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# **Analysing the Impact of Local Economic Development and Labour Markets to Promote Employment in South Africa**

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## **Abstract**

South Africa continues to face high unemployment, particularly among youth and marginalised communities. This study analyses the relationship between Local Economic Development (LED) strategies and labour market dynamics in promoting employment in South Africa. Despite extensive policy frameworks designed to foster inclusive growth, unemployment remains persistently high, particularly among the youth. The research evaluates the effectiveness of LED initiatives in stimulating local job creation, enhancing productivity, and reducing regional disparities. A mixed-methods approach is employed, combining panel data analysis of South African municipalities from 2000 to 2023 with qualitative case studies. The quantitative analysis examines the relationship between LED expenditure, local GDP growth, and employment rates, while the qualitative component investigates institutional and governance factors shaping LED outcomes. Findings indicate that municipalities with coherent LED strategies, effective governance, and robust private sector collaboration experience higher employment growth. Nonetheless, disparities persist due to uneven resource distribution and limited administrative capacity at local levels. The study recommends strengthening intergovernmental coordination, enhancing monitoring and evaluation mechanisms, and promoting stronger partnerships between municipalities, businesses, and communities. Furthermore, increased investment in skills development and entrepreneurship within LED frameworks is essential to transform local development initiatives into sustainable employment opportunities across South Africa.

**Keywords:** Employment, Labour Markets, Local Economic Development (LED), Policy, South Africa