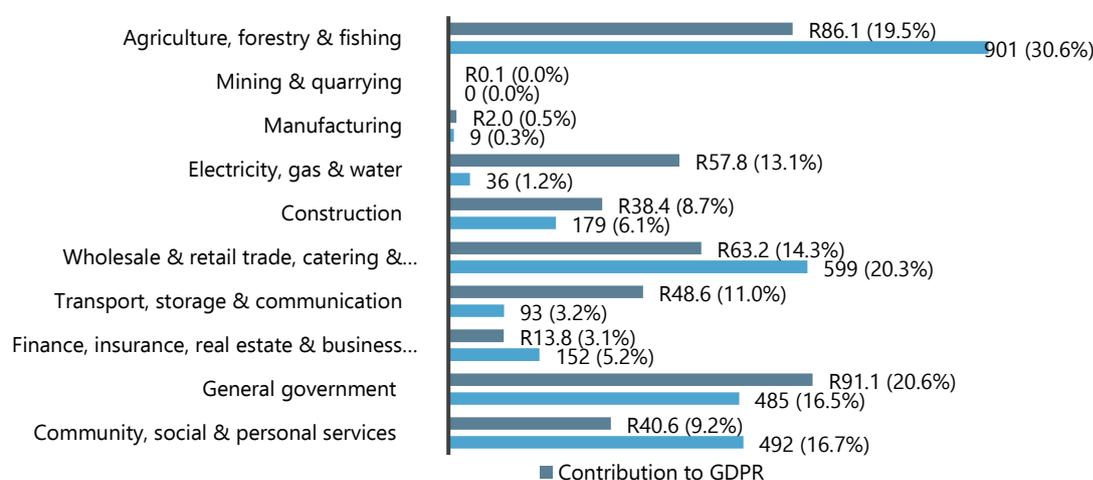


Figure 7: Laingsburg sectoral GDP and employment contribution, 2019

The general government sector contributed the largest share to GDP (20.6 per cent) and contributed 485 jobs. The second largest contributor to GDP was the agriculture sector (19.5 per cent), which was by far the largest employer, with 30.6 per cent of the total workforce. The trade sector was the second largest contributor to employment (20.3 per cent).

Capital-intensive sectors included manufacturing; electricity, gas and water; construction; transport, and general government, because their contribution to GDP was larger than their contribution to employment. Labour-intensive sectors for the municipal area included agriculture, trade, finance, and community services.

Table 7 describes the sectoral performance of the Laingsburg municipal area's contribution to GDP and employment between 2015 and 2020.

Sector	GDPR		Employment	
	Trend 2015 – 2019	Real GDPR growth 2020e	Average annual change 2015 – 2019	Net change 2020e
Primary Sector	-3.1%	10.3%	30	-30
<b>Agriculture, forestry &amp; fishing</b>	-3.1%	10.3%	30	-30
<b>Mining &amp; quarrying</b>	-2.2%	-20.5%	0	0
Secondary Sector	2.1%	-11.8%	7	-23
<b>Manufacturing</b>	-1.3%	-8.6%	0	0
<b>Electricity, gas &amp; water</b>	1.4%	-5.6%	1	-1
<b>Construction</b>	3.2%	-19.1%	6	-22
Tertiary Sector	1.5%	-5.0%	46	-96
<b>Wholesale &amp; retail trade, catering &amp; accommodation</b>	0.6%	-10.2%	18	-59
<b>Transport, storage &amp; communication</b>	-0.1%	-16.1%	3	-3
<b>Finance, insurance, real estate &amp; business services</b>	1.9%	-4.7%	5	-5
<b>General government</b>	2.2%	2.4%	7	10
<b>Community, social &amp; personal services</b>	2.7%	-1.3%	13	-39
Total Laingsburg	0.2%	-2.2%	83	-149

Table 7: Laingsburg GDPR and employment performance per sector (MERO 2021)

With an average annual growth rate of 0.2 per cent between 2015 and 2019, the Laingsburg economy was mostly stagnant. The secondary sector was the largest contributor of GDPR in the municipal area between 2015 and 2019, with average annual growth of 2.1 per cent. The construction sector had the largest growth rate (3.2 per cent) within the secondary sector, while the electricity, gas and water sector has also shown strong growth of 1.4 per cent per annum. One contributing factor to the growth in the construction sector could be the construction of agricultural and water infrastructure as a means to improve water security in the region. However, the construction sector only created six jobs annually between 2015 and 2019, which indicates that construction projects may have been outsourced to outside contractors. The secondary sector contributed seven jobs annually in the same period.

The tertiary sector accounted for the second largest share of the Laingsburg municipal area's GDPR growth (1.5 per cent) and was the largest contributor to employment, with 46 jobs created annually between 2015 and 2019. The community services sector had the highest growth rate for the tertiary sector, with 2.7 per cent growth, followed by the general government sector (2.2 per cent). The trade sector was the largest contributor to employment in the tertiary sector, with 18 jobs created annually. The opening of a Savers Lane supermarket, Puma and KFC in the Laingsburg municipal area contributed to the increase in employment in this sector.

The primary sector contracted at an average annual rate of 3.1 per cent between 2015 and 2019. This decline was the result of the persistent drought conditions experienced in southern Africa from 2018. The drought had a severe and adverse impact on the agriculture sector. However, this sector created the most jobs between 2015 and 2019 in the municipal area (30 jobs).

The agriculture sector and the general government sector are the only sectors in the municipal area that indicated a growth in GDP for 2020, with 10.3 per cent and 2.4 per cent growth respectively. Sheep farming is the largest enterprise within the municipal area, and the increase in mutton prices and the fact that the sector could operate under lockdown level five are the two main reasons for the growth in this sector. Despite the GDP growth in the sector, it is estimated to have lost 30 jobs in 2020. The economy of the municipal area is estimated to have contracted by 2.2 per cent owing to economic pressure in 2020, and a total of 149 jobs are estimated to have been lost in the same year.

The 110 MW Perdekraal wind farm near Matjiesfontein launched in 2020 to become the first Renewable Energy Independent Power Producer Procurement Programme (REI4P) round-4 Wind Energy Facility (WEF) to begin commercial operations. The Province also benefited from approval of the Oya Energy Hybrid 128MW Facility near Matjiesfontein under the RMI4P. It is anticipated that the Provincial renewable energy generation sector will continue to grow after 2021, with a number of bids having been made in the recently closed REI4P fifth window. Longer term reforms announced under Operation Vulindlela will also allow create new opportunities for distributed green electricity generation below utility scale



To learn more about Operation Vulindlela:

## 4.2 Export and Import

Figure 6 below, illustrates main import and export for Laingsburg.

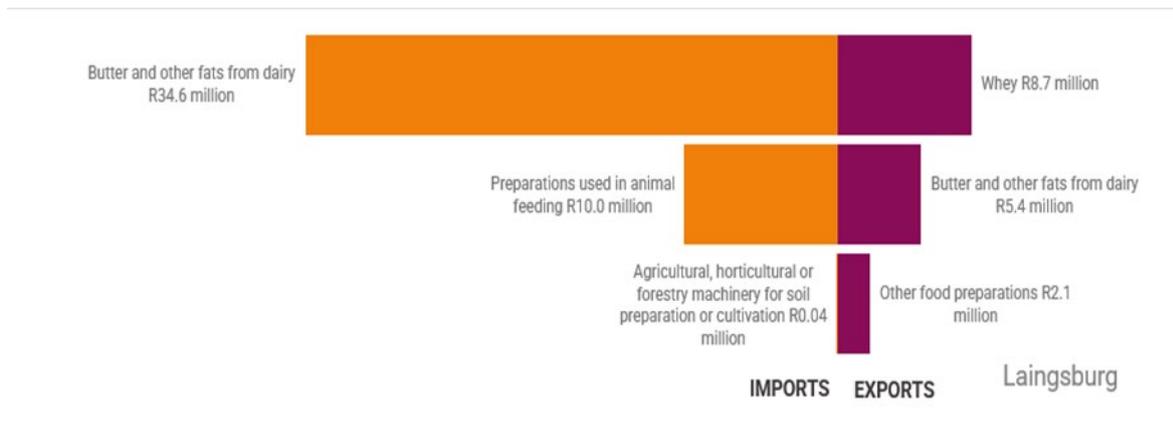


Figure 8: Laingsburg Import and Export (MERO 2021)

In the Laingsburg municipal area, the top three imported products in 2020 were butter and fats (R34.6 million), preparations used in animal feeding (R10.0 million) and agricultural and related machinery to the value of R0.04 million. The top three exported products were whey (R8.7 million), butter and other fats (R5.4 million), and other food preparation products valued at R2.1 million

### 4.3 Informal Employment Profile

Figure 5 below, illustrates the sectoral employment distribution in the Laingsburg municipal area.

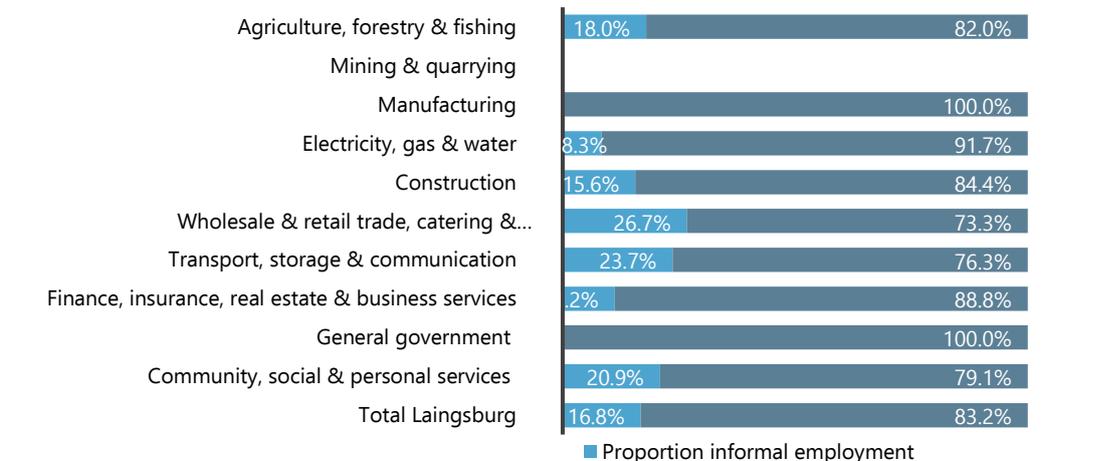


Figure 9 Laingsburg informal employment distribution, 2019

On average, 83.2 per cent of the municipal area’s employment distribution was formal employment in 2019, with only 16.8 per cent of workers being informally employed. The trade (26.7 per cent), transport (23.7 per cent), community services (20.9 per cent) and the agriculture (18.0 per cent) sectors contributed a higher proportion of informal employment than the other sectors.

The remoteness of the Laingsburg municipal area poses a challenge for informal and small businesses, as it hampers easy access to supplies. Access to goods is further constrained by the lack of public transport in the area. These challenges make it hard for small and informal businesses alike to be sustainable in the area. Supporting local SMMEs to be able to provide goods and services can be a catalyst for employment creation, however, the number of SMMEs on the Laingsburg Municipality supplier database reduced from 54 in 2019 to 43 in 2020, ( MERO 2021).

#### 4.4 Unemployment Profile

Table 8 below, provides the unemployment profile of the Laingsburg Municipality between 2019 and 2020. More specifically, the table illustrates the unemployment rate, labour absorption rate, labour participation rate and the not economically active population as a proportion of the working-age population for Laingsburg and Central Karoo District.

Municipality	Unemployment Rate (%) 2019	Change (2019-2020)	Labour Force participation rate (%) 2019	Change (2019-2020)	Labour absorption rate (employment to population rate) 2019	Change (2019-2020)	Not economically active 2019	Change (2019-2020)
Laingsburg	17.2%	Decrease	66.5%	Decrease	55.0%	Decrease	33.5%	Increase
Central Karoo	22.3%	Decrease	54.1%	Decrease	42.0%	Decrease	45.9%	Increase

Table 8, (MERO 2021)

Table 8 further illustrates;

- Laingsburg’s unemployment, labour force participation rate and labour force absorption rate decrease between 2019 -2020.
- However, this should not be considered to be an improvement in the Laingsburg’s labour market, as a large number of individuals were moved from the “employed” and “unemployed” ranking to the “not economically active” category.

- This is indicated by the increase in the number of individuals who are not economically active.
- Decreases in both the labour force participation and labour absorption rates between 2019 and 2020 are reflective of a decline in job opportunities available in the Laingsburg’s labour market, (MERO 2021).

**Unemployed persons**, according to the official Stats South Africa definition, are those (aged 15 to 64 years) who: a) were not employed in the reference week; and b) actively looked for work or tried to start a business in the four weeks preceding the survey interview; and c) were available for work, i.e. would have been able to start work or a business in the reference week; or d) had not actively looked for work in the past four weeks, but had a job or business to start at a definite date in the future and were available. This does not include people who were not actively looking for work.

**Labour force participation rate** is the proportion of the working-age population that is either employed or unemployed.

**Employment-to-population ratio (labour absorption rate)** is the proportion of the working-age population that is employed.

**Not economically active** refers to persons aged 15 to 64 years who were neither employed nor unemployed in the reference week.

#### 4.5 Household Income

The table below, shows Laingsburg household income per different income category. Depicting from the table it is evident that Laingsburg household incomes levels are in the lower-middle income categories.

Annual Household Income for Laingsburg			
Household			
Amount	Income Bracket	Central Karoo District	Laingsburg
No Income	Low	8.5	5.2
R 1 – R 6 327	Income	3.1	1.9

<b>R6 328 – R12 653</b>		5.4	2.9
<b>R12 654 – R25 306</b>		21.5	21
<b>R25 307 - R50 613</b>		24.4	26
<b>R50 614 - R101 225</b>	Middle Income	16.3	21
<b>R101 226 – R202 450</b>		9.9	11.3
<b>R202 451- R404 901</b>		6.3	5.9
<b>R404 902 – R 809 802</b>	High Income	3.3	3.3
<b>R809 203 –R1619 604</b>		0.8	1.1

Table 9: Laingsburg Household income Distribution Source CKDM IDP 2017-2022

Table 9 further shows that;

- Approximately 5% of households have no form of income
- More than 20% of households earn between R1054 and R2108
- Households with an income range between R4217 and R 8435 have been considered as middle income, approximately 21% of households falls within this category
- Almost 9.2% of households in Laingsburg earned between R16 870 and R33 741

As depicted from table 9, a staggering 5.2% falls within the food poverty line (FPL). Stats SA utilises a cost-of-basic needs approach to produce three poverty lines, namely, the food poverty line (FPL), the lower-bound poverty line (LBPL) and the upper-bound poverty line (UBPL). This allows monitoring of poverty at different levels. The FPL is the rand value below which individuals are not able to afford sufficient food that is required for adequate health. The LBPL and the UBPL uses the food-poverty line as a base, but also has a non-food component. Individuals at the LBPL do not have enough resources to purchase both adequate levels of food and non-food items, and must therefore sacrifice food to obtain essential non-food items. Those at the UBPL can afford both adequate food and non-food items. Between 2019 and 2020, the FPL increased from R561 to R585, the LBPL increased from R810 to R840, and the UBPL increased from R1 227 to R1 268 per person per month, (MERO 2021).

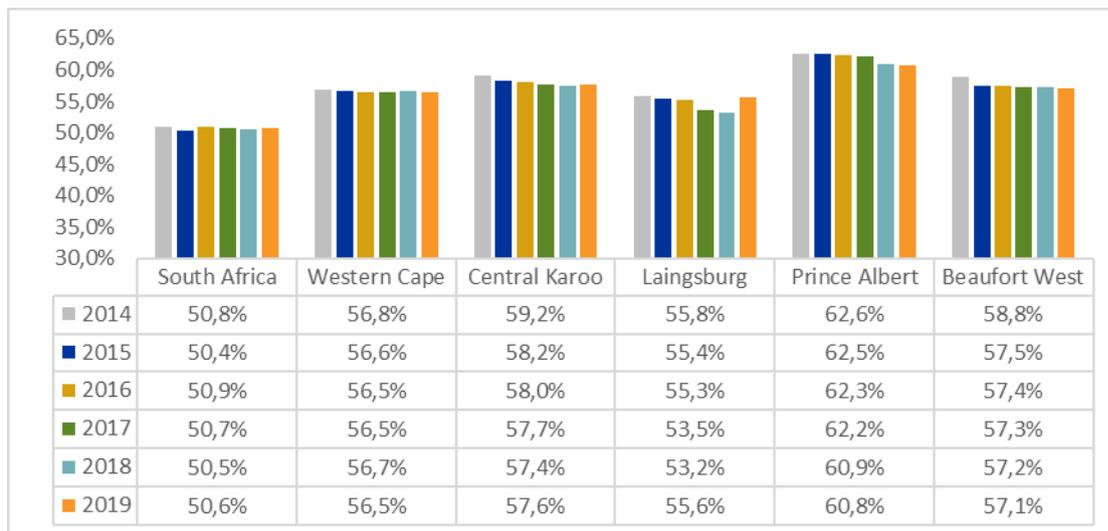


Figure 10: Proportion of population at UBPL, Central Karoo District, and 2014 – 2019 (MERO 2021)

As mentioned above Laingsburg is one of the smallest municipalities in South Africa. Despite its smallness the municipality's UBPL has been fluctuating between 55, 8% and 53, 2 % between 2014 and 2019.

#### 4.6 Indigents

	2018		2019		2020	
	Number	% of households	Number	% of households	Number	% of households
<b>Laingsburg</b>	613	25.1	685	27.7%	784	31.4%
<b>Central Karoo District</b>	8656	45.5%	8210	42.9%	8984	46.5%

Table 10: Laingsburg indigent (MERO 20121)

In order to qualify as an indigent household and to receive free basic services, households must be assessed in accordance with the respective municipality's criteria. In the Laingsburg municipal area, households must have a monthly income of less than R3 500 per month in order to qualify as an indigent household. In the Laingsburg municipal area, 31.4% households can registered as an indigent household.

#### 4.7 How this impact Economic Development and Planning



## **SECTION 5: POTENTIAL IDENTIFICATION**

### **5.1 SWOT Analysis**

A well-known methodology used to assist in strategy development and forward planning is a Strengths, Weaknesses, Opportunities and Threats analysis. Through this analysis, the competitive and comparative advantages can be assessed as well as the threats and weaknesses that would hinder development. An understanding of the spatial and social

dynamics, economic status- quo, demographics and geography also influence the SWOT analysis. The SWOT analysis approach presents all the factors that must be taken into account in determining interventions to put in place in order to deliver the desired outcome of sustainable economic growth.

### 5.1.1 Laingsburg Town

Strength	Weakness
<ul style="list-style-type: none"> <li>• Digital Marketing Platform</li> <li>• Main Town for all Services Rich geology</li> <li>• Water scorpion</li> <li>• Boschluis Kloof /Seweweeks Poort</li> <li>• Functional Tourism centre/ Museum</li> <li>• Friendly people</li> <li>• Astro tourism/Star gazing &amp; Farm Holidays</li> <li>• Town well known for flood</li> <li>• Film shooting destination (Already established)</li> <li>• Tourism: mountains, Fynbos, fruits</li> <li>• Affordable accommodation</li> <li>• Combine roads to all regions in the Laingsburg area (North, West, East and South)</li> <li>• Existing hiking trails &amp; 4X4 routes/ snow in winter on highland areas</li> <li>• Unspoiled nature and cleanest town</li> <li>• Quality of sheep</li> <li>• Best Karoo lam &amp; biltong</li> <li>• Demand for leather production</li> <li>• Fertile soil</li> <li>• Unique plants</li> <li>• Climate best for seed production</li> <li>• Quality fruits</li> </ul>	<ul style="list-style-type: none"> <li>• Small Business Sector</li> <li>• Small Income Base</li> <li>• Silo's Culture</li> <li>• Poor sense of place, entrances into town from all directions</li> <li>• Too few activities for overnight tourist</li> <li>• Lack of tourism packages and routes</li> <li>• No branding of Laingsburg Town DRA-WOL</li> <li>• Town well known for flood</li> <li>• Municipal regulation (red tape)</li> <li>• Have to compete with well-known travelling routes</li> <li>• Lack of cooperating role players</li> <li>• Public transport not fully developed</li> <li>• Seasonality of employment opportunities</li> <li>• No true reflection of diversity</li> <li>• Lack of festival / historic culture</li> <li>• Lack of processing activities</li> <li>• Not enough skilled labour</li> </ul>

<ul style="list-style-type: none"> <li>• Fruit processing</li> <li>• Game</li> <li>• Well organised Agricultural Sector</li> <li>• Diversity in Agriculture ( fruit/ goat meat)</li> <li>• Established local Production (garlic, leather, dry fruit, preserve products)</li> </ul>	<ul style="list-style-type: none"> <li>• Labour regulations &amp; red tape-processing of land use applications</li> <li>• Climate change &amp; Drought</li> <li>• “All pay”/ grant dependency</li> <li>• Transportation of products-cost from farm to freight</li> <li>• Investment costs</li> <li>• Lack of access to funding</li> <li>• Lack of research in agricultural development</li> <li>• Wish list of projects ( should be change to goal obtainable SMART projects)</li> <li>• Lack of exposure of small and upcoming farmers</li> </ul>
<p><b>Opportunities</b></p>	<p><b>Threats</b></p>
<ul style="list-style-type: none"> <li>• N1 Heritage Route</li> <li>• Sport Tourism</li> <li>• Agri-tourism</li> <li>• Agricultural School ( programmes)</li> <li>• Land Reform : land available for small upcoming farmers</li> <li>• Need for marketing campaign / marketing on social media necessary</li> <li>• Build a brand around the “Best Karoo” idea</li> <li>• Development of light industrial</li> <li>• Green Energy</li> <li>• Multiple housing options</li> <li>• Establishment of Public Transport Association</li> </ul>	<ul style="list-style-type: none"> <li>• Too few activities for overnight tourist</li> <li>• Municipal regulation (red tape)</li> <li>• Have to compete with well-known travelling routes</li> <li>• “Road of death”-Negative connotation</li> <li>• Lack of cooperating role players</li> <li>• Stressful traffic on N 1, inbound/ outward</li> <li>• Poor public transport</li> <li>• Seasonality of employment opportunities</li> <li>• Limited processing support for new SMME</li> <li>• Lack of festival / historic culture</li> <li>• Not enough skilled labour</li> <li>• Labour regulations &amp; red tape- processing of land use applications</li> <li>• Climate change &amp; Drought</li> <li>• “All pay”/ grant dependency</li> <li>• No local production currently</li> <li>• Transportation of products-cost from farm to freight</li> <li>• Investment costs</li> <li>• Lack of access to funding</li> <li>• Lack of research in agricultural development</li> <li>• Wish list of projects ( should be change to goal obtainable SMART projects)</li> <li>• High percentage of school drop outs</li> <li>• Skill shortage and capacity</li> </ul> <p>Infrastructure challenge (egg. water shortage)</p> <ul style="list-style-type: none"> <li>• Poor Revenue Base</li> <li>• Infra structure decay</li> </ul>

### 5.1.2 Matjiesfontein



Strength	Weakness
<ul style="list-style-type: none"> <li>• Heritage Precinct</li> <li>• Well-preserved Victorian architecture</li> <li>• Tourism Attraction</li> <li>• Sufficient Water Resources</li> <li>• Famous Matjiesfontein Hotel</li> <li>• Decedents of the “unsung” heroes still work at the hotel</li> </ul>	<ul style="list-style-type: none"> <li>• Dependency syndrome ( no innovation)</li> <li>• No youth entertainment</li> <li>• Poor maintenance of Transnet Buildings</li> <li>• Township – no sense of place ( community heritage</li> <li>• One important phenomenal that cannot be ignore is the spatial segregation, Laingsburg and Matjiesfontein where the legacy of apartheid is ingrained in the social and economic landscape. Privileged groups are residing closer to town, and marginalized groups located further from town on the outskirts.</li> <li>• No history about the people beyond the railway line</li> <li>• Infra structure decay</li> <li>•</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Potential to attract new tourism audience, digital nomads/professional tourism</li> <li>• Willingness of Hotel Owners to form PPP with Municipality</li> <li>• Township tourism link with Storytelling Museum ( Cultural Museum)</li> <li>• Vegetable gardens (fresh food markets)</li> <li>• ICT development and connection to new markets</li> <li>• Link hotel precinct with township</li> <li>• Tarring of access road to township</li> </ul>	<ul style="list-style-type: none"> <li>• Grant dependency</li> <li>• High percentage of school drop outs</li> <li>• Skill shortage and capacity</li> <li>• High level of youth unemployment/ lack of unemployment opportunities</li> <li>• Poor Revenue Base</li> <li>• Mushrooming of unlicensed taverns</li> <li>• No local champion</li> <li>• Poor maintenance of gravel road to township</li> </ul>

### 5.1.3 Vleiland and Rural Areas



Strength	Weakness
<ul style="list-style-type: none"> <li>• Boschluiskloof- Three Star Resort</li> <li>• Hiking Trails</li> <li>• Food Processing</li> <li>• Products cheap</li> <li>• Immigration from City to country</li> <li>• Local Social Development initiative ( skills enhancement)</li> <li>• Anglo Boer Battle Station ( weekend away)</li> <li>• Beautiful Scenery</li> <li>• Towerkop Highest Peak in the Western Cape ( two day hiking trail)</li> <li>• Moordenaars Karoo and its plain fields</li> <li>• Occasional Snow in winter on high plains and mountains</li> </ul>	<ul style="list-style-type: none"> <li>• Accessibility</li> <li>• Poor road conditions</li> <li>• Poverty is evident</li> <li>• Lack of housing</li> <li>• Infra structure decay</li> <li>• Settlements is far apart</li> <li>• Few people on farms</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Tarring of Rural Road to Vleiland</li> <li>• Revising of local entertainment ( live bands)</li> <li>• Development of cycling route events</li> </ul>	<ul style="list-style-type: none"> <li>• Cost of Travelling to High</li> <li>• Distance from Laingsburg</li> <li>• Roads not properly maintained</li> <li>• Lack of communication</li> </ul>

## 5.2 COVID-19 Pandemic Impact on the Economy

Commencing on March 26, 2020 to help curb the spread of the disease and minimize its impact on South African society, a hard lock down was implemented initially for 21 days. The 21 days was extended, and over the period March 2020 - March 2021 lockdown has continued, albeit with various activities and sectors of the economy being able to operate at an increasing rate with the reduced lockdown level.

The lockdown comprised mainly of two components. First, people have restricted their movement outside their homes and engaged in physical distancing. The result has been a dramatic decline in demand for services. These range across establishments like restaurants, theatres, sporting events and hotels. Sectors such as tourism and hospitality, retail, restaurants, construction, mining, financial services and especially the informal sector, to name a few, suffered great adverse effects by the restriction of movement. The government-mandated lockdown has restricted movement of people with the exception of those who work in essential services such as police, health, fire, army, pharmacies, supermarkets, medical sector and specific government departments. During hard lockdown (with gradual ease of restrictions over the following few months) everyone was required to stay indoors, unless they needed medical help, buy medication from the pharmacy or food from a supermarket.

Second, government has closed down the operations of non-essential industries to prevent spread of the disease at the workplace. Some industries closed voluntarily to stop the spread of the disease in their factories. In addition, the economic uncertainty associated with the lockdowns globally has led to declines in investment and international trade that are causing further economic contraction. The largest initial shocks were in mining, service sectors and non-essential industries directly affected by the lockdowns. Indirect linkages in the economy spread the impact across all industries

### 5.3 COVID-19 Impact on Laingsburg

The Western Cape Municipal Economic Review and Outlook (MERO) 2020 highlighted the following;

- The Laingsburg municipal area is expected to further contract by 1.8 per cent in 2020. A slight recovery of 0.8 per cent is projected for 2021. However, given the poor economic performance prior to 2020, households in the Laingsburg municipal area will remain under pressure.
- The impacts of the COVID-19 pandemic are estimated to be more severely experienced in the manufacturing sector, where a 24.5 per cent contraction is projected for 2020. The wholesale and retail trade, catering and accommodation sector and the transport, storage and communication sector are estimated to contract by 19.3 per cent and 17.3 per cent respectively. The agriculture, forestry and fishing sector is the main driver of economic growth and employment in the Laingsburg municipal area.
- A GDP growth of 13.8 per cent is estimated for the municipal area's agriculture, forestry and fishing sector in 2020; this can be attributed to the lockdown regulations, which classified the sector as being "essential", as well as the increase in demand for some agricultural produce.
- The severe economic contractions in most sectors will probably result in an increase in local unemployment. This will reduce household incomes and increase the reliance on government support programmes, such as income grants and free basic services.
- However, revenue collection will also probably become constrained, adding pressure to local government.

The COVID- 19 pandemic has affected low income rural economies, such as that in Laingsburg and other rural populations and economies in the Western Cape differently and to a larger degree than that of urban areas. Reasons for the vulnerability of rural areas to the pandemic are:

- A large share of population who are at higher risk for severe illness, notably the elderly and the poor.
- A much less diversified economy
- A high share of workers in essential jobs (agriculture, food processing, etc.) coupled with a limited capability to undertake these jobs from home. This makes telework and social distancing much harder to implement.
- Lower incomes and lower savings may have forced rural people to continue to work and/or not visit the hospital when needed.
- Health centers that are typically not well suited for dealing with COVID-19 (i.e. lack of ICUs and doctors with specialised skills).
- Larger distance to access hospitals, testing centers, etc.
- A large digital divide, with lower accessibility to internet (both in coverage and connection speed) and fewer people with adequate devices and the required skills to use them.
- Poor infrastructure
- In addition, the slowdown of demand for primary sector goods, such as tourism and food on a global scale has and will continue to impact the decline of rural economies.
- Matjiesfontein is also affected by the pandemic as the main source of income evolves around tourism .Most residents of Matjiesfontein are dependent on the Lord Milner Hotel as their main source of income.

### **5.3 The Role of Place making/ Sense of Place in Developing Laingsburg Economic**

The rules of place making haven't changed since ancient time. What attracted people to towns were entertainment, comfort, variety, walkability, comfort, sustenance, convenience, people-watching, safety and security, common areas, natural elements, wardens and water features. A successful place was enhanced by evocative or triumphal entrance signage, memorable architecture and beautiful landscape, (EDRP: 2017).

In the New Economy, knowledge-sector jobs are faster-growing and more lucrative than professions with more routine functions. Consequently, communities are changing the way

they approach economic development. Instead of differentiating themselves primarily by transportation access, low costs, proximity to natural resources, or other traditional competitive advantages, many communities today are attracting multi-generational talent by becoming desirable places to live and visit, (EDRP, 2017)

The growth potential study, included in the PSDF identifies Laingsburg town as a settlement with high social need, but low development potential. However, the SDF also indicates that more than 14, 000 vehicles pass through Laingsburg every day. This traffic in itself provides a great opportunity for tourism and economy of Laingsburg. For Laingsburg to tap into the opportunity, the municipality needs transform the town’s visual, physical appearance and develop an effective community brand to lure tourist and potential employers. In 2020, Laingsburg Municipality began to lay the groundwork to use place making tools to enhance the visual appearance of the Flood Museum Precinct. The idea was to marry the old with the new, create employment and a place for people to shop, eat and relax

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Before and After



## SECTION 6: TOURISM STRATEGY

The Karoo region is the largest in the Western Cape and is characterised by its breath-taking sights and long-standing history. In the Karoo, people can see and experience the heritage of South Africa, dating back from the dinosaur era up to the present day. This region is a popular stopover destination for people travelling to the Western Cape’s coastline. Some of the unique offerings for the region relate to Astro-tourism, the Bushman/San culture, dinosaur fossils and the Karoo experience as defined by its architecture, landscape and people. Its

wholesome hospitality and embedded culture are among the charms that travellers seek to experience. It is also home to the Karoo National Park near Beaufort West, as well as other game and nature reserves, (MERO 2021)

Laingsburg is a geological wonderland, situated on what was clearly the south-western edge of an ancient swamp that covered the central area of South Africa about 300 million years ago. On this geological outcrop, one of the most interesting in the Cape Karoo, weather-worn rock layers reveal much of what happened in pre-history. This and much more makes Laingsburg a happy meeting place for geologists, palaeontologists, researchers and students from all over the world, (<https://www.wesgro.co.za/travel/places/laingsburg>).

### 6.1 Tourism Definition

The World Tourism Organization defines tourism as “the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited”. Based on this definition, the tourism industry is considered to have the following components:

- ❖ Travel and transport
- ❖ Accommodation and catering
- ❖ Entertainment
- ❖ Retail activities
- ❖ Services provided by tour operators

### 6.2 Objective of Tourism Section

- ❖ Position Laingsburg as the most desirable business tourism and investment destination in the Karoo
- ❖ Market Laingsburg as the most desirable holiday destination in the Karoo region
- ❖ Publish and broadcast usable information about Laingsburg, including information that will attract tourist and make the visit more enjoyable.

### 6.3 Overview of Tourism Attraction in Laingsburg Municipal Area

Accommodation (Town accommodation & Farms stays )	Laingsburg Town Matjiesfontein Vleiland Rural Areas
<b>Nature Based - Hiking</b>	Hiking and walking Stargazing Mountain Biking
<b>Point of Interest</b>	Anysberg Nature Reserve Rietfontein Private Nature Reserve

<b>Events and special events venues</b>	Assendelft Bush Camp
<b>Cultural</b>	
<b>Other Entertainment</b>	Red Bus Tour Swimming Anysberg 4x4 Park Tourism
<b>Infrastructure and Facilities</b>	Banking
<b>Retail/ Shopping</b>	

#### 6.4 Major Challenges


## SECTION 7: LOCAL ECONOMIC DEVELOPMENT STRATEGY

## 7.1 LED Vision Statement

**A destination of choice where people comes first**  
*“n Bestemming van keuse waar mense eerste kom*

## 7.2 LED Mission Statement

**To function as a community-focused and sustainable municipality by:**

- Rendering effective basic services
- Promoting local economic development
- Consulting communities in the processes of Council
- Creating a safe social environment where people can thrive

## 7.3 Key Priorities to Local Economic and Tourism Development

Given the information above, and with knowledge of the economic situation in Laingsburg municipal area as revealed by the SWOT Analysis process the following projects are proposed. In the tables below, each project within each strategic objective is placed in one of three categories

Project Prioritisation Category	
<b>Short Term</b>	Quick Wins
<b>Medium</b>	Medium term projects
<b>Long Term</b>	On-going activations

The table below illustrates the list of priorities that should assist the Municipality to achieve the abovementioned vision and mission.

No	Priorities
1	Reduce Unemployment and Enhance Quality of Life
2	Small Framers Support
3	Skills Development and Capacity Building
4	Establishment of Business Chamber
5	SMME Development
6	Tourism Development
7	Green Economy
8	Upgrading of Gravel Roads, (Matjiesfontein & Vleiland)
9	Create a business environment that is diverse, sustainable and resilient

The projects identified are either projects that remedy an existing blockage, problem or constraint, or new initiatives within a strategic theme.

#### 7.4 Strategic Themes



Figure 3: Municipal Strategies

### 7.4.1 Small Business Development

Project	Objectives	Action/ Activities	Project Champion	Municipal Role
Entrepreneurship Events	<ul style="list-style-type: none"> <li>Quarterly entrepreneurship Seminars</li> <li>Support to Youth and upcoming Businesses</li> <li>Sharing of Stories how Youth become successful in business.</li> <li>Partnerships</li> </ul>	<ul style="list-style-type: none"> <li>Coordinate and Facilitate Events</li> <li>Marketing</li> <li>Obtain information and contact details</li> <li>Proposals for economic opportunities and development</li> <li>Skills development training</li> </ul>	LED Unit SEDA	Facilitation Direct Opex Investment
Financial Support for SMME	<ul style="list-style-type: none"> <li>To get financial support and access</li> </ul>	<ul style="list-style-type: none"> <li>Municipality to partner with Private sectors or other departments</li> </ul>	LED Unit SEFA DSBD	Facilitation
Contractor SCM Support	<ul style="list-style-type: none"> <li>Assist SMME'S to register on Provincial database</li> <li>Promote the use of Local Contractors to Government Tenders and Services</li> </ul>	<ul style="list-style-type: none"> <li>Workshops</li> </ul>	LED Unit Department of Transport and Public Works	Facilitation

## 7.4.2 Tourism Development

Project	Objectives	Action/ Activities	Project Champion	Municipal Role
Develop Tourism offerings	<ul style="list-style-type: none"> <li>• More than one-night stays</li> <li>• To be able to take away from local experience</li> <li>• Develop TDP</li> </ul>	<ul style="list-style-type: none"> <li>• Establish a relationship with Tour Companies</li> <li>• Promotion and Marketing</li> <li>• Target Audience Survey</li> </ul>	<ul style="list-style-type: none"> <li>• Local Tourism office</li> <li>• LED</li> </ul>	<ul style="list-style-type: none"> <li>• Municipality to provide access to municipal properties</li> <li>• Direct Opex Development</li> </ul>
Promoting Local Entities	<ul style="list-style-type: none"> <li>• Ensure sustainable tourism development</li> <li>• Get locals on board to intergrade attractions</li> <li>• DRA-WOL promote as brand</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain local membership base</li> <li>• Continuous research to keep up to date with current trends</li> </ul>	<ul style="list-style-type: none"> <li>• Local Tourism Office</li> </ul>	<ul style="list-style-type: none"> <li>• ICT assistance</li> <li>• Facilitate the process</li> </ul>
Cultural Museum at Matjiesfontein	<ul style="list-style-type: none"> <li>• Link Matjiesfontein heritage site with Township Tourism</li> <li>• Develop cultural attraction with locals</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct a research</li> </ul>	<ul style="list-style-type: none"> <li>• Tourism office</li> <li>• LED</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitate the project</li> <li>• Inter play with stake holders</li> </ul>
Laingsburg Town Beautification Project	<ul style="list-style-type: none"> <li>• To develop the town's appearance and create a sense of place</li> <li>• Maintain Signage and Information systems</li> </ul>	<ul style="list-style-type: none"> <li>• Plants and shrubs</li> <li>• Clean rivers and remove alien plants</li> </ul>	<ul style="list-style-type: none"> <li>• Municipality</li> <li>• Department of Environmental Forestry and Fisheries</li> </ul>	Facilitation

### 7.4.3 Skills Development and Capacity Building

Project	Objectives	Action/ Activities	Project Champion	Municipal Role
Skills Audit Programme	<ul style="list-style-type: none"> <li>• Determine Existing and future skills requirement</li> <li>• Develop Skills links to planned/ Economic Activities</li> <li>• Facilitate and Structure HRD Programme</li> </ul>	<ul style="list-style-type: none"> <li>• A study should be undertaken explore the extent to which the existing industrial sites and business can be revitalized and used to support SMME growth</li> </ul>	<ul style="list-style-type: none"> <li>• DEDAT</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitation and infrastructure</li> </ul>
Renewable Energy Information Centre	<ul style="list-style-type: none"> <li>• Benefits of renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>• Information sessions in communities and at schools</li> </ul>	<ul style="list-style-type: none"> <li>• Private Sector</li> </ul>	Facilitation
Agricultural Training Centre	<ul style="list-style-type: none"> <li>• To train Farm Workers in Agriculture</li> <li>• Train Locals in Agriculture</li> </ul>	<ul style="list-style-type: none"> <li>• Encourage households to grow own vegetables</li> <li>• Small scale gardens</li> </ul>	<ul style="list-style-type: none"> <li>• LED and Agriculture</li> </ul>	Facilitation

## **CONCLUSION**

Local Economic Development is one of the municipalities Key Performance Areas and a LED Strategy must be developed to address Economic Development as a whole within the municipal boundary. It is also the municipalities prioritized development method to eliminate social illness and alleviate poverty within the municipality. It is seen as the vehicle to put Laingsburg on the map and ensure that Laingsburg municipality's financial situation can improve and ensure financial viability.

Laingsburg town, Matjiesfontein and Vleiland, each has a unique destination with its own set of attractions and opportunities for attracting more visitors.

It is important to develop a visitor proposition for each area, clearly defining the unique selling points, experiences available and ensuring that each town is well represented in the regional communications plan and activations with a strong call to action. For local economic and tourism development to be successful, it is necessary that every business and member of the community take responsibility for marketing the municipal area.

## REFERENCES

1. SEP Laingsburg 2020
2. MERO 2020 and 20201
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4. CKDM IDP 2017-2022
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